

## Minutes of the KPFK Local Station Board Meeting of 07/30/05

KPFK LSB Minutes

Saturday, July 30, 2005

Echo Park United Methodist Church

1226 Alvarado St., Los Angeles, CA 90026

An adjourned meeting of the KPFK Local Station Board was held on Saturday, July 30, 2005. The Chair, Don White, was in the chair; Grace Aaron was the acting Secretary. The minutes of the previous meeting of July 21, 2005 were approved.

**Fourteen Members were present**, constituting a quorum: Grace Aaron, Dave Adelson, Lydia Brazon, Israel Feuer, Terry Goodman, Kimberly King, Alan Minsky, Ed Pearl, Reza Pour, Julie Rodriguez, Madeleine Schwab, Rodrigo Argueta Vargas, Don White, and Lamont Yeakey (arrives at 11:42 AM).

**Also present:** Casey McFall, Treasurer

**Absent (excused):** Sara Amir, Maria Armoudian, Bill Gallegos, Eva Georgia, Sherna Gluck, Jan Goodman, Sonali Kolhatkar, Arturo Lemus, Carol Nealy, Margaret Prescod, and Donna Warren

**Absent (not excused):** Marie Deary and Arturo Lemus

At 10:29 AM a quorum had still not been reached. The Chair, Don White, decided to informally discuss the Town Hall Meeting which is III [c] KPFK Town Hall Meeting report [6 minutes] on the agenda Kimberly King gives a brief Town Hall Report, followed by some comments by Ed Pearl, another member of the Town Hall Committee.

Discussion follows.

A quorum is reached at 10:51 AM

**Call to Order** 10:52 AM

**Motion:** Terry Goodman moves that Grace Aaron be appointed Secretary Pro-Tem for this meeting.

**Motion passes** without objection

**Approval** of the Agenda

Y: 11, N: 0, A: 0

**Approval** of Minutes, July 21, 2005

Y: 8, N: 0, A: 2

Terry Goodman **moves** that the Board excuse absences for: Sara Amir, Marie Deary, Bill Gallegos, Eva Georgia, Sherna Gluck, Jan Goodman, Sonali Kolhatkar, Arturo Lemus, Carol Nealy, Margaret Prescod, and Donna Warren.

**Motion fails** by substitution

Lydia Brazon makes a **substitute motion** to excuse absences for everyone on the above list except Marie Deary and Arturo Lemus as it is unclear if they asked to be excused.

**Substitute motion passes:** Y: 10, N: 0; A: 1

11:12 AM

Agenda Item III. Old Business:

[a] Budget and Finances [1 hour, 15 minutes]

Dave Adelson gives a report about the finances of all of Pacifica.

Casey McFall gives a report about the budget being proposed by the KPFK LSB Finance Committee and also talks about the dynamics of working with the National Office in regard to the Budget.

Five minute **break** to look over budget 12:47 PM

Meeting **resumes** 1:04 PM

Grace Aaron makes the **motion** that had been proposed in Terry Goodman's written report as a member of the Finance Committee (see Appendix D): That the balanced budget of the KPFK LSB Finance Committee of July 30, 2005 is approved for fiscal year 2006.

**Motion tabled** 1:42 PM

Terry Goodman **moves** to table the motion

Dave Adelson makes a **substitute motion** to table the main motion until after a discussion on the budget

**Substitute motion passes:** Y: 9, N: 1, A: 0

Terry Goodman **moves:** That the KPFK LSB asks the Pacifica National Board to expedite and facilitate Director's inspections of the Pacifica National Office with a specific mandate to investigate and recommend on a more efficient restructuring of its financial staff, to include consideration of the hiring of an internal auditor that will visit and review procedures at each operating unit for some period of time each year. Any hiring of an internal auditor should occur without a net increase in the Pacifica National Office budget.

**Motion passes:** Y: 9, N: 0, A: 0

Terry Goodman **moves**: That KPFK management shall not honor or pay invoices it receives from the Pacifica National Office in amounts at or over \$5,000, unless such bills include adequate documentation in the form of copies of the justifying invoices, receipts, and expense reports.

