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**CHURCHILL COUNTY COMMISSIONERS  
CC COMMUNICATIONS MANAGEMENT  
CHURCHILL COUNTY, NEVADA**

899 South Maine Street  
Mailing Address PO Box 1390  
Fallon, Nevada 89407  
(775) 423-7171 Ext. 1215  
Fax: (775) 423-0317

Contact Person: Shelly Bunyard, Administrative Assistant  
E-mail: [shelly.bunyard@cccomm.co](mailto:shelly.bunyard@cccomm.co)

**\*\*\*\*NOTICE OF PUBLIC MEETING\*\*\*\***

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**AGENDA**  
**PLEASE POST**

**PLACE OF MEETING:** Churchill County Administrative Building, Commission Chambers,  
155 North Taylor Street Suite 145, Fallon, Nevada

**DATE & TIME:** April 29, 2024 at 11:00 AM

**TYPE OF MEETING:** BUDGET WORKSHOP, CC Communications Management Meeting

**If you wish to make public comment, you may provide them at the meeting or via email, no later than 4:30 PM the day before the meeting, to [shelly.bunyard@cccomm.co](mailto:shelly.bunyard@cccomm.co).**

**Notes:**

- I. These meetings are subject to the provisions of Nevada Open Meeting Law (NRS Chapter 241). Except as otherwise provided for by law, these meetings are open and public.***
- II. Action will be taken on all Agenda items, unless otherwise noted.***
- III. The Agenda is a tentative schedule. The CC Communications Management Board may act upon Agenda items in a different order than is stated in this notice – so as to affect the people’s business in the most efficient manner possible.***
- IV. In the interest of time, the CC Communications Management Board reserves the right to impose uniform time limits upon matters devoted to public comment.***
- V. Any statement made by a member of the CC Communications Management Board during the public meeting is absolutely privileged.***
- VI. All persons participating in the meetings are put on notice that an audio and video***

*recording is made of these meetings.*

**AGENDA:**

1. **Call to Order.**
2. **Public Comment.**
3. **Verification of Posting of Agenda.**
4. **Consideration and possible action re: Approval of Agenda as submitted or revised.**
5. **New Business.**
  - A. Consideration and possible action re: Presentation of the 2024 - 2025 Fiscal Year Budget Workshop
6. **Affidavit of Posting:**
7. **Public Comment.**
8. **Adjournment.**

STATE OF NEVADA        )  
  : ss.  
County of Churchill     )

*I, **Shelly Bunyard, Administrative Assistant**, do hereby affirm that I posted, or caused to be posted, a copy of this notice of public meeting, on or before the **23rd day of April, 2024** between the hours of **1 p.m. and 5 p.m.**, at the following locations in Churchill County, Nevada:*

1. *Churchill County Administration Building, 155 N. Taylor St., Fallon, NV;*
2. *The CC Communications Website @ [www.cccomm.info](http://www.cccomm.info);*
3. *The State of Nevada Website @ <https://notice.nv.gov/>.*



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***Shelly Bunyard, Administrative Assistant***

***Shelly Bunyard, Administrative Assistant, who was subscribed and sworn to before me this April 23, 2024***



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**Pamela D. Moore, Deputy Clerk to the Board**

Endnotes:

**Disclosures:**

*\*CC Communications is an equal opportunity provider and employer.*

**Accommodations/Nondiscrimination:**

*\*Notice to Persons with Disabilities: Members of the public who are disabled and require special assistance or accommodations at the meeting are requested to notify the CC Communications Executive Office in writing at P.O. Box 1390, Fallon, NV 89407 (Attn: Shelly Bunyard), or by calling 775-423-7171 ext. 1215 at least two days in advance.*

*\*In accordance with federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its agencies, offices, employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies or complaint filing deadlines vary by program or incident. Persons with disabilities who require alternative means of communication for program information (e.g. Braille, large print, audiotope, American Sign Language, etc.) should contact the responsible agency [(775)423-4092] or USDA's TARGET Center at (202)720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800)877-8339. Additionally, program information may be available in languages other than English. To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at: [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the Complaint Form, call (866)632-9992. Submit your completed form or letter to USDA by:*

1. Mail: U.S. Department of Agriculture  
Office of the Assistant Secretary for Civil Rights  
1400 Independence Avenue, SW  
Washington, D.C. 20250-9410;
2. Fax: (202)690-7442; or
3. Email: [program.intake@usda.gov](mailto:program.intake@usda.gov).

