

**Minutes of a meeting of the Board of Directors
Commonwealth Public Broadcasting Corporation
November 6, 2014**

The Board of Directors of Commonwealth Public Broadcasting Corporation met at the Corporation's headquarters in Richmond, Virginia, on November 6, 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, Ann Louise Martin, David Gould, Liz Blue, Cindy Bailey, Todd Stansbury, Dick Crawford, Ric Arenstein, and Bill Pusey.

Staff members in attendance were President and CEO Curtis Monk, Mark Spiller, Pat Gregory, John Felton, Lisa Tait, and Bill Miller.

Call to Order

Mr. Bisceglia called the meeting to order at 11:07 AM.

Minutes of the previous meeting, of July 22, 2014, were moved, seconded, and approved unanimously.

Mr. Felton introduced a highlight reel for programs including the recently premiered documentary Bombs Away, produced by WCVE and distributed for broadcast nationally, and other PBS programs. The Chairman commented positively on the recent Bombs Away event at the Library of Virginia and noted the Governor's presence that evening.

Radio Community Station Board Report

Mr. Miller was asked to report on Radio activities addressed by the CSB. He first called on Mr. Spiller to detail progress toward transmitter and antenna replacement for WCVE-FM. Mr. Spiller noted that the transmitter had been delivered to Sesame Street and that the broadcast antenna is being put through pattern testing by the manufacturer, that installation will follow, and that, within the next month, the new equipment could be ready to be put on the air.

Mr. Miller indicated that NPR would be initiating a revision of its newsmagazine schedules that would affect the placement of locally-produced materials in the shows. The largest change involved moving local morning newscasts from the top to the bottom of the hour. Coincident with the morning changes will be the insertion of three, new, local newscasts during All Things Considered in the afternoon. He noted that the in-depth, local feature stories airing daily at 5:32 PM, which premiered last fall, would continue.

He reported that Capitol Events, the one-minute, daily review of General Assembly activities broadcast on WCVE Television during the legislative session, would expand to 90 seconds next year and be broadcast on WCVE-FM. Craig Carper, WCVE's radio legislative correspondent,

will anchor both reports. He noted that WCVE-FM was the sole broadcaster of a forum featuring all three candidates for the 7th District Congressional contest.

Mr. Miller indicated that the Oberon Quartet, an ensemble made up of Richmond Symphony musicians, was in the radio studio for live performance. He said that more such performances are anticipated in the year to come. He also reported that this year's live broadcast from the Richmond Folk Festival was successful and that Jack Berry, executive director of Venture Richmond, the event's organizer, thanked the station for doing a great job and noted that his office received positive feedback on the station's work from people who both listen over the air and attend the festival.

Regarding the station's presence on the internet, Mr. Miller noted that both of the station's audio streams are reliably among the company's top five destinations for web users. Use of radio web pages was up 37 percent from last year to this year; use of the station's web audio streams increased 32 percent. He indicated that webmaster Marshall Lloyd suggested the dramatic growth results from increased use of smartphones and other tools to access the station's streams. Beyond the company's web measurements, Nielsen ratings show WCVE's HD-2 audience up from 400 listeners per month in 2011 to 500 in 2013 to 600 this year.

Mr. Miller reported that WCVE's General Assembly reporting would next year be supplemented by reporting by the Capital News Service from VCU and by Mass Communication intern from the university. He also noted that two Pakistani Journalists visited the station's news department through a US State Department program. The journalists also visited stations in Chicago, Boston, and Washington, DC, during their trip.

Television CSB Report

Mr. Felton delivered a report on Television accomplishments. He noted that an educational, "Boo-Fest" was recently conducted for families and children. Hundreds of young people came in costume and experienced a variety of activities organized by staff. This particular effort is part of the Ready-to-Learn program that is dedicated to using resources from PBS to educate children and prepare them for success in school. Since the beginning of the 2014 calendar year, the Ready to Learn education initiative has participated in 65 community engagement events or special projects. These were attended by 16,154 adults and affected 29,179 children. During that same time, 5,563 books were distributed.

For the second year in a row, Mr. Felton indicated, WCVE is a grant recipient for local outreach and content surrounding the national public television series, Shakespeare Uncovered II in January 2015. This \$15,000 grant will produce a second season of Bard Bits, a short program series in partnership with Richmond Shakespeare. The WCVE produced and nationally televised Senatorial debate between Mark Warner and Ed Gillespie on October 13 was a success and generated \$11,000 in revenue against \$2,000 in cash expenses.

