



‘Olelo Community Media
Minutes of the Annual Board of Director’s Meeting
October 27th, 2021
5:30pm to 7:30pm
Via Microsoft Teams

Committee Members in Attendance:

Nelson Lau, Ann Chung, Keith Fujio, Melanie Horikami, Kalei Kailihiwa, Jack Legal, Alexandra Mergenschroer-Livingston, Donna Mun, Linda Nakaima, Bill Ogawa, Karl Okemura, Grant Tanimoto, and Derek Wong

Excused: Michael Contreras, Steve Sombrero

Staff in Attendance: Roger McKeague, Jack Bates, Dane Neves, Melanie Salvador, Todd Yamamoto, Doni Chong (Recorder)

Guests: Gerald Silva, Amy Ejercito, CAO effective November 1st, 2021

Members of the Public: Ku’uipo Rossiter, Kapua Segool, Anne Fontanilla

Call to Order:

The Board Chair called the meeting to order at 5:30pm

Approval of August 26th, 2021 Minutes

Chair Nelson Lau asked for a motion to approve the August 26th, 2021 minutes

Action:

After review, Ms. Sandy Livingston moved to approve, Mr. Keith Fujio seconded, and the Board unanimously approved the August 26th, 2021 minutes as presented.

President/CEO Report:

Mr. Roger McKeague introduced Ms. Melanie Salvador, new Finance & Risk Management Director to the Committee. Mr. McKeague introduced Ms. Amy Ejercito, new Chief Administrative Officer as of November 1st, 2021.

Tenant Status – Warehouse

Mr. McKeague reported that ‘Olelo has a lease draft and efforts are focused on counter proposals with the prospective tenant. Demolition work has halted until the lease is finalized. The tenant’s project management team will be flown in from the mainland to conduct a site visit on Friday, October 29th, 2021.

Repair Work- 1122 Māpunapuna Building

Mr. McKeague reported on the status of the repair work being done on the building and reported that extensive roofing repairs, (resealing the roof, photovoltaic panels) and some deferred maintenance (HVAC and duct work) began in October and will continue in November.



DCCA Merina Review

Mr. McKeague reported the completion of the Merina Review the Committee and assured the board that the routine physical audit and review process is in good standing. Mr. McKeague elaborated on the new inclusion of an internal engagement review. Key deadline dates were reported and shared. The final report will be submitted for board review and submitted by November 15th, 2021.

Preliminary Capital Budget Summary through September 30th, 2021

Mr. Todd Yamamoto reported the update for the 3rd quarter Capital Budget and EOY spending. Overall total spending YTD was 419k of the 920k budgeted.

Mr. Yamamoto reported on the YTD forecasted to actual figures for each area. Of the 467k budgeted for the Māpunapuna Service Center only 295k was used for the purchase of Master Control equipment. The total forecasted for camera purchases was 180k while the predicted actual costs will be closer to 90k due to the generosity of the SONY vendor who extended a purchase discount. The additional purchase will be added to the current 7k which has been spent to date.

Mr. Yamamoto reported zero government revenue was received against the 70k forecasted. Mr. McKeague shared that he is actively dialoguing with senior leadership at the House of Representative and expressed his optimism that government revenue may increase due to additional coverage opportunities. Mr. Yamamoto noted the 70k funds would roll over to pay for the 159k unbudgeted reallocation expense for the facilities and warehouse repair.

Mr. Yamamoto commented that a 10% contingency percentage is used for budgeting. This year's contingency percentage equates to an estimated 92k. In total, 227k was available for unbudgeted items of which 171k was for reallocations. Mr. McKeague recommended dollar limit threshold procedures on unbudgeted items in the procurement process.

Mr. Yamamoto requested to carry forward 60k to assist with the network infrastructure ethernet cable upgrade to cat 6 or 7 which includes a 10x gigabyte upgrade (1 gig to 10 gig) to help with video transferring and streaming.

Preliminary Operating and Capital Budget 2022

Mr. Yamamoto reported the 2021 revenue from Charter and Hawaiian Tel as 921k. Total revenue realized was 817k which includes a 10% contingency.

Mr. Yamamoto reported on several mobile applications that are proposed for 2022 which include media center mobile production kits and mobile cameras to increase a mobile presence in the community

Mr. Yamamoto reported on the increased bandwidth connectivity improvements made at each MSC Center and elaborated on the "Fiber over Air" pilot project at the Kaimūki Media Center which involves transmission of broadband from the Alohilani Hotel in Waikiki to Kaimūki.