**Procedures:**

*\*The public meetings may be conducted according to rules of parliamentary procedure.*

*\*Persons providing public comment will be asked to state their name for the record.*

*\*The CC Communications Management Board reserves the right to restrict participation by persons in the public meeting where the conduct of such persons is willfully disruptive to the*

*people's business.*

*\*All supporting materials for this Agenda, previous Agendas, or Minutes are available by requesting a copy from the CC Communications Office, 775-423-7171 ext. 1215. During the meeting, there will be one copy available for public inspection. Additional copies are available by making the request from the CC Communications Office. You are entitled to one copy of the supporting materials free of charge.*



# CC Communications Agenda Report

**Date Submitted:** April 22, 2024

**Agenda Item #:** New Business - A  
**Meeting Date Requested:** April 29, 2024

**To:** Board of Churchill County Commissioners  
**From:** Jamie Hyde, Chief Financial Officer  
**Subject Title:** Consideration and possible action re: Presentation of the 2024 - 2025 Fiscal Year Budget Workshop

**Type of Action Requested:** None; Informational Only

**Does this action require a Business Impact Statement?** No

**Recommend Board Action:** None; informational only.

**Discussion:** Presentation to the Board of the 2024 - 2025 Budget Workshop, Powerpoint presentation is attached.

**Alternatives:** N/A


**Fiscal Impact:** Budget for 2024 - 2025

**Explanation of Impact:** N/A

**Funding Source:** Budget for 2024 - 2025

**Prepared By:** Shelly Bunyard, Administrative Assistant

**Reviewed By:**

  
\_\_\_\_\_  
Mark Feest, General Manager

Date: April 24, 2024

  
\_\_\_\_\_  
Jamie Hyde, Chief Financial Officer

Date: April 24, 2024

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**Board Action Taken:**

**Motion:** \_\_\_\_\_

1) None	_____	<u>Aye: 0</u>
2) None	_____	<u>Nay: 0</u>

*Sully Bonyard*

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(Vote Recorded By)

The submission of this agenda report by county officials is not intended, necessarily, to reflect agreement as to a particular course of action to be taken by the board; rather, the submission hereof is intended, merely, to signify completion of all appropriate review processes in readiness of the matter for consideration and action by the board.



# 2024 Budget Workshop

2024-2025

Budget Overview

# Agenda

CC Communications

Made up of four  
companies:

