

Minutes

November 3, 2016

Call to Order: The regular meeting of the Board of Directors of Beaver Creek Cooperative Telephone Company (BCT) was held on November 3, 2016. The meeting was called to order by Chairman William Merchant at 6:00 p.m. at Beaver Creek Cooperative Telephone Company's office located at 15223 S Henrici Rd, Oregon City, OR.

Present from BCT:

William Merchant
Matt Carlson
Gary Emmons
Tammy Stevens
Paul Hauer
David Warner
Tangee Summerhill-Bishop
Roselle Potts

Present from AKT:

Scott Daniels
Lindsey Godfrey

Agenda: Approved

Minutes: Minutes from October meeting approved with one correction on the 2nd page. CMDS should read CMTS.

Member Input: Paul Hauer received a phone call from Janet Adler of Horsemasters Farm. She was inquiring about receiving her capital credits. Customer has been a member since 1980. She was dissatisfied that she could not make an early retirement application as she had previously been advised a few years ago. Paul explained the loan covenant situation to the member, which does not allow the cooperative to release any equity to members. Customer was not pleased with the explanation.

AKT: AKT is the current auditing firm employed by BCT. Scott Daniels and Lindsey Godfrey from AKT presented the board a letter showing the Audit Requirements. Scott and Lindsey reviewed each topic and answered questions from the board.

It was asked if there should be an audit done of CBS. Scott Daniel said that it was not cost effective for a full audit but a focus could be done on specific items if the board chose to do so.

Paul will include on Call to Order the contact information for Scott Daniels.

Scott and Lindsey left the meeting.

Financial Statements: President Paul Hauer reviewed the Financial Statement for September 2016. Paul went over items that had noticeably changed from one month to the next based on information received from Don Rickman. Next month there will be notes included with the financial statements.

Cash Flow: President Paul Hauer reviewed the cash flow statement for September 2016.

Accounts Payable: Accounts Payable through October 2016 was reviewed and discussed by the Board.

Oregon Cable group is looking at another vendor for advertising insertions. Our current provider is ISDM.

This is the first month, with Clear Creek as a client with CBS, that there has been reduction in cost for BCT and Stayton. Canby is currently performing a software conversion which has required more billed hours by CBS. They did not see a reduction due to this expense.

President Paul Hauer will look into a credit card cash rewards program to see if any would fit BCT's requirements.

Capital Budget: President Paul Hauer reviewed Capital Budget figures year to date compared to 2015 at this same time.

BCT Loan Activity: President Paul Hauer reviewed the Loan Activity report through October 2016. Next month's report will reflect interest rates for each loan.

President's Report: Paul Hauer stated that due to time constraints he was not able to provide a written report this month.

He is currently working with BCI on the benefits programs for BCT, Canby and CBS. He said there is about a 4% to 5% overall increase over last year.

CBS Update: The audits are starting at CBS. It is anticipated that everything will run smoothly.

Don Rickman is working on cleaning up the Chart of Accounts for Clear Creek.

CBS is looking to replace the job that an intern did over the summer. It was found since their absence there is a need for someone to do data entry and filing. This would be an entry level position.

Open Discussion: There has been no further interest in the Beavercreek property. President Paul Hauer stated that if a renter were interested in leasing the entire Keller building that we may entertain the option. CHR has indicated in the past that they may want to vacate the building.

There were questions asked and answered concerning the upcoming annual NTCA meeting in San Diego.

Matt Carlson brought up low cost internet access for low income families. This had been brought up at a prior board meeting. He said that there is already a program in place provided by the Federal Communications Commission (FCC) called Lifeline that is changing to help reduce internet cost for low income. This program changes from just telephone assistance to internet assistance in December 2016. The board agreed that since this was being addressed at a Federal and State level the board did not need to pursue a BCT program.

The board asked staff if customers were made aware of maintenance outages via email. Staff responded that yes customers are notified for scheduled outages. However a recent scheduled maintenance went

past the scheduled down time due to unforeseen issues. Emails and web page information was updated but due to the internet being inaccessible by some not everyone may have received the update.

Break for Executive Session at 8:24 p.m.

Resumed regular BCT Board Meeting: 10:16 p.m.

Adjournment: There being no further business the meeting was adjourned at 10:20 p.m.

William Merchant
Chairman

Gary Emmons
Secretary