

CONNECTME



State of Maine

ConnectME Authority

59 State House Station, Augusta, Maine 04333-0059

Connect.ME@maine.gov

www.Maine.gov/connectme/

Authority Members - Denise Garland - Susan Woods - Bruce Williamson - Fred Brittain

BOARD MEETING

Friday November 22, 2019 @ 2:00 p.m.

Maine Public Utilities Commission

101 Second Street

Hallowell, ME 04347

AGENDA

1. Introduction to ConnectME Authority Board Members & Staff
2. Presentation: Clarence Young, Director of GIS Services, Sewall
3. Approve Rulemaking
4. Monthly Financials
5. Approval of October 25, 2019 Minutes
6. Director Report
7. Other Business
8. Public Comments

ConnectME Rulemaking

Comments:

Two Comments were submitted. One requesting the fee not be imposed, and the second from the Telephone Association of Maine suggesting alternate language for the identification of the fee on customer bills and adding a definition of “line” for the purposes of collecting the fee. Both of these suggested were incorporated into the final rule.

Section 2 of 99-369, Chapter 101, Definitions

I. Line. A "line" is any wired or wireless connection capable of real-time concurrent inbound or outbound voice communication calls that are made or received to or from the public switched telephone network. For the purposes of this Chapter, private branch exchange (PBX) lines and Centrex lines are considered to be lines. For the purposes of this Chapter, the number of lines a service provider provides to a subscriber shall be deemed to equal the number of inbound or outbound calls the subscriber can maintain at the same time using the service provider's service.

I. J. Mobile Communications Service Provider. “Mobile communications service provider” means any facilities-based provider of retail mobile wireless voice or data service.

I. K. Underserved Area. “Underserved Area” means any geographic area where broadband service exists, but where the Authority has determined that the service is inadequate pursuant to criteria set forth in section 5(C) of this Chapter.

I. L. Unserved Area. “Unserved Area” means any geographic area that the Authority has determined is without broadband service pursuant to criteria set forth in section 5(B) of this Chapter.

Section 7 of 99-369, Chapter 101 ConnectME FUND:

A. Assessment. The statutory assessment is imposed on the value of the following:

1. All retail revenues received or collected from communications services provided in Maine.

2. All retail revenues received or collected from mobile communications service providers that voluntarily agree to be assessed by the Authority.

~~3. Beginning January 1, 2020, a surcharge of 10¢ per line or number per month is assessed and collected on a monthly basis. If the communications service provider recovers the amount from its customers, it shall identify this surcharge on each customer bill and indicate that the funds are collected for use in the ConnectME fund.~~

ConnectME Rulemaking

3. Beginning January 1, 2020, a surcharge of 10¢ per line or number per month is assessed and collected on a monthly basis. If the communications service provider recovers the amount from its customers, it shall identify this surcharge on each customer bill as "ConnectME - Statewide Broadband" and indicate that the funds are collected for use in the ConnectME fund."

B. Additional Funds. Any additional funds the Authority collects pursuant to 35-A M.R.S. Chapter 93 shall be paid into the ConnectME Fund to be used for the purposes authorized by statute and in accordance with this Chapter.

C. Fund Administrator. The Authority will contract with an appropriate independent fiscal agent to serve as the Fund Administrator. The administrator will establish the time and procedures for payment after consultation with the Authority.

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October 25, 2019

ConnectME Authority – Meeting Notes

1. Introductions: Authority Board Members: Sue Woods, Jeff McNelly, Fred Brittain and Doug Birgfeld

Authority Staff: Brooke Johnson and Peggy Schaffer.

Members of the public were asked to introduce themselves.

2. Audit Presentation: Bob Dube presented the findings from the FY19 audit. The opinion of the auditing company is the financial statements in the report present fairly, in all material aspects, the respective financial position of the governmental activities and major fund of ConnectME Authority as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Fred Brittain motions to approve the audit and Jeff McNelly seconds the motion. All were in Favor.
3. Rulemaking: Peggy Schaffer explained the additional funding source and that ConnectME is currently in the process of a rulemaking for the new surcharge of 10 cents per line or number that will be on each customer's bill. Comments are due November 15th. Ben Sanborn suggested we title the new surcharge something other than the ConnectME surcharge. Peggy Schaffer explained that the AG's office said by statute we had to have the words ConnectME surcharge in the title.
4. Budget Discussion and Monthly Financials: Brooke Johnson reviewed the monthly financials. ConnectME paid \$70,050 in grant payments for the month of October and the ending balance is \$896,027.71. Peggy Schaffer reviewed the updated proposed budget and explained that she decreased the amounts for all the new initiatives. Doug Birgfeld motions to approve the proposed budget and Jeff McNelly seconds the motion. All were in favor.
5. Approval of September 27, 2019 Minutes: Doug Birgfeld motions to approve the minutes and Fred Brittain seconds the motion.
6. Director Report: Peggy Schaffer discussed the upcoming Maine Broadband Coalition Conference on Monday and Tuesday at Thomas College and she also talked about the numerous phone calls from Communities asking when our next round of funding will be and how much ConnectME will be awarding. Peggy Schaffer provided a brief update on the State Economic Strategic Plan and that it is due to the Governor by November 15th.