Telephone

Broadband

Long Distance

CAP



**Budget Process  
Discussion**



**Overview**



**Revenue Forecasts**



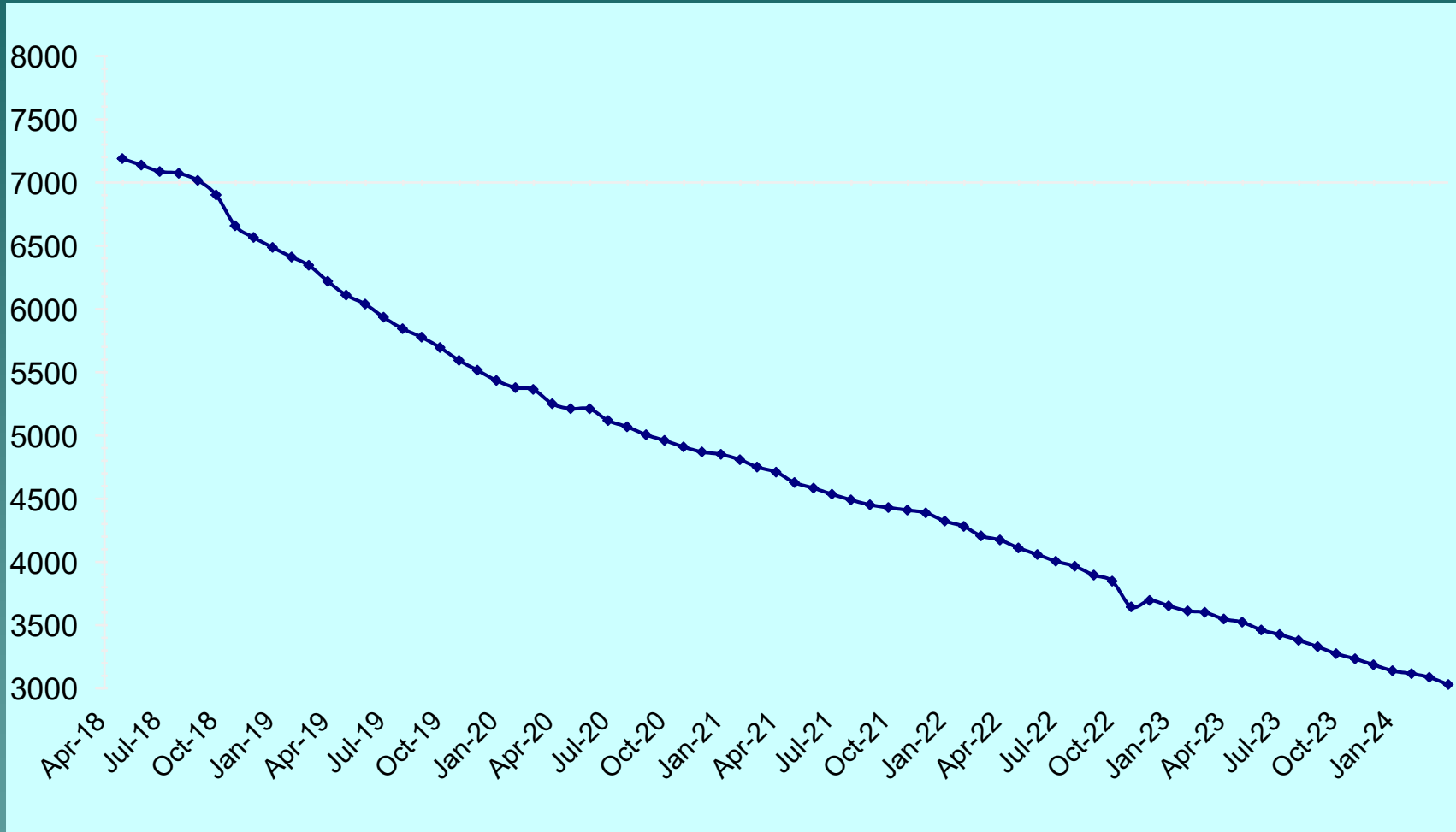
**Financial Overview &  
Capital Budget**



