

**Board of Directors
Meeting Minutes
November 10, 2017 | Shared Spaces; Midland, TX | Noon**

Board in attendance: Jim Byerlotzer, Liz Rogers, Steph Steele (phone), Cory Van Dyke (phone), Bill Dingus (phone), Woody Leverett, Barbara Love (phone), Royce Mitchell,
Other in attendance: Elise Pepple, Sara Melancon, Ernie Sanchez

The meeting was called to order at 12:06 PM.

Jim started with an introduction of Deirdre Hisler, who wasn't present. Liz moved to accept her as a member, Ginger seconded, all were in favor.

Elise took over with the GM report and introduction of Ernie Sanchez, the station's FCC attorney. She presented a slideshow about the past few months of activities.

Ernie spoke about how proud he was of the station he's been representing for a decade. Ernie explained the effort to defund public broadcasting was stalled; and that congress members who continue to support the effort know they're funding small stations. Ernie said he does not believe defunding is a priority, but CPB is not keeping up with inflation and will most likely not continue to fund more. CPB increasingly aware that rural stations rely far more on donor dollars than large city stations.

Ernie then spoke to the FCC. Trump appointed 5 new people who already worked in the FCC. No big changes overall, except a chairman who actually listens to radio. FCC is trying to improve: online public files, main station waivers.

Lastly, FCC has been concerned with lack of spectrum for wireless services. They proposed to act as broker for spectrum being sold from TV stations to large phone carriers. CPB didn't think it would happen, so they didn't get repaid for money that was granted after stations sold their spectrum. Stations also expecting bigger payouts and would be getting the lion's share of federal funding.

Bill asked Ernie if radio stations could get more money as a result of this, and Ernie said it was a possibility, and maybe a good time for small stations to take lead on asking. Jim asked if Ernie was aware of any part of NPR National to make an argument for more money. Ernie said CPB is conflicted because many stations are owned by entities that also own TV stations, and CPB is not eager to give more money to TV. Ernie said MPR/NPR should see if they can insert themselves into future conversations.

Jim moved to reviewing minutes. Liz moved to approve the minutes, Woody seconded.

Royce discussed financials. Looks like MPR is doing better, but actually about 5K behind on revenue, but also 30K underspent on expenses. We are 7 or 8K better off than last year, primarily

from reduced expenses. Substantially behind on revenue, particularly in underwriting. And projected budget for underwriting and membership were stretch goals, but doing well.

Al asked Royce what the discrepancy in revenue was. Royce explained that sometimes CPB grant comes within the year and other times, it comes in January of the following year. We should ignore the CPB \$180K issue, it's not an accurate indication of progress. Royce said we have made progress on many key items that we focused on in making the 2017 budget.

Elise explained we increased the total budget by about \$100,000 outside of CPB money. Jim explained the 2017 took into account the possibility of losing CPB funding in the political climate of the time.

Jim asked Royce why there was a reduction in fixed assets. There was a 127K decrease in fixed assets. Jim asked Elise to check with Melanie and let the board know what that decrease was about.

Elise started with her GM report.

In the dash report, everything was relatively static. Elise said that means she believes there is a lot of room for growth. One place MPR grew significantly was Instagram with the purchase of a bot. Al asked what the decrease in web sessions came from and Elise told him it was because of Travis Bubenik leaving, and not having someone to maintain the website and engage so closely.

Elise then presented the Nielsen ratings, showing KXWT placed 16th. Jim asked why KRTS didn't place and asked if the report included streaming?

Sara gave a presentation about the membership drive and explained the numbers breakdown then discussed the difference between sustaining and one-time donors.

Royce asked why the average donor is 3 times bigger in KXWT than KRTS. Liz and Elise said KRTS donors are smaller donors, and the KXWT market has far more major donors. Then he said that programs that sound unbiased hurt us in the Basin. Jim said people hear one thing they don't like, then they're done. Elise said we can address that in our marketing and branding. Liz said she likes to underline the local reporting.

Elise reviewed donor data by geographic location. No surprising information.

Underwriting was reviewed. MPR was still short, but that shows room for growth. 10% of MPR's revenue is underwriting, but at other stations it's 30 - 50%.

Then Elise reviewed the grant report and listed the foundations the station is waiting to hear from. Ginger asked if Christine was writing grants for us still. Elise said yes, part time. Elise said that she thought having Christine was beneficial. Then Elise presented a few foundations the station was looking at applying for in the coming year.

Jim said that Evan Smith of the Texas Tribune offered to do a 50/50 split for a reporter in the Permian Basin. Elise said we also applied for two Report for America reporters. Other foundations: Ford, Knight, and Gates all could be “big hitters” who all fund journalism projects. Lee Anna recommended the JC Ferguson Foundation in Ector County.

Next, Elise reviewed the programming, engineering, West Texas Talk and editorial reports. Jim asked if Elise would discuss staffing. Woody asked about the dead air problem and Elise explained Ian’s report more in detail.

Jim asked Elise about the engineering report. Elise ran the numbers that John proposed by Neil. Elise said John’s projections were high, and that there were no next steps.

Then the board moved to the Presidio and Alpine tower issues. Al began with the Alpine tower issue. He met with Big Bend telephone. He said it looked like they didn’t have any space, but they needed to do an inventory. BBT said they may build another tower and rent space on that. Al reviewed the existing lease, as well as Bonnie’s notes. Al made sure the station was preserving its assets and since they hadn’t legally broken contract, believes MPR should stay on the current tower with a great deal. Martin hasn’t filed a suit. In summation, he thinks MPR has a good deal and should keep their spot on the Alpine tower. Al said Bonnie thinks we have a leg to stand on. We may have court fees at the worst, but Bonnie doesn’t think we would lose.