*And resolved*: That KPFK management shall not honor or pay invoices it receives from the Pacifica National Office in amounts at or over \$5,000 that are not part of the normal and expected operating expenses of KPFK without the notice and approval of the KPFK LSB Finance Committee or the KPFK Local Station Board.

**Motion tabled**

Dave Adelson makes an **amendment**:

Any assessment of KPFK beyond Central Services must include a memorandum describing the authorization process for the expenditure being billed.

Terry **moves** that we dissolve into a committee of the whole to perfect the wording of the main motion by incorporating this amendment and any others informally.

**Motion passes** by unanimous consent

The body **dissolves** into a committee of the whole to perfect the wording of a substitute amendment to Terry Goodman's above motion.

[The work done by the Committee of the Whole resulted in the following wording of a substitute amendment (not completely worked out) as follows:

'Prior to the expenditure by the Pacifica National Office of any monies to be billed back to KPFK the KPFK LSB Finance Committee (or their designated representative(s)) must be informed of the intent to spend such monies and the process by which such expenditures were authorized.

'Prior to the payment of invoices received by KPFK from the National Office KPFK shall receive adequate documentation for the expense in the form of copies of the justifying invoices, receipts, and expense reports, along with a memorandum describing the process by which the expenditure was authorized.'

The above work is included here to assist LSB members in their continuing work to create exact wording for this substitute amendment.]

The meeting is **reconvened** and there is no report from the Committee of the Whole.

Alan Minsky **moves** to table this motion to the next LSB meeting.

**Motion passes**: Y: 7, N: 0, A: 0

Agenda Item V. Committee Reports: [each committee will have 9 minutes]

[a] Programming Oversight

Don White **relinquishes** the chair to Madeleine Schwab during the Programming Oversight Committee Report agenda item.

**Motion #1** from Programming Oversight Committee:

*Moved*, that the Interim Program Council chair be seated by the LSB Programming Oversight Committee as a non-voting ex-officio member.

**Motion passes**: Y: 7, N: 0, A: 0

**Motion #2** from Programming Oversight Committee:

*Moved*, that the Local Station Board form a standing LSB committee, including at least one PNB member, to be called the Ethics Committee.

**Motion referred** to committee

Grace Aaron **moves** to table this motion:

**Motion to table fails**: Y: 2, N: 4, A: 0

Dave Adelson **proposes** a Substitute Motion that the PrOC be charged with evaluating complaints regarding ethics apropos programming issues.

**Motion fails**: Y: 2, N: 4, A: 0

Terry **moves** to refer the main motion to the Governance Committee.

**Motion passes**: Y: 7, N: 0, A: 0

Meeting **adjourned** 2:55 PM

Respectfully submitted,

Grace Aaron, Secretary Pro-Tem

These minutes were approved on 8/20/05

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APPENDIX A - AGENDA

{In keeping with our Board policy, public comment will come before all votes and a period of "open" public comment will be agendized during the meeting and at the end to guarantee listener-sponsors have their full 30 minutes of comment.}

Note: Several pieces of business were referred to specific committees during the last meeting so, to the degree possible, they will be in the committee reports. Also note: the Black/Brown Forum conveners have asked that the consideration of that item be at the August 20, 2005 meeting.

