DRAFT MINUTES
June 21, 2020
*Teleconference*
Local Station Board (LSB) Meeting

I. Call to Order / Opening Business 10:34 a.m.

** New members Lydia Ponce and Harvey Wasserman seated.

A. Roll Call Taken
Grace Aaron, Ken Aaron, Michael Adler, Allan Beek, Fred Blair, Sandy Childs, Bella De Soto, Jan Goodman, Eric C. Jacobson, Evelia Jones, Michelle Manos, Michael Novick, Lydia Ponce, Lawrence Reyes, Oscar Ulloa, Polina Vasiliev, Beth von Gunten, Harvey Wasserman. (A. Field not present)

B. Approve Agenda
Agenda is approved.

C. Approval of Excused Absence Requests:
MOTION passes to approve in bulk - Ali Lexa, Barbara Marbach, James Osborne, Paul Roberson, Kiyana Williams.

Grace Aaron (A), Ken Aaron (N), Michael Adler (Y), Allan Beek (Y), Fred Blair (A), Sandy Childs (Y), Bella DeSoto (N), Jan Goodman (Y), Eric C. Jacobson (A), Evelia Jones (not on line), Michelle Manos (Y), Michael Novick (N), Lydia Ponce (Y), Lawrence Reyes (Y), Oscar Ulloa (N), Polina Vasiliev (N), Beth von Gunten (A), Harvey Wasserman (Y), YES (8); NO (5); ABSTAIN (4)

Mansoor Sabbagh not present.

D. Minutes Approval
Minutes from May and June will be forwarded for review in the coming week.

E. Time to Adjourn:
Time set to adjourn is 3pm for Open Session; 2:30p including Executive Session.

II. Seat New Members
New members Lydia Ponce and Harvey Wasserman seated before roll call. They both spoke to the board. Pacifica Mission Statement read by M. Novick.
III. General Manager Report & Discussion

Anyel Fields was unavailable to attend the meeting.

MOTION passes to hold a special meeting on July 8th at 7:00pm to examine the GM’s report for KPFK. The GM should be present to have a collaborative discussion in regards to his plan. It is to be an open session with the possibility of being an executive session (which would not be public).

IV Public Comment #1 (at 11:31am)

V Director’s Reports

A. L. Reyes, G. Aaron, J. Goodman and P. Vasiliev discussed the PNB focus on funding issues, including Covid relief Cares Act and possible loans.

B. M. Novick, F. Blair, O. Ulloa participated in discussion.

VI PNB Committee of Inclusion Report

P. Vasiliev requested for M. Novick and L. Reyes to give reports. The committee has not yet met.

VII Public Comments #2 (at 12:42am)

VIII Reports from Committees

A. Treasurer’s Report was given by Fred Blair on the fund-drive, statistics and missing reports.

B. Governance Committee was given by M. Manos.

C. Finance Committee was given by K. Kaufman.

MOTION passes from the LSB to direct management to forward to the Finance Committee:

1) a first draft 2021 budget not later than two days before the next KPFK finance committee July 8th.

2) Management must use the Pacific of budget templates, they have not done that for three years, it needs to be done. They’re all revenue.

3) All revenue must be based on historical data, including in the budgets fun drug charge for the per day average assumptions.

4) The expenses shall be cut to accommodate projected revenue based on current reality in order to provide a balanced but balanced budget.

5) Five, along with the budget, we request a list of all paid employees and their job titles or duties for all union management, non union full and part time personnel, including any full time or part time employees that are in the consultants line item in the GL or any other GL categories, i.e. programming, development or community events were all part time union - all working non union workers. The list should also include hours worked per month, approximate or average.

Motion from the Finance Committee approved the following motion at the May 13th
Finance Committee request for a fund-drive chart from management for the rest of the year, and a plan for how to pay the expenses for the rest of the year. The LSB approved the motion at the May 17 LSB meeting and the GM said he would comply with it. The GM has not complied with it. The Finance Committee recommends the KPFK LSB take note of this non-compliance and handle it accordingly.

