

CROSSLAKE COMMUNICATIONS ADVISORY BOARD/COUNCIL MEETING
THURSDAY, MARCH 13, 2014

The Regular meeting of the Crosslake Communications Advisory Board was called to order at 8:00 am by General Manager Paul Hoge. Members present: Mike Myogeto, Mike Winkels, Jim Talbott, Gordon Siemers, Alternates Steve Kohlmann and Dennis Leaser. Members absent Ann Schrupp. Also present were General Manager Paul Hoge, Office Manager Debby Floerchinger, Accountant Cyndi Perkins, Network Engineer Paul Davis, Operations Manager Jared Johnson, and Council Member Gary Heacox.

Actions Taken:

1. **The Advisory Board recommends to the City Council approval of the 2014 List of Professional Organizations assisting Crosslake Communications.**
2. **The Advisory Board recommends to the City Council approval of a High Speed Super Internet at \$89/month for residential service and \$149/month for business service.**

The Minutes of the January 28, 2014 meeting were presented. Dennis Leaser moved to accept the January 28, 2014 Minutes as presented. Second by Jim Talbott. All in favor, motion carried.

The January 2014 Financial Statements were reviewed. Mike Myogeto moved to approve the January 2014 Financial Statements as presented. Second by Mike Winkels. All in favor, motion carried.

The January 2014 Check Disbursements were reviewed. Mike Winkels moved to accept the January 2014 Check Disbursements. Second by Dennis Leaser. All in favor, motion carried.

COMMUNICATIONS

1. 2014 List of Professional Organizations Assisting Crosslake Communications. This list for 2014 was reviewed by the Advisory Board. Jim Talbott moved to recommend to the City Council approval of the 2014 List of Professional Organizations assisting Crosslake Communications. Second by Gordon Siemers. All in favor, motion carried.
2. Charter Internet. Paul reported that we changed most of the traffic from CNS to Charter because we pay less going to Charter than CNS. We have increased the bandwidth but reduced the cost from \$35/meg with CNS to \$7.50/meg with Charter. If Charter should go down, we can still transfer the traffic to CNS. The ender users will see no difference. Paul also reported that the old Procera was flakey so all the traffic would die. Paul Davis contacted Procera. They sent another piece of equipment at no cost to replace the one we had.
3. Install Charges. Paul reported that our staff was unclear on what our install fees included. We have established that our \$50 truck roll includes up to 90 minutes of labor

(whether Cable TV or phone/Internet). We will charge for all materials (except for the interconnection wire, if needed). The 90 minutes is total (if two techs do the install, the time at the premise would be 45 minutes). All time after the 90 minutes will be billed at \$75/hour. Mark Wessels joined the audience at 8:15 am.

4. CSAH 3. Paul reported that Jared went to a meeting two weeks ago. All contractors were present except for Crow Wing County. It was an annual meeting that they have attended every other time. The bid was let with a time bonus of October 15th to Anderson Brothers. We had heard that they had subcontracted the bid to a St. Cloud contractor who has reputation of ripping through the job. We are concerned about staying ahead with our limited staff. Xcel Energy has a 6" main going next to the road. Xcel Energy told them that because of the winter, they will not be here until May 15 and it will take them a month to complete the project (if they have a place to go). We have already contacted AVID to do Wolf Trail. John Moengen joined the meeting at 8:36 am. Jared said that until we know what Anderson Brothers' plan is, it's hard to know what our costs will be. There is another pre-con meeting April 1st. We have \$100,000 in the budget to fund this project. John Moengen said this is a project that is not only the Telephone Company's but also the City will be involved. We will work together until we get it done. If the City for some reason needs to step up and help out, we will cross that bridge when we get to it.
5. Election of Vice Chair. Mike Myogeto agreed to serve as Vice Chair of the Advisory Board.
6. High Speed Super Internet Pricing. Paul reported that we can now offer 20 Meg Internet, however we have not had anyone ask for it. He recommended that we charge \$20 above the High Speed Plus service, therefore \$89/residential and \$149/business. Mike Winkels moved to recommend to the City Council Super High Speed Internet at \$89/residential and \$149/business. Second by Gordon Siemers. All in favor, motion carried.
7. MTV Contract Renewal. Paul reported that we have a notice on Channel 12 referring customers to TVonmyside.com for updates on negotiations. Viacom has been calling us and mailing us contracts. We will hold firm until the NCTC and Viacom have reached an agreement. If we need to go black, we will.
8. Channel 12 Weather. Paul reported that Ann Schrupp and Mike Winkels met with Debby and selected the weather slides they felt the community would be looking for. Lydia has been trained and has the slides set up as requested by Ann and Mike. There are about 5 minutes of ads in between the weather slides.
9. Call Completion. Paul reported that he attended a webex on call completion. We are tracking the calls. Most of the calls don't even hit the switch in Minnesota. He said that once they start fining the people, this should go away.
10. Marketing Plan for 2014. Paul said that Gary Heacox had asked about a marketing plan. Paul reviewed the marketing plan, marketing budget and subscriber counts with the Advisory Board.

