

MINUTES OF THE CC COMMUNICATIONS MANAGEMENT

155 N. Taylor St., Fallon, NV 89406

July 7, 2022

Call to Order:

The regular meeting of the CC Communications was called to order at 1:45 PM on July 7, 2022.

PRESENT: Commissioner H. Peter Olsen, Jr.
Commissioner Justin Heath
Commissioner Gregory Koenig
General Manager Mark Feest
Chief Financial Officer Jamie Hyde
Administrative Assistant Shelly Bunyard

ABSENT:

Public Comment:

Chairman Gregory Koenig asked if there was any public comment but there was none.

Verification of Posting of Agenda:

It was verified by Shelly Bunyard, Administrative Assistant, that the Agenda for this meeting was posted on the 30th day of June, 2022 between the hours of 1 pm and 5 pm at all of the locations listed on the Agenda, in accordance with NRS 241.

Consideration and possible action re: Approval of Agenda as submitted or revised:

Commissioner H. Peter Olsen, Jr. made a motion to approve the Agenda as submitted. Commissioner Justin Heath seconded the motion, which carried by unanimous vote.

Consideration and possible action re: Approval of Minutes of the meeting held on:

A- June 2, 2022

Commissioner Justin Heath made a motion to approve the Minutes of the meeting held on June 2, 2022 as submitted. Commissioner H. Peter Olsen, Jr. seconded the motion, which carried by unanimous vote.

B- June 2, 2022 Closed Session

Commissioner Justin Heath made a motion to approve the Minutes of the meeting held on June 2, 2022 (closed session) as submitted. Commissioner H. Peter Olsen, Jr. seconded the motion, which carried by unanimous vote.

New Business:

A- Consideration and possible action re: update to the CC Communications Scholarship Policy.

Mark Feest, CC Communications. The scholarship policy was recently updated either last month or the month before. The board approved our request to add a trade school scholarship portion to our policy. We realized the way the policy was drafted, makes it difficult for the student attending a trade school to receive the scholarship. The changes are attached to this item. We are allowing the students to collect the total award in year one, instead of carrying it over to year two and splitting the award. The reason we are doing this is because trade schools want 100% of

the tuition paid upfront. There is not a progress point at which you would pay another amount of money. If we didn't make this change, the students would not get the full amount of the award. Commissioner Justin Heath made a motion to approve the updates to the CC Communications Scholarship Policy. Commissioner H. Peter Olsen, Jr. seconded the motion, which carried by unanimous vote.

B- Consideration and possible action re: salary scale adjustments to align with NTCA 2022 Compensation & Benefit Report.

Mark Feest, CC Communications. NTCA is the largest trade association for rural telecommunication carriers in the United States with over 800 independent, private, cooperative members and one county member. The one county member is CC Communications. NTCA publishes an annual Compensation & Benefit Report with over 300 pages of data on the jobs within the telecommunications industry. CC Communications has historically pegged the top of all non-CBA jobs at the 75th percentile. This has been the Board approved method for setting salaries at CC Communications for at least two decades. From time to time, this method has resulted in redlining or increasing salaries for certain positions. CC Communications does not attempt to make adjustments based upon the NTCA Report annually. It has been around five years since CC Communications compared the NTCA Report to actual salaries to determine if significant variations have arisen. The 2022 Report was received last month, and it reflects data from calendar year 2021. Several non-CBA positions were found to be below the mean even after the COLA that will take place in the first full pay period in July.

There are 26 positions not covered by the CBA (some have multiple employees). The annual cost to bring each position to the mean of the 2022 Report is \$77,652.63.

The annual cost to bring each position to the mean if we cap individual increases at 5% is \$54,197.57.

CC Communications currently has 2 recruitment firms engaged in seeking candidates for non-CBA positions, including sales engineer, inside plant engineer, CTO/COO and an IT position. I had mentioned previously the primary entity doing the search for CTO/COO, after we offered the position to two people and both people rejected our offer. The entity told us they give up and they will not continue to search. We frequently receive zero outside or experienced applicants. It should be noted that the offers we made to the CTO/COO position were prior to the 2022 NTCA Report being published, and it turns out that both offers were below the mean in the Report.