D. Outreach Committee - P. Roberson reported on the upcoming Townhall.

E. Fundraising - M. Novick reported.

IX Treasurer’s Report (see Reports from Committees)

X Discussion of Implementation of the PNB Motion on Expense Reductions

G. Aaron reviewed the PNB and KPFK finances and motion passed by the National Finance Committee. (see attached Dir. Report)

Motion passes unanimously to support the PNB Motion.

X Public Comment #4 (at 1:50pm)

XI New Business

Motion to table KPFK- LSB urge the PNB and IED to assure our Sister Station KPFT can return to normal operations in short order. (see attached)

Grace Aaron (Y), Ken Aaron (Y), Allan Beek (Y), Fred Blair (Y), Sandy Childs (A), Bella De Soto (N), Jan Goodman (Y), Eric C. Jacobson (A), Evelia Jones (Y), Michelle Manos (Y), Michael Novick (A), Lawrence Reyes (N), Paul Roberson (Y), Oscar Ulloa (A), Polina Vasiliev (A), Beth von Gunten (A), Harvey Wasserman (Y). YES (9); NO (2); ABSTAIN (6)

Motion that the KPFK LSB Agendas be fully covered in scope, before entertaining premature Adjournment from any board member deemed out of order by the chair. (see attached)

(not addressed)

XII Executive Session

LSB convened an Executive Session to discuss confidential personnel information and proprietary information.

XIII Adjourn (at 4:04p)
Director’s Report from Grace Aaron – June 21, 2020

Our iED, Lydia Brazon, has applied for 2 stimulus loans. One is a PPP loan of a little over $1 million. If these monies are spent properly (for payroll and operating expenses) the loan will be mostly or completely forgiven. Another stimulus loan of a little over $2 million with excellent terms has also been applied for. We are expecting the PPP funding to arrive shortly.

On Saturday, May 30th Pacifica held its first National Town Hall Zoom teleconference. More Town Halls are being planned.

The Pacifica National Board approved a National Programming initiative that has resulted in a show: “Covid, Race & Democracy” that has been airing on KPFK at 6 am as well as on other Pacifica stations. It’s different, timely and well produced. The anchor is Verna Avery Brown, who some of you may know from her work as the anchor of Pacifica Network News years ago. Volunteers from all of our stations have helped produce these shows. Our Affiliate Program has also contributed content. Here is a link to these shows:

https://covidtaskforce.pacifica.org/

The Pacifica National Board approved a statement about the murder of George Floyd. That and other recent significant resolutions are cut and pasted below.

All of Pacifica, and KPFK in particular, is facing severe financial problems. This situation has resulted in the National Board passing a resolution that significant expense cuts of at least 30% be made at KPFK. You can read the whole resolution below.

In our next PNB meeting we will be reviewing a few Bylaws Amendments. After they are reviewed by the PNB they will then be taken up by the LSBs. That will mean that in our next LSB meeting we will be going over these Bylaws amendments.

That’s all for now. As mentioned earlier, below are the significant resolutions adopted recently by the Pacifica National Board.

In peace,

Grace Aaron, Pacifica National Board Director

Some of the Resolutions adopted by the Pacifica National Board recently:

April 30, 2020

Motion on Virtual Town Hall Meetings – Alex Steinberg

In order to facilitate communication between the Pacifica National Board and the members of the Pacifica Foundation:
Be it resolved that the Pacifica National Board will sponsor a series of 4 **Virtual Town Hall Meetings** in 2020. These meetings will allow members of the Pacifica National Board to engage in a dialogue with the members and supporters of our stations and of the Affiliates. Each Town Hall meeting will include an agenda covering the topics to be discussed. Members of the public will be able to register for each event and will be able to participate fully in the conversation. Each event will be web-streamed in real time. Dates and topics will be announced shortly.

Motion passes without objection. 10:07 pm

May 7, 2020

**Motion recommended by iED and put forward by Steinberg and Aaron:**
All Pacifica Foundation Inc stations and units shall notify the CFO, Senior Controller and Executive Director (iED) in advance of applying for any loans or grants to ensure that station and unit applications do not conflict with submissions of same by the PNO or other units.

