

Commonwealth Public Broadcasting Corporation
Minutes of a Corporate Board Meeting on January 17, 2019

The Board of Directors of Commonwealth Public Broadcasting Corporation met at the Corporation's headquarters in Richmond, Virginia, on January 17, 2019, 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 Chair Josh Dare, President Jayme Swain, Mr. Michael Bisceglia, Mr. Stephen Davis, Mr. Steve Humble, Mr. Dennis McGaugh, Ms. Tassie Pippert, Mr. Derek Redmond, Ms. Tanya Ross, and Mr. Todd Stansbury. Directors participating by telephone included Mr. Jim Krauss, Mr. Stephen Loderick, and Ms. Louise Martin.

Directors of the Virginia Foundation for Public Media in attendance, in addition to those represented on the CPBC Board, were Mr. Rich Diemer and Mr. Philip Goodpasture. Mr. Daniel Smythe, CIO of the Foundation, was also present. Mr. Michael Williams participated by telephone.

Staff members in attendance were John Felton, Ami Kim, Bill Miller, Katherine Mitchell, Mark Spiller, Henry Smith, and Lisa Tait. Jake Perez, a marketing consultant, was also present.

Call to Order

Mr. Dare called the meeting to order at 10:02 AM.

The Chairman called for a motion for approval of the minutes of the meeting of October 18, 2018.

Mr. Diemer noted that the Minutes as submitted indicated that, regarding the building owned by the Corporation in Northern Virginia and expected to shortly be sold, "due to depreciation, this property would likely not show up as an asset." He suggested the following words be substituted as being more accurate: "The MHZ building has a modest net book or carrying value as it is substantially depreciated."

The Minutes as amended were moved, seconded, and approved unanimously.

President's Report

Mr. Dare introduced Ms. Swain, who told the members that she was honored and grateful to be with the Company. She said this is an exciting time – in media generally and for the stations in particular because of the availability of resources and the strategic plan that is in place. She indicated that her 90-day goal is to listen and learn from as many people and groups as possible and to meet with every Board member individually.

Ms. Swain noted that she is asking five questions at every meeting: what 3-to-five things do we do well, what things should we stop doing or start doing, what are the positive and negative aspects of our culture, what are the major issues facing our communities, and what advice do individuals have for her? She reported that excitement has been expressed about increased news reporting on the radio stations and that more journalism is needed in our communities. Others expressed that we are connecting well to our communities, and that we treat people well in

expressed that we are connecting well to our communities, and that we treat people well – in tours, answering questions from the audience, and in interacting with donors.

In terms of changes needed, Ms. Swain noted an interest among some to review the Company's brand, that station activities should be more metrics-driven, and that diversity should be a priority – in content and staffing, and that we should reflect our community. Regarding culture, she said that respondents view the Company as a positive place to work and that professional development is a focus. She also identified a need to continue work on connecting the team in Harrisonburg. She indicated being in the process of meeting with all teams, with donors, and with community leaders.

Ms. Swain introduced a process to review the “Community Idea Stations” brand. She said that Management and consultant Jake Perez are leading a transparent and inclusive process that would include the Board, staff, Community Advisory Board members, and other stakeholders. Ms. Swain encouraged thinking big and considering how the brand works across multiple platforms. She expressed a desire to roll out a new brand by fall.

Branding

Ms. Swain introduced Mr. Perez, who provided some personal background, indicating he had been chief marketing officer at the University of Virginia and at William and Mary, in addition to a previous engagement at the Martin Agency. He introduced SimpsonScarborough, the consulting firm brought in to assist with the process. He noted that he worked with them at UVA and William and Mary and that the company has experience working with NPR and PBS. He introduced Molly Jackson, Associate Vice President at SimpsonScarborough.

Ms. Jackson provided background on the company, indicating that it began as a market research firm and that it had later expanded into brand strategy and marketing and creative services to support the brand, noting that most of the company's work is in branding. She said that building an enduring brand relies on market research and that brands should be aspirational.

Describing the scope of the project, Ms. Jackson listed four steps, including discovery – involving in person meetings and competition analysis, market research – including online and telephone surveys, identifying the brand platform, and providing logo and style guidelines. There was discussion among members on sample size and composition in regard to market research.

