

**Commonwealth Public Broadcasting Corporation
Corporate Board Meeting
April 21, 2016**

The Board of Directors of Commonwealth Public Broadcasting Corporation met at the Corporation's headquarters in Richmond, Virginia, on April 21, 2016, 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 Mike Bisceglia, Acting President and CEO Bill Miller, Ms. Elizabeth E. Appel Blue, Mr. Josh Dare, Mr. Eric Rhodes, Mr. Stephen Loderick, Ms. Marlene Jones, and Mr. Todd Stansbury.

Staff members present were John Felton, Mark Spiller, and Lisa Tait. President and CEO Curtis Monk made a brief appearance.

Secretary's note: Both Board Member Louise Martin and CFO Larry Dankner attempted to join the meeting by conference call. The system failed early in the meeting and they were unable to reconnect.

Call to Order

Mr. Bisceglia called the meeting to order at 11:02 a.m. moved for approval of minutes of the previous meeting of the Board, of January 21, 2016. At 11:03 a.m. the motion to approve the minutes was seconded and the minutes were approved unanimously.

Item of Interest

Mr. Monk reported that he had a heart transplant 12 days ago. And thanked Paula Kerger for joining us today. He commented that she oversees many people and stations and everyone would love to have her visit them so he's grateful for her time. Mr. Monk then thanked the board for staying with him through 10 surgeries. He thanked the staff for their support and allowing him to recover without missing a step in the organization. He added a special thanks to the senior management for taking care of everything and commented that Bill Mill is acting President and CEO and that he'll do a great job taking care of business. Mr. Monk then sang a song that he wrote to the tune of "if I only had a brain" commenting that he's no longer the tin man, then left to continue his recovery.

Special Guest

Paula Kerger, President and CEO, PBS commented that Mr. Monk's speech was so moving and she didn't know how to follow that. She stated that Mr. Monk is a true gentleman and gentle man and an incredible person. She added that he is one of the smartest and best in the PBS system and that WCVE is fortunate to have him as a leader and that she is fortunate to have him as a

colleague and friend. She hopes to persuade him to be even more involved nationally once his health recovers.

Ms. Kerger stated that she plans to talk about public broadcasting and where it's headed. She said they just delivered their budget and business plan. She commented that putting a budget together every year is sobering and empowering as you think about how you're going to put your organization together. She said PBS is on the second year of a three year plan. The plan was put together thinking about a few things. She commented PBS is not one thing or the other we're "and". She mentioned there are still lots of people who still access PBS with an antenna on the roof, and commented that those people must be included in future plans. She said they've used the idea of thinking about including people who watch over the air and people who access media digitally both as a way to move forward. She said they're focused on keeping a strong on air signal as well as increasing availability on digital platforms. She commented we need to meet people where they are not where we'd like them to be. She sighted the record industry as an example of waiting too late to embrace new formats. She said PBS's goal is to help local stations scale access. She said the Cove and Passport are platforms built specifically for member stations. She said they focused on making sure online content is localized and has a call to action at the end for the benefit of the member stations. She commented that no matter the platform, their focus is providing good content and localizing it.

She said they've been involved as a commercial venture with a kids channel called Sprout, when that ended they were bound and they couldn't launch a similar service for a year. She said despite station demand, it felt a little out of sync to launch a new channel when the relevancy of channels was being questioned. She added they noticed that 40% of kids watching PBS are watching a video, and that they found that most kids want to watch when something else is on the air. So, they decided to move forward with the PBS Kids channel as an on air channel and streaming service. Both the channel and stream will be localized, with local underwriting available for sale. PBS hopes that it will be a framework for building relationships with kids and caregivers locally.

She commented that she'd like to address Mr. Bisceglia's question about balancing drama programs with other genres. She commented that there are big gaps in history and science programming as well as in depth news on the air across channels. She said when they laid out the schedule their goal was balance. They've been investing in drama because it plays well with our audience. Victoria will act as a replacement for Downton Abbey, and they're not looking for one off dramas, but those that have the potential to come back for multiple seasons. They're looking to invest in more America dramas per Mercy Street, and they see the best opportunity is investing in drama that's different than other channels. She says Downton Abbey was great, but we still have a lot of solid hits while we look for the next big thing.

She commented that Ken Burns Jackie Robinson just premiered and that the Vietnam War Documentary is forthcoming. She believes that is a great space for PBS and the plan to continue with more projects including those WCVE is involved in.

She said in closing they look at all the programs and dramas and try to put together a balanced schedule that works for the viewer. She commented that they are always looking for new talent.

They currently are working on an election project where she sees potential for a great talent in the host, Carlos. She said they look for people who reflect diverse backgrounds as well as people who are good on air.

