

Approved

**'Ólelo Community Media
Minutes of Board of Director's Meeting
May 25, 2022
5:15pm to 6:30pm
1122 Māpunapuna Street
In-Person and Virtually for BOD Members and Staff**

Board Members in Attendance:

Nelson Lau, Ann Chung, Keith Fujio, Melanie Horikami, Dr. Alexandra Mergenschröer-Livingston, Donna Mun, Bill Ogawa, Karl Okemura, Grant Tanimoto, Linda Nakaima, Tony Baldomero, Yvette Maskrey, Gerry Silva

Excused: None

Staff in Attendance: Roger McKeague, Wes Akamine, Angela Angel, Jack Bates, Amy Ejercito, Georgette Meyer, Mel Salvador, Kapua Segool, Todd Yamamoto, Doni Chong, Jon Wong, Steven Cutrell, Sisto Domingo, Jennifer Nakamura, and Jo-Lynn Domingo

Guests: Cedric Duarte, Mariko Miho

Members of the Public: No members of the public were identified.

Call to Order

Board Chair Nelson Lau called the meeting to order at 5:15 pm

Public Comment:

Chair Lau welcomed members of the public who were attending the meeting and opened the floor for any comment. No comments were shared.

Approval of February 18, 2022 Minutes

Chair Lau asked for a motion to approve the February 18, 2022, minutes

Action:

Motion to approve the February 18, 2022, minutes by Dr. Alexandra Mergenschröer-Livingston and second by Keith Fujio. The Board unanimously approved the minutes.

Program and Marketing Committee Report

Report given by Dr. Alexandra Mergenschröer-Livingston. Due to the wearing of masks, some of the discussion was inaudible for virtual attendees.

Youth Xchange Student Video Competition Highlight. The event is a confidence builder, a skill builder, and a way for students to learn words and art.

Dr. Alexandra Mergenschröer-Livingston challenged all board members to download the 'Ólelo app and view two shows on 'Ólelo by August.

Grant Tanimoto asked if Roger McKeague would be meeting with the DCCA. He also asked

when the response would be completed regarding the Merina audit.

Gerald Silva declined an invitation by Roger McKeague to serve on a committee, noting there is no functional statement on what the committees do, and some committees have never met. Dr. Mergenschröer- Livingston suggested Roger compose a short summary of the individual's role on the committee and what is expected to be done. Chair Lau and Roger will meet to discuss.

Finance Committee Report

Melanie Horikami reviewed the material and the executive summary for the first quarter financials. She noted Spectrum and Hawaiian Telcom fees were lower. There was a loss of \$244,000 in the investment portfolio. In 2021, the investment grew over \$300,000 when it was a more favorable market. The warehouse remained vacant during the first quarter. A new agreement was signed in March with deposit and first month rent received. We began receiving rental income from April 2022. Salary wages totaled \$177,000 higher due to the living wage increase that was approved last year and implemented this year.

We have established a relationship through the rental of the warehouse to Hawaii Pacific Freight. Some of the costs were avoided due to some improvements done by the tenant, and negotiations that resulted in avoiding paying out approximately \$600,000 to \$750,000. In year one with a 3% escalation, we are generating \$140,000 more in revenue than with the tenant previously being considered. The agreement with HPF is for 5 years with the option to extend.

Dr. Alexandra Mergenschröer- Livingston encourages using Amazon smile for Amazon purchases, because Amazon will give a contribution to a designated nonprofit.

Karl Okemura asked whether 'Olelo will forego any increases at the end of the lease with Hawaii Pacific Freight, given the option to extend. Roger McKeague advised the lease goes to 2027. At the end of 5 years, the rental amount is not locked in, and we will be able to assess at that time. He estimated that at the end of the 5-year term, we will be in good shape. The tenants do not have any future plans to move to another location.

President's Report

DCCA Audit Report:

The DCCA would like 'Olelo to address items from the Merina follow-up visit as follows:

1. Code of Conduct: 'Olelo is drafting a new Code of Conduct and is targeting the first week of June for all employees to sign it in conjunction with their annual acknowledgement of 'Olelo's policies and procedures. After further discussion, a copy will also be sent to the Board for their input and acknowledgement. After the Board acknowledges the new Code of Conduct, 'Olelo will notify the DCCA that the recommendation has been completed.
2. Purchase Order System: The Purchase Order Policy was tested by Merina during their visit. The policy is being followed but the purchase order form is still excel-based. However, in July, 'Olelo will start using the Accumulus purchase order module which can electronically generate the purchase order form.
3. Multiple Fixed Assets Lists: 'Olelo has two lists of fixed assets, and the auditors found a third which lists the location of each asset. Two of our current lists inform when an item is in service and when it is in depreciation. The third list is to track equipment for operations and the media centers. 'Olelo will do a quarterly reconciliation of the two main

lists to ensure proper management of our assets as recommended by the auditors. On a side note, we are investigating options for an automated inventory system (RFPS-bar codes).

4. After all recommendations are implemented, ‘Olelo will notify the DCCA in writing.

Roger McKeague meets with Chair Lau every week. He has also begun to collect updates on projects the staff is doing and will be providing these updates to the Board. Roger McKeague acknowledged the student from Nanakuli who entered a national contest for the first time and placed at the top.

A highlight reel was presented about the JAM program at Campbell High School, which was produced by the students. Campbell started out as the pilot program and ‘Olelo now has JAM programs with HTA and Leilehua High School. The Princess Ruth documentary was partially shot by the students as well.

IME (Innovative Media for Educators) has become important in the classroom because of COVID. ‘Olelo is starting a program where it will certify teachers to help earn the Professional Development Certification for the DOE.

Gerald Silva acknowledged the programs are good and asked how we would measure the quantity of programming we are doing, noting that DCCA measures this. After further discussion, Wes Akamine will research and advise the Board on the actual number of programming hours annually.

Grant Tanimura asked for a status of Roger McKeague’s meeting with the DCCA. Roger affirmed they met, but the focus was to get through the Merina audit. Next step is to finalize our response as we are going through revisions now. When complete, we will meet with the DCCA Director and CATV. Roger McKeague will check if Chair Lau will need to be at that meeting.

Roger McKeague raised the issue of board members conflict of interest. Under current By-laws, any financial transactions ‘Olelo has with a company that is related to any board member who currently works for or is associated with said company requires a two-thirds vote stating it is in the best interest of ‘Olelo, it is fair and, it is reasonable. He identified three current members on the Board who fall in this category: Donna Mun - HECO, Bill Ogawa - Battery Bill, and Derek Wong - First Hawaiian Bank.

After further discussion, Chair Lau asked for a motion to approve all three organizations as meeting the criteria.

Action

Gerald Silva moved and Dr. Mergenschröer- Livingston seconded. The Board voted to unanimously approve.

Nomination Committee: Mr. McKeague advised he will be proposing amending the selection and nomination process of future board members. Mr. McKeague would like to see if the process can be expedited and suggested opening the issue for discussion. Chair Lau advised to follow the current process until changes can be made in the By-laws. A nomination meeting should be scheduled to discuss further and to strategize on the type of new board members we are looking for that would make up a culturally diverse group.

Executive Session

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

Action

Dr. Alexandra Mergenschröer- Livingston moved, and Keith Fujio seconded, and the Board unanimously approved to move into Executive Session.

The Board recessed at 6:13pm to go into Executive Session.

Reconvene

The Board reconvened at approximately 6:33pm to go into General Session.

There being no further business before the Board, the meeting adjourned at approximately 6:34pm.

Respectfully Submitted,



Donna Mun, Secretary