



TO: Officers, Directors and Members of the Arizona Broadcasters Association

FROM: Art Brooks, President / CEO

DATE: August 17, 2011

RE: Minutes of August 13, 2011 Board meeting, Hassayampa Hotel, Prescott

Officers: * Chairman - Scott Sutherland, Bonneville, Phoenix
* Vice-Chairman - Blaine Kimball, KMOG, Payson
* Sec/Treas - Ed Munson, KPHO-TV, Phoenix
* Immediate Past Chairwoman - Araceli De Leon, Telemundo, Tucson-Phoenix

Directors:
* Rich Howe, KAZT-TV, Prescott-Phoenix
* Julie Brinks, Journal Radio & TV Group, Tucson
Ken Kowalcek, Citadel Broadcasting, Tucson
* Michael Mallace, Sierra H Broadcasting, Phoenix
* Nick Nicholson, KTVK-TV/KASW-TV, Phoenix
* Stan Pierce, Grenax Broadcasting, Flagstaff

Staff: * President & CEO Art Brooks
Executive Assistant & Office Manager Jennifer Latko
(* Denotes attendance)

Board Chairman Scott Sutherland, Bonneville, Phoenix, called the fourth ABA board meeting for 2011 to order at 8:15 AM. A welcome was made to all board members to the annual board retreat.

Next was approval of minutes from the May 25, 2011 board meeting. They were approved as submitted.

Next was the treasurers' report featuring the financial report for July, 2011. The report was approved as submitted. There was discussion referring to the financial report that we should let all South Mountain users know how much the ABA has covered in legal fees on their behalf this year. This pertains to the current negotiations with the city of Phoenix on the new agreement to take place July 1, 2012. There was also discussion on the ABA Foundation to/from budget line that prompted discussion of the effectiveness of the Foundation. This discussion was continued under the agenda item for the ABA Foundation

Next on the agenda was the fourth membership report for 2011. There are 148 radio members representing 47 companies (133/44 at last report), 30 television members representing 17 companies (30/17 at last report) and 37 associate members (36 at last report). Also in the membership report was an update on the 2011 edition of LocalBroadcastSales.com (LBS) on-demand sales education system for our member radio & TV stations. The report shows that 176 users are making use of the system to date (147 at last report). The board would like to see this report reflect only current 2011 users at the October board meeting without the past years for clarity. The board also is requesting the number of hours users are typically on the system. Next was a report that there will be Political seminars with attorney Dawn Sciarrino in early December. Next was an update on the ABIP program with 16 stations being inspected so far this year. There was also a report that the Fall Career Fair is set for September 1 at Pima Community College in Tucson.

Next was a report of the AZ Hunger Campaign of which the ABA is a partner. There is an AZ Hunger Campaign Week being planned for September 12 – 19 with a kick-off event planned at St. Vincent DePaul, Phoenix and many activities

throughout the week around the state giving local stations the opportunity to join with their local food banks and organizations with the mission of raising food and financial donations for those in need. There will also be a way to text \$10 donations that stations can post on their web sites and promote locally. All information is at www.endazhunger.org. Next was a report from the ABA Foundation, Inc. First, the July, 2011 financial report was approved. It was decided to close the account at Harris Bank and move the funds to the ABA Chase account with separate budget and accounting lines. This prompted a continuing discussion on whether the ABA should continue the Foundation at all. The discussion ended with a request for the president to gather information on the pro's and con's of such a move from Jack Clifford (donor), Carolyn Sechler (CPA) & Tom Chauncey (attorney) and report the findings at the October 27 board meeting.

Next was a report of the 22nd annual Hall of Fame luncheon, Thursday, October 13, Talking Stick Resort in Scottsdale. There are 154 seats reserved at this time of our goal of 300. Sponsorships are up from last year and all is looking very good at this point. For more detailed information go to www.azbroadcasters.org Next was a preliminary report on the 2012 ABA Foundation AZ AMBER Alert Golf Classic. Planning is going well with a key sponsor already sold to Casino Arizona. Course and other details are pending at this point as the committee continues to work them out.

Next under the ABA Foundation report was a list of scholarship recipients for the coming 2011-12 academic year. The ABA increases funding at NAU School of Communications from \$3,000 to \$4,000 funding three students. The scholarship funding at the ASU Cronkite School was increased from \$6,000 to \$10,000 funding six students. The ABA Foundation also funded the Summer High School Broadcast Institute at ASU for \$10,500. This concluded the ABA Foundation report.

