

NA LEO `O HAWAII BOARD MEETING
Monday, October 24, 2022, 4:30 p.m.
Na Leo `O Hawai`i Studio B

Call to order: Vice Chairperson Jen Zelko called the meeting of the Board to order on Monday, October 24, at 4:30 p.m. at the Na Leo `O Hawai`i Studio B. Attending and participating were Pres/CEO Paul Horner, Treasurer Bill Takaba, members Mel Ventura, Wally Lau, Anne Chung, Nancy Kelly. Absent and excused were Gerald Takase, Sid Fuke, and Kai Masaoka.

Welcome: No one else was present.

Statements from the public: No statements from the public

Action on Minutes: BMs Bill Takaba and Wally Lau moved and seconded to approve the minutes of July 25, 2022. Motion was unanimously approved.

Finance Committee Report (Comments on Pages 3-4): Treasurer Takaba summarized a financial report which combined the July through September information with financial year data. Operations are performing well. There is a current deficit due to the status of the economy and the effects it is having on our investments. NLOH's action to separate investment and operations in financial reporting helps the organization see this clearly. BMs Nancy Kelly and Wally Lau moved and seconded to approve the financial report. The motion was unanimously approved.

President's Report (Pages 5-9):

- See the attached President's Report for more detailed information.
- Discussions and Action Items:
 - President/CEO Horner discussed the application of Janice Marvin for the Business Manager position. The applicant is asking for \$80K in the first year and \$90K in the second year. Horner will continue discussions with the applicant. Board asked Horner to follow through with a reference check and will support his decision. Horner will update the board at the next board meeting.
 - Investment Account: Eliminated the debt service to Merrill Lynch with a \$210,462.05 investment liquidation.
 - Pro Service Hawaii transition is going smoothly.
 - Egdamin Hu's Transition is in process with an updated start date of January 1, 2023. NLOH is extending its contract with PABS until the end of 2022 to accommodate this transition.
 - Carbonaro CPA 2021 Audit:
 - The 2020 audit report was given in May 2022, so action on audit recommendations could not be taken earlier. Thus, the 2021 audit focused on the Merina audit report recommendation from 2021.
 - One issue from the October visit had to do with missing canceled checks. NLOH is searching for these checks.
 - Auditors identified the issue of a potential conflict with NLOH Energy Partners (EP) not yet being separate from NLOH. A board member is still registered as a manager of EP and continuing to have NLOH as part of the EP name despite the board requesting that EP remove references to NLOH from its company.
 - Next steps:

- Confirm with Kyle Kawano that NLOH and EP are completely separate on NLOH books/financial reports.
- Follow up with BM Takase to remove any mention of NLOH from EP DCCA registration by November 30, 2022.
- Auditors identified that the invoices for PV work done in Kona and Hilo by Lightworkers Electric did not have enough information. Board recommends not using Lightworkers Electric for future work.
- Auditors brought up a lack of documentation regarding former CEO Stacy Higa's separation agreement. Board discussed the issues surrounding the agreement and the issues surrounding settlement.

New business: None.

Announcements: Next meeting tentatively will be scheduled in early December.

Adjournment: Nancy Kelly and Bill Takaba moved and seconded to adjourn the meeting. The motion was unanimously approved at 5:59 p.m.

Respectfully submitted,

Anne Chung, Substitute

1) Look at practical ways to reduce debt, particularly in some that I would consider to be loans unfavorable to Na Leo. Pay off the Merrill Lynch loan, using ML investments. Continue to monitor SWAP loan rates.

**Interim BM exploring Merill Lynch loan payoff (7/2022).*

**Interim BM reviewing SWAP loan payoff cost/benefit since interest rates have gone up, reducing penalty amount (7/2022).*

**Merrill Lynch loan paid off (10/2022).*

2) Make sure future budgets are more reflective of our actual revenue and expenditure requirements.

**Pres/CEO will do so with 2023 budget (7/2022).*

3) Examine the accuracy of our books, especially revenues.

**New accounting firm should carry this out (7/2022).*

**Several postings, such as those that should be attributed to Kanalani and Hilo rental properties, are being mis-classified (7/2022).*

4) Evaluate all financial reports to make sure they meet our needs and are easier to digest.

**Ongoing (7/2022).*

**Working with Egdamin Hu (10/2022)*

5) Hire Business Manager.

**Kyle Kawano promoted to Interim Business Manager while recruitment continues (7/2022).*

**Found qualified candidate, Janice Marvin. Not yet hired.*

6) Work with Egdamin Hu CPAs to setup new accounting system, using QuickBooks software.