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7. Other Business: N/A
8. Public Comments: Ben Sanborn discussed his involvement in the State's Economic Plan because there is a workforce issue for TAM members.

Board meeting adjourned at 3:15 p.m.

Maine ConnectME Fund
Statement of Revenue and Expenditures
As of 11/15/2019

Cash Receipts	July	August	September	October	November	December	January	February	March	April	May	June	Total FY20
Assessments	1,500,000.00	400,000.00	-	-	-	-	-	-	-	-	-	-	1,900,000.00
Interest Income													-
Total Receipts	1,500,000.00	400,000.00	-	-	-	-	-	-	-	-	-	-	1,900,000.00
Expenses													
Personal Services	10,076.24	20,152.76	20,283.26	29,696.43	11,487.84								91,696.53
Professional Services, Not by State	-	1,538.00	1,500.00	1,500.00	1,500.00								6,038.00
Professional Services, By State	-	2,574.00	-	2,574.00	-								5,148.00
In State Travel	35.57	-	502.33	48.59	-								586.49
Out of State Travel	758.00	699.72	1,379.60	159.28	-								2,996.60
Technology/Ancillary	25.00	20,963.19	-	10,703.92	10,064.08								41,756.19
Cell Phone	87.54	44.16	-	44.55	-								176.25
Supplies	-	-	-	-	37.95								37.95
Grants to Cities and Towns	-	35,450.00	-	-	25,410.00								60,860.00
Grants to Public and Private Org.	-	3,000.00	85,295.57	70,050.00	77,748.75								236,094.32
Total Expenses	10,982.35	84,421.83	108,960.76	114,776.77	126,248.62	-	-	-	-	-	-	-	445,390.33
Operating Surplus/(Deficit)	1,489,017.65	315,578.17	(108,960.76)	(114,776.77)	(126,248.62)	-	-	-	-	-	-	-	1,454,609.67
Fund/Cash Balance	1,489,017.65	1,804,595.82	1,695,635.06	1,580,858.29	1,454,609.67	1,454,609.67	1,454,609.67	1,454,609.67	1,454,609.67	1,454,609.67	1,454,609.67	1,454,609.67	1,454,609.67

Unliquidated Contractual Obligations (635,095.81)

Projected Ending Fund/Cash Balance **819,513.86**

**MAINE CONNECTME FUND CASH FLOWS ANALYSIS
FOR THE FISCAL YEAR END JUNE 30, 2020
PREPARED FOR CONNECTME AUTHORITY BY SOLIX, INC.**

CONNECTME FUND BALANCE @ 6/30/19

1,784,062.32

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL 20 ACTIVITY
Cash Receipts:													
Assessments	236,971.54	709.49	3,041.72	161,580.11									402,302.86
Broadband Sustainability Fund Settlement - GWI													-
Interest Income	432.42	125.35	20.68	24.66									603.11
FirstNet													-
Miscellaneous Income													-
Transfer to TEAF													-
Total Receipts	237,403.96	834.84	3,062.40	161,604.77	-	-	-	-	-	-	-	-	402,905.97
A/R Refunds													-
Expenses:													-
Data Collection, Analysis, and Mapping	(1,500.00)												(1,500.00)
Personnel and Ancillary Services	(30,458.04)												(30,458.04)
Planning Grants	(5,050.00)												(5,050.00)
Infrastructure Grants													-
FirstNet													-
Software Search Tool Purchase													-
Operational Services													-
Web Design and Maintenance													-
Technical													-
Broadband Sustainability Fund Grant													-
Transfer to DAFS	(1,500,000.00)	(400,000.00)											(1,900,000.00)
Total Support	(1,537,008.04)	(400,000.00)	-	-	-	-	-	-	-	-	-	-	(1,937,008.04)
Administrative Expense	(2,125.00)												(2,125.00)
Audit Expense													-
Bank Charges													-
Miscellaneous Expense													-
Total Expenses	(1,539,133.04)	(400,000.00)	-	-	-	-	-	-	-	-	-	-	(1,939,133.04)
OPERATING SURPLUS/(DEFICIT)	(1,301,729.08)	(399,165.16)	3,062.40	161,604.77	-	-	-	-	-	-	-	-	(1,536,227.07)
ENDING CONNECTME FUND BALANCE	482,333.24	83,168.08	86,230.48	247,835.25									247,835.25