

PACIFICA FOUNDATION RADIO
PACIFICA NATIONAL BOARD SPECIAL MEETING
From Various Locations via Telephone Conference
REVISED DRAFT AGENDA - Open Meeting
Thursday, June 25, 2015 - 8:30PM ET

I. Call to Order

A. Roll call and establishment of quorum

Teresa Allen, KPFT	Janet Kobren, KPFA
Rodrigo Argueta, KPFK	Janis Lane-Ewart, KFAI Affiliate
Carolyn Birden, WBAI	Robert Mark, KPFT
Lydia Brazon, KPFK	Brenda Medina, KPFK
Jim Brown, WPFW	Tony Norman, WPFW
Stephen Brown, WBAI	Robert Rabin (Siegal), WVQR Affiliate
Adriana Casenave, KPFT	George Reiter, KPFT
Janet Coleman, WBAI	Cerene Roberts, WBAI
Benito Diaz, WPFW	Pete Tucker, WPFW
Brian Edwards-Tiekert, KPFA	Margy Wilkinson, KPFA
Jose Luis Fuentes, KPFA	

John Proffitt, ED

B. Identify Timekeepers - one for speakers (90 seconds) and one for agenda items

C. Excused absences

D. Agenda Approval

Motion for this meeting passed at the in-person PNB meeting on June 14 was as follows:

There shall be a one-item, telephonic PNB meeting on June 25, 2015 to discuss the Pacifica Affiliate Joint Underwriting Project.

E. Pacifica Affiliate Joint Underwriting Project

(See APPENDIX below)

II. Adjourn

(by 9:30PM ET)

APPENDIX:



PACIFICA AFFILIATES GROUP UNDERWRITING PROJECT Ursula Ruedenberg / Pacifica Affiliates Coordinator

This Proposal is for a beta-project of group underwriting for the Pacifica Affiliate Network. It is to be carried out over the course of approximately half a year to a year, designed to test the income and network-building potential of such an initiative. The proposal is the result of extensive research and planning, and is based upon a model shared with us by AMPERS, the coalition of community radio stations in Minnesota that successfully pioneered it.

The Pacifica Affiliates' Group Underwriting will be centrally-managed by the affiliate network office, to attract national sponsors who will simultaneously underwrite multiple affiliates in our network. It is intended to create new income streams for community radio, while accentuating Pacifica's leadership position in supporting the independent grassroots mission of community radio.

Need:

This proposal responds to a need for funding felt by Pacifica and most of its affiliates. Changes in the media environment and the downturned economy make traditional on-air fundraising models insufficient for sustaining community radio. Affiliates losing their ability to pay fees to Pacifica and to make matter worse, new stipulations for stations to qualify for the CPB Community Service Grant (CSG) program have made it impossible for new or small grassroots stations to access public funding. Former recipients of the CSG program are also being eliminated and CPB's financial recovery grants require stations to make changes that undermine the diverse grassroots culture that make them most valuable. As support has dwindled in recent years, we are faced with the stark reality that community radio could disappear.

Meanwhile, Pacifica can no longer sustain operations with only traditional funding models. We are failing to meet expenses, and endangering the welfare of our own radio stations. To date, no significant and ongoing national solution has been implemented. There is desperate need for

income to pay off debts, support operations, upgrade outdated infrastructure, sustain valuable assets like the Pacifica Radio Archives, pay for national programming, and support for the Pacifica Sister Stations, in their need to establish positive cultures with less fund raising pressure.

Due to lack of funds in the network, the Pacifica Affiliate Program is underutilized, never able to re-invest affiliate income into developing its own potential to benefit Pacifica (and community radio in general) more. With the income needed elsewhere, the program's services and infrastructure are outdated and under-developed; the program lacks staff resources and proper salaries.

Finally, although Pacifica represents a great tradition, it currently has a branding crisis. At its inception, Pacifica's Affiliate Program was built in close collaboration with client-affiliates who shared our mission; this established significant client buy-in and loyalty. This has stood us in good stead in recent times, while Pacifica receives bad press and is known for its financial and organizational instability. However, we are rapidly approaching the end of affiliates' loyalty, as tighter station budgets, and inexpensive program options from other sources collude to erode our affiliates'

tolerance for Pacifica's growing negative image. New generations of managers are arriving and historical loyalty is beginning to fall by the wayside. Affiliates will lose their incentives to be part of Pacifica Network if Pacifica does not demonstrate significant value and positive leadership in meeting their current needs.

Our choice is to gradually lose our affiliate network, thereby significantly weakening the presence of community radio on our continent – or to re-imagine how it is supported. There is not an option of continuing along the current path; our traditional funding sources are no longer enough to support us. The crisis is here; we must meet it.

Opportunity:

Grassroots radio and its primary network, Pacific Network, are trusted sources of news and information for this constituency. Although not widely recognized in the United States, we play an important role in American media democracy; Pacifica Foundation and its affiliates have been leaders in bringing progressive thinking, news, and information to the air in all parts of the U.S. for decades. Our stations are havens for freedom of expression and the public discourse so badly needed in these times. The progressive movement has been a vital force for change. We are strong

advocates who put our ideas, actions, and money behind our concerns with creativity and vision.

