

Board of Directors
Special Meeting Minutes
January 28, 2020

<p>1. Call to Order and Roll Call Vote</p>	<p>Directors Present: President Tim Wallender, Vice President Jean Innerarity, Director Mike Kenny, Director Christina Wood. Staff Present: Executive Director Alex McHaddad, Margo Schlessler (Payroll & Accounting Services, PC), Rob Stilson (RS Technology).</p>
<p>2. Declaration of Conflict of Interest</p>	<p>Executive Director McHaddad declared a potential conflict of interest. He currently provides services to Brent Clapp Media Services as an independent contractor, a firm that is discussed in the meeting materials for a later agenda item.</p>
<p>3. Local Channel Discussion</p>	<p>Executive Director McHaddad reviewed the purpose of the meeting and announced an order of discussion for topics on the agenda. The Board would discuss an OTA Channel, OTT Channel, Advertising RFP, Streaming RFP, the Strategic Plan, and the 2020-2021 Budget. Discussion topics would not be separate agenda items, just a order for the discussion so that items did not need to be opened and closed to move forward.</p> <p>OTA Channel</p> <p>Mr. Rob Stilson, contract technician from RS Technology, discussed the current broadcasting setup on Mt. Fanny. First, BMTD is causing some interference with the operations of another tenant, Elkhorn Media Group. This problem occurred as the result of work by a past engineering contractor, and Mr. Stilson is working with Hatfield & Dawson to</p>

resolve it. A new LPTV station cannot launch until this is addressed.

Hatfield & Dawson's channel study found space for a 970 kW Channel. BMTD's translators are only 2.2 kW, and it would be best for the LPTV station to be 2.2kW as well. Equipment prices include approximately \$1,500.00 for a new combiner section, and a \$1,500.00 decoder. BMTD can use an existing spare transmitter or purchase a new device for approximately \$12,000.00. A new transmit antenna to deliver the signal is not necessary. Delivery of the signal to Mt. Fanny is best done using the Skyline Tower microwave link in Island City. The Board was reminded that ultimately, a new LPTV station cannot be launched until interference problems with Elkhorn Media Group are resolved.

Executive Director McHaddad discussed the funding for a new LPTV station. Revenue may exceed \$200,000 for the first time in 2020 between service charges, property tax liens, technical partnerships, and FCC reimbursement for the 2017 repack. Additional costs could be funded by revenue bonds, capital construction funds, from the legislature, and grants. Directors discussed survival supplies at the Mt. Fanny facility.

Mr. Stilson suggested that regulatory problems with interference on Mt. Fanny could be resolved by the construction of a fence. Price for construction could be included in the 2019-2020 budget. Elkhorn Media Group's leadership is willing to collaborate to address the problem, and the solution must be noted in an application for an LPTV station. Modifications to the site lease need to be discussed with the US Forest Service as well.

Mr. Stilson noted that if the construction permit was issued July 1, then the work to

install it would be completed by winter (assuming all other regulatory hurdles were cleared).

OTT Channel

Executive Director McHaddad noted the item summary included in the Board packet. He had discussed potential pricing for a streaming service with two different firms, including Vimeo and TelVue. The services offered by TelVue are substantially cheaper than those offered by Vimeo, and he and Mr. Stilson have discussed technology with TelVue. A formal RFP is needed to actually contract with a firm for a streaming service, but so far TelVue seems like the ideal partner.

Mr. Stilson noted that he had discussed technology with TelVue. The firm's technology uses ASI rather than TSOIP, but there is an easy fix to convert this. Once the equipment is installed in the Joseph Building in La Grande, it can be delivered over the air to the microwave link in Island City, then to a receive antenna and the transmitter on Mt. Fanny. This can be done without a license at first, but BMTD needs to license this eventually. Capabilities must be discussed with Skyline Tower, and this may involved purchasing a larger dish to deliver signals to Mt. Fanny. Ubiquity antennas to transport signals will be \$1,500.00 apiece.

Executive Director McHaddad noted that because streaming service technology can be used to distribute TV signals Over-the-Air, BMTD should pursue creation of a streaming service regardless of the regulatory process for an OTA channel. This gives the District experience establishing a workflow for operating a continuous content stream, regardless of whether an OTA channel launches

at the same time. Directors reached a consensus to move forward with launching a streaming channel.

Advertising & RFP

Executive Director McHaddad addressed the generation of revenue for the local channel. BMTD will launch a noncommercial station so it cannot air advertisements on TV. Instead, it can air enhanced recognition for station donors and underwriters on OTA and Cable TV broadcasts. Video-On-Demand content streamed on an OTT channel may incorporate advertising media, however. He displayed a video mockup of a typical broadcast that would be followed by a video explaining BMTD services and a series of sponsor recognition graphics for fictitious firms.

