

Ho'ike: Kauai Community Television, Inc.

Board of Directors Meeting

Ho'ike Center Studio

July 27, 2005

10:00AM

MINUTES

I. Call to Order

President Jose Bulatao called the meeting to order at a 10:A.M.

II. Roll Call

Present: J Robertson, Greg Meyers, Lyndon Yamane, Soleille La Fete, MaBel Fujiuchi, John Isobe, Dr. Tavana, Jose Bulatao, Gabrielle Dorman

Teresa Tico, excused.

III. Community Correspondence

With no previous correspondence to consider, President Bulatao acknowledged Carol Bain and Ed Coll.

CAROL BAIN remarked that she received a copy of Ho'ike's strategic plan for self-efficiency; she referred to item 11, drafted in 2003.

J stated that the plan was not in any effect, and contingent on any loss of funding.

CAROL claimed that #9 was in effect and affected her business, and further mentioned her proposal in 2003 which offered to provide services for the County Government and that she was underbid by Ho'ike in 2004. She insisted that even though the plan is not currently in effect there is a part that is in effect: Competing for Government contracts. Carol did not feel that Ho'ike was deliberately attempting to put other businesses into a disadvantage, but that was what was happening to her. She asked for some time to meet and discuss how this situation could be remedied.

JOSE said he would need time to review her comments and said that he had a written response pertaining to the same concerns reported in the previous meeting.

ED COLL also referred to the strategic plan, which he had asked for in 2003 when it was supposed to have been submitted to the DCCA. He accused J of promising to let him know when the plan was completed and never did. He accused Ho'ike of intending to use subsidized government funding to compete with *for profit* businesses, which was in conflict with Ho'ike's mission.

JOSE addressed Ed Coll with the fact that the written response included his concerns. The response was passed around to all those present.

IV. Approval of the Minutes (April 13, 2005)

MA BEL had a few clarifications pertaining to her comments in paragraph 9 on PG 7, and requested the secretary's signature *before* as well as after changes.

MOTION: The motion was made to approve the minutes as corrected, seconded and carried.

V. PRESIDENT'S REPORT

JOSE stated his two-page written report provided to each member covered his comments regarding the Alliance for Community Media 2005 International Conference & Trade Show held and attended by five board members in Monterey, CA. The report included the mention of specific tasks that may had been assigned to certain committees and asked that they meet and prepare for the next full Board Meeting in October. The report also included the mention of checks sent to both INK architects and Mano Wai as agreed in the previous meeting.

VI. TREASURE'S REPORT

J stated the report was circulated in the packet and that the operational budget was on tract at 97% of the approved budget. The payments made to Mano Wai and INK had not been included in the previous budget, and affirmed that we would probably make a motion in the next meeting to amend the budget to allow for those dispersals. Even with that, we were still well within Ho'ike's budget.

VII. MANAGING DIRECTOR'S REPORT/PEG CONTRACT STATUS

Although **J** presented a lengthy written report he stated that there were some important issues worthy of mention. In brief ...

- Nearly two months ago, **J** and **Jose** met with the Director of the DCCA and his cable staff for the annual review of Ho'ike. The Director expressed great pleasure with Ho'ike's operation, and how well we serve our community. He was most impressed with our work with Ke Kula O Niihau, and asked that we follow up with a report to present to the governor regarding Ho'ike's positive work with the community.
- The PEG contract is extended through August while negotiations continue.
- RE: The Federal ruling in the case of O'lelo vs. The Office of Information Practices revealed that O'lelo is not a State Agency and is not subject to

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the UIPA or HRS 92 Sunshine Law, which clearly puts Ho'ike in the private non-profit realm and in no way an actor on behalf of the State. "However," J continued, "that does not mean that we don't appreciate and encourage the provision of Sunshine Laws and Open Records that we have always recognized."

MA BEL requested documentation on the ruling.

J agreed to follow up on providing the documentation for the Board.