Mr. Felton reported that the WCVE-produced national program, Bombs Away: LBJ, Goldwater and the 1964 Campaign that Changed It All premiered the preceding evening on WCVE and

WHTJ and on PBS stations across the nation. A preview event was held the previous week at the Library of Virginia where the Governor was a guest speaker. He noted that on Saturday following, Bombs Away would be premiered at the Virginia Film Festival in Charlottesville. Barry Goldwater, Jr. and Hubert Humphrey III are scheduled for a post-program panel discussion with Larry Sabato. Bombs Away generated \$115,000 in underwriting and to date, costs for the program are \$92,000.

The station's December television pledge campaign is approaching and the station is in possession of approximately \$45,000 worth of pledge program-related tickets and celebrity encounters for the concerts in Richmond featuring Tony Bennett, Celtic Woman and Brit Floyd, an amazing Pink Floyd. The latter group, he noted, is a tribute band that has generated large revenue for PBS stations fortunate to have a Brit Floyd concert in their cities.

Mr. Felton reported the eighth season for Charlottesville Inside-Out is in the planning and production stage this fall for new episodes in January 2015. Charlottesville Inside Out recently interviewed cycling sensations from Charlottesville Andrea Dvorak and Ben King, who are both favorites to win their respective categories for the Richmond September 2015 world cycling competition. He also indicated that Virginia Currents is fully funded for a new 24th season beginning that evening. The premiere spends time with just-retired NFL player & Super Bowl winner, Michael Robinson, a former Varina High School player who explains why he gives back to the school that gave him his start. The show also explores the whereabouts of The Bray School, an 18th century school for black children located on property currently occupied by William and Mary. Other season highlights include local World War II veteran portraits and a story on the World Pediatric Project based in Richmond through which volunteer doctors help treat children in developing nations.

Mr. Felton reported the station is in the funding phase for a documentary, The First English Thanksgiving in North America, to be produced in association with the Berkeley Plantation and First Thanksgiving organization. A \$10,000 funding commitment has been provided by the Virginia Film Office; another \$5,000 in private gifts has been received. Upcoming is a fundraiser at a Charles City plantation home near Berkeley Plantation to which all plantation owners in the area will be invited to learn about the project and possibly lend financial support to help secure the total \$50,000 production budget. He also reported that A Taste of RVA is nearing production in early 2015 for a series of shows showcasing the growing reputation of Richmond as a "foodie city."

Mr. Crawford noted that WCVB has the technical capacity and ability to produce content and inquired about the ability to use the productions as streaming video online. Mr. Felton noted that some local content television is already posted online and that efforts are under way to increase what is provided. Mr. Crawford asked how many people are reached by the station's online television content. Mr. Gregory replied that there are 2500 views per month for television content on the ideastations website.

Mr. Arenstein inquired about the number of stations that picked up Bombs Away and whether revenue was generated by other stations carrying the program. Mr. Felton replied that 50 stations

would the show in November and that 150 stations are eventually expected to carry the program. He noted that if a distribution fee were charged, far fewer stations would broadcast the show.

Ms. Blue asked about funding for the Ready To Learn effort and if the elimination of state funding for public broadcasting educational services caused RTL efforts to be reduced. Mr. Monk noted that the state funded Instructional Television and that RTL support had come from the community for the last ten years. The company is actually doing more, rather than less, with RTL. When state funding was lost, the station needed to end its formal delivery of programming to schools and to dedicate its educational resources to RTL.

Mr. Pusey noted that some of the sponsorship credits he sees on the station look very much like advertisements. Ms. Tait indicated that the station adheres to FCC rules and PBS guidelines, which have become more relaxed over the years. Discussion ensued on what underwriter identification on a noncommercial station can and cannot say under FCC regulations.

IT Report

Mr. Gregory reported on the company's Information Technology undertakings. He indicated that PBS recently conducted an audit of the company's social media practices. He said the network liked what the company is doing and that the numbers were especially good for Twitter.

He indicated that ideastations.org continues to attract more than 23,000 users per month. The most popular pages include the WCVE radio HD1 Stream, which is up from 12,723 to 16,476 page views per month in the last year, with a 7 minute average session time, 300 peak listeners, and an average of 150 at any one time. The radio HD2 Stream is up from 3,000 to 4,314 page views, with a 5 minute average session, 100 peak listeners, and 40 at any one time. Other popular pages include the TV Schedule Page, up from 5,300 to 6,159 views; the Radio Home Page, up from 1,000 to 1,351 visits; the ideastations Home Page; the Boofest Page, which had 1,542 visits and sold a number of tickets online; TV Viewing through Cove; and the Science Matters page, which is up from 2,270 to 3,319 page views, and from 6th to 5th most visited page on the site. He credited Science Matters manager Debbie Mickle with doing a great job developing articles and partnerships.

