I. Call to Order and Opening Business

The meeting was called to order by the Chair at 5:35 PM Pacific Standard Time.

a. Roll Call / Establish Quorum

Twenty-two members were present, constituting a quorum:
Ken Aaron (KPFK), Ivon Alcime (WPFW), Teresa Allen (KPFT), Nia Bediako (WBAI), Wesley Bethune (KPFT), Carolyn Birden (WBAI), Lydia Brazon (KPFK), Bill Crosier (Vice-Chair, KPFT), Kathy Davis (WBAI), Revalyn Gold (WPFW), Heather Gray (Affiliates), Campbell Johnson (WPFW), Ali Lexa (KPFK), Efia Nwangaza (Affiliates, Secretary), Laura Prives (KPFA), Summer Reese (Chair, KPFK), Marcel Reid (WPFW), George Reiter (KPFT), Tracy Rosenberg (KPFA), Dan Siegel (KPFA), Alex Steinberg (WBAI), Andrea Turner (KPFA).

Also present: Arlene Engelhardt (Pacifica Executive Director), LaVarn Williams (Pacifica CFO), John P. Garry III (Recording Secretary).

Due to a technical error the recording of this meeting is incomplete.

b. Reese volunteered to serve as timekeeper (5:42)

II. Open Session Agenda Approval (5:42)

Brazon moved to extend Financial Recovery Plan discussion to one hour. Motion failed by a roll call vote: Yes—7, No—10, Abstain—0.

Yes--Bediako, Bethune, Brazon, Johnson, Prives, Reid, Siegel.
No--Aaron, Alcime, Allen, Birden, Crosier, Davis, Gray, Lexa, Reiter, Rosenberg.
Present not voting—Reese.
Without objection, the agenda was approved (see Appendix A).

III. Minutes Approval (5:58)

Minutes approval was postponed until the next meeting without objection.

IV. Executive Director’s Report (5:59)

The Executive Director delivered a report. Discussion followed.

V. Chief Financial Officer’s Report (6:07)

The CFO delivered a report. Discussion followed.

VI. Board Chair’s Report (6:17)

The Chair proposed the second Thursday as the primary monthly PNB meeting date. Approved without objection. The Chair proposed the fourth Thursday for any needed PNB continuation meetings. Approved without objection.

The Chair announced the selection of an Election Supervisor for the KPFA recall election. Discussion followed.

VII. Financial Recovery Plan (6:37)

Aaron moved the Financial Recovery Plan (see Appendix B). Discussion followed.

[Audio Part 1]

Point of order from Bediako: Objected to a characterization of the discussion made by another member.

Bediako moved to extend twenty minutes Motion failed by a roll call vote (2/3 required): Yes—10, No—9, Abstain—2.


Point of personal privilege from Aaron: I would like to respond the statements (regarding the Financial Recovery Plan). The Chair allowed Aaron to make a brief response.
**Point of order** from Johnson: Will there be a statement at the bottom of this plan indicating it was passed? The Chair responded affirmatively.

The Financial Recovery Plan was **passed** by a roll call vote: Yes—13, No—2, Abstain—6.

Yes—Aaron, Alcime, Allen, Bethune, Birden, Crosier, Davis, Gold, Gray, Lexa, Reiter, Rosenberg, Steinberg.
No--Bediako, Brazon.
Present not voting—Reese.
Abstain—Johnson, Nwangaza, Prives, Reid, Siegel, Turner.

VIII. National Elections (7:21)

Crosier reported on the matter of PNB committee membership. Discussion followed.

Reiter moved to allow at most two Directors from each station to serve on PNB committees, except those with limitations, and if more than two people are nominated STV voting will be used.

**Point of order** from Steinberg: The motion is in violation of the bylaws

[Audio Part 2]

In light of a past opinion by the General Counsel that declared the relevant section of the bylaws [Article 8 Section 2] ambiguous, the Chair did not rule on whether the motion was in violation of the bylaws and allowed Reiter’s motion to proceed.

Rosenberg moved to substitute: It is the policy of the PNB to have one member from each LSB serve on all PNB committee that are not defined as task forces. The Chair ruled Rosenberg’s substitute motion out of order: This is already the board’s standing policy: one director per station per committee. It is un-necessary to reaffirm something that is already the policy of the board. It takes a motion to change something.

**Point of order** from Aaron: Asked for a quorum count. Quorum was confirmed by the number of phone calls on the line.

Reiter’s motion **passed** by a roll call vote: Yes—10, No—8, Abstain—2.

Yes—Bediako, Bethune, Brazon, Gold, Gray, Johnson, Nwangaza, Reid, Siegel, Turner.
No—Aaron, Alcime, Allen, Birden, Crosier, Lexa, Rosenberg, Steinberg.
Present not voting—Reese.
Abstain—Davis, Reiter.
Point of order from Rosenberg: Could you authorize an election for the contested Financial Committee seats? The Chair agreed to do so.

Point of order from Bediako: What is the next item on the agenda? The Chair answered: adjourn to executive session.

The meeting adjourned due to expiration of time at 8:23 PM PST. The board reconvened in executive session immediately afterwards.