Now is the time to develop an alternative economic model to sustain this vital voice for truth. Pacifica Foundation is in a unique position to reinitiate its leadership role in building a long-term financial structure to assure that community radio will survive and thrive on its own free-speech, grassroots terms. In 2003, after approximately 30 years of experimentation, Pacifica has developed a successful affiliate network with growth, continuity, and a culture of cooperation. With no real effort, we have received commitments from 70 stations to participate in the proposed beta test program.

Conditions Favoring Our Success:

AMPERS provided this tested and successful model. AMPERS is an association of 15 community radio stations in Minnesota. It generates revenue for its member stations and currently earns \$164,000 annually for itself. In using their model, we inherently bring advantages to this project:

Ampers Pacifica

Started at zero: a great portion of their work was "inventing the wheel"

Has a credible, proven model from AMPERS and they pass management information on to us

Had to build parent organization and network of participating stations

Already has a parent organization, established brand, and a network in place
15 stations

At least 70 participating stations with a potential of 150 – 200 stations

Had to build new contacts

Will benefit from contacts shared by AMPERS

Limited geographic scope and diversity

Large geographic, cultural, diversity, making it easier to attract diverse underwriters and allowing for both regional and national campaigns

Risks and Solutions:

Investment of staff resources

- Certain amount of time away from client service
- During start-up, extra work for staff

Methods for streamlining operations are pursued

Management mistakes would be costly - Mistakes could lead to client loss

- Our reputation will be on the line

This beta phase is opportunity to transition into a unit

As a unit, we handle work load & liabilities to ensure success

Strategic investment in continued professional development

Defining Success:

- Income earned to exceed expenses. We anticipate this within the first year.
- A reliable income stream for grassroots community radio, including Pacifica Foundation Radio and all of the participating affiliates, expanding the field of community radio.
- Pacifica establishing leadership in creating a national resource dedicated explicitly to financial independence for grassroots radio. Community radio stations will have the resources to develop in diverse and independent cultures, furthering democracy and community-building.
- Pacifica establishing leadership in establishing a mission-based underwriting program that acts as a vetting service, connecting our listeners to visionary business and organizations.
- Activities and reputation established by the Group Underwriting Program creates a platform for attracting other new forms of income and support for community radio and new, optimistic partners for Pacifica. Implementing the mission of supporting community radio as a field attracts support for Pacifica as a valued organization.

Proposed uses for income earned:

- Contribute to Pacifica operational expenses to lighten central service burdens
- Pay for national content (DN!, News, special coverage and other nationally funded programs)
- Contribute to sustaining Pacifica Radio Archives

- Pay for Affiliate Program staff (including Business Manager) and raise staff salaries
- Upgrade Audioport.org and other infrastructure
- Fund Pacifica web site upgrades & development of new Internet portals & media platforms
- Emergency fund for community radio
- Grant programs for content-development projects

Mission-based Underwriting

THE MISSION of the Pacifica Group Underwriting Project is to generate new income streams for Pacifica Network; including both Pacifica Foundation and its affiliates, in order to help sustain community radio as a media and help it flourish.

The Pacifica Group Underwriting Project's goals and implementation are proactive efforts to support and implement the Pacifica mission in new ways, to:

- ☒ Help community radio stations be as nearly self-sustaining as possible
- ☒ Encourage creative skills and energies of the community
- ☒ Promote creative activities which will serve the cultural welfare of the community
- ☒ Contribute to a lasting understanding between nations and between the individuals of all nations, races, creeds and colors

☒ Promote the full distribution of public information

The Pacifica Group Underwriting Project aims to empower consumers to make purchases that support progressive, socially and environmentally conscious values.

The Pacifica Group Underwriting Project proactively seeks out and support with visionary, ethical business enterprise – people who pioneer economic democracy and transparency - have an active part in the national marketplace. The Pacifica Group Underwriting Project also aims to provide a national platform for ethical nonprofit organizations, supporting positive and progressive movements and national concerns.

Choices in underwriters are based upon reasonable evidence of their engagement in activities that are socially responsible and congruent with the Pacifica and affiliates' missions. Advisors will be sought to

help vet underwriters.

Editorial Independence and Mission Consistency

When accepting business sponsorship or organizational sponsorship in the form of underwriting and contributions, Pacifica and affiliates use the following guidelines for ensuring integrity and continuity of values. Our guidelines reflect our mission of free, sincere, and open public discourse environmental and social consciousness. These obligations supersede personal, business, and institutional agendas.

Our guidelines exist to assure our audiences that we adhere to editorial standards and that our services are free from undue or improper influence.

All underwriters must agree that their support of community radio – regardless of level or duration of support – does not confer upon them any rights to influence stations’ or Pacifica policy, program selection, or content, either directly or indirectly. The underwriters’ signatures or that of their representatives on the underwriting contract will indicate acceptance of this policy.

Potential underwriters will receive a copy of these underwriting policies and they will be stated in the underwriting contract.