KPFK Local Station Board [LSB] Meeting 7/30/05

Echo Park United Methodist Church

1226 North Alvarado in Echo Park

~~~ Proposed Agenda~~~

I. Call to Order, Call of the Roll, Welcome and Acknowledgements, Review and Approval of the Agenda, Approval of LSB Minutes, Approval of Excused Absences. [6 minutes]

II. Comments by the Chair [1 minute]

III. Old Business:

[a] Budget and Finances [1 hour, 15 minutes]

[b] Listener Comment Line [8 minutes]

[c] KPFK Town Hall Meeting report [6 minutes]

IV. Public Comment [15 minutes]

V. Committee Reports: [each committee will have 9 minutes]

[a] Programming Oversight

[b] Management Review

[c] Governance

[d] Committee of Inclusion

[e] Outreach

[f] Arts

[Total allotted time: 54 minutes]

VI. Bylaws Working Group [8 minutes]

VII. Membership of KPFK Board members on PNB Committees [6 minutes]

VIII. Remainder of unused public comment

IX. Next Meeting: August 20, 2005; location TBA

Adjournment [2 minutes]

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#### APPENDIX B - MEETING NOTICE

NOTICE - KPFK LSB Adjourned Meeting, 7/30/05, 10 am

[Posted and distributed 7/25/05, 11:46 pm]

The KPFK Local Station Board [LSB] will be meeting on Saturday, July 30, 2005 at 10:00 a.m. at the Echo Park United Methodist Church, 1226 North Alvarado Street, one long block north of the intersection of Alvarado and Sunset Blvd. For directions go to <http://www.mapquest.com> and enter the address and zip code 90026. The agenda will focus primarily, but not exclusively, on "budget & finances." Some old business from the 7/21/05 regular meeting will be resolved.

Don White, Chair

Posting Refs:

[http://www.kpfb.org/index.php?option=com\\_content&task=view&id=627&Itemid=100](http://www.kpfb.org/index.php?option=com_content&task=view&id=627&Itemid=100)

[http://www.kpfb.org/index.php?option=com\\_events&task=view\\_detail&agid=241&year=2005&month=07&day=30&Itemid=63](http://www.kpfb.org/index.php?option=com_events&task=view_detail&agid=241&year=2005&month=07&day=30&Itemid=63)

<http://disc.server.com/discussion.cgi?disc=165346;article=38558>

<http://disc.server.com/discussion.cgi?disc=203188;article=7775>

The unamended July 21, 2005 Draft Agenda is posted at

<http://groups.yahoo.com/group/kpfbksb/message/2689>

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#### APPENDIX C - BUDGET

KPFK BUDGET (Finance Committee Draft) FY 2006

INCOME

|      |                                                  |           |
|------|--------------------------------------------------|-----------|
| 5000 | LISTENER SUPPORT                                 | 2,850,000 |
| 5001 | MAJOR DONATIONS                                  | 102,072   |
| 5020 | MATCHING GIFTS-CORPORATE                         | 6,000     |
| 5600 | INTEREST/OTHER INCOME                            | 30,000    |
| 5660 | RENTAL INCOME                                    | 0         |
| 5750 | COMMUNITY EVENTS                                 | 60,000    |
| 5760 | CRAFTS/ROTHENBERG                                | 0         |
| 5800 | GRANTS INCOME                                    | 0         |
| 5801 | GRANTS INCOME CSG                                | 482,004   |
|      | TOTAL INCOME                                     | 3,530,076 |
|      | EXPENSES                                         |           |
|      | SALARIES AND RELATED EXPENSES                    |           |
| 6000 | GROSS SALARIES                                   | 1,162,563 |
| 6100 | FICA TAXES                                       | 88,936    |
| 6101 | SUI TAXES                                        | 13,229    |
| 6102 | PENSION/403B CONTRIBUTIONS                       | 35,264    |
| 6200 | HEALTH BENEFITS                                  | 210,614   |
| 6201 | CHILD CARE                                       | 6,000     |
| 6300 | CONSULTANTS                                      | 18,000    |
| 6305 | CONSULTANT RELATED EXPENSES                      | 0         |
|      | TOTAL SAL. & RELATED                             | 1,534,606 |
|      | ADMINISTRATIVE EXPENSES                          |           |
| 6500 | TELEPHONE                                        | 70,000    |
| 6501 | TELEPHONE RADIO LINES                            | 6,400     |
| 6510 | POSTAGE-REGULAR                                  | 3,000     |
| 6511 | POSTAGE-MESSENGER                                | 4,300     |
| 6520 | ASSOCIATIONS/PERIODICAL                          | 1,800     |
| 6530 | PROFESSIONAL SERVICES                            | 12,000    |
| 6560 | INTEREST-MORTGAGE                                | 230       |
| 6570 | BANK/FINANCE CHARGES                             | 80,000    |
|      | analysis, retutn items, bankcards                |           |
| 6571 | CONFERENCES/TRAINING                             | 12,000    |
|      | nfcg convention, training                        |           |
| 6580 | TRAVEL                                           | 36,000    |
| 6581 | TRAVEL-LOCAL                                     | 12,000    |
