

Minutes, Virtual/In Person Meeting of the MINET Board of Directors, Wednesday, February 22, 2023, 5 PM

In attendance:

Board Members Present: Marty Wine, David Ritchey, Bob Mason, Cec Koontz, Michael Hicks. Not present, Kate Schwarzler.

Staff Present: PJ Armstrong, Jason Saunders, John Cooper, Ray Cruz, Dakota Snow.

Others present: Attorney Chad Stokes, Chris Lopez, and, joined virtually at 5:47 PM, Nick Merrill. Marilyn Morton (courtesy recording)

Chair David Ritchey **opened the meeting at 5:04 PM.**

Public Comment: Chris Lopez (outgoing BOD member) made comments:

- I cherish my 4 years on the MINET BOD, through GPON conversion, ice storms, expansion, and turning a profit.
- Thank you to the current staff and to retired GM Don Patten.
- PJ is a visionary leader.
- There is lots still for MINET to do.
- I caution the current board to not be too swift in debt repayment if it's to the detriment of MINET and asked that they never consider MINET as a political football, as it has been seen in the past.
- Community brings strength and vision to keep moving the company forward. Strategy is important but culture is critical.
- Be a more engaged and invested BOD and have a shared BOD culture, engaging in the work together.
- MINET is not a financial investment, it is a community asset. Cherish it.

Consent Agenda: Minutes of the December 14, 2022, meeting: Bob Mason moved to approve the minutes, David Ritchey 2nd, motion passed unanimously.

Auditor's Report

John Cooper introduced auditor Ryan Pasquarella of Grove, Mueller & Swank. He discussed the following:

- Governance Letter, and changes in format from past audits. Letter states that "reasonable assurance was determined that the financial statement was free from material misstatement.
- Specific procedures were done to demonstrate that any possible potential concerns were not an issue.
- MINET's expenses are properly reported and do not raise any concerns.
- Discussion of the audit process and findings continued.
- Mr. Pasquarella concluded that MINET received a successful and positive audit report.
- Cec, since she became a board member after the October 2022 audit, requested a copy of the documents.

Financial Report: John Cooper

- Reports for December and January were presented.

Sales, Marketing, CSS report: Jason Saunders

- Gave services reports for December and January
- Expansion work into Rickreall is going very well and has had good press.
- There have been significant good reviews for both MINET and WVF
- WVF hosted Dallas Chamber's Wake Up Wednesday and will host M-I Chamber's Greeters in March.
- MINET/WVF have sponsored many local activities and events.
- WVF was nominated Innovative Business of the Year.
- Oregon Broadband Association shared a Polk I-O article state-wide.
- MINET/WVF have excellent community visibility and participation.
- New offers were detailed; the tech team is taking promotional lead.
- Postcards and phone calls go out regularly to those who are not yet MINET/WVF customers.
- A new full-time CSS begins Monday; one position is still open.
- Marty thanked Jason for the report and suggested that if people have difficulty paying their bill to work with Polk County Family Community Outreach Center in the Central School District annex. They are distributing pooled M-I ARPA money to those who need it.

Operations: Dakota Snow

- Network utilization is at or above 30G in times of peak usage.
- Talks were started with providers to increase input, insuring redundancy and reliability.
- Providers have or will lease more NOC space, increasing MINET income.
- MINET is providing free wi-fi and security monitoring on the new trolleys.
- MINET is installing equipment to provide multi-gig service to the home; multi-gig services will be deployed by mid-summer.
- IPV 6 – working with an outside contractor, beta testing next, then full deployment.
- Marty wants to learn more about IPV 6, and Dakota noted an article is posted online at MINET/WVF. More information to come to the BOD.
- Cec said the date for the trolley ribbon-cutting is not yet firmly established.

Field Operations Report: Ray Cruz

- Ray reviewed new construction for both MINET and WVF, including multi units and coming subdivisions
- Expansion into Rickreall is 95% built.
- MINET is working with Polk County on ring fiber needs and assisting with other IT projects.
- Two new team members have been hired; both are a good fit
- Marty thanked Ray for coming to team meetings, offered the city's help to facilitate MINET's permitting and other needs.

GM Report: PJ Armstrong

- Team department updates:

Finance

- Having a bi-annual salary study done; more info to come
- Consideration is being given to controlling health insurance costs by offering employees already covered by other insurance the opportunity to opt out in exchange for a stipend equal to 50% of the cost of individual coverage. If feasible, this will be offered during 2023 open enrollment.

Sales/Marketing

- The Oregon Broadband eblast sharing MINET's successes statewide was beneficial.

Network Operations

- Increased bandwidth will be great for MINET and will create more income through NOC/fiber rental. It is time to begin increasing pipe sizes.

Outside operations

- Polk County has no fiber resources, so MINET has been helping; Polk County covers all costs
- Good press in Rickreall for service to the home; looking for a similar focus on a business customer.
- Ray and his team have done very solid, very excellent work.
- Engineering is working on the South Dallas project.
- Falls City – the need is there but grant funding may be challenging due to Oregon Broadband's current parameters. More information to come to the BOD.
- Discussed Dallas network ownership and how that is managed. The project is profitable for MINET, who is the paid operator.
- Dallas network was about 2 years late in getting completed because of early contractor delays and COVID, all conditions outside of MINET's control.
- Bond holders, forbearance agreements and next steps were discussed.

- John said all revenues are passed onto the owners then they are billed for operation and construction costs, which they are required to pay according to contractual agreement.
- Discussion about owner/operator agreements continued
- Marty asked who was performing the salary study, requested results be shared with the BOD, and asked for more clarification in the future about insurance coverage adjustments.
- Oregon Broadband office is still organizing itself and going through internal changes, so ultimate granting operations are not yet clear. A privately done internal audit of Oregon Broadband Office revealed much organizational work still to be accomplished.
- Polk County is working separately on broadband mapping, work that could be very important and helpful.
- Annual goals for MINET were shared with the BOD.
 - More in-house underground work, far less to no outsourcing
 - Go Green initiative being pursued to encourage paperless billing.
 - Social Media presence and community involvement to be kept at high levels.
 - Managed wi-fi to be discontinued.
- Marty appreciates ongoing industrial and annual goal updates.

Annual Budget: John Cooper

- John presented the budget calendar.
- The first Budget meeting will be Thursday, May 18 at 5 PM; 2nd and 3rd meetings, if needed, will be Thursday, June 1 and Thursday, June 15
- The budget committee had two members up for renewal/replacement: Nathan Christianson and Steve Milligan, each of whom filled an unexpired term. Each has agreed to continue to serve.
- Chris Lopez was the BOD secretary, a “ceremonial” position, that will need to be filled.

Marty Wine moved to adopt the budget calendar and committee and appoint John Cooper as budget officer. Michael Hicks 2nd, motion passed unanimously.

Closing: David Ritchey

David welcomed new BOD members Cec and Kate, and acknowledged continued the service of continuing members.

Next meeting: March 22, 5 PM. David will miss the meeting due to prior commitments, Bob Mason as Vice-Chair will lead the meeting.

Meeting adjourned at 6:23 PM