

**Minutes of a meeting of the Board of Directors  
Commonwealth Public Broadcasting Corporation  
May 14, 2015**

The Board of Directors of Commonwealth Public Broadcasting Corporation met at the Corporation's headquarters in Richmond, Virginia, on May 14, 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, Louise Martin, David Gould, Todd Stansbury, Dick Crawford, Josh Dare, Eric Rhoades, and Marlene Jones.

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 11:05 AM.

Minutes of the previous meeting, of February 19, 2015, were moved, seconded, and approved on unanimous vote.

Mr. Monk noted that Board Member Bill Pusey had passed away. He indicated that Mr. Pusey had served on the Board for more than six years. He described him as a very enthusiastic supporter, and that he "kept Virginia currents alive," as the biggest donor to the program for a time. The Board observed a moment of silence in his memory.

**Community Station Board Reports**

**Radio**

Mr. Miller was asked to report on the radio CSB. He indicated that the transmitter and antenna replacement project was still under way with antenna issues awaiting resolution. The antenna installation company was in Richmond on the day of the meeting and is ready to proceed with project as soon as the tower owner gives approval. He noted that Congressman Rob Wittman visited the station on March 12, during which time he recorded interviews with two of the station's producers, generated story content for two days on the air and on the web, and expressed a strong belief in the neutrality of NPR and the value of CPB funding to the public. His visit noted by a number of other websites.

Mr. Miller reported that the station produced an extensive series on the anniversary of the Fall of Richmond the last week in March. The two interviews, produced feature story, and full-length forum

broadcast were lauded by Dr. Ed Ayers, the head of the committee staging events on the closing days of the Civil War in Richmond. Mr. Miller indicated that ten WCVE-produced stories had aired on NPR since the first of the year. He told the group that the station has been asked to host a debate between or among candidates for the 10<sup>th</sup> Senate District – the seat currently held by former Board member John Watkins – sponsored by Voices for Virginia’s Children.

Mr. Miller noted that the station’s total weekly metro audience as measured by Nielsen was 106,400, the highest number recorded in the last year. The station was fifth most popular in the market across the week, the same position as in Winter 2014, and the second most popular station during morning drive time.

### **Television**

Mr. Felton delivered a report on the television CSB. He began by describing Nielsen’s loss of half of its television clients because of high cost. WCVE had paid more than \$100,000 per year for Nielsen ratings prior to ending its contract. He noted that Nielsen is losing its monopoly in the ratings business and that many PBS stations have dropped the service. Nielsen is now offering a \$45,000 price for stations to re-subscribe. Mr. Felton also noted that PBS experiencing its biggest audience growth in over 20 years.

He reported that the Studio A conversion from analog to digital production facilities is ongoing, with completion targeted by the end of summer. The station’s Ready To Learn effort has participated in 53 community events so far this year, with attendance of 17,000 adults and impacts on 30,000 children. The station was the host of the Poetry Out Loud Virginia finals staged by the Virginia Commission for the Arts. Mr. Felton said the event selected a finalist to compete in the national competition and yielded a special program for broadcast over WCVE and WHTJ. It was carried on public television stations statewide.

Mr. Felton indicated that *Ball of Confusion: the 1968 Election* a presidential election special, will premiere in November and be submitted for national broadcast. The show is being produced in partnership with the Center for Politics at the University of Virginia. A First English Thanksgiving special is also being produced for release in November. The station has produced two episodes of a new series *The Thomas Jefferson Institute Presents*. The first was a debate on nonprofit donor confidentiality and the second a debate on global warming. The station will also produce *The First English Thanksgiving in North America*, expected to premiere locally and national in February 2016. Mr. Felton also described the station’s role as a Presenting Station for programs made by independent producers and sent out nationally under the auspices of WCVE.

### **Digital**

Ms. Kim was asked to report on Digital Delivery activities. She noted that Angela Massino has been hired as social media and electronic website manager. She said their focus in the coming months would be on

how to reach audiences that do not know about the stations by using social media. Ms. Kim reported that the station survived Google “mobilegedden,” the date on which non-mobile-compatible websites would receive lower placement in searches, adding that the station’s websites have been mobile friendly for two years.