Respectfully submitted by Efia Nwangaza, Secretary
John P. Garry III, Recording Secretary
(these minutes were approved on May 10, 2012)

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Appendix A—Approved Agenda

I. Call to Order and Opening Business – PNB Chair (1 Min.)
   a. Roll Call / Establish Quorum – PNB Secretary (4 Min.)

      For Attendance. X Present; Ab Absent; Exc Excused Absence; AL Arrived Late.
      Determine excused absences – Chair

   b. Designate Timekeeper (1 Min.)

II. Open Session Agenda Approval (10 Min.)

III. Minutes Approval - Approval of accrued Open Session Minutes (5 Min.)

IV. Executive Director’s Report (5 Min.)

V. Chief Financial Officer’s Report (5 Min.)

VI. Board Chair’s Report (10 Min.)
    To include any Executive Session Report Outs, and determination of future teleconference meeting dates

VII. Approve Financial Recovery Plan – Ken Aaron, FRAT Chair (30 min.)
    Motion from the Financial Reform Audit Taskforce: to approve the Pacifica Financial Recovery Plan
VIII. National Committee Elections (30 Min.)

IX. Committee & Task Force Reports
(The first three include motions postponed from earlier PNB meetings; order of others determined by when committees submit their written reports before the meeting; time allocated to each determined by content of those reports, including committee motions)

Personnel Committee - Nia Bediako, Chair (30 Min.)

MOTION 1: Pacifica Foundation Program Director Search Process
As substituted and now resubmitted for 1/26/12:

Pacifica Foundation Program Director Search Process

Whereas Article Seven, Local Station Boards, Section 3: Specific Powers and Duties, Sec. E. of the Bylaws, reads, "To screen and select a pool of candidates for the position of station Program Director, from which pool of approved candidates the station’s General Manager shall hire the station’s Program Director. The LSB may appoint a special sub-committee for this purpose"  (No objection.)

Be it hereby resolved that the following steps shall be taken in sequence in order to conduct an approved search for a candidate to fill an open position. All references below to “National Office” specifically indicate the National H.R. worker, if one is in place, or if not, the E.D.  (No objection.)

1. Where an LSB creates a search sub-committee, the LSB shall specify, in the motion which creates it, which of the procedures it intends to delegate. Such a sub-committee shall include a minimum of 7 and a maximum of 11 members consisting of LSB members, including paid and unpaid staff members, and may also include non-LSB listener members and non-LSB staff members. Names, email addresses, and phone numbers of all sub-committee members shall be sent to the National Office.  (No objection.)

2. The PNB Personnel Committee shall provide a copy of the job description, candidate evaluation criteria, and, for non-LSB members of a created sub-committee, a confidentiality agreement to be executed by the sub-committee’s 2nd meeting.  (No objection.)

3. The LSB or its sub-committee shall arrange through the National Office for publication of an ad in venues reaching diverse communities per FCC and EEO guidelines and the ad shall be placed within 7 days of the request. Ad budget shall be set by the GM and LSB. In addition, an ad shall be posted at the station’s premises, on its website and airwaves, and in its e-newsletter or other publications. Application period shall be 30-45 days, and applications shall be submitted to a central location in the National Office and then distributed, in their entirety, via email to the LSB or its sub-committee and the GM.  (No objection.)

4. The LSB or its sub-committee shall create a timeline not to exceed six (6) months to complete its work, including meetings, rankings, interviews, and reports at each LSB meeting. The timeline shall include a meeting at which the sub-committee shall receive training from the National Office on laws and rules concerning the hiring process. The LSB or sub-committee may or may not arrange a meeting of the qualified candidate finalists with the paid and unpaid staff.  (No objection.)
5. All LSB or sub-committee meetings regarding the hiring process shall be noticed to the public, and held according to the open-meeting provisions of the Pacifica bylaws. (No objection.)

6. To assure equal treatment of all candidates, each interview round shall be conducted by the same method (e.g., phone, in-person, etc.). (No objection.)

7. The LSB or its sub-committee shall formulate a list of standard interview questions for all candidates. (No objection.)

8. The LSB or its sub-committee shall decide on its pool (3-5) and rankings of recommended candidates using Single Transferable Voting, with LSB or sub-committee members strongly encouraged to write a brief explanation of their votes. (No objection.)

9. If, as the 6-month mark of the sub-committee’s existence approaches, it appears that the sub-committee will not complete its work, the LSB may reaffirm the sub-committee and extend its term or reconstitute using the same process articulated in #1 above. (No objection.)

10. In the case of the search sub-committee, it shall write a final public report explaining the process it went through in its search and recommendations, and shall also submit a confidential appendix to the LSB containing the names and rankings of its recommended pool members (3-5), along with any explanations written by sub-committee members of their votes. (No objection.)

11. If no sub-committee is created, the LSB shall prepare a public report as described above and a confidential appendix to the GM containing the names and rankings of its recommended pool members (3-5), along with any explanations written by LSB members of their votes. (No objection.)

