



Nā Leo 'O Hawai'i, Inc.

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Board of Directors Meeting Minutes August 9, 2017

PRESENT

Mr. Gerald Takase	Chair
Mr. Claude Onizuka	Vice Chair
Mr. Sid Fuke	Treasurer
Ms. Gail Uejo	Secretary
Ms. Anne Chung	Director
Mr. Dwayne Mukai	Director
Mr. Howard Kelly	Director
Mr. Daniel Weiss	Director
Mr. Stacy Higa	President/CEO

ABSENT

Mr. Kauhi Keli'ia'a Director (Excused)

GUESTS

NLTV Hilo/Kona Staff members

CALL TO ORDER

Chair Takase called the meeting to order at 4:30 p.m.

STATEMENTS FROM THE PUBLIC ON AGENDA

No statements from the public.

APPROVAL OF THE MINUTES

May 03, 2017 Minutes.

Motion to approve May 03, 2017 minutes by Director Mukai.

Seconded by Director Howard Kelly.

President Higa mentioned to the board that the auditors questioned the increase of the 10% SEP in 2015 because we missed 2014, so it was a catch up year.

President Higa then said that in 2016 we reverted back to 5% because it wasn't going to be a continual thing, and the auditors recommended we input this information into the minutes just to make it formalized.

Motion to approve minutes for December 18, 2015 by Director Mukai.

Seconded by Director Howard Kelly.



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Passed unanimously.

FINANCIAL REPORT

Treasurer Fuke said that the April, May and June 2017 Financial Report looked good, but he did have questions regarding the gradual increase in salaries. President Higa clarified that those increases were due to new hires. Motion to approve the financial reports for April, May and June by Treasurer Fuke. Seconded by Director Mukai.

President Higa wanted to summarize to the board about the investment accounts. President Higa said that when he started with Nā Leo, that we had numerous CD accounts, so he began arranging investments. Previously President Higa mentioned that we were getting a low return rate each year, now we are getting about a 6% return, so we are on track. President Higa also mentioned that we opened a few more smaller accounts, so the liquidity is there if we need to move the cash.

President Higa mentioned that he wanted to set up an LLC. He said there is about \$194,000 in tax credits available from the \$300,000 photovoltaic system. Seeing that we are a Non-Profit, we would not have any use from the tax credit. President Higa stated that he wanted to structure it where as Nā Leo 'O Hawaii will become the sole partner for NLOH, so he will call it NLOH new entity, LLC, and Nā Leo 'O Hawaii, which is the non-profit, will invest the \$300,000 for the cost of the solar panels, then from there partners will come in who can utilize the tax credits and buy out the shares. President Higa said that the idea is we reduce the cost of the system, and then over 5 years from now, Nā Leo can pay or lease back the system and saving each month on electricity. President Higa also mentioned that the partners would need to be credited partners, and make \$250,000/year or have a net worth of at least \$3,000,000. President Higa said we need to move quickly because of the tax credits, Helco, grid saturation, etc, and time is of the essence. Treasurer Fuke motioned to accept the LLC and installation of Photovoltaic system. Seconded by Director Kelly, passed unanimously.

PRESIDENT/CEO'S REPORT

President Higa stated that we would need to be out of the old Kona Office before September 7 to avoid incurring rent, and that the next board meeting might be in Kona so that the staff and Board can see the new changes to the new office.

President Higa announced that he'd roll out initiative that he'd present opportunities to be a Blue Zone company. He will allow staff to leave work early if they participate in any Blue Zone activities, and the idea is to create healthier





lifestyles, longevity and morale.

President Higa talked about the SWAP. The Kona Building was 2 million dollars to purchase, Hilo extension was 1.1 million dollars, and he's looking into a 3 million dollar SWAP, which the SWAP is a replacement for a commercial building loan. President Higa said he wants to start this by September 1, and that it's about \$15,000 per month, that will be locked for 10 years. Roughly \$5,000 for the Hilo side and \$10,000 for the Kona side. He said that the loan can be paid with the Kanalani Revenue since the average of the bills are \$1,267/month, and what's left of the revenue after the bills and the loan will go into a sweeper account that we will create with FHB, which will be for deferred maintenance for the future. President Higa asked for a motion to approve the \$3,000,000 SWAP. Treasurer Fuke motioned to approve, Director Mukai seconded. Passed unanimously.

President Higa stated that we are going through a RFP Process with the County of Hawaii for their streaming services.

President Higa also stated that he wanted to give a shout out to staff Micah Alameda for doing a good job with applying for our first grant through Clarence T.C Ching for \$72,000, and this will be an on-going thing.

President Higa wanted to let everyone know that on November 17, 2017 we will be doing our first ever NLTV Golf Fundraiser. He said that the staff did really well with the Hammerheads and RBI teams, which were both LIVE, and the money from the fundraising event be used to follow some of these teams to broadcast games to our community, and to do hyper local important events. President Higa said that it's not in our budget, and we don't have that extra money with the amount of staff and the daily operation, that's why we are doing the fundraiser, we're asking the community to help us, so we can support their kids in their endeavors.

President Higa announced that our NLTV van was vandalized and because of this he has a vendor coming in to secure the perimeter outside, which will also benefit when we start putting more equipment into the new building. He said the cost of the cameras was already budgeted in the new building cost.

President Higa proposed to the board to purchase his personal van for staff use to go to work functions, seats up to 7 passengers, and the bigger van will be used more for equipment. Treasurer Fuke asked if there was a need for another vehicle. President Higa answered yes, because we might send the smaller Nā Leo vehicle to Kona, and also when we have multiple shoots, we're not stuck with a really big van or a smaller vehicle. Director Mukai motioned to approve the purchase of President Higa's van for \$5800. Seconded by Director Kelly. Passed unanimously.



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NEW BUSINESS

New Business was mentioned during President's Report

EXECUTIVE SESSION

Meeting did not go into executive session.

NEXT MEETING

November 16, 2017 in the Kona office

ADJOURNMENT

Meeting adjourned 5:54 PM



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