Motion passes without objection. 10:10 pm

May 21, 2020

**Motion to Authorize a Personnel Task Force – Dewayne Lark**

**Main Motion as amended:**

The PNB authorizes a Personnel Task Force to review and report the status of current staffing at the station and national office. Additionally, the Task Force shall review current and proposed union and (non-union) contractor contracts and make recommendations to the PNB regarding how best to move forward with future union and non-union agreements. The Task Force should seek to submit a report to the PNB within 96 days from the date this motion is adopted.

The following directors are nominated for the Personnel Task Force: Vanessa Dixon Briggs, Lawrence Reyes, James Sagurton, and DeWayne Lark, given these PNB members’ extensive background in defending labor rights and in labor union negotiations.

Main Motion passes: Yes: 13, No: 6, Abstain: 3

May 28, 2020

Motion on Oversight of Expense Cuts
Whereas, it may be necessary to reduce expenses, including employee expenses, and,
Whereas, the Foundation can be negatively affected by complications arising from expense
cuts that may lead to Union disputes, legal repercussions or other negative consequences,

Be it resolved that prior to any expense cuts being made, that all expense cuts of over $10,000 and all reductions in staff or personnel, such as furloughs, layoffs, discharges, reductions in employee hours or benefits or reductions in pay, be reviewed by the iED and Board Officers, and the Board will be apprised of any action taken.

June 4, 2020

Statement of Policy on Murder of George Floyd and Policy & Military Repression – Lawrence Reyes

The MOTION as Amended now reads:

Resolved that the Pacifica National Board adopt this statement of policy regarding the racist police murder of George Floyd and the police and military repression that has been visited upon those protesting and grieving his death, and that an edited version of this statement in PSA format will be made available to be aired as the editorial position of the Pacifica Foundation on our five stations and Affiliates:

The Pacifica Foundation stands in solidarity with the family of George Floyd during this pivotal time in history. We stand in solidarity with the families of Ahmaud Arbery, Breonna Taylor, and the many others who have tragically lost their lives at the hands of police officers or racist vigilantes who lack regard for human life. We stand in solidarity with all those protesting such racist, state-sanctioned murders, and oppose the police and military repression that has been visited on those condemning and grieving those deaths.

Pacifica is a bridge between communities, devoted to highlighting and amplifying the voices of change, voices of struggle, voices that speak truth to power. In every one of our signal areas, those voices are raised in outrage and a demand for fundamental change.

George Floyd attended Jack Yates High School, minutes from our station KPFT in Houston, Texas. He was affectionately known as "Big Floyd" by his football teammates. Hundreds of his classmates gathered to hold a vigil and pay tribute to the man they called a "gentle giant" on May 30, in front of JYHS, wearing the number of his crimson and gold football jersey 88. On June 3, 60,000 Houstonians attended a gathering in honor of George Floyd, addressed by Houston Mayor Sylvester Turner, the Floyd family, civil rights activists, local Congress members, hip hop artists and a host of other speakers. The numbers speak to the import of the moment. In New York, the Bay Area and Los Angeles, tens of thousands have taken to the streets day after day and night after night despite the use of law enforcement and the National Guard to criminalize and suppress protest. In DC, the White House has unleashed tear gas on peaceful protesters, ordered military helicopters to buzz marchers, and turned out their own lights. All this takes place in the context of an ongoing pandemic disproportionately taking the lives of Black, Latinx and indigenous people.
The US has a long history of institutional racism which must be broken with once and for all. This racism has been a barrier to social justice, quality education, and economic opportunities for the African American community in particular and for other communities of color. It is the principal obstacle to social progress for all. As reported recently in the New York Times: "Mass incarceration has turned imprisonment into a dominant feature of modern life for black Americans. Large numbers of black men are missing from their communities — unable to marry, care for children or see their aging parents. Many others suffer from permanent damage, struggling to find work after they leave prison."