12. If the selection is made by a sub-committee, the LSB shall in executive session discuss and vote on whether to accept the candidate pool and rankings as presented by the sub-committee, or may revisit the pool of qualified candidates, or review the process. (No objection.)

13. As per Article 7, Section 3E of the Pacifica Bylaws, the General Manager shall make the final decision regarding which individual from the pool shall be offered the position. Said decision shall be made and reported to the LSB within a month of receipt of the LSB’s recommendations. (No objection.)

Development Task Force – Heather Gray, Chair (15 Min.)

Motion 1: Publicists:
The PNB authorizes acquiring six (6) unpaid publicists within 30 days of the present date to work at each of the five (5) stations and one head Publicist to coordinate at National Office.
Passed unanimously at KPFK LSB and by the Development Task Force

Programming Committee – George Reiter, Chair (30 Min.)

Motion 1: Program Councils:
The PNB directs the executive director to set up Program Councils as management committees, at each station.
The composition of the committee shall consist of 1/3 staff, selected by stv election, 1/3 members of the LSB, also selected by an stv election, and 1/3 listeners, approved jointly by the LSB and the Program Director by a procedure satisfactory to both. Terms shall be for the maximum of 2 years, or for an LSB member, the term on the
LSB, whichever is less. The Program Councils shall serve to provide a collaborative nexus between the board, the listeners, the staff and the management of the station for the purpose of implementing the programming policies of the LSB and PNB. Specifically, they shall have the power to review programs and vet new programs, including for compliance with the mission, and recommend changes to schedules. They shall provide for adjudication of issues arising between staff and management, where no other means of doing so exists. They will set their own agendas in these regards. Program directors will serve as non voting ex-officio members of the Program Councils. The Program Director shall provide an orientation and training to the members of the Program Council on generally accepted standards of air quality and the art and science of putting a programming grid together. Program Council members have the reciprocal responsibility to educate themselves on these matters, and to learn more about what goes into radio production and programming from the programming and production staff. The Programming Councils are charged with making recommendations to the Program Director. If the program director declines to act on such recommendations, he/she shall report his/her reasons and respond to dialogue on the issue from the Council. Such dialogue shall be made widely available to the listeners. If consensus cannot be reached on a course of action between the Program Director and a majority of the Council, the Council can appeal the decision to the GM with a vote of 2/3 of its members. The Council will make a yearly report on its functioning to the LSB, the Programming committee of the PNB and the listeners, and may make interim reports to these bodies as it sees fit. It will solicit input on programming from the listeners.

All meetings of the Program Council will be in public session, with the exception of those that are required to be in Executive Session by the Pacifica Bylaws. The Council shall determine by majority vote whether any given meeting must be held as an Executive session.

Passed 5-1 by the Development Committee; see separate minority report in the Committee Report

Financial Reform Audit Task Force (FRAT) – Ken Aaron, Chair (15 Min.)

Motion 1: Business Managers:
"The lines of authority within network management should be specifically and carefully defined in order to reinforce the position of the CFO in regard to the station Business Managers in order to ensure the proper financial management of the Foundation. Further, the PNB expects business managers to adhere to network-wide reporting standards and schedules."

approved by a vote of 6 yes, 2 no, 1 abstention

Coordinating Committee - Bill Crosier, Chair (15 Min.)
Discussion of how to get volunteers to help stream and archive PNB committee meetings

Affiliates Task Force – Heather Gray and Campbell Johnson, co-chairs (5 Min.)

Archives Committee (5 Min.)
Audit Committee (5 Min.)

Elections Committee - Carolyn Birden, Chair (5 Min.)

Finance Committee - Tracy Rosenberg, Chair (5 Min.)

Governance Committee – Marcel Reid, Chair (5 Min.)

Racism and Sexism Committee – Andrea Turner, Convenor (5 Min.)

Technology Committee (5 Min.)

X. Motion postponed from previous PNB meeting (15 min.)

Motion by Davis: Quorum

Resolved, that PNB committees be empowered to conduct a meeting in the absence of a quorum in order to further the committee’s business, with the proviso that any motions other than agenda-setting or the setting the date of the next meeting be held to the next (quorum) meeting for a vote.

XI. Unfinished business (start after completion of previous motion)

a. Motion by Crosier: Public Criticism of Staff (15 Min.)

It is the policy of the PNB that no member of the Pacifica National Board shall criticize publicly, or demean publicly in any way, members of the staff. Any legitimate criticism of the work of staff members that a member feels needs to be acted on is to be forwarded to the Executive Director or to the PNB for resolution. Failure to abide by this policy will be interpreted as action against the interests of Pacifica, and will be subject to the disciplinary procedures provided for by the Bylaws for such actions.

b. Motion by Steinberg: Membership Termination Standing Rule (15 Min.)

Due to possible conflict of interest, any person who has been terminated from the Pacifica Foundation employment for cause shall be prohibited from membership in the Pacifica Foundation. When this type of proceeding is brought, all due process procedures called for, as noticed to all in the Pacifica Bylaws, in Robert’s Rules of Order (Chapter 20) shall apply.

c. Motion by Davis: Membership re: Malice (15 Min.)

