

## **Minutes of the Virtual Meeting of the MINET Board of Directors meeting, July 29, 2021, 4:30 PM**

### **In attendance:**

Board Members, present: David Ritchey, Marty Wine, Tom Pessemier, Tom Takacs. Not present: Chris Lopez, Michael Hicks.

Staff Present: Don Patten, PJ Armstrong, John Cooper, Jason Saunders

Guests Present: Attorney Chad Stokes

Chair David Ritchey **opened the meeting at 4:31 PM.**

**Public comment: None**

### **Consent Agenda**

Approval of the June 24, 2021, minutes. Marty Wine moved to approve the minutes. Tom Takacs 2<sup>nd</sup>, the motion passed 4-0.

### **Reports**

**Finance Department.** John Cooper gave the financial reports for June 2021, and for FY 2020-2021. June 2021 is up to \$472K in revenue from May 2021. Net Operating Income is \$173K, which exceeds the budget.

Annually, Net Operating Income exceeded the prior year by \$332K, and the budget for FY 2020-2021 by \$277K. Cost of Goods were under budget. Operating expenses were significantly down.

Comment from the GM: None at this time.

**Sales/CSR/Marketing Department.** Jason Saunders presented and discussed the numbers for June. He showed renderings of the new van that is a "hybrid": half WVF and half MINET. Jason recapped Krazy Days in Dallas and said that WVF was again heavily involved.

Comment from the GM: None at this time.

**Operations.** PJ Armstrong reported on Network Operations and the Outside Plant.

Voice Services: MINET has updated the internal voice system. This was hoped to have been completed in FY 2020-2021, but it was not possible to do so. The new system has free cloud-based support.

Voice Switch Transition: The onsite voice switch will be fully unsupported in FY 2021-2022. This is the device that provides every end user with voice service. Alternatives to the switch were assessed, and the best solution was found to be

cloud-based with no on-site equipment. A robust PBX business voice system will be used, which may result in new revenue streams.

In the last meeting PJ shared the extensive growth happening in the MINET/WVF service areas.

A very real challenge is equipment stockpiling. MINET has traditionally stockpiled 3 months of equipment in anticipation of its use. Now, however, with the order-to-receipt time being stretched from a couple of weeks to many months, stockpiling for the entire upcoming fiscal year is the only reasonable action to be taken. Slow product delivery and local growth both demand this plan. MINET intends to work as much as possible with vendors to have funds available in a timely manner for debt service payments.

The chair called for questions:

PJ was asked if there will be an affect on end users with the phone changes. He said the change over will be done via gentle roll out with little to no concern for the customer.

Can inventory be paid for as it is delivered, or does it have to be paid ahead? Payment is made upon delivery.

John Cooper said that a large delivery within the next 2 months could possibly affect debt service payment.

Comment from the GM: MINET is not immune from the reality of the supply chain. Maintenance of inventory is a large challenge.

**GM's Report.** The GM ceded his time to the Board of Directors for discussion about MINET "moving on."

The Chair called for an executive session. Attorney Chad Stokes explained why use of an executive session is not appropriate in this case. Only a narrow swath of information may be contained in an executive session.

The Chair amended his statement saying that a general discussion is needed about timelines and transmission processes. He reminded the Board that the GM has given his opinion about a successor to his position (PJ Armstrong).

Continued discussion was captured in full:

Stokes: The Board chooses the GM. There are no set criteria for doing so in the ORS190. You may hire internally, set up a hiring process, whatever the Board wants. It is up to you.

Ritchey: I remember it being that way, too.

Stokes: When (the original MINET GM) left there was an interim manager before Don Patten came in.

Ritchey: As a Board, we can go out for an executive search, hire internally or...

Pessemier: What is the timeline?

Cooper: The FY 2021-2022 budget provides for PJ Armstrong to fill an interim position beginning September 1<sup>st</sup>, with Don Patten's retirement taking effect September 30.

Ritchey: I'm 100% comfortable with PJ Armstrong as the General Manager. He would do well.

Takacs: Does the Board know where MINET's going? Do we have a 2–5-year vision?

Ritchey: My vision is to have a strong GM run MINET/WVF and have another resource to find opportunities for MINET to grow.