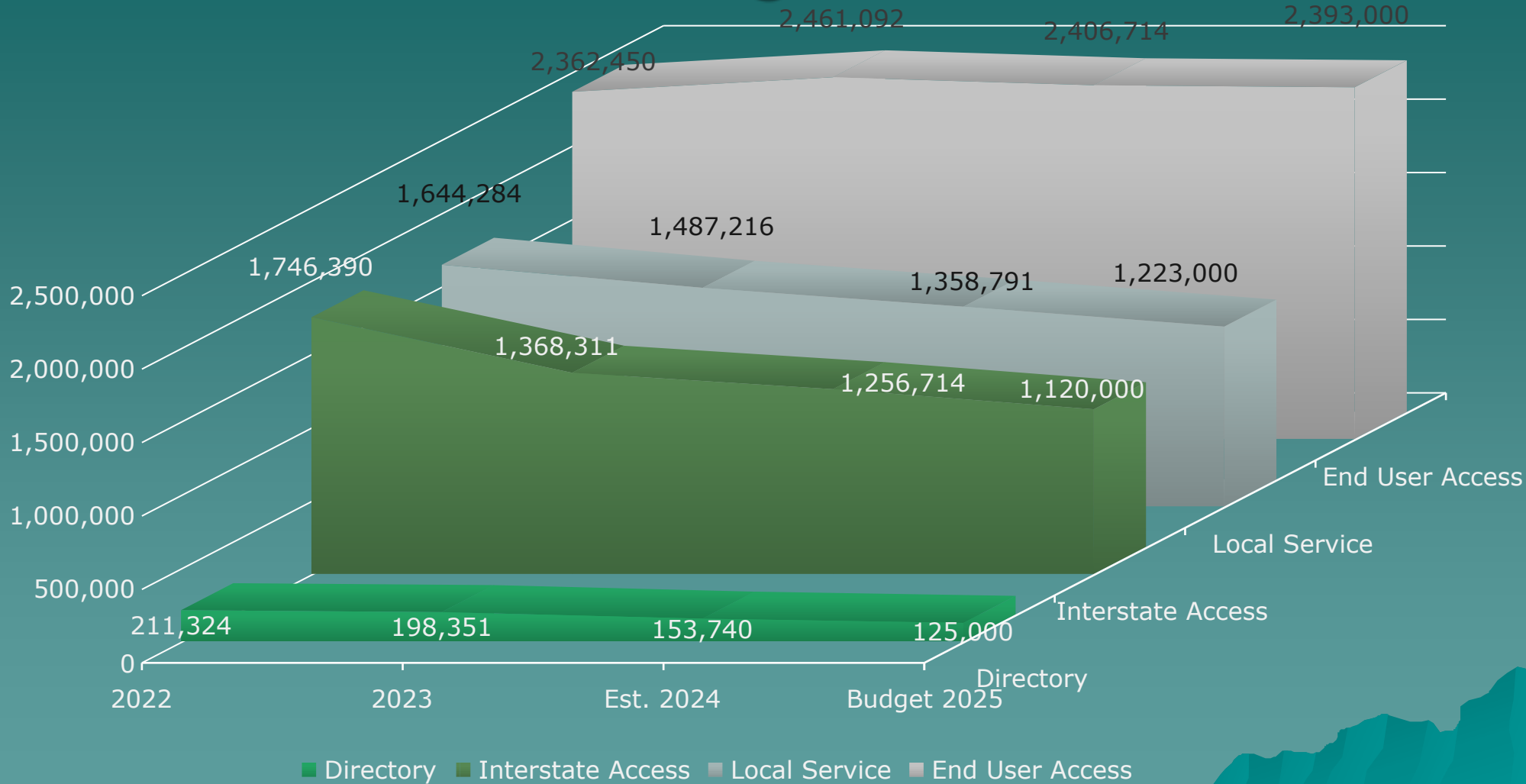
**Plans and Programs**



# Telephone Access Lines



# TEL Declining Revenues



Decline in revenue FY22-Budget 25 - \$1,103,448

## 2024-2025 Budget Process

- ◆ Development of the FY 24-25 budget used incremental budgeting.
- ◆ The Revenue budget is based on target market characteristics, strategic goals, and changes to the regulatory regime. The projections in the FY 2025 budget are primarily driven by the continued implementation of the Consumer Only Broadband Loop (CBOL) support mechanism, Elko/Spring Creek deployment, the evolution of the communications industry, customer preferences, and general economic conditions.
- ◆ Development of the Capital budget consisted of group and individual department collaboration to determine project needs and prioritization consistent with long term strategy of the company. Long term strategy includes identifying end of life assets and determining a replacement schedule.

# Significant Factors Impacting Budget Process Overall

- ◆ Further development of Elko, Spring Creek, Storey County, and Tribal Grant opportunities
  - Demand on Cash
- ◆ Continuation of CBOL
  - Consumer Only Broadband Loop Support (“CBOL”), or stand alone broadband, has allowed the company to provide what the market demands.
- ◆ Finalizing FTTH buildout
  - Necessary to fully provide CBOL service
- ◆ Competition and customer preferences

# Significant Factors Impacting Budget Process from 24-25 Budget: TEL

- ◆ Continued capital requirements for out of area FTTH projects
- ◆ Continued customer preference for CBOL
- ◆ Changes to the Regional long-haul landscape
- ◆ Staffing requirements
- ◆ Move capital projects from TEL to CBB and CAP and the impact on cash flow

# Mitigation: TEL (1)

- ◆ Efforts to increase revenues
  - ◆ Elko/Spring Creek
  - ◆ Continue seeking grant funded projects
  - ◆ Digital advertising and social media
- ◆ Continue transition to CBOL
- ◆ Continue grant opportunities in CAP/outside Churchill County

# Accomplishments (1)

- ◆ Signed Storey County Agreement
- ◆ EAS in progress for two Tribal Grants
- ◆ > 10% SCA completion
- ◆ Surpassed \$ 2 million in new out of area revenue
- ◆ Completed initial City of Elko FTTH Deployment

# Accomplishments (2)

- ◆ Transport Gear Phase I
  - ◆ Staged and awaiting vendor professional services to deploy
- ◆ Transport Gear Phase II
  - ◆ Staged and awaiting vendor professional services to deploy
- ◆ C15 Upgrade
  - ◆ Configured, Staged and awaiting vendor professional services to deploy



