

FPA BoD Minutes - 7/31/2019 @ 7:00pm

Minutes taken by Genevieve Llamas on behalf of the Board Secretary on 7/31/2019

Minutes approved by the board on _____

Attendance	
Members of the Board in Attendance	-Jim Housel (President) -Kevin McFarland (Vice President) -Steve Mullen (Treasurer) -Isaac Asare (Secretary) -Georgia Graves -Mary Gillam -Ingrid Parris-Hicklin - <i>electronic participation</i> -Reggie Marston - <i>electronic participation</i> -Ruth Bennett - <i>electronic participation</i>
Staff in Attendance	-Chuck Pena -Steve Ruddell -Daniel Olewine -Jerry Ferguson -Maryam Shah -Jay Erasquin -Rocio Lopez
Guest in Attendance	-Dan Burnett
Members in Attendance	-Ben Zuhl

Meeting Open		
Call to order at 7:00pm	Jim Housel (President)	-Reminder of Code of Conduct -Acknowledgement of the Conflict of Interest policy -Accolades and acknowledgements: <ul style="list-style-type: none">● Ruth: Kudos for Steve Ruddell for helping to get the letters out for the non-profit meeting● Steve: Thanks to Sam Rogers for his help with our Sports Scope production.● Chuck : Thanks to Isaac for doing a great job on the minutes.● Isaac: Kudos to board members for bringing to the table diverse skillset.

		<ul style="list-style-type: none"> • Jim: Thanks to staff for the lovely spread.
Meeting Agenda	Jim Housel (President)	-A motion to approve the meeting agenda is made by Steve and seconded by Ingrid. The motion carries.
Approval of the Minutes from 6/26/2019	Isaac Asare (Secretary)	<p>-There were a few changes from this afternoon submitted by Steve M and Chuck.</p> <p>-A motion to approve the June 26th minutes is made by Steve and seconded by Mary. The motion carries.</p>

Auditor's Report	
Dan Burnett	<p>-The opinion is that everything that has been transacted during the fiscal year is fairly captured and fairly stated in accordance with generally accepted auditing standards and accounting principles.</p> <p>-There were no issues with management in processing through my audit.</p> <p>-The statement of financial position / balance sheet - Total net assets increased approximately 9% during the fiscal year. The significant activity is the cash investments, where you have reallocated cash into your investments to increase earning potential on your assets.</p> <p>-The statement of activities shows revenues and expenses, which are consistent year to year. You have been discussing your cable revenues. Contributions and grants were \$2.8 million in 2017, and \$2.8 million in 2017. What is included is \$192,000 worth of Cox cable revenues, which was an adjustment for 2014 to 2017. While the total revenues appear consistent, if you back out the adjustment, the revenues actually went down \$234,000 or by 6%. Total expenses decreased by \$88,000 or 3.1%. Cable revenues account for 82% of the overall revenue stream.</p> <p>-Jim: On page 12, "FCAC maintains cash accounts with financial institutions which at times exceeds the FDIC insurance." Is that unusual? Answer: No, that is a standard footnote, and it is part of the disclosure requirement.</p> <p>-Revenues income is a concern given changes in the media industry. -Regarding fixed assets, if the assets become non-usable based on changes in technology, that must be considered. For future purchases, make sure you are getting useful life out of them.</p>

	<p>-Steve: The program accounting that we are required to do for the audited financials is different from the normal expenses by natural classification. We do not normally report the way we are required to show these, but we have people that are assigned to certain areas programmatically.</p> <p>-The statement of functional expenses is another statement.</p> <p>-The Accounting Standards Board has updated the accounting standards, ASU2016, which is effective for financial years ending on or after December 15, 2018. Your financial statements are going to change, and the statement of financial expenses will now become part of the basic statements themselves.</p> <p>-On the statement of financial position, your net assets will change in terminology: with donor restrictions and without donor restrictions. When you look at your temporarily restricted net assets in either purpose or time use, if you receive contributions from a source, it is temporarily restricted for that purpose. When those restrictions have been met, they become unrestricted. On page 3, your temporarily restricted net assets are those cable monies that you have received based on the revenue calculation the county requires them to give you but that you have not actually used for your programs at this point in time. Cable investments, some cash, and your fixed assets comprise those temporarily restricted net assets.</p> <p>-You are supposed to show a crosswalk of your functional expenses to your natural classifications.</p> <p>-Jim: Is this ready to submit to the county? Answer: Yes.</p> <p>-Steve to Jim: You wanted to add the community impact statement? Jim's answer: Yes, and we hope to submit to the county by September.</p>
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Staff Reports		
Executive Director	Chuck Peña	<p>-Tomorrow, the FCC will vote on the offset rule, which will allow the cable companies to decrease the amount of money they would otherwise pay to local governments by the fair market value of the non-cash contributions to communities. We were concerned about the fair market value of the bandwidth provided to public access channels. The FCC has backed away at this point in time. The FCC claims that it is unclear to them whether</p>

