

Commonwealth Public Broadcasting Corporation
Minutes of a Corporate Board Meeting on January 25, 2018

The Board of Directors of Commonwealth Public Broadcasting Corporation met at the Corporation's headquarters in Richmond, Virginia, on January 25, 2018, 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 Chair Todd Stansbury, Liz Blue, Josh Dare, David Gould, Steve Humble, Stephen Loderick, Dennis McGaugh, and Derek Redmond. President Curtis Monk, Mike Bisceglia, Marlene Jones, Louise Martin, and Tanya Ross participated by telephone. WVPT Board members present included Stephen Davis, Jim Krauss, and Tassie Pippert.

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 10:04 AM.

He introduced newly elected members Dennis McGaugh and Derek Redmond. He also welcomed Mr. Davis, Mr. Krauss, and Ms. Pippert, who will join the Board as representatives from the WVPT service area with the pending addition of that station to the company.

Mr. Stansbury reviewed significant changes that occurred in the corporation in the last year, including the receipt of \$181 million dollars resulting from the FCC auction of television spectrum relinquished in Northern Virginia, the merger with WVPT, and the acquisition of two new FM stations. He noted that a strategic planning process has begun, that Lisa Tait will be the recipient of the Nina Abady Award - the most prestigious award given by the Virginia Association of Fundraising Executives, and acknowledged the passing of WCVE Radio announcer George Maida.

He called for a motion for approval of the minutes of the meeting of October 26, 2017, including an amendment affirming the electronic polling of all Board members on three resolutions. Mr. Humble moved acceptance of the Minutes as Amended. Ms. Blue seconded the motion and it passed unanimously.

Community Station Board and Department Reports

Radio

Mr. Miller began his report with a reflection on the life and work of George Maida. He commented on the station's legislative reporting on both radio and television stations, including

the State of the Commonwealth, the Inauguration, and Governor Northam's speech to a joint session of the General Assembly, in addition to Assembly 18 morning reports on radio and evening reports on television. He credited news department staff members Saraya Wintersmith, Megan Pauley, and Craig Carper with producing significantly more content on the air and online than in previous years. Mr. Miller reported that WCVE placed 22 stories produced by 4 different reporters on NPR national newscasts and newsmagazines since last October.

He indicated that the national classical music show Performance Today is coming to town on February 15 and 16 with performances to be recorded for national broadcast at Boushall Middle School in Southside Richmond and program host Fred Child hosting from the WCVE studios the following day.

Regarding the transition to operating with two new stations in Richmond, Mr. Miller reported that the programming of 88.9 WCVE would simulcast on 107.3 and 93.1 after the corporation assumed control of the stations and until two independent programming streams could be established. He said that the WCVE News stream would originate at studios in the Arboretum office complex on Midlothian Turnpike, where studios for 107.3 and 93.1 are currently located, and the WCVE Music stream would originate at Sesame Street. Microwave studio-to-transmitter links would be established so that programming for transmission on each frequency would be sent from Sesame Street.

Mr. Miller noted that the new stations would be outfitted with the same kind of studio management equipment and software used at Sesame Street. He indicated that Alpha Media, the company selling the new stations, will be purchasing new computer equipment for WCVE in exchange for the used computer equipment currently in operation at the Alpha facility. He also reported that, after a recommendation from the Board, Southeastern Institute of Research has been hired to do focus group research on attracting audience to WCVE's newly-formatted stations.

Mr. Bisceglia, who chairs the Foundation Board, asked if the station's proposed hiring of new journalists should be accelerated, in light of the faster-than-anticipated acquisition of the new stations. Mr. Miller indicated that he had been in conversation with Foundation Program Committee Chair Mr. Humble, who had also encouraged speeding up the process. Mr. Bisceglia indicated that a more specific financial request should be made to the Foundation and also provided to Mr. Dankner.

Television

Mr. Felton reported that production revenue for television is \$69,735 under goal in revenue, year to date, and \$58,427 under in revenue compared to the same time last year. He noted that last fall the station was prepared to make a temporary location change for the Capitol based studio facilities in anticipation of the renovation of the General Assembly Building. The move was delayed at the state level, and when the final decision was made to temporarily move to the Pocahontas Building, nearly two months of revenue was lost because the General Assembly studio was closed down. He indicated that after the state is billed for all three of the gubernatorial programs, the station should be track financially.

Because of the local, regional and national success of Alzheimer's: A Caregiver's Guide, the station is production phase for an Alzheimer's sequel. The initial program focused on the family caregiver while the sequel will focus on best practices and innovation in the Alzheimer's field.

This Is the House that Jack Built, a WCVE national production in partnership with the University of Virginia Center for Politics, has aired on over 200 PBS stations nationwide to date. With content and some underwriting support from the Center for Politics, the station is proposing a national public television program simply called, Charlottesville, regarding the events of August 11 & 12 last year. Mr. Felton said a financial proposal will be delivered to the foundation production committee within a week.

