



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

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

AGENDA
PLEASE POST

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

DATE & TIME: June 5, 2025 at 1:45 PM

TYPE OF MEETING: Regularly Scheduled 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.

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. **Consideration and possible action re: Approval of Minutes of the meeting held on:**
 - A. March 26, 2025
 - B. April 3, 2025
6. **New Business.**
 - A. Consideration and possible action re: changing the time for the regularly schedule of CC Communications meeting with a new proposed new time of the first Thursday of the month at 11:00 a.m.
 - B. Consideration and possible action re: proposed changes to Personnel Policy 7.6 Retirement Incentive Plans.
 - C. Consideration and possible action re: establishment of an IRC 457(f) plan.
7. **Reports: General Manager Report.**
8. **Affidavit of Posting:**
9. **Public Comment.**
10. **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 **30th day of May, 2025** between the hours of **1 pm and 5 pm**, 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;*
3. *The State of Nevada Website @ <https://notice.nv.gov/>.*



Shelly Bunyard, Administrative Assistant

Shelly Bunyard, Administrative Assistant, who was subscribed and sworn to before me this **May 30, 2025**



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, audiotape, 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 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.

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.*

MINUTES OF THE CC COMMUNICATIONS MANAGEMENT

155 N. Taylor St., Fallon, NV 89406

March 26, 2025

Call to Order:

The regular meeting of the CC Communications was called to order at 2:00 PM on March 26, 2025.

PRESENT: Commissioner Matt Hyde
Commissioner Eric Blakey
Commissioner Myles Getto
General Manager Mark Feest
Chief Financial Officer Jamie Hyde
Administrative Assistant Shelly Bunyard

ABSENT:

Public Comment:

Chair Matt Hyde 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 20th day of March, 2025 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 Myles Getto made a motion to approve the Agenda as submitted. Commissioner Eric Blakey seconded the motion, which carried by unanimous vote.

New Business:

A- Consideration and possible action re: Presentation of the 2025 - 2026 Fiscal Year Budget Workshop

Mark Feest, CC Communications. For those of you who haven't been through this before, we go through this PowerPoint slide which summarizes and highlights what is actually in the book. We don't go through the book unless you want to dig deeper and flip through the book. We will briefly go over how our process goes at CC Communications. We will talk about the challenges and accomplishments over the last year and the challenges going forward, revenue forecasts, financial overviews and a discussion of where the capital budget is being spent. We will also talk about projects and actions. Action is really the actions we are taking to address those challenges to try to be financially viable as we move forward. Next slide.

2025-2026 Budget Process – We use we use incremental budgeting that is in comparison to zero base. We don't go back to zero and start every line item from the beginning. We look at last year's budget to actuals. We look for things that didn't work out like we thought they would and then dig deeper into those areas to see how the budget needs to be changed. We look at the progress we are making in the competitive areas. I refer to those often as CLEC (Competitive Local Exchange) which is just an old Telecom term. Next Slide.

Primary Challenges – These are the things that are most concerning when I look at our budget and how we need to spend money and how we are going to project the ability to be financially viable.

Inflation – The 2.89% has calmed down a lot year over year. I think that is not representative of our industry, because when you have 42.5 billion dollars pent-up, all the inputs in our industry are still probably seeing 7 or 8% inflation. The 32.2% increase over the last decade. The reason I mention the last decade and the 27.5% inflation since 2017 is because it ties back to things we are doing and how the evolution of our revenues and expenses has occurred over the last decade.

Downward Pricing Pressure – Year over year we see 9.4% decrease in national average price for broadband. That means you're going to pay 9.4% less for 100 Mbps this year than you did last year. That particularly impacts us here in Churchill County in the footprint of Charter. They are probably the biggest driver of downward pricing pressure in the United States. The real broadband internet speed prices decreased 59.9% over the last decade and 21.4% since 2017. It's a challenge dealing with specific inflation to our industry and not being able to charge more. What in reality we do is, since we can't charge more, we try to move people up on plans but you're just giving away more internet and more things that were addons, which then you have an attrition from both customers because of pricing challenges as well as revenue. Next slide.

Significant Factors Impacting Budget Process Overall (1) – CLEC which is an old term for a competitive area revenue opportunity. Those opportunities are outside the Churchill County footprint.

Downward pricing pressure and relentless competitor marketing. You probably receive two or three mailers a week like I do from the competitor. When I drive to work and listen to the radio and when their commercial comes on and I switch it to the next station and the second commercial I hear is their commercial. That impacts how we budget.

Customer preference means eventually probably only 20% of people will have a phone line. A decade ago, it was well above 80%.

Transport network and Business Product Catalogue – This is the network we are upgrading right now. I received great news today. The network is in, that's the \$2.5 million plus labor to put the network into upgrade from the Juniper Network. It adds layer 2 and layer 3 services, as well as being on a network that will be supported going forward. The other network has lasted for 12 years. Getting Twelve years out of electronics, is pretty good. It still works but only gets layer 1 and we receive no support.

Commissioner Matt Hyde. So, Eric knows, there's no support.

Mark Feest, CC Communications. Yes, when they decided to go away from the product basically everyone who worked on it retired or moved to another company. Anyway, we spent that money on the network, and it is physically installed in the north route, which is Fallon to

Leeteville Junction, Carson, Silver Springs and then back through Tahoe Reno Industrial Center, 200 South Virginia Street and over to 220 Gardner Street, Reno. We have migrated customers onto this system now. The other one has been installed but we have been having a testing error issue that has been unexplained for some time. Initially the network tested completely clean and then the consultant came to test it, and it didn't test clean. The theory from the people who installed it was that the consultant messed the test up. It was re-tested again. Jason McCloud had to go to Tonopah and tested the network again. The test came back clean. We will now move to migrate all of those circuits north to south onto this new network. We have spent a lot of money on the transport network but then on an ongoing basis we need to have people and consultants that understand the network. Our consultant at JSI now has gone and become a certified consultant for Ribbon, which is the brand of this transport gear.

Grant Projects is the other big thing that impacts our process over all too. Next Slide

Significant Factors Impacting Budget Process Overall (2) – Capital requirements for out of area Broadband projects. Capital Spend for Fixed Wireless Solutions. I'll go through the Capex and what those are for. Changes to the regional long-haul landscape. With all the new data centers that are up north, it means more national providers and large regional providers are coming to do the exact same thing that we've been doing for several years. Going after that, revenue is a downward pricing pressure as well as maybe better positioned to compete for an Ebay client than we are. We carry Ebay traffic, and they don't even know it's us. Basically, it's someone who is bigger and better at getting in front of customers who has sold them that as part of a better package and we resell it through them. I see there will be something that will happen more in the future. Staffing requirements we have to have a better business sales team than we have in the past. Next Slide

Significant Factors Impacting Network Evolution – Competition and downward pricing pressures. Redundancy and reliability. The spending will always be there to make sure we have redundancy and reliability. We are never going to win on a price against a national provider. We have to be prepared when people get upset that they can come to us and never give them a reason to leave us. That goes back to staffing requirements both in the ability to maintain this equipment and to communicate the value proposition.

Accomplishments (1) – Approximately 37% complete with the Spring Creek Association Grant construction. IPTV wind-up was within an acceptable range for customer attrition. Fiber to the Home in Churchill County transitioned to internal crews. We don't have much left; they are small jobs. We are handling those with internal crews now. Agreement with Storey County for Fiber to the Home. I was told today that we are 28% complete on the mainline for Virginia City.

Sherry Widemann, Comptroller. Are these percentages at year end?

Mark Feest, CC Communications. Yes today. Actually, we just filed the report which was not actually due. It was done a month before it was actually due. We were told we were late by 20 days, but we were actually early by 10 days. The percentage was 37% on that date.

Jamie Hyde, CC Communications. Then it's 28% as of today.

Sherry Widemann, Comptroller. Thank you.

Mark Feest, CC Communications. Accomplishments (2) – Successfully test of the Tarana Wireless and is ready for addition to services. This is in the budget. Physical deployment of the C15. That is our Switch and it's completely installed and migration is supposed to be completed by April 1st. We have had contact with those big customers, including the County and the Sheriff's Department. We're having a bit of an issue contacting the base. It's difficult to find the person at the base who has the authority to handle our notification of the migration. It should go great. If it goes bad, I'm not positive someone will say you didn't tell the right person. At our meeting today, I said we need to have some written documentation notifying the base. That's physically deployed and is waiting on migration. The Ribbon equipment is physically deployed and now because of the second 16-hour test that was perfectly clean, we are ready for migration.