Pessemier: A Strategic Plan would be a guide. My choice typically is to do a recruitment, as you can learn a lot with that process. I know people who would be great candidates for this position. Do a search. It's hard for this Board to get together. An RFP is needed to start the search.

Ritchey: How do we move forward?

Pessemier: We need more people.

Wine: In the abstract I agree with Takacs' question about where the organization is going. In the Monmouth PD we invited a current employee to serve as interim until a recruitment could be done. Invite PJ Armstrong to apply for interim. Then hire a recruiter to do a search.

Takacs: I am reminded about how the City of Independence hired Chief Mason. He was interim, a search was conducted, and we ended up hiring from within. We can't rush in even though PJ Armstrong would be great.

Cooper: I want to recap the Strategic Plan. From 2014 to 2017 a 5-year strategic plan was created with assistance from contracted CFO Mark Thoenes. It took 3 years for the Board to approve the plan. We are currently in the 4<sup>th</sup> year of the plan and have already accomplished all of its elements.

Wine: I have an interest in seeing the strategic plan through. It sets goals and gives a 5-year framework. This could help in multiple ways, including hiring a General Manager.

Ritchey: So Strategic Plan is #1, followed by a plan to recruit using a September timeline. Should the next regular Board meeting about a strategic plan?

Pessemier: I think differently. The Strategic Plan is not necessarily the first priority. It would be a disservice to MINET for now. Let's focus on a general vision for MINET.

Takacs: We will need to have a Strategic Plan discussion and need to start thinking about it.

Ritchey: Can CCG help with this?

Wine: Recruiters can, through interviews with Board members, pull out the elements of a Strategic Plan.

Stokes: CCG could do the recruitment. They have done it before.

Pessemier: The first step is to select a firm to do this. The cities need to send out an RFP. It would be helpful to have that before the next meeting. Then send out proposal, select a recruiter, and go from there.

Ritchey: We need to put together an RFP for a search firm. We could task the staff to do this.

Patten: I don't think the staff can take on that kind of work.

Stokes: I will help with this. I've done lots of these documents.

Ritchey: Get the RFP created/disseminated, assess the applications by the August meeting, and discuss the applicants then?

Stokes: You should have 30 days response time on the RFP's. That schedule is too quick. It takes work to respond to an RFP. We're looking for head-hunters with knowledge of the industry – that's very straight forward.

Ritchey: Can we send out an RFP to listing services to push out and have responses by a September 9 meeting?

Stokes: The September regular meeting date would be more appropriate. Develop the RFP, send it out, get responses by a set date, give the Board time to review the applications. The September meeting date is the better timeline.

Ritchey: So, should we keep the regular August meeting? September's meeting would be reserved to review RFP responses.

Cooper: Are we OK with PJ Armstrong as interim GM?

**David Ritchey moved to appoint PJ Armstrong as the interim General Manager. Marty Wine 2<sup>nd</sup>.**

Ritchey: We should check with PJ if he wants to be interim GM. PJ?

Armstrong: Yes. I want to be the interim General Manager.

Patten: To clarify, I'd like to have PJ Armstrong appointed as interim GM effective September 1 in order to have a one month overlap before my retirement at the end of September.

**Ritchey: I amend my motion to include that provision. Wine: I amend my 2<sup>nd</sup>. All those in favor of appointing PJ Armstrong as interim General Manager effective September 1, 2021? Motion was passed 4-0.**

Ritchey: Marty Wine and Tom Pessemier will develop the RFP with Chad Stokes' help. The process will be:

Candidates must respond to the RFP by September 17 at 5 PM.

That will give the Board 1 week to review responses.

The Board will meet on September 23 to make a decision.

Patten: I must remind you that the expense of this process is not included in the 2021-2022 annual budget.

There will be no August meeting, but the Board will receive department-head reports via email.

Discussion continued about the best way of delivering applications. Stokes will use either email or file share, depending on volume of responses. He asked the Board to let him know if specific things are sought in this RFP. He, Tom Pessemier and Marty Wine will have the RFP ready to go within the next 2 weeks.

The Chair brought up the three other items of Board business: Franchise Agreement, IGA, and Steering Meeting. There is no direction yet on the first two. The third one will be set aside as the upcoming search will take priority.

Tom Takacs moved to adjourn. The Chair adjourned the meeting at 5:20 PM.