

Commonwealth Public Broadcasting Corporation Minutes of a Corporate Board Meeting on October 18, 2018

The Board of Directors of Commonwealth Public Broadcasting Corporation met at the Corporation's headquarters in Richmond, Virginia, on October 18, 2018, 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, Mr. Michael Bisceglia, Ms. Liz Blue, Mr. Stephen Davis, Mr. Jim Krauss, Mr. Stephen Loderick, Ms. Louise Martin, Mr. Dennis McGaugh, Mr. Derek Redmond, Ms. Tanya Ross, and Mr. Todd Stansbury. Ms. Tassie Pippert participated by telephone.

Staff members present were John Felton, Ami Kim, Bill Miller, Katherine Mitchell, Mark Spiller, and Lisa Tait. Consultant Jake Perez was also present.

Paul Brockwell represented the Digital and Community Engagement Board. Larry Dankner represented NETA. Dan Smythe represented the Virginia Foundation for Public Media.

Call to Order

Mr. Dare called the meeting to order at 10:05 AM.

The Chairman called for a motion for approval of the minutes of the meeting of July 19, 2018. Minutes were approved by way of a voice vote.

Mr. Stansbury noted that the Board had met twice in executive session since the July meeting. He moved to acknowledge that due to the proprietary nature of the business discussed and actions taken, information regarding these meetings would not be included in the minutes. Ms. Martin seconded the motion, and it passed unanimously.

Digital and Community Engagement Board

Mr. Dare introduced Mr. Brockwell to present the report of the Digital and Community Engagement Board, formerly known as the NEXT GEN Board. Mr. Brockwell reported on the Board's recent activities.

Mr. Dare and Ms. Martin asked questions regarding the Board's composition and mission. Mr. Brockwell reported that the Digital and Community Engagement Board currently has 15 members with room for up to 21. He noted that the Board aims to "amplify the reach of Commonwealth Public Broadcasting Corporation's public radio and television programming to people between the ages of 18 and 40." Mr. Brockwell emphasized a desire for the Digital and Community Engagement Board to be in alignment with the parent organization.

Mr. Stansbury expressed appreciation to Mr. Brockwell and his colleagues and challenged them to deepen their reach into the Charlottesville and Harrisonburg viewing areas.

A brief discussion on television viewing trends, including cord-cutting, streaming, and on-demand access, followed.

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Strategic Plan

Mr. Dare introduced Ms. Tait to present an updated version of the Strategic Plan.

During discussion of how to establish a greater understanding of the stations' audience, Mr. Perez, a branding research consultant, spoke about the market research and the rebranding study that he will facilitate on behalf of CPBC. After several questions regarding funding, Mr. Dare clarified that monies to undertake this effort would come from the Foundation.

Ms. Tait confirmed that the stations have been awarded a grant provided by the CPB's Healthy Network Initiative in the amount of \$1.5 million to be paid out over 3 years.

During discussion of how to produce high-quality content that meets community needs, it was noted that the stations are investigating Hearken as a possible consulting company and that COLAB has been hired to lead the website redesign effort.

During discussion of how to develop and support an agile and creative workforce and working environment, issues regarding facilities and space were raised. It was noted that the stations are seeking a lease extension for the WVPT property in Harrisonburg and that the new office on the Charlottesville Downtown Mall is already being used.

Mr. McGaugh asked for an update regarding facilities and staffing in Richmond. Mr. Miller responded that without serious reconfiguration, the stations will run out of office space within the next few months.

Mr. Bisceglia asked how often the Richmond-based staff go Harrisonburg and whether the WVPT staff feel supported. Staff members indicated a weekly presence at the WVPT office. Mr. Krauss expressed thanks the Richmond staff who attended the WVPT 50th anniversary event, saying their presence there was both noted and appreciated. Ms. Pippert echoed this sentiment.

Ms. Ross confirmed that station staff would be participating in inclusion and diversity training.

Ms. Blue made a recommendation for inclusion and diversity training for the CPBC and Foundation Boards.

During discussion of financial sustainability and success, Mr. McGaugh asked about professional development training. Staff reported that all departments engage in professional development.

Ms. Tait provided some information regarding the upcoming "Giving Tuesday" on November 27 and shared that its focus would be on raising money for Ready to Learn.