Be it resolved that any person or member of the Pacifica Foundation that acts with malice and/or violence and/or levies threats; either verbal or physical against Pacifica staff or members of the LSB or PNB should be disqualified from membership and participation in Pacifica governance. Further, any person or member of the Pacifica Foundation who acts to limit or undermine the fund raising and or function of the Pacifica foundation or its radio stations and broadcast licenses should be disqualified.
from membership and participation in Pacifica governance. And, that any person or member of the Pacifica Foundation who acts to undermine, counterbalance, destroy or limit the Pacifica Bylaws should be disqualified from membership and participation in Pacifica governance.

XII. New Business

a. From: Nwangaza: (15 Min.)
MOTION 1: To rescind the motion passed May 12, 2011 regarding the Pacifica Affiliates Task Force

b. From: Nwangaza:
MOTION 2: for a Pacifica Affiliates’ – Pacifica Foundation Task Force (30 Min.)

Introduction
The vision for the Affiliates’ Program (The Program), at its inception, was that The Program would facilitate the development, production, broadcast, exchange and distribution of meaningful and influential progressive content, provided by both the sister and affiliate stations. The Program was expected to be a mutually supportive resource, serving its members as a communication hub and a teaching/learning community. It would be dedicated to improving both program content and delivery efficacy, with an ever increasing number of progressive programs. The programming would be responsive to Foundation and Affiliate listener needs and interests and give access to otherwise unavailable news, arts, and commentary for worldwide radio, internet, and other possible platforms.

Mission
To achieve this objective, the Affiliates’ Task Force was created and charged with representing the Pacifica Affiliates and being a bridge to the Pacifica Foundation. Consistent with the Pacifica Foundation’s mission and the Task Force’s charge. The Task Force shall strive to build and maintain an authentic Pacifica-Affiliate partnership by maximizing Affiliate membership, input, and participation.

Membership
Any member of an Affiliate or Pacifica station is welcome to participate in the Pacifica-Affiliates’ Task Force.

Voting, Co-Meeting Facilitators and Monthly Meetings
Where voting occurs, only duly designated station representatives of an Affiliate or Pacifica station, who has attended three consecutive meetings (the meeting of the vote and two meetings immediately prior to the vote) shall be allowed to vote.

Officers
The Task Force shall be convened by PNB assignment. It shall elect a pro tem Facilitator or Facilitators (at least one of whom shall be an Affiliate Director) for the first three meetings and a Secretary (who shall be any voting eligible member of the Task Force). The permanent yearly Facilitator(s) shall be elected at the third regular meeting.

Meetings:
The Task Force shall meet a minimum of once a month and conduct such business as is consistent with its mission and in the manner prescribed the by-laws of the Pacifica Foundation.

c. from: Brazon: (10 min.)
Whereas Director Tracy Rosenberg posted "KPFA: An Open Letter on E-mails" to
Indybay.org news items site on Saturday, April 16, 2011 which included email communications between attorneys on pending Pacifica matters of litigation.

Therefore it is resolved that the Pacifica National Board of Directors censure Director Tracy Rosenberg.

d. from: Rosenberg:  (10 min.)
Motion of censure against the 27 members of the KPFA LSB for demanding the disclosure of confidential legal information in an open session of the KPFA Local Station Board.

e. from Birden:  (10 min.)
Whereas, the Bylaws state that "the term of a Director shall be one (1) year. A Director may serve no more than five consecutive one-year terms. A Director shall not be eligible for further service as a Director until one year has elapsed after the termination of a Director’s fifth consecutive one-year term" (Article Five, Board of Directors of the Foundation, Section 2: Term), clearly defining the firm limit of "five consecutive one-year terms" for all Directors, and

Whereas, this term limit was not separately addressed in the motion that set up selection procedures for the Affiliate Directors, it is

Resolved, by the Pacifica Foundation Board of Directors, that this limit (five consecutive terms) required in the Pacifica Bylaws shall also apply to the number of consecutive terms permitted by Affiliate Directors.

XIII. Adjourn (time certain)  (10:00 pm EST)

Appendix B—Financial Recovery Plan

Executive Summary

The Pacifica Financial Recovery Plan is a response to the significant financial deficits of recent years (2007-2010). The deficits were a product of many factors, among them declining listener support, failure to make programming changes to retain and grow listenership, and poor management of our budgets and financial reserves, both on the national and local station levels.

These deficits have required us to make cuts in expenses that were unpleasant but which were necessary. No organization can continue to spend more than it is bringing in and expect to survive to continue serving the public. While cuts allowed us to greatly reduce our deficit spending, alone they were not adequate to restore financial health to the Foundation.

The Recovery Plan (hereafter The Plan) starts from a premise that strict improvements in management of foundation finances must be put in place. This has already begun. It starts with demanding more accountability from local stations and the National Office in producing and executing budgets that are balanced and designed to build cash
reserves. The 2011 Budget process followed this formula producing on time and balanced station and national budgets.

This document outlines actions underway and planned for the next five years to put Pacifica in a stable financial position and serve the public as we provide a much-needed alternative to commercial media.

