

Minutes of a meeting of the Board of Directors
Commonwealth Public Broadcasting Corporation
February 19, 2015

The Board of Directors of Commonwealth Public Broadcasting Corporation met at the Corporation's headquarters in Richmond, Virginia, on February 19, 2015, pursuant to a notice to each member and following public notices posted on the Corporation's Website and broadcast on its television and radio stations.

Directors present included Chairman Mike Bisceglia, President and CEO Curtis Monk, Ann Louise Martin, David Gould, Liz Blue, Cindy Bailey, Todd Stansbury, Dick Crawford, Ric Arenstein, and Reggie Gordon.

Staff members in attendance were Mark Spiller, John Felton, Lisa Tait, Ami Kim, and Bill Miller. Larry Dankner represented NETA as the Company's Chief Financial Officer.

Call to Order

Mr. Bisceglia called the meeting to order at 11:03 AM.

Minutes of the previous meeting, of November 6, 2014, were moved, seconded, and approved on unanimous vote.

Nominations

Mr. Monk reported recommendations for new Board membership from the Nominating Committee. Nominated to serve four year terms starting immediately were Josh Dare of the Hodges Partnership; Eric Rhoades, Director of the Office of Science and Health Education at the Virginia Department of Education and member of the Company's Science Task Force; and Marlene Jones, the chief executive officer of Main Street Management Group, LLC, a business services consulting company, and former member of the WCVE TV Community Station Board. The nominations were moved by Mr. Gould and seconded by Mr. Arenstein. The three were elected on a unanimous vote.

Items of Interest

Ms. Tait was asked to report on recent company undertakings and on upcoming activities. First, she described the significance of the Downton Abbey program to the Richmond television audience. She described a January 2 event at Altria Theatre that featured a preview showing of the Season 5 premiere episode of the program. The event attracted nearly 2800 attendees, making it the largest Downton Abbey premiere event in the country. Two local commercial television stations provided coverage right before and after the event. The presentation was also featured in the Times Dispatch. It generated net proceeds of \$12,000.

Next, Ms. Tait addressed the stations' reporting from the State Capitol, which is all local programming on the radio, television, the Web, and in social media. The radio segment, Assembly 2015, is in its 25th season and will again feature daily, morning reports. Beginning this year, daily afternoon reports from the General Assembly will also be featured on the radio stations. For the second year, the current version of Capitol Events will provide daily legislative reports for television in a 90-second format. The videos are uploaded daily to facebook, YouTube, and ideastations.org; every evening a tweet is sent with a headline and link to the YouTube video.

She described the series Shakespeare Uncovered, produced by WNET and presented by PBS from January 30 to February 13. In an effort to increase local audiences for Shakespeare Uncovered and engage a local community partner to the benefit of both organizations, the station produced, for the second year, Bard Bits -- 10 short segments produced with Richmond Shakespeare. The station received a \$10,000 grant from WNET for the outreach project, one of ten grants provided to stations nationwide. The radio station also supported the effort with Shakespeare-related programming that was linked to the television series. A Web page was created where Bard Bits could be viewed, and flyers were sent to K-12 teachers with information about the TV series and our website for use in the classroom.

Ms. Tait also noted the Richmond Symphony's International Holocaust Remembrance Day Concert, which was January 27 and would be produced for television broadcast on April 15. Cancer: Emperor of All Maladies, a series produced by Ken Burns, will air March 30, 31 and April 1. A community event, along with a one-hour preview, will take place at the Byrd Theater on Monday, March 23. The event will also feature discussions with representatives of the American Cancer Society and Massey Cancer Center.

Investments Report

Brian Ford and Andy Foldenauer from RBC reported on the Company's investment portfolio for the period ended December 31, 2014. The current value of the portfolio is \$7,792,700. The rate of return on the portfolio is 1.68 percent in the last quarter and 4.45 percent in the last year. Assets are allocated 58 percent to equities, 29.5 percent to fixed income investments, 6.7 percent to cash and money market instruments, and the remainder to mixed and other assets.

