

**Public Access Corporation of the District of Columbia
Board of Directors**

901 Newton Street, NE
Washington DC
Studio A

**Regular Meeting
March 15, 2017**

Present: Kojo Nnamdi, Chair; Pedro Alfonso, Vice Chair/Treasurer; Kevin Goldberg; Rishi Hingoraney; Kwame Holman; Michael Freedman; Janis Hazel. Nantz Rickard, President & CEO; Hafeez Kazim, CEO and Vice President.

Call to Order. Nnamdi's called the meeting to order at 6:55 pm.

Nnamdi noted Lightfoot's excused absence.

Minutes. Holman moved to approve the minutes of November 14, 2016. Freedman seconded. The motion carried unanimously.

Chair's Report. Nnamdi offered the Chair's report. He noted the main purpose of the meeting is to take next steps with the Strategic planning process, including to discuss the policy direction for an investment strategy, and to create an eighteen-month reserve fund.

Nnamdi said the strategic planning discussion may involve matters concerning board development and confidential or proprietary information, so it will be held in Executive Session. Nnamdi said there are also items to be updated in Executive Session involving legal and contractual matters. All of the Executive Session items have been combined into one Executive Session in the latter part of the meeting, regardless of where they would have otherwise been on the Agenda.

The audit and annual report were delivered to the Council on time December 14, in accordance with the statute that created DCTV. The statute requires the audit be submitted by 180 business days after the end of DCTV's fiscal year that ends June 30.

Nnamdi reported he presented the Hall of Fame awards to the two recipients selected and approved by the Board—Robyn Holden and former Councilmember Vincent Orange—as part of the Voice Awards held January 18. The recipients felt very honored and privileged, and in their acceptance speeches, they were both very appreciative of DCTV and all the organization has done. Nnamdi congratulated the Awards Committee—Goldberg and Hingoraney—on a great job.

Nnamdi reported that the budget timeline has been revised again this year. He noted that ordinarily the Board would have been considering the FY18 budget at this second meeting of the fiscal year. However, with so much being developed to implement the strategic plan, consideration of the budget has been moved to the next meeting in May, to allow the extra time

needed to make adjustments to FY18 that may result from changes to organization needs due to implementing the Strategic Plan.

There were no questions.

President's Report.

On-Air Schedule Guide

Rickard reported the RCN-TIVO PEG schedule issue is continuing. RCN subscribers can see the schedule guide for PEG programming, but not if they have Tivo. After many unsuccessful attempts to resolve directly, Rickard asked the Office of Cable Television, Film, Music and Entertainment to take up and resolve the issue.

Programming Lineup

Rickard reported that effective with the April schedule, DCTV will begin the transition to the new programming line-up that is constructed more like broadcasters, to better serve viewers, including establishing regular schedule times for programs as anchors for the more random submissions, and to greatly increase promotion of channels and our community programming.

Custom Education

DCTV conducted custom education courses for the DC Fire and Emergency Medical Services agency, and for a class of students through the DC Department of Behavioral Health. The Fire and EMS department had purchased an editing system and needed to learn how to use it.

DC Council Oversight

With the new Council session, DCTV is now overseen by the Council Committee on Government Operations, chaired by Councilmember Brandon Todd. The committee members are Councilmembers T. White, Nadeau, Evans and Silverman.

Rickard met with CM Todd on February 17 as an introductory meeting, and to discuss how he might help DCTV.

Rickard testified before the Committee on February 23, and said it went very well. Committee Chair Todd took time to ask about progress on amending the Brooks Mansion Lease and to review DCTV's needs in upcoming cable franchises. He also included questions to help DC residents watching the hearing to learn about DCTV. Councilmember Todd renewed his offer to support and assist DCTV with remaining in Brooks Mansion, to assist with ensuring DCTV's needs are met in cable franchise renewals, and to assist and support DCTV in any efforts we may undertake to expand media education, including possibly working with the UDC Community College if DCTV explores course accreditation, or providing media production courses for the Community College.

Rickard responded to questions.

Finance Committee Report. Nnamdi asked Alfonso to present the Finance Committee Report.

Alfonso presented the FY17 Budget versus Actual report and Financial Statements for July 1, 2016 through January 31, 2017 (unaudited). Alfonso said the organization is in good shape, and continues to be managed to maintain a strong financial position. Alfonso responded to questions.