It was noted that many PEG channels and video distribution platforms follow national sponsor recognition standards set by the Public Broadcasting Service. BMTD can adopt board policies noting that standards from PBS will be used for external video distribution and the local channel, with amendments based on the local economy. The example of PBS's ban on sponsor recognition for producers of spirits and firearms was noted by the Executive Director as restrictive, given the presence of popular local firms that produce these goods. Vice President Innerarity expressed that enhanced recognition for producers of spirits should not be broadcast by BMTD.

Mr. Stilson noted that Elkhorn Media Group could potentially be an ad sales partner. He declared a potential conflict of interest because he provides services to that firm as an independent contractor. Executive Director McHaddad concurred, noting that EMG also has a

media production component that would allow the firm to both recruit sponsors and produce enhanced recognition media.

Strategic Plan Draft 2

Mrs. Margo Schlessler, BMTD's contract accountant, asked for clarification on the accounts payable workflow for sponsor recognition. Executive Director McHaddad clarified that an advertising service would be responsible for paying BMTD and content creators when they receive sponsorship payments.

Discussion covered the nature of BMTD's mission, as generating revenue through an LPTV station ventures into the realm of a commercial venture. The District's mission statement must change to clarify the role of operating an LPTV station in northeast Oregon. Executive Director McHaddad suggested that Proposers for the Sponsor Recruitment RFP be asked to demonstrate their ability to generate revenue equivalent to 100% of the Return On Investment for creating a streaming service. Mr. Stilson expressed that a 100% ROI is rare to reach during the first year of operations.

Discussion on timeline noted that BMTD's best path is to start with streaming, and creation of an app for Roku because this platform is the cheapest price point for viewers. It will also be easier for BMTD to expand to Cable TV, and the District will discuss using PEG channel space with Baker City, Island City, and La Grande, a service that may yield city funding for BMTD. President Wallender briefly left the room at 6:23 PM.

Discussion on media production noted that the primary purpose of a Sponsor Recruitment RFP needed to focus on generating revenue. If

a firm or pair of firms cannot generate enhanced recognition for sponsors, BMTD will produce this media internally with interns. An ad sales firm that recruits sponsors may simply have a list of media production services available to offer companies that choose to sponsor BMTD's channel.

2020-2021 Budget

Mrs. Schlessler stressed that BMTD needs to properly factor in employment costs for the next fiscal year budget. This includes wages, worker's comp. insurance, and payroll taxes. Vice President Innerarity recommended hiring a temporary office assistant for 3 months that summer instead of 2 months to assist with more general office management alongside the letter campaign. This gives the Executive Director additional time to focus on managing the local channel.

Executive Director McHaddad proposed the creation of a fourth bank and Special Fund account to silo expenditures and revenue for a local channel away from the general fund. Mrs. Schlessler recommended operating the local channel from BMTD's general fund rather than ask for a selection process. Rather than create a Special Fund, Directors reached a consensus to create a third Budget Program named "LPTV Station."

Mr. Stilson discussed low-cost alternatives for streaming and broadcast. BMTD could purchase a low-cost character generator that displays information, along with limited picture and video, online and on TV. Once BMTD has content like sports games or city council meetings to broadcast, the programming lineup can grow organically. Executive Director McHaddad announced that he had thirty potential TV shows in development, including

	<p>local government meetings and athletics. Eastern Oregon University has also been approached about providing content, and they are receptive about broadcasting with BMTD.</p> <p>Mr. Stilson announced that he will move forward working on this channel with Hatfield & Dawson.</p>
<p>4. Expenditures</p>	<p>A receipt for dinner was presented to the Executive Director. President Wallender recommended paying an 18% tip.</p> <p>Vice President Innerarity moved to approve the dinner receipt of \$93.92, second by Director Kenny.</p> <p>Yes: President Tim Wallender, Vice President Jean Innerarity, Director Mike Kenny, Director Christina Wood.</p> <p>No: N/A.</p> <p>Abstain: N/A.</p> <p>Motion passes.</p>
<p>5. Adjournment</p>	<p>Director Wood moved to adjourn, second by Director Innerarity.</p> <p>Yes: President Tim Wallender, Vice President Jean Innerarity, Director Mike Kenny, Director Christina Wood.</p> <p>No: N/A.</p> <p>Abstain: N/A.</p> <p>Meeting adjourned at 6:53PM.</p>

Author: Alex McHaddad, Executive Director

Approval: 2/20/20