

ARIZONA PUBLIC MEDIA®



PBS



COMMUNITY ADVISORY BOARD

Thursday, July 21, 2022

Zoom

MEETING MINUTES

CAB: Steven Eddy, Hope Hennessey, Ed Frisch, Jodi Bain, Ted Borek, Ron Carsten, Mary Ann Dobras, Lynne Wood Dusenberry, Joyce Finkelstein, Nicola Finley, Frank Hamilton, John Hildebrand, Joseph Howell, Laura Todd Johnson, Lynn Nadel, Christina Noz, Lauren Ortega, John Pedicone, Jill Perrella, Susan Tarrence

Absent: Todd Hanley, Alejandro Higuera, Hassan Hijazi, Sylvia Lett, Paul Lindsey, Rose Lopez, Hank Peck, Patrick Robles, Minna Shah, Magdalena Verdugo

Emeritus Members: Betsy Bolding, Judith Brown, Dan Cavanagh, Jim Murphy, Simon Rosenblatt

Guest: Andrew Brown, AZPM Content Manager

AZPM Staff: Jack Gibson, Kimberly Heath, Ian MacSpadden, Gene Robinson, Enrique Aldana, Mary Paul

I. Call to Order, Welcome and Introductions

Chair Steven Eddy called the meeting to order at 12:01p, welcomed attendees, introduced new CAB member Joseph Howell and AZPM's Andrew Brown.

II. Meet an AZPM Employee

AZPM's Content Manager, Andrew Brown, gave a summary of his background, described his role at AZPM, spoke briefly about current projects, and answered questions.

III. Summer Sizzle Reel

The summer sizzle reel video was shown.

IV. Consent Agenda

The minutes of the May 12, 2022 meeting were presented and declared approved as written by unanimous consent.

V. Management Report – Jack Gibson

Audience Development – 4Q FY2022

- Weekly cume (unduplicated audiences) in both full week and prime time was up on *PBS 6*. Viewership (Gross Rating Points) was also up significantly, especially in prime time.
- Passport continues to be AZPM's growth leader. Passport-only titles are being added to the library constantly; rights for some titles are available for streaming only.
- *NPR 89.1* showed a slight decline in weekly cume, but time spent listening (TSL) is holding well, especially among younger listeners.
- *Classical 90.5* is down in unduplicated audience, but up in TSL. It is gratifying to see growth in younger listeners.
- Hearings of the U.S. House Select Committee on the January 6 Attacks continue to air on KUAT-AM 1550, on *PBS 6 PLUS*, and on the AZPM website. Airing on the main channel is difficult because of time difference in the summer.
- *Tapped* launched on July 18; new episodes are available Mondays.

Community Engagement – Gene Robinson, Chief Operating Officer

- AZPM hosted a screening of *Downton Abbey: A New Era* on Sunday, May 22 at Galaxy Theatres on Houghton Road. Approximately 90 AZPM members attended.
- Educational Outreach Coordinator Cheryl Gerken worked with UA Digital Learning and Biosphere 2 to launch a virtual field trip to the Biosphere 2 Rainforest. The field trip, teacher resources, and student resources are located on education.azpm.org/biosphere2/.
- Several CAB and community members recorded *Get Out the Vote* television spots. More spots are scheduled to be recorded next week.
- Community events around the premiere of Ken Burns' *The U.S. and the Holocaust* are being planned for Green Valley, Saddlebrooke, and Tucson.
- Yamiche Alcindor, host of PBS' *Washington Week* is the recipient of the 2022 Zenger Award for Press Freedom presented by the University of Arizona School of Journalism. She will be honored at a dinner November 19.

Financial Sustainability – Kimberly Heath, Chief Financial Officer

- The fiscal year runs July 1 to June 30. The FY22 recap will be reported at the September CAB meeting.
- The audit process begins October 3.

Financial Sustainability – Enrique Aldana, Development Director

- Fundraising campaigns on TV, Radio, and mail raised more than \$200,000.
- The first pledge campaign of the new fiscal year launches August 13 on *PBS 6*.

