

Board of Directors
November 14, 2019 Regular Meeting
Board Packet

Table of Contents

Table of Contents	0
Board of Directors Regular Meeting	1
November 14, 2019	1
5.b. Mt. Fanny Lease Update	2
5.c. Expenditures	3
5.d. Approval of Minutes	4
5.e. Finance Policy	5
5.f. Performance Review and Employment	6
5.g. Refunds	7
5.h. Legislative Affairs	7

Blue Mountain Translator District 1

Regular Meeting at 9:00 AM
Misener Room, Daniel Chapin Building
1001 4th St
La Grande, OR 97850

Board of Directors Regular Meeting November 14, 2019

1. Call to Order and Roll Call Vote
2. Declaration of Conflict of Interest
3. Reports
 - a. Director Reports
 - b. Staff Report
4. Old Business
 - a. Safety
5. New Business
 - a. Executive Session - 192.660(2)(h)
 - b. Mt. Fanny Lease Update
 - c. Expenditures
 - d. Approval of Minutes
 - e. Finance Policy Changes
 - f. Performance Review and Employment
 - g. Refunds
 - h. Legislative Affairs
6. Public Comment
7. Scheduling of Next Meeting and Adjournment

Blue Mountain Translator District 2

5.b. Mt. Fanny Lease Update

Staff Summary

The Board of Directors has been informed at previous meetings of issues regarding partnerships between BMTD, Oregon Public Broadcasting, and the United States Forest Service. Certain BMTD equipment is housed in a facility on Mt. Fanny that OPB leases from USFS. BMTD receives free use of the facility in exchange for owning, operating, and maintaining the license and equipment on Mt. Harris used to broadcast an OPB signal from that facility. Separately, BMTD leases access to the District's powerline, and OPB reimburses BMTD for power purchased from OTEC.

OPB has received a waiver from USFS for housing BMTD's equipment in their Mt. Fanny facility because we are a government agency that is not a utility. In fall 2018, a USFS auditor determined that BMTD is a utility and they billed OPB for our use of their Mt. Fanny facility; OPB paid the full bill and sent an invoice to BMTD for the assessed cost of housing District equipment. BMTD's attorney provided a legal opinion challenging the auditor's determination that was provided to USFS and OPB, because OPB is the only entity with legal standing to challenge the auditor's determination.

OPB has failed to pay all power reimbursement invoices generated after May 2019. The last payment from OPB was dated 7/29/19, which included their annual powerline lease fee and power reimbursement for March-May 2019. The lease payment is due 7/30/19 and was thus delivered late in violation of the powerline lease contract. Queries about delinquent payments were sent to OPB staff, including Accounting Director Dessie Williams, on October 29 and November 6. Voicemails were left with OPB's Accounts Payable staff, and their Board Liaison. It was only on November 7, 2019, that an employee of OPB informed the District that OPB CFO Jan Heskiss made a decision to withhold payment until BMTD pays OPB for the District's assessed portion of their Mt. Fanny lease fee. BMTD has long received free use of the Mt. Fanny facility because of the District's operation of a station on Mt. Harris that carries KTVR.

On November 8, President Tim Wallender discussed the power bills with Dessie Williams, who reports to OPB's CFO. Williams agreed that the power bills should not be connected to the Mt. Fanny sublease and told President Wallender that this will be discussed. A followup summary email was sent to Williams and Engineering Director Jonathan Newsome by President Wallender. Later that day, Williams reiterated in an email that OPB still appears intent upon receiving payment from BMTD for use of the Mt. Fanny site, and that an update from OPB's finance department is forthcoming.

OTEC is reviewing possible changes to the current power arrangement on Mt. Fanny and will reply the week of 11/11. Directors may consider additional action to rectify the current situation.