Mr. Foldenauer reported that interest rates and oil prices fell in the last year, situations that affected the Company's investments. He indicated that for bond purchases, investors would not be focusing on government bonds but on high quality corporate bonds, which are less sensitive to changes in interest rates. Mr. Bisceglia inquired into the possibility of shifting out of bonds that are paying very low interest rates. He suggested lowering the Company's fixed income position slightly, perhaps to 25 percent of total holdings. Mr. Ford indicated the level of fixed income investments would be reduced somewhat.

Financial Update

Mr. Bisceglia noted that all elements of the financial report are at least satisfactory. Mr. Dankner reported that from the Statement of Activities for the first half of the fiscal year, estimated cash from operations stood at \$303,972 compared to a budget of \$171,780. One unanticipated expense item was a \$212,000 tax expense related to the sale of Northern Virginia towers. Mr. Monk indicated that it is likely MHz Networks will pay one-half of the tax expense.

Mr. Danker noted that the Company is in the top ten to 15 percent best financial condition of all public broadcasting stations nationwide. From the Balance Sheet, Mr. Dankner pointed out the increase in cash from \$548,086 at the end of the last fiscal year to \$725,433 at the end of December. Much of the increase was due to income resulting from the Capital Campaign.

Development Dashboard/Action Item

Ms. Tait reported that Membership Income for all stations was down slightly from last year but that Commonwealth Circle giving was up enough to drive Total Individual Giving to a two percent increase over this time last year. Corporate Support commitments are up nine percent from last year. Special Gifts are up 46 percent over last year. Events revenue is up 307 percent from last year. At mid-year, overall Community Support shows an 11 percent increase over the

previous year. Mr. Bisceglia deemed the results good news and suggested the station consider making an event such as last year's 50th Anniversary celebration an annual function.

Mr. Monk reported on Capital Campaign progress. The Legacy Society had received pledges of \$2,617,200. Toward the Company's Technology needs, \$1,484,800 had been pledged, \$659,286 collected, and \$673,500 authorized for acquisitions. He requested authorization to use another \$400,000 from the campaign for the Sesame Street Television Studio upgrade.

Mr. Arenstein moved approval of the \$400,000 request; Dr. Gould seconded. The motion was approved unanimously.

Executive Session

At 11:57 AM, 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 11:57 AM.

At 12:49 PM, the Board returned to open session with a declaration from the Chair that no business had been conducted during the executive session.

Digital Media Report

Ms. Kim reported on the Company's recent digital media efforts. As of January 2015, ideastations.org attracts 29,000 listeners with 105,000 pageviews. The Company's main e-newsletter is sent to 15,000 users; the ideakids newsletter goes to 1308 subscribers. She noted that social media audiences include 4386 facebook friends and 2433 Twitter followers.

Ms. Kim disclosed findings of recently conducted surveys of audience members. When 2014 FM pledge drive participants were asked how they consumed radio content, 99 percent indicated they listen over the air, 31 percent said they used the Web, and 15 percent reported using the NPR News App. The survey was taken by 1174 respondents. Television membership drive participants from March 2014 were asked how they consume television programming; 78 percent use cable, 24 percent watch over the air, 17 percent use computers, and eight percent each use tablets, PBS.org, or the PBS App. A total of 206 respondents answered the survey.

A survey of participants after the January 2015 Downton Abbey event revealed that 91 percent view the program on television, 18 percent on PBS.org, 12 percent using online streaming services, and 5 percent using mobile devices. When asked how they found out about the event, 34 percent reported being told by friends, 31 percent by watching WCVE/WHTJ, 27 percent from WCVE-FM, 24 percent each from the newspaper or facebook, 14 percent via station email, and eight percent from the Company's website.

Executive Session

At 1:20 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 1:20 PM.

At 1:44 PM, the Board returned to open session with a declaration from the Chair that no business had been conducted during the executive session.

Action Item

A Motion to sign comments to the FCC supporting no discount for UHF to VHF conversion in the proposed television spectrum auction came before the Board. It was moved Mr. Stansbury and seconded by Dr. Gould. The vote on the motion was in favor, unanimously, with one abstention.

At 1:46 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 1:46 PM.

At 2:02 PM, the Board returned to open session with a declaration from the Chair that no business had been conducted during the executive session.

Adjournment

With no further business to come before the board, the meeting adjourned at 2:02 PM.

Respectfully submitted,

William N. Miller
Secretary to the Board
March 5, 2015