The major goals described are to:

. Resolve debts

. Restore modest financial reserves

To reach these goals, we must increase revenue and control expenses. The specific goals and actions listed below will help us do that while enabling us to continue to serve our educational mission.

The initiatives below cover several methods we will use to increase membership and revenue, and the figures shown represent what we believe are minimum realistic values. We hope, of course, that at least some of the methods listed will be even more effective than indicated here. Periodically (at least once per year), our stations will evaluate each technique to see what is working best, compare results between stations, and modify specifics as needed so that we can learn from each other and incorporate the most effective techniques. The Financial Recovery Task Force will continue to monitor and adjust plans as necessary to reach our goals.

The Problem

The Pacifica Foundation has had expenditures greater than revenue every year since 2007. Foundation reserves are exhausted. We do not have enough working capital to pay our major payables.

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2007</td>
<td>$(217,848)</td>
</tr>
<tr>
<td>FY 2008</td>
<td>$(433,161)</td>
</tr>
<tr>
<td>FY 2009</td>
<td>$(2,701,432)</td>
</tr>
<tr>
<td>FY 2010</td>
<td>$(1,974,849)</td>
</tr>
<tr>
<td>FY 2011</td>
<td>$(405,967)</td>
</tr>
<tr>
<td>Total</td>
<td>$(5,733,257)</td>
</tr>
</tbody>
</table>

While significant progress toward improving financial practices was made in FY 2011, many
of the same issues that caused previous deficits prevented ending the year in the positive. Significant legal expenses, the inability of the NY and DC stations to consistently cover their expenses and contribute their full allocation to shared network expenses, significant past due obligations, and the loss of promised funding to the Pacifica Archives from the National Endowment for the Humanities made a major impact on our bottom line. FY2011 was a better year than FY2010 by a significant margin but not the result we were reaching for. We have to make significant changes in FY2012 and beyond.

FY 2012 presents the Foundation with extreme challenges including the relocation of at least one station, and with a second station possibly looking at a move in order to lower ongoing occupancy expenses. The continuing problem of non-payment of full shared expense levies (Central Services) puts pressure on the Foundation’s ability to cover network and station expenses. This also prohibits building and maintaining reserves to meet unexpected contingencies. The responsibility of all five station units, the Archives, and the National Office to cut expenses and increase revenues will be of major importance to The Plan. Both locally and nationally, the Foundation will exploit a variety of revenue streams to go beyond simply struggling to meet operational expenses.

The Plan addresses concrete steps that will be taken to ensure that the current trend of fiscal year losses will become a trend of modest growth, responsible debt management, and the rebuilding of financial reserves to provide a sound foundation going forward.

**Increasing Revenue**

**Promotion/Marketing**

It is crucial to the survival of the 5 stations and the nearly 200-station affiliate network that Pacifica restore its reputation for timely coverage and analysis of pressing issues from a progressive point of view. This can be done by consistent and well-thought out issue-based initiatives that draw from a variety of sources in-house, affiliates, and pro-bono contributors who see the benefit of working with Pacifica and our media family. It is important that these initiatives be clearly Pacifica-branded, and that is why we are proposing a national office position dedicated to consistently producing this material using network resources and promoting it to the network’s donors to get them to maintain and increase their fiscal support. Pacifica must be more than the network that airs (or used to exclusively air) Democracy Now.

By running series-based national programming, Pacifica can nationally highlight an abundance of local talent. We strengthen the network by exposing our talent to national audiences. We demonstrate our ability to bring to our listeners, across the country, a range of broadcasting competitive with other media. The Pacifica Network will be known for its self-produced content in addition to carrying Free Speech Radio News, Al-Jazeera English for Radio, Democracy Now, and other Audio-port material. The opportunity to participate in these national programs will assist in the retention and attraction of affiliate stations within the Pacifica network.
This contention regarding national programming is based on verifiable facts. Pacifica has had several well-received national program specials including coverage in 2011 of the Japanese nuclear power plant disaster at Fukushima, the 10th anniversary of 9-11, labor stories, and most successfully, Occupy Wall Street coverage which increased online listening to the extent that host station WBAI had to triple bandwidth in order to accommodate the crush of online listeners. This demonstrated in clear terms a desire for Pacifica coverage and the ability to increase our number of listeners by doing targeted special programming.

The promotion program will have the following components:

A national staff person whose responsibilities will include producing at least six and as many as ten Pacifica-branded special programs on timely issues using in-network and donated broadcast resources.

This person will be responsible for ongoing promotion including regular press releases and announcements, on-air blurbs for the affiliate network, and coordinated newsletter outreach at all five stations to support programming. Responsibilities will include outreach to potential major donors and to coordinate the annual national mail debt-reduction campaign.

The goal of this position is to increase listenership and revenues through improved programming, to develop a public relations campaign, to enhance the “Pacifica brand”, and to cultivate major donors. This position will have measurable goals for financial success and continuation of the position will be contingent on reaching these goals.