Pacifica Network’s Choice in Accepting Support

Community radio’s general mission is to uphold and build the health and diversity of our national and local communities, and expand freedom of expression. Pacifica Foundation’s general mission is to further peace, understanding, and social justice through self-expression and dialogue.

The Pacifica Group Underwriting Project selects underwriters to reflect these values. Our brand signifies commitment to responsible community development, peace, and conscience, so Pacifica Network proactively seeks underwriters who are individuals, organizations, and businesses with core values of community, cultural development, economic and social justice, environmental protection, and who promote the common good. We seek to connect with those who:

- Engage in fair and equal treatment of all races, genders, sexual orientations, national origins, ages, religions, marital status, or mental disabilities
- engage in fair labor practices
- Engage in financial transparency and shared wealth
- operate sustainably and plan for future generations’ needs

- ☒ Promote human rights
- ☒ respect and protect the environment
- ☒ show and/or encourage local entrepreneurial initiative, local self-reliance and sustainability
- ☒ Provide for basic human needs at no profit
- ☒ Encourage and promote local arts and culture
- ☒ Provide local food
- ☒ generate conditions for the flourishing of life and creative vision for our community

Managers of the affiliate program reserve the right to refuse any funding support, goods or services that may be offered by individuals, businesses, or organizations. An advisory group will help vet and help find appropriate underwriters.

Any participating affiliate reserves the right to refuse any funding support, goods or services that may be offered by individuals, businesses, or organizations.

Business Plan for One Campaign:

One campaign has a set value and is designed by the sales person, based upon the desired markets chosen by the underwriter and the values of different "mentions" at different stations.

Each station running the underwriting gives written approval of the underwriting and provides the schedule in which they will air the spots before the campaign begins.

After the campaign concludes the stations will provide a "proof of performance" listing the times and days that they read the underwriting spots

A invoice is issued to the underwriter and sent with the "proof of performance" documents from each station.

When payment is received each station gets payment with a statement outlining the underwriting contract.

Income from the contract is divided thus:

15%

Divided between all station in the program

25%

Divided between all station running the underwriting mentions
Stations receive their amount according to the value of their mentions and the percentage of the campaign those represent

41%

Pacifica Administrative costs
25% to Affiliate Program
16% to Pacifica Foundation Radio

19%

Sales commission
70% to Affiliate Coordinator 30% to Assistant

If an affiliates recruits an underwriter that station receives 10% from sales commission

Projected Revenue and costs

Income - Projected Income for year one (beta test): 6 campaigns @ \$30,000 each = \$180,000 gross income. Income to Pacifica National: \$28,800. Income for investment in Affiliate Program: \$45,000. (These figures are considered conservatively low, since this is a pilot project phase)

Expenses - We plan to pay for projected start-up expenses with the remainder of start-up grant money (from Organic Valley Coop) given to the affiliate program. Remaining funds from the grant are a little more than \$2,000. No expenses are expected to come from Pacifica Foundation. One exception might be that lawyers' fees may exceed the grant amount. We will attempt to cover these expenses with other donations to the affiliate program. Current projected expenses include:

§ 2-3 Additional consulting sessions with Ampers - \$300.00-\$450.00 §
Lawyers fees (unknown)

WE ARE READY!

We are committed to making this venture a success for ALL of Pacifica. We have a model for success and mentors for providing the know-how. We have strategically thought through the process and know it works.

PACIFICA GROUP UNDERWRITING PROJECT / SALES TASKS:

General Description

Solicit and sell underwriting for a network of at least 50 community radio stations. Plan, propose, and negotiate network-wide underwriting campaigns with underwriters. Manage accounts and quality of service delivery, meeting Pacifica's, stations' and underwriters' needs.

Responsibilities:

Develop and maintain general sales materials about Pacifica network and participating stations, with knowledge of unit / network services and / or relevant information about stations in Pacifica affiliate network involved with campaigns.

Identify and research underwriting prospects Prepare promotional presentations to underwriters

Negotiate, plan and propose national network-wide underwriting campaigns.

Complete contracts, documents, and paperwork for contract services and reporting to underwriters, Pacifica, and participating stations

Arrange underwriting statements and their delivery to participating stations

Manage account services; communicate with staff of network stations for quality checks, proof of performance records, resolve problems, concerns, or complaints, and other follow-up as needed

Prepare and provide proofs-of-performance and other required documents to underwriters for completion of underwriting campaigns

Prepare and manage traffic management software

Follow-up for collection of payment

Prepare status reports, including activity, closings, results, follow-up, and adherence to goals, including weekly work plans and activities carried out

Research and report new service opportunities, special developments, information, or feedback gathered through field activity to the unit manager

Monitor competition by gathering current marketplace information on pricing, products, new products, delivery schedules, merchandising

techniques, etc., recommend changes in products, service, and policy by evaluating results and competitive developments

Contribute to team effort by accomplishing related results as needed.

When possible, attend conferences, and marketing events such as trade shows, and telemarketing events.

Provide on-the-job training to any new sales employees