Benchmarks (1) – We look at benchmarks every year on an ongoing basis when they come out. We have good sources of benchmarks. Our cost accountant, Moss Adams, has 280 clients that are independent rural ILECS that are subject to USF, like us or are part of the ACAM. Those are two different types, ACAM and the Legacy Program. About 52% are on the ACAM program and 48% are on the Legacy Program. We also have benchmarks that come from NTCA, which has about 700 members who also have to be incumbent rural ILECS to be members. As an industry they like to use EBITDA which is Earnings Before Interest Taxes Depreciation and Amortization. I think we should be strictly looking at earnings before depreciation. If I want to do a benchmark, I have to go off of EBITDA. When they give us the numbers of those 278 companies, they are giving me EBITDA less USF benchmarks. EBITDA less USF started a couple of years ago. What that is, is you take the EBITDA but back out all revenue that came from USF. It is the most useful number when comparing our benchmark standpoint. It's because you have very little control over how much USF you receive. We were offered ACAM but it didn't work. When you calculate EBITDA less USF, you're talking about the things you control as a management team.

Revenue per employee. Payroll as a Percentage of Revenue. Revenue per Broadband Subscriber and Capital expense as a percentage of revenue. Next Slide.

Benchmarks (2) – Here is the benchmark, 278 companies. They don't tell you who the other companies are or who their own customers are. Every ILEC client of theirs goes into their benchmark study. They say EBITDA is 39.9%. In 2023/2024 we were 37.1%. This year annualized we are at 42% and our budget is calculated 47%. EBITDA Less USF is far more important than EBITDA because you're backing out the USF revenue. There are some places that have \$14 million in USF and they have \$18 million in revenue. That has to be backed out first to see really what matters in the decisions you're doing. EBITDA Less USF is only at 2.6%. If their EBITDA Less USF is \$10 million, then they made \$260,000.00 at the 2.6%.

Sherry Widemann, Comptroller. What's USF?

Mark Feest, CC Communications. Universal Service Fund.

Sherry Widemann, Comptroller. Is that a subsidy thing?

Mark Feest, CC Communications. Yes

Jamie Hyde, CC Communications. Yes

Mark Feest, CC Communications. That's why I say if you back out the USF revenue, you will have a better understanding. That's the argument right now at the FCC. Is it just the formula or is there discretion that has been wrongfully delegated? We are at 4.7% in the last fiscal year. The annualized calculation is 8.7% and the budget is 16%.

Revenue per Employee, their average company is \$440,415.00. For every employee they have, that is how much they generate. We were at \$479,465.00 last year, Annualized is \$540,519.00 and our budget is \$556,780.00.

Revenue per Broadband Subscriber, their average company is \$3,360.00. We were at \$3,673.00 last year, Annualized is \$3,683.00 and budget is \$3,767.00. There is barely growth here and that is because of the downward pricing pressure that has occurred.

Payroll Percentage of Revenue, their average company is at 28.1%. We were at 27.5% last year, annualized 26.1% and budget is 26.04%. Our payroll is a less percentage of our total revenue than their average. We are getting more for our broadband per subscriber. We are crushing the revenue per employee and EBITDA Less USF.

CAPEX Percentage of Revenue, their average company is 24%. They say you spend a quarter of your revenue on capital expense. I'm not a fan of this and we don't need to follow them. A lot of these we match they say would do a lot better. If we're doing a lot better, I won't look at their decision and question if 24% is the right number. I don't think it is correct, but it's also driven by whether or not you compete with Charter, Cox or no one. Ours at 19% was low because we had this pent-up cash we needed for the grant matching. It took so long to process these grants. That's what we are seeing for the year 2025/2026 calculates at 32%. It will probably average somewhere in the neighborhood of what average is. It's important because one we are annualized, and we are more than halfway through the year. We have had the three-paycheck month, etc., so the annualized calculation will come out pretty accurate. The numbers and percentages look really good on this table as they go up and then you add the efficiency of an employee. In looking at that, in 2023/2024 to 2024/2025 annualized, we are going up 13.2% and then 11.9% percentage growth EBITDA. We are 3.5 times better at producing EBITDA Less USF annualized and 6 times better next year. Our employees are 20% more efficient this year, increasing 20% more revenue and 25% more revenue the following year. I think that number states we are right sized. I think there are still a lot of companies that are still overweight. I am confident in this number because currently at \$24 – 25 million in revenue, we are tracking at 2% off our entire budget annualized from the budget Jamie turned in. With the budget we are going on now, we will be off from an EBITDA standpoint by \$198,000.00. I would argue the reason we are off by \$198,000.00 is some revenue that was attributed to grants

or we would be doing better. That 8.7% to 16% and the 42% to 47% is because the grant has been pushed out. If it had come this year, you would have seen smoother, less dramatic growth of EBITDA Less USF. I am confident in the benchmarks produced by Moss Adams and that we are performing extremely well. When we bring you this budget today, it should be pretty accurate because of the track record of accuracy. Next Slide.

Actions (1) – I have a lot of concerns about the downward pricing pressure. We have actually seen within the footprint we have competition with Charter and 8% loss of customers over the last 2.5 years. That includes the portion of time when we got out of the TV service. In the footprint where they can choose them instead of us, there is a loss of customers. I am very concerned about it. Actions will be enhancing the broadband customer experience. We have a lot of focus on our key performance indicators for our NOC. I'm not sure if there is much room for improvement when you have minimum truck rolling and people's trouble tickets are resolved on the phone for the most part. The trouble ticket rate is below the average trouble ticket rate. I found some benchmarks regarding what a trouble ticket is. When it's broken down, is it actual network or is it really a customer problem or something else. That's one thing we will look into further. We will also look further into any truck roll that happens or any repeat tickets. We just recently learned that the system was set up so that if you used a different ticket code, it did not flag as a repeat ticket within 30 days. We have changed it so now if there is a ticket at that address again, the system will flag it as a repeat. Next Slide.

Actions (2) – We will be enhancing our business catalogue and sales efforts to develop and maximize fiber assets outside of Churchill County. This investment in Ribbon, the layer 2 and layer 3 services, will do a better job of defining what that business product is and being uniform in the delivery of it.

Growth opportunities in other counties through grant partnerships. Currently we have Storey County, and the Yerington Paiute Tribe is currently in the environmental process. We thought we had completed the Fallon Paiute Shoshone Tribe, but five minutes before the meeting they asked another question that was not simple. We think the question has been answered and we are ready to move forward. Next Slide.

Capital Expense – The Capital Expense for this year just shows you in TEL it's \$1,866,302.00; Broadband it's \$270,428.00 and CAP it's \$4,338,842.00. In the upcoming year, TEL is \$1,573,347; Broadband is \$571,094.00 and CAP is \$5,906,906.00. That \$5.9 million is some of the outer variant things including Storey County and the Tribe. Next Slide.

Capital Projects (1) – In Churchill County, we have 961 locations that can't receive 100 Mbps. This year, with our own crews we will take fiber to 221 locations. We will use Tarana for 740 of those locations. We will place the Tarana in such a way that you can probably get 300 Mbps, that we will sell in a 250 package.

Network Upgrades – Reliability and redundancy. We have to do something called TDM Circuit Emulation. You have to have what looks like a TDM Circuit to do circuit emulations. You can't buy the equipment for a TDM anymore. We will need to upgrade that. The VSP Replacement, which is some switches. The DHCP (Dynamic Host Configuration Protocol) which hands out

IP addresses. We will need to transition from IPv4 to IPv6 which will have to be done in parallel. We will then further remove things that used to be behind the firewall that will just go straight to the customer from here on out. This is something we have wanted to do for a long time. The problem was we needed more IP addresses. It was difficult to get IPv4 addresses. Now, we have a plan and are in the middle of the DHCP server upgrades which will be handled by JSI. They load them and send them to us and then we install them. Commissioner Hyde knows that if we had an issue, it was almost always firewall and or DHCP server. We are removing those now from being problems. We have already partially removed them, but the IP addressing was always an issue. Next Slide.

Capital Projects (2) – Virginia City project is in progress. ETA completion will be in the 2nd quarter 2025/2026. If the weather goes smoothly, then it'll be done before then. The target annual revenue from this project is only \$315,000.00, but Storey County is paying for the project.

Virginia City Highlands will commence after the Virginia City project. ETA completion will be in the 2nd quarter of 2026/2027. The target annual revenue from this project is \$565,000.00 and Storey County is paying for this project too. Next Slide.

Capital Projects (3) – Spring Creek Association project is 37% completed. Tract 400 is complete, which is about 1800 of 5400 homes. Now, we're in progress with Tract 300. We are targeting about 1300 to 1600 homes in fiscal year 2025/2026. At that time, we will be 57%-63% complete. Next Slide.

Capital Projects (4) – Tarana project in Churchill County. Tarana is the newest type of radio that is much more efficient and reliable than radios have been historically. We will address remaining copper locations that are uneconomical to reach with Fiber to the Home.

Create a wireless redundant last mile network. We will have capacity on the Tarana equipment. The concept there is if you're a business that wants to make sure you never go down, the ONT can take in the antenna remote node that is wired into the ONT. The fiber is wired in the ONT too and if the fiber last mile goes down, you can then switch right over to the Tarana. The next step is measuring demand for redundant middle-mile network products. Let's say the fiber goes down and you're switched to Tarana, that's how you will get back to our central office. Let's say, that was the issue and getting back to Reno and Las Vegas is also the issue. We'll measure demand because that is not a cheap fix to add to that redundancy. We now have the ability to put up 100G links in and out of Fallon and they are diverse to Leeteville junction. We do have diverse routes out of town, and we have the ability to do 100G. We used to only be able to do 10G increments. If one side failed, then you would be choked during peak hours on the other side. That won't happen anymore, once everything is migrated on the north south route. Next Slide.

