

Commonwealth Public Broadcasting Corporation
Minutes of a Corporate Board Meeting on May 4, 2017

The Board of Directors of Commonwealth Public Broadcasting Corporation met at the Corporation's headquarters in Richmond, Virginia, on May 4, 2017, pursuant to a notice to each member and following public notices posted on the Corporation's website and broadcast on its radio and television stations.

Directors present included Chairman Todd Stansbury, President and CEO Curtis Monk, Mr. Michael Bisceglia, Ms. Liz Blue, Mr. Dick Crawford, Mr. Josh Dare, Dr. David Gould, Mr. Steve Humble, Ms. Marlene Jones, Mr. Stephen Loderick, and Ms. Louise Martin. Ms. Cynthia Bailey participated by telephone.

Staff members present were John Felton, Ami Kim, Bill Miller, Katherine Mitchell, Mark Spiller, and Lisa Tait. CFO Larry Dankner represented NETA.

Call to Order

Mr. Stansbury called the meeting to order at 11:03 AM. He indicated that it has been an extraordinary month since the announcement of the corporation's sale of spectrum through the FCC's Broadcast Incentive Auction. He noted that he had heard nothing but positive responses at community meetings.

On motion duly moved and seconded, Minutes of the previous meeting of the Board on January 19, 2017, were approved unanimously.

Community Station Board Reports

Radio

Mr. Miller reported that WCVE News had placed 15 stories in nationally broadcast NPR Newscasts in the past year and that one Morning Edition feature story – on the 45th anniversary of The Waltons – was also contributed by WCVE staff. WCVE News received two Edward R. Murrow awards presented by Radio Television Digital News Association, one for Feature Reporting for the story Deep Brain Stimulation for Alzheimer's, and one for News Documentary, for the History of the Poll Tax in Virginia.

Additionally over the last year WCVE's local music programs featured 32 interviews with local artists, 21 interviews with national performers, and featured more than 100 local happenings with special musical treatments and information.

Mr. Miller noted that the station's ratings improved in the Winter 2017 Nielsen survey, moving up from #9 in the market in the Fall 2016 survey to #7 in the Winter. Estimates for the station

included 5400 Average Quarter Hour listeners up from 4400, and 106,700 weekly listeners in the Metro, up from 94,500. WCVE was the #3 morning drive station with 10,500 average listeners, the #8 station between 10 AM and 3 PM with 4700 average listeners, and was #3 in afternoon drive time, with 7,900 average listeners.

Mr. Miller reported that the station would engage in on-the-air fundraising in the following week, the first for the company since announcement of the results of the FCC spectrum auction. The station's HD-2 stream promotion plan continues to develop, with radio, television, print ads, and a web presence ready to start within a month.

He noted that the radio studio and technology upgrade is getting under way and that it will be a project taking place through the summer. He also pointed out that troubleshooting and extensive maintenance at the Richmond transmitter and at repeater sites in Heathsville and Chase City had taken place over the past several months.

Mr. Miller said that significant projects on the calendar for later this year include the Richmond Folk Festival, October 13-15, and a Legislative Preview show with station and other political analysts after Election Day in early November. He also noted that the CSB would meet the following week.

Television

Mr. Felton reported that television production revenue is \$115,000 over goal year to date and about \$90,000 over in revenue compared to the same time last year. The station is on target to reach goal at the end of FY17.

He noted that *Alzheimer's: A Caregiver's Guide* is airing on over 250 PBS stations nationwide this year. *Alzheimer's Part II* has been greenlighted with a \$25,000 startup grant, will focus on best practices of Alzheimer's medical providers, and will be completed in early 2018. *Hope Emerges: The McGuire Veterans Hospital* will be completed in September and will be scheduled to air in conjunction with *Ken Burns: The Vietnam War* 18-hour series. Mr. Felton described the mission of *Hope Emerges* as showcasing the facility's polytrauma unit that provides care for veterans and active duty service members after severe injury or debilitating illness.

He reported that the John F. Kennedy 100th birthday documentary has been given a title: *This Is the House That Jack Built*. The show is the station's annual production done in partnership with the Center for Politics at the University of Virginia. Unlike the station's Emmy-Award winning documentary of five-years ago, *The Kennedy Half Century*, which examined presidencies subsequent to Kennedy's, the new production focuses on Kennedy and his family.

Mr. Felton reported that *Gerry-Rigged: Turning Democracy On Its Head*, produced and premiered last year, is being shown across the state through public screenings arranged by production partner OneVirginia2021. He noted that in the preceding week he introduced the program at a Piedmont Community College screening in Charlottesville attended by 400 people. Over 60 screenings have so far taken place.

He indicated that *Poetry Out Loud: The Virginia Finals*, the station's annual production surrounding the competition that encourages high school students in the importance of poetry and recital skills, was produced at WCVE in March and aired on all Virginia public television stations.