Forecast:

<table>
<thead>
<tr>
<th>Year</th>
<th>2011/2012</th>
<th>National Re-branding $0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 2 2012/2013</td>
<td>National Re-branding $25,000 – Net Income after salary/benefits</td>
<td></td>
</tr>
<tr>
<td>Year 3 2013/2014</td>
<td>National Re-branding $45,000 – Net Income after salary/benefits</td>
<td></td>
</tr>
<tr>
<td>Year 4 2014/2015</td>
<td>National Re-branding $65,000 – Net Income after salary/benefits</td>
<td></td>
</tr>
<tr>
<td>Year 5 2015/2016</td>
<td>National Re-branding $85,000 – Net Income after salary/benefits</td>
<td></td>
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Maintaining Subscribers

Public media wisdom is that 1 of 10 listeners is a subscriber. It is beyond the scope of this recovery plan to try to increase that percentage of giving. However, it is not beyond the scope of this recovery plan to address whether or not Pacifica is, in fact, capturing that 1 of 10, and in addition, what can be done to reduce the turnover. Stations will be mandated to follow up by mail and phone with listeners that do not renew their memberships. Edge Creative Strategies marketing group suggested to KPFT that they approach listeners from a perspective of “how we make listeners feel about themselves” as opposed to “how they feel about the station.”
Each station will conduct a survey of current members to determine their listening habits and interest in programming and other services. In addition, they will distribute a survey to lapsed members to determine what we can do to restore their membership.

Pacifica will engage in ongoing member appreciation activities that may include brief carts featuring long-time subscribers, tag lines and ads about how special Pacifica listeners are, and defining Pacifica Listeners. What makes a Pacifica person? Listening and donating to Pacifica are two ways our listeners demonstrate who they are.

Membership appreciation activities will be carried out in 4 ways:

. Station Newsletters
. On-Air Carts about Pacifica people
. Direct Mail Coordination
. Station Events

Member appreciation activities will be paired with mechanical fund drive enhancement procedures that will be implemented at each station to get the best possible results. These include:

. Running credit card pledges immediately to prevent loss due to illegible handwriting on pledge cards.

. Including “wait messages” with an invitation to pledge online on pledge room phones so donors are not lost when phone lines are busy.

. Mail, email, and calls to lapsed donors annually.

. Offering “charity premiums” (plant trees, carbon offsets, $10 to an organization) as thank you gifts. These enable the donor to “feel good” about contributing to two worthwhile organizations.

. Asking programmers to sign thank you letters to listeners who contribute during their show.

In addition, stations must maintain and invest in the necessary equipment/technology to ensure that their signal is not diminished or lost.

Progress to date on this component:

i. Pacifica has contracted for back up servers to cover when servers go down. This will ensure no loss of service or data.

ii. A new transmitter has been installed at KPFK and the backup power generator has the necessary permits and has been modified to begin operation.
iii. Pacifica is also purchasing a back up transmitter for WPFW to ensure maintenance of sufficient signal strength if there is failure with the main transmitter.

The gradual implementation of consistent membership appreciation techniques with fund drive improvements and improved technical maintenance will cut down the current membership turnover of 20% by 3% to 17% over 5 years.

Forecast:

Current Subscriber Base = 70,000  
Current Turnover = 20% or 14,000 subscribers  
Desired Turnover in 5 years – 17%, increase retention by 1% each year in years 2-4 and maintain at 17% from year 5 forward.  
Average Donation per Subscriber - $100  
Goal – Reduce Turnover by 3% within 5 years using Maintaining Subscribers techniques

Year 1 2011/2012  
Begin work on retention. Since year is half over, little gain seen in 2012.

Year 2 2012/2013  
Maintaining Subscribers - 1% of 70,000 = 700 at $100/subscriber = $70,000 - $10,000 expense = $60,000 net

Year 3 2013/2014  
Maintaining Subscribers - 1400 retained = $130,000 net

Year 4 2014/2015  
Maintaining Subscribers - 2100 retained = $200,000 net

Year 5 2015/2016  
Maintaining Subscribers - $200,000 – net income

Increasing Audience

Increasing the number of listeners will also increase revenue. With improved programming and marketing/public relations efforts, stations will increase listenership by 1% per year. At this rate, there will be 700 additional subscribers each year at an average contribution of $100 per listener.

Forecast:

Year 1 2011/2012  
Begin work on building new audience.

Year 2 2012/2013  
700 x $100 = $70,000 - $10,000 (expense) = $60,000

Year 3 2013-2014  
$70,000 (continue from Year 2) + 700 x $100 = $140,000 - $10,000 (expense) = $130,000

Year 4 2014/2015
$140,000 + 700 \times $100 = $210,000 - $10,000 (expense) = $200,000.
Year 5 2015/2016
$210,000 + 700 \times $100 = $280,000 - $10,000 (expense) = $270,000.

Rather than parse the details of each specific radio market, this Plan embraces general steps that are applicable to each market and assumes some latitude on the part of local managers together with Local Station Boards to attempt their own approach, as long as steps are taken to increase audience size. Over the life of the Recovery Plan, the following will be implemented wholly or in part by each station:

. Every station will engage in social networking training for all programmers (in most cases this is available via volunteer trainers as NY has already found). This should be required to maintain an on-air Pacifica presence. Programming played on the full-power stations will be required to maintain either a Facebook page or web-blog, announce programs via Twitter, and post audio archives with Google tag words. As station websites are redone to work better, programmer content will be integrated directly onto station websites.