Dr. Maya Angelou said, "Life is not measured by the number of breaths you take but by the moments that take your breath away." Today, Pacifica stands in solidarity with the world, demanding justice for George Floyd, and all victims and survivors of state sponsored violence. We join the rallying cry of the multitudes of people in this country and from around the world saying to the USA, "enough is enough."

We support the call to reduce police funding and end the militarization of police.

We call on law enforcement to stop attacks against protesters, and against print, broadcast and social media reporters and journalists covering the protests.

We support the call to phase out the current system of mass incarceration in favor of rehabilitative rather than punitive systems and to release political and nonviolent prisoners, particularly aged and vulnerable ones, from these dungeons before COVID imposes a death sentence.

We believe the US military machine must stand down, not only from confronting people in this country, but from interventions, occupations and sanctions against people all around the world.

No one knows what tomorrow holds. However, one bedrock of our foundation is absolute: "We hold these truths to be self-evident, that all ... are created equal, that they are endowed by their creator with certain unalienable rights, that among these are life, liberty and the pursuit of happiness." In this hour of great peril to our democracy and our survival as individuals and as a free society, Pacifica stands with all those struggling for equality, justice and peace.

The Main Motion as amended passes unanimously by all present at the meeting:
Yes: Aaron, Dixon-Briggs, Foley, Gray, James, Lark, Pinchback, Poynter, Rawline, Reyes, Rhodes, Rosin, Sagurton, Sorden, Tanaka, Vasiliev

June 11, 2020
Motion on Expense Cuts – From the National Finance Committee

The final, approved wording of the Main Motion is as follows:

Whereas: Currently the National Office has over $500,000 in outstanding payables. We owe NETA $206,000 currently as of June.

KPFK was unable to make its payroll in mid April. About $45,000 had to be taken from an Affiliate Program bank account to make that payroll.

KPFK is at least 5 months in arrears on its Central Service payments. It
currently owes $184,000 in Central Service payments. The KPFK Business Manager stated on May 14th that up to the end of April 2020, KPFK listener support had declined by 11%, its total income had gone down by 22%, although its payroll had increased by 5%.

The KPFK Business Manager stated that this decline had very little to do with the Coronavirus epidemic as these numbers are mostly from before the lockdown.

In the last 2 months KPFK's income has declined precipitously. KPFK is currently bringing in only half the income necessary to meet its expenses. This means that KPFK is not able to make Central Service payments currently, is backlogging bills and is having trouble meeting its own payroll. KPFK’s monthly expenses are about $300,000. KPFK’s income has only been $150,000 per month for the last 2 months.

It is unclear as to whether Pacifica will receive any emergency stimulus loans or if there will be any other significant influx of revenue sufficient to make up for the heavy loss of KPFK Central Service payments.

Compounding this is the fact that every station, with the exception of KPFA, is seriously in arrears in its Central Service payments, with the possible exception of KPFT.

We have no reserves. If our financial situation deteriorates any further we may be forced to sell one of our buildings.

Therefore, be it resolved that significant expense cuts be made at KPFK as soon as possible. These cuts should be at least 30%. Expenses must be less than income as there are no resources to cover any shortfalls.

Further, all units (excluding the National Office) should provide a plan within 1 week to the NFC, the PNB, the Management Team and the iED that balances expenses and revenues if the units in the preceding six months have had expenses that exceeded revenues. (ie, if a station's expenses are exceeding its income by 10% the plan should show an expense decrease of 10%.)

As KPFK is currently running a $150,000 per month deficit, it is absolutely urgent that expense cuts be made immediately at that station. Other fundraising plans should be encouraged, but they would not be able to cover shortfalls of that magnitude. Thus, substantial expense cuts are unavoidable.

The Main Motion as amended passed without objection.
Dear LSB and Finance Committee Members,-

Attached is My June Treasurers Report, and two Financial documents from KPFK Business Manager I think are useful to look at.
Enjoy.