Mr. Felton reported that the new remote production studio is now on site and that a new engineer for the unit has been hired. Marketing and programming usage discussions are underway. He reminded Board members that during the January meeting he discussed plans to rebuild the General Assembly Building and that the station must vacate its studio located in that building in the near future. He indicated that the station will have a four-year temporary studio home adjacent to the Pocahontas Building, where legislators' offices will be temporarily located.

Mr. Monk noted that the WCVE production *Gerry-Rigged: Turning Democracy On Its Head* was excerpted by the John Oliver HBO show to explain Gerrymandering.

Department Reports

Digital

Ms. Kim reported that the station's main email newsletter now goes to 25,700 recipients, and the Ready-to-Learn newsletter is sent to 1855 subscribers. Rates of recipients opening the emails range from 18 to 30 percent. A new initiative is the PBS email local insert, which provides WCVE material within a PBS mailing. She indicated that WCVE's facebook page has 7931 followers, that seven other pages are connected to the WCVE page, and that individual posts regularly reach 10,000 recipients with targeted promotional announcements.

Ms. Kim said that 4103 people follow WCVE on Twitter. Growth is strong for WCVE's website use, increasing to 712,000 page views in the first quarter of 2017 from 519,000 in the first quarter last year. Mobile traffic accounts for 28 percent of website use. Significant content offerings in recent months included Assembly 17 and Alzheimer's projects. Streams and schedules continue to be the top destinations for users.

Ms. Kim indicated that work has been done to maximize reach with Livestream Events, because Facebook favors placement for live events. Successful recent live events included the dedication of the Barbara Johns Building across from the Capitol. Ms. Bailey noted that Attorney General's Office employees who were unable to attend the dedication because of a heavy turnout of dignitaries appreciated the ability to view the ceremonies online or on television (the event was also broadcast over WCVW). Live coverage of the screening of NOVA: Holocaust Tunnel with a local panel discussion at the Virginia Holocaust Museum reached 46,000 people.

Ms. Kim reported that Digital initiatives in Fundraising and Development included work for TV and FM Pledge Drives, the Hamilton on Broadway ticket raffle campaign, and the PBS #donate campaign – which raised no money but confirmed expectations and was a learning experience. Other Digital projects include developing digital and social media packages for national TV

productions, such as the Alzheimer's documentary; recent receipt of a Digital equipment grant; presentations by WCVE staff at PBS Tech Con and the Public Media Development and Marketing Conference; and "Mug Stops" at area coffee shops during the radio membership drive to allow listeners to interact with FM personalities.

Community Engagement

Ms. Mitchell announced that a Station Investors' meeting is scheduled for June 7, 2017, featuring the Vice President for News at NPR and the PBS promo reel for fall shows. She distributed month-by-month detail of community engagement activities.

Ms. Mitchell noted that planning has been under way for outreach related to the Ken Burns Vietnam documentary series that will be broadcast in the fall. She has been working with the content committee to develop appropriate activities. Summer learning is a focus of planning in the Ready To Learn area.

She indicated that human contact is highly desirable as an addition to electronic communication. Community Engagement extends the reach of radio, television, and digital content and helps to distinguish the company from competitors. She identified Charlottesville engagement specialist Terri Allard as one of the reasons for an increase in new membership in that market.

Ms. Mitchell reported that she serves on outreach task forces for PBS and NETA and that the company leads the country in Community Engagement. She will be speaking to television general managers at an upcoming PBS conference.

She spoke of ways that Community Engagement enables the stations to provide an experience that national providers, such as Netflix, cannot. She noted that the Digital team relies on Community Engagement for content.

In the last year, Ms. Mitchell reported, Engagement activities included 66 in education, 33 in science, six in the arts, four in history, two in news, and 31 in the Charlottesville region. She encouraged continuing investment in the Engagement area.

Finance

Mr. Loderick reported that the Finance Committee met the preceding Tuesday. He said the meeting contained a healthy discussion about budgeting for FY18. Previously, he indicated, the company's finances drove activities. Since the spectrum sale, a change to a different way of operating is being discussed.

Mr. Dankner reported on current year finances. From the Balance Sheet, he noted that the Cash balance has decreased since the start of the fiscal year, due largely to the fact that Capital Campaign funds were received last year but not this year, and that receipt of a recurring grant from the Corporation for Public Broadcasting had been delayed. He also said that the Accounts

Receivable figure was large, but that 96 percent of the total amount was less than 60 days old. He saw no reason for concern in any of the areas and indicated that the Balance Sheet was in good shape.

From the Profit and Loss Statement, Mr. Dankner noted that the approved budget for the year included an excess in expenses over revenue of \$295,000. The station became aware of an unanticipated change in the last month that will drive PBS royalties from direct satellite service in Charlottesville from the \$200,000 budgeted to \$50,000 for the year. That change will contribute to a forecast \$433,000 excess of expenses over revenues at fiscal year-end.

Mr. Monk noted that Mr. Stansbury had requested and management will provide information gleaned from national television production experiences over the last two years.

