



## Educational Communications Board

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### **EDUCATIONAL COMMUNICATIONS BOARD MEETING**

**ECB Board Room**

**3319 West Beltline Highway**

**Madison, Wisconsin**

**May 3, 2019**

**9:30 A.M.**

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#### MINUTES

#### Roll Call and Introductions

Board Chair Dr. Rolf Wegenke called the meeting of the Educational Communications Board to order at 9:30 A.M. In lieu of a roll call of Board Member attendance, Dr. Wegenke asked board members to introduce themselves for the benefit of new members. The complete attendance list follows:

Board Members Present:

- Representative Dave Considine
- Ron Dunlop
- David Hutchison
- Kurt Kiefer (DPI Superintendent Carolyn Stanford Taylor designee)
- Heather LaRoi (UW System President Ray Cross designee)
- Eileen Littig
- Senator Luther Olsen
- Chris Patton (DOA Secretary Joel Brennan designee)
- Karen Schroeder
- Representative Pat Snyder
- Rolf Wegenke, Ph.D., Chair
- Jim Zylstra (WTCS President Morna Foy designee), Vice-Chair

Absent:

- Jose Delgado
- Bohdan Zachary
- Senator Fred Risser



## **Approval of Minutes from the February 1, 2019 ECB Board Meeting**

Eileen Littig moved, seconded by Jim Zylstra, to approve the October 12, 2018 meeting minutes. The motion carried by unanimous voice vote.

### **AGENDA ITEM 1. Report of the Board Chair**

Dr. Wegenke promised to be brief and reported that the agency's transition to a new executive director has continued to proceed smoothly. Dr. Wegenke noted that ECB's budget will be in front of the Joint Committee on Finance during the next week and he commended the new Executive Director and agency staff for their work in the budget development.

Dr. Wegenke continued his report by welcoming new members of the ECB Board of Directors. Dr. Wegenke noted that members of the ECB Board of Directors represent a diverse group of government and private sector agencies who are all working to support education, and reminded board members that "Education" is the first name of the agency.

There were no questions or comments regarding the Board Chair report.

### **AGENDA ITEM 2. Report of the Executive Director**

Dr. Wegenke reminded board members that a copy of the Executive Director's report was provided in advance of today's meeting, and this is an opportunity for board members to ask follow up questions. Dr. Wegenke introduced ECB Executive Director Marta Bechtol.

Ms. Bechtol began her report by providing an update on the Federal Budget. Ms. Bechtol reported that she attended the "Public Media Summit" in Washington D.C. along with Gene Purcell from Wisconsin Public Media and Jeanette Roberts from the Friends of Wisconsin Public Television to visit Wisconsin's senators and representatives on behalf of America's Public Television Stations (APTS) and the Corporation for Public Broadcasting (CPB). Ms. Bechtol reminded the Board that Federal funding is about 10% of ECB's annual operating budget.

Ms. Bechtol went on to report that CPB is requesting a \$50 million increase (\$495 million total) to its two-year advance funding in FY 2022. This would represent the first increase in CPB funding in 10 years. Ms. Bechtol added that CPB is also requesting a continuing appropriation for the broadcast interconnect of \$20 million. A small \$3 million increase for Ready to Learn is being requested through the Education budget. Ms. Bechtol reported the funding bill has been marked up and will be voted on in the near future.

Ms. Bechtol reported that "Wisconsin Public Media Advocacy Day" took place on April 24<sup>th</sup>. Advocates and public media supporters visited legislators to express support for state funding for Wisconsin public broadcasting and the services provided by the ECB. Ms. Bechtol added



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that she and Gene Purcell have met separately with legislators including members of the Joint Finance Committee, to discuss the ECB budget request. Ms. Bechtol reported that they were well received by the legislators and she was impressed by their interest in the agency's budget and activities.

Eileen Littig inquired about the ECB budget request, specifically the additional funding for education. Ms. Bechtol responded that ECB's original budget request included about \$500,000 to fund four positions and project funding related to K-12 educational services. Ms. Bechtol reported that Governor Evers' budget changed that figure to \$230,000 which would cover the project funding but no new positions.

Dave Hutchison asked if board members could be provided with notice of Joint Finance Committee public hearings. Dr. Wegenke responded that public hearings have already taken place for the current budget but he thinks it would be a good idea for public hearing dates to be communicated to board members in the future.

Ms. Bechtol continued her report by introducing Peter Dally who had been appointed ECB Deputy Director. Mr. Dally greeted the Board and briefly reviewed his previous experiences in the State and educational settings. Prior to joining the ECB, Mr. Dally had served as the Director of the Wisconsin School of the Blind and Visually Impaired and has over 18 years of experience as an educator and administrator in the Madison Metropolitan School District.