Last November, Mr. Gregory reported, a change was made to the website to make it more mobile friendly. Last month, 10% of the users were via tablets/iPads, and 19% via smart phone. One year ago, 7% were tablets and 10% were via phones. Regarding fundraising, 50 percent of our radio pledge money comes via the web. The station's Convio relationship insures PCI compliance. During the Amazing Raise, \$45,492 was raised through the website, with an additional \$10,000 for finishing second in the fundraising competition.

Mr. Gregory noted that an e-newsletter is now sent out to 14,600 recipients each week. An IdeaKids Newsletter now has 1,305 recipients on the mailing list, up from 959 last year, and a monthly Science Matters Newsletter is coming in the next 3 months.

Reporting Social Media use, he indicated that the stations' Facebook presence has 4,017 likes up from 3,956 at the previous report. He noted that the stations are also getting a lot of engagement from some supporters. Reach is usually in the 4,000 to 8,000 per day range. Experimentation continues with Facebook ads as a way to expand reach and engagement. Targeted ads were used for the Downton Abbey event, Virginia Home Grown promotions, Bard Bits, Curious George, BooFest, pledge challenges, and the Amazing Raise. Other Facebook pages of note include the Science Matters page, with 559 likes, up from 493 at the previous report; the Ready to Learn FB Page, with 1005 likes; the Virginia Home Grown Page, with 1,747 likes; and the Charlottesville InsideOut Page, with 399 likes.

Mr. Gregory reported that the stations' Twitter presence has 2,137 followers, up from 2,108 followers at the previous report. Twitter is used primarily for news--FM local and NPR, community activities, and promotions for local radio music.

For event support, he noted that for the 50th Anniversary Gala, the company paid \$99 for a year's subscription to Charity Auction Organizer, which offered a web site to manage the auction and generated a web site to display the items and collect payments. Square Reader was used to take payments online that totaled over \$70,000. For BooFest, reservations were done online, and registrants were signed up for the IdeaKids Club and newsletter. Social media is being used for registration and publicity for the Dissecting Science event scheduled the following week. So far, more than 200 registrants have signed up. For January's Downton Abbey Premiere event, a page is online and is taking reservations for event and for the associated reception.

Mr. Gregory also noted that Support Bee, an online application that allows people to submit comments via the website, has been adopted. It is also tied to the company's social media presence.

Mr. Bisceglia asked whether the stations were receiving traffic from google and bing searches, and Mr. Gregory replied in the affirmative. Discussion ensued on ways to create valuable placement for the stations in web searches.

The Chairman also inquired as to what infrastructure is needed to satisfy the stations' streaming needs. Mr. Monk indicated that PBS and NPR will play for stations the role that Visa plays for a bank. The networks will create portals and drive infrastructure for stations. They will deliver stations' content to video viewing sites or to iTunes or create apps for stations. Mr. Monk suggested that the infrastructure does not need to be built locally, but that the stations need to be able to interface with PBS and NPR and have whatever pipeline is required to funnel data at the rate is required. PBS has voiced interest in building with NPR a public media system. Mr. Crawford asked for an executive briefing on this subject for the Board, and Mr. Monk indicated that such a report would be prepared.

Mr. Bisceglia requested for the February meeting a three year plan for the company's radio, television and internet services. He asked for a view of the content model three years hence and suggested the report could, in part, be a wish list. "What do we want to look like and can we get there?" He indicated a longer than usual meeting might be required in February.

Mr. Pusey noted that his wife serves on the Board of the Virginia Opera and that she extended her compliments to Katherine Godin of the CPBC staff on a recent presentation to opera board.

Financial Report

Mr. Monk provided a report on the company's finances beginning with the Balance Sheet. He noted that cash as a current asset is down from \$553,266 at the beginning of the fiscal year to \$303,509 at the end of the first quarter. The cash was used as working capital; no funds have been withdrawn from the investment portfolio so far this year. Receivables are up, prepaid expenses are up, and investments are down slightly from July 1 to September 30, 2014. There is virtually no change in liabilities.

Reviewing the Investment summary, Mr. Monk reported the portfolio is down for the quarter by 1.41 percent. Investors are shifting more funds into equities and global positions. He indicated the investment managers continue to do a good job for the company. On the Summary Profit and Loss statement, revenue is on target. For Federal grants, radio first half money is in; television first half money will arrive shortly. The CEO noted that \$50,000 more than expected will be received from the Corporation for Public Broadcasting this year. On the expense side, the cost of Supplies is being tracked and Computer Equipment expense is being reviewed to determine if any portion can be capitalized. Mr. Monk indicated that the stations are running ahead of the operations budget by considerable amount, but noted that only three months of the year has elapsed.

