

PACIFICA FOUNDATION RADIO
PACIFICA NATIONAL BOARD SPECIAL MEETING
From Various Locations via Telephone Conference
DRAFT AGENDA - Special Open Meeting
Thursday, September 15, 2016 - 8:30PM ET

I. **Call to Order**

A. Roll call and establishment of quorum

Grace Aaron, KPFK	Michael Novick, KPFK
Johnathan Alexander, KPFK	Efia Nwangaza, WMXP Affiliate
Wesley Bethune, KPFT	Vinisha Patel-Adams, KPFT
Jim Brown, WPFW	Ron Pinchback, WPFW
Adriana Casenave, KPFT	Cerene Roberts, WBAI
Bill Crosier, KPFT	Nancy Sorden, WPFW
Jose Luis Fuentes-Roman, KPFA	Themba Tshibanda, Uhuru Radio Affiliate
Jan Goodman, KPFK	Margy Wilkinson, KPFA
Janet Kobren, KPFA	
Tony Norman, WPFW	
Staff:	
Lydia Brazon, iED	
Sam Agarwal, CFO	

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

C. Excused absences

D. Agenda Approval (30 min.)

II. **Immediate financial issues aside from the Recovery Plan the PNB must deal with in the short term (30 days)** (15 min.)

III. Review Recovery Plans for the Foundation

A. iED's Recovery Plan (30 min.)

(see APPENDIX A below)

IV. CFO Report (15 min.)

V. Adjourn (by 10:00 PM ET)

APPENDIX A:

iED's Recovery Plan

[Lydia Brazon, submitted to PNB 9/14/16]

Recovery Plan for September 15, 2016 PNB Meeting by the IED, Lydia Brazon

The current financial situation is unprecedented in the many years since I've been in Pacifica.

Contributing factors include a combination of inherited, unsustainable, massive debt, dwindling membership and listeners, and last but certainly not least, the absence of CPB funding that basically brings us to this grave financial state.

In order to properly effectuate this plan, the PNB needs to approve it in whole or in part. Some, is simply reporting on something previously discussed and ongoing and I don't believe requires a PNB vote, such as the appeal letter. However, I am numbering seven recommendations so that the plan can either be passed in its entirety as a consent calendar, or numerically divided to be voted on individually. Some measures need to be enacted simultaneously and others sequentially. Either way, it needs to be approved by the PNB to be considered by the auditor. Those items which constitute an expense, would be contingent on our affordability at the time.

Many of the expense reducing measures have already taken place and were necessary regardless of our current state, but others will cost us in the ability to grow our membership and listeners. Some measures are relative to what can be done depending on the confines of our union contracts at four of our stations. A recovery plan must both reduce our expenses and grow our listeners to be effective.

Currently at the PNO, \$100,000 per year savings are being realized from the absence of a salaried E.D. and a reduction of two, soon to be three, staff in PRA. Depending on how long it takes to replace our CFO who has resigned effective September 16, the reduction of a monthly salary based on \$120,000 per year will be a factor in the short term. Additional reductions regarding the departure of other employees in this and other units will be addressed in executive session.

I have received a \$2,000 loan offer from one director so far toward the mailing cost of the PNO appeal. And, although we have about 1/3 available on the credit card, we need to raise more for this mailing. The returns from the appeal letter to PBS and NPR subscribers will be reported to the PNB so as to gauge the effectiveness and adjust the next wave of appeals accordingly. For example, and this was suggested by Jan Goodman, to offer a thank you gift as we do for our on air drives and which may be a consideration for the subsequent mailing.

Union negotiations continue at three stations over accommodating our situation at KPFA, WPFW and KPFK including staff reductions.

1. Restoring our CPB grants eligibility needs to be the first order of business. Therefore, I think we first need to make sure that the business managers are current with their reconciliations and schedules for 2015. The prompt completion of 2015 will reduce the cost of the auditors which for 2013 and 2014 was significantly higher than expected. I recommend weekly updates from all business managers and where the PNO is functioning in that capacity for certain units, the same is expected of them. The updates should be in writing and chronicle their progress every single week.

2. Although the former E.D. and by extension, yours truly, were tasked with exploring mortgages, it's clear that in addition to the audit report, and financial statements, the value of Pacifica's assets must be presented to make a credible case. The audit report reflects our assets, post-depreciation. To obtain either a mortgage or a credit line, a true market value picture of our assets must be presented. I have therefore contacted an appraiser who's a Pacifica supporter and who will appraise the KPFK property in October and he has also made referrals for a business appraiser for PRA and property appraisers in Berkeley and Houston for our real estate properties there as well. We can later obtain appraisals for our licenses. The point is, we must know the true value of our assets. Certainly NOT in order to sell them but rather to leverage them for credit lines, a mortgage or in the case of the PNO, to lease. In other words, in order to make an informed decision, we need to have this basic information. This information coupled with the audit report, and current financial statements are elements needed for consideration by financial institutions as well as applying for grants. For example, we intend to apply for grants for the renovation of the PNO plus adjacent, which are in dire need of repair and renovation for our employees in the PNO and to maximize the value of that property for lease or mortgage.

3. We are in need of a webmaster or webmaster service provider who can develop and maintain services for pacifica.org and also for other units in need of these services. Some of our sites are not user friendly and are not sufficiently interactive to be useful to listener growth and donations through the sites.

APPENDIX A (cont):

iED's Recovery Plan (cont.)

4. I've consulted John Crigler about the feasibility of an internet station to start with, in Chicago so as to introduce a new listener, member and revenue stream in a city with activism and vibrancy that wholly compliments our mission. My understanding is that because most of the licenses are based on audience and since we wouldn't have much to begin with, the cost per license is only in the hundreds. We would initially fill the station's airwaves with existing programming from our stations, until we introduce locally produced community programming.

5. In 2014, the PNB in essence tabled consideration of a Lease Management Agreement (LMA) or Public Service Operating Agreement (PSOA) for WBAI and so it's the PNB who would need to take it off the table for reconsideration or for me to solicit updated proposals. The process, if the PNB were to choose to engage with any entity is a lengthy one. If the PNB even wants me to solicit more information or updated proposals or to even see if any of the 2014 applicants are currently interested, I just need a motion to allow that. This does not need to be a motion to approve a given proposal or even to enter into a LMA at this juncture.

6. The station and unit managers are in the process of producing their cash flow plans but I believe the more credible projections are for three months. Without the expectation of guaranteed funds from CPB for example, they can basically only factor in their expected reductions and fund drive numbers based on recent past performances, some major donor and some events. Beyond that, it gets very speculative. What I've asked for are specifics per pay period for payroll and health care and central services. I believe these specific plans should be provided quarterly.

7. Regarding a related bylaws amendment recommendation, I think it would be most beneficial for membership to be afforded to all who donate \$25 or more to any of our units not just the stations units. It would serve as a beneficial incentive to enable all of our units to offer membership.