-Fred Blair
KPFK LSB Board Treasurer

Dear KPFK LSB Members,

I am sorry to report that I don’t have much information for you this month. After the LSB made multiple requests for Financial documents to KPFK’s Management, we in the Finance Committee have gotten pitifully little for our efforts. This month, at the June 10th meeting, the Business Manager presented us with just 5 documents, an hour before the meeting, as listed below:

- Expense Projection April 2020 (looks like a work doc for Stimulus Loan)
- Finance Committee Summary 2020 (new)
- KPFK Historical Age TB June 2020
- KPFK P&L Stmt. April 2020
- MAY_2020_KPFK fund drive

One of these documents is useless because of its formatting, but the rest do provide good information after some work and analysis. In Fact, the Finance Committee Summary is the first time we have gotten a written-report by of our Business Manager, Barry Brooks at Finance.

This Summary document in fact has a Bombshell statement in it, it documents that KPFK owes Back Central Services Payments of $552,435 Dollars for the Years 2015 through 2020. I had known that K had a Central Services Debt of $250,000 from 2015 when Anyel was KPFK’s iGM at the time. But I had thought that it had been paid back by now. I had asked Barry at several times if these Back CS debts had been paid off, and I never got a clear answer from Him until now. I asked if Even if part had been paid at some time. Nada.

The KPFK April P&L Statement has some small difference from the NETA’s Pacifica/KPFK April P&L numbers. But the P&L statements are only a high level summary of K’s Finances, but don’t tell us about the collapse of Income right now in June. After all, April’s numbers are 2 months old by now.

To get an understanding of K’s currently Income, we are dependent on Station Management to provide critical information. Nothing can substitute it with written output.
Management to provide us this information -- Otherwise we are in the dark on this matter. There is NO other way for us to obtain this info. And the GM has been denying us this information since February on Station Finances, even with LSB Motions passed, so this amplifies our misinformation and uncertainty on these critical financial numbers.

I cannot tell you how frustrated and angered I am with this situation, caused by the GM actions. Finally, with the GMs email “Station Update” sent May 30th, releasing some basic Income numbers to Us for the period April 1st through May 30th, We now can make a Guesstimate of KPFK Monthly Income -- $150,000 per month.

These Income numbers were not entirely clear or unambiguous, but it looks like income had collapsed to 50% of Operating Expenses per month after the March Covid19 Lock-Down. And K’s Management has not clarified things here either so far. What this all means is K is running a Deficit of some ware between $100,000 and $150,000 Dollars a month currently. This Can’t Continue!

Financial Documents

The FY2018 Audit is completed.

FY19
KPFK Financial Stats from KPFK P&L 12.31.19 (NOT Audited)

- Average Monthly Operating Expenses: $317,012. Dollars
- Average Monthly Payroll: $170,540. Dollars
- FY19 Total Operating Expenses: $3,804,138.26 Dollars
- FY19 Listener Support: $2,727,787.60 Dollars
- FY19 Total Revenue: $3,681,984.79 Dollars
- FY19 Deficit: ($195,600.91 Dollars)

FY20
KPFK Financial Stats from Pacifica Consolidated P&L 4.30.2020

- Average Monthly Operating Expenses: $300,099. Dollars
- Average Monthly Payroll: $178,170. Dollars
- FY20 Listener Support: $1,623,046.60 Dollars
- FY20 Total Revenue: $1,824,455.75 Dollars
- FY20 Profit/Loss: ($276,238.42 Dollars)

NFC Report & FY2020 Budget Timeline

The next KPFK Finance Committee meeting will be on Wednesday, July 8th, 2020 at 4:00 PM via Maestro Conference.

The KPFK Draft FY20 Budget and all Pacifica Unit Budgets are stalled. I think the NFC will recommend we abandon all the FY20 Budgets, and immediately start work on the
FY21 Budgets for all units.

**February KPFK Fund Drive**
The current Fund Drive started on April 1\(^{st}\), and will run Continuously in Soft-Drive mode until KPFK gets ahead of this Financial Crisis. The Soft-Drive Fund Drive is a low key Fundraising mode wherein only a few Shows Fundraise, and only than at the beginning or end of their regular type of Programming.