Blue Mountain Translator District 3

5.c. Expenditures

Payee	Description	Requirement	Amount
All Around Sports	Union High School sports schedule, 2020-2021 school year	Advertising	\$600.00
Baker County Chamber of Commerce	2019-2020 Membership	Memberships	\$135.00
Frontier	Payment Correction**	Phone & Internet	\$16.00
Oregon Government Ethics Commission	Annual Ethics Assessment*	Fees	\$87.82
Payroll & Accounting Services, PC	Accounting Services	Professional Services	\$548.00
RS Technology	Mt. Fanny Maintenance	Technicians	\$928.75
RS Technology	Beaver Mtn. Maintenance	Technicians	\$1,917.00
Staples	6 Name Badges	Office Supplies	\$83.94
Titan TV	Website TV Guide	Professional Services	\$500.00
USFS	Mt. Fanny Lease	Leases	\$3,800.72
USFS	Beaver Mountain Lease	Leases	\$375.84

*Invoice received after previous board meeting with a close deadline. Check cut by accountant on 10/31 in accordance with Board Policies Regarding Finance C.e.

**Frontier raised the charge for Internet service in April 2019. BMTD has paid the original agreed-upon rate since the beginning of service. This item covers past underpayments and an increase for BMTD's final service bill in December 2019.

Advertising Authorization

Quotes in this proposal are from Brent Clapp Media Services.

1. Short video production: \$300.00. Produces a simple video ad for BMTD's website and other online services, as well as any other broadcasting ads.

Blue Mountain Translator District 4

2. LHS Sports Stream: \$1,200.00. 2 commercial spots for BMTD will air on every sports game streamed by La Grande High School for the remainder of the sports season, including Volleyball and Boys & Girls Basketball.
3. News Roundup Sponsorship: \$1,500.00. For \$250.00 per month, BMTD can produce a bi-monthly film critic segment for films that will air on channels that we broadcast. Each segment will include advertising for BMTD. Copyright will be solely owned by BMTD, permitting use on other platforms without royalties for BCMS.

5.d. Approval of Minutes

Staff Summary

The Board of Directors must consider and approve the minutes from the following meetings:

- 10/17/2019 Regular Meeting and Supplemental Budget Hearing

Blue Mountain Translator District 5

5.e. Finance Policy

Staff Summary

The Board of Directors approved the use of a debit card to make expenditures on behalf of the District in April 2018. Discussion for use of the card primarily focused on paying expenses related to travel in order to prevent the District from having to reimburse the Executive Director for these expenses.

Board Policies Regarding Finances were not amended to address the use of the debit card to pay expenses beyond the discussion in April. The debit card has been used to pay several bills incurred by the District including capital purchases, office supplies, government fees, and advertising, among others. All debit purchases are recorded by Umpqua Bank and paper records are retained in the BMTD office.

Continued use of the card requires reliable oversight by the Board of Directors. Below is a First Reading of amendments to Board Policies Regarding Finance intended to govern the use of the debit card. Note that this First Reading creates Section J in these Policies.

§ C. Accounts

e. District bookkeeper may not spend over \$100 on any one transaction without board approval. Not to exceed 3 emergency occurrences per month. **Any or all of these 3 transactions may be made using BMTD's debit card in accordance with Section J.**

§ D. Checks and Payables

~~d. No debit cards are allowed since they do not require two signatures.~~

~~e.~~ **d.** All persons signing checks shall review and approve all supporting documentation for each check prior to signing.

§ J. Debit Card and Other Payment Methods

- A. The Board of Directors may authorize and revoke the creation and termination of a debit card for General Fund expenditures.
- B. The Board of Directors may authorize specific District public officials* to make payments for expenditures using the debit card. Authorized expenditures may include:
 - a. Any expenditures specifically authorized for payment via this method by the Board of Directors.
 - b. Any expenditures related to a specific Budget Requirement authorized by the Board of Directors.*
 - c. Any expenditures authorized by the Board of Directors that can only be paid via check or ACH.
- C. Any expenditure paid via debit card shall require the following documentation:

Blue Mountain Translator District 6

- a. Invoices, if available; and
 - b. Receipts. If a transaction does not immediately generate a receipt, such as a payment conducted over the phone, the Secretary/Treasurer will request that the payee generate a receipt. The Board of Directors and appropriate District public officials will be notified of difficulties obtaining a receipt for such transactions in order to pursue actions necessary to obtain a receipt.
- D. The Board of Directors shall authorize other methods of payment, such as ACH and online bill pay, to pay certain specified recurring expenses. A member of the Board shall be designated to handle all such payments.

