

**Minutes of a meeting of the Board of Directors
Commonwealth Public Broadcasting Corporation
July 22, 2014**

The Board of Directors of Commonwealth Public Broadcasting Corporation met at the Corporation's headquarters in Richmond, Virginia, on July 22, 2014, 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, Bill Pusey, Ann Louise Martin, Liz Blue, Cindy Bailey, Reggie Gordon, Todd Stansbury, Dick Crawford, and Ric Arenstein.

Staff members in attendance included President and CEO Curtis Monk, Mark Spiller, Pat Gregory, John Felton, Lisa Tait, Bill Miller, Maureen Kelly, Sam Straus, Gray Miyashiro, Ren Bell, Katherine Godin, and Karen Kerner. Larry Dankner represented NETA as the Company's Chief Financial Officer.

Call to Order

Mr. Bisceglia called the meeting to order at 11:06 AM.

Minutes of the previous meeting of the Board of May 7, 2014, were approved on motion duly moved and seconded.

Items of Interest

Mr. Bisceglia introduced Mr. Monk who, in turn, introduced staff members in attendance. Mr. Monk then asked Mr. Felton to present two trailers of WCVE-produced television programs under development. Mr. Felton first introduced the promotional video for Bombs Away: LBJ, Goldwater and the 1964 Campaign that Changed it All, a program produced in partnership with the Center for Politics at the University of Virginia. Secondly, he offered a spot promoting A Taste of RVA, a program that will highlight the culture, diversity and "foodie" aspects of the Greater Richmond area.

Mr. Miller congratulated the WCVE-FM news staff for winning four awards in the Virginia Association of Broadcasters competition for work produced in 2013. First place, for coverage of a community event, went to John Ogle for "Live Art." Second place awards were received for Outstanding Feature Reporting for "Advances in Medicine" by Charles Fishburne, Outstanding News Series for "Science Matters," and Outstanding Newscast for an 8:06 report delivered during Morning Edition. He noted that Science Matters and a WCVE newscast were honored for the fourth consecutive year with first or second place awards.

Ms. Tait noted that a number of events marking the 50th Anniversary of the Company are under way. Mr. Steve came to the station to host two family events on the preceding weekend. The 50th

Anniversary Gala is scheduled for September 27 and Board members were encouraged to purchase tickets. On November 12, Nell Greenfieldboyce from the NPR Science Desk will appear at the station in a Science Matters forum.

TV Community Station Board Update

Mr. Felton reported that *The Kennedy Half Century*, the November 2013 nationally-distributed public television documentary on the 50th anniversary of Kennedy's assassination, earned the "Best Documentary" Emmy at the June National Academy of Arts & Sciences Emmy awards ceremony in Washington, D.C. He noted the award was particularly flattering because the station's regional Emmy competitive district includes all commercial and public television stations in Maryland, Washington D.C, and Virginia. This is the second year in a row WCVE has earned this award; *Out of Order* won for best documentary last year.

Mr. Felton indicated that *Virginia Currents* also received an Emmy for "Best Newsmagazine Segment" for *George Dennehy –An Inspiration*. The segment tells the inspiring story of George Dennehy, who was born without arms. He has to drive a car and play various musical instruments. He noted that it serves as a reminder of the ability of *Virginia Currents* to tell the stories and capture the unique character of the people, places, and organizations that make up the station's region.

Mr. Felton reported that a brief television membership campaign was conducted in June and generated \$103,125 against a \$75,000 goal. The programs Suze Orman and Classical Rewind generated nearly half of the dollars raised; he noted that only two or three successful television pledge programs are required for the station to reach its fundraising goal.

The forthcoming August television membership campaign will feature a new Downton Abbey behind the scenes and new season preview while Ken Burns will have a pledge preview program surrounding his one-week epic series on the Roosevelts that will premiere in September. Mr. Felton said the eighth season for *Charlottesville Inside-Out* is in the planning and production stage for new episodes to be broadcast in January 2015.

Mr. Felton noted that *Virginia Currents* is fully funded for a new 24th season this fall. Topics being considered include the Virginia Repertory Theatre, lesser-known treasures of the James River, snapshots of World War II veterans, bipolar mental illness, Pocahontas Island, suicide survivors and support, and atypical faces of homelessness.