Alfonso presented a motion from the Finance Committee, noting that a goal of the Strategic Plan is to create and maintain an eighteenth month operating reserve. He reviewed the current Board-designated funds, a six-month operating reserve and a fund that was established November 23, 2009 to cover a delay in income that was considered likely to occur as a result of the different timing of payments between the Comcast franchise payments and the new Verizon franchise agreement, which pays DCTV annually rather than quarterly. This was to be readily available to cover revenue shortfalls, to be able to implement the annual budget as approved. Alfonso said the income delay fund is no longer needed, and the Strategic Plan replaces the six-month reserve with an eighteen-month reserve.

The Finance Committee moved:

Of the corporation's unrestricted and board designated funds, designate an eighteen-month operating reserve, currently in the amount of \$4,165,522, to be automatically adjusted relative to the annual approved budget each year. This replaces all previous board designated reserve funds.

Nnamdi seconded, and asked if there is discussion or questions. Discussion addressed clarifying the purpose for establishing the income delay fund, and why the fund is no longer needed.

After discussion, the motion carried unanimously.

Goldberg moved to accept the Finance Committee Report. Alfonso seconded. The motion carried unanimously.

Nominating Committee Report. In Lightfoot's absence, Nnamdi asked Holman to give the Nominating Committee Report.

Holman reported the terms up in June 2017 are Nnamdi (in a 3-year seat), Lightfoot (in a 3-year seat), Hingoraney (in a 2-year seat), and Freedman (filling out the remaining two years of a 3-year seat).

Holman said the Committee has also been looking to fill a currently vacant 2-year seat, and the Mayoral and Council appointed seats.

Holman provided a handout with the updated criteria for candidates, noting that the general criteria is the same. Based on our discussions while developing the strategic plan, the Nominating Committee will be focusing our search to fill the open seats to provide the skills and relationships needed to advance the organization's goals in the most effective way. Specifically the focus in the search for candidates will be to:

- 1) bring a strong network and will actively identify and cultivate partnerships to advance our mission;

- 2) bring new capacity to diversify funding and expand resources by building DCTV's corporate and private funding base, including Youth Media Network and program underwriting

The election packet will go out to all members in good standing qualified to vote as of 30 days before the Annual Meeting. The notice will be by email and the balloting done electronically, except for any members who only provided a postal mailing address.

Holman noted the rules for the election will be the same as last year.

He asked Board members to advise the Committee of any leads or suggestions for potential candidates.

In response to questions, and during the resulting discussion, Holman said a strong focus is on building strong relationships that will have a ripple effect to increase community participation, investment in and support of DCTV. This includes building friendships and partnerships with leaders and corporations who are at the heart of successes across the wide range of organizations serving the city. Good candidates will have the wide range of relationships and friendships to help us expand and widen our circles of connection where we have not had a presence or strong relationships, including for increasing our opportunities for youth and expanding participation with Latino and Hispanic communities. Holman also said the Committee is exploring the possibility of good technology company candidates who might expand our vision of what's possible and help us achieve it.

Investment Committee Report. Nnamdi introduced the next agenda item, noting that as part of our Strategic Plan, the Board decided to review and if needed, update DCTV's investment policy.

Nnamdi said now that the Committee has completed review and improvement of DCTV's banking services, the Committee will be looking at investments and considering the investment policy.

Nnamdi asked Investment Committee Chair Freedman, as part of his report, to talk about risk in nonprofit investment policies, and some changes we might consider for DCTV. To provide the foundation for the Committee develop the policy, Nnamdi asked Freedman to lead discussion to get a sense of the Board's comfort level for any changes to the investment policy.

Freedman noted that a Strategic Plan goal is to increase revenue from non-cable sources, and there may be an opportunity for investment of reserves to contribute towards achieving this goal. He provided an overview of nonprofits' range of approaches to investments, the current policy, and how a new investment policy might work for DCTV, including taking into consideration planning for ensuring cash is available when needed. Freedman responded to questions about different instruments, including indexed funds and bond funds, and about fees. He asked for a sense of the level of risk that would be in the Board's comfort level. He provided examples of different levels of risk by the selection of investment types, and by using different ratios of allocation in balancing cash, CDs, bonds and equities.