Ms. Tait drew the Board's attention to the letter sent by Mr. Dare to Commonwealth Circle members and the "Powered by Your Dollars" enclosure.

With regard to Sections 4.5 and 4.6 of the Strategic Plan involving building more defined financial oversight within CPBC and possibly hiring a staff member dedicated to reselling content beyond public media, Ms. Tait noted that focus on these items was on hold until the hiring of a new CEO.

In closing, Ms. Tait spoke about the final section of the Strategic Plan: positioning CPBC for the future.

Mr. Davis recommended that the next Strategic Plan update include mention of one success and one challenge in each of the plan's five main sections.

Mr. Stansbury noted the great breadth and depth of the Strategic Plan and asked the staff if they had enough “bandwidth” to accomplish everything. Ms. Tait clarified that there are project managers assigned to the various sections of the plan but admitted that more staff are needed. Ms. Mitchell echoed the need for capacity building.

Mr. Bisceglia requested that the next update on the Strategic Plan include more quantitative data.

Community Station Board and Staff Reports

Mr. Dare called Board members’ attention to the reports included in the Board packet. It was noted that corporate sponsorship is up 27% over this time last fiscal year in billings and 3% over last year in commitments. It was also noted that radio membership is down 3% from last year; Ms. Tait commented that fundraising during the latest radio pledge drive was cut short due to both coverage of Senate hearings and tornado warnings.

Mr. Bisceglia requested an “inventory report” regarding sponsorship spots, particularly corporate sponsorship. What is our capacity on our various radio and television stations, and how close are we to capacity on each one?

Mr. Dare made a motion to attach the WVPT and MHz reports to the minutes. Mr. Stansbury seconded and moved to amend the motion to include only the WVPT document, given the proprietary nature of the MHz document. There were no objections, and the motion passed.

Committee Reports

Mr. Dare spoke about how there has been an effort to increase communication between the CPBC Board and the VFPM Board members. Mr. Redmond reported that both Boards are working to better establish and articulate the roles and operations of their various committees.

Mr. Dare added that the Compensation, Governance, and Nominations Committee has been asked to look into Board training. Ms. Blue reported on the decision to wait on Board training until the arrival of the new CEO. Mr. Krauss added his support to the idea of Board training and encouraged the Board to first assess what sorts of Board education and training may be needed, asking whether this perhaps could be accomplished prior to the arrival of the new CEO.

Mr. Stansbury further encouraged the CPBC and Foundation Boards to work together. Ms. Blue offered to everyone a reminder that “legally we are functionally integrated.”

Finance Committee

Ms. Ross, Chair of the Finance Committee, yielded the floor to Mr. Dankner who noted that the September 2018 books are not yet closed with the exception of the Investments Report. As such, the other reports presented to the Board are for the two months ended August 31, 2018. Mr. Dankner noted that revenues are tracking fairly close to budget with the exception of general contributions.

Mr. Danker clarified that the income granted to the stations through the CPB’s Healthy Network Initiative (\$500,000/year for three years) was not included in the budget proposal for Fiscal Year 2019, given the timing of the notification from CPB. It was confirmed that planned staff hiring had proceeded following receipt of the grant. Following a question from Mr. Bisceglia, Ms. Ross confirmed that a discussion regarding staff hiring had occurred at the time the budget was presented to the Board and that it had been approved along with the rest of the budget requests for FY19.

Mr. Dankner noted that because of the hiring, the company will bear increased healthcare costs. He offered clarification regarding a number of line items in the budget.

After an accounting question from Mr. Bisceglia regarding accrual versus cash-basis accounting, it was clarified that CPBC utilizes a “modified cash basis” version of accounting. Ms. Ross further noted that any such switch to accrual accounting would come at a cost.

Mr. Dankner noted that the budget report is a consolidated statement that includes all stations – not just WCVE as the title suggests. Mr. Bisceglia responded that it would be helpful for the Board to see all of the divisions, not just a conglomeration. Ms. Ross said that they will work to build a “narrative” for the budget.

With regard to the investments account, Mr. Miller stated that the MHZ building in Northern Virginia is up for sale and that there is an interested buyer offering \$2.2 million for the property. He clarified that the building is vacant except for a small amount of equipment belonging to those who rent space on the tower. The MHZ building has a modest net book or carrying value as it is substantially depreciated.