She moved on to talk about their new partnership with BBC. Beth Hoppe is currently in the UK to discuss renewing that deal. The deal give us and BBC mutual access to content we wouldn't get otherwise. It allowed us to do Big Blue Live, and gives us access to filmmakers we wouldn't have access to otherwise. She said the partnership gives us some access to those programs ensuring they don't all automatically go to BBC America.

She said about 6-7 years ago they formed PBS D (distribution) with WGBH. They were both looking at the future and digital distribution and realized that combining resources was best. PBS has two thirds WGBH has one third of the business. Downton Abbey & Ken Burns is included in the library. She said with all projects they try to carve out a window to have that content available digitally. She said all of the money goes back to PBS and PBS re-invests it in the stations. She commented that if you look at their budget, the revenue that allows them to complete diverse projects comes mostly from stations (53%), the rest they raise through donors, PBS D, government support, and other avenues. She said they've worked to keep station dues low and create streams of revenue that can go back to the member stations.

She said she doesn't know what the future will look like, but has a few thoughts. She said they worked on a 2020 five year outlook project. She thinks over the top devices like Netflix (which is in 50% of households) will continue to grow. She commented that Netflix isn't growing so fast any more, and that they're investment 6 billion dollars in content next year. She said the whole issue with Sesame and HBO was with Netflix because they're battling for who will survive. She commented that the HBO Sesame project has a small number of on air viewers, but a good audience On Demand. She said top of mind for them is to look at all the opportunities and making sure they can have a local presence on every platform. She's working on negotiating with apple so that donations placed on devices will go directly to local stations. She also thinks that as much as we need to focus on new media, we need to focus on what will stay the same. She believes that involves focusing on good content and keeping a strong local presence. She commented that WCVE is a great member of the PBS family both locally and nationally.

Mr. Bisceglia thanked her for answering his questions, and commented that PBS fights so well above its weight doing a lot with a little. Ms. Kerger commented that people are interested in history, science and rich programming that other channels are no longer providing. She added that programming for kids makes a big impact and is critical. Mr. Bisceglia commented that we are great with kids and older people and he looks forward to keeping all of our programming strong and increasing our messaging compelling viewers to become a member and give. He then opened up the floor for questions.

Staff member Katherine Mitchell asked what percentage of PBS funding comes from member stations. Ms. Kerger replied 53%

Board member Josh Dare asked about government funding. Ms. Kerger replied she doesn't know where the Virginia governor is on state funding. She said other states, Pennsylvania and Florida for example experienced the same challenges we did with funding and that funding there is starting to come back. She said states are particularly interested in funding education, and aren't pulling back. Mr. Dare asked if we're in the minority by not receiving state funding. Ms. Kerger asked John Felton if he knew which percentage of states fund public broadcasting he replied about half.

On the federal level, Ms. Kerger said funding has increased slightly, she thinks it will stay level. She said they work with both parties and have bipartisan support. Mr. Bisceglia asked about CPB funding. Ms. Kerger commented that most of that goes to the stations.

Ms. Elizabeth Blue asked what PBS is doing to ensure they don't lose kid viewers as they grow older. Ms. Kerger replied that they've been using YouTube to meet kids where they are. They looked at what other people were doing there that worked well as opposed to putting on air programming on the platform. She says they've brought in those people and are working with 30 stations on putting together mostly science based content. She said the content has done well with tweens. She said moving nature to 8pm was done to increasing viewing for the whole family including older kids and its working. She said Downton Abbey brought in older kids. She said they've moved their head of marketing to digital and are thinking of ways to engage kids on different platforms.

Ami Kim asked for the head of digital's name. Ms. Kerger replied Don Willcox

Mr. Bisceglia asked if PBS had a plan for how to use social media. Ms. Kerger replied that with limited funding marketing focuses on a handful of things instead of spreading money thin. She commented that they've hired one of the early pioneers in digital marketing and that he's talking about expanding to different platforms. She said she feels PBS is doing ok on social but could be doing better. She commented that Ira always says our stations are filled with using social media and we could be leveraging that more.

Frazier Armstrong asked how content is driving audience acquisition. Ms. Kerger commented that one of the things they are considering is placing content solely on certain platforms because that is the proper medium for it. She said above all stations and PBS should try everything, but don't bet the farm on it. She commented that Mercy Street had a young staff that created their own great social media presence. She said we should also encourage the viewers to share content. She said young families are what she sees as key to capturing younger and older audience. She said the pipeline for kid's shows is rich.

Ren Bell said she's glad to hear about underwriting opportunities on the kids channel asked if it's in the pipeline to have local underwriting spots available on Passport. Ms. Kerger replied that the idea with the kids channel is that you can sell streaming and on air underwriting. She said with Passport she doesn't see adding spots as the best idea, since people pay for access and see it as a gift, but she does see great potential in the streaming space and that they're working on that.