Capital Project (5) – Tarana's target is \$1,800 cost per customer. It's not per location like with fiber. With fiber you pass everyone and if your cost is \$6,000 per location to pass them and you get 50% of the customers, it costs \$12,000 per customer. That's a pretty realistic number of

what occurs. With Tarana, you pay by customer at the remote node. You're out about \$1,800.00 per customer to get them on something that goes to up to 300 Mbps.

The revenue target is \$105,000 for our first deployment and will be \$105,000.00 annually.

We will need to finalize the location upon the tower and backhaul. That is in the budget, but we don't have a location yet.

Capital Projects (6) – Tribal Grants. The Yerington Paiute Tribe is in EAS at NTIA. It's completely done. It should be categorized as an exemption, and it will just be the period where it's published. I think it's 90 days of publication.

I thought we had final agreements completed with the Fallon Paiute Shoshone Tribe, but they put it off. As soon as it's completed, we will start the EAS. I have actually sent all the material to the company who completed the Yerington Paiute Tribe EAS. They have everything to start the EAS for the Fallon Paiute Shoshone Tribe and the TeMoak Tribe. As soon as the 6-month plan starts, we can start ordering equipment. It should be a very quick build.

2024-2025 Annualized Compared to Budget – Telephone. This just shows regulated and deregulated revenue annualized versus what will happen next year. You see a slight decrease in TEL and a big expense increase in TEL. You don't need to worry about that because money moves between the funds in order to pay for those items that are in the cost study. It's always important to just look at the CAP, Broadband and TEL funds all together because you're using the same equipment across all of them. It's the regulated and deregulated issues that cause where you're accounting for them. We still have a net income of \$2 million projected. It's \$3,298,665.00 this year, however, \$2 million amount is after the \$850,000.00 has been paid over to the county. Last year, \$850,000.00 wasn't paid or it would have come out of the \$3,298,665.00 amount. The PILT is what we would have paid in taxes, which we paid last year, and we pay that every year. Next Slide.

2024-2025 Annualized – 2025-2026 Budget All Companies. This slide is the combined amounts with all of the companies together. You're seeing revenue growth, despite the fact that we have gone down by about \$1.2 million that we used to collect for TV services. The offset to \$1.2 million we collected from customers was the \$1.6 million in expense to offer the service to them. It's good to see revenue growth here after already pulling out \$1.2 million. It does have a lot to do with the grant funded projects which we expect to go. We are basically flat on expenses and that's where you end up with a little more net income. The Capex is required to go in there at a little higher rate than we did last year. This is off by about \$55,000.00 because we do not have insurance with the county. We did get a quote from a different company that actually went down a little. When we compare the two insurances, the county plan is a little better than what we were quoted. We think from a long-term perspective; we need to be together with the County. The final budget will reflect an increase of around \$55,000.00 for that insurance. We used to be with the County. There was a little disagreement back then because CC Communications had a massive loss ratio. There were multiple people with significant illnesses and dependents with significant illnesses. At that time, CC Communications probably had around 90 to 95 employees. There was just massive loss of claims. CC Communications

then went separate ways which I wasn't a fan of. Over time at some point the bad luck hits this group and some point it hits that group. That's why you want a bigger group. It is a cost to CC Communications to rejoin. I believe we need to stay together long term for insurance to keep the bigger pool. As we do this, it is the intention that we don't go back and get in a dispute because somebody has a bad year. Next Slide.

Estimated Income Current Budget Year 2024-2025 – This slide is just graphs that show the same thing as what was on the last page.

Net Income Projections Budget Year 2025-2026 – This slide is the graph that shows you the same thing that was on the last page before the budget.

Summary – Actions to address downward pricing pressure is making better reliability and redundancy; customer experience and introducing the wireless offering for a customer that wants a lower end package as well as creating more reliability and redundancy with the fail over potential. We will focus on broadband outside the County in Capital Expenditures. We plan to enhance the business product catalogue and sales. We plan to continue the benchmark financial performance and staff utilization. Are there any questions.

Sherry Wideman, Comptroller. I see the capital expenses are higher and yet our PILT seems pretty flat. Shouldn't it be going up because you're spending money on capital and get more tax.

Mark Feest, CC Communications. No, absolutely not.

Sherry Wideman, Comptroller. Why not?

Mark Feest, CC Communications. Could you please repeat the question?

Sherry Wideman, Comptroller. I see that you have lots of capital expenditures and I think that would be reflective in the PILT that's paid to the County. It seems pretty flat. I was just curious why that is.

Mark Feest, CC Communications. That's a great question. The County fails to produce a tax bill.

Sherry Widemann, Comptroller. That's not the information I got from the Assessor's office. They said they failed to receive reports from CC Communications.

Mark Feest, CC Communications. CC Communications has provided the County reports repeatedly and has never received a tax bill, so we gave up.

Sherry Widemann, Comptroller. My understanding is they had asked questions and never received any response.

Joseph Sanford, Deputy District Attorney. There is a solution to be had.

Jamie Hyde, CC Communications. I know I asked the question for last year's budget and was given the response to just keep it the same as the prior year.

Mark Feest, CC Communications. It is a zero dollar impact to us. We have no reason to resist that. It all goes back in the rate of return. 40:15

Sherry Wideman, Comptroller. Doesn't it go under your subsidy?

Jamie Hyde, CC Communication. It does.

Sherry Widemann, Comptroller. That is where it goes here why I thought it was flat. I thought it was a win, win.

Mark Feest, CC Communications. It should be. There is absolutely no reason we would not have produced it. It actually benefits it because you want a rate of return on it. The County failed to do their job on this.

Jamie Hyde, CC Communications. The last question that was proposed to me is when there is a zero dollar amount on the reports that we provided them. That meant it was a retirement. That was where it ended, they asked me a question and I answered it. That's the last piece of information that I have. If they have more questions, I am happy to answer them.

Sherry Widemann, Comptroller. I just asked them if you did reports. They said they were waiting on reports. I was just curious.

Commissioner Eric Blakey. Are we talking about CC Communications and the Assessors Office.

Jamie Hyde, CC Communications. Yes.

Sherry Wideman, Comptroller. Yes, apparently.

Commissioner Eric Blakey. Can we get these two entities together and have a discussion? Do we need to be present for that discussion to make sure that we get on the right page and something is accomplished.

Commissioner Myles Getto. It sounds like CC Communications is already there. It's a matter of the Assessor's Office writing back.

Mark Feest, CC Communications. To me, it's an email, whether more people need to be copied so that no one is confused. Really, it's just an email.

Jamie Hyde, CC Communications. When I return back to my office, I will go back through to the last email chain I have with them. I will make sure I copy the Assessor and Mark on it, and we will revisit the issue.

Sherry Wideman, Comptroller. Thank you that was just my curiosity.

Commissioner Eric Blakey. Shall we copy Sherry and the Chairman of this board.

Jamie Hyde, CC Communications. That works.

Sherry Wideman, Comptroller. Sure.

Commissioner Eric Blakey. I think that's the only people that need to be involved at this time. What do you think? If we have been missing out and even if it was only going up at \$20k per year.

Jamie Hyde, CC Communications. Yes. It's easier for us.

Sherry Widemann, Comptroller. Yes, it looks like on this budget it's a little higher than the last one.

Mark Feest, CC Communications. There is an offset though, right. If you depreciate \$10 million and you put in \$8 million.

Sherry Widemann, Comptroller. That's why I don't know what the calculation is because of the whole depreciation, unsecured and secured.

Mark Feest, CC Communications. Yes.

Jamie Hyde, CC Communications. The last time I was given a new number was when Lori Mookini left. I've never had an increase since that time. I've turned in many declarations.

Sherry Widemann, CC Communications. I haven't seen it since 2020 or something. Another question I have is if someone is on copper, will they have to go to the tower thing or will you be offering both.

Mark Feest, CC Communications. Tarana?

Sherry Widemann, CC Communications. Yes.

Mark Feest, CC Communications. No, I don't think they are going to force somebody off of that. That is not a plan to force someone.

Commissioner Matt Hyde. Typically, in areas where they're going with Tarana, you will never get any sort of speeds on the copper.

Mark Feest, CC Communications. Yes, you just won't get any speed on the copper. We have tested Tarana with telephone. Someone was able to talk on the phone for an hour, which they haven't been able to do in years. We also record the packet loss on it. The phone should also work too on Tarana.

Commissioner Eric Blakey. If someone has copper and you have enough people in that area to put up Tarana, will it cost the customer any more money to do the switch.

Mark Feest, CC Communications. No, it wouldn't change it at all.

