

Minutes of Special Meeting of the Authority

1:00 p.m., Tuesday, February 18, 2020
OETA Media Center Conference Room
7403 N. Kelley Ave.
Oklahoma City, Oklahoma

DIRECTORS PRESENT:

Joy Hofmeister, Chair
Terri Cornett, Vice Chair
Wendy Argenbright
Richard Beck
Cheryl Evans
Lisa Greenlee
Kara Hall
Glen Johnson
Suzanne Lair
Mike Martin
Larry Rice

DIRECTORS ABSENT:

Burns Hargis
Joseph Harroz, Jr.

VISITORS PRESENT: Assistant Attorney General Marc Pate; Oklahoma City University Professor and Friends of OETA, Inc. Chair Robert Spinks; HSPG auditor Matt Cole; HSPG auditor Patrick Hollingsworth.

STAFF PRESENT: Executive Director Polly Anderson; Vice President of Finance Shawn Black; Vice President of Production Susan Cadot; Vice President of Operations Janette Thornbrue; Vice President of Engineering and Technology Lawson Adams; External Relations Director Chad Haney; and, Executive Assistant Brandy Kennedy.

The Oklahoma Educational Television Authority Board of Directors met in special session at 1:00 p.m. on Tuesday, February 18, 2020 at OETA Network Headquarters in Oklahoma City, Oklahoma. A Notice of Meeting had been filed with the Secretary of State and copies of the Agenda were posted in accordance with provisions of the Open Meeting Act.

The Chair called the meeting to order and Executive Director Polly Anderson called the roll. It was determined that a quorum was present and the meeting was called to order at 1:06 p.m.

The Chair welcomed back Beck. He shared that he is happy to be back serving with everyone on the board. The Chair introduced two new board members, Argenbright and Hall. Argenbright informed the Board she teaches high school math at Moore Public Schools. Hall works at a clothing company in Edmond, Sherri Hill. The rest of the board and the staff present were also introduced to the new board members.

Item #4

The Chair acknowledged that there has been much active work with the Friends of OETA, Inc. board members, who are at work to recruit new members and who recently gathered for a strategic planning retreat led by Spinks.

Item #5

The Chair recognized Anderson for her report. Anderson pointed out that thanks to Friends of OETA, Inc. OETA now has a subscription to the Nielsen ratings service. Five times during the week of January 30 to February 5, Oklahoma City was number one, and one time Oklahoma City was number two. Tulsa was number two one time and number three one time. These numbers are very representative of OETA ratings every week. The season to date total gross rating points for Oklahoma City show a 28 percent increase this year compared to last year. Tulsa as well is 17 percent higher. For the whole season to date, Oklahoma City total gross rating points are up 49 percent, while Tulsa is up 26 percent. Anderson expressed that these numbers are just phenomenal, especially at a time when more people are moving to streaming services. The OETA team works hard to make sure there is a strong signal and strong programming. Anderson also noted that fundraising reports indicate since July 1, 2019 OETA has raised \$136,500 more than last year. There was no discussion and the report concluded at 1:17 p.m.

Action Item #7

The Chair moved to item seven, regarding the discussion and possible action concerning the proposed board members for the Friends of OETA, Inc. The Chair invited Spinks to present these to the Board. Spinks indicated that the five current board members identified potential new board members during the strategic retreat. The goal is to double the size of the Friends board with members that reflect both diverse geographic representation and different kinds of represented groups for the purposes of a fundraising board. Spinks provided detailed information regarding the potential board members. The Chair inquired for a motion; Johnson made a motion to approve the proposed Friends board members, and Martin seconded. Anderson conducted a roll call vote; the Chair acknowledged the decision was unanimous. The motion carried at 1:21 p.m.

Action Item #8

The Board reviewed the minutes for the special meeting of January 7, 2020. The Chair entertained a motion to approve the minutes. Cornett made a motion and Johnson seconded the motion. Seeing there were no comments or discussion requested, the Chair called for a roll call vote. Anderson conducted roll call to adopt the minutes. All were in favor and the motion carried. The Chair announced the minutes as adopted at 1:22 p.m.

Action Item #6

The Chair moved to item six for presentation of the 2019 annual audit and possible ratification of the filing. Cole stated that HSPG completed the independent audit of the OETA financial statements and of the Friends of OETA component within OETA.

