

Commonwealth Public Broadcasting Corporation
Corporate Board Meeting
July 14, 2016

The Board of Directors of Commonwealth Public Broadcasting Corporation met at the Corporation's headquarters in Richmond, Virginia, on July 14, 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 Todd Stansbury, President and CEO Curtis Monk, Mr. Mike Bisceglia, Ms. Louise Martin, Ms. Liz Blue, Mr. Josh Dare, Mr. Stephen Loderick, Ms. Cynthia Bailey, and Dr. David Gould. Ms. Marlene Jones joined the meeting by conference call.

Staff members present were Lisa Tait, Ami Kim, and Bill Miller. CFO Larry Dankner represented NETA.

Call to Order

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

Minutes of the previous meeting of the Board, of April 21, 2016, on motion duly moved and seconded, were approved unanimously.

Item of Interest

Ms. Tait reported that readings and workshops had been presented by the station at area schools for a number of years. An issue of concern at some schools is the lack of parental involvement. The station is developing a project to address this problem. PBS resources provide good tools for parents. Ms. Tait indicated that parents were invited to a three-meeting training program. Twenty-nine parents agreed to participate. Parents who completed the program were able to appear in a video produced for the station's website and for over-the-air broadcast. Ms. Tait introduced a video that profiled the program and featured some of the parents.

President's Report

Mr. Monk thanked the Board for its support, noting that the company would exceed its financial objectives for the year. He indicated that a second full year ended during which no money needed to be withdrawn from investments to fund operations. He reported on the success of the Capital Campaign thus far, with an indication that the new radio antenna and transmitter, the digitization and upgrade of Studio A, and the generator acquisition projects were all completed with funds generated by the campaign. Resources are also on hand for the purchase of the new remote production truck but acquisition will wait until the right timing and the right specifications are achieved.

Mr. Monk indicated that both the company's radio and television services are providing high quality products, and that digital and community outreach efforts are of increasing importance. He said that the stations' community outreach had come to the attention of PBS, which

recognized it as a leader in the nation. He also noted that Digital Services Vice President Ami Kim was asked to participate in a national PBS digital team.

The President noted that the Board had encouraged the company to use additional resources, if available, to participate in national program productions. A Pentagon documentary will yield a portion of royalties to the station, and a Pearl Harbor documentary is being licensed to PBS by the station. These represent two distinct and different relationships between the station and the network, and will provide a learning experience for the company.

Mr. Monk indicated it had been a very good year. He offered thanks to the Board and commended the staff. He also welcomed Mr. Stansbury as the new Chairman of the Board and thanked Mr. Bisceglia for his years of service as Chair with a poem.

Radio Community Station Board Report

Mr. Miller reported that WCVE-FM's CSB noted an audience increase. Nielsen estimated listeners in the Metro region rose from 95,800 in the fall to 98,400 in the winter. He indicated that audiences were up in every daypart of the week and that the station was the fifth most popular in the market in the winter, up from seventh in the fall. Additionally, the station's number of members was up from 7200 last year to just under 8000 this year and total dollars from contributions was higher.

Mr. Miller said the station produced a series on the Opioids crisis in Virginia. Five reports aired in a week, were promoted on television, and received support on the web and in social media. Five radio staff contributed. It will be the model for a series planned for later broadcast on Alzheimer's Disease. Radio reports will accompany a television documentary, outreach by Digital staff, and community education by the company's Science team.

Mr. Miller indicated that other things planned for the year include heightened General Assembly coverage – in addition to reporting on regular newscasts and the Assembly 2017 series on Morning Edition – the station will undertake nightly television reports again this year. FM News staff will host them and content will be featured on radio, television, and on the web.

The station will also report on Redistricting in Virginia to accompany the television documentary on Gerrymandering this fall. A Virtual Richmond Mayoral Forum is planned in which staff will conduct interviews with each candidate, put them on the air, and then post them online. Mr. Miller reported that the station proposed to all Congressional campaigns in the Fourth, Fifth, and Seventh Districts that WCVE-FM host debates. He also noted that the station's Charlie Fishburne won first place from the Virginia Association of Broadcasters for Outstanding News Series Radio.

For Music, in the last year the station offered local special content – interviews, music features, or live performances – at least once per week on classical programs. The station will again be the sole broadcaster at the main stage of the Richmond Folk Festival, will host a World Music concert in August, and is the media sponsor for the Guitar and Other Strings series at VCU.

Mr. Miller concluded by reporting that the station's Community Station Board earlier in the week passed a unanimous resolution supporting the refurbishment and upgrade of the station's third audio production studio to a fully digital, state-of-the-art facility.

Television CSB Report

Mr. Monk provided the company's television CSB report, noting that Television Vice President and General Manager John Felton was away because of an urgent family medical situation. He indicated that WCVE-TV continues to provide strong support to the General Assembly and that the contract for video coverage of the House and Senate was recently renewed. He said the digital upgrade to Studio A was complete and that a production by Quill Theatre had launched the new facility. The upgrade, he said, would make the company more competitive and that production services activity is increasing – which is good because satellite uplink business is declining.

Mr. Monk reported that the contract under which WCVE-TV provides master control services for WVPT in Harrisonburg was renegotiated. The contract is more favorable for both parties and keeps in place the revenue stream from WVPT.

Regarding in house productions, Mr. Monk listed a Virginia Political Preview produced in cooperation with WCVE-FM last fall, the “Ball of Confusion” special on the Presidential election of 1968, the Poetry Out Loud special – from which the Virginia winner went on to win the national competition, a SPARC production that went into national distribution, Virginia Currents, Virginia Homegrown, Charlottesville Inside Out, and the Flying Squirrels Insider.

