

**Commonwealth Public Broadcasting Corporation
Minutes of a Corporate Board Meeting on July 20, 2017**

The Board of Directors of Commonwealth Public Broadcasting Corporation met at the Marriott Hotel on Dominion Boulevard in Glen Allen on July 20, 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, Ms. Marlene Jones, Mr. Stephen Loderick, Ms. Louise Martin, and Tanya Ross. Staff members present were John Felton, Whitney Fogg, Ami Kim, Bill Miller, Katherine Mitchell, and Lisa Tait. Chip Brockmeier attended and identified himself as a contributing member of WCVE.

Mr. Stansbury called the meeting to order at 4:17 PM. Minutes of the previous meetings of the Board, of May 4, 2017, and June 30, 2017, on motion duly moved and seconded, were approved unanimously.

Governance

Governance Committee chair Ms. Blue noted that the committee would meet in September and that notice would be forthcoming. She also asked all Board members to return their Conflict of Interest forms for FY18.

Mr. Miller reported that the Community Station Board for WCVE-FM had nominated three members for confirmation by the Board of Directors. They are Emily Cox, Senior Consultant, Singlestone, a customer experience consultancy of Richmond; Peter Herbst, Doctor of Physical Therapy, VCU Health, Richmond; and Jayne McQuade, Director, Retired, Northumberland Public Library, Heathsville. Mr. Dare moved and Ms. Blue seconded their nominations; approval was unanimous.

Finance

Finance Committee chair Mr. Loderick asked Mr. Monk to report on results from FY17. The CEO noted that with the change in net assets for the year slightly over \$4,000, the Corporation had essentially met its budget for the year. He credited a very successful Development effort, which was over budget for income by \$380,000, and held fast in the face of the Auction announcement.

Mr. Monk reported that earned revenue fell short of income expectations. The Corporation was associated with two high quality national productions that did not yield financially as much as expected. He also noted that the late in the year arrival of the remote truck and declining demand for uplinks combined to keep earned revenue below budget. Mr. Loderick indicated that maximizing earned revenue would be a primary objective in the coming year.

Mr. Monk also reported that the Board authorized withdrawal of up to \$600,000 from the Corporation's investment portfolio for operations expenses. In fact, just under \$200,000 was withdrawn for unrestricted purposes, including operations, regular capital expenditures, and pension plan contributions. In all, a total of \$900,000 was withdrawn from the investment portfolio, with the majority representing restricted funds from the capital campaign for the remote truck and the radio studio upgrade. He noted that the investment portfolio started the year with a balance of \$8,000,377, and finished at \$8,085,919 after all withdrawals were made.

Mr. Monk presented the budget for FY18, pointing out that the change in net assets at the end of the year indicated expenses in excess of revenues of \$1,327, 679. He noted that the Board had authorized a carry-over from the previous year of \$403,000, resulting in a required draw from the investment portfolio for operations of \$924,679. In addition, Mr. Monk asked the Board to approve \$550,000 in capital expenditures to support basic operations. Capital Campaign items would continue to be funded from funds earmarked for that purpose.

The CEO indicated that key elements of the spending plan included a decrease in community support of \$480,000 from the previous year because no planned gift income is budgeted and revenue projections are conservative due to the continued impact of the Auction proceeds announcement. Budgeted income from royalties is less than the previous year because PBS has ended payments to the Corporation that were based on WHTJ not being available to satellite subscribers in Charlottesville. As of now, WHTJ is sent to satellite subscribers in that area.

On the expense side, Mr. Monk reported that personnel expenses are set to increase by \$480,000, resulting from the impact of staff hired in the previous year, a 3 percent compensation increase for all employees, and the implementation of a paid internship program.

Action Items

Mr. Bisceglia moved that management be authorized to withdraw 5 percent per year from the investment portfolio for operations expenses. Mr. Loderick seconded the motion, and the motion was approved unanimously.

Mr. Loderick moved approval of the Budget for FY18, including the requested excess draw from investments up to the total amount of the budget for the current year. Ms. Jones seconded the motion. After discussion, the Board authorized addition of funding for Nielsen/Trac audience measurement services for television of \$70,000 and a reduction in non-capital campaign-related capital expenditures to \$480,000. The Budget was approved unanimously.

Other Business

Mr. Stansbury said that the next meeting of the Board is tentatively scheduled for the third week in October.

Mr. Monk thanked both the Board and Corporate management. He indicated that all should be proud. The stations are nationally recognized, both the television and radio operations are award winners, and both the digital and community engagement departments have been asked to share best practices at industry conferences. He said employees are passionate about the Company's mission, and success is due to the leadership and support of the management and the Board.

Mr. Stansbury added his personal thanks to Board members and management. He also welcomed Ms. Ross to the Board.

The meeting adjourned at 4:53 PM.

Respectfully submitted

William N. Miller
Secretary to the Board