

MINUTES OF THE CC COMMUNICATIONS MANAGEMENT

155 N. Taylor St., Fallon, NV 89406

July 6, 2023

Call to Order:

The regular meeting of the CC Communications was called to order at 1:45 PM on July 6, 2023.

PRESENT: Commissioner Myles Getto
Commissioner Harry Scharmann
Commissioner Justin Heath
General Manager Mark Feest
Chief Financial Officer Jamie Hyde
Administrative Assistant Shelly Bunyard

ABSENT:

Public Comment:

Chairman Myles Getto 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 28th day of June, 2023 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 Justin Heath made a motion to approve the Agenda as submitted. Commissioner Harry Scharmann seconded the motion, which carried by unanimous vote.

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

A- April 28, 2023 - Budget Workshop Meeting

Commissioner Harry Scharmann made a motion to approve the Minutes of the budget workshop meeting held on April 28, 2023 as submitted. Commissioner Justin Heath seconded the motion, which carried by unanimous vote.

B- May 4, 2023

Commissioner Harry Scharmann made a motion to approve the Minutes of the meeting held on May 4, 2023 as submitted. Commissioner Justin Heath seconded the motion, which carried by unanimous vote.

C- May 4, 2023 - Closed Session

Commissioner Harry Scharmann made a motion to approve the Minutes of the closed session meeting held on May 4, 2023 Closed Session as submitted. Commissioner Justin Heath seconded the motion, which carried by unanimous vote.

New Business:

A- Consideration and possible action re: CC Communications 2nd Quarter Write Offs FY 2022/2023 in the amount of \$6,121.86

Jamie Hyde, CC Communications. We are asking for the approval of the 2nd Quarter Write Offs for FY 2022/2023, in the amount of \$6,121.86.

Commissioner Harry Scharmann made a motion to approve the CC Communications 2nd Quarter Write Offs for FY 2022/2023 Commissioner Justin Heath seconded the motion, which carried by unanimous vote.

B- Consideration and possible action re: CC Communications 3rd Quarter Write Offs for FY 2022/2023.

Jamie Hyde, CC Communications. We are asking for approval of the 3rd Quarter Write Offs for FY 2022/2023 in the amount of \$4,573.51.

Commissioner Justin Heath made a motion to approve the CC Communications 3rd Quarter Write Offs FY 2022/2023 in the amount of \$4,573.51. Commissioner Harry Scharmann seconded the motion, which carried by unanimous vote.

C- Consideration and possible action re: authorization to create Assistant General Manager - CEO/GM in waiting job description and authorization to recruit.

Mark Feest, CC Communications. We have recruited for a COO position for over two years, having done so using internal human resources as well as two recruiting agencies. This has resulted in multiple zoom interviews, six in-person interviews, and four job offers. To date, the position remains unfilled. One candidate received a promotion and counter-offer from their then current employer. I talked to that candidate yesterday morning, he has already left the then current employer and has gone out on his own as a consultant. There are so many opportunities for people in this field with these credentials. Two candidates failed to come to agreement on salary and benefits. One candidate expressed, after the in-person interview, that they wanted a hybrid remote position where their family would remain out of state.

It is the view of the CEO/General Manager that the very tight job market, which specifically affects network engineers, accountants, and senior management positions in telecom, requires a repositioning of all difficult to fill and retain jobs to make them more attractive. Obstacles to hiring these types of positions include lack of job advancement opportunities in a small company. This has been expressed to us by a couple of candidates, specifically one in the accounting field. At their level of work to that point, they felt there would be no opportunity to ever move up within the company. They were not interested in the position.