Commissioner Eric Blakey. So, there's no impact on the customer.

Mark Feest, CC Communications. No.

Commissioner Eric Blakey. Is there enough people in one area or does size matter?

Mark Feest, CC Communications. It's a multi-cast. If you're within the propagation map, it doesn't matter if you have it and your neighbor doesn't have it. We will aim it at areas that are copper.

Commissioner Eric Blakey. You wouldn't put it in an area where you know you can only get 10 people on it.

Mark Feest, CC Communications. It's big area. It's 90 degrees from the tower out. It has a little based on elevation.

Commissioner Matt Hyde. They have some really great software, where you can take an app and test it. It will show you what speeds you will get here and there within the area Tarana reaches. You can see Jesse Lattin and he can show you at the office if he still has it up.

Mark Feest, CC Communications. Jesse drove around in a truck and on his laptop looked at the map. He then put the receiver in the back of the truck and looked at the laptop to see if the propagation map matched from what the program created. He did this to verify before investing in this equipment, so that we know the customer will be getting what we have advertised.

Commissioner Matt Hyde. From what I saw, it was extremely accurate.

Commissioner Eric Blakey. Ok

Sherry Wideman, Comptroller. Are you just going to put it out there and people will just use it and not know the difference?

Mark Feest, CC Communications. No. There has to be a remote based node installed at their house. They will know.

Sherry Widemann, Comptroller. Thank you. I was just curious.

Commissioner Eric Blakey. You had spoke about getting the word out and trying to sell more product. Do you have an opinion on maybe doing more advertising in other areas that we have not done it in or are there areas we can do it in.

Mark Feest, CC Communications. One of the challenges here, is that the Ad buy is so much dictated by Reno, whether it's radio or TV. That Ad buy is Reno Market. Charter competes at every location where that Ad buy hits, we have this little, tiny area. It's uneconomical for us to advertise in that way. We have been looking at a company that door knocks on a straight commission basis. We will definitely do that in Elko and I'm not sure if we'll do that in Churchill County. I have a feeling that they might be a little aggressive in such a way that our historical positioning in Churchill County will be less agreeable. We see the customers here have different expectations for us than the customers in Elko. They absolutely do.

Commissioner Myles Getto. Are you saying that ours are spoiled?

Commissioner Matt Hyde. I can say they are really well taken care of.

Mark Feest, CC Communications. All I hear is that there is blow back if you want to do a standard install in Fallon. From the beginning we have done a standard installation in Elko and have never received a complaint. There are some oddities here. I don't know if a door knocking with an aggressive out-of-town salesperson is a great idea in Churchill County.

Commissioner Eric Blakey. Ok, you spoke about the day you were having a problem with the fiber and you determined that maybe the consultant had a bad test.

Mark Feest, CC Communications. The first time there was an issue. The SFPs were swapped out, the vendor got a clean test and then the consultant does his acceptance test and receives a bad test. There are some theories. It ran great for a while and there is a theory that someone got into the colo. When you go down the highway to Las Vegas and you see a prefab building on the side of the road next to a cell tower, there might be three people in the building. No one is dropping other than us. The theory is someone else might have gone in there and bumped us. There is a theory that when he set up a test set, he did not get it completely in. There is a time stamp on it when he left and when he slams the door behind him, it didn't fall out. There are some different theories. When they retested it for 16 hours last night, there were zero errors.

Commissioner Eric Blakey. Did it cost us a lot of time between the bad test? Did it cost use any revenue?

Mark Feest, CC Communications. No, not revenue. It cost us a couple of phone calls and someone driving to Tonopah.

Commissioner Eric Blakey. No period time like two weeks or three weeks.

Mark Feest, CC Communications. No. This whole thing has probably cost us about two months so far with these issues.

Commissioner Eric Blakey. Because of the bad test?

Mark Feest, CC Communications. Yes.

Commissioner Eric Blakey. You talked about the Virginia City project. Once it's installed, who's responsibility is it to maintain.

Mark Feest, CC Communications. It's 100% our responsibility.

Commissioner Eric Blakey. It's our cost.

Mark Feest, CC Communications. Yes.

Commissioner Eric Blakey. You said that on Tarana it's \$1,800.00 return per customer once they sign up.

Mark Feest, CC Communications. No, it's \$1,800.00, cost per customer once they sign up. That will be a decline in costs when you compare it to \$6,000 for fiber cost per customer. When you take fiber to them, you may not capture them as a customer. The \$1,800.00, is their fractional share of the base node, plus their 100% share of installing the remote node.

Commissioner Eric Blakey. Does the customer have to have the service for one year to return that cost.

Mark Feest, CC Communications. No, those customers, it's about 24.3 months to return the cost.

Commissioner Eric Blakey. Ok. I had questions about the downward pressure and what was causing it, but you answered those questions during the presentation. Thank you for that.

Commissioner Matt Hyde. The problem with the testing is, it could be as simple as the fiber not being cleaned correctly. It takes micro dust, and if you don't dust cap it's a problem.

Mark Feest, CC Communications. It tested fine after everything was gone back through, cleaned and dust capped.

Commissioner Eric Blakey. There are no concerns or issues we have with the consultant.

Mark Feest, CC Communications. No.

ACTION REQUESTED: None; Informational Only

Affidavit of Posting:

Public Comment:

Chair Matt Hyde asked if there was any public comment but there was none.


Adjournment:

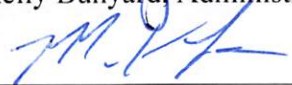
The meeting was adjourned at 2:53 p.m.

APPROVED: _____
Matt Hyde, Chairman

APPROVED: _____
Eric Blakey, Vice Chairman

APPROVED: _____
Myles Getto, Commissioner


Shelly Bunyard, Administrative Assistant


Mark Feest, General Manager/CEO

MINUTES OF THE CC COMMUNICATIONS MANAGEMENT

155 N. Taylor St., Fallon, NV 89406

April 3, 2025

Call to Order:

The regular meeting of the CC Communications was called to order at 1:45 PM on April 3, 2025.

PRESENT: Commissioner Matt Hyde
Commissioner Eric Blakey
Commissioner Myles Getto
General Manager Mark Feest
Chief Financial Officer Jamie Hyde
Administrative Assistant Shelly Bunyard

ABSENT:

Public Comment:

Chair Matt Hyde 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 March, 2025 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 Myles Getto made a motion to approve the Agenda as submitted. Commissioner Eric Blakey seconded the motion, which carried by unanimous vote.

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

A- March 6, 2025

Commissioner Eric Blakey made a motion to approve the Minutes of the meeting held on March 6, 2025 as submitted. Commissioner Myles Getto seconded the motion, which carried by unanimous vote.

New Business:

A- Consideration and possible action re: Approval of the 2025 - 2026 Budget for CC Communications - Telephone Fund, CC Communications - Long-Distance Fund, CC Communications - Broadband Funds and CC Communications CAP - Servicing Outside Churchill County Fund.

Jamie Hyde, CC Communications. On March 26, 2025 CC Communications presented the 2025 - 2026 FY Budget to the Board and is now asking management for approval of the 2025 - 2026 FY Budget with an additional \$55,000 added to expenses to account for the increase in health insurance when CC Communications is added to the County's plan.

Commissioner Matt Hyde asked if there were any questions or comments but there was none.

Commissioner Matt Hyde. Thank you for joining the Pool. I think over the long run it will benefit everyone. The budget looks really strong. Thank you.

Commissioner Myles Getto made a motion to approve the 2025 - 2026 Budget for CC Communications - Telephone Fund, CC Communications - Long-Distance Fund, CC Communications - Broadband Fund and CC Communications CAP - Servicing Outside Churchill County Fund with the addition of \$55,000 to benefits per the direction of the board at the March 26, 2025, Budget Hearing Meeting. Commissioner Eric Blakey seconded the motion, which carried by unanimous vote.

Reports: General Manager Report:

1. Transport Network Update
 - a. Migration plan is being implemented
2. C15
 - a. Migrated with lingering Wireless trunk issues (VZN, ATT)
 - b. TNS Contract review for new Sigtran to replace SS7
3. Virginia City
 - a. 4-6 weeks from starting drops
4. YPT
 - a. NTIA has returned with a few questions/clarifications, but it appears close.
 - b. Next is the publication and comment period.
5. USDA
 - a. Had conference call(s) (Thanks to Shannon Ernst for reaching out)
 - b. Evaluating potential PFSA designs
6. NTIA
 - a. Site visit was rescheduled for April 22nd due to travel budget issues
 - b. Attended webinar regarding changes to documentation required by NTIA
7. NTA
 - a. Executive meetings
 - i. Attendance?
 - b. AB 509
8. HR
 - a. Updating Evaluation forms
 - b. Business Development MGR
 - c. Wayne Pustovrh retired
 - d. Intern started
 - e. April 23rd breakfast
 - f. Company Dinner

Affidavit of Posting:

Public Comment:

Chair Matt Hyde asked if there was any public comment but there was none.