Mr. McKeague commented on the utilization and repurposing of the iNet fiber cable, formerly used at the University of Hawai'i, to benefit Ōlelo cable needs.



Mr. Yamamoto reported that Automated Closed Captioning will be offered on 'Ōlelo channels which air on Hawaiian Tel and Spectrum and highlighted the cost savings due to the elimination of live captioners.

Ms. Salvador reported that due to time and labor restraints the 2022 budget was based on a high-level basis. Ms. Salvador said department managers were queried and asked for budget target estimates. Ms. Salvador and is happy to report that all process areas will be under budget for both 2021 and 2022. Ms. Salvador concluded by summarizing each line item on the budget sheet and completed her report by elaborating on the employee related expenses and franchise fees.

Living Wage Initiative

Mr. McKeague proposed the Living Wage Initiative which consists of three primary phases and focus areas:

- Educate and Engage: Ensure that all employees have access to professional development pathways to advance to thrive in continuing the Core/Mission
- Empower: Empower a stronger team to take organization to the next level
- Build/Grow a Better Future: With the right team in place, organization will do even more great things for the community and future

Mr. McKeague shared initiative findings were backed by several key reports such as the DBET, ALICE, EPI, IWPR and NLIHC however the MIT report was used as a basis to make financial calculations on the cost of living in Hawai'i.

Committee members applauded the initiative and asked that performance measures and expectations be tied to targets for wage increases.

Approval to Amend the Agenda to include the 2020 Audited Financial Statements

Chair Lau asked for a motion to amend the agenda to include discussion of the 2020 audited financial statements.

Action:

After review, Ms. Sandy Livingston moved to approve the amended agenda, Mr. Keith Fujio seconded, and the Board unanimously amended the agenda to include the 2020 audited financial statements.

Chair Lau reported that the financial audit was completed, and the auditors rendered their opinion that the financial statements were fairly stated and categorized as a clean audit. The auditors identified improvements to internal controls which were also highlighted in the Merina review. Chair Lau asked for a motion from a member of the finance committee to move to accept the 2020 audited financial statements. Finance chair Keith Fujio moved to approve and finance committee member Ann Chung seconded. The approved statements will be submitted to DCCA for annual submission in accordance with the agreement.

Approval to Accept the 2022 Operating and Capital Budget

After reviewing the 2022 Budget Report, Chair Lau asked for a motion to approve the 2022 Operating and Capital Budget.



Action:

Mr. Keith Fujio moved to approve and Ms. Sandy Livingston seconded, and the Board unanimously accepted the 2022 Operating and Capital Budget.

Program and Marketing Report

Mr. Jack Bates reported on the 3Q Program and Marketing Report. Highlights of Mr. Bates report included:

- King Kamehameha's Birthday and ceremonies which aired on two live specials, Na Le'ō on the Big Island and 'Ōlelo on O'ahu
- Hawai'i History Month produced by Hawai'i Pono'i
- Hawai'i Shakespeare Festival at the Hawaiian Mission Homes
- Three episodes of Mele A'e
- Six episodes of Island Focus
- Star Advertiser Ads to support the Workforce Hawai'i Emergency Broadband Benefits
- Free Speech TV commercial, "Breakup"
- Star Advertiser Op-Ed featuring Roger McKeague's article, "Beware of Censorship via Algorithms"

Board Member Renewal

Chair Lau reported on the status of the current board member terms and confirmed that existing board members Ms. Donna Mun and Ms. Melanie Horikami, whose term ends on 12/31/21, have accepted serving a second term which follows the Bylaws that allow for two consecutive 3-year terms on an annual basis. Chair Lau congratulated Sandy Livingston who was voted in as the Elected Member. Chair Lau thanked Ms. Kalei Kailihiwa and Mr. Jack Legal, whose term ends on 12/31/21, for their willingness to serve and interest to support the organization before bidding them farewell.

Executive Session

Chair Lau called for a motion to move into Executive Session to review proprietary information.

Action:

Ms. Sandy Livingston moved, and Mr. Keith Fujio seconded, and the Board unanimously approved to move into Executive Session.

The Board recessed at 6:37 p.m. to go into Executive Session. The Board reconvened at 7:27p.m. to go into General Session

Nominations Committee Recommendations

Chair Lau reported the recommendations of the Nominations Committee and the Board agreed to the addition of three new board members Mr. Tony Baldomero, Ms. Yvette Maskrey and Mr. Gerry Silva who will be seated at the February 2022 Board Meeting.

There being no further business before the Board, the meeting adjourned at 7:32 p.m.

Donna Mun, Secretary