Alfonso asked whether the organization has any legal restriction on investments. Goldberg said there are no restrictions in the Nonprofit Corporations Act. The current investment policy was discussed. Freedman responded to questions about whether nonprofits run into problems with investing. Freedman explained how investments can be another tool for prudent fiscal management, as long as funds are for the purpose of fulfilling the organization's mission. Goldberg added that it's an essential requirement for any nonprofit organization is to use its funds towards fulfillment of its mission.

After further discussion, Nnamdi asked Rickard to consult an attorney to determine whether there are any rules regarding investing that would affect decisions about DCTV's investments or investment policy.

In response to Alfonso's question regarding the appropriate amount of designated reserves, Nnamdi talked about the importance of striking the right balance to preserve the long-term viability of the organization. Noting that DCTV is uniquely situated and, unlike other nonprofits, the organization is almost entirely reliant on funding from a single source--the cable operators. Continued funding is heavily contingent on external factors out of DCTV's control, including if the law changes, or if the market changes to reduce revenues from cable services that provide the basis for DCTV's funding. Nnamdi asked whether knowing all this, what if the Board did not ensure a back-up strategy was in place. There was general agreement that the Board has fulfilled its responsibility to ensure a strategy is in place to protect the organization, that the back-up strategy is reasonable (including in recognition of 28 states where organizations like DCTV have reduced or lost funding), and with Goldberg noting that the organization is providing services and fulfilling its mission every year, the past three auditors have said in their opinion and experience that the reserves are reasonable, and the reasons Nnamdi cited for maintaining reserves are legitimate.

Hingoraney and Goldberg asked whether Unrelated Business Income Tax would apply to some or all income from any investments. Freedman responded that all would be exempt.

Goldberg asked if there needs to be consideration given to investing in certain kinds of investments that may not align with organization values or otherwise create a conflict. Freedman responded that these kind of questions and considerations are avoided by restricting investments to indexed funds.

Freedman asked for a trajectory of expenses to build the ladder of projected investments. Unless there is some legal restriction on investing that would preclude further work on developing a recommendation for an investment plan and policy, Rickard will provide expense projections for both operating and capital.

Freedman will work with the Investment Committee to develop a recommendation for the May 24 meeting. He will call a meeting as soon as the results from the legal question are available.

Nnamdi thanked Freedman and the Committee, and expressed his appreciation for the Board's good discussion and questions.

Nnamdi moved to the next item of business, noting that besides approving the Executive Session minutes from the last meeting, the Board has a few matters to discuss in Executive Session. The Strategic Planning discussion may involve matters concerning board development and

confidential or proprietary information. Other items involve confidential legal, contractual and proprietary matters. He asked for a motion to convene in Executive Session. Hazel moved to convene in Executive Session. Hingoraney seconded. The motion carried unanimously.

Executive Session.

New Business. Upon reconvening the regular meeting after Executive Session, Nnamdi reviewed that there are no action items under New Business for this meeting, and asked Rickard to present items that will be coming up in future meetings.

Rickard said that since DCTV does not fall under the DC Open Meetings Act, that she will prepare an amendment to the Bylaws that revises provisions about Regular Meetings, committee meetings, Open Meetings and meeting Notice requirements to provide for acting in accord with the spirit of the Open Meetings Act. The recommendation will be ready for the May 24 meeting.

Rickard said that with passage of DC's new law regarding family leave, DCTV will be fully reviewing its Personnel Manual, and preparing recommendations for revisions. She noted that DCTV was under the threshold for number of employees and so was never required to provide this type of leave, but for at least the past 23 years has self -insured to provide family leave to employees when needed, and has done so. The DCTV policies for supporting family leave are intertwined within the array of the benefits provided, and will involve a review of most benefits along with a benefits cost analysis, with a recommendation for revising or reducing benefits to integrate the new requirements.

Old Business. Nnamdi said there is no old business.

Review Meeting Schedule. Nnamdi reviewed the meeting schedule, noting the schedule has already been set for the fiscal year by resolution:

Wednesday, May 24, 6:30 – 8:30 pm. DCTV Studio A. (Consider the FY18 Budget)

Wednesday, June 21, 6:30 to 8:30 pm.. DCTV Studio A:

6:30 – 7:15 Regular Board Meeting (Consider Participation Structure Recommendation)

7:00 – 8:00 Reception with DCTV members

8:00 – 8:30 Annual Meeting of the Associate Members

Adjournment. Nnamdi asked for a motion to adjourn. Hingoraney moved. Freedman seconded. The motion carried unanimously. The meeting adjourned at 8:19 pm