Compensation, Governance, and Nominations Committee

Mr. Redmond, Chair of the Compensation, Governance, and Nominations Committee, reported that the Committee had met on September 25th, directed the Board members’ attention to the Committee schedule included in their packet, and presented the concept of a “rolling agenda.” He encouraged the committees to establish their own rolling agendas and charters.

Mr. Redmond asked the Board for recommendations regarding future Board personnel. Board members discussed the characteristics and qualifications that they would like to see in future Board members including experience and expertise in finance, marketing, and/or human resources, and individuals considered to be “community leaders.” It was agreed that having a Board member with FCC experience would be helpful.

Mr. Dare confirmed that Marlene Jones had resigned from the Board, as was reflected in the minutes from the July meeting, and that Board member Eric Rhoades had since offered his resignation as well.

Mr. Redmond reported that the Committee will be considering and recommending possible changes to the Bylaws regarding the structure of joint committees.

Ad Hoc Committee on Technology and Acquisitions

Mr. McGaugh, Chair of the Ad Hoc Committee on Technology and Acquisitions, reported that the Committee had met on October 3rd and had drafted a charter.

The Capital Expenditure Requests for Fiscal Year 2019 were discussed. The Board was reminded that the staff had been asked to categorize its capital spending requests in terms of impact and urgency. As a result, the money requested for “immediate needs” had been reduced to \$578,488.15. Ms. Kim, Mr. Spiller, Mr. Felton, and Mr. Smith spoke briefly about their departments’ specific requests.

Mr. McGaugh reported that the Committee wished to make a unanimous recommendation to approve the “immediate needs” request put forth by the staff.

Mr. Bisceglia questioned the necessity of funding for line item #13 – a request by TV Production to purchase two additional broadcast cameras with HD lenses, control panels, adaptors, chargers, and cabling at a cost of \$141,062. Mr. Bisceglia raised concerns regarding the depreciation of such equipment and voiced his preference for renting versus purchasing. Discussion ensued, and

it was decided to hold a vote on the remainder of the capital expenditure requests, minus line item #13.

Mr. Davis made a motion to approve the remaining expenditures at a cost of \$437,426.15, which was seconded by Mr. Bisceglia. The motion passed.

Mr. Miller clarified that the timing of this year's budget proposal and approval process is later than usual due to a variety of factors. In a normal year, both the operating budget and capital expenditures budget would have been included in the same proposal, and both would have been presented to the Board either before or at the start of the fiscal year.

Mr. McGaugh reported that the Committee recommends that the Board vote to approve a yearly capital contingency budget of \$75,000 for repairs and other "emergencies." Mr. Bisceglia made a motion that staff be given discretion to spend up to \$50,000 per year without Executive Committee approval and, in addition, be given discretion to spend between \$50,000 and \$100,000 once approval by the Executive Committee is granted. Mr. Krauss provided the second, and the motion passed.

Mr. McGaugh recommended that the Board continue to utilize the GoToMeeting video conferencing tool during its meetings.

The transmitter power maximization request was discussed. The Board was reminded that following the spectrum auction and sale of some television broadcasting capacity, the FCC is requiring a "repack" of stations into different locations on the spectrum and that this will require the purchase of new transmitters. Given that CPBC's licenses allow for higher operating power, the situation presents an opportunity to invest in higher power transmitters and take advantage of subsidies from the FCC to cover part of the cost of the new transmitters. Mr. Stansbury noted that the deadline for federal subsidies is approaching and that a decision regarding the transmitters needs to be made.

Coverage maps comparing current over-the-air viewing areas versus potential over-the-air viewing areas for WCVE, WCVW, and WHTJ were presented and discussed. Ms. Tait further noted that nationally, the percentage of PBS viewers who watch primetime television through broadcast only (25%) is significantly higher than that of all primetime viewers (9%), and that this figure is up from last year (20%). Ms. Tait highlighted the potential for membership/revenue growth that could result from this power increase/expanded footprint. It was clarified that WVPT operates on a different transmitter system and so is not eligible for a power increase.

Staff confirmed that the approximate one-time-only costs to increase power (after FCC subsidies) on each of the transmitters would be as follows, rounded to the nearest thousand:

WCVE: \$435,000
WHTJ: \$340,000
WCVW: \$69,000

Ms. Blue asked for an explanation regarding ATSC 3.0. Mr. Spiller responded that the Advanced Television Systems Committee (ATSC) has laid out new standards for broadcast television intended to provide improved functionality and added benefits for viewers.

