

Minutes of the KPFK Local Station Board Meeting of July 28, 2012

The regular monthly meeting of the KPFK Local Station Board was held on Saturday, July 28, 2012 at 1:14 PM at Tia Chucha's Centro Cultural and Bookstore, 13197 Gladstone Ave, Sylmar, CA 91342-3246, the Chair (Michael Novick) being in the Chair and the Secretary (John P. Garry III) being present. The minutes of the previous meeting (June 26, 2012) were approved. Sequoia Olivia Mercier resigned prior to this meeting. John De Simio was seated as a new member.

Twenty-three members were present, constituting a quorum: Ken Aaron, Chuck Anderson, Ankine Antaram (1:21), Rodrigo Argueta, Fred Blair (1:52), Lydia Brazon, John Cromshow (1:21), John De Simio, Aryana Gladney, Tej Grewall, Leonard Isenberg, Kim Kaufman, Fred Klunder, Ali Lexa (1:27), Brenda Medina, Dutch Merrick (2:32), Margie Murray, Michael Novick, John Parker, Summer Reese (2:14), Lawrence Reyes, John Wenger (2:03), Lamont Yeakey (2:25).

One member was excused: Jim Lafferty.

Also present: Terry Goodman (Audio Recordist, Web Liaison) and members of the public

Authority and Notice: This meeting was authorized by the LSB by a motion approved at its meeting of June 20, 2012 (rescheduled from July 21, 2012). The date was posted on KPFTX.org on June 21, 2012. The location was noticed to the board via email and posted on KPFTX.org and other websites on June 25, 2012 and July 3, 2012 (see Appendix A).

Audio Recording: The audio for this meeting is available for a limited time at KPFTX.org.

[Audio Part 1 kpfk120728a.mp3]

I. CALL TO ORDER / ROLL CALL (1:14)

The meeting was **called to order** by the Chair at 1:14 PM with a quorum of 15.

The Chair announced the resignation of Mercier. Without objection, De Simio was seated as a member of the board.

GROUND RULES FOR COMMUNICATION

The Chair reiterated principles of Board decorum and public participation.

EXCUSED ABSENCES

The excused absence request of Lafferty was accepted without objection.

MINUTES APPROVAL (1:18)

Reyes **moved** to postpone approval of the minutes for June 26, 2012. Aaron **moved** to approve the minutes pending later correction. Medina **called the question**. Motion to approve the minutes **passed** by a show of hands: Yes—8, No—3, Abstain--2.

II. SCHEDULING / LOCATION / NOTICE OF MEETINGS (1:21)

The Chair announced the next LSB meeting: Wednesday, August 15, 2012. Location TBD.

ACKNOWLEDGMENTS (1:21)

Medina acknowledged Tia Chucha's Central Cultural for hosting this meeting. Novick announced the need for a Waivers Committee and an active Committee of Inclusion. Reyes, Klunder, and Grewall volunteered for the Waivers Committee

PNB DIRECTOR REPORTS (1:25)

Brazon reported. The Chair read a recently-approved PNB motion:

“BE IT RESOLVED, the PNB instructs the Executive Director to manage Pacifica's projected budget deficit for the current fiscal year as follows:

1. Within one week each station manager and the directors of the Archives and the Affiliates Program shall prepare a thorough and realistic analysis of the station's projected revenue and expenses, including required payments to the National Office, for the current year.
2. In the event the analysis indicates a budget deficit, the station manager shall include with his report his plan for balancing his station's budget at the end of the fiscal year.
3. The analyses and plans shall be submitted to Executive Director and the PNB for approval.
4. The local station boards are invited to schedule special meetings to assist the station managers in developing their reports and plans.”

Aaron and Lexa reported. Discussion followed.

IV. PUBLIC COMMENT (1:43)

Public Comment was heard for 8 minutes.

V. GENERAL MANAGER REPORT SUMMARY AND Q&A (1:51)

The GM Report (see Appendix C) was forwarded electronically to the board prior to the meeting and distributed in paper form. There was a discussion of the report in lieu of the presence of the General Manager.