WCVE PBS Richmond was one of ten stations selected for the second year in a row to participate in the 2014 PBS Online Film Festival taking place in June 2014. WCVE provided the winning film for the 2013 festival last year titled, "Live Art." This year the PBS Online Film Festival selected *Calls from Home: Prison Radio in Appalachia*. The film, produced by Field Studio Films of Charlottesville, tells the story of a radio station that broadcasts calls from prisoners seeking to reach out to their family and friends. Mr. Felton suggested that *Calls From Home* has a solid chance at winning the festival this year.

He reported that the station is in the funding phase for a documentary, *The First English Thanksgiving in North America*, which would be produced in association with Berkeley Plantation and the First Thanksgiving organization. In the recent weeks, he said, a commitment was received from the Virginia Film Office for a lead underwriting gift of \$10,000. The objective is to identify three other \$10,000 sponsors in order to begin production.

Mr. Felton reported *The Flying Squirrels Insider*, a bi-monthly studio-based series airing during baseball season, continues to thrive. Local stations ABC 8 and NBC 12 both contribute, at no cost, footage and player interviews for the series; the program hosts are also the game announcers for 910 AM sports radio. A large program banner with the station's call letters and logo is prominently displayed at the Diamond behind home plate.

Since the beginning of the fiscal year, the Ready to Learn program has participated in 54 community engagement events or special projects attended by 11,779 adults and impacting 26,096 children. During the same time, 5,307 books were distributed.

Radio CSB Update

Mr. Miller reported that a replacement FM transmitter, transmission line, and antenna are on order from Broadcast Electronics. When the vendor identifies the delivery date, dates for installation will be booked with Reliable Tower. From start to finish, the project should take about a month.

Mr. Miller noted that the NPR- iTunes Radio project is involving an increasing number of member stations. About 80 stations are now able to feed an internet stream to iTunes so that when a user clicks on the NPR button in their market, they will be taken to that station's stream. In Richmond and markets that are still in the preparation phase, iTunes users who click on the NPR button get a curated stream of programming from NPR in Washington. WCVE is in the process of moving to a higher quality of audio for its HD-2 broadcast and online stream to qualify for iTunes distribution. Mr. Miller said the station is also revising its HD-2 stream so that it contains more NPR News content and that morning and afternoon drive time programs will be simulcast on HD-1 and HD-2 streams.

Another mobile device delivery system, the NPR One app, was recently announced. Mr. Miller said the new app will be available alongside the preexisting NPR News app, through which WCVE HD-1 and HD-2 are currently available. Rather than being a 24-7 stream from a local station, the app will provide a curated stream of mostly NPR content after the user hears a welcome from the local station in the town in which he is located.

Mr. Miller reported that online listening to WCVE audio streams has grown 23 percent since fall 2012. About 80 percent of listening is to the HD-1 stream. He also noted that, as reported at the last meeting, the station was ranked fifth in the market in the Winter 2014 survey. The spring 2014 survey, released on the day prior to the meeting, gave the station a market ranking of eighth. Mr. Miller reminded the Board that the station's ranking in the Spring 2013 book was

ninth most popular. He also noted that not much detail was currently available but that more information would be offered at the next meeting.

Web Update

Mr. Gregory reported that ideastations.org attracts in excess of 20,000 users per month. The most popular pages on the website are the WCVE-FM HD1 Stream, with 12,723 page views, a 7 minute average session time, 300 listeners peak, and 150 at any one time; the WCVE-FM HD2 Stream, with 3,000 page views, 5 minute average session, 100 listeners peak, and 40 at any one time; the WCVE TV Schedule Page, with 5,300 views; the Radio Home Page, with 1,000 visits; the ideastations Home Page, with 11,000 page views; TV viewing via Cove, with 2,500 views per month; and the Science Matters page, with 2,270 views, making it the 6th most visited page on the site.

Mr. Gregory noted that last November, a change was made to the site to make it more mobile friendly. Statistics were compared from a year ago compared to last month. Last month, 10 percent of use was via tablets or iPads, 17 percent via smart phone. One year ago, 7 percent of use was on tablets and 10 percent on phones.