Multiple candidates for the COO position have asked me how long I plan to stay with the company. I think when they look at my position, they're thinking of a one promotion opportunity. The lack of job advancement in a small company, salary, benefits (lack of flexibility with PERS and the significant reduction in benefits for new hires). One candidate was really into how PERS worked. The employer and employee side pay that some organizations do. For example, at a place like Oasis Academy, as an employee you can choose employee/employer paid or employer paid. If you choose employee/employer paid, they essentially take your salary and increase it by 50% of the total PERS contribution and pull it back out of your check for your 50%. If you leave that employment without vesting, you can cash out that money, if you believe that 2.3% is not valuable to you. Employees that are more senior and are closer to their retirement are not interested in the 2.3% per year for a place they might be at for the next five to ten years. This candidate wanted to know if they can do the employer/employee paid option, which we can't do. Once that selection is made, you have to stay in that program.

One candidate asked if there was equity or profit sharing with the company. On NTCA's website, I saw where they are advertising for a COO position that includes equity. In this industry you're either acquiring companies or companies are being acquired. The main goal of acquisition is to be large enough to do an IPO or large enough to merge with another entity that is on this acquisition path to do an IPO too. I believe they are giving people stock options to attract them. That is something we couldn't do.

The PERS benefit, now that the target is 36%.

Joseph Sanford, Chief Civil Deputy District Attorney. This year it's 32.5%, but the audit suggested 36% was the correct amount. It's expected it will be that in two years.

Mark Feest, CC Communications. As we bring these employees on, we are paying into a system at 32% to 36% where that audit also says the actual benefit to them is as if you're only paying 18%. The entirety of everything above 18% is paying people who have already been in the system. When we look at these employees in senior positions, they will look at the value they are getting out of this. They do not see the value that it costs us. They are seeing more value in other places.

The significant reduction in benefits for new hires and housing prices have been mentioned. Most rural companies that are in the Midwest and the South have historically low housing prices.

While network engineering and accounting positions are not before the Board today, we plan to ask for changes in recruitment and retention for those positions at a future date. A major sticking point for the COO position, which we feel we can address here, is that there are actually many CEO/GM positions and COO positions advertised within the rural telecom industry, and candidates often receive more than one offer. Moreover, candidates for COO positions are looking to fill a CEO/GM position in the near future. In an effort to make the position more attractive, the CEO/GM would like to create an Assistant GM job description that is a CEO/GM in waiting position. The incumbent intends to retire between 1.5 and 2.5 years from filling this position. Recruiting an Assistant GM where the candidate understands the intention is for that hire to transition into the CEO/GM position upon the incumbent's retirement, may provide a greater applicant pool, as well as make the position more attractive. Once the job is created, CC Communications HR would begin recruiting for the position, possibly utilizing recruiting firm(s) on a contingency basis. After initial screening of candidates, all formal interviews would be conducted by the Board and the incumbent CEO/GM. The candidates would be clearly notified that while the position is a CEO/GM in waiting, final confirmation would have to be made by the Board of County Commissioners upon a firm retirement date established by the incumbent. The Chief Deputy DA would craft an acknowledgment addressing the foregoing. The 2023 NTCA Salary and Benefits Report came out in June and reflects calendar year 2022 numbers. NTCA is a national telecommunications cooperative association. You don't have to be a cooperative to be a member, but you have to be an independent company not affiliated with AT&T and Lumen types of companies. When I first started in this industry, there were 1200 members in NTCA and now there are a little over 700 members. It's because people are either acquiring or being acquired. They send out questionnaires to their members and compile a very

comprehensive study, it includes retirement plans, bonuses, equity and salaries for various different positions. They break down the study essentially by companies that have under \$5 million in revenue, \$5 million to \$10 million, \$10 million to \$15 million, \$15 million to \$20 million, \$20 million to \$25 million and over \$25 million in revenue. They also break it down by number of employees, number of broadband connections, etc. They then create a report that tags each job description at 25th, 50th, 75th and 95th percentiles.

Prior to me having this position, it was established that non-union employees are pegged to the 50th and 75th percentile of the NTCA study. We are represented by a union, and the top of their scales are in between the 75th and 95th percentiles. You can't get management of non-union employees or people who moved into those positions, if it's not pegged this way.