Lexa **moved**: “Whereas the KPFK car donation program is a proven source of income, move that KPFK revisit its car donation program marketing and outreach, including the use of more carts, forward promotion, online social networking and e-blast promotion.”

Point of order from Reyes: We have a motion on the floor.

[Audio Part 2 kpfk120728b.mp3]

Discussion of the pending motion and station finances continues.

IV. PUBLIC COMMENT II (2:25)

Public comment was heard for seven minutes.

Aaron **called the question** on the car donation motion.

Motion **failed** by a show of hands: Yes—6, No—8, Abstain—3. (2:34)

Novick **moved** for a special meeting for Saturday, August 11, 2012 on accounting principles, the new budget, and fund-raising. Reese seconded. (2:36)

Kaufman **moved to substitute**: A special meeting shall be held on Saturday, August 4, 2012. Klunder seconded.

The substitute motion **failed** by a show of hands: Yes—5, No—11.

The main motion **passed** by a show of hands: Yes—13, No—0, Abstain—1.

IX. PERSONNEL COMMITTEE (2:43)

Cromshaw (Personnel Committee Chair) reported (see Appendix D) The next meeting may be August 20, 2012.

X. TOWN HALL (2:44)

Reyes reported on the planned on-air town hall.

The Chair asked members to discuss the Committee of Inclusion with Gladney.

Kaufman introduced the topic of fund drive days. Kaufman **moved to extend** five minutes. Motion

passed by a show of hands: Yes—13, No—9. Discussion continued.

The meeting adjourned due to the expiration of time at 2:45 PM.

The board reconvened in executive session immediately afterwards for a scheduled Program Director Search Committee Report and discussion (see Appendix E for PDSC Report).

Respectfully submitted by John P. Garry III, Secretary
(these minutes were approved on August 29, 2012)

Appendix A—Public Notices

Emailed by Terry Goodman on June 25, 2012:

The KPFK Local Station Board will meet on Saturday, July 28, 2012 at 1:00 pm at Tia Chucha's Centro Cultural and Bookstore, 13197 Gladstone Ave., Suite A, Sylmar, CA 91342-3246, near Hubbard Street and the 210 Freeway. This is the same venue as arranged for an earlier meeting that was postponed. Phone: 818-939-3433.

The meeting will include reports from the General Manager, KPFK's members on the Pacifica National Board, and from the various committees of the LSB. There are four periods of public comment scheduled during the meeting. You can contact the Local Station Board by email at LSBoard@kpfk.org.

Refs:

<http://www.kpfk.org/lsbpbmenu/93-calenderandnotices/6111-local-station-board-7212012-100-pm.html>

http://www.kpfk.org/eventcal.html?task=view_detail&agid=2832&year=2012&month=07&day=28http://www.kpftx.org/pacalendar/cal_show1.php?eventdate=20120728

Emailed by Terry Goodman on July 2, 2012:

The KPFK Local Station Board will meet on Saturday, July 28, 2012 at 1:00 pm at Tia Chucha's Centro Cultural and Bookstore, 13197 Gladstone Ave., Suite A, Sylmar, CA 91342-3246, near Hubbard Street and the 210 Freeway. This is the same venue as arranged for an earlier meeting that was postponed. Phone: 818-939-3433.

The meeting will include a closed session, expected to begin at around 2:30 pm, to consider recommending a pool of candidates to the GM for the position of KPFK Program Director, a confidential personnel

matter.

Refs:

<http://www.kpfk.org/lsbpbmenu/93-calenderandnotices/6111-local-station-board-7212012-100-pm.html>

http://www.kpfk.org/eventcal.html?task=view_detail&agid=2832&year=2012&month=07&day=28

http://www.kpftx.org/pacalendar/cal_show1.php?eventdate=20120728

Appendix B—Approved Agenda

Amended Proposed Agenda for the KPFK LSB Meeting of 7-28-2012
(all times include board discussion time)