Ms. Jackson described several areas of inquiry for the process, including understanding the audience – what listeners and viewers expect, where they go for different services, and what are their needs; messaging – what messages drive interest in the stations; perception of offerings – how wide is awareness, what are the strengths, what gaps exist; and naming – what names are most appealing to target audiences. She noted that market research would include both quantitative and qualitative, i.e. focus group, research. The timeline calls for the project to be complete by the end of June 2019.

Ms. Jackson asked members to participate in a worksheet exercise to help identify current perceptions about the company. They were asked to consider beliefs, differentiating aspects, how the stations connect with the community, and the organization's personality.

Compensation, Governance, and Nominations Committee Report

Committee Chair Mr. Redmond walked the members through several sections of the current CPBC Bylaws, including committee makeup and the standing committees that are identified in the document. He noted that the committee would propose a change in the number of days required for notice of a special meeting from two to seven, but that the proposal would be held until the next meeting of the Board, in the event that other changes to the Bylaws might also be

considered. He asked members to review the document and to suggest changes and offer comments. Mr. Dare asked that comments be emailed to Mr. Redmond.

Mr. Redmond reported that the committee was considering the nomination process for new members of the Board. He also indicated that Board member education is considered an ongoing process and responsibility of the committee and that Ms. Swain would help to identify a consultant for training.

Finance Committee Report

Committee Chair Ms. Ross reported that the committee met on January 10 and reviewed financial reports through November 2018. She said the committee is considering recommending changing the dates of Board meetings to allow for later and more timely data to be delivered to the committee and the Board. She asked Larry Dankner of NETA to provide more detail on the financial reports.

Mr. Dankner said that, based on feedback from the previous meeting, changes had been made in the presentation of the financial statements. He noted that a column had been added to show the revised budget for the year, that year-to-date variances now apply to the revised budget, and that non-operational revenues and expenses had been separated from operational revenues and expenses.

Mr. Dankner reported that total net operating revenues are running \$18,765 ahead of budget. Membership revenue is trailing budget by \$67,628, but Mr. Dankner indicated that the membership department expected to finish on budget by year end. Likewise, he said, production service revenue is \$112,243 behind budget but is expected to catch up by year end. On the expense side, repairs and maintenance are over budget by \$42,000, due largely to acquisition of a chiller for Studio A that was needed in advance of a US Senate Debate, broadcast statewide, last October.

Mr. Dankner noted that through November, \$92,000 in net expense was recorded for the MHz building in Northern Virginia, which was sold at the end of the year. Members discussed recovering those expenses from the proceeds of the building sale. Some members of the Board indicated that the financial materials as presented were too detailed to adequately address at a meeting. Ms. Swain suggested that comprehensive data could be sent to members ahead of the meeting but that the committee could address only major variances to the budget at the meeting.

Security

Ms. Swain indicated that building security is top of mind for stations across the country and cited recent security issues at public broadcasters and other media organizations. Management takes this issue seriously, and Ms. Swain reported that an assessment of our properties was recently made by law enforcement personnel, that some security upgrades had been made, and that other upgrades were planned for the near future. She asked operations manager Mr. Smith to report further.

Mr. Smith reiterated that a security expert from the Chesterfield Police had inspected the property at Sesame Street and at the Arboretum complex. He said the Company received some accolades and some recommendations. Future actions to be taken would be at some expense to the Company. He indicated that security is also being evaluated at the Harrisonburg facility.

Building and Tower Sales

Mr. Miller was asked to report on sales of the former broadcast facility owned by the company in

Mr. Miller was asked to report on sales of the former broadcast facility owned by the Company in Northern Virginia and towers in the Shenandoah Valley. He indicated that the building formerly used for the broadcast of WNVT and WNVC in Merrifield was sold for \$2.3 million; after commission and closing costs, the net to the Company was \$2.153 million. He noted that the figures from the pending tower sales in the western part of the state are confidential, but an asset purchase agreement was signed at the end of December and closing is subject to approvals by the Virginia Department of Game and Inland Fisheries and the US Forest Service.

Executive Session

At 12:58 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 12:58 PM.

At 1:52 PM, 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 Chairman declared the meeting adjourned at 1:52 PM.

Respectfully submitted,

William N. Miller
Secretary to the Board

A future meeting of the Board is scheduled for April 18, 2019.