Looking at the Assistant GM position at companies of our size (revenue, employees, and broadband customer count), and represented by a union, indicates the 2022 salary at the 50th % is \$174,500 and 75th % is \$241,000. This is slightly higher than the approved salary scale for the COO. The most impactful factors of the report are broadband customer count and whether the company is represented by a union. Currently, we are at 102 customers short of moving into the highest tier of small company broadband count, which would trigger a raise. If we were to move up to the highest tier, NTCA shows 50th % = \$187,000 and 75th % = 265,000.

We are asking the board's approval to adopt a new job description for the Assistant GM positions and tagging it to the 50th to 75th percentile in the NTCA study and recruit for that position. The alternative is to continue recruitment under the COO job description and salary rate at the 50th percentile. We did shed a position that will not be refilled. The position has been absorbed into Stewart Nichols' position, which was previously filled by Jay Lingenfelter. The offset for the position not being refilled and this position 50th to 75th percentile along with the PERS costs of \$58,547 to \$80,735 along with the increase/decrease to the approved budget, is somewhere between \$87,071 more and \$1,617.00 less.

Commissioner Justin Heath. Does this eliminate the COO position?

Mark Feest, CC Communications. That is correct that position is eliminated.

Commissioner Justin Heath. Are you having problems recruiting from within? I was just wondering if we don't have qualified people within CC Communications. It seems like everything we're doing is going outside of CC Communications.

Mark Feest, CC Communications. It's a combination of a really tight job market. This specific position has been posted and no one attempted to apply for it. The COO position has been open since Ed Rybold was an employee here. The technical positions are a huge challenge internally. As a progression in your job, we try to establish a progression that leads into the inside plant engineering group. I think people see the difficulty of the job and especially at a time right now where are having network issues and these employees are working around the clock to get the network running. I don't know if that answered your question, but this position has been open and it hasn't generated any applications.

Jamie Hyde, CC Communications. I think to answer that question too, are the people that could have succeeded into that role were less than five years from retirement or retiring right now.

Commissioner Justin Heath. Mark, when are you going to retire.

Mark Feest, CC Communications. I think it's in there. My plan is 1.5 to 2.5 years from the time we can employ someone, who looks like they are interested in the position. I can't imagine myself being here more than 2.5 years.

Commissioner Myles Getto. That scares me. Are there any other questions and seeing none can I get a motion.

Commissioner Justin Heath made a motion to authorize creating an Assistant General Manager - CEO/GM in waiting job description and authorization to recruit. Planning Commissioner Myles Getto seconded the motion, which carried by unanimous vote.

Reports: General Manager Report:

1. Grants

a. SCA

1. Start July 10, 2023
2. Official groundbreaking July 17, 2023

b. Tribal

- i. We continue to try to move these along
- ii. No significant progress with Awardees

2. Network

- i. An RFP for transport gear has received responses from 4 vendors (one was non-responsive in breadth).
 1. Vantage Point (an engineering firm) is helping us evaluate
 2. Slowed due to trouble issues, however, we also refined the ask and received modified proposals from two vendors
- ii. Trouble Issues
 1. Workaround and long-term fix planning

3. Human Resources

- a. Jobs posted for
 - i. COO

- ii. CTO
- iii. Network engineers
- iv. CSR
- v. Installer
- vi. Sales Engineer
- vii. Accountant

Affidavit of Posting:

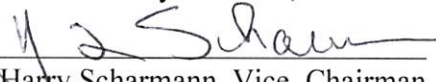
Public Comment:

Chairman Myles Getto asked if there was any public comment but there was none.

Adjournment:

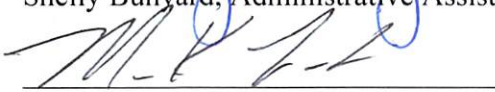
The meeting was adjourned at 2:18 p.m.

APPROVED: 
Myles Getto, Chairman

APPROVED: 
Harry Scharmann, Vice, Chairman

APPROVED: 
Justin Heath, Commissioner


Shelly Bunyard, Administrative Assistant


Mark Feest, General Manager/CEO