

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION

EXECUTIVE COMMITTEE

November 1, 2012

Present: Joe Strupek – Chairman (webex), Wayne Baum, Cynthia Fischer, Jerry Kolb, Andrew Rand, William Tammone, Chet Tomczyk; (staff) Karen Button (webex), Margie Stieghorst

Absent: Jon Burklund, Nancy Levenick, Joe O’Neill, Chuck Walker

A quorum being present, Chairman Strupek called the meeting to order at 7:34 a.m.

Michael Mahoney of Cypress Asset Management, investment advisor of our endowment, reported that the majority of the Sweetnam bequest to date has been invested in various equities and fixed assets as prescribed by the Endowment policy passed by the Board at its September 181, 2012 meeting. He then gave a brief primer on investment strategies, and indicated he would like to do this monthly for at least the first year of his involvement with our Endowment fund. The Committee asked him to provide at future meetings a one page synopsis combining all facets of the Endowment’s performance.

Mr. Kolb then reported on the FY 2012 Audit. Jim Gibson, Senior Partner at CliftonLarsonAllen presented the FY 2012 IVPTC audit to the Audit Subcommittee on October 31. A clean opinion was received. After some discussion, the Executive Committee indicated that Board and management must be mindful on funding depreciation in the long run. Viva voce, the Executive Committee recommended that the Board accept the FY 2012 audit as presented.

The September financials were presented by Ms. Button and Mr. Kolb who noted that expenses were well controlled but that revenue continues to be problematic. A discussion of satellite revenue ensued with Mr. Tomczyk reporting that several contract and significant anticipated business was lost due to the lack of HD uplink capacity. The Committee directed Mr. Tomczyk to provide a full report on costs, benefits and opportunities that might arise from converting to HD at the next committee meeting.

Mr. Tomczyk then presented a written draft of policies under which WTVP operates, as required by the Corporation for Public Broadcasting as one condition of eligibility for federal funding. Dr. Fischer noted that the policies were easy to read, but wanted to format changed to include purpose and other relevant information.

The allocation of the Endowment funds to Operations was then discussed in light of a year that could see occasional cash flow problems. The current Endowment Distribution policy allowing up to 7% of the value of the Endowment value to be transferred to the Operations budget

annually and a one-time 20% distribution in extreme emergencies was validated. Discussion then centered on the Endowment cash still residing in a money market account at Better Banks and any future endowment revenues that may be raised. The Executive Committee agreed that total of \$150,000 should be retained in the Better Banks account to be used to meet short term cash flow problems but that any funds taken from the account had to be replaced within four months. This amount would approximate the cash needed to fund station expenses for 30 days. The money market account would be accessed prior to accessing the \$300,000 line of credit at PNC. This plan will be presented at the November 13, 2012 Board meeting for approval.

Mr. Tomczyk reported that the Ad Hoc By-Law Committee was scheduled to meet on November 2, 2012

Finally, Mr. Tomczyk reported that the generators funded by the WARN grant were installed at both the transmitter and State Street sites. Some minor work remained to be done and the project should be completed by Christmas.

The meeting ended at 8:59 a.m.

Respectfully submitted,

Chet Tomczyk
President & CEO