Mr. Arenstein asked if information could be provided about separate operating units, and Mr. Monk indicated such reports would be forthcoming.

Ms. Tait provided a report on development revenues for the year so far. She indicated that membership revenues were down slightly from the same time last year and that Commonwealth Circle income is up. She suggested that giving to the Capital Campaign might also be affecting Commonwealth Circle contributions.

Mr. Arenstein asked what percentage of Commonwealth Circle members gives gifts that are not restricted to a specific service region for the company. Ms. Tait replied that Charlottesville members are more likely to restrict their gifts to Charlottesville activities and that others are generally unrestricted. Mr. Arenstein asked for a report.

Regarding Corporate Sponsorship, Ms. Tait reported revenue is on track to exceed the budgeted goal for the year. Special gifts and production funding are both performing well so far. The 50th anniversary celebration netted \$70,000, a very successful outcome. She voiced her appreciation to the board members who were involved in the 50th anniversary project. The Chairman asked about the possible value of conducting a gala each year. Ms. Tait indicated that at a joint meeting of the television and radio Community Station Boards and at a meeting of company founders' families, participants expressed that they engaged in the project because it was a one-time event and might not participate on an annual basis. She noted that it required a lot of effort to raise \$70,000.

Mr. Crawford observed that the revenue increase from last year all results from an increase in corporate giving. He asked about the opportunity to expand that category, and noted that restrictions on language used to recognize corporate donors do not apply on the web. Ms. Tait indicated that the company receives \$30,000 from web advertising right now and plans are being made to grow that sector.

Mr. Felton reported on television production revenue, which is \$4613 ahead of goal, due mostly to a \$50,000 grant from the Center for Politics for the production of Bombs Away. He noted that revenue from the General Assembly studio is under pressure, largely because one of the biggest users, Fox News, is less interested in booking interviews with Democratic Governor McAuliffe than Republican Governor Bob McDonnell. He noted that the next meeting's report will include grant revenue for the Bard Bits project and the US Senate debate. Funding is currently being sought for the spring Poetry Out Loud project.

Mr. Monk reported that the Audit for the previous fiscal year is finished and no issues of concern were identified. Audited financial statements will be sent to board members before the next meeting.

Mr. Monk also provided an update on the company's Defined Benefit plan. As of September 30, 2014, assets in the plan are \$10,493,735; estimated liabilities as of June 30, 2014, were \$13,595,459, for an estimated shortfall of \$3,101,724. Cash requirements for the current fiscal year include cash contributions of \$419,300 for Richmond and \$179,700 for MHZ, a total of \$599,000. Mr. Monk pointed out that this amount represented an overall reduction of \$125,000 due to federal pension relief. He also followed up on the Board-approved offer to buy out certain participants in the plan whose estimated lump sum payouts would be less than or equal to \$75,000. Forty-four individuals accepted the offer, and \$1,345,912 will be paid out. This action will reduce, somewhat, the shortfall next year.

A Capital Campaign report showed that \$2,617,200 had been promised for the Legacy Society portion. In the Technology portion of the campaign, Mr. Monk indicated that \$1,009,800 had been pledged, \$563,236 collected, and \$392,856 had been spent. Adding to the amount collected but not spent \$132,912 authorized by the board to be borrowed for the Radio Transmitter project and reserving \$70,700 for payments on that project, \$232,592 remains available to spend. Mr. Monk noted that, at this point, sufficient funds are in place to acquire the replacement generator and he requested authorization to proceed.

Mr. Arenstein moved and Ms. Bailey seconded an expenditure of \$183,500 for the generator acquisition.

Ms. Bailey cautioned that money not be diverted from the Capital Campaign to do ordinary businesses upgrades.

On voice vote, the motion passed unanimously.

Executive Session

At 1:16 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 1:16 PM.

At 2:10 PM, the Board returned to open session with a declaration from the Chair that no business had been conducted during the executive session.

Defined Contribution Plan

Regarding the company's Defined Contribution (403(b)) plan, Mr. Arenstein moved to increase the company match for employee contributions to 35 cents per dollar contributed up to 6 percent of compensation.

The motion was seconded by Ms. Blue and passed on unanimous vote.

Adjournment

With no further business to come before the board, the meeting adjourned at 2:16 PM.

Respectfully submitted,

William N. Miller
Secretary to the Board
November 11, 2014