

MINUTES

WRKF BOARD OF DIRECTORS MEETING

February 3, 2016

Offices of Southern Strategy Group

Members of the board in attendance: Rodney Braxton, J. Cullens, Jim Brandt, Janet Olson, Mary Kay Carleton, Luke "Joe" Coulson, Rodd Naquin, Lance Porter, Dustin Puryear, Jenee Slocum, Mary Ann Sternberg, Cyril Vetter, Stafford Wood

Also in attendance: David Gordon, Latricia Huston, Barbara Clark and Bo Hoover

Chairman Braxton called the meeting to order at 5:11 p.m.

APPROVAL OF MINUTES

It was moved by Secretary Brandt and seconded by Jenee Slocum that the minutes of the December 2, 2015 be approved.

CONSULTING ENGINEER BO HOOVER RE. TRANSMITTER REPLACEMENT

Bo Hoover presented information about the station's transmitter. A 1991 model transmitter, it has been well maintained. Average useful life of these is 15-20 years, this one is 25. While it shows no sign of immediate failure, the danger exists that 1) the manufacturer would go out of business, making replacement parts difficult to source and 2) that it may require immediate service or replacement from now through the next three to four years.

Mary Ann Sternberg asked whether this is the type of equipment that will increase—or decrease—in price if we wait to replace it. Bo responded that this is a niche product, which unlike consumer electronics typically increases in price two to three percent per year.

Bo said the "all-in" price for replacing the transmitter with HD is ± \$140,000.

Rodd Naquin asked whether it would be possible to sell the old one; Bo responded it could bring \$2,500-\$5,000 as parts/salvage or to a South American station. Bo recommended instead keeping the transmitter as a backup.

Jim Brandt inquired about financing terms, Bo replied there are a couple of leasing companies and traditional bank loans may be used.

Rodney asked for Bo's best estimate on how long the transmitter would continue to operate. Bo replied maybe two years but if it fails then the station can no longer broadcast. Bo said he would investigate leasing arrangements and that he looks at it as an immediate problem.

Rodney agreed, said he wanted to know the options on equipment and terms.

David agreed, noted we must decide whether to incorporate HD now or later, to go digital from the start or buy analog that can be converted to digital/HD.

Rodney said we have to figure out how to raise funds.

Bo said there's no federal mandate for radio to convert to broadcast digital/ HD signal as there was for television stations. But most new cars have HD and its current market penetration is 20%. There's an option to get lower priced HD-Ready equipment. Buying full HD equipment at the start, however, would yield cost savings over upgrading HD-ready transmitter.

Rodney asked why is the current HD system so unreliable, Bo blamed the bidding system yielded inferior materials and installation, which he did not work on. David Gordon noted that this process predated his arrival at the station.

Mary Ann asked how much less it would be to do HD from the start vs. upgrading later. Bo responded The all in price for the HD-ready plus the upgrade is \$180,000, \$40,000 more.

Bo further noted buying Analog-only is 10 to 12% less than HD-ready and he wouldn't recommend analog-only.

David raised the point that there has been little consumer demand for HD.

Bo mentioned HD carries a collateral benefit of transporting Metadata such as song titles and station logo.

Jenee stated it's a \$15,000 difference to buy HD-Ready

Jay Cullens asked whether we could borrow LSU's if we move there; Bo responded no.

Rodney stated a need to form a capital committee.

David asked, and Cyril Vetter agreed to chair the committee to work with David and Bo. Dustin volunteered to join as well.

Janet Olson asked Bo whether he thought market penetration would increase, Bo replied there's a benefit to stations of providing 2 additional broadcast "channels" for other formats

Cyril Vetter said it's important to consider the impact of Spotify and other online listening platforms.

Estimates for Transmitter Replacement:

All in price for the HD-ready plus the upgrade:	\$180,000
HD ready without upgrade	\$140,000
Analog, not upgradable to digital:	\$125,000

FOUNDERS LUNCHEON 2016

David said Cokie Roberts has agreed to speak at no charge, station pays only travel expenses and Crowne Plaza is locked in for September 20, 2016.

Dustin Puryear said his wife is the convention manager at the Hilton if we wanted another quote.

Forming the 2016 Event Committee, Rodney Braxton agreed to serve as interim chair and Jim Brandt as member.

TREASURER'S REPORT. DECEMBER 2015 FINANCIAL REPORT

Janet Olson commended David and staff for its hard work to end up \$40,000 cash positive for 2015. She said David's negotiating with NPR and other content providers played a large role.

The Finance Committee plans to meet once per quarter to put in place checks and balances, to add titles of WRKF board officers to the investment account and to reevaluate investment allocation.

FINANCE COMMITTEE REPORT. FY 2016 OPERATING BUDGET-

David reviewed the budget, said no plan for surplus; planned to continue to refine the approach to the membership program and to keep down expenses. Said staffing is stable at status quo.

It was moved by Janet Olson and seconded by Jenee Slocum to approve the 2016 budget as previously circulated. Rodney asked for comments, there being none called for a vote; all were in favor to approve.

SUSTAINER PROGRAM STATUS UPDATE

Stafford Wood said it seems Membership has lost some "impulse buyers" seeking on air recognition and swag. Recommended letters to those who didn't respond to on-air sustainer pitches. Recommended Facebook and website mentions for the purpose of reclaiming the "cheap seats donors".

Proposed a new "Cheap Seats" Committee. Had been in contact but not yet spoken to station fundraising consultant Valerie Arganbright.

David mentioned there's a plan in place which incorporates many of these ideas and that Valerie Arganbright will attend the next board meeting.

Cyril asked whether a programming change was influencing on air drive performance. David responded no, not apparently, that he was digging into data with Valerie.

David said there is a need to communicate to sustainers they can receive a premium. Dustin said many organizations he contributes to send drip campaigns and that he welcomed nurture campaigns.

Latricia Huston said there are regular ongoing communications with members and Dustin receives individual communications instead.

ADJOURNMENT

There being no other business to come before the board and upon a motion duly made and seconded, the meeting was adjourned at approximately 6:15 pm.

NEXT MEETING: March 23, 2016