Peter Faucher commented that they are running into underwriting prospects and clients who are focused on social and digital. Ms. Kerger said that the cost of packaging the spots on the local sites are more that we'd get in underwriting. She said they're trying to figure out how to add underwriting in a way that makes sense and has value and she sees streaming as a great prospect.

Mr. Josh Dare asked about the distribution/carriage deal that allows noncommercial stations to have their primary and secondary channels carried by local cable systems. Ms. Kerger replied that they've renegotiated with NCTA to extend the deal that allows for carrying primary and secondary channels. She said there's a 10 year deal but broken up into segments and will pause after three years.

Television Report

John Felton was asked to give the TV report. Mr. Felton began by showing clips from the First English Thanksgiving and said it's ready but we'll hold off distributing until closer to Thanksgiving. Mr. Felton the showed a clip of the Pearl Harbor project and commented that it will be in the national PBS schedule December 7th.

He moved to production services saying we're 172,000 over the production services goal for this year. He commented that we've lost Spang TV our biggest client, but that he's confident we'll overcome that and continue to do great. He thanked Craig Keaton for his hard work in production services.

Regarding Neilson, per the board's instructions at the last meeting Mr. Felton said he was able to get the ratings price under \$50,000 to \$49,500. Mr. Bisceglia said we'll table a vote on that until the next meeting.

Mr. Felton moved to talking about upcoming programs. He said the 9/11 Pentagon program is in production and will air nationally but an air date hasn't been finalized. He said we're working on the Gerrymandering documentary and have interviewed a number of high profile people including former Virginia Attorney General and gubernatorial candidate Ken Cuccinelli, and that it should be ready in September. We're in production on Alzheimer's and after that finished the same producer will work on the McGuire Veterans Hospital program. He also added, that we will continue to work with the Center for Politics on documentaries including the upcoming 1976 election piece.

Radio Report

Mr. Miller was asked to give the radio report. He said there's nothing to report on the transmitter because everything is going well and that listeners continue to comment that the HD signal is improving. He said were adding more news stories to NPR national coverage all the time including two this week. He commented that we're currently in the silent pledge campaign and that our social media team and radio hosts will be at coffee shops next week.

He won't have current ratings numbers until Friday. He commented AQH improved to 6,500 from 5,700 in the fall and that over the air HD-2 listening reached its highest ever number of 1,400 per week up from the previous high of 800 per week. He commented that he's looked into expanding into AM stations and Translators to expand our area and audience. He said the availability of AM stations did not turn out but there are Translators available nearby. He commented that they're low power and inexpensive to run and that the Radio board voted unanimously to peruse that aggressively should one become available.

Digital Delivery Report

Ami Kim was asked to report on digital. She showed a current \$32,700 pledge total and that 90% of the gifts and 89% percent of the money came from the web thus far in the quiet drive.

She talked about how we've been working with the Hodges Partnership to optimize our social media presence and development a social content strategy. Working with Hodges has improved are content. We've gotten feedback from them to produce reliable content and learned how to use data to tweak our messages. She's commented that the push from development to use Eventbrite for registering for events allows us to capture many emails and helps with our digital and email strategy.

She added that we've been experimenting like Ms. Kerger mentioned. Ms. Kim said the Virginia Currents photo contest had a small number of participants for a lot of work. She said we also experimented with tweeting during Virginia Home Grown, and that the message was picked up nationally and we were able to reach 100K people and grow our twitter followers.

She finished up by explaining the social media mugs on the table are an offer to get people to share information about our pledge drive on social media and asked the board to join the staff at coffee shops and hardwood last week.

Finance Report

Larry Danker was unavailable via phone and the finance committee was not present, so Mr. Bisceglia asked that Lisa Tait give a brief financial report.

Lisa Tait reported on development. She cited the provided documents and commented that Membership is up \$593,000 over last year, and that Corporate Support billings and Commonwealth circle giving are up as well. She added that Special Gifts is down because some of those have gone into commonwealth circle and because Capital Campaign gifts don't count toward special gifts. Also that revenue from events is down year over year because of the special 50th Anniversary Gala that took place last year.

Ms. Tait commented that our goal is to keep regular membership flat or going up because people are moving up to commonwealth circle. She said the digital team and community engagement have been instrumental in that. She added that Passport has brought in \$12,500 and we've just begun to market it.

Mr. Bisceglia added that we were at 6.9 Million in Total Revenues through the first 9 months of last year versus 7.6 Million this year and that things looked great overall with the exception of investment accounts being down slightly at the beginning of the year as most organizations experiences.

Mr. Bisceglia turned it over to Ms. Blue to discuss governance. Elizabeth Blue said governance committee needs to meet before July board meeting, and that we do need to vote on nominated various positions for this board and the foundation board.