Adjournment:

The meeting was adjourned at 1:58 p.m.

APPROVED: _____
Matt Hyde, Chairman

APPROVED: _____
Eric Blakey, Vice Chairman

APPROVED: _____
Myles Getto, Commissioner


Shelly Bunyard, Administrative Assistant


Mark Feest, General Manager/CEO



CC Communications Agenda Report

Date Submitted: May 23, 2025

Agenda Item #: New Business - A
Meeting Date Requested: June 5,
2025

To: Board of Churchill County Commissioners
From: Mark Feest, General Manager / CEO
Subject Title: Consideration and possible action re: changing the time for the regularly schedule of CC Communications meeting with a new proposed new time of the first Thursday of the month at 11:00 a.m.

Type of Action Requested: Accept

Does this action require a Business Impact Statement? No

Recommend Board Action: motion to approve changing the time for the regularly schedule of CC Communications meeting with a new proposed time of the first Thursday of the month at 11:00 a.m.

Discussion: This new schedule would work with the Board of County Commissioner's standard morning commission meetings and enable the Commissioners to run through with less dead time between meetings.

Alternatives:

Fiscal Impact:

Explanation of Impact:

Funding Source:

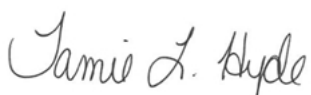
Prepared By: Shelly Bunyard, Administrative Assistant

Reviewed By:



Mark Feest, General Manager

Date: May 26, 2025



Jamie Hyde, Chief Financial Officer

Date: May 29, 2025

Board Action Taken:

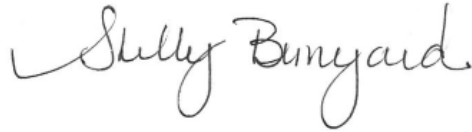
Motion: _____

1) None

Aye: 0

2) None

Nay: 0



(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.



CC Communications Agenda Report

Date Submitted: May 23, 2025

Agenda Item #: New Business - B

Meeting Date Requested: June 5, 2025

To: Board of Churchill County Commissioners

From: Mark Feest, General Manager / CEO

Subject Title: Consideration and possible action re: proposed changes to Personnel Policy 7.6 Retirement Incentive Plans.

Type of Action Requested: Accept

Does this action require a Business Impact Statement? No

Recommend Board Action: motion to approve the proposed changes to Personnel Policy 7.6 Retirement Incentive Plans.

Discussion: It was determined in the course of normal policy review that Policy 7.6 had the potential to be clarified in a manner that allows employees to better understand their options with regard to the policy. The original is attached, together with two proposed alternative changes. In both alternatives program is still limited to CC Communications purchasing one year of PERS service credit. It should be noted that changes to the PERS program limits the purchase of service to employees hired prior to 2015, thus, not all employees can take advantage of the program.

Version 1

Clarifies that the employee MUST retire from the PERS system in the FY that the purchase is made by the employer.

Clarifies the manner in which the employee may make their purchase

Clarifies that even if there is a financial savings, the Board can deny participation at its sole discretion.

Version 2

Clarifies that the employee MUST retire from the PERS system in the FY that the purchase is made by the employer.

Eliminates the requirement that the employee purchases service. The requirement that the purchase by the employer still shows a 3 year savings remains.

Clarifies that even if there is a financial savings, the Board can deny participation at its sole discretion.

Alternatives: Approve proposed Version 1
Approve proposed Version 2
Amend and approve either version through Board discussion in this public meeting
Maintain current version

Fiscal Impact: Changes do not create any additional financial obligations

Explanation of Impact: MA

Funding Source: FY Budget

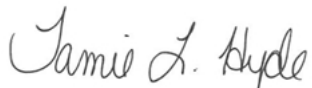
Prepared By: Shelly Bunyard, Administrative Assistant

Reviewed By:



Mark Feest, General Manager

Date: May 26, 2025




Jamie Hyde, Chief Financial Officer

Date: May 29, 2025

Board Action Taken:

Motion: _____

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



(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.

INDEX

BENEFITS

7.1 Health Insurance Coverage

7.1.1. Eligibility

7.1.2. Benefits

7.1.3. Plan Changes

7.1.4. Insurance Advisory Committee

7.2. Life Insurance Coverage

7.2.1. Eligibility

7.2.2. Policy

7.2.3. Coverage

7.3. Long Term Disability

7.4. Supplemental Benefits

7.5. Retirement

7.6. Retirement Incentive Plans

7.6.1. Purpose

7.6.1.1. Financial Savings

7.6.2. Retirement Incentive Plan

7.6.2.1. Eligibility Requirements

7.6.2.2. Cost

7.6.2.3. Limitations of Participation

7.6.3. Withdrawals

7.6.4. Procedures

7.6.5. Board Consideration

7.7. Workers' Compensation

7.8. Deferred Compensation

7.9. Educational Assistance

7.9.1. Purpose

7.9.2. Source of Funds

7.9.3. Eligible Employees

7.9.4. Use of Funds

7.9.5. Approval and Payment Procedure

7.9.6. Annual Award Limitation

7.10. Safety Training

7.10.1. Purpose

7.10.2. Responsibilities

7.10.3. Tracking Attendance

7.11. Computer Purchase Assistance Program

7.11.1. Purpose

7.11.2. Implementation

- 7.11.3. Procedure
- 7.12. Employee Concession
 - 7.12.1. Scope & Eligibility
 - 7.12.2. Delinquent Payments
 - 7.12.3. Death, Termination, or Retirement
- 7.13. Telephone Purchase Discount
- 7.14. Company Provided Cell Phones
 - 7.14.1. Policy
 - 7.14.2. Personal Use
 - 7.14.3. Review & Documentation
 - 7.14.4. Care and Return of Equipment
 - 7.14.5. Supervisor/Manager Responsibility
 - 7.14.6. Image Transmission Over Cell Phone
- 7.15. Safe Cellular Phone Use While Driving
 - 7.15.1. Purpose
 - 7.15.2. Receiving Call on Cell Phone While Driving
 - 7.15.3. Hands Free Accessory Usage
- 7.16. Consolidated Omnibus Budget Reconciliation (COBRA)
 - 7.16.1. Purpose
 - 7.16.2. Employee Notification
 - 7.16.3. Qualifying Events
 - 7.16.4. Cost and Discontinuation of Coverage
- 7.17. Related Forms

7. BENEFITS

7.1. Health Insurance Coverage

7.1.1. Eligibility

Full-time regular employees are eligible to enroll in a group health insurance plan effective the first of the month following thirty (30) days of employment for medical, dental, and vision benefits. Dependents of employees, as defined in the current plan booklet, are also eligible for coverage under the insurance plan at the employee's expense. Employees must authorize payroll deductions of any share of the health coverage premium which is to be paid by them.

7.1.2. Benefits

The specific terms and conditions of coverage are specified in the plan document for medical, dental, vision, and prescription drug insurance issues by the insurance company and are available from the Human Resources department.

7.1.3. Plan Changes

CC Communications will, from time to time, evaluate the health coverage plan that is offered and adjust, as it deems appropriate, in the level of coverage and the amount of premium cost to be paid by the Company.

7.1.4. CC Communications Insurance Advisory Committee

The ensure that employees understand and have input into the process of determining insurance providers, coverage levels and costs, an Insurance Advisory Committee (IAC) will be formed and maintained. The IAC will meet as often as the members determine.

The IAC will be composed of two members selected by Company management, and two members selected by employees covered by the Collective Bargaining Agreement (CBA). Each member of the IAC will serve for two years. After the two years have been served the member may continue on the committee or request to be replaced. In the event the members covered by the CBA do not select their designated members(s), the General Manager will appoint one or both CBA member representatives. The Human Resources department will serve as chair of the IAC and ensure minutes are prepared for each meeting. Such documentation will be maintained by the Human Resources department. The Chief Financial Officer and Chief Operating Officer will serve as resources for the committee.

The IAC will select and work with the insurance broker, review claims experience, deal with employee issues submitted to the committee, solicit and review bids and make

recommendations to the CEO/General Manager as to the carriers and the benefit plans to be utilized for each benefit year. In the event the increase in premiums exceeds the approved budgeted amount, the CEO/General Manager will bring before the Board of County Commissioners.

7.2. Life Insurance Coverage

7.2.1. Eligibility

Full time regular employees are covered by a Company paid term life insurance and accidental death and dismemberment insurance plan effective the first of the month following thirty (30) days of employment.

7.2.2. Policy

The specific terms and conditions of coverage are specified in the plan document issues by the insurance company and are available from the Human Resources department.

7.2.3. Coverage

Eligible employees are covered by a life insurance policy in the amount of \$25,000 if the employee is under the age of 65; \$17,500 if the employee is between the ages of 65 to 69; and \$12,500 if the employee is at least 70 years old. Optional dependent life insurance is available on an employee contribution basis.

7.3. Long Term Disability

All regular employees will be eligible for long term disability benefits provided by the Company. This coverage will provide a percentage of present wages to employees who become too disabled to work.