| 6590 | TRAVEL-NAT'L BOARD MTGS                          | 12,000    |
| 6591 | LOCAL BOARD                                      | 12,000    |
|      | venues, townhall, security, discretionary        |           |
| 6592 | LSB ELECTIONS                                    | 5,500     |
| 6593 | FOLIO                                            | 10,000    |
|      | news print, circulation                          |           |
| 6600 | OFFICE SUPPLIES                                  | 35,000    |
|      | staples, office depot, water, copy paper         |           |
| 6610 | STUDIO/OFFICE RENT                               | 2,000     |
|      | studio office rent, locksmith                    |           |
| 6620 | PROPERTY/SALES TAXES                             | 0         |
|      | nat'l bill back                                  |           |
| 6630 | TOWER RENT                                       | 0         |
|      | exempt                                           |           |
| 6631 | RENT & LEASE OF EQUIP.                           | 12,500    |
|      | copy machine, computer audio, live broadcast     |           |
| 6640 | UTILITIES                                        | 32,000    |
|      | gas company, water and power                     |           |
| 6641 | UTILITIES TOWER                                  | 82,500    |
|      | station electricity, transmitter                 |           |
| 6650 | MAINTENANCE NON-TECHNICAL                        | 36,000    |
|      | bldg maintenance, trash removal, computer repair |           |

|      |                                                 |         |
|------|-------------------------------------------------|---------|
| 6660 | OTHER ADMINISTRATIVE                            | 3,500   |
|      | fedex                                           |         |
| 6661 | RENTAL PROPERTY EXP.                            | 0       |
| 6662 | PERSONNEL SEARCH                                | 500     |
|      | personnel ads                                   |         |
| 6665 | COMPUTER MAINTENANCE                            | 22,500  |
|      | computer repair                                 |         |
| 6666 | CAC TRAINING EXPENSES                           | 0       |
|      | TOTAL ADMINISTRATIVE                            | 503,730 |
|      | PROGRAMMING EXPENSES                            |         |
| 6670 | NEWS SERVICES                                   | 35,000  |
|      | wins, reuters, city news, adelphia, assoc press |         |
| 6671 | NEWS DEPARTMENT                                 | 40,000  |
|      | stringers                                       |         |
| 6672 | SUPPLIES WIRE MACHINE                           | 0       |
| 6673 | SATELLITE INTERCONNECT                          | 10,000  |
|      | clear channel                                   |         |
| 6680 | MAINTENANCE TECHNICAL                           | 35,000  |
|      | telecom, frys, cdw, computers, electronics      |         |
| 6681 | MAINTENANCE ENGINEER                            | 10,000  |
|      | infrared svcs, backup engineer                  |         |
| 6690 | PRE-RECORDED MATERIAL                           | 0       |
| 6694 | PROGRAMMING SERVICES                            | 8,000   |
|      | city news                                       |         |
| 6698 | WEB EXPENSES                                    | 10,000  |
|      | streaming hosting                               |         |
| 6700 | TAPES & SUPPLIES                                | 10,000  |
|      | proj one                                        |         |
| 6701 | OTHER PROGRAMMING                               | 28,000  |
|      | volunteer training, nat'l prog, arbitron        |         |
| 6702 | NPPAG/FREE SPEECH RADIO NEWS                    | 120,048 |
|      | 30% of cpb                                      |         |
| 6711 | MKTG/PROMO PRINTING                             | 0       |
| 6731 | MKTG/PROMO POSTAGE                              | 0       |
| 6734 | MKTG/PROMO MAILING SERV.                        | 0       |
|      | TOTAL PROGRAMMING                               | 306,048 |
|      | DEVELOPMENT EXPENSES                            |         |
| 6710 | PRINTING-REGULAR                                | 0       |
| 6712 | PRINTING RENEWALS                               | 30,000  |
|      | subscriptions printing & copying                |         |
| 6720 | FUNDRAISING TRAVEL                              | 2,000   |
|      | kpfk events major donor                         |         |
| 6721 | TELEMARKETING                                   | 14,500  |
|      | march & august telemart                         |         |
| 6730 | CAGING COSTS RENEWALS/EFT                       | 8,200   |
| 6732 | POSTAGE-SUBSCRIPTIONS                           | 20,000  |
|      | billing, premium shipping, address correction   |         |
| 6733 | MAILING SERVICES-RENEWALS                       | 40,000  |
