

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION

BOARD OF TRUSTEES MEETING

November 13, 2012

Minutes

Present: Joe Strupek - Chairman, Steve Backlund, John Burklund, Bryan Chumbley, John Day, Cindy Fischer, Griffin Hammond, Jerry Herbstreith, Jeff Huberman, Linda Huddle, Jerry Kolb, Allan Mayer, Andrew Rand, Sheldon Shafer, Adam Sloan, Ed Szynaka, Dr. William Tammone, Russ Trowbridge, Chet Tomczyk, Chuck Walker, Peter Wong, and Elwin Basquin and Joe O'Neill, (both via webex). Staff: Bill Baker, Jennie Davis, Mark Lasswell, Linda Miller, Margie Stieghorst and Karen Button (via webex). Two members of the public were also present.

Absent: Wayne Baum, Sal Garza, Mary Ann Knell, Barb Leiter, Nancy Levenick, Tom Spurgeon, Lori Wu

Being notified that a quorum was present, Chairman Strupek called the meeting to order at 4:00 p.m. He then asked for a moment of silence to honor long time Board Member Michel A. McCord who passed away on October 18.

On a happier note, he recognized Trustee Jerry Herbstreith for being recognized as the WTVP Volunteer of the Year for 2012. He also recognized Trustee Sheldon Schafer for winning the Bourland Award for long and meritorious service to WTVP. Both were honored at the recent WTVP Volunteer Recognition Banquet on October 30th.

First order of business was consideration of the minutes from the following meetings: Board of Trustees (9/18/12), Audit Subcommittee (10/31/12), Executive Committee (11/1/12) and the Bylaws Subcommittee (11/2/12). Following a motion by Mr. Herbstreith, seconded by Dr. Day, the minutes were unanimously accepted as presented.

The Treasurer's Report focused on the financial reports from September, 2012. Mr. Kolb mentioned the numbers looked better than they actually were based on receipts from the WARN grant and the Sweetnam Estate. A deeper dive into the numbers showed a positive difference in actual expenditures versus budget but not significant enough to cover the shortage in actual versus anticipated revenue. Cash was tight in September and looks to be more so in the coming month. Following brief discussion, a motion to accept the Treasurer's Report as presented was made by Mr. Rand, seconded by Mr. Burklund, and passed unanimously.

On behalf of the Audit Subcommittee, Mr. Kolb presented the FY 2012 audit. The management letter from CliftonLarsenAllen indicated a clean opinion and noted that the IVPTV/WTVP records and numbers were well kept. Discussion followed about the importance of funding depreciation and the dangerous trail to non-sustainability that could follow if this were not funded in future. Mr. Kolb indicated that a similar

opinion was expressed by the auditor. A motion to accept the FY 2012 audit was made by Mr. Mayer, seconded by Ms. Huddle, and passed unanimously.

Mr. Kolb then reported that the check for \$1,000,020 received from the Sweetnam estate has been deposited into an investment account at Charles Schwab that will be managed by our recently hired financial consultant, Michael Mahoney of Cypress Asset Management. Based on a recommendation from Mr. Mahoney, the Executive Committee amended the Asset Allocation guideline so that the Equities Target is increased to 35% and the Fixed Income Target is reduced to 65%, both with a ± 5 range. Dr. Tammone questioned the inclusion of cash and property investments as Fixed Assets. Mr. Kolb will confer with Mr. Mahoney and report back at the next Executive Committee meeting.

As to the November 1, 2012 Executive Committee meeting, Mr. Strupek reported that the low amount of cash on hand was of concern to the committee. A revolving credit line at PNC is in place, but there is reluctance to draw on it as amounts advanced have to be paid back with interest. It was noted that there is an endowment money market account in place at Better Banks that could offer an alternative. Therefore, to offer WTVP management a short term solution to cash flow problems, Mr. Strupek introduced the following Endowment Reserve Fund Resolution on behalf of the Executive Committee: *It will be the policy of the Board of the Illinois Valley Public Telecommunications Corporation to maintain a money market account in an amount approximately equivalent to the cost of operating WTVP for a thirty day period. This account may, with the approval of the Executive Committee, be accessed by WTVP management to meet short term cash flow problems prior to accessing any other interest bearing line of credit. Funds taken from this special Endowment Reserve Fund must be repaid with 4 months of withdrawal.* After brief discussion, and no second being required because it was proposed by the Executive Committee, the resolution passed unanimously.

Jon Burklund reporting for the Bylaw Subcommittee reported that the group met to review the current constitution and bylaws, recommended several changes, and directed the President to ask Mr. Sahn, the outside attorney working on the bylaw revisions, to discard the current bylaws entirely and to begin anew with a more contemporary template that the Subcommittee could consider. Mr. Burklund indicated that had been done and that a meeting with Mr. Sahn would be scheduled soon. The Subcommittee's goal is to have a working draft for discussion at the January Board meeting.

Reporting for the Building Subcommittee, Dr. Fischer noted that no response has been received from the City of Peoria in reaction to the Board's letter rejecting the deal for ceding the parking lot and other property to the City for development as a public street. She further reported that the Peoria Symphony Orchestra has received funding for remodeling of their space in the WTVP building and hopes to begin construction soon. It is likely that the PSO will request two additional five year extensions to their lease.

Staff reports were then presented and program clips shown by Linda Miller (VP Programming), William Baker (Executive Producer), and Jennifer Davis (Director of Development). The Board was informed of two upcoming fundraising events. The *Evening Inspired by Downton Abbey* will be held on January 5, 2013, and a virtual golf outing will be held on February 4, 2013. Board participation in both events was encouraged.

In the President's report, Mr. Tomczyk noted that the next several weeks would be interesting for public television due to the so-called cliff effect. Federal funding could be significantly affected depending on the course taken by Congress. The two generators funded by the WARN Act are installed and operational. He then presented several draft policies memorializing procedures and guidelines followed in WTVP operations. These policies are mandated by the Corporation for Public Broadcasting as requirements that must be met to receive federal community service grants. He noted that WTVP follows these policies but that it was time for review by the Board. He requested that Trustees read through the drafts and discuss and amend as necessary at the January meeting. He then presented several slides talking about financial trends in the public television industry and mentioned that he was pursuing information about outsourcing several activities, such as a joint master control, as a means of creating more efficiency, lowering depreciation, and working toward long term sustainability.

In his Chairman's remarks, Mr. Strupek noted the large attendance at this meeting and thanked members for their time and attention. He congratulated former Chairman Joe O'Neill and his wife Janet for being selected as Philanthropists of the Year by the Association of Fundraising Professionals, and then wished everyone holiday greetings. Next Board meeting is January 8, 2013.

The meeting adjourned at 5:32 pm.

Respectfully submitted,

Chet Tomczyk
President & CEO