Public Session

- I. Call to Order, Roll Call, Excused Absence Requests, Agenda Approval, Ground Rules for Communication, Announcements, Minutes Approval (10 min)
- II. Scheduling / Location / Notice of Meetings (2 min)
- III. PNB Director Reports (12.5 min)
 - a. Budget
- IV. Public Comment I (7.5min)
- V. General Manager Report Summary and Q&A (12.5 min)
 - a. Financial report on Community Events
 - b. Report on increased station expenses
 - c. Mission Statement announcement motion compliance
- VI. Public Comment II (questions to GM) (7.5 min)
- VII. LSB Committee of the Whole Budget Discussion (25 min)
 - a. Finance Committee Report on FY2013 Budget
- VIII. Public Comment III (before pending motions) (7.5 min)
- IX. Personnel Committee (1 min)
- X. Town Hall Task Force Report (1 min)
- XI. Public Comment IV (7.5 min)

Time Certain for Adjournment: 2:45 PM

total 94 min

Executive Session

I. Roll Call

II. Program Director Search Committee Report & Discussion

III. Report-Out

total 86 min

Appendix C—General Manager Report

PACIFICA RADIO KPFK 90.7 FM MANAGER'S REPORT TO THE LOCAL STATION BOARD

Saturday, July 28, 2012

(Bernard Duncan, General Manager)

Manager's Overview

- There are additional papers accompanying the Manager's report this month, to inform the LSB of some issues currently facing the station. Specifically there is a report on the Hero Awards held in May and a response to a message to staff from the LSB treasurer (which was also more widely distributed).
- I note that the LSB meeting agenda includes a request for a report on station compliance with the recent Mission Statement resolution. The GM has been advised by a LSB member that a recorded version of this that may be used is in existence, and was asked to wait until it could be found in archives. Further advice would be appreciated.
- The LSB will note later in the Engineering section of this report that the auxiliary power generator for the Mt Wilson transmitter has been repaired and the unit has been reinstalled at the transmitter site. I am pleased to advise that the entire repair job, including removal and redelivery has been accomplished on a cost neutral basis to the station through the generosity of an anonymous major donor. We had expected the donor to cover about 80% of the cost, but when I met with them, they instead decided to cover the full bill of \$12,000.
- While KPFK had planned to make a major pre-drive mailing in an effort to shorten the August fund drive, the turn-around time involved in getting such an undertaking underway would have meant the mail-out would be received by members after the drive had started. We are looking at the logistics of a targeted email campaign.

- The General Manager will not be in attendance at this meeting due to a previous commitment out of Los Angeles.

Outreach and Development

- Recent Events – On 28 June, in association with *Truthdig Radio* KPFK presented a speaker event with Chris Hedges at the Immanuel Presbyterian Church. It was a well-attended and very well-received event that resulted in net income of \$11,770 for KPFK. Its financial reconciliation is on the next page.

EVENT SUMMARY			
CHRIS HEDGES - Days of Destruction, Days of Revolt			Pledged and online sales as of 6
Book Tour			\$15 = \$10,935
KPFK Benefit / Co-sponsored by			
Truthdig			
Thursday, June 28, 2012			
7pm - 10pm			
Immanuel Presbyterian Church			
EXPENSES			INCOME
TOTAL EXPENSES (Budgeted / Actual)	\$2,400.00	\$1,810.00	KPFK Gross Earnings
Projected Revenue Sources:			
Ticket sales	KPFK to receive		Start-up Cash for Cash
			Boxes:
Book Sales (Blase)	Blase to receive in		Check issued to Jennifer
	lieu of an		Kiser
	honorarium		
Book Sales (Vroman's) 10% of all	Truthdig to receive		\$300 Cash returned to
Sales	for Chris Hedges		Business Office
	and Bob Scheer in		
	lieu of an		
	honorarium		

- Also on June 28 a meeting was held to start the process of reconvening a Community Advisory Board (CAB). There was a small attendance, but the overall report from the meeting was positive. We will continue to work to develop the creation of a CAB and establish a schedule of regular meetings over the coming months.
- Business As Usual – The development activities of the station have continued through the month, with the new Member Benefits card ready for distribution, and new interns coming and working at the station.