PERSONNEL

1. Paul Davis and Cyndi Perkins were both congratulated for 10 Years of Service with Crosslake Communications.

The meeting was recessed at 9:18 for a short break.

Council Members Mark Wessels, Gary Heacox, Mayor Darrell Schneider and John Moengen joined the Advisory Board for a Joint Advisory Board/City Council Meeting. Council Member Steve Roe was absent. Mayor Darrell Schneider called the meeting to order at 9:37 am. Also present was Finance Director/Treasurer Mike Lyonais.

The Advisory Board meeting resumed at 9:37 am. Pat Powers from Olsen Thielen Co., Ltd. joined the meeting.

1. 2013 Crosslake Communications Audit Review. Pat Powers from Olsen Thielen was present to review the 2013 Audit for Crosslake Communications. Pat said that Cyndi does a great job of getting everything ready, everything is pulled together and tied out. Everything was well prepared with no adjusting entries through the audit process and no issues with legal compliance. As part of what they do, they are a member of an association across the country that audits telecommunications companies (Telergee Peer Group). Included in the recap were comparisons of Crosslake Communications with the Telergee Peer Group. Pat stated that we are depreciating more than we are reinvesting. The remaining life of our plant continues to drop. The industry average of putting back into plant is 17%; we are at 10%.

Mike Winkels moved to adjourn the Advisory Board meeting at 11:06 am. Second by Jim Talbott. All in favor, motion carried.

MOTION 03S1-01-14 WAS MADE BY MARK WESSELS, SECONDED BY JOHN MOENGEN TO APPROVE THE 2013 AUDIT FOR CROSSLAKE COMMUNICATIONS. MOTION CARRIED 4-0.

Mark Wessels said that Crosslake Communications hired a consultant to come in a while back and asked about having that again. Not from an accountant standpoint but if we are doing a good job or not. Paul Hoge said that John Moengen had asked that and we got a report yesterday from Larry Thompson from Vantage Point. John said he had talked to Paul and was concerned about the company down the road. He said he didn't realize that Paul had actually contracted someone. John felt that this would help on the technology side but not the big picture. It may not satisfy what Mark was asking but maybe a piece of it. There are a lot of unanswered questions, we don't know the future here and this is a large responsibility. Mark said the technology report would be very interesting but he is more interested in the business end of it. The telephone lines are going away and are we doing everything we can to cut costs. He would like to have a consultant come in and look at it and see how we can improve. Mayor

Schneider asked Jared to put together a one or two page summary on the report from Vantage Point to help the Council understand it.

MOTION 03S1-02-14 WAS MADE BY MARK WESSELS, SECONDED BY GARY HEACOX TO AUTHORIZE JOHN MOENGEN TO LOOK INTO CONSULTING FIRMS AND TECHNICAL FIRMS TO ANALYZE THE BUSINESS END AND DO A REPORT FOR THE COUNCIL. MOTION CARRIED WITH 4-0 VOTE.

MOTION 03S1-03-14 WAS MADE BY MARK WESSELS, SECONDED BY JOHN MOENGEN TO ADJOURN THE MEETING AT 11:25 AM. MOTION CARRIED WITH 4-0 VOTE.


Debby Floerchinger