# Accomplishments (3)

- ◆ Desk Review for NTIA BIP Grant
  - ◆ No findings
- ◆ Successfully onboarded initial network elements into JSI NOC +
  - ◆ increases network monitoring and support
  - ◆ Refine process and procedures for proactive network management and incidence response
- ◆ 71% of customers are now on CBOL
- ◆ Deployed new accounting software

# Inflation and Expense Control

- ◆ Inflation continues to result in significant expense increases
  - ◆ Significant upward wage pressure
  - ◆ Significant inflation specific to key inputs
    - ◆ Fuel
    - ◆ Labor
    - ◆ Microprocessors
    - ◆ Fiber
    - ◆ Conduit

# Significant Factors Impacting Budget Process: Broadband

- ◆ Broadband Only plans
- ◆ Transfer of operations to the CAP Fund
- ◆ Staffing requirements
- ◆ Content cost increases in DTV
- ◆ Competition and Downward pricing pressures

# Mitigation: Broadband

- ◆ Enhancing the broadband customer experience
- ◆ Move customers to higher bandwidth packages and CBOL (Requires FTTH Capex)
- ◆ Reducing trouble ticket labor through remote tools and training
- ◆ Increasing capacity through Capital projects

# CAP Fund

- ◆ Developing and Maximizing fiber assets outside of Churchill County
- ◆ Growth opportunities in other counties through grant partnership, i.e. Storey County and Yerington Paiute Tribe

## 2023-2024 Annualized Compared to Budget - Telephone

<i>(in millions)</i>	<b>2023-24 Annualized</b>	<b>2024-25 Budget</b>
Revenues - regulated / deregulated	\$14,484,312	\$14,784,775
Expenses - regulated / deregulated	\$11,223,640	\$12,077,803
Net Income(Loss)	\$3,260,672	\$2,706,972
Capital	\$2,878,704	\$1,389,980
PILT	\$527,826	\$535,000
Total Net Assets	\$39,254,346	\$40,344,326

- Net Income based upon additional transfer of profit eliminated from "Expenses-regulated / deregulated"

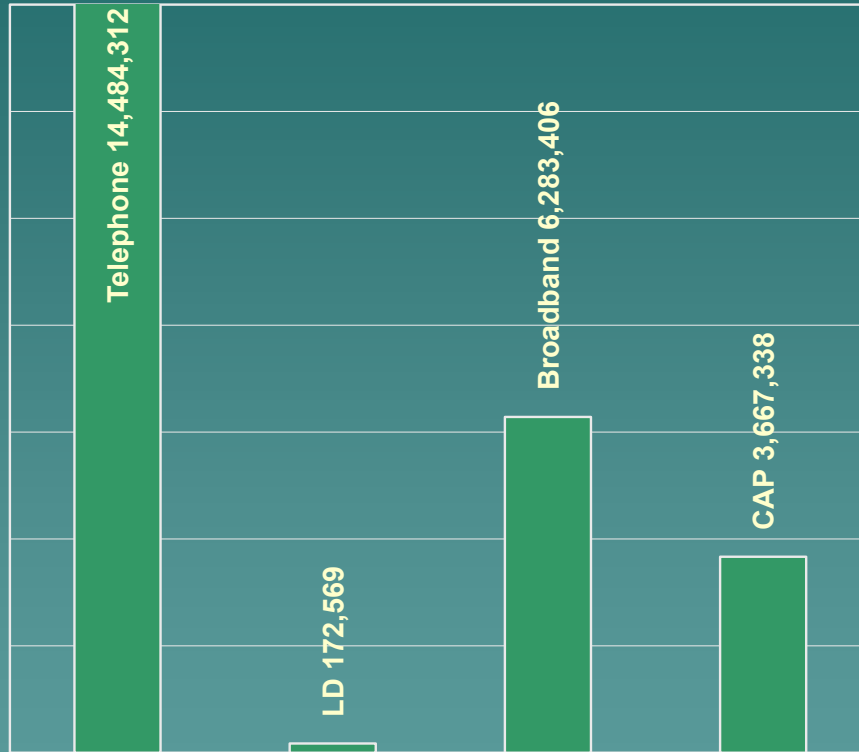
## 2023-2024 Annualized - 2024-2025 Budget All Companies