Organizational Advancement – Jack Gibson, Chief Executive Officer

- Recruitment remains a top priority. 20 new or replacement positions over the fiscal year are planned. Current open positions focus on news and content. Near-future needs include Community Outreach/Events positions. Retirements over the last couple of years have created openings.
- AZPM joined the National Educational Telecommunications Association (NETA) to provide professional development opportunities to staff at every level. Benefits of membership include access to a virtual library, in-person training opportunities, and mentorship.

Technology – Ian Macspadden, Chief Technology Officer

- The State's insurance adjuster and engineer inspected the Mt. Bigelow transmitter today. The goal is to replace the primary transmitter and install a backup transmitter to sustain operations until the new main transmitter can be installed. The smaller unit can't provide full power but can function as a stopgap and can later be repurposed as a translator.
- Due diligence has been done on the new FM license in Safford. Now the focus is on identifying a suitable site. The University leases the land on which the Mt. Graham observatory is located from the U.S. Forest Service; a lease expansion is under consideration.
- Good news on the Tumamoc Hill site cleanup: Tucson Unified School District has vacated its last site. UArizona, AZPM, and TEP will partner to remove old research sites, a defunct observatory, power poles, cables, etc.
- AZPM is considering partnerships with Univision and PEARL Group to host their channels on ATSC 3.0.
- The new VR set is being used for the television fundraising campaign and Hollywood at Home.

VI. Old Business

New Facility Construction Project Update – Jack Gibson, Chief Executive Officer

- Design work continues. Floor plans/layout are nearing completion. The entire third floor will be enclosed, adding 6,300 sf to the building, and creating space for future expansion or to develop for rental. Mechanical, electrical, plumbing, and systems integration design is in progress. Staff have been involved in the planning process and have provided valuable end-user feedback.

Capital Campaign Update – Lynne Wood Dusenberry, John Pedicone

- The Capital Campaign is still in the quiet phase. The total campaign goal is \$65M; more than \$40M has been secured or pledged to date. The campaign will follow the pyramid approach; a broad base of community support will be necessary for the campaign to succeed.
- Capital gifts are not the same as annual operating gifts; both are critical.
- CAB members are invited to attend two informational Zoom meetings.
- Jack Gibson gave a shoutout to Bruce Dusenberry; his help with this effort has been outstanding.
- Lynne Wood Dusenberry thanked all CAB members who have already given. The committee will follow up with the rest of the board members. It is essential to have 100% board commitment. Jack Gibson added that a gift to the campaign is payable over 5 years.

VII. New Business

FY23 Meeting Schedule – Ed Frisch, Secretary

- Four of the FY23 meetings will take place on Zoom and two in-person. Several in-person social events are being planned. The schedule indicates the agenda. In developing meeting agendas, the Executive Committee does consider CAB member ideas submitted via the post-meeting surveys.
- Steven Eddy reported hearing that many members prefer in-person meetings; however, the challenges of putting together in-person meetings taxes staff resources.