* This is intended to give the Board flexibility to specify whether one official or a combination of officials may make expenditures using the debit card. For example, the Board could require that two unrelated Directors or public officials be present pay an expenditure via debit card, similar to the requirement for two signatures to validate a check.

** Example: The Board of Directors could authorize the Executive Director to pay any expenditures incurred under the Travel & Education requirement using a debit card for a specified duration or during a given fiscal year.

5.f. Performance Review and Employment

Staff Summary: Performance Review

Best practices for board-manager relations include an annual performance review of the Executive Director by the Board of Directors. Directors have received a written evaluation questionnaire to be filed in the Executive Director's personnel file. Directors have also been provided with a letter from a former BMTD employee that addresses the Executive Director's performance to provide additional perspective for this review. During this item, Directors may publicly note their conclusions from their review of the Executive Director's performance.

Blue Mountain Translator District 7

5.g. Refunds

Summary 1: Board Policies Regarding Statements, Exemption Forms, etc.

§T.a.

"Any household in the District which was purchased by a new party after the June mailing was issued and is on the tax rolls due to a prior owner not returning the form or paying for the service will be refunded their money upon board approval." The following properties meet this condition for a refund:

- 31-004735
- 31-014199
- 31-017134
- 31-018196

Suggested motion: *I move to extend refunds to the owners of properties listed in Section 1.*

Note: The owner of Baker County property 1-016651 received the charge for the same reason as those properties above. A Journal Voucher request was sent to Baker County Assessor on 11/8/19. This permits the Assessor to remove the charge and prevents BMTD from needing to issue a refund.

Summary 2 2: ORS 354.690 (3)

"For property entirely surrounded by the district, the district shall prepare a verified report which shall disclose that the property has been physically inspected and that there are reasonable grounds to believe that the property is intentionally receiving and using the signal." The owner of the property below claims that the antenna has been damaged beyond usability, and informed the Executive Director of his intent to email pictures of the damaged antenna:

- 31-008372

Suggested motion: *I move to extend a refund to the owner of property 31-008372 conditional upon the receipt of photographs verifying damage to the antenna.*

5.h. Legislative Affairs

Staff Summary

Oregon Trail Electric Cooperative is requesting support from members in passing the Revitalizing Underdeveloped Rural Areas and Lands (RURAL) Act. Recent federal tax reform has resulted in consequences that may lead to the revocation of OTEC's tax-exempt status, and the RURAL Act will prevent tax reform legislation from changing this status. The Oregon Rural Electric Cooperative Association says this:

"Oregon's electric cooperatives provide electric service to half a million Oregonians and are an important part of the economy. Nearly all co-ops are tax-exempt. However, because of recent tax law changes,

Blue Mountain Translator District 8

receiving government aid, such as disaster assistance or broadband grants, could threaten our co-op's tax-exempt status and hamper our ability to use the full value of the grant to benefit our members and the communities we serve."

Staff recommendation: Submit signed letters of support for the RURAL Act drafted by ORECA to the offices of Rep. Greg Walden and Senator Ron Wyden.

Balance Sheet 11/12/2019

Assets

<u>Assets</u>		\$0.00
<u>Current Assets</u>	\$0.00	
<u>Mt. Fanny</u>	\$41,823.88	
<u>Checking Account</u>	\$171,554.82	
<u>Money Market</u>	\$49,200.97	
Total Assets		\$262,579.67

Liabilities

<u>Liabilities</u>		\$0.00
<u>Credit Card</u>		\$0.00
Total Liabilities		\$0.00

Equity

<u>Equity</u>		\$0.00
<u>Checking</u>	\$145,637.16	
<u>Money Market</u>	\$49,192.68	
<u>Mt. Fanny</u>	\$33,817.47	
Retained Earnings		\$33,932.36
Total Equity		\$262,579.67