**Ongoing (7/2022).*

** QuickBooks setup (10/2022).*

**Continuing to work on reports, reconciling, and simplifying GL (10/2022).*

7) Migrate accounting from PABS to Egdamin Hu CPAs.

**Contract executed. Will work with dual system (PABS and Egdamin/Hu) until officially cutting over to Egdamin/Hu in October 7/2022 (7/2022).*

**Official cutover to Egdamin/Hu has pushed back to 1/1 2023. This will give more time to prepare, and it will coincide with the beginning of the new financial cycle (9/2022).*

**Working on full transition from PABS to Egdamin Hu (10/2022).*

8) Replace HR service provider to improve efficiency.

**Completed. New contractor is Pro Service Hawaii. First Payroll processed on 7/15/22 - see President/CEO report, 7/2022 (7/2022).*

**Already processed 7 payroll cycles (10/2022)*

PRESIDENT'S REPORT

Date: October 24, 2022
TO: Members of the Board of Directors
FROM: Paul Horner, President and CEO

COVID PROTOCOLS

- We are currently allowing optional masking and temperature checks to the public that enter our facility.

CANDIDATE-BUSINESS MANAGER

- Janice C. Marvin, CFO HOTWIRE Development, LLC., Scottsdale, AZ
- Resume and cover letter attached

NOTABLE PROGRAMS FOR LAST QUARTER

COMPLETED PROJECTS

- Laiopua2020 - All 4 Projects for fee for service projects completed filming for the series called Ola Ka Lahui, Currently Editing in progress
- 3 Audrey Wilson's Cooking Shows completed One per month since last meeting
- BIIF Sports Coverage - Football, Volleyball, Cross Country and Air Riflery
- Air Riflery Championships filmed on 10/15
- Volleyball Championships Filmed on 10/18
- Painting With Rockwood (2 Additional Episodes Completed)
- Hawaii State Association of Counties Conference (Fee for Service)
 - Our team did the A/V for the entire conference as well as a highlights video
- Hawaii Museums Association Fee for Service
 - A Talk story panel discussion
- Crimestoppers series is back
- Wastewater Services in Puna Town Hall Meeting
- Tropic Agtech Conference Fee for Service was a success. Large conference/webinar held at the UH Hilo Performing Arts Center.

PROJECTS IN PROGRESS

- BIIF Cross Country Championships Filmed on 10/22
- Island Chef Challenge Highlights Fee for Service (Filmed on 10/22)
- Fee for service for the Hawaii Sexual Assault Response Training Webinar scheduled for 11/4/22. This is a series of training videos and live webinar done with the County of Hawaii Prosecuting Attorney's Office
- Dive In Episode at Kahaluu bay discussing the efforts of volunteers protecting the reef
- Zonta of Hilo childrens Music video project (Hands are for helping not for hitting)
 - A series of music tracks recorded and filmed to educate students about positive attitudes and being kind to one another.

FUTURE PROJECTS

- BIIF Winter Sports Season
 - Boys and Girls Basketball, Boys and Girls Soccer, Bowling, Swimming and Diving, Paddling, and Wrestling
 - We will try to alternate our coverage as best as possible pending the schedules for each sport and the time involved.
- EB Desilva After School program
 - Program has begun, students are meeting with our team every Wednesday and learning how to make videos and edit.
- UH Manoa College of Business and Family Business Center of Hawaii rented our studio for a presentation from Jason Fujimoto of HPM Building Supply.

KANALANI PLAZA

FACILITY

- Water recycle system installed
- Lease for Manny's Auto detailing renewed with increase in Rent from \$1.00 to \$1.25 per sq.ft
- Lease for Pray for Rain renewed by CEO Paul Horner. Rent to remain the same for 1 year, and negotiate increases on 2nd and 3rd year.

PROJECTS

- The Water recycle system has been installed and the electrical is done. The engineer was supposed to arrive at the start of this week but with Ironman, there was no place to stay. So, he will be arriving this upcoming week, (Tuesday) I believe to get things started. Based on our original dates of install and startup. We are only a week off our original plans. Ted will let us know once the systems have been tested and are operational. We are in discussions with *Yuki Lyons*, for a potential new show with her as host, highlighting the people of Kona from Keiki to Kupuna, telling the stories and history of the families that have lived here for generations.
- Jeremiah Augustine performed electrical maintenance work here at our facility.
 - Replaced worn out breaker
 - installed outlet box for Bull Pen TV removing extension cord taped to floor by bathroom
 - replaced light switch in storage closet with sensor

2022 FINANCE AND HR

NEW BUSINESS MANAGER CANDIDATE

- We have found a qualified Business Manager Candidate
 - Janice Marvin, current CFO for Hotwire Development, LLC 2003-present Scottsdale AZ
 - Resume and cover letter in your packet

INVESTMENT ACCOUNTS

- We liquidated \$210,472.05 from our Merrill Lynch account to bring down our debt service.