For fundraising, 50 percent of radio pledge money comes via the web. Mr. Gregory indicated that the stations' Convio relationship insures PCI compliance. The stations' e-newsletter is sent to over 12,000 recipients each week. The IdeaKids Newsletter has a mailing list of 959 and is sent monthly.

Mr. Gregory reported that the station received 3,824 likes on facebook. The reach for facebook postings is usually in the 4,000 to 8,000 range. He noted that some weeks earlier, the reach was over 29,000, for posts that included Jaws, Digital Estate, the World Cup, Barbie and the Afterlife, a Paul D. Pasquale visit, and the best and worst cities to celebrate July 4. The Science Matters facebook page had 493 likes. A new IdeaKids facebook page is under development, as is a new website for 50th Anniversary Gala. He noted that the station has 1,855 Twitter followers.

Finance

Mr. Dankner noted that the station has done well in the last year. The Balance Sheet shows that cash on hand has increased from the end of FY 2013 to the end of FY 2014. Accounts Receivable at the end of the previous fiscal year was \$199,000, excluding MHz accounts. The figure for FY 2014 year-end was \$169,000.

Prepaid Expenses, including amounts for MHz, was \$1,758,848 for FY13; the FY14 year-end amount was \$77,450.

Mr. Dankner indicated that the Company faces a potential tax liability due to capital gains on the tower sale in northern Virginia. He said that MHz is expected to be open to covering the cost.

The maximum liability is \$356,000. Mr. Bisceglia asked for clarification in the next few weeks on how the tax liability will be covered.

Referring to the Company's Income and Expense statement, Mr. Danker noted that a primary objective has been to keep the station at a cash neutral position and not to dip into cash reserves. Revenues and expenses were both over budget last year due to increased activity. Additional income was associated with additional expense. Overall, Mr. Dankner reported the Company finished the fiscal year with \$108,000 in revenue in excess of expenses. There was a \$100,000 gain in cash for the year. That figure does not include the increase of investment income of \$900,000.

Update on Development

Ms. Tait reported on Development Giving for the 2014 Fiscal Year. She noted that the report did not include investment or production income, nor did the report reflect capital campaign income. WCVE television membership income was up one percent and WCVE television Commonwealth Circle income increased 27 percent. WHTJ membership income was up 8 percent and WHTJ Commonwealth Circle income increased 26 percent. FM membership slipped by two percent, or \$27,500, but FM Commonwealth Circle income was up 23 percent, or \$122,513.

Ms. Tait noted that Corporate Support commitments were \$1,430,314, a 13 percent increase from the previous year and \$5,000 over budget. The Downton Abbey trip raffle brought in \$63,750 toward a budgeted goal of \$60,000. Big Idea Challenge income was \$15,766, a drop of 36 percent from the previous year.

Ms. Tait said the number of Richmond television members was down one percent, Charlottesville television membership was up 8 percent, and Radio membership count was down 8 percent. The number of Richmond Commonwealth Circle members increased 24 percent and Charlottesville Commonwealth Circle membership was up 13 percent. Mr. Bisceglia noted that the grand total of all local fundraising efforts was up 6 percent, a significant and satisfying figure.

Investment Update

Mr. Dankner reported that, over the Fiscal Year ended June 30, 2014, the Company's investment portfolio grew from \$6,693,000 to \$7,774,000.

Pension Update

Mr. Monk reported that, as of June 30, 2014, assets in the Pension plan are \$10,624,828, and estimated liabilities are \$13,520,000, resulting in an estimated shortfall of \$2,895,172. He indicated that the Company would likely have a larger liability if the plan was terminated and

individual annuities were purchased for all participants in the plan. Cash requirements for the current fiscal year total \$724,000, with \$506,800 borne by CPBC and \$217,200 by MHz.

Mr. Monk noted that the Company will extend a lump sum buyout to 83 participants in the plan whose payout would be less than or equal to \$75,000. The plan is proceeding in accordance with board directions at the last meeting. The plan currently has 189 participants. Buyouts will reduce the asset-liability shortfall, but not by a dollar-for-dollar amount.