He noted that the Community Idea Stations, in partnership with Virginia State University, will produce a half-hour public affairs companion program to be broadcast immediately following the February 19th national public television premiere of Tell Them We Are Rising: The Story of Black Colleges and Universities. Mr. Felton indicated the station is in exploration mode to create a regional public affairs series featuring as host Coy Barefoot, former CBS Evening News producer and current radio show host from Charlottesville.

Mr. Felton reported on the development of a proposal to produce two programs and live streaming for the Tom Tom Founders Festival in Charlottesville in April. The festival convenes industry and civic innovators for four days of talks, workshops, and networking. Dan Rather was announced as the keynote speaker for the event. The Virginia Public Media Foundation has expressed interest in funding the production and, as a result, the proposal will be updated to encompass more programs and the possibility of clearing broadcast rights for the Dan Rather keynote speech.

Mr. Felton asked Mr. Spiller to report on the new PBS program delivery system. Mr. Spiller indicated that WCVE will be a beta test location for the new system that will utilize satellite distribution for live programming and the internet to deliver recorded shows.

Mr. Bisceglia encouraged Mr. Felton to send detailed budget requests and arts programming funding applications to the Foundation in advance of its next meeting on February 15, 2018. He also expressed concern about the wide availability of PBS programming on demand from online providers, allowing viewers to bypass fundraising messages.

Community Engagement

Ms. Mitchell began her report by responding to Mr. Bisceglia's concern. She indicated that the stations are balancing out audience loss by building content and relationships with donors in the digital space and providing public broadcasting experiences that only a local station can provide and that attract and deepen relationships. She noted the inauguration of a Next Generation board of "digital natives" to help develop the new generation of listeners, viewers and members. Ms. Mitchell identified a wide variety of recent events undertaken by the station, including Science Pub, Getting to Mars, Virginia Political Preview and the Victoria premiere. Looking ahead, she said the focus would be on new content announcements, such as considering how to

build buzz in the community for the all-news and all music radio stations, the improved presence in Charlottesville and Harrisonburg and a Founder event.

The PBS Great American Read project will allow for working with authors and adult literacy partners. Ms. Mitchell said the station will work with them on Festival of the Book, and opportunities are being explored for Facebook lives, TV programs and interstitials. WCVE will collaborate with WVPT on the April 7th Auction in Harrisonburg.

Ms. Mitchell noted that she is the new liaison for the Television CSB. The group last met at the beginning of November. CSB members are very interested in what the Foundation is doing. She indicated that staff reported that a proposal was before the Foundation for Arts and News content and engagement. At the next CSB meeting in February, she noted, she would like to report on Foundation activities and the status of that proposal. Nine members currently sit on the CSB. Many are educators, and they can be engaged for Ready-to-Learn activities. She stated as a goal the recruitment of more docents for station tours.

Ms. Mitchell reported on Science Matters activities, including the production of three videos, the Explore the Outdoors event scheduled for May 20, and the Environmental Film Festival. Upcoming Ready-to-Learn activities include PBS Kids Play Dates in an underserved neighborhood with Celebration Church to promote PBS Kids' summer learning, an appearance by Julia from Sesame Street in April, and a Pinkalicious screening. She noted the receipt of a CPB planning grant with Peter Paul Development Center, and the NETA Conference Award: Best Event for Hamilton's America.

Digital

Ms. Kim reported on Digital Reach, indicating that the main station email newsletter goes to 27,000 subscribers, up 17 percent since last October; Facebook received 10,018 Likes, up nine percent; Twitter has 4597 Followers, up four percent; and the website in the fourth quarter had 495,000 Pageviews, up from 482,000 in the third quarter of 2017. She noted that a news-focused email newsletter has launched. There are now five specialized newsletters, for Ready to Learn, Virginia Home Grown, Corporate Support, Commonwealth Circle, and News, in addition to the general weekly e-newsletter. She said that in response to corporate sponsor requests for more digital sponsorship options, the department is experimenting with newsletter ads, with one ad available per e-news edition.

Ms. Kim said that website emphasis is increasing on dynamic content and increasing the opportunities to engage with users, as in the case of the Vietnam project, which collected user stories. The website is also experimenting with pop-ups on a limited basis to support fundraising campaigns and other calls to action. She indicated that work is under way on improving advertising opportunities and functionality with Ad Butler, a digital advertising tool.

Ms. Kim reported that several of the local stories collected online for the Vietnam project were so moving that they were turned into a paper 'zine, which will be distributed to local high schools to supplement the educational impact of the Ken Burns series, as well as to local colleges, coffee shops, and public libraries. Intern Abby Miller provided the artwork and design.

She identified new web landing pages, including Dissecting Science, with content related to the Science Matters Getting to Mars event; Assembly '18, for FM and TV reports, General Assembly resource links, and Hot Topics; and Victoria, for PBS Masterpiece related content.