Total Liabilities & Equity		\$262,579.67
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Profit & Loss For Period Covering 07/01/2019 to 11/12/2019

Revenues

<u>Income</u>		\$0.00
<u>Interest Income</u>	\$0.00	
<u>Money Market Interest</u>	\$8.29	
<u>Mt. Fanny Interest</u>	\$6.41	
<u>Lease Income</u>	\$5,773.30	
<u>Other Income</u>	\$1,575.00	
<u>Powerline Leases</u>	\$8,000.00	
<u>Property Taxes</u>	\$5,614.47	
<u>Reimbursed Power</u>	\$6,619.89	
<u>Service Charges</u>	\$51,711.00	
Total Revenue		\$79,308.36

Expenses

<u>Expenses</u>		\$0.00
<u>Advertising</u>	\$1,681.58	
<u>Consultant</u>	\$3,450.48	
<u>Election Cost</u>	\$1,447.18	
<u>Engineering</u>	\$0.00	
<u>Equipment</u>	\$3,305.45	
<u>Internet</u>	\$100.00	
<u>Technicians</u>	\$3,063.75	
<u>Fees</u>	\$126.00	
<u>Health Insurance</u>	\$1,858.45	
<u>Insurance</u>	\$222.90	
<u>Leases</u>	\$0.00	
<u>Membership Dues</u>	\$0.00	
<u>Office Supplies</u>	\$103.57	
<u>Other</u>	\$0.00	
<u>Payroll Taxes</u>	\$4,197.50	
<u>Phone & Internet</u>	\$319.90	
<u>Postage</u>	\$1,925.63	
<u>Power</u>	\$11,404.48	
<u>Professional Services</u>	\$2,096.43	
<u>Refunds</u>	\$0.00	
<u>Rent Expense</u>	\$1,433.55	

Other Expenses

\$1,155.00

Repair and Maintenance

\$0.00

Travel & Education

\$70.65

Wages

\$8,568.50

Workers Comp Insurance

\$0.00

Total Expenses

\$45,376.00

Net income for Period

\$33,932.36

Cash Flow - 07/01/2019 to 11/12/2019

Selected Accounts

- [Assets](#)
- [Assets:Current Assets](#) and selected subaccounts

Money into selected accounts comes from

Equity:Checking	\$145,637.16
Equity:Money Market	\$49,192.68
Equity:Mt. Fanny	\$33,817.47
Expenses:Travel & Education	\$196.34
Income:Interest Income:Money Market Interest	\$8.29
Income:Interest Income:Mt. Fanny Interest	\$6.41
Income:Lease Income	\$5,773.30
Income:Other Income	\$1,575.00
Income:Powerline Leases	\$8,000.00
Income:Property Taxes	\$5,614.47
Income:Reimbursed Power	\$6,619.89
Income:Service Charges	\$51,811.00
Money In	\$308,252.01

Money out of selected accounts goes to

Expenses:Advertising	\$1,681.58
Expenses:Consultant	\$3,450.48
Expenses:Election Cost	\$1,447.18
Expenses:Engineering:Equipment	\$3,305.45
Expenses:Engineering:Internet	\$100.00
Expenses:Engineering:Technicians	\$3,063.75
Expenses:Fees	\$126.00
Expenses:Health Insurance	\$1,858.45
Expenses:Insurance	\$222.90
Expenses:Office Supplies	\$103.57
Expenses:Payroll Taxes	\$4,197.50
Expenses:Phone & Internet	\$319.90
Expenses:Postage	\$1,925.63
Expenses:Power	\$11,404.48
Expenses:Professional Services	\$2,096.43
Expenses:Rent Expense	\$1,433.55
Expenses:Travel & Education	\$266.99
Expenses:Utilities	\$2,500.00

Expenses:Wages

\$8,568.50

Income:Service Charges

\$100.00

Money Out

\$45,672.34

Difference

\$262,579.67