Capital Campaign

Mr. Monk reported that, of the \$5 million campaign, \$2,342,200 had been raised toward the \$2 million Legacy Society planned giving goal, and that \$833,800 had been pledged so far toward the \$3 million technology goal. \$346,236 of the technology goal has been collected and \$36,642 was spent on an HD camera for the General Assembly Building studio. He noted that a \$350,000 matching grant is available from the Mary Morton Parsons Foundation; \$115,000 has been raised toward the match so far.

Mr. Arenstein suggested that research be done on the Legacy Society pledges to determine the current actual cash value. He also asked, of the \$833,000 pledged on the Technology goal, how much was represented by signed pledge cards. Ms. Tait indicated that half the sum was supported by signed documents and Mr. Dankner noted that funds are not being booked until they are received. Additionally, Mr. Dankner said, the money would not be spent until the cash was received.

Mr. Monk identified the leading current priorities and costs for technology investment from capital fundraising as a new FM Transmitter and Antenna, for \$270,000; new Digital Field Cameras, for \$100,000; and associated Editing Equipment for \$120,000. He indicated that the transmitter and the antenna have been ordered and that the expense would be paid off as FM-specific money is received. Mr. Monk noted that the need for field cameras and editing equipment is desperate – the station is near the point that it will not be able to produce programs in the field. He asked the Board to approve spending of \$220,000 for cameras and editing equipment.

Mr. Bisceglia asked for a motion on the proposal. Mr. Crawford moved to approve the acquisition. Ms. Martin seconded the motion. The Board approved the motion unanimously.

Diversity Policy

Mr. Monk indicated that the Corporation for Public Broadcasting requires that every station receiving a Community Service Grant must have a Board-approved Diversity Policy that applies to the workforce, management, and boards. The Corporation has had such a policy in force since July 2012.

Actions related to the Policy in the last fiscal year included adding two new members to the Board, one male Caucasian and one female Caucasian. Additionally, four internship opportunities were offered during the year. Two interns worked with the Science Matters Initiative, one intern worked with the production team, and one intern participated in a general work experience program. Three of the interns were female Caucasians, one of the interns was a female Pakistani.

A motion to accept the report was made by Mr. Stansbury and seconded by Mr. Crawford. The report was accepted on a unanimous vote.

Board meeting dates

The Board approved by consensus the following meeting dates for the coming year:

Finance Committee (meetings are tentative and will not be held unless confirmed by Chairman):

Thursday, October 30, 2014

Thursday, February 12, 2015

Thursday, May 7, 2015

Thursday, July 23, 2015

Corporate Board of Directors:

Thursday, November 6, 2014

Thursday, February 19, 2015

Thursday, May 14, 2015

Thursday, July 30, 2015

Executive Session

At 1:15 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 1:15 PM.

At 1:34 PM, the Board returned to open session with a declaration from the Chair that no business had been conducted during the executive session.

Mr. Arenstein moved that the Board reaffirm the previous action of the Board with regard to the handling of potential proceeds of a spectrum auction and the establishment of a foundation to support public media in Virginia and that the Board now set aside sufficient funds beyond the first \$20 million received in auction proceeds to cover the current pension liability shortfall. The motion was seconded by Mr. Stansbury and approved unanimously by the Board.

At 1:36 PM, upon motion duly seconded, the Board voted unanimously to return to executive session for the purpose of discussing proprietary business issues and personnel matters. The Board returned to executive session at 1:36 PM.

At 2:04 PM, the Board of Directors returned to open session with a declaration from the Chair that no business had been conducted during the executive session.

Mr. Arenstein moved that the Board authorize a representative of CPBC be sent to MHz to review the stations' FCC-required Public Inspection File, request of MHz an annual report on financial information for which CPBC is responsible, and request a general written report on operations. The motion was seconded by Mr. Gordon and received unanimous approval from the Board.

At 2:06 PM, upon motion duly seconded, the Board voted unanimously to return to executive session for the purpose of discussing proprietary business issues and personnel matters. The Board returned to executive session at 2:06 PM.

At 2:35 PM, the Board returned to open session with a declaration from the Chair that no business had been conducted during the executive session.

Adjournment

The meeting adjourned at 2:55 PM.

Respectfully submitted,

William N. Miller
Secretary to the Board
August 15, 2014