- Ho'ike's contract with the government expired June 30, 2005 and is extended to some length, undetermined at this time. The contract with the DCCA is under another three-month extension. The lengthy written report continued with details and numbers pertaining to the Facility, the Number of Visitors, Equipment, Programs, Training and Education. J referred to the film festival and the excitement of the community along with his enthusiasm to continue to reach out to the schools to train and teach.
- **J** expressed his gratitude that so many Board Members were able to attend the Conference in Monterey and stressed the importance of the event in terms of knowledge, inspiration, networking and introduction to the latest available technology. He expounded on some of the innovative ways other communities are using the available technological resources - especially the *I net*. J looks forward to exploring the possibilities for Kauai.

VIII. MERINA REPORT (position statement approval)

J stated that he had met with Alan Bushong, an expert in equipment use and inventory auditing. Alan was emphatic that out of the four PEG entities in Hawaii, Ho'ike gets the most out of the dollar, and serves the community exceptionally well.

The Merina Report was a \$100,000 financial and equipment audit ordered by the DCCA. The overall report is available to anyone who specifies an overall analysis for all the PEGs in the State. The back section is a review along with recommendations. J felt that not all suggestions were appropriate.

- J did not have a problem with the request for a standardized chart of accounts for all economics; however, each of the four PEGs handles their money differently. Although Ho'ike was praised for more specific categories the others did not have, he would be willing to work on standardized charts that would be universal throughout the state.

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- **THE FINANCIAL REPORTING FORMAT:** statement of activities; cash flows; financial position identifying restricted, unrestricted, and permanently restricted funds.

Ho'ike has two classes for net assets:

- (1) Temporally restricted capital funds for specific purpose.
- (2) Unrestricted operating funds.

The report acknowledged that Ho'ike is already doing a good job. J felt that the financial review is really the responsibility of the Board and not the DCCA or the Merina Auditors; J suggested that it remain so.

J introduced the reports point of diversity, such as if a PEG had more than \$100,000 in any account they would like to see the organization diversify those accounts to maximize their ability to obtain interest, or protection of capital, or to seek collateralized concessions from the institution. J said it could be done, but he would object to it as a requirement.

MA BEL & JOHN ISOBE discussed some of the pros and cons of the possibility. John felt that it was not really enough money to get into cash management.

J reiterated that he felt that this was another point that should ultimately be a decision of the Board as opposed to a requirement by the DCCA.

- **EQUIPMENT INVENTORY:** J announced that Ho'ike is missing a specific or written policy on removing expired assets from inventory. He agreed that obsolete equipment needed to be dealt with. He asked the Board to please determine a policy or procedure of elimination, as a lot of Ho'ike's equipment is obsolete.

After some discussion pertaining to the depreciation and ways and means of "getting rid of the antiquated equipment."-

JOHN ISOBE recommended two concurrent policies: (1) A depreciation schedule (2) Assign someone who has a real working knowledge of the useful life of the equipment

JOSE appointed John Lyndon and Greg Meyers to an ad hoc committee. Both directors agreed to the assignment.

J moved into the Operational Reporting Comments

- (1) Annual Activity Report
- (2) Year End Activity Report
- (3) Executive Summary

The request was for one report as opposed to three reports at three different times.

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J felt that streamlining the report that covers the necessary information pertaining to the method of operation was a good idea, but that task assignments, time lines and responsibilities belong with the management and the Board.

J continued to inform and elaborate on all the points of the statewide recommendations and comments on alternative revenues. A few favorable suggestions follow:

- **NEEDS ASSESSMENT Recommendation:** **J** spoke favorably of the potentiality of a Customer Satisfaction Survey. He felt that it would be extremely helpful to reach out to those who do not use Ho'ike's facility in order to discover what the community needs, wants and expects, and how we could best respond. The downside is the high cost of a Needs Assessment. He added that O'lelo had offered their assistance with a professional trainer, which would help cut the cost.
- **GOALS:** Another favorable suggestion. "Specific measurable, quantitative goals could certainly benefit our organization" he said, and referred to the Board for some action. He felt that an appropriate arena and time for setting goals would be during a retreat; again, the decisions should continue to be an internal matter.
- **SELF-SUFFICIENCY:** another significant matter. The DCCA encourages PEGs to develop a realistic self-sufficiency plan. He stated that Ho'ike does have an approved self-sufficiency plan; however, it does not include detailed goals and triggers to implement the plan. Diversity of PEG services is encouraged, but the Board needs to determine Ho'ike's direction - as the possibilities range from web streaming, to radio broadcasts. **J** expressed that he was unclear as to what cable franchise fees could be used for non-cable services. He suggested that this was another discussion for the Board at a retreat.