Ms. Kim reported on research indicating that over-the-air radio listening is being supplemented for a majority by use of mobile devices. At the PBS annual meeting, it was announced that PBS Kids is the most popular PBS website. The Community Idea Stations website had 26,600 users with 101,700 pageviews in March. Use of the station’s HD1 and HD2 streams continue to grow, with more than 15,000 page views per month. She noted that people in our geographic area who go to NPR.org or PBS.org are also linked to our local content.

Among consumers of our local content, 23 percent use mobile devices, up from 10 percent last year. Eleven percent employs tablets, up from seven percent last year. Ms. Kim noted the station has begun adding local content to the NPR One mobile platform. She said that 15,000 email recipients are served through two e-publications, and that the station is building its email database. All of the station’s social media platforms are experiencing growth.

## **Financials**

Mr. Dankner addressed the Company’s Balance Sheet, noting that the company is in a strong cash position, due largely to capital campaign contributions. Accounts Payable, currently \$777,267, compared to \$240,105 at the end of the last fiscal year, is at a high level due to money yet to be paid for programming to PBS and NPR later in the year. Total Current Assets are \$1,498,562, compared to \$1,290,644 at the end of the last fiscal year. Total Liabilities and Net Assets as of March 31 are \$15,034,581, compared to \$14,947,132 on June 30, 2014.

Mr. Dankner said the Income Statement shows revenue and expenditures tracking well for the year. Revenues, at \$6,067,483, are at 78 percent of budget and Expenses, at \$5,650,495, at 82 percent of budget after 75 percent of year has elapsed. He said the level of expenses is a timing issue. Programming expenses, currently \$1,209,629, include fees paid in advance for shows that will be used through the rest of the year. Mr. Dankner noted that a net year-to-date operating loss of \$236,141 is due primarily to an unbudgeted tax expense related to the tower sale in Northern Virginia.

Ms. Tait reported on Development results as of April 30, 2015. Total membership income, currently \$1,886,529, is three percent short of the year-to-date goal, due partly to Commonwealth Circle revenues running three percent ahead, year-to-date. Commonwealth Circle revenues are \$691,576 on a year-to-date budget of \$604,167. She noted that attention needs to focus on attracting first time givers and that work is under way to appeal to more of them. The recently announced Member Video On Demand service from PBS could help in that arena. The initiative will make archival local and national content be available to contributors through use of a password.

Ms. Tait indicated that Corporate Support is ahead of the year-to-date budget, with revenues of \$1,304,998. Special gifts, not including capital campaign receipts, are ahead of budget. These are primarily monies received for special production projects. Income from the Amazing Raise, the Williamsburg and Downton Abbey raffles, and other special events, is \$100,000 over budget, at \$284,298.

Mr. Felton reported on Television Programming and Production Revenues. The General Assembly Building studio is losing many uplink clients, such as CNBC and Fox. Nonetheless, he expects income will be close to goal at the end of the fiscal year. Actual income year-to-date is ahead of budget. Actual income as of April 30 is \$623,346, on a year-to-date budget of \$525,000.

Mr. Monk reported on Corporate Investments. He noted that Brian Ford, our account manager at RBC, had, on recommendation of the Board, decreased the Company's fixed assets position and increased its equity position. Investments stand at \$7,946,536 as of March 31, 2015, up from \$7,792,700 at the beginning of the quarter. Mr. Monk also provided an update on the Company's Defined Benefit plan. The plan continues to be underfunded, and there will be a cash liability for the next fiscal year of approximately \$280,000 for the Community Idea Stations and \$120,000 for MHz, though the exact figure will not be known until an actuarial analysis based on assets in the plan as of June 30, 2015, is performed. Assets as of March 31, 2015, are \$9,692,362, and the Estimated Current Obligation is \$12,332,029.