Current # of Discreet Programs (approx) - 300
Facebook “Like”/Twitter “Follower” goals per program: 200/year (total of 60,000)
Conversion Rate = 2% per year (2 out of 100) = 1200
Donation = $50 or $60,000 annually
This will build up gradually with $30,000 in Year 2, $45,000 in Year 3, $60,000 in year 4 and 75,000 in year 5.

. Stations will explore and implement additional services such as film clubs, concerts, lectures, and discussion groups.

. In order to increase audience, as well as fulfill the Foundation mission, stations shall pay attention to the demographic as well as geographic communities within its listening area. This may pertain to the need for providing more special programming for one or more underserved groups, especially if other media does not provide critical information, news, or authentic cultural programming; this should be done in a way that increases rather than decreases listenership and membership. Stations will determine the demographics of their listening area in order to develop programming to serve underserved groups such as various Hispanic cultures, Asian Americans, African Americans, as well as youth and senior audiences, women, gay and transgender people, and listeners with disabilities. Program scheduling decisions should always be based on what is best for the station and the listeners.

. Stations will develop email lists with data so that the station can target listeners by interest.

. Improved websites for Pacifica and for all stations, with links to each other.
Forecast:

Current # of existing station e-mail lists – 18,000 names (approx)
Goal (triple list over 5 years) – 72,000 names
Conversion Rate = 3% per year = 11,000 new emails annually – 300 new members
Donation = $100 or $30,000 annually

Encourage programmers and the Local Station Board to connect with community organizations for both outreach and joint fund raising for both the partner organization and the station. Ensure that all programmers and staff are familiar with FCC and IRS requirements to maintain our license and non-profit status.

Digital Distribution/Mobile Device Access

While we believe radio will continue to be a viable medium, every year more people listen to programs via the Internet, using their computers at home and work, and with portable devices (smart phones, tablets, etc.). Pacifica already streams all programs and has digital archives. The next step is to increase online listening and contributing. Pacifica plans to expand the distribution of programs through mobile device applications with donation buttons, some of which are already in service. Mobile apps must be accompanied by aggressive Google tagging of online audio segments and mobile app downloads that are ubiquitous on station websites. In order to be realistic about what it will take to attract significant traffic to download and use the mobile applications, roll out is anticipated for the 2013 calendar year.

Forecast:

Goal – Distribute and standardize iPhone and Android mobile apps for all 5 stations with maintenance and micro-donation features. (See existing quote for basic parameters)

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<td></td>
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<td>$0 net income</td>
<td>$15,000 net income</td>
<td>$20,000 net income</td>
<td>$25,000 net income</td>
<td>$30,000 net income</td>
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E-Commerce

Ursula Ruedenberg, Affiliate Director, Andrew Philips, KPFA iGM, and station WBAI staff, are working on e-commerce possibilities for both Pacifica and the stations. There is a long-term and a
short-term scenario. Only the short-term scenario is projected as a reliable source of recovery funds at this time, although it is believed there are potential upsides far in excess of the modest forecasts presented here. These are achievable with solid implementation of the Recovery Plan.

Short-term: NY station WBAI has been working with professionals to tag-word all online premium products aggressively to maximize the possibility of any Google. This investment in time and effort should consistently amplify website income.

Long-term: The Affiliates Program plans to develop a portal website featuring a store which would be Pacifica-branded and return a revenue stream to Pacifica. We will seek specific grant funding from major donors to finance the creation of the portal website. This venture into e-commerce is likely to generate some income towards debt repayment and the re-establishment of financial reserves. An additional goal is to seek grant funding to enable the Pacifica Archives to set up an iTunes-style online store for sale of selected recordings.

Forecast:

Goal – Premium gifts tagged as Google search-able items (at least a selection) and featured at web-only prices for not only between fund drive pledgers, but also web browsers looking for information/products relating to the person or issue featured on the premium. Every station to have at least a dozen products so-featured within the next 12-months.

<table>
<thead>
<tr>
<th>Year</th>
<th>E-commerce</th>
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<tbody>
<tr>
<td>Year 1 2011/2012</td>
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<tr>
<td>Year 2 2012/2013</td>
<td>$10,000 net income</td>
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<tr>
<td>Year 3 2013/2014</td>
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<tr>
<td>Year 4 2014/2015</td>
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<tr>
<td>Year 5 2015/2016</td>
<td>$35,000 net income</td>
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Controlling Expenses

Payroll Processing

Pacifica is interviewing payroll companies to institute a payroll system that will increase payroll efficiency, enable more and better reports, and reduce payroll errors. In addition, it will enable Pacifica to improve monitoring employee compliance with approved hours, vacation, and sick time. Budget-to-actual reports, for some time, have confirmed overruns in these expense categories at many of the stations, and it is expected that increased accuracy of payroll will manifest dividends by preventing these overruns in the
future. Pacifica expects to institute the new system in the quarter beginning April 1, 2012.