Upcoming productions include a Redistricting documentary scheduled for a premiere showing on October 23 at the Library of Virginia, Feeling Good About America – a documentary on the 1976 election that will premiere in Charlottesville, the First Official Thanksgiving special scheduled to premiere at the Virginia Historical Society, Living with Alzheimer's – to be accompanied by a caregivers' workshop and a Science Pub RVA event, and Hope Emerges – a show about the McGuire Veterans' Hospital scheduled for release next spring. National programs in production include a September 11 Pentagon special premiering at the Virginia War Memorial and a Pearl Harbor documentary for release in December. Mr. Monk also indicated that the new season of Mercy Street would be celebrated at a December event in Ashland and Ken Burns' Vietnam documentary would premiere in the spring of 2017.

Digital Distribution Report

Ms. Kim reported that the Corporate Support department began producing a new newsletter, Word On the Street, allowing for the right messages to be sent to the right people and increasingly informing clients. She applauded Virginia Currents radio producer Catherine Komp for providing content fostering engagement in digital and social media. After her pieces are used on the air, longer versions are placed on the website, along with photographs. She indicated that the possibility adding a video component could encourage more engagement on social media.

Ms. Kim described the recent Opioid series that ran on the radio and on the web. Video elements promoted engagement and captions added to the effort. One video reached 72,000 users, and 411 people shared content. Comments on the series were very supportive. She mentioned the value of live social media broadcasts and indicated that political debates could be hosted in that way if television broadcast was not possible. Community events and interviews on WCVE-FM can also be featured in social media.

Ms. Kim reported on the success of the Virginia Currents art exhibit at Crossroads Art Center, a multimedia effort celebrating the series 25th anniversary. She also described how digital and web content is growing and is more interactive when at one time it was limited primarily to broadcast schedules. Highlights include local content on NPR One, the Blue Chair interview series, MJ's Corner – discussing educational issues, Science Matters content, and improved television schedules.

Financial Update

Mr. Stansbury thanked Dick Crawford for his years of service as Finance Chairman and recognized Mr. Loderick as the new committee chair. Mr. Loderick called on Mr. Dankner to report on the company's fiscal status.

Mr. Dankner stated that the station was in very good financial position. From the Balance Sheet, the ratio of Current Assets to Current Liabilities as of May 31, 2016, was 5.2 to 1, a very strong status. He noted that Property and Equipment assets had decreased \$1 million in the last year due to depreciation.

From the Profit and Loss statement, Mr. Dankner reported that the Change in Net Assets at the end of May was \$475,368, about \$300,000 ahead of budget. He indicated that Total Revenues through May were \$8,194,287 or \$933,000 ahead of budget. While part of that overage resulted from \$200,000 in PBS royalties and \$250,000 from a planned gift, General Contributions were also \$250,000 ahead of budget, a situation he described as very strong. Mr. Dankner reported that Total Expenses for the year were also \$615,000 over budget, the bulk of which resulted from increased salaries and benefits and production expenses related to increased production activity and increased income.

Ms. Tait delivered information on Development activities for the year just ended. She indicated it was a great year for community support across the board. Total Membership income of \$2,414,000 was at goal for the year. Commonwealth Circle income broke the \$1 million mark, achieving a 20 percent increase from the preceding year. Corporate Support revenue was also over goal by \$21,000. Special Gifts and Events also exceeded budgeted amounts. Overall Development income was nine percent over goal, and Ms. Tait said it was a strong year thanks to a great team.

Regarding the Passport video access program, so far, 478 WCVE contributors are on board, and marketing for the program has just started. Ms. Tait noted that 61 percent of the 478 users are new members and 11 percent are members who rejoined.

Mr. Dankner turned to the proposed corporate budget for 2017, beginning with projected figures for year-end 2016. He indicated that revenues might be higher and expenses slightly lower, resulting in a better finish than the anticipated \$376,000 net figure. Revenues for 2017 are slightly smaller, accounting for \$450,000 of unexpected PBS royalties and a planned gift received in 2016 and not expected for 2017. The new year also shows a \$651,000 increase in expenses, due mostly to increased staffing for increased national productions. The budget

includes a \$262,000 net operating shortfall, adds funds previously restricted and approved for spending by the Board, and cash held over from 2016, for a net profit of \$5,451.

Mr. Bisceglia asked about the increase in Business Entertainment expenses from \$30,000 in 2016 to \$120,000 in 2017. Ms. Tait explained that many more program premiere events are planned for the coming year, that more money is targeted for major donors' lunches and tours, and that increased effort to build relationships with contributors is worth the investment. Mr. Dare asked why employee raises were placed at the level projected. Mr. Monk indicated that the three percent increase level made the company competitive with other nonprofits. He went on to note that when the HR Department identifies an underpaid employee – often resulting from staff engaged in emerging technology activities – action is taken on an individual level to remedy the situation.

Mr. Loderick moved action on the budget. As a motion from committee, a second was not required. The budget passed unanimously.

Other Business

Ms. Blue, Governance Committee chair, noted that every member of the Board should serve on at least one committee. She identified standing committees as Governance, Finance, Spectrum, Foundation, and Personnel, and indicated that she would circulate a list of committees and members to all seated on the Board.

Executive Session

At 1:07 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 1:07 p.m.

At 2:15 p.m., 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 meeting adjourned at 2:15 p.m.

Respectfully submitted,

William N. Miller
Secretary to the Board
August 5, 2016