7.4. Supplemental Benefits

CC Communications will offer employees such supplemental coverage as it deems appropriate and cost effective for accident, major injury, disability, sickness, cancer, intensive care, etc. through such carriers as AFLAC.

7.5. Retirement

As defined in NRS 286, CC Communications is considered a public employer and employees in positions considered to be half time or more, according to the full-time work schedule for at least one hundred twenty (120) consecutive workdays, are covered

by the Public Employees Retirement System (PERS). Details are described in Chapter 286 of the NRS.

7.6. Retirement Incentive Plans

7.6.1. Purpose

The purpose of the retirement incentive plan is to encourage eligible employees to volunteer to retire from CC Communications' employment if they have met certain specific criteria. This incentive plan should facilitate retirement for certain employees eligible under Nevada Revised Statutes (NRS), and at the same time result in a *financial savings* to CC Communications.

7.6.1.1. Financial Savings

For the purposes of determining financial savings, the company shall estimate the savings expected in the first three years after the employee separates. The calculation will be the difference between the applicant's current salary and their replacement's salary. For this calculation the company will assume that the replacement will be at step one (1) of the current salary scale in the first year, step two (2) in the second year, and step three (3) for the third year. Further, the company will assume reasonable costs for advertising and recruiting for the position. Based upon past experience recruiting for such position, cost for the use of a recruitment firm may be considered.

7.6.2. Retirement Incentive Plan

7.6.2.1. Eligibility Requirements

An employee must be eligible to retire under the provisions of the Public Employees Retirement System of Nevada (PERS). Employees who have already met the PERS eligibility requirements for full service retirement based on years of service and/or age will not be eligible for this plan.

If approved, CC Communications will purchase up to one (1) year of retirement credit. The amount of retirement credit purchased by CC Communications will equal the amount of retirement credit the employee has purchased, or will purchase prior to retirement, subject to the one (1) year limit. The employee may purchase retirement credit in any allowable manner, including the use of IRS 457(b) funds, excess sick leave, or vacation. It is the employee's responsibility to understand the tax ramifications of purchase methodology.

Eligibility and savings are not a guarantee of approval. The Board may deny any application if, at its sole discretion, the Board determines it is in the best interest of CC Communications to deny an application.

Commented [VH1]: Proposed Option 1 to Board

OR

If approved, CC Communications will purchase up to one (1) year of retirement credit.

Eligibility and savings are not a guarantee of approval. The Board may deny any application if, at its sole discretion, the Board determines it is in the best interest of CC Communications to deny an application.

Commented [VH2]: Proposed Option 2 to Board

CC Communications may participate in the purchase of retirement credit of up to two (2) years under the following schedule: year one wholly purchased by the employee; year two purchased by CC Communications.

7.6.2.2. Cost

The cost of purchasing retirement service credit will be calculated in accordance with the policies and regulations of PERS in effect at the time of purchase. CC Communications will transfer funds for the purchase of retirement credit directly to PERS. In no case shall the company's participation exceed the estimated savings pursuant to 7.6.1.1.

7.6.2.3. Limitation of Participants

One employee per fiscal year may be approved at the sole discretion of the Board and retire before July 1st. The Board may wave this limit for good cause. In the event that the number of applicants exceeds one in any year, the Company will order the applicants by their seniority *with the Company* to determine eligibility.

Commented [VH3]: If Option One is adopted this sections would be left unchanged

If Option Two is adopted this subsection will be stricken from the policy

7.6.3. Withdrawl

If, due to unforeseen circumstances, an employee feels the need to withdraw their written request to the General Manager, they may request to withdraw their application from the Retirement Incentive Plan or the Separation Incentive Plan. A request to withdraw may only be considered if the employee has made the request prior to their actual retirement.

7.6.4. Procedures

Retirement incentive programs are voluntary and subject to periodic evaluation and review by the Board of County Commissioners.

Each application must be received no later than December 31st and is subject to review to determine the financial advantages to the Company. Financial advantage to the Company will be determined by calculating any cost savings over a three (3) year period on a direct replacement method. Any such cost savings must be no less than 100% of the cost to the Company of the purchase of service credit in order for the request to be recommended by the Company to the Board of County Commissioners for their review.

The Board of County Commissioners acting as CC Communications' management retains the option to reject and or all requests to participate if the Board deems such request not to be advantageous to the company.

7.6.5. Board Consideration

The Board of County Commissioners will review all applications and make a recommendation no later than its March board meeting, or alternatively in a meeting that is appropriate for the funding of the applications for that year.

The Board of County Commissioners retains the option to waive any of the requirements under this policy if, in the opinion of the board, there are extenuating circumstances.

7.7. Workers' Compensation

CC Communications' employees are insured under the provisions of the State Workers' Compensation Act for injuries received while at work. Employees are required to report all on the job accidents, injuries, or illnesses to their immediate supervisor within twenty four (24) hours of the accident, injury, or illness, or as soon as reasonably possible.

The following provisions are adopted pursuant to and are intended to implement the requirements of NRS 281.390:

1. An employee who is concurrently eligible for temporary total disability benefits under NRS chapters 616A to 616D, inclusive, or 617, and for any sick leave benefits may elect to continue to receive their normal salary instead of the benefits under those chapters until their accrued sick leave time is exhausted. To do so the employee must notify their supervisor or manager. CC Communications will then notify the Workers' Compensation Administrator of the employee's election. The Company will pay the employee their regular salary but will deduct from the employee's accrued sick leave balance an amount which represents the difference between the employee's regular salary and the amount of any temporary total disability benefit the employee received exclusive of reimbursement or payment of medical or hospital expenses under the referenced NRS chapters for that pay period.

2. Once an employee exhausts their accrued sick leave, CC Communications will discontinue paying the employee their regular salary as provided for in *subsection 1* and will promptly notify the Workers' Compensation Administrator so that it may begin paying benefits directly to the employee.
3. An employee who declines to make the election provided in *subsection 1* may use all or any part of the sick leave benefit available to them while directly receiving benefits for temporary total disability under NRS 616A to 616D, inclusive, or 617. The amount of sick leave benefit paid to the employee for any pay period may not exceed the difference between their regular salary less any benefit received, excluding reimbursement or payment of medical or hospital expenses for that pay period.
4. If, pursuant to subsection 3 above, the amount of the employee's sick leave benefit is reduced below the amount normally accrued, the Company will reduce the amount of sick leave charged to the employee during that pay period in the same proportion.
5. An employee may decline to use any part of the sick leave benefit normally payable to them while receiving benefits under NRS 616A to 616D, inclusive, or 617. CC Communications will consider the employee to be on leave of absence without pay.

7.8. Deferred Compensation

Employees may defer a portion of their taxable income by participating in a deferred compensation plan offered through CC Communications.

Initial enrollment may be made at any time during the year for earnings beginning the first of the following month. Changes in contribution are governed by the terms and conditions of the particular plan. Employees may defer only income earned after the effective date of initial or increased participation.

Prior to retirement, participants may withdraw the balance of their deferred compensation account only upon termination of employment. In the event of unforeseeable emergency, the portion of the account needed to pay for the emergency may be withdrawn. The IRS defines the conditions for and requires Company approval of early withdrawal on a hardship basis. The Churchill County Comptroller must review and approve all requests for early withdrawal.

7.9. Educational Assistance

7.9.1 Purpose

In an effort to provide an opportunity for employees to enhance their knowledge and skills and thus to augment their contribution to the company's ability to provide quality

Personnel Policies- Benefits

7-6

Documented Originated May 2003

Current Rev. June 2025

Previous Rev. 2003, 2008, 2012, 2013, 2014, 2015, 2016, 2018
Feb 2020

service to its customers, CC Communications will provide educational assistance to employees who meet certain criteria.

7.9.2. Source of Funds

Each fiscal year during the budget approval process, CC Communications will allocate a designated sum to be used for educational assistance for full-time regular employees. In no case will greater than twenty percent (20%) of the designated sum be used for non-work-related classes. Once these funds are exhausted each year, no additional educational assistance will be awarded until the beginning of the next fiscal year.

7.9.3. Eligible Employees

Educational assistance funds will only be available to regular full-time employees who have been with the company for at least one year and who have been in their present position for at least one year.

7.9.4. Use of Funds

CC Communications will pay for courses at accredited educational institutions, including technical schools on a reimbursement basis and subject to the provisions of Policy 7.9. Reimbursement for course materials not included as part of the registration and fees, will not be covered.

1. Work Related Classes

All courses directly related to an employee's current job duties are eligible for reimbursement.

2. Non-Work-Related Classes

CC Communications will reimburse employees for non-work related courses that are required to obtain a degree if the following conditions are met:

- a. The employee must provide documentation that they have completed at least half of the educational curriculum needed to obtain a degree.
- b. The employee must show that their accumulated grade point average is at least a C or equivalent level for undergraduate studies or at least a B or equivalent level for graduate studies.
- c. The employee must provide documentation that they are not in financial arrears with the educational institution, nor on academic probation or suspension and has successfully completed the class in order to receive reimbursement from the company.
- d. Reimbursement will be for tuition only. (Books and related fees will not be reimbursed by the company.)