|      | renewals & direct mail                          |         |
| 6735 | SUBS-POSTAGE DUE                                | 0       |
|      | business reply mail                             |         |
| 6740 | SUBSCRIPTIONS SUPPLIES                          | 3,700   |
|      | fund drive stationery                           |         |
| 6742 | COMPUTER SUPPLIES                               | 3,000   |
|      | fund drive computer rental                      |         |
| 6750 | PREMIUMS                                        | 244,992 |
| 6751 | FUND DRIVE EXPENSES                             | 1,600   |

|      |                                           |           |
|------|-------------------------------------------|-----------|
|      | office supplies, stationery               |           |
| 6752 | PREMIUM-SHIPPING/PACKAGING                | 60,000    |
|      | shipping materials & postage              |           |
| 6760 | ADVERTISING/PROMOTION                     | 4,000     |
| 6770 | MARKETING/CATALOG                         | 0         |
| 6771 | DIRECT MAIL-PRINTING                      | 39,996    |
|      | direct mail/acquisition miscoded see 6733 |           |
| 6772 | DIRECT MAIL-POSTAGE                       | 0         |
|      | see code 6771, printing & postage         |           |
| 6773 | CAGING COSTS DIRECT MAIL                  | 0         |
|      | see code 6730                             |           |
| 6781 | MAJOR DONOR EXPENSES                      | 6,000     |
| 6780 | OTHER DEVELOPMENT                         | 15,000    |
|      | community projects, outreach rfp          |           |
|      | TOTAL DEVELOPMENT                         | 492,988   |
|      | COMMUNITY EVENTS                          |           |
| 6790 | COMMUNITY EVENTS                          | 18,000    |
| 6791 | CRAFTS FAIR                               | 0         |
|      | TOTAL C/E                                 | 18,000    |
|      | TOTAL EXPENSES                            | 2,855,372 |
|      | EXCESS INCOME (EXPENSES)                  | 674,704   |
| 6400 | CENTRAL SERVICES/N.O.                     | 570,000   |
| 6412 | CENTRAL SERVICES/PRA                      | (28,500)  |
|      | TOTAL CENTRAL SERVICES                    | 541,500   |
|      | NET EXCESS INCOME (EXPENSES)              | 133,204   |
|      | ADJUSTMENTS AND CAPITAL ITEMS             |           |
| 3200 | DEBT RETIREMENT                           | 0         |
| 1400 | TECH (STUDIO PROJECT-COMPLETION)          | 20,000    |
| 1350 | COMPUTER EQUIPMENT                        | 10,000    |
|      | CAPITAL IMPROVEMENTS                      | 93,204    |
|      | EQUIPMENT RESERVE                         | 10,000    |
|      | TOTAL ADJUSTMENTS                         | 133,204   |
|      | ADJ. EXCESS INCOME (EXPENSES)             | 0         |

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#### APPENDIX D - FINANCE COMMITTEE REPORT

Finance Committee Report of Member Terry Goodman, 7/30/05

#### BUDGET

The Finance Committee met with management and prepared a balanced budget for FY'06 using the existing format mandated by the National Office, based upon prior KPFK budgets, actual FY'05 year-to-date income and expenses, expected income and expense increases and savings, and the new budget priorities expressed in resolutions of the Local Station Board. Station management has not approved the budget that we are presenting today.

Prior to our last committee meeting, the KPFK GM and the Pacifica CFO went through the proposed budget and removed approximately \$200,000 of expenses, including many of the items about which the Committee and local management had obtained consensus. It was communicated to the Committee that additional cuts were necessary in order for us to obtain an annual surplus equal to the mandated one-month reserve.

However, the KPFK Finance Committee recognizes that KPFK already has met its reserve requirement, so we have re-added the expenses we recommended and are presenting a balanced budget, as requested by the Pacifica CFO in meetings of the National Finance Committee. If, as expected, KPFK must loan funds to the inter-unit transfer account in FY'06 so that the Pacifica National Office can pay its bills, so that WBAI can stay on the air, and so that WPFW can relocate, then the National Finance Committee should forecast these loans and each station's budget should then be revised as necessary to accommodate the anticipated increase or decrease in local working capital. The coherence of the "Capital Budget" section could additionally be improved by including balance sheet information on the debt or surplus carried over from

the prior year, and one or more additional accounts in the 3200 range could be used for planned increases in local reserves or planned allocations to inter-unit transfer.

As of today, what you have is the budget that we recommend. For purposes of discussion, we present the following resolution, which we expect to be tabled until the August meeting after some initial discussion today.