Budget Discussion

Mr. Monk noted that for the past two years management and the Board has been anticipating a transition from preserving scarce capital to the ability to grow the organization and its service dramatically. Over the last two years, he said, the company had begun to make this change.

He referred to the draft 2018 budget that included expenditures in excess of revenues of \$1 million. The budget takes a conservative approach to revenue because of uncertainty regarding public response to proceeds from the spectrum sale. It also contains no national television production revenue. The only area of increase in income is in Earned Revenue, resulting from anticipated use of the new remote truck.

Mr. Monk noted that changes in personnel spending resulted from merit increases in the current year and salary adjustments to correct to the market. Two Digital positions have just been created and staff brought on board in light of the Digital area moving from primarily a support service into content creation. He proposed the addition of one employee in Community Engagement in order to solve for extremely heavy workloads and to avoid having to cut back on engagement activities.

Regarding the Pension plan, Mr. Monk said that current termination costs are estimated between \$5 and \$6 million. He suggested that market performance and rising interest rates should bring these costs down now that new mortality tables have been implemented. Mr. Bisceglia noted that the Board had in the previous year voiced its intention to catch up on Pension deposits with a \$3 million transfer. Mr. Monk indicated that a \$3 million deposit would eliminate the need for contributions to the plan for some time.

Mr. Monk noted that he would not, at that day's meeting, seek approval of the budget draft for the next fiscal year. He said that priorities from Management during the time the new Foundation for Public Media is being organized include dramatically increasing radio newsgathering capability, new arts-oriented television content, and reinstatement of television audience measurement tools. Additionally, plans are being developed for a new television channel

comprised of content originating in the UK and increasing local production capacity for video digital-broadcast crossover.

Mr. Monk suggested the organization of a planning day in late June to discuss these plans in more detail. The timing would allow discussions to take place after the success of membership drives in May and June are known, to help determine community response to the Spectrum sale, and before the next year's budget is approved. He also requested that one Community Engagement employee be hired right away.

Mr. Dankner suggested the Board consider authorizing a regular draw on the proceeds of investments to fund new projects. Mr. Bisceglia indicated that the Corporation's investment portfolio might be expected to generate \$900,000, an amount that would go a long way toward paying for new initiatives. He said that a five percent draw is considered a general rule of thumb.

Other Business

Mr. Monk reported that the day's meeting would be the last for Cynthia Bailey. He thanked her personally for her support and leadership. Mr. Stansbury echoed the President's comments, indicating that Ms. Bailey is a great supporter and friend to the organization, and distinguished herself as former Chair of the Board. Dr. Gould also said that Ms. Bailey did a great job and was able to skillfully handle tough situations.

Action Items

Mr. Gould moved and Mr. Humble seconded approval for the hiring of a new Community Engagement staff member. The motion was approved unanimously.

Nominating Committee Chair Blue proposed Tanya Ross as a new Member of the Board. Ms. Blue said that Ms. Ross would bring accounting and finance background to the group and that she currently leads customer revenue management for Dominion Energy. Mr. Bisceglia moved Ms. Ross' nomination. It was seconded by Mr. Loderick, and approval was unanimous.

Ms. Blue also requested approval of the entire slate of Members and Officers (attached). Mr. Crawford moved approval of the nominations, Mr. Bisceglia seconded the motion, and approval was unanimous.

Mr. Stansbury noted that the next meeting of the Board was scheduled for July 20, 2017.

Mr. Dare inquired about building security. Mr. Monk indicated that the front door to the facility is locked at all times. Cameras are placed throughout the complex. He said employees must balance the need to be open to the public while protecting people and property.

Executive Session

At 12:57 PM, upon motion duly seconded, the Board voted unanimously to go into executive session for the purpose of discussing proprietary business issues and personnel matters. The Board excused those present and went into executive session at 12:47 PM.

At 2:35 PM, the Board returned to open session with a declaration from the Chair that no business was conducted during the executive session.

Adjournment

With no further business to come before the Board, the Chairman declared the meeting adjourned at 2:25 PM.

Respectfully submitted,

William N. Miller
Secretary to the Board

Commonwealth Public Broadcasting Corporation

Nominations

Officers and New Members

Officers

To serve one year terms beginning July 1, 2017 or until their successors are elected.

Chairman: Todd Stansbury

Vice-Chairman: Josh Dare

Treasurer: Steve Humble

Members

To serve four year terms beginning July 1, 2017.

Todd Stansbury

Tanya Ross

Staff Officers

To serve one year terms beginning July 1, 2017, or until successors are seated:

Curtis Monk, President and Chief Executive Officer

John Felton, Vice President and General Manager for Programming and Production

Ami Kim, Vice President for Digital Media

Bill Miller, Vice President, Radio, and Secretary to the Board

Katherine Mitchell, Vice President for Community Engagement

Mark Spiller, Vice President, Engineering

Lisa Tait, Vice President, Development