**FY20 Fund Drive Summary:**

<table>
<thead>
<tr>
<th>KPFK FUND Drive</th>
<th>Drive Daily Average</th>
<th>Dollar Goal</th>
<th>Dollars Pledged</th>
<th>Percentage of Goal</th>
<th># of Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 2019</td>
<td>$16,902.</td>
<td>$600,000.</td>
<td>$659,192.</td>
<td>109.8%</td>
<td>39</td>
</tr>
<tr>
<td>December 2019</td>
<td>$13,956.</td>
<td>$266,000.</td>
<td>$237,246.</td>
<td>89.2%</td>
<td>17</td>
</tr>
<tr>
<td>February 2020</td>
<td>$15,021.</td>
<td>$650,000.</td>
<td>$510,716.</td>
<td>78.6%</td>
<td>34</td>
</tr>
<tr>
<td>April-May-June-July 2020</td>
<td>$7,076.</td>
<td>&gt;$300,000. per Month</td>
<td>$200,000. per Month</td>
<td>66%</td>
<td>Continuous Soft-Drive</td>
</tr>
<tr>
<td>August-September 2020</td>
<td>$.</td>
<td>$.</td>
<td>$.</td>
<td>%</td>
<td>???</td>
</tr>
</tbody>
</table>

90 days Total Fund Drive Days in FY20, $1,407,154. Total Dollars Pledged.

**FY19 Fund Drive Summary:**

<table>
<thead>
<tr>
<th>KPFK FUND Drive</th>
<th>Drive Daily Average</th>
<th>Dollar Goal</th>
<th>Dollars Pledged</th>
<th>Percentage of Goal</th>
<th># of Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 2018</td>
<td>$21,610.</td>
<td>$650,000.</td>
<td>$561,868.</td>
<td>86.44%</td>
<td>26</td>
</tr>
<tr>
<td>December 2018</td>
<td>$21,105.</td>
<td>$350,000.</td>
<td>$274,364.</td>
<td>78.39%</td>
<td>13</td>
</tr>
<tr>
<td>February 2019</td>
<td>$19,629.</td>
<td>$650,000.</td>
<td>$706,654.</td>
<td>108.72%</td>
<td>36</td>
</tr>
<tr>
<td>May 2019</td>
<td>$17,400.</td>
<td>$650,000.</td>
<td>$539,398.</td>
<td>82.98%</td>
<td>31</td>
</tr>
<tr>
<td>July 2019</td>
<td>$14,075.</td>
<td>$600,000.</td>
<td>$450,404.</td>
<td>75.07%</td>
<td>32</td>
</tr>
</tbody>
</table>

138 Total Fund Drive Days in FY19, $2,532,688. Total Dollars Pledged.

Sincerely,
Fred Blair
KPFK 2020 LSB Treasurer
Motion on NETA

James Sagurton puts forward an Amendment to add the phrase “as much as possible” after ‘payments to NETA’ and delete the phrase “second only to payments to its staff”. Also, Replace the last sentence with "Also, be it resolved that any General Manager who does not give NETA on line, real time access to view the accounts shall be suspended by the Executive Director."

Amendment passes without objection.

The final wording of this motion is:

Whereas Pacifica is entering a crucial period of its financial history and,

Whereas accurate, timely, and independent accounting is necessary to weather this upcoming year and,

Whereas our loan approval will likely hinge on the above,

Be it hereby resolved that Pacifica, its officers and its directors, should prioritize payments to NETA as much as possible for the remainder of NETA's contract and until all liabilities are paid. Also, be it resolved that any General Manager who does not give NETA on line, real time access to view the accounts shall be suspended by the Executive Director.

The above Main Motion passed without objection.

Governance Committee – Lawrence Reyes, Chair

Motion: The PNB approves a special rule which would allow Committees to set time limits for agenda items and speakers.

Passes without objection. 11:54 pm