3. Technical/Professional Certifications

CC Communications Management will maintain a list of certifications for which the company will reimburse employees pursuant to the reimbursement procedures contained in 7.9.5. (2). CC Communications will only reimburse an employee for one course and one test per certification category. Example: If A+ certification were a certification category, then the employee could be reimbursed for one approved A+ course and one testing. Employees have six months from the date of approval to complete the course and certification testing. If the employee fails to complete the previously approved course and certification testing within six months, the reimbursement is subject to available funds. The General Manager will approve all changes to the list of approved technical professional certifications and review such at the request of supervisors.

7.9.5. Approval and Payment Procedures

1. Work and Non-Work-Related Classes
 - a. Using the designated request form, an employee must secure written approval from their immediate supervisor, who will determine whether the class is work-related or non-work-related pursuant to 7.9.4.
 - b. Forward the request to the General Manager, or designee, to ensure budget is available.
 - c. Receive written notice of approval.
 - d. Enroll and pay for the class.
 - e. Complete the class earning a C or better.
 - f. Provide proof of completion and payment.
 - g. The Accounting Department will process reimbursement for course costs.
2. Technical/Professional Certifications
 - a. Using the designated request form, an employee must secure written approval from their immediate supervisor, who will ensure that the certification course and provider sought is currently designated as approved. For an individual employee, only one certification course and provider sought is currently designated as approved. For an individual employee, only one certification course may be eligible for reimbursement at a time.
 - b. Forward the request to the General Manager, or designee, to ensure budget is available.
 - c. Receive written approval.
 - d. Enroll and pay for the course.
 - e. Complete the course and pass the certification test.
 - f. Provide proof of completion, certification and payment.

- g. The Accounting Department will process reimbursement for course costs and one (1) certification test.

7.9.6. Annual Award Limitation

To prevent the requirement that CC Communications issue a 1099 (in compliance with IRS regulations), no employee shall receive more than \$5,200 in educational assistance in any calendar year.

7.10. Safety Training

7.10.1. Purpose

CC Communications is committed to providing opportunities for employees to attend safety and wellness related training in order to promote and foster the safe performance of job duties and encourage a safe and health-conscious lifestyle.

7.10.2. Responsibilities

To those ends, CC Communications will make available various safety and wellness related training opportunities throughout the year that all regular employees are expected to attend. Supervisors and managers are expected to develop a specific training program for each of the job categories within the work unit, arrange for relevant training activities for specific positions as needed and to provide the opportunity for their staff to attend trainings when such are offered.

Each manager will establish a training agenda specific to each job category, e.g., splicers, installation/repair, toll, engineers, linemen, etc. which details training to be completed by each employee assigned to a particular job class.

7.10.3. Tracking and Attendance

For all County and Company sponsored training, employees are to provide their attendance information on a sign-in sheet. These sheets will be collected and tallied by the staff of the Human Resources department.

7.11. Computer Purchase Assistance Program

7.11.1. Purpose

CC Communications strongly advocates the expansion of employees' knowledge. In order to encourage employee to utilize a computer in the home for personal use, CC Communications developed a Voluntary Computer Purchase Assistance Program. CC Communications believes that personal use of computer will assist employees to become

more computer literate and advance their computer skills. Employees understand that, regardless of their participation in this program, they are prohibited from doing work for CC Communications at home.

7.11.2. Implementation

Under this Voluntary Program, employees may borrow up to \$2,000 (interest free) from CC Communications to purchase a home computer. The employee must pay the first 10% of the purchase price and borrow the remaining 90% up to the \$2,000 limit. An employee has 36 consecutive pay periods to pay off the no-interest loan, through payroll deductions. This interest free loan is allowed by IRS as a tax-free event due to the \$2,000 limit and is therefore not subject to withholdings. If an employee leaves before the 36 consecutive pay periods are completed, the employee agrees to pay off the balance of the loan through a deduction from their last payroll check. In the event there is not enough money in the last check to cover the remaining balance, the employee is liable for the difference and will be required to pay off the outstanding balance or return the computer.

In order to qualify, applicants must be full-time CC Communications' employees who are not on probationary status. Employees may purchase one computer every thirty-six (36) months under this program as long as prior authorization is received for the Human Resources department. This program is limited to 1/3 of the CC Communications regular full-time employees each year.

The governing Board of CC Communications may revoke this program at any time the Board determines that it is not in the best interest of the company.

7.11.3. Procedure

In essence, the Program is a "double reimbursement" Program. The procedures are as follows:

1. The employee must receive prior authorization from the Human Resources department before purchasing a computer.
2. Once approval is received, the employee may then purchase a computer from a vendor of their choice by whatever method the employee chooses.
3. The employee must purchase a computer that meets the minimum requirements and is IBM and DSL compatible (i.e. 56k modem, has Windows, Word, Excel, Access, etc.)
4. The employee must then present an invoice to the CC Communications Human Resources department from the vendor showing the cost of the personal

computer. The employee can seek reimbursement for 90% of the total purchase price up to \$2,000.

5. The employee must sign an agreement, which indicates the amount that will be withheld from the first two paychecks of each month and the duration of the loan. (See Employee Computer Purchase Agreement.)
6. On the next regularly scheduled check run, CC Communications will reimburse the employee for the cost of the computer.
7. The employee will then reimburse CC Communications via the agreed payroll deduction. An employee change form must be completed by the Human Resources department and given to the Accounting Department.
8. If the employee leaves before the final payment, the employee agrees to pay off the balance of the loan through deductions from their payroll check. In the event that there is not enough money in the last check to cover the remaining balance, the employee is liable for the difference.

7.12. Employee Concession

Employee's Discounted Services, has been discontinued per TARIFF No. 34 effective date August 1, 2013.

7.13. Telephone Purchase Discount

Employee's Discounted Services, has been discontinued per TARIFF No. 34 effective date August 1, 2013.

7.14. Company Provided Cell Phones

7.14.1. Policy

Where business needs require immediate access, the Company may issue a Company owned cell phone to an employee for work related communications. To protect the employee from incurring a tax liability under IRS "listed items" provision for personal use of cell phones and related devices, employees are to use such Company provided equipment for business purposes only. Employees are required to maintain accurate and timely phone logs which will be audited regularly to ensure unauthorized use has not occurred.

7.14.2. Personal Use

While the expectation is that Company provided cell phone and related devices be used primarily for official business purposes, CC Communications recognizes that occasions may occur where personal use of Company provided cell phones are unavoidable. Any

Personnel Policies- Benefits 7-11 Documented Originated May 2003

Current Rev. June 2025

Previous Rev. 2003, 2008, 2012, 2013, 2014, 2015, 2016, 2018
Feb 2020

such personal use of Company provided cell phones and related equipment must not result in any additional cost to the Company over and above any flat service rate paid. Business calls are those made for the purpose of furthering Company interests and activities; personal calls do not directly benefit CC Communications businesses interests.

While at work all employees are expected to exercise the same discretion in using personal cellular phones as it expected for the use of Company land line phones. Regardless of the phone used, excessive personal calls during work time can interfere with productivity and distract others. Employees are expected to make and receive personal calls other than for a personal emergency nature on non-work related time e.g., meal periods and breaks, and ensure that family members, friends, etc. are made aware of and comply with the Company's policy. The Company will allow some flexibility in circumstances requiring the employee's immediate attention.

7.14.3. Review and Documentation

Employees issued cell phone will review their monthly bills to verify that all billed services were incurred for official business. If an employee experienced a personal emergency that resulted in the need to use the company provided cell phone in a manner that resulted in costs in excess of the monthly plan, they are required to document this usage on their monthly cell phone calls/text messages/metered internet usage etc. log. The employee must then submit a form (approved by their manager) specifying the number called or texted and the reason for the call. This form also includes specific authorization to hold the employee responsible for payment of the charges for the personal use which resulted in additional costs to the Company when the bill is received. Employees who have not made any personal calls, etc. in am onth will submit a form attesting to the fact that they made no calls of a personal nature. Failure to reimburse the Company for the cost incurred to the Company as a result of calls made will result in tax liability for the employee as well as disciplinary action.

7.14.4. Care and Return of Equipment

Employees who have been given company equipment, such as cell phones, are expected to protect such equipment from loss, damage, and theft. Upon leaving the employment of CC Communications or at any time upon request the employee may be required to produce the phone and related equipment for inspection or return. If an employee is unable to present the phone in good working condition within a reasonable time period, they will be expected to reimburse the Company for the cost of a replacement.

An employee who leaves the Company for any reason with outstanding debts for equipment loss, damage, unpaid, or unauthorized use charges will be considered to

have left Company employment on unsatisfactory terms and may be subject to action for recovery of the loss to the Company.