Next was the legislative report listing of all issue papers of importance to all broadcasters in Arizona. There was victory for television broadcasters as the debt-ceiling legislation was passed in Congress without any language for the assignment of TV Spectrum. The ABA worked hard informing the members of the Arizona Congressional delegation of the dangers to local TV viewers and communities in such legislation. The major TV station general managers in the Phoenix market crafted and signed a letter sent on ABA letterhead to all AZ Congressional delegation members citing the dangers of this legislation as well in the final hours of the debate. The issue will now move on with discussions around the pending Senate bill S.911 sponsored by Sen. Rockefeller. There was a full update on each of these issues before the FCC & Congress. There was a report of a June 9 meeting with Rep. David Schweikert in his Scottsdale office and a follow-up August 2 meeting with Rep. Schweikert's Chief of Staff, Kevin White. Other in-district meetings with the Arizona Congressional delegation scheduled are the August 15 meeting with Rep Jeff Flake; August 16 in Rep. Ed Pastor's office; August 23 with Rep. Ben Quayle and August 31 with Rep. Paul Gosar. We are also attempting to schedule other in-district meetings with Rep. Gifford's staff and Rep. Grijalva at this time. We'll be keeping all members up to date on all legislative issues as they arise. All legislative updates can be found at www.azbroadcasters.org.

Next was an update on 2011 NCSA/Public Education Program campaigns for the ABA. The Arizona National Guard is on the air this year at \$178,250; the U.S. Coast Guard at \$25,000 and is now off the air. In addition the new NCSA/PEP campaigns include ADOT for AZ Amber Alert & the 5-1-1 network that is now on air providing \$160,000 of funding to the ABA and another new campaign with the State Bar of Arizona for \$25,000 which ran through April. Negotiations for 2012 have been successful with ADOT at \$150,000 and meetings are set for September with the AZ National Guard and U.S. Coast Guard. There is a new NCSA/PEP campaign coming in the final four months of the year with the DrugFreeAZ.org organization. Please know how grateful we are to all of our members that air the campaigns with the generous donation of quality air time. These funds help maintain lower dues levels and help us provide important member services such as the LocalBroadcastSaels.com on-demand sales training and the ABIP program.

The ABA has filed a petition to the FCC along with all other state broadcasters associations in an attempt to move the September 30 deadline for having CAP compliant boxes installed. We will keep you updated with that information when a decision is made by the FCC. The ABA continues to work with the Arizona Department of Emergency Management to figure out how to best upgrade the state EAS system with the new CAP compliance. We are working with several companies now for possible satellite delivery of the EAS network. We are also working on clarification of information you will need for the November 9 National EAS test.

Next was a report on negotiations continuing with South Mountain transmitter & tower site users and the City of Phoenix as all agreements end in June 30, 2012. All South Mountain users are updated constantly through this process. All South Mountain stations are encouraged to meet, greet and work with all city staff including the Mayor, City

Manager, City Council members and City Parks Department Board members and staff giving them information of who we are as free over-the-air broadcasters serving local communities with information and emergency notifications.

Under old/new business it was noted that the ABA president will represent the association at the NAB Radio Show, September 14-18 in Chicago.

Next was the review of the strategic plan for the ABA. The last review and establishment of the marketing & public relations plan was in 2008.

Chairman of the board, Scott Sutherland led this session beginning with establishment of “Smart Goals” including three or four action items. This is what was decided for this first step:

- #1 – Advocate government
- #2 - Educate members
- #3 - Create markets for products & services

Next a situational analysis of the organization was discussion with these points:

- Began in 1952
- Solid member base
- Could be stronger financially
- Annual events underperforming
- Education/member support is key
- 2011-12 issues: Economy; Spectrum; Performance Tax and “old” media tag

From these points these goals emerged:

- \$400K from NCSA/PEP campaigns in 2012 from no more than five campaigns
- Campaign to attack “old” media label part of which will be a plan to exhibit explaining free over-the-air broadcasting at conventions of chosen industries – 2012
- Review existing PR agency – October board meeting. In meantime give 60-day termination notice to Barclay Communications
- Create ABA PR strategy & explore internal PR position – October board meeting
- Determine 2012 net revenue goals for Hall of Fame luncheon & golf tournament – October board meeting
- Face-to-face meetings with elected officials in-district – 2011 & 2012
- Evaluation of sales education programs – October board meeting

These items will be reviewed and decisions made at the October 27 board meeting in Phoenix.

Without any other old or new business the board meeting was adjourned at 12:15 PM.

Submitted by Art Brooks, President & CEO
8-17-11