CC Communications should not expect our current employees to work for wages below what we would need to offer to replace them. As such, it is management's recommendation that the Board approve one of the following options:

Move to approve adjusting non-CBA covered salary scales up to the mean of the 2022 NTCA Compensation & Benefit Report subject to a 5% cap on any individual increase, or

Move to approve adjusting non-CBA covered salary scales up to the mean of the 2022 NTCA Compensation & Benefit Report.

Also, we still have the COO/CTO, senior sales and accountant positions open. We have two firms engaged to seek candidates. These firms receive 25% of the persons first year salary if they deliver a candidate to us that we hire. That's where we are with our recruiting effort for non-CBA positions.

Commissioner H. Peter Olsen, Jr. If we make this adjustment with the 5% cap, will that help you with recruitment?

Mark Feest, CC Communications. Yes, it will help us. Right now, we are having to start people at the top of the salary scale, just to get them to think about the job. This will shift that scale. We are offering people outside more than what the people are currently making. They have step increases over years. Just to get someone to look at our positions they won't consider it unless they're hired at the 8 or 10 step increase. Then we have an employee who has been doing the job for the last 5 years and is making less money. I don't think that's right.

Commissioner, H. Peter Olsen, Jr. In an email you sent, you mentioned there is adequate funding.

Mark Feest, CC Communications. Yes, there is adequate funding to pay for this.

Commissioner, H. Peter Olsen, Jr. I am willing to support the increase with a 5% cap.

Commissioner, Gregory Koenig. There is nothing that says you can do the study again in two years to see where were at. Some of those people that have the 5% cap and if the study is done again sooner than every 5 or 10 years, then they would be up to speed.

Mark Feest, CC Communications. Right. It's published every year from the past years data that they collect from their membership. We look at it every year and this year the report jumped up considerably on some positions. Our HR Manager looked closer at every non-CBA position. Most are within that 5% but there are a couple that are at 6% and 7%, it's not a drastic difference by adding the cap. It's spread among multiple employees.

Commissioner Gregory Koenig. If we do this again, they would be caught up?

Mark Feest, Commissioner. Yes, they could be caught up, if this is done again soon and if they are not topped out. They could catch up on a merit increase this year. I anticipate next years cost of living increase, will not be the 2.5% we are historically used to. There will also be a jump there too.

Commissioner H. Peter Olsen, Jr. made a motion to approve the salary scale adjustment to align with 2022 NTCA Compensation & Benefit Report subject to a 5% cap on any individual increase. Commissioner Justin Heath seconded the motion, which carried by unanimous vote.

C- Consideration and possible action re: Profit Transfer portion of PILT paid from the CC Communications Enterprise Fund to the County General Fund.

Mark Feest, CC Communications. This is agendized where you can take an action on it but there is no intent for any action.

CC Communications CEO and the County Manager met regarding various topics, including a path forward on both the PILT and profit transfer. Going forward, the County Manager and CEO will meet monthly, prior to the CC Communications Board meeting to discuss matters that may affect the general County. I want to make sure that I understand what affects the County that I might not see. These meetings will give the County Manager and I the opportunity to understand what ever item or issue that is pending. If there is an issue, I am hoping it will be addressed prior to the public meeting. The meetings that fall prior to the October, January, and April CC Comm Board meetings, we will discuss the status of the 2022-2023 profit transfer as it pertains to CC Comm cash reserve.

The Budget I had presented, the Board approved a withholding on the profit transfer portion. Then in another meeting later the money was put back in the counties budget. In that meeting, it was stated that there will be ongoing discussions about that. This addresses the ongoing discussions quarterly. We will look at CC Communications cash, to review if the cash is going quicker than expectations or if its moving slower. We will either agree on an adjustment or at least agree to disagree when we come to the board. Either way we will know where each side stands on this issue.