	<b>2023-24 Annualized</b>	<b>2024-25 Budget</b>
Revenues	\$24,607,625	\$24,755,120
Expenses	\$17,257,044	\$18,656,107
Net Income	\$7,350,581	\$6,099,013
Capital Projects	\$4,294,550	\$6,965,052

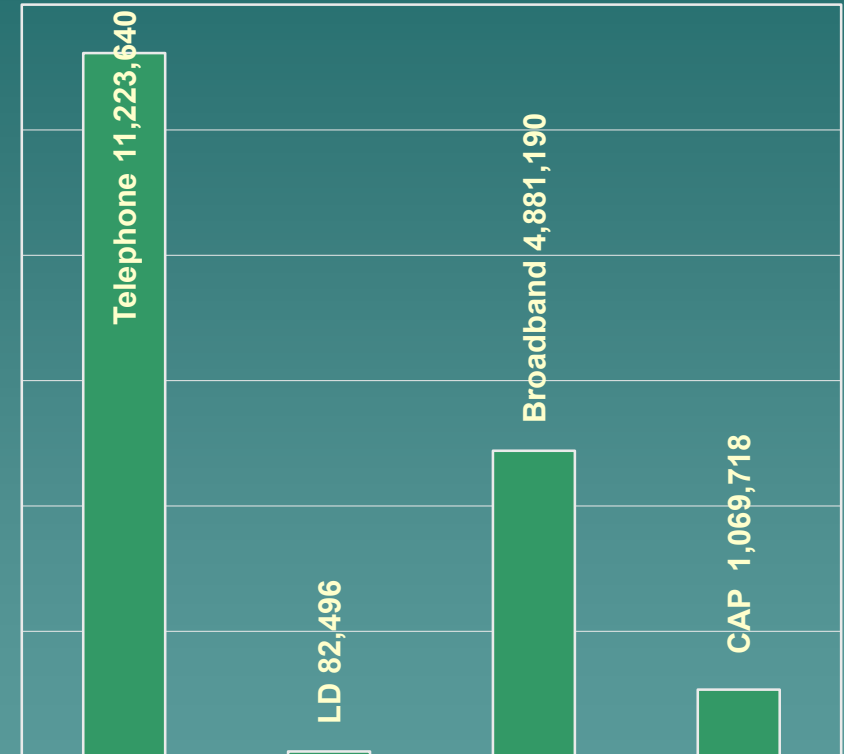
- Revenue Bond principal payments are not reflected in Expenses