She asked for discussion and a motion to nominate the slate of officers listed in the materials to the CPBC board (Michael Bisceglia, Elizabeth Blue, Todd Stansbury, Josh Dare, Curtis Monk, Stephen Loderick, Bill Miller, John Felton, Ami Kim, Mark Spiller & Lisa Tait). All the nominees for Board membership and officers are attached. Mr. Bisceglia mentioned that we didn't need a second because the nominations constitute a motion form committee, which doesn't require a second (under Roberts Rules of Order), so the board will just vote now. There was a vote and the officers were unanimously elected.

Ms. Blue moved to vote on the foundation board nominees who are as follows: Cindy Bailey, Mike Bisceglia, Elizabeth Blue, Dick Crawford, Louise Martin, Eric Rhoades, and Todd Stansbury. She commented that once the silent phase is over, they'll add additional board members. Mr. Bisceglia said the board will grow to 15 or 20 by the end of the year. There was a vote and the listed members were unanimously elected.

Bill Miller moved to nominate the slate of 5 members listed in the materials (Deborah Orr, Karen Inman Patricia Bernal, Paul Vecchione, and Thomas Williamson, Jr.) to the community station board, they were unanimously elected. The nominees for Community Station Board membership and officers are attached.

Mr. Miller added that he has notes regarding PCI compliance. We are certified compliant via Trustwave. We made some changes regarding credit card information. He said most credit card payments are coming-in through via our website which redirects to a PCI compliant third party.

Mr. Miller reminded Mr. Bisceglia that he asked that the board discuss a motion to give Bill Miller signing privileges in Mr. Monk's absence. The motion was put forward. There was a unanimous vote to do so.

Mr. Miller asked that the board see the material provided for an update on defined benefits and defined contributions. The Update on Defined Benefit Plan and Defined Contribution Plan is attached.

Mr. Bisceglia moved on to discuss funding for the remote truck. He said we have about \$100,000 to go but have a pledged gift to cover it. He moved that the board vote to purchase the truck pending that the last funding element comes-in. Ms. Blue asked if that pledge gift was the Impact 100 grant, and commented that it is not guaranteed. Mr. Bisceglia said the motion will simply approve the purchase if the funding comes through, and if it doesn't, the board will discuss it at

the next meeting. The motion was submitted and seconded. The vote taken and was unanimously passed.

Executive Session

At 12:42 p.m., upon a 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 12:42 p.m.

At 1:50 p.m. the Board returned to open session with a declaration from the Chair that no business was conducted during the executive session.

The Board meeting adjourned at 1:50 pm.

Respectfully submitted,

William N. Miller
Secretary to the Board

Prepared by Gabrielle Jones
Development and Marketing Assistant

Commonwealth Public Broadcasting Corporation

Board of Directors

Nominated to serve four year terms beginning July 1, 2016:

Michael Bisceglia

Elizabeth Blue

Officers

Nominated to serve one year terms beginning July 1, 2016, and until their successors are elected:

Chairman: Todd Stansbury

Vice Chair: Josh Dare

President and Chief Executive Officer: Curtis Monk

Treasurer: Stephen Loderick

Secretary and Vice President, Radio: Bill Miller

Vice President, Television: John Felton

Vice President, Digital: Ami Kim

Vice President, Engineering: Mark Spiller

Vice President, Development: Lisa Tait

Community Station Board, WCVE-FM

Nominated for reelection to three year terms, beginning July 1, 2016:

Deborah Orr, Speech Therapist, Cedarfield, Retired

Karen Inman, Principal Consultant, B2B Solutions

Patricia B. Bernal, Clinical Administrator, VCU Health System

Paul Vecchione, Former Assistant Superintendent, Hanover Public Schools

Nominated for election to a three year term beginning July 1, 2016:

Thomas W. Williamson, Jr., Attorney at Law

Update on Defined Benefit Plan and Defined Contribution Plan

The Defined Benefit Plan is now 98.03% funded. We are considering funding the plan to 100%, this will reduce cost in the future with the Pension Benefit Guarantee Corporation. We are paying \$62,247 on April 15th to the PBGC. If 100% funded, the PBGC premiums would be reduced by \$30 for every addition \$1,000 of funding and it would reduce minimum required contributions.

The Defined Contribution plan is currently with Fidelity Investments. Our financial advisor at Lowe Brockenbrough would like to run a benchmarking analysis against several other providers that they feel would be appropriate solutions for the CPBC 403(b) plan. This will be a full benchmark against fees, plan sponsor support, participant education, website and mobile capabilities. We have been with Fidelity Investments since 2001.

The match on the Defined Contribution plan is currently 35 cents on the dollar – up to 6% of earnings. According to Pension Publications, our match is in the 25th percentile of most corporations. Curtis & I spoke about this and would recommend that at the least, we move the match to 50 cents on the dollar to be competitive with other corporations, but ideally we would like to get the match to dollar for dollar for the 1st 6% of earnings.