JOSE stated that the board needed to set some time aside for a retreat in order to focus on some of the aforementioned points of concern. In addition, he felt that the board members that were unable to attend the conference needed to be brought up to date.

J wrapped up the Merina Report echoing the fact that Ho'ike does a great job. He asked for the Board's approval, as he needed to get back to the DCCA with any comments, opinions, reservations or acceptance of the various items.

MA BEL expressed her concern regarding the accounting firm running behind schedule "This puts Ho'ike at risk." She stated. She suggested we call it to their attention, give them the opportunity to change and perform on time, or go shopping. MaBel was not interested in excuses, but an accurate performance according to Ho'ike's needs "on time". MaBel continued to explain the importance of accounting especially when seeking grants as a possible means towards self-sufficiency.

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J acknowledged that “lagging behind” schedule was a recurring situation, and assured MaBEL that he would take corrective action and asked for approval of the report.

MOTION by MABEL followed -

”I so move that the comments that we stated here be incorporated into the presentation.”
The motion was seconded by Gabrielle and carried.

IX. AMENDMENT TO THE BY-LAWS (elected director provisions)

Having had the first election, **J** explained this to be a matter of housekeeping by correcting the appointed members from 7 to 6. The procedure was defined and explained as following O’lelo as the model. A statewide plan requested that Ho’ike hold an election for one of the director’s seats. The qualification was that the elected director be a user/producer or one who submitted videos. The Board had already adopted the policy and put it into action as requested last year. “Gabrielle was the first to be elected” **J** continued, “your approval of the election process just puts it into the by-laws.”

JOHN ISOBE asked if the procedure was required.

J said it was required and that this was a formal procedure.

JOHN questioned the governmental and educational vote. What did that mean? John was concerned that a member of the public who wanted to vote would feel discriminated against if not allowed to vote. “How would we rectify those situations?” He asked.

MA BEL suggested we define the electorate. She said we could approve the process, but go into a committee to determine the definition.

JOHN believed that if it was required, then we should be told exactly who the “Corporation’s public, educational and government users are.” He simply wanted to be clear, and didn’t want that decision to be left to the Board.

Further discussion concluded that the matter would be deferred for one meeting which would give everyone time to determine “who” was qualified to vote.

MOTION: It was moved by Greg Meyers to defer the vote for one meeting, seconded and carried.

X. ANNOUNCEMENTS (next BOD meeting on September 14,2005 at 10:00 am)

JOSE began by saying that before we discussed the next meeting he would like to explore the possibility of setting a time for a retreat.

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MA BEL had an appreciation for retreats; however, she asked that prior committee meetings be established so that the retreat could be focused and purposeful leaving a feeling of accomplishment.

J suggested focusing on goal setting and addressing specifics of the Merina Report.

JOSE made a recommendation that the committees meet before the next meeting so as to discuss concerns and issues that could become agenda items to be presented at the retreat to be scheduled sometime before December.

JOHN had a special request. He wanted to resolve the pending situation with the KCAET.

JOSE explained that due to the fact that Teri Tico could not be present for the current meeting he did not put the discussion on the agenda. He was still waiting for the requested documentation, still waiting for confirmation as to when Ho'ike had moved from exploration to commitment, as he was not consciously aware of having ever approved anything.

MA BEL stressed that we needed every communication in writing and insisted on organizing a meeting with all parties and all board members. Everyone agreed a meeting was essential.

JOSE suggested a letter, calling a meeting on our terms, at our chosen location with two alternative times and dates.

MA BEL suggested a deadline.

Everyone agreed they wanted to put the issue to bed. All agreed on asking for document proof of billing along with all tangible drawings and plans. Greg agreed to write the letter. John agreed to find the place.

JOSE called for a motion to adjourn
Motion was made, seconded and carried.
Meeting adjourned at 12:33