# Estimated Income Current Budget Year 2023 – 2024

Net Revenues



Net Expenses

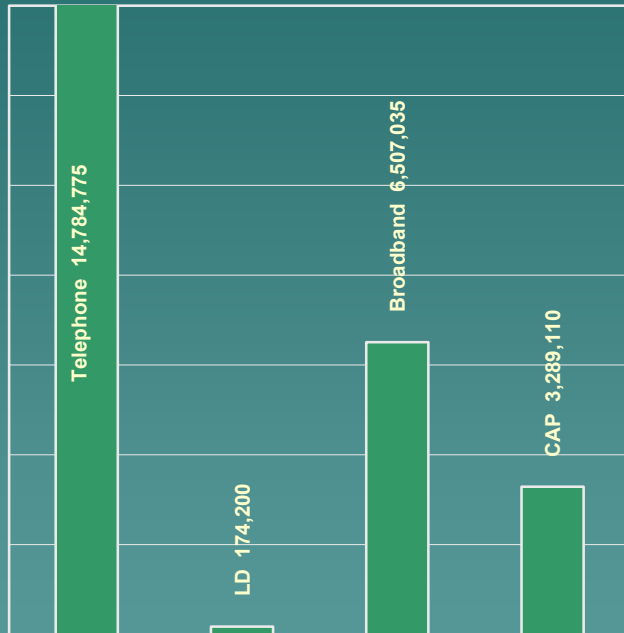


• **Estimated Combined NET Income for June 30, 2024**  
**\$7,350,581**

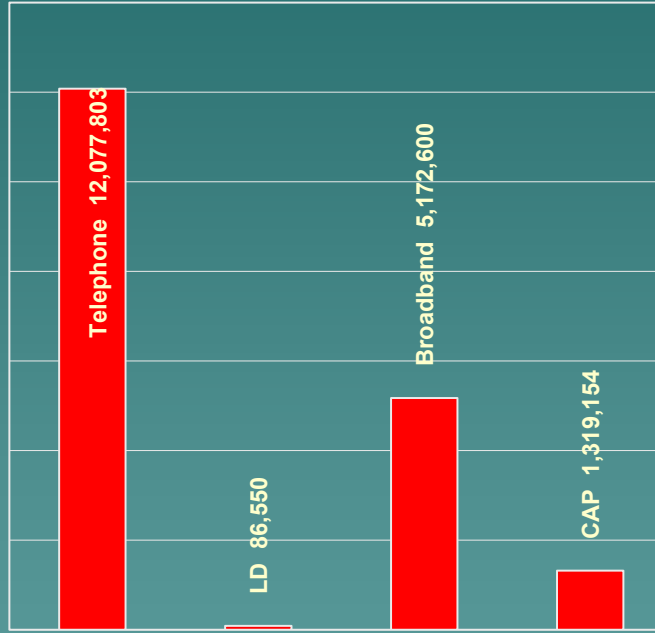


# Net Income Projections Budget Year 2024 – 2025

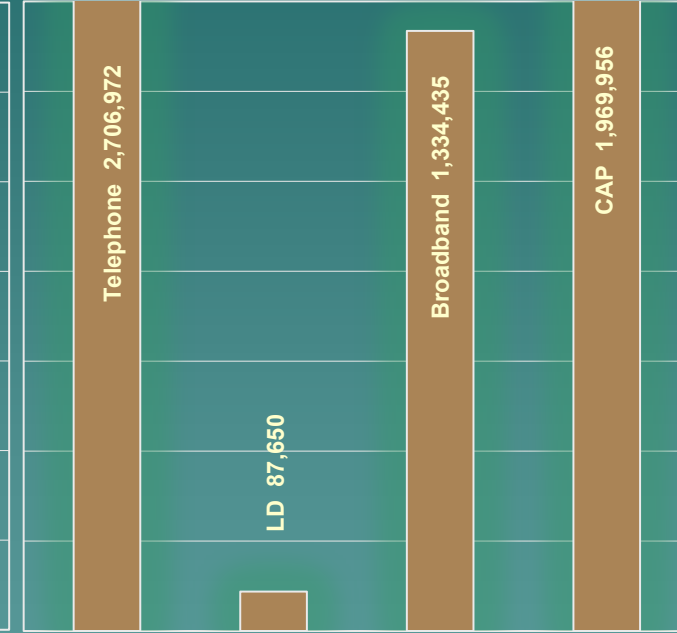
Net Revenues



Net Expenses



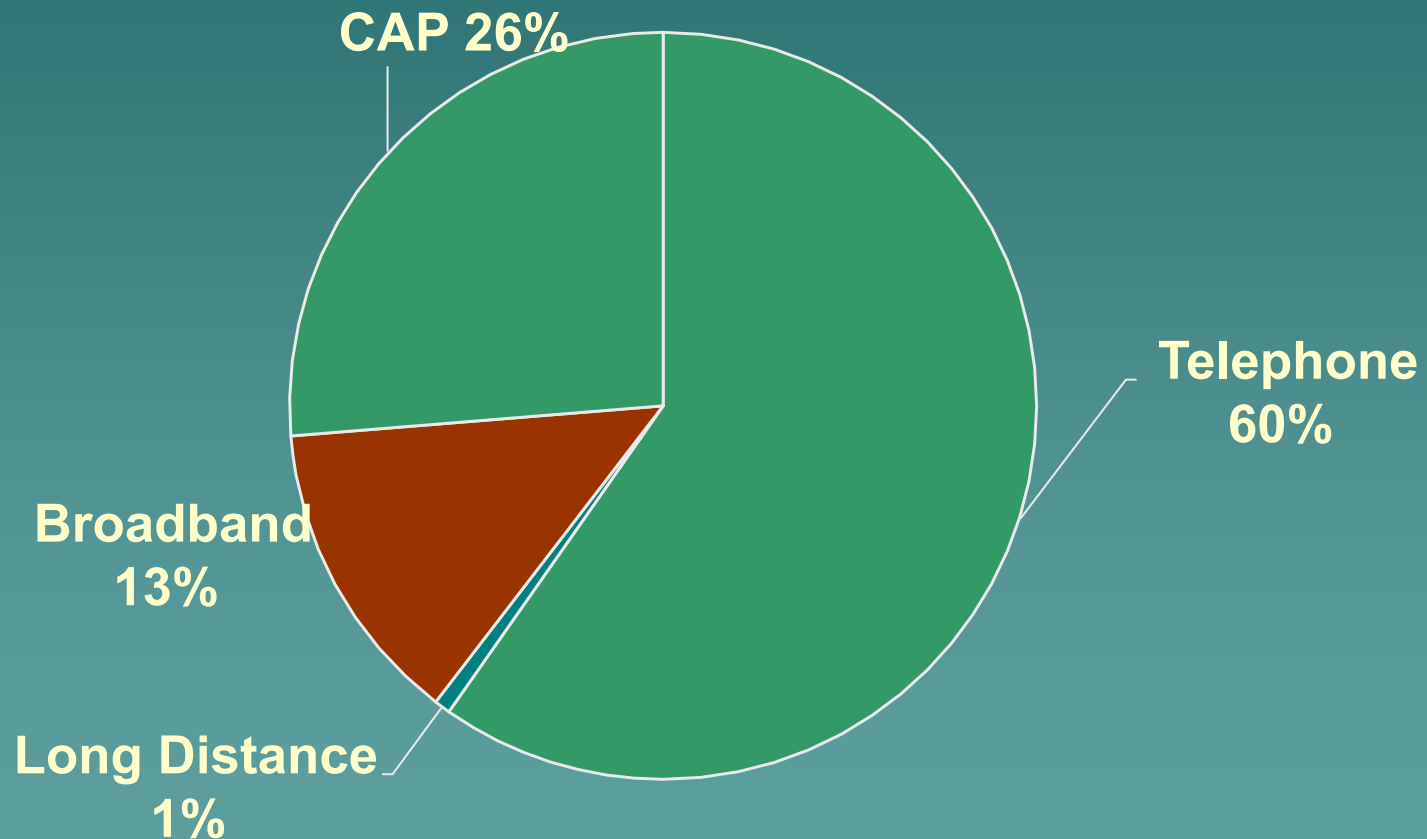
Net Income



• **Estimated Combined NET Income for 2024-2025**

**\$6,099,013**

# Revenue by Company Budget Year 2024-2025



# Capital Planning

- Understanding the current and future communications environment
  - Changes to Customer preference
  - Impact on cash
  - Reduction in local service and access revenue
    - Transition to CBOL and CAF BLS
  - Competitive environment
  
- Outcome
  - \$6,965,052 capital expense primarily in fiber cable, central office and network core equipment
  - Continued focus on broadband projects
    - Capitalize on strategic capabilities and core competencies
    - Improve our ability to offer advanced services
    - Efficiently use USF to reach Company Goals

# Telephone Capital Budget

	2023-2024	2024-2025
Aerial Fiber	0	0
Buildings	68,346	197,060
Buried Cable	0	0
Central Office	114,056	296,260
Computer Equipment	130,580	180,800
Customer Billing	0	0