		<p>the bandwidth is a capital expense, in which case they do not want to touch it. The FCC could revisit this in the future. At the beginning, the PEG grant was not to be included in this. This could take effect as soon as mid-September. Nancy Werner, General Counsel for the National Association of Telecommunication Officers and Advisors (NATOA), has put forth a filing to the FCC requesting that the rule, if passed, not take effect until the 1st of the year.</p> <p>-There will be a lawsuit filed immediately challenging the rule if passed and upon taking effect.</p> <p>-A few weeks ago, I attended a presentation by the Fairfax County Zoning Administration Division on upcoming and recently adopted zone ordinance amendments to gather information that might be helpful when considering the sale of our building. In May, I reported that the area where Four Seasons Tennis Club was located is being redeveloped. There will be 40 townhomes. In addition, the developer wants to build 115 multi-family units. The proposal is to have a 5-story building with living units, plus retail and a daycare center. We would like to sell this property at the highest possible price. We would need to increase the floor area ratio and have a multi-story building.</p> <p>-Gary Hurst used to own the Alliance Center property, but no longer owns any property here. Matt Godek's former Soccer and Rugby warehouse, Unit 2929K is not built up like ours. It is essentially warehouse space with no construction of offices. The property sold for \$907,500. Had we sold our property at the same square footage price as 2929K, we would have made \$4.6 million. I think we can do better than that.</p> <p>-Are we a cable programmer or cable operator? We are a programmer, which is not covered by safe harbor statutory immunity from lawsuits. We will seek to be classified as an operator. I will seek legal counsel how we can move forward in the new era in which programming submitted to us is</p>
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		no longer protected by the First Amendment.
Operations	Steve Ruddell	-We got through hiatus, and we are moving along fine in the department. -The inside of the building was painted.
Engineering	Daniel Olewine	-We purchased a new projector. -We had a good hiatus. -Next week is the DEFCON computer security conference, and Steven Barbaro is attending.
Outreach	Jerry Ferguson	-Per Jim's request, I put together a community impact report. <ul style="list-style-type: none"> ● Television and radio hours come from board reports. ● For individual memberships, I took the July 2018 start-of-the-month numbers and added all new memberships through June 30, 2019. The number could possibly go up in renewals during that time. ● Education is supposedly the reason we are here in the first place. We can impact the community by providing this kind of training. We could bring it down to technical and introductory. ● On the Channel 37 bulletin board that we have for non-profits, we are close to 100 slides. ● I have listed my fee-for-service work and coverage of events. I listed some of the groups that some of our board members and staff are part of. I added up what the full price of the services would have been and subtracted whatever they may have been charged. <p>-As far as us being out in the community, I think that is more promotional than outreach, but we are talking to people about what they could do here.</p> <p>-From a community impact perspective, we need to separate the work done for the county by staff and by members. We do not track content.</p> <ul style="list-style-type: none"> ● Maryam: If producers tell us the content of the show, we put it in our database. ● If this is something you want in future

		reports, let's find a way to track that.
Training	Jay Erasquin	<p>-Monique Blyther got a full-time job, and she cannot continue to teach for us. Staff have stepped up to fill in for the classes she was scheduled to teach.</p> <p>-The summer camps are going on right now.</p> <p>-Fox 5 DC is coming to Mosaic District next Friday morning. They requested some junior journalists. Some of the summer camps students will take part.</p> <p>-You have received the policies and procedures changes. The main items are the reorganization of the index page and a few minor items.</p> <ul style="list-style-type: none"> • A motion to approve the changes to the policies and procedures as presented is made by Georgia and seconded by Mary. The motion carries.
Programming	Maryam Shah	<p>-We are giving away tickets on Radio Fairfax in conjunction with Angelika.</p> <p>-The promotions and events manager at Angelika is leaving the position this week. We had discussed the possibility of airing our content on the displays in their lounge. We are hoping we can continue the ticket give-aways.</p>
Office Manager	Rocio Lopez	<p>-This month, we will have the comparison budget for the end of the last fiscal year. This report is as of the end of June 2019.</p> <p>-For the cable support, the Cox total income is down \$61k from last year, and the Verizon total income is down \$48k from last year.</p> <p>-We received the fourth quarter payment from Verizon on July 30th for \$441,990.02. We have not received the Cox check yet.</p> <p>-The Training Income is down \$14k from last year due to class cancellations.</p> <p>-Other Interest Dividend Income up \$44k due to various deposits to the cash management accounts.</p> <p>-The Facilities Expense is down \$17k.</p> <p>-The Maintenance Reserve Expense is down \$30k from last year as there have been no major repairs</p>