Legal Expenses

It is crucial that the foundation lower its legal expenses while maintaining the ability to act decisively when it is necessary to do so to protect the best interests of the foundation and the 5 station’s whose licenses it holds and protects. These points represent a strategy to reduce gradually, over the next five years, the financial burden of litigation from the current situation existing in early 2012.

Pacifica has entered into a contract, effective December 1, 2011, with Der Manouel to provide Employee Benefits Consulting Services, including HR services provided by Holman HR, LLC. This service will ensure compliance with ERISA and other state and federal statutes, and will provide better service to employees and managers, including HR training and some legal consultation. This will decrease legal liability over time.

In January 2011, Pacifica approved the use of employment attorneys to handle situations that require specialized legal advice. Although we had expenditures greater than anticipated for these services, we prevailed on a number of legal issues. As we continue to show this kind of success, we reasonably expect to see a decrease in “frivolous” actions. Pacifica signed a retainer agreement with an employment law firm to provide four hours of legal service per month at a greatly reduced rate.

In January 2012, Pacifica retained Andrew Gold as General Counsel. His location in the Bay Area and his oversight of legal issues should contribute to decreased litigation costs.

The Pacifica National Board will set up a litigation work group or committee that will stay on top of pending litigation and support the Executive Director in handling the litigation workload.

Election Expenses

Pacifica is working to prepare for the 2012 Pacifica elections. The Elections Committee is exploring various options including hiring an outside firm to handle the election and making electronic voting an option.

Goal – Reduce election expenses to less than 100K per election by gradually implementing online voting, and using economies of scale with election personnel and printing costs.

Reality-Based Budgeting

The CFO and ED have worked closely with the National Finance Committee, unit management, and LSBs to develop realistic and balanced budgets for 2012. All station budgets were
approved in September, and the overall FY 2012 budget was approved in October – a first for Pacifica in some time. For the first time, the station budget for the New York unit, WBAI, was adjusted to reflect the reality that the full shared services amount of 17% of listener support would not be remitted to the National Office. The local and national consolidated budget forecasted a $150,000 reimbursement or approximately 5% of receipts.

Recognizing this reality prevented a six-figure donut hole in the national office budget that was previously built-in due to overly optimistic budgeting of previous years and substantially increased the accuracy of both budgets for the 2012 fiscal year. [The obligation for the remittance of the total Central Services/Shared Expenses owed was deferred but not waived.] The national staff will work with station management to monitor individual unit budgets monthly and quarterly to ensure compliance. Unit managers will be required to work with the ED and CFO to correct any deficits.

The Foundation will use its full authority and powers over purse and personnel to achieve compliance with key points of the Recovery Plan, including adherence to budgets.

Rent, Utilities, and Technical Maintenance

. All current lease agreements will be examined with a directive to renegotiate wherever possible or to look for other ways to reduce rent (such as giving up space, or relocation.)

. Each station will prepare a utilities/phone plan to show how costs are being kept to a minimum or are being reduced. All costs must be defended.

. Maintenance/Repair records will be strictly kept at each station with reports made monthly to the LSB, and quarterly to the PNB; immediate reports will be made to the ED, CFO, and Technical Director, NFC.

. Purchase of new equipment must be defended in advance (unless budgeted for) to the ED, CFO, and NFC; plan to purchase must be reported to the LSB (through the Treasurer/ Finance Committee Chair will be deemed adequate). [Off budget, impulse purchases are not allowed. Off budget, necessary purchases will need approval from the ED with immediate notification to the CFO and NFC.

Management Stability

XIV. Pacifica has increased stability in our operations by hiring permanent General Managers in 3 of the 4 open positions. Pacifica is working with the KPFA LSB to hire the 4th permanent GM, but KPFA currently has an interim GM who understands the importance of fiscal accountability. KPFT has had stable management for a number of years. The next goal is to get permanent Program Directors hired – with similar stabilization results. The current national management team of Executive Director and CFO have completed two years at
Pacifica.

XV. Internal Auditor: This new position was recommended last year, but lack of funds delayed creating the position. This is in the FY2012 budget and Pacifica is hiring an Internal Auditor. This position will take some of the burden off the finance staff and will provide additional training and evaluation of the station Business Managers in the use of Great Plains and proper accounting.

**Conclusion**

With the above strategies in place to increase revenue and control expenses Pacifica expects to pay off debts and become financially stable within 5 years, 2012 – 2016. The above action items, along with attention to the bulleted items in the attached appendix, will be prioritized.

Major goals are to reduce debt from the current dangerously high figure to a reasonably managed amount for a network of our size, restore station and national office financial reserves to no less than a level matching operating costs for two months, and establish practices designed to grow our network to a size appropriate for our niche in the world of broadcasting.

To reach these goals, we must demand strict conformity to good financial practices from all levels of network governance and management. Spending beyond our means will not be tolerated. Emphasis on rejuvenating all revenue streams will be a priority for the network. Off budget expenses and budgeted expenses when revenue projections are not met, will not be allowed.

Financial Recovery and Audit Taskforce
26-Feb-2012