7.14.5. Supervisor/Manager's Responsibility

As with any Company policy, managers and supervisors are expected to serve as examples of proper compliance with the above provisions and are expected to remind and reiterate to staff their responsibilities for complying with the provisions of this policy.

7.14.6. Image Transmission over Cell Phone

Employees who are issued a Company owned cell phone or who are carrying their own cell phone with the capability to transmit images will not transmit any information of a confidential or proprietary nature. Employees will obtain the authorization of their manager before transmitting picture of anything produced or owned by the Company. Employees will not transmit pictures of co-workers without the consent of the person involved. Employees will not take any pictures in a surreptitious manner.

7.15. Safe Cellular Phone Use While Driving Company Vehicles

7.15.1. Purpose

CC Communications is committed to the premise that safety must come before all other concerns and recognizes that the use of cell phones is often a contributing factor to vehicular accidents. Therefore, if at all possible, employees whose job responsibilities include driving a company vehicle of their own vehicle for company purposes and who have been issued a cell phone for business use are expected to refrain from using any cell phone while operating a company vehicle or their own vehicle conducting company business.

7.15.2. Receiving Calls on a Cell Phone While Driving

Regardless of the circumstances, including slow or stopped traffic, employees are strongly encouraged to pull off to the side of the road and safely stop the vehicle before placing or accepting a call. If acceptance of a call is unavoidable and pulling over is not an option, employees are expected to keep the call short, use hands-free options, refrain from discussion of complicated or emotional topics and keep their eyes and attention focused on driving and road conditions. Employees should exercise special care when using a cell phone in situations where there is heavy traffic, inclement weather, construction or the employee is driving in an unfamiliar area. As always, CC Communications expects employees to follow any and all laws pertaining to driver

safety. If a law is more restrictive than a policy is written, the employee is responsible for understanding the law and abiding by it.

7.15.3. Hands Free Accessory Usage

In situations where job responsibilities include regular driving and accepting of business calls, the Company will make hands-free equipment available to facilitate the implementation of this policy and the safe operation of the vehicle.

Employees whose job responsibilities do not specifically include driving as an essential function, but who are issued a cell phone for business use, are also expected to abide by the provisions above. Under no circumstances are employees expected to place themselves or others at risk to fulfill business needs.

Employees who are charged with traffic violations resulting from the use of their cell phone while driving a company vehicle or their own vehicle while on company business will be solely responsible for all fines and liabilities that result from such actions.

Employees who violate this policy may be subject to disciplinary action up to and including termination.

7.16. Consolidated Omnibus Budget Reconciliation Act (COBRA)

7.16.1. Purpose

It is the intent of CC Communications to comply with the federal Consolidated Omnibus Budget Reconciliation Act (COBRA) which basically requires employers with 20 or more employees to continue to offer coverage in their group health plan to certain former employees, retirees, spouses, and dependent children.

7.16.2. Employee Notification

CC Communications will notify employees and their dependents of their right to extend health plan coverage at the time they become plan participants and anytime a qualifying event occurs.

7.16.3. Qualifying Events

The length of continuation coverage offered under COBRA depends on the "qualifying event." "Qualifying events" are certain types of occurrences which would result in an employee losing health benefit coverage without COBRA continuation coverage. The type of qualifying event will determine who is entitled to continuation of coverage and the mandated amount of time that the plan must offer the health coverage under COBRA. As an example, if a covered employee voluntarily or involuntarily terminates

employment for any reason other than "gross misconduct" or reduces the number of hours scheduled to work to the extent that the employee is no longer eligible for health benefit coverage, the employee, their spouse, and their dependent children will be entitled to continue coverage in the employer's group health plan for up to 18 months. Moreover, a covered spouse and dependent child/ren will be eligible to continue health benefits coverage for up to 36 months in the event of divorce, legal separation, or death of the covered employee or in the event the child/ren no longer meet the defined requirements of a dependent child under the health plan.

7.16.4. Cost and Discontinuation of Coverage

Employees or those eligible and electing coverage under COBRA may be required to pay the entire group rate premium plus a surcharge of up to two (2) percent to cover administrative costs. The required period of continued coverage may be terminated by the employer if the ex-employee, spouse, or dependent child fails to make the required payments, enrolls in another health plan that does not contain any exclusion of limitation with respect to any pre-existing condition, becomes entitled to Medicare, or if the employer's group health plan is terminated.

7.17. Related Forms

- Employee Computer Purchase Agreement
- COBRA Notification
- Telephone Concessions Discount Schedule



CC Communications Agenda Report

Date Submitted: May 23, 2025

Agenda Item #: New Business - C

Meeting Date Requested: June 5, 2025

To: Board of Churchill County Commissioners

From: Mark Feest, General Manager / CEO

Subject Title: Consideration and possible action re: establishment of an IRC 457(f) plan.

Type of Action Requested: Accept

Does this action require a Business Impact Statement? No

Recommend Board Action: Motion to direct staff to design a retirement plan proposal that addresses the PERS Salary CAP impact, and to bring that proposal back to the Board in the first quarter of FY 2025-2026.

Discussion:

Nonqualified deferred compensation arrangements

IRC 457(f) refers to **nonqualified deferred compensation arrangements primarily used by tax-exempt organizations to provide additional retirement savings and deferred compensation for select executives and key employees.** These plans are subject to specific Internal Revenue Code (IRC) regulations and are distinct from 457(b) plans. Section 457(f) governs other deferrals of compensation of employees by not-for-profit employers and governmental entities. These arrangements can be provided through formal plans or in employment agreements that have no dollar limitation, but are subject to taxation upon vesting.

The 2015 Legislature passed Senate Bill 406 modifying the Public Employees' Retirement System, the Judicial Retirement System, and the Legislative Retirement System. Provisions within the bill limit the amount of compensation used to determine the retirement benefit of a person who first became a member of these Systems on or after July 1, 2015. The limitation is adjusted annually based on the rolling three-year average of the Consumer Price Index. Due to an adjustment of the rolling three-year average of the CPI, the active member salary limitation for calendar years 2023 and 2024 have been revised. The 2023 limit is \$ 232,559.25 and the limit is \$ 245,753.51 for calendar year 2024. Attached is a worksheet which explains how to adjust a member's wage if they meet the salary limitation under the Employer-Paid contribution plan.

The 2024 NTCA Compensation Report provides salary benchmarks for nearly all positions at CC Communications. CC Communications has been using those benchmarks to determine salary scales since at least 2011, with the 75th percentile as the top of all non-union pay scales. The 75th percentile is above the PERS salary CAP for the CFO, COO, GM, and CEO positions.

While the PERS salary CAP does not impact the salary paid to the employee, the PERS salary CAP limits the salary used when calculating the PERS benefit upon retirement. The PERS salary CAP also reduces what the employer pays into PERS on behalf of an employee that exceeds the CAP. Example, a person hired into PERS after July 1, 2015:

PERS Salary CAP: \$245,753.51

NTCA 75th percentile: \$262,297 (most recent 2024 numbers)

Approximately \$17,000 of their salary would not go into PERS retirement benefit calculation. If the employee reached 75%, this would cost the employee \$12,750 per year in retirement.

The PERS CAP essentially results in the total amount, salary plus the employee's side of PERS, cannot exceed \$262,297. Thus, the employee salary for PERS purposes would be approximately \$209,000 + \$36,753 in PERS contribution. Thus, CC Communications would make an approximately \$73,150 PERS contribution instead of \$91,803, or a save of \$18,653.

These numbers vary every year based upon where the employee is on the scale and what the PERS CAP is (it moves year to year based on when the employee was hired).

CC Communications competes for employees in the rural telecom space. Comparable salaries are guided significantly by the NTCA annual report, and CC Communications should expect that attempts to (1) attract outside applicants will be competing with NTCA members (there are over 780 of those companies). and (2) to maintain current employees at comparable salaries is necessary for retention efforts, are largely dependent on remaining comparable. While our salaries are comparable, the retirement benefit will not be when comparing to the NTCA defined benefit plan for the two or three position affected by the PERS Salary contribution and benefit CAP. This issue has been brought up by a candidate that turned down a position at CC Communications. This is a much more significant issue for any new hire that was not in PERS prior to 2015 (the CAP prior to 2015 was higher).

Creating a 457(f), which allocates the PERS savings realized by the company as a deposit into a 457(f) for an impacted employee addresses this to some degree much in the same way that paying elected officials avoided PERS contribution into a retirement plan results in a fair result.

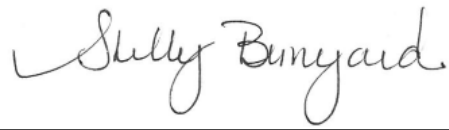
Approval to move forward with creating a plan may be adopted to go into effect FY 2025-2026 and include all affected employees.

Approval to move forward with creating a plan may be adopted to go into effect FY 2025-2026 and only apply to a newly hired or an affected employee who is promoted.

If approved, HR will work with consultants and our attorney to design a plan within the following parameters:

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.

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A handwritten signature in cursive script that reads "Sully Binyard".

(Vote Recorded By)

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