Ms. Bechtol went on to report on agency activities related to the ECB Strategic Plan. Ms. Bechtol added that she will make this a regular part of her quarterly reports to Board. Ms. Bechtol directed board members to the Engineering Division report as an example of the agency's strategic directive to "Strengthen the impact, reach and performance of the ECB to better serve all of the citizens of Wisconsin while recognizing and striving to serve an increasingly diverse population". Ms. Bechtol reported that ECB has partnered with the University of Wisconsin Madison to place sensors on the Park Falls tower to measure atmospheric conditions. The Chequamegon Heterogeneous Ecosystem Energy-balance Study Enabled by a High-density Extensive Array of Detectors (CHEESEHEAD) project uses sensors to measure humidity, temperature, carbon dioxide and methane. Ms. Bechtol added that Park Falls and Butternut Schools are using the project to facilitate student scientist educational activities. Ms. Bechtol noted that ECB's cooperation in this project is an excellent example of ECB's ability to serve a diverse population in support of education, far beyond the broadcast mission of ECB.

In relation to the directive of "Assure the responsible use of resources to carry out the work of the ECB", Ms. Bechtol noted in the Financial Report that ECB has realized substantial savings in utility and broadcast interconnect expenses as a result of improved energy efficiency, including the collaboration of staff from WHA and ECB to install a new liquid cooled transmitter at WHA.



In the category of “Grow and engage public media audiences using the most effective forms of content delivery”, Ms. Bechtol highlighted examples from the Television and Radio reports that demonstrate face to face contacts and engagement with public media supporters and educators. Ms. Bechtol reported that educational engagement events such as the Education Innovation Summit, Ready to Learn Family Community Learning STEM events, and education conferences; have led to thousands of conversations with educators who utilize public media resources in education. Ms. Bechtol reported that over 16 thousand people attended the WPT Garden Expo in February and there are numerous WPR Listener appreciation events scheduled during the upcoming months. Ms. Bechtol noted these engagement activities are just as important as the ECB’s broadcast service.

There were no additional questions or comments regarding the Executive Director report.

**AGENDA ITEM 3.** Acceptance of the Annual Financial Audit Results – Baker Tilly Virchow Krause

Dr. Wegenke introduced John Rader and Justin Hoagland of Baker Tilly Virchow Krause. Mr. Rader and Mr. Hoagland reviewed the audit report which was provided to board members in advance of today’s meeting. A complete copy of the report will be included with the official minutes of today’s meeting. Mr. Rader reported that Baker Tilly Virchow Krause completed audits of the ECB and Wisconsin Public Television (WPT). Mr. Rader reviewed each step of the audit process including the review of internal controls, financial transactions, and financial statements which lead to the issuance of the final audit opinion. Mr. Rader reported that Baker Tilly Virchow Krause has issued an unmodified opinion and offered no recommendations. Mr. Rader equated an “unmodified opinion” as a “clean” opinion that ECB’s financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP), the numbers are materially correct, and all the financial statement disclosures that are required by GAAP are included in ECB’s financial statements. Mr. Rader reported there was only one entry adjustment related to the audit which he believes reflects a strong financial reporting process at ECB.

Mr. Hoagland reviewed financial results for Fiscal Year 2018 for the ECB operating fund and the Wisconsin Public Broadcasting Foundation. Mr. Hoagland reported that ECB current assets increased by about \$1 million, which he indicated was cash on hand at the conclusion of the fiscal year. Mr. Hoagland reported that non-current assets increased by about \$3.6 million which he attributed to the 2018 station repacks, a net pension asset increase, and investment income. Mr. Hoagland reported that current liabilities increased by about \$240,000 from FY2017 to FY2018, which he attributed to vendor payments made after the close of FY2017.

Mr. Hoagland reported that equity, or net income, has increased from roughly \$16 million to \$18 million, most of which is unrestricted. Mr. Hoagland reported an increase in operating



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revenue of about \$800,000, which he attributed to an increase in donations, major gifts and CPB grants.

Mr. Hoagland reported an increase in operating expenses of about \$700,000 which he attributed mainly to an increase in programming and production expenses.

Mr. Hoagland reported a decrease in non-operating revenues of about \$1.7 million which he attributed mainly to a decrease in investment income as a result of stock market fluctuations.

Mr. Hoagland reported that overall, there was a net income of about \$3.2 million.

Mr. Rader reported on new accounting standards which will affect future audits at ECB, including how leases are reflected in financial statements.

Following Mr. Rader's and Mr. Hoagland's review, there were a few follow up comments from board members and a brief discussion.

Senator Olsen reminded the Board that ECB is non-profit governmental organization and stressed the importance of fundraising efforts on behalf of the Wisconsin Public Broadcasting Foundation.