Financials: The Deep Dive – Kimberly Heath, Chief Financial Officer

- Different types of funds have different rules/restrictions on how they can be spent.
 - Operating funds pay for recurring expenses, such as personnel, operations, and NPR/PBS dues and programming fees.
 - Revenue for the operating fund comes from Membership, Major Gifts, Capital Gifts, general appropriation from the State/UA Arizona, the Corporation for Public Broadcasting Community Service Grant, and corporate support.
 - Capital funds go toward facility construction and equipment purchase and repair.
 - All revenue is classified as either restricted or unrestricted. Restricted funds are available for operations but limited by donors for specific purposes.
 - The difference between recurring and nonrecurring gifts was explained.
 - Day-to-day operations expenses are funded by recurring funds.
 - Capital purchases are funded by one-time funds.
- FY23 Budget
 - The major gifts, membership, and corporate support revenue budget was reduced by 5% against last year in anticipation of the capital campaign and the softening economy.
 - Personnel is the largest expense line. A salary increase program was implemented on July 1 that made good progress toward improving compensation overall.
 - Recurring revenue should cover recurring expenses.
 - Non-recurring revenue (program gifts, insurance, endowment interest, fund balance) covers remaining capital and program expenses.
 - PBS/NPR dues include membership dues and the cost of programs.
- Revenue Trends
 - Individual giving (membership) is the largest revenue source. A significant jump in 2019 was because of a large bequest (a one-time gift). Revenue in 2021 showed an increase as well, reflecting a large bequest and possibly changes in spending habits during the pandemic.
 - The University's allocation has been declining steadily since 2014 but appears to be leveling off. Production Services and other revenue sources are fairly stable. The spike shown in the graph illustrates why planned gifts cannot be used to fund salary increases or operations expenses.
- Top Priority Strategic Needs
 - The five-year (FY23-28) forecast for capital expenditures exceeds \$71M.
- Fund Balance
 - The fund balance is similar to a savings account; funds are to be used only if necessary and for specific one-time needs, including strategic investments, large-scale repairs and replacements, and unexpected emergency expenditures. The fund balance also provides a 6-month cash reserve to cover revenue timing.
 - Simon Rosenblatt assumes the fund balance is managed by the University of Arizona Foundation (UAF) and asked whether AZPM receives a return on what they hold. The fund is actually split between the University and UAF with the University holding the majority; AZPM receives a return on endowment investments but not on cash.
 - Steven Eddy commented that AZPM was told University/state support would decline steadily. There was a commitment to "stop the bleeding" several years ago; the decrease appears to have leveled off. Kimberly Heath replied that tuition and enrollment is up, so the University is not making cuts as big as they expected to during COVID. She expects things to level off since the University's finances are looking good. Jack Gibson added that

AZPM is a unit of a very big institution; if they run into trouble, it rolls downhill. AZPM needs to work to anticipate and offset possible further cuts from state and federal sources. If the bulk of operations expenses can be funded with major and annual membership gifts, AZPM will be in a really good place. Both Kimberly Heath and Jack Gibson are extremely conservative fiscal stewards, especially with respect to expenditures and timing; they consider expenditures from the donor perspective and don't spend money that isn't there.

- Jim Murphy asked about interest on funds. Donations go to the Foundation, which in turn charges an administration fee of 6% on any gift more than \$1,000. That fee is not imposed on individual gifts under \$1,000. That said, the UAF covers the salaries of two development staff members and processes estate gifts, which saves AZPM a considerable amount in legal fees. The amount AZPM pays to PBS and NPR is based on local support received; the more local support, the higher the dues. PBS and NPR dues will increase over the next couple of years. However, the CPB community service grant considers non-federal support and bases its grant on dollars raised from the community.
 - Trying to work around the Foundation's policy doesn't make sense. Jack Gibson does see the value the UAF provides. UAF only imposes its fee on the first \$2.5M of larger gifts. For individual donors who give above \$25M in cumulative gifts, fees for subsequent donations are waived. John Pedicone opined that 6% is actually a fair rate and a good bargain.
 - Steven Eddy thanked Kimberly Heath for this deep dive; it was helpful in a number of ways.

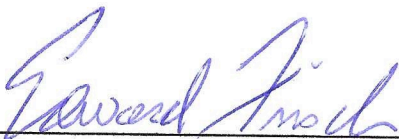
IX. Announcements

- Mary Paul has been promoted to Administrative Services Manager.
- The change of CAB leadership is effective at the September meeting.
- Changes to the meeting format are under consideration. Hope Hennessey commented that the thinking is that there are always ways to improve and lighten the load of the staff. She welcomes input as to how CAB members can take on more responsibility.

X. Other Business

- Steven Eddy called for any additional business from the floor. None was offered.
- The next CAB meeting will be held via Zoom on Thursday, September 15, 2022. Steven Eddy reminded members to complete the meeting evaluation, thanked them for attending, and declared the meeting adjourned at 1:29p.

Signed this 15th day of September, 2022:



Edward Frisch, Secretary