The County Manager is following up with the Assessor regarding the re-calculation of the PILT based upon the property taxes a private entity would pay upon the assets in Churchill County. This impacts CC Communications because it goes into our cost study and our rate base as a cost to create rates and the Universal Service Fund impacts that it has.

CC Communications is planning on submitting budgets for FY 23/24, FY 24/25 and FY 25/26 that reflect a 36-month hiatus on the profit portion of the PILT starting July 1, 2023, as presented to the Board previously. The County Manager is aware of this intention, and will provide his input as part of the general County budgeting process.

CC Communications intends to propose a profit transfer formula based on benchmarks for rural telecommunications companies' expected returns. Again, the County Manager is aware of this intention, and will provide his input as part of the general County budgeting process.

Informational Only

Reports: General Manager Report:

1. USAC Audit
 - a. CC Communications has been selected for a USAC Audit. It has been about 9 years since our last USAC Audit, which is part of a random selection process to monitor compliance.
 - b. The last audit was very time consuming for our accounting department, as well as

outside plant.

- c. The audit team will check for accounting errors, as well as physically inspecting plant, measuring loop lengths, checking cabinets, to ensure the materials that have been included in the costs study have actually been placed in the ground, etc.
 - d. We were notified June 1, 2022, along with many other companies that we had been selected and to expect contact from hired auditors any day.
2. Ongoing review of non – core services and whether they align with future plans for CC Communications.
- a. Web development will have some trickle over of expense and revenue into FY 23 due to client delays in transferring hosting, email, and content.
 - b. As we compare install and trouble expenses between Elko and Fallon it is highlighting the high cost of providing IPTV.
 - i. We are attempting to free up resources to fully analyze the path forward for IPTV.
 - ii. Considering changes to processes and procedures on installs.
3. Switch and Inter-exchange Network Update evaluation:
- a. Engaged VP Solutions
 - 1. Acquired Signalling Gateway. Coordinating with consultant on installation and transition from SS7 to Sigtran. This should result in a monthly saving of around \$4500.
 - 2. Phase II is a deep dive into alternatives to existing EOL or near EOL equipment
 - a. Deliverable: Recommended alternatives and budgets
 - i. ETA October
4. Further implementation of SharePoint Continues (Probably 12 -18 months for full implementation)
- i. Utilizing an Agile Project Management framework and an iterative approach, we will be further implementing functionality and integrating into daily use.
 - ii. Roadmap complete
 - iii. Product backlog being developed
 - iv. Ongoing department meeting to prioritize implementation of functionality
5. HR
- a. COO search has ended. NTCA noticed us that they had exhausted their efforts

- i. Ultimately, we interviewed 4 candidates in person (multiple zoom), made two offers, and were rejected twice.
 - b. Continuing search for senior sales engineer
 - c. Down one accountant as we go into USAC Audit
 - d. We will maintain a continual outside recruiting effort for an experienced ISP engineer II or III position.
 - i. Engaged two outside search firms for positions we have been unable to fill, as well as positions with retirees in the next year.
6. OSP – Fallon Crew
- a. Churchill County FTTH will be started up again in July.
 - i. Pioneer
 - ii. Trento II
 - b. Completed Yerington Tribal E-Rate Project
 - c. Victory Park, Fernley
7. Bead Grants
- a. Three meetings scheduled with County Administrators and a strategic partner regarding upcoming BEAD opportunities.

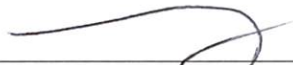
Affidavit of Posting:

Public Comment:


Chairman Gregory Koenig asked if there was any public comment but there was none.

Adjournment:

The meeting was adjourned at 2:07 p.m.

APPROVED: 

 Greg Koenig, Chairman

APPROVED: 

 H. Peter Olsen, Jr., Vice, Chairman

APPROVED: 

 Justin Heath, Commissioner



 Shelly Bunyard, Administrative Assistant



 Mark Feest, General Manager/CEO