Senator Olsen inquired if new accounting principles would have a material effect on the ECB's audit. Mr. Rader responded that changes related to leases will change the complexity of ECB's financial reporting as lease payments made to ECB will be reflected as receivables in financial statements, and operating leases ECB pays will be considered liabilities.

There were no further questions or comments from Board members for Mr. Rader or Mr. Hoagland.

Karen Schroeder moved to accept the audit, seconded by Dave Hutchison. The motion passed by unanimous voice vote.

Dr. Wegenke thanked the staff of ECB, Aimee Wright and Natalia Sutyagina for their work throughout the year and for their assistance with the audit.

There were no questions or comments from board members.

### **AGENDA ITEM 4.** Board Policy Amendments

Marta Bechtol distributed amendments to ECB Board Policies which she explained were technical in nature, and intended to reflect the reorganization of the UW System. Ms. Bechtol reported that any reference to UW Extension has been updated to UW Madison. Ms. Bechtol added that references to the ECB MediaLab were removed.



Senator Olsen inquired about the change to the ECB Mission Statement. Ms. Bechtol responded that the Mission Statement was updated as part of the FY19 - 21 Strategic Plan and this change will reflect the most current statement in Board Policies.

Senator Olsen moved to accept the Board Policy amendments, seconded by Eileen Littig. The motion passed by unanimous voice vote.

**AGENDA ITEM 5.** Presentation: ECB's Drone Program – Steve Bauder

Marta Bechtol reported that ECB's ability to efficiently maintain and inspect transmission towers has been aided by the acquisition of three remote control drones. Ms. Bechtol announced that ECB is the first state agency to develop and implement a drone policy which was signed into effect on May 7<sup>th</sup>, 2019. Ms. Bechtol then introduced Steve Bauder, ECB Engineering Division Administrator to discuss how ECB has benefited from drone technology.

Mr. Bauder discussed how transmission towers are serviced and inspected. Mr. Bauder explained that work performed on ECB's towers is contracted out to private tower crews. Mr. Bauder indicated that in the past, it was necessary for ECB to contract a second tower crew to inspect and verify the work of the first tower crew. Mr. Bauder reported that tower inspections cost \$2000 per tower. Mr. Bauder reported that ECB purchased three drones for \$1500 each and two staff members have been FAA certified to operate drones.

Mr. Bauder proceeded to display a series of photographs taken by ECB drone operators which demonstrated the benefits of ECB's drone program. Mr. Bauder displayed a series of photographs that helped ECB track the progress and inspect work related to the station repack at WHLA near La Crosse. Mr. Bauder also displayed multiple pictures that showed unacceptable tower work or structural concerns at other tower sites. Mr. Bauder noted that all of the issues have been resolved more quickly and economically with the aid of drones.

Following Mr. Bauder's presentation, Kurt Kiefer commended Mr. Bauder and the ECB for exceptional planning and implementation of the station repack work featured in Mr. Bauder's pictures.

Dr. Wegenke also commended the staff and asked by unanimous consent that the Board's compliments be passed on to agency staff.

There were no further questions or comments.



**AGENDA ITEM 6. Financial Reports**

Quarterly financial reports were included in the board packets distributed in advance of today's meeting. Dr. Wegenke asked if there were any questions from board members regarding the reports.

Marta Bechtol noted that several columns in the Financial Reports display balances that will be reduced significantly after the Department of Administration issues invoices for shared services at the end of FY18.

Ms. Bechtol reported a credit in the lease payments for the WERN tower thanks to Natalia Sutiyagina discovering a series of lease overpayments in FY18.

Ms. Bechtol reported that Equipment and Software balances will be reduced as new computers for staff are on order and will be delivered and installed before the end of FY18.

Ms. Bechtol reported that balances for Professional Development will be reduced as there are outstanding bills related to staff attending the National Association of Broadcasters meeting in May.

Ms. Bechtol reported that spring outreach activities will deplete Outreach balances.

Ms. Bechtol added that after these payments are reflected in the Financial Statements, the agency will conclude the fiscal year within budget.

There were no additional questions or comments regarding the Finance Reports.

**AGENDA ITEM 7. Evaluation of the ECB Director**

Dr. Wegenke announced that it will be necessary to move into closed session for the annual performance evaluation of the ECB Executive Director.

Dr. Wegenke moved, seconded by Senator Luther Olsen to move into closed session. The motion passed unanimously by roll call vote.

Pursuant to s. 19.85(1)(c), Wis. Stats., the Board convened in a closed session for the annual performance evaluation of the WECB Executive Director. Following the closed session, the Board reconvened in open session.

**AGENDA ITEM 8. Questions/Comments from Board members**

There were no questions or comments from Board members.



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### **AGENDA ITEM 8.**      Adjournment

Karen Schroeder moved, seconded by Senator Olsen to adjourn. The motion passed by unanimous voice vote. Dr. Wegenke announced the meeting adjourned at 12:05 P.M.