Mr. McGaugh presented the Committee's recommendation that the Board vote to approve the power maximization for all three transmitters – WCVE, WHTJ, and WCVW. Discussion ensued. It was clarified that, if approved, a request for the necessary funds would be made to the Foundation. Mr. Redmond voiced support for approving all three of the power maximizations, saying that such increases would help to position the Community Idea Stations for the future.

Mr. Dare requested that the Committee's recommendation be put to a vote. Because the motion came from the Committee no second was needed. By majority vote the Board approved the

same from the Committee, no second was needed. By majority vote, the Board approved the Committee's recommendation to go forward with the power maximizations for all three transmitters.

Executive Session

At 12:40 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 12:40 PM.

Committee Reports (continued)

At 1:12 PM, the Board returned to open session with a declaration from the Chair that no business was conducted during the executive session.

Mr. McGaugh, Chair of the Ad Hoc Committee on Technology and Acquisitions, confirmed that the matter of line item #13 (broadcast cameras) on the Capital Expenditure Requests document would be revisited at the next Board meeting in January 2019.

Mr. Miller provided an update regarding the relocating of WVPT master control from Harrisonburg to Richmond – a project that was discussed and approved at the July Board meeting. Staff is in the process of moving out of the James Madison University property and is on track to complete the move in advance of the March 2019 deadline.

Community Relations and Development Committee

Ms. Martin, Chair of the Community Relations and Development Committee, indicated that the Committee felt its work was going well. This sentiment was echoed by Ms. Tait and Ms. Mitchell. Ms. Martin reported that the Committee had met about a month and a half ago in the newly completed Charlottesville office. She noted that there was an effort in place to expand the reach of Community Engagement into Charlottesville and that the Charlottesville office would serve as a hub.

She reported that the Committee was working to form a Charlottesville advisory committee, establish processes regarding community engagement, and endeavor to reach and connect with the various and diverse markets within the community. Ms. Martin noted the challenge of identifying donors and major issues in the Charlottesville community. Ms. Martin reported that the Committee's next meeting was scheduled for December 3rd in Charlottesville.

Other Business

Building/Board Safety

The Board discussed the issue of safety, both with regard to station facilities and open Board meetings. Mr. Dare shared that he had spoken to a senior member of PBS regarding facilities and safety protocols and practices. Mr. Miller noted that representatives from the Chesterfield County Police Department are evaluating safety and security issues and making recommendations both with regard to the building at 23 Sesame Street and the Arboretum. Mr. Stansbury questioned whether there were special considerations given the high-profile nature of public media. Discussion ensued. It was noted that Mr. Smith and others would be preparing a more formal review and proposal in advance of the January Board meeting.

Hiring Practices

The Board discussed the growth of station staff. Mr. Miller noted that the growth was a result not only of increased funding support but also of increased need. He also clarified that some recent hiring had been done to replace staff who had left. Mr. McGaugh suggested that Human Resources compile a staffing report for the new CEO. Discussion pertaining to the possible merits and purpose of such a report followed.

Rebranding Efforts

Mr. Dare introduced consultant Jake Perez. Mr. Perez reported that the stations were in the midst of the discovery process/brand audit. He noted that he has solicited bids from various market research firms. After identifying the stations' needs and opportunities, the end goal will be to settle on an overarching and unifying brand.

Production

The Board viewed a video provided by Production Committee Chair Steve Humble featuring excerpts from a number of Foundation-funded projects.

New Business

Mr. Davis requested further information about the Charlottesville office. Ms. Mitchell spoke about the office and the signage that would go in the windows. Mr. Smythe mentioned that the office will be open approximately 20 hours per week and that a Community Engagement Coordinator has been hired. It was reiterated that an advisory body in Charlottesville is being established and that there will be efforts to build up the volunteer base there.

With no further business to come before the Board, the Chairman declared the meeting adjourned at 2:05 PM.

Respectfully submitted,

William N. Miller
Secretary to the Board

*Notes recorded by staff member Sarah Yount

Future meetings of the Board are scheduled on January 17, 2019 and April 18, 2019.