Furniture and Office Equipment	0	0
Other Communications Equipment	0	0
Other Work Equipment	2,500	38,167
Pole Lines	0	0
Removals	0	0
Underground Cable	0	0
Underground Conduit	0	0
Underground Fiber Cable	782,449	677,693
Vehicles	0	0
Wireless	0	0
<b>Totals</b>	<b>\$1,097,931</b>	<b>\$1,389,980</b>

# Plans and Programs

- ◆ Continued FTTH deployment in outside of county areas
- ◆ Convert customers to CBOL and other high-speed broadband technologies
- ◆ Continue to plan strategically and tactically to meet changing competitive environment
  - Monitor Television offering in changing environment
  - Focus on broadband growth opportunities
- ◆ Continue to seek improvement in expense control and staff utilization
  - Utilize benchmarking
  - Processes and Policy development and compliance
  - Implementation of Best Practices
  - Revenue Assurance
- ◆ Marketing – Emphasis on digital marketing and social media
- ◆ Increased Financial Analysis to assess Company Profitability

# Summary

- ◆ Revenue mix will continue to change
- ◆ Focus on FTTH outside the County in Capital Expenditures
- ◆ Refine Broadband and TV offerings
- ◆ Increase in Inter-group Planning & Communications
- ◆ Ongoing planning to improve expense control and staff utilization.
- ◆ Monitor and evaluate cash flows and return on investment

# Questions?