Mr. Monk also indicated that Voya has acted as the Fiduciary and Investment Advisor for the Defined Benefit plan for a number of years. This is a business that Voya will be leaving at the end of the current fiscal year. Mr. Monk said that he welcomed a recommendation from Mr. Bisceglia on forming committee and selecting a replacement company.

Ms. Tait reported on the progress of the Capital Campaign. Toward the Technology Investment goal of \$3 million, so far, \$1,500,000 has been pledged and \$1,023,046 collected. A major request was made to the Cabell Foundation for a \$350,000 matching grant. A decision is being awaited before determining how to move forward on rest of goal. Mr. Monk noted that, so far, the Company has not taken on any debt to fund the FM transmitter project, though a Board-approved line of credit is available.

Mr. Dankner presented the proposed 2016 Budget. Total Revenues are \$8,126,295 and Total Expenses are \$7,677,904, for Net Operating proceeds of \$448,391. Capital Expenses total \$333,000 and the Defined Benefit contribution is \$280,000. He noted that the proposal includes an estimated draw on investment portfolio proceeds to meet pension contribution expenses. He recommended the Company develop a policy to draw on investments for such purposes. Mr. Bisceglia indicated that such a policy is not needed right now because of the Company's current and anticipated financial position. Mr. Dankner noted that the large, unexpected tax payment resulting from the tower sale affected the bottom line this year. Next year's budget is expected to finish with expenses greater than revenues by \$189,000 because of a large increase in Capital Expenses.

Mr. Monk noted the need to replace encoders for the television stations to prevent them ceasing service. The estimated \$160,000 cost is not currently part of the capital campaign, but that expense

could be reassigned to the capital campaign because of expected reductions in money spent on the production truck. Mr. Bisceglia voiced his concern about budgeting a loss. Mr. Monk indicated the staff would rework and present a balanced budget at the next meeting. Mr. Bisceglia said that all operating expenses show reasonable and small increases or decreases; his said only concern was about big increases in Capital Expenditures.

### **Election of Community Station Board Members and Officers of the Board**

Mr. Miller was asked to present the slate of new members for the Radio CSB nominated by current members of that group. Nominated for election to a first three-year term beginning July 1, 2015, were:

David J.L. Fisk, Executive Director, Richmond Symphony;  
Elizabeth A. Palen, Virginia Housing Commission, Director; Virginia General Assembly, Division of Legislative Services; and  
Raymond L. McNaughton, Retired, AT&T.

Election of the slate was moved by Mr. Crawford and seconded by Mr. Stansbury. The new members of the Radio CSB were approved unanimously.

Mr. Miller also presented a slate of Officers of the Corporation nominated to serve terms of one year beginning July 1, 2016, or until their successors are elected:

Michael Bisceglia, Chairman of the Board  
Todd Stansbury, Vice Chairman of the Board  
Curtis Monk, President and Chief Executive Officer  
Bill Miller, Vice President, Radio, and Secretary to the Board  
John Felton, Vice President and General Manager, Television  
Mark Spiller, Vice President, Engineering  
Lisa Tait, Vice President, Development  
Ami Kim, Vice President, Digital Distribution

Mr. Crawford moved election of the officers en masse; Ms. Martin seconded. The officers were elected unanimously.

### **Other Business**

Mr. Monk expressed his thanks to Ric Arenstein for his years of service to the Board. The CEO noted that he was an active member and a former Chair of the Board.

Mr. Miller presented to the Board policies on Open Meetings, Open Financial Records, Equal Employment Opportunities, Donor Lists, and Community Advisory Boards, which are posted on the station's website, adopted in compliance with requirements of the Communications Act, and related to a recent CPB audit.

### **Adjournment**

The meeting of the Board adjourned at 12:17 PM.

### **Executive Session**

The Board reconvened at 12:50 PM. At 12:51 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 12:51 PM.

At 1:56 PM, the Board returned to open session with a declaration from the Chair that no business had been conducted during the executive session.

The Board meeting adjourned at 1:57 PM.

Respectfully submitted,

William N. Miller  
Secretary to the Board  
June 4, 2015