

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION

EXECUTIVE COMMITTEE MEETING

November 20, 2012

Minutes

Present: Chairman Joe Strupek (webex), Jon Burklund, Cindy Fischer, Jerry Kolb, Andrew Rand, William Tammone, Chuck Walker, Chet Tomczyk. Staff: Karen Button (webex), Margie Stieghorst, William Baker

Absent: Wayne Baum, Nancy Levenick, Joe O'Neill

A quorum being present, Chairman Strupek convened the meeting at 7:32 am, and requested that the order of the agenda be amended to discuss the satellite upgrade issue first.

Mr. Baker presented financial information showing the business that already been lost this fiscal year due to a lack of HD capacity, the amount of business that might be gained, and cost of making the upgrade. He estimated that minimally about \$96,000 would be needed out of a total cost of about \$120,000. The remaining items would be added over the next several years and charged back to Maintenance. Significant and lengthy discussion ensued concerning the wisdom of staying in the satellite business, the need for increased outside revenue because of the nebulous state of federal funding, and how such an upgrade would be funded. There was agreement ultimately that the revenue stream needed to be maintained and increased, and to do that would require that the satellite uplink equipment be upgraded. A motion to transfer the 7% allocation of endowment funds to the Operations account, as allowed by the Endowment policy, and that such funds be used to upgrade the satellite ruck to HD was made by Mr. Burklund, seconded by Mr. Rand, and passed unanimously.

The October 2012 financial statements were then presented by Mr. Kolb and Ms. Button. Reporting prepaid items such as WTVP Travels and the CPB Community Service Grants has a tendency to skew monthly totals and give inaccurate picture of the corporation's true financial status. Both Mr. Kolb and Ms. Button worked diligently on this prior to the meeting and will now report revenue when it is received. The October report does this. As to the numbers, there was a revenue shortfall for the month that was offset by lower than budgeted expenditures, resulting in performance very close to what was budgeted. After brief discussion and clarifying questions, a motion to accept the report as presented was made by Mr. Rand, seconded by Dr. Fischer, and passed unanimously.

Mr. Kolb addressed the issue of whether property and cash are rightfully included as "fixed assets" in the Endowment, as was raised in the November 13, 2012 BOT meeting by Dr. Tammone. Mr. Kolb reported that our investment advisor was queried and responded in the negative. Some of the cash was being held for the short term for transfer to Operations if so directed, and the rest is still being appropriately invested since the account was transferred to the Investment Advisor less than two months ago.

Mr. Tomczyk reported on the Federal Communications Commission's Notice of Proposed Rulemaking and their intent to auction off significant amounts of broadcast spectrum for broadband use. This could

ultimately require WTVP to be moved to a lower channel and face significant transitional costs. These will likely be paid for by the federal government with proceeds from a spectrum auction. We should know more later in the fiscal year.

Finally, the Executive Committee decided *viva voce* to cancel their January 15, 2013 and March 19, 2013 meetings as they were so close to the Board of Trustees meetings in those months.

The meeting adjourned at 8:55 am.

Respectfully submitted,

Chet Tomczyk

President & CEO