FEE FOR SERVICE

- Fee for service year-to-date is \$45,780

PRO SERVICE HAWAII

- We have now processed 7 payroll cycles through the Isolve software platform.
- Inquired with why they were charging us FUTA (Federal Unemployment Tax Act) amounts, as we should be exempt due to our non-profit status.
- Accruals for PTO and Sick Leave has been fixed.
- Current month is open enrollment for medical coverage changes.
- Increase in premiums for medical coverage effective January 1, 2023.

EGDAMIN HU CPAs FULL TRANSITION ON JANUARY 1, 2023

- QuickBooks account set-up
- There are concerns with the number of logins we want to create
- 2021 monthly trial balance adjusted
- GL # and transactions to match recent board decision
- We are currently looking into simplifying our general ledger by eliminating the headings for Fixed and Variable Expenses. We have sent this possibility to Carbonara for their input and opinion
- 2022 bank, credit cards, investments, leases entered and reconciled through August 2022
- Exported invoice and bills from intact
- Need to import invoices and bills into QB and link receipt of payments and checks
- Tie out to PABS
- Long-term Plans
 - Create invoices and receive payment
 - Enter bills and make payments
 - Full transition from PABS to Egdamin Hu

CARBONARO CPAs 2021 AUDIT

- Hosted Carbonaro audit team 10/11, 10/12, 10/13 at Na Leo TV to start the 2021 audit
- We have several more items to follow-up on with the Carbonaro team. All these items require responses from PABS.
- The audit report will be interesting to see, as we did not have a chance to make any improvements to the 2020 audit because it was completed in May of 2022. As a result, many of the questions during the fieldwork of the audit was directed to improvements we made because from the initial Merina Audit in 2021.
- During the testing of documents for the 2021 calendar year, several issues came to light regarding missing cancelled check stubs.
- Audit issues with NLOH Energy Partners, LLC being separate from NLOH dba Na Leo TV. Board Chair Takase was still registered with the DCCA as the manager of NLOH Energy Partners, LLC as of July 28, 2022. Auditors mentioned it may be a conflict of interest.

This registration conflicted with board Resolution 2021-1 dated July 23, 2021, requesting that EP take appropriate measures to remove the acronym, NLOH, from all legal documents.

- Audit issues with Lightworkers Electric invoices regarding details and pricing for the PV systems in Kona and Hilo.
- Audit issues with documentation for Stacy Higa's separation agreement and payout. Carbonaro has a copy of the separation agreement form that Connie Kiriu, Claude Onizuka (former board chair) and Stacy signed dated June 30, 2021.

INFORMATION TECHNOLOGY REPORT

SPECTRUM CABLE

Upgrades To Fiber Circuits - Hilo and Kona

CLOSED CAPTIONING

Channel 55 now has closed captioning enable. Cable tv subscribers and through our website have the option to view closed captioning 24/7.

POWER GENERATOR

Currently working to secure a contract with Akana Petroleum on refueling generator in an event of an active ongoing emergency.

10/5/22 Power generator kept us operating on air after a 3hr power outage

Power generator has been serviced by C&A Generators. Faulty Battery charger has been replaced. A service contract was recommended for a routine check of once a year.

TELEVISIONS INSTALLED

Matt and production team has installed two tv sets in our admin reception area to showcase our channels in HD by utilizing Roku set-top boxes (Screenweave App)

ACT! SURVEILLANCE DVR

Hard Drive has been replaced due to failure. Operating normally as expected.

As a preventative measure drive in lorex system has been also replaced.

WEBSITE MAINTENANCE

- Website plugins and WordPress updates have been applied to both websites NLOH.org and NALEO.tv

- Wordpress Update applied to both domains.

BIIF SPORTS section of front page has been updated with a channel player to improve user experience and accessibility.

TIGHTROPE PLAYBACK UPDATE

Media Control System applied a tightrope update to all servers due to a bug found in an earlier release. System time now keeps a more accurate sync and a stable stream.

XEROX PRINTERS

Both Hilo Printers were updated to latest firmware.

MAIN OFFICE AIR CONDITIONER

Main area is currently down/out due to a possible freon leak. Awaiting a service quote from Hilo Mechanical.

To fully remedy issue, RK Mechanical has been contacted to see what it would take to replace 22 year old main unit with a new unit that had been previously purchased but never installed.