In accordance with accounting principles, the Friends of OETA becomes part of OETA's reporting entity as discreetly presented. HSPG has provided an unmodified audit opinion. In addition to the audit, HSPG is required to include a post audit communications letter that offers commentary in addition to the numbers and the footnotes that accompany a set of audited financial statements. In that letter, there are a few items to point out regarding estimates. Management has the ability to influence estimates. So the most significant estimate to the Authority is driven by OPERS reports. Very little opportunity exists for management to influence those estimates. The next section of the letter goes over difficulties encountered in performing the audit. HSPG is happy to report that it had a positive working relationship throughout the audit with OETA.

There were several adjustments that needed to be identified during the audit to have the Authority's financials reported in accordance with GAAP. On the third page of the letter is a summary of adjustments. The Friends audit has a similar letter that has been distributed to them that has similar adjustments. As a result of the adjustments that were recorded, there were a couple of findings that had also been included in the audit reporting package around internal control. So if there were significant adjustments, one would assume there is some internal control that needs to be addressed. So largely those two controls are identified around the financial reporting post process. Throughout the year, it is common for an authority to keep their books on an accrual basis, but then as one comes to the year's end, one brings all the accruals in, in accordance with the GAAP. There are some processes that need to be refined and implemented around the financial reporting post process. The second finding was around the cash reconciliation process, and a couple of items to note at the back of the audit are the financial statements.

The Chair asked Cole if he felt that some of these findings could be attributed to the first year of a new CFO and working through quite an unusual financial year. Cole responded that this is highly likely when there is any type of transition, and that a lot of lessons were learned that can be refined going forward. The Chair asked if the Board had any other questions. Johnson asked, regarding the corrective action plan, could they work to develop a reporting tool. Cole noted that HSPG worked closely with the Vice President of Finance to create notes that now just need to be formalized into a proper reconciliation at the end of the reporting period to make sure accruals are getting properly removed. Johnson requested that once the corrective action has been finalized, the Board could be informed, and Anderson concurred.

The Chair asked if there was a motion to approve the audited financial statements. Rice made the motion to approve the audited financial statements and Martin seconded. Seeing there were no comments or discussion requested, the Chair called for a roll call vote. Anderson conducted roll call to adopt the minutes. All were in favor and the motion carried. The Chair announced the minutes as adopted at 1:32 p.m.

Item #9

The Chair moved to item nine, the review and acceptance of the financial and personnel reports. Black reviewed the financial and personnel reports and discussed them with the Board. Black also indicated that OETA has had seven hires since November, and that OETA has five positions that are currently advertised. He noted OETA is starting to replace retirements within these positions. Anderson pointed out that OETA has also been able to save some money by changing position titles to less senior level positions for the new hires. There was also some discussion among the board members regarding the upcoming OETA sunset review. Seeing there were no further questions, the Chair entertained a motion to approve the financial and personnel reports by Johnson. Evans seconded the motion. Roll was called; the vote was unanimous and the motion carried at 1:45 p.m.

Action Item #10

The Chair entertained a motion by Johnson to enter executive session and it was seconded by Cornett. The Executive Director called the roll. The vote was unanimous and the motion carried. Executive session was entered at 1:46 p.m.

Chair Hofmeister entertained a motion to come out of executive session. Johnson made a motion to exit executive session and Martin seconded the motion. All were in favor and the motion passed; the Board came out of executive session at 2:26 p.m.

The Chair also requested to let the record show that the Board is very grateful for Anderson and recognizes her leadership in building a strong organization that is reflected in both the ratings that the Board is seeing and the confidence that the public is demonstrating with increased fundraising as well.


Item #11

Anderson announced the next regular meeting is set for Tuesday, April 28, 2020 at 1 p.m. at the OETA network headquarters in Oklahoma City, OK.


Adjournment

There being no further business to come before the Authority, Chair Hofmeister called for a motion to adjourn the meeting. Johnson moved to adjourn the meeting and Evans seconded the motion. All were in favor and the motion passed. The meeting was adjourned at 2:28 p.m.

Adopted this day of April 28, 2020.



Joy Hofmeister, Chair



Terri Cornett, Vice Chair