Bill recommends we pay in full for the next year. Ernie asked if there was a backup, and said the FCC would provide a backup/new site to ensure we stay on air.

In summary, Jim says we continue to do what we do. Liz said she’ll run into Bart this weekend and ask him what’s going on. Royce said it offends him to pay Martin for his bad behavior. Bill said it seems prudent to pay outright that way if a payment is missed in the future, there will be some padding. Board will think on it and revisit at next meeting, closer to the March 2018 renewal date.

Presidio Tower:

Ernie asked Elise to present the issue from her perspective. The license is oversized relative to the station’s scale. It seems like the best option is to move to a lower power license

The FCC made a determination that Presidio needed a station and prior to the auction, made the decision that the tower needed to be large to serve a large rural area. We had nothing to do with creating the technical parameters. Once we had it, we realized how expensive it would be to build and maintain. We proposed a reduction in power, and FCC said they wanted a higher power station, and reluctantly agreed to scale back some. Ernie said the height of a tower and availability of a tower were concerns, the cost if a transmitter, the cost of electricity. We’re caught between wanting to be economical and serving as much of the population that we can It’s definitely more expensive than anticipated. American Tower has a tower that we could buy for \$1200 - \$1300 month. Doesn’t have to be a long term lease. It’s an interim possible approach. Options are also limited since we are

so close to the border - any change in station has to be communicated with the Mexican government and they don't ever respond. The FCC, in turn, has given the go ahead to hundreds of stations to continue airing. This means in the future, the Mexican government can raise an objection. The main Marfa station falls under this. Ernie doesn't think this risk is particularly high.

Bill asked if we were obligated to serve the area and Ernie said no. Bill asked with "12 listeners a day," do we even continue putting effort in?

Ernie says we could abandon, sell, or return to the FCC to ask. Jim said people were really interested in this: broadcasting into Mexico and doing some Spanish language programming.

We have 2 years left, but Ernie said we could seek to get the "clock stopped" - not an extension.

With the current license, there's too much power to use the old wind turbine tower.

Ernie said, in summary, MPR can try to stop the clock, and no response from Mexico means we could stall totally. Secondly, he doesn't see harm in approaching FCC again for lower power, lower cost option. Royce said the question is: suppose you make the tower; what's the payback? Ginger said there's the potential for grant money. Elise said we like it because it's a part of the mission, but what do we want to throw energy at in 2018 in terms of strategic planning? There are definitely some questions to think about. Royce asked what would pay greater dividends: investing in Midland/Odessa or taking on this tower? Bill chimed in and agreed that efforts could be better focused on bettering KXWT. Jim said this was a purely altruistic venture and is now more expensive than anticipated. If we want to get funding, we need to tell economic development people. Al said he doesn't think we shouldn't do it, but we should think about the stress on the staff. Ernie recommended MPR asking the FCC for a lower power. Ginger asked what the timeline would be, and Ernie said ASAP - that way if we decide to sell, the license will be more valuable. Jim ended with asking that we develop an estimated cost of a lower power station to present to the Economic Development people.

Then Elise moved us to New Business.

She wanted to note that there was an outline of another station's board roles and responsibilities as a continuing education material. We are no longer a starter station, and it's time to clarify roles for all.

Elise would like to see the creation real committees, and for the committees to have goals. She talked about the potential for "friendraising" and goals for reaching beyond our broadcast ranges.

Jim asked all board members to send comments on the board roles and responsibility and reconvene on that at the end of the year.

Jim said he, Steph Steele, and Jessica have come up with a list of people to participate in the strategic planning event on February 2, 2018. In this session, the group will touch on growth and a 5-year plan, milestones, measuring success, and coming up with action items. Ginger asked where this would take place. Jim said possibly the Brite Building or El Cosmico; Steph coordinating.

Jim asked Elise to talk about the 2018 budget. Elise will meet with Melanie and Royce; it is a priority in the next few weeks. One major thing that dovetails into budget and development is looking at staff structuring.

Less money on payroll this year than in years past, even with more employees. There have been numerous challenges, particularly with engineering and the split between engineering and operations.

Then, Ginger asked if Elise would be using the staffing chart for the upcoming budget and Elise said yes.

Liz said she liked the idea of a fellowship as opposed to the multiple internships. Jim expressed concern that we will lose reporting with less people. Sara said the money we would save would allow us to put more toward freelancers.

Then Jim asked how we increase the KXWT footprint in Midland and Odessa. He recommended billboards and newspaper advertising and asked for suggestions. Al said if we could afford an ad or branding agency, we should do that. Lee Anna said we should tap into places where there's no satellite radio. Elise said we need to tap social media better. Lee Anna also recommended CVA Agency and Jim asked if Milkshake Media did ad campaigns? Elise also said partnering with other existing groups in the Basin to tap into their networks. Ernie suggested using a UTPB professor or something. Liz asked who people/young people/mover and shakers in the Basin were and how do we know what they enjoy?

Jim asked if there was any new business? Ernie commented that the emerging issues with CPB, it's so important to be represented at the meetings where these conversations happen. He knows it's hard, but it's important.

Jim thanked him.

Executive session commenced at 2:36 PM.