Ms. Kim noted that a combination of nostalgic holiday content, big news events, and big station news drove high Facebook engagement levels since last October. Clips from TV archives were re-purposed. Facebook Live streaming video, including inauguration footage, the drawing for 94th House of Delegates seat, and the State of the Commonwealth address, continues to perform well. She indicated that Facebook recently announced changes to its algorithms to prioritize personal posts and engagement and de-emphasize organizational posts. Paid content will continue to be prioritized. Ms. Kim said that the ongoing strategy of emphasizing engagement over reach and follower growth, as well as willingness to invest in paid promotion will position the stations well for these changes.

Ms. Kim reported that both PBS Digital and NPR Digital ran experiments in digital fundraising for the calendar year end, and the station was invited to participate in these campaigns, which contributed to year end fundraising results.

Mr. Bisceglia asked about the possibility of more websites reflecting the two different radio services and moving away from combining radio and television on a single website. Ms. Kim noted that consumers seem more interested in content than in stations and that her plan is to wait until the strategic plan is complete before making decisions on web presence.

Development

Ms. Tait reported that total membership income at the halfway point in the fiscal year is nine percent above target, and Commonwealth Circle income is 21 percent over budget. Corporate support is below target very slightly, and she expressed optimism that budget would be met or exceeded by year end. The grand total for all local development activity is \$2.9 million, or 55 percent of the total for the year. Ms. Tait credited Digital events and projects with adding to over-the-air programming to encourage giving. Announcing at the end of the year that new FM stations would be acquired by the corporation boosted year-end giving.

Mr. Stansbury asked if outreach to corporate underwriters about the new station acquisition had begun, and Ms. Tait noted that it has been positive. He then inquired about WVPT joining the corporation, and she indicated the response was positive. All corporate representatives will have the opportunity to collect support for all stations in all markets. Mr. Dare noted that fear about Auction revenue negatively affecting giving has not been realized. Ms. Tait thanked the Foundation for providing funding for local projects.

Finance Committee

Mr. Loderick reported that the committee met on the previous Monday and that in the first six months of the fiscal year, variances are favorable and income and spending is tracking close to budget. A management reforecast of end-of-year expectations is also favorable. Mr. Loderick indicated the committee reviewed audited financial statements for the previous year with

representatives from Keiter, the company's audit firm. He said the firm deemed the statements to present fairly the company's fiscal condition. The audit report contained nothing alarming, and he considered management responses to be proper.

Mr. Loderick said that the committee continues to study the possibility of terminating the company's defined benefit plan, which has been frozen for several years. He also reported on the laddering of investments to align with future payables needs and that they are in sound government instruments.

Mr. Dankner noted that NETA also represents WVPT. He reported the Profit and Loss statement for the first half of the year to be tracking slightly ahead of budget. He also presented the Balance Sheet and answered questions from members. Mr. Bisceglia asked for additional information on the defined benefit pension plan and, acknowledging that a significant amount of new activity is being done at the stations, inquired as to whether the company should bring on more finance managers. Mr. Stansbury referred the question to the Finance Committee.

Mr. Loderick moved approval of the audit. As a motion from committee, a second was not required. Approval of the audit passed unanimously.

Governance Committee

Ms. Blue indicated that the Governance Committee would meet by conference call on March 29, 2018, at 10 AM and would report to the Board at its next meeting, April 29, 2018.

She proposed an amendment to Article I, Section 2, of the bylaws, which reads

“2. Number and Qualification of Directors. The number of Directors of the Corporation shall be not less than nine (9) and not more than sixteen (16), one of whom shall be the President of the Corporation. Directors shall be chosen from all regions in which the Corporation operates full-power television and/or radio stations, provided that at least three directors shall reside in the WVPT service area in the Shenandoah Valley. The initial Shenandoah Valley directors shall be Stephen Davis (without regard to his residency), Tassie Pippert, and James Krauss. The President shall have ex-officio, non-voting status as a participant with the Board of Directors.”

Ms. Blue moved to remove the words “one of whom shall be the President of the Corporation” from the section, in light of the fact that when the WVPT board members join the Board on January 29, 2018, the number of Board members will be 16, not including the President. The motion was seconded by Dr. Gould and passed unanimously.

Ms. Blue reminded members of the importance of the company's conflict policy and asked them to review, fill out, and return the policy document.

Strategic Planning Committee

Mr. Dare reported that Katherine Whitney is meeting with many Board and staff members and will soon be reaching out to community leaders.

Executive Session

At 12:10 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 12:30 PM.

At 1:12 PM, the Board returned to open session with a declaration from the Chair that no business was conducted during the executive session. Ms. Blue moved the following, Resolved, that CPBC authorizes the execution, delivery, and performance by CPBC of the Asset Purchase Agreement with Alpha Media, including the consummation of the transactions contemplated therein. Mr. Dare seconded the resolution and the motion passed unanimously. At 1:13 PM the Board voted unanimously to return to executive session.

At 2:30 PM, the Board returned to open session with a declaration from the Chair that no business was conducted during the executive session.

With no further business to come before the Board, the Chairman declared the meeting adjourned at 2:30 PM.

Respectfully submitted,

William N. Miller
Secretary to the Board