1. RESOLVED: That the balanced budget of the KPFK LSB Finance Committee of July 30, 2005 is approved for fiscal year 2006.

#### OTHER ITEMS

The Finance Committee discussed other issues besides the budget, including issues referred to it by the Local Station Board; however, most committee meetings only barely made quorum with three LSB Members present. The resolutions being presented during this report have not received committee approval and will each require a second before discussion is in order.

The committee discussed the issue of its mandate and powers. Based upon the Foundation bylaws, the following resolution should be approved, as a minimum mandate. Two-thirds approval would be required, as it amends the motion previously adopted that initially created the committee.

2. RESOLVED: That the KPFK LSB Finance Committee is authorized to hold closed meetings when considering subjects for which an LSB meeting may properly be closed, and that the duties of this committee shall include:

a) to review the station's budget and make quarterly reports to the Local Station Board regarding the station's budget, actual income, and expenditures.

b) to perform other such related tasks as the LSB may assign and to report and recommend to the LSB as circumstances require.

The committee discussed the proposal of the KPFK Bylaws Workgroup referred to it by the LSB. It is the opinion of the committee that a bylaws convention is unnecessary, that the schedule proposed is unrealistic, that the proposed funding is inadequate, and that any attempt to fund the project at this time is unwise. Our FY'06 budget consequently includes no bylaws convention funding.

3. RESOLVED: That the KPFK LSB asks the Pacifica National Board to rescind any motion passed scheduling a bylaws convention in FY'06.

The committee discussed the motion of Director Donna Warren referred to it by the LSB. We support the concept of an internal auditor but cannot recommend that one be hired to supplement the existing National Finance Office staff. Pacifica has a CFO, a controller, an assistant controller, an accounting manager, an accounts payable clerk, and a payroll clerk within a structure supported by additional finance staff at each operating unit, yet it has been unable to provide financial information to Directors in a form that allows them to be satisfied that Foundation business is being properly conducted or that allows them to correct poor practices which put the Foundation at risk.

4. RESOLVED: That the KPFK LSB asks the Pacifica National Board to expedite and facilitate Director's inspections of the Pacifica National Office with a specific mandate to investigate and recommend on a more efficient restructuring of its financial staff, to include consideration of the hiring of an internal auditor that will visit and review procedures at each operating unit for some period of time each year. Any hiring of an internal auditor should occur without a net increase in the Pacifica National Office budget.

The committee discussed the motion of committee member Lamont Yeakey, which was based on earlier committee discussions about unexpected and poorly-documented National Office bill-backs.

5. RESOLVED: That KPFK management shall not honor or pay invoices it receives from the Pacifica National Office in amounts at or over \$5,000, unless such bills include adequate documentation in the form of copies of the justifying invoices, receipts, and expense reports.

AND RESOLVED: That KPFK management shall not honor or pay invoices it receives from the Pacifica National Office in amounts at or over \$5,000 that are not part of the normal and expected operating expenses of KPFK without the notice and approval of the KPFK LSB Finance Committee or the KPFK Local Station Board.

The committee discussed the Spanish language translation proposal referred to it by the LSB. The project has proceeded without a committee report on the matter, and the committee is unclear if a committee recommendation is still required. The committee's budget recommendation increases LSB discretionary spending from \$100 per month to \$1,000 per month, to include translation fees, board training, anti-oppression training, an overhead projector, occasional secretarial assistance, photocopying, etc.

The committee also discussed requiring management to provide a report on the allocation of salary to various functional areas of station operations, so that the LSB could provide appropriate oversight on the

general distribution of station resources in the assignment of personnel. The committee also discussed examining the degree to which non-disclosure of salary information is in the interest of and in accordance with the desires of staff and the degree to which such non-disclosure is actually in the interest of management and against the interests of staff, governance, and listener-sponsors. We have tabled further discussion of these questions until after budget approval.