		<p>to the air conditioning system. We had some work done to the system, but we did not receive the invoices in time to pay during the last fiscal year.</p> <ul style="list-style-type: none">-The Office Operations Expense is down \$144k.-Professional Services is up \$39k. We paid the auditor for additional services in addition to the yearly audit fees.-Marketable Securities are up \$834k due to transfers that we made.-Fixed assets, production equipment, and office furniture are up due to the systems that we purchased and the HD channel upgrades, as well as other purchases that the Ops Committee has approved.-For this last month, we will go over the comparison budget notes. Since this is the last month of this fiscal year, the actual percentage of the budget should be 100%. Even though cable revenues are down from the prior fiscal year, we do not see a big difference between the budgeted percentage and the actual percentage numbers, because of our conservative budget numbers.-The Fundraising Contributions Income is less than expected due to the decrease in donors.-Underwriting is less than expected due to the decrease in underwriters for programs.-The Internet Subscription Income exceeds the expected percentage budgeted amount due to the higher interest from members who signed up for the internet services.-The Interest Dividend Income exceeds the expected percentage budgeted amount due to the deposits we made to Edward Jones.-The Total Insurance Expense exceeds the percentage budgeted amount due to the higher premiums than estimated.-Total media purchase expense exceeds the expected percentage budgeted amount due to the change in media prices and higher interest in purchasing media.-The Accounting Expense exceeds the expected percentage budgeted amount.
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Director Reports		
Director of Finance Operation Development	Steve Mullen	<p>-Rocio and I did complete our cash requirements plan review.</p> <p>-We are moving \$300k from the cable account to Edward Jones. On the non-cable side, we will continue to have money that we can move over.</p> <p>-On the cable side, cable investment money belongs to the cable fund. If needed in the future, it would be possible to borrow from cable funds, if we had to purchase a building that was more than what we would get in the sale of this building.</p>
Director of Financial Management	Kevin McFarland	<p>-For the account ending in 839:</p> <ul style="list-style-type: none"> • The value as of today is \$4,335,023.93. • The total amount added since inception is \$3,769,828.96. • The net return on the account for 2019 is 8.98%. The total net rate of return on the account since inception is 23.04%. The net return in dollars is \$565,194.97. <p>-For the account ending in 840:</p> <ul style="list-style-type: none"> • The value as of today is \$2,218,886.16. • The total amount added since inception is \$1,919,987.11. • The net return on the account for 2019 is 8.82%. The net return in dollars is \$298,899.05. <p>-The total amounts combined are \$6,553,910 as of today. The total net return in dollars for both accounts combined since inception is \$864,094. The projected annual income for both accounts combined stands at \$151,000 annually.</p>
Director of Community Development	Georgia Graves	<p>-The Greater Reston Chamber and Dulles Regional Chamber will have their annual international network night in Reston at Hunter Woods.</p> <p>-There will be a Metro Monday meeting on August 19th.</p> <p>-The NoVA Chamber of Commerce has The State of Transportation for the Commonwealth.</p> <p>-If you go to the Leadership Fairfax website, you</p>

		will see that one of the key longtime sponsors is FPA.
Director of Promotional Development	Ingrid Parris-Hicklin	<p>-I sent out fifteen job announcements.</p> <p>-I am attending Lieutenant General Stacey Harris's retirement program. She has agreed to do an interview on her career.</p> <p>-Ruth and I are working on this non-profit project. It will take place on August 7th.</p> <p>-Regarding the golf tournament, the people who participate are Fairfax County residents. Can we provide FPA souvenirs for participants, such as fans? Jay will put some together.</p>
Director of Strategic Development	Mary Gillam	<i>-nothing to report-</i>
Director of Internal Affairs	Jim Housel	<p>-Staff and guest safety is a top priority, and I want to make sure that everyone on the board agrees.</p> <ul style="list-style-type: none"> • Members sometimes refuse to comply with staff's instructions and requests. The hearing committee will hear a case. <p>-Danny: Staff have been meeting to discuss safety and security improvements.</p>
Director of Technology Development	Isaac Asare	<p>-Followed up for additional details with Radio Guild members who had suggestions about policy. Nothing concrete came of that.</p> <p>Looking into field equipment available for radio producers.</p>
Director of Member Development	Ruth Bennett	<p>-Ingrid mentioned the August 7th event at 3pm. We started out with 19. We invited 18, and have received 5 responses. We have 9 attendees so far. I sent a follow-up email to the organizations in the last few days.</p> <p>-Steve Ruddell and I have been working on another member meeting to focus on safety.</p>
Director of Operations and Radio Development	Reggie Marston	<i>-nothing to report-</i>

Meeting Close	
Unfinished Business	-None-
Add new items to next month's agenda	-None-
Confirm future meeting dates	-Future meetings will take place on: <ul style="list-style-type: none">• August 28• September 22 (Annual Member Meeting) -A motion to adjourn is made by Kevin and seconded by Steve. The motion carries. -The meeting is adjourned at 9:09pm.