Programming

- The programming department is developing many exciting new projects this month. Besides the successful five week series *Focus on Food* that wrapped up this Thursday, we've had no less than five pilot shows that will have aired over a two week period from July 24th into the first week of August – as we take full advantage of the hours available to due programmers absent on summer vacations.
- On July 24th at 2:30pm, we debuted a project called *U S Veterans Unplugged*, about the hardships faced by U S veterans and the efforts to improve this reality.
- The following Tuesday at the same time we will air the second pilot show for *Vegan Being*, this time in a thirty minute format.
- Over this week-end, we're featuring two different hour-long pilots at 8am on Saturday and Sunday, respectively. First up, *Basich Family Affairs* co-hosted by Zoran Basich and Dominique DiPrima, a show that looks at the economic hardships faced by seniors; and then on Sunday at 8am, *Faith on the Frontline*, a look at left/progressive activism in the faith communities hosted by Rev. Dr. Lewis E. Logan II of the Fuller Theological Seminary, who is a dynamic understudy of Rev. James Lawson.
- We also are airing a pilot called *Activism Media*, which is developed by Lisa Clapier who was one of the primary participants in the Occupy Los Angeles Media Team while OLA was in City Hall Park last fall. We are also developing a separate pilot show with another group from Occupy Los Angeles, which will take the form of a series of 30 minute roundtable discussions either with members of OLA, or with one of the OLA members anchoring the discussion.
- We are also doing a one-time special on Thursday August 2nd at 7pm that will be a report back from a group of activists who attended a recent convention in Cuba about the state of that island nation's revolution – I will be facilitating that dialogue as none of the conference participants have previous radio experience and Jim Lafferty is out of town.
- KPFK featured special coverage on the Mexican National elections and their aftermath. A special webpage for the coverage can be found on the front page of the KPFK website in the right hand column or at the URLs www.kpfk.org/elections and www.kpfk.org/elecciones. We launched our special coverage of the election on June 10th with a four-hour broadcast of the Mexican Presidential debate, hosted by KPFK's Spanish language programmers, with a lead-up and analysis of the

political climate surrounding the election. We featured a one-hour drive time special on the elections on Friday June 29th at 5pm, hosted by Antonio Gonzalez of the Southwest Voter Registration Project. Of course, these elections are of tremendous importance for Southern California given the large number of Mexican Immigrants in the region, and the amount of local trade with our nearby southern neighbor. We had eight hours of special bi-lingual coverage of the elections on July 1st; and we have continued to follow the still-unfolding story of the election with daily coverage since.

- In terms of the domestic Latino population, KPFK has consistently covered efforts to get greater Latino involvement in U. S. electoral politics; an issue of great importance to Southern California where Latinos are the plurality population, but remain a voting minority. Ian Masters covered the issue on Wednesday June 13th at 5pm with Angela Kelly, the Vice President for Immigration Policy and Advocacy at the Center For American Progress. The aforementioned Antonio Gonzalez regularly concentrates on this issue on his weekly show, Strategy Session, Monday's at 4pm.
- For local elections, KPFK had extensive coverage of the California primaries on June 5th. While we were in fund drive mode that day, management asked the public affairs programmers to designate segments on the day's events and we did a live special in the evening as results came in from across the state as well as for the dramatic governor's recall election in Wisconsin.
- Another issue of local relevance on which we continue to do extensive coverage is how the bloated US prison population affects local communities. On June 21st, Margaret Prescod had an interview with David Stein of Critical Resistance about a *Community-Based Solutions to Prisons and Jails* event, in South LA. KPFK has an hour-long show on the experience of prisoners (largely from California) that airs every other Saturday at 1pm called *Think Outside the Cage*.
- There are a few significant programming changes to announce. *Feminist Magazine* returned to KPFK's airwaves on Tuesday afternoons at 3 p.m. during the summer. *Alternative Radio* is on hiatus until the fall. Julio Martinez's *Arts and Review* returned to KPFK this week in a half hour format, Fridays at 2 p.m. D.J. Barry Smolin has returned to KPFK with a new show, *Head Room*, at 10 p.m. on Fridays beginning on June 29th. Kristi Lomax will be on hiatus until autumn.
- Also, KPFK is proud to announce that a food politics show began a five-week series on June 28th at 3pm. *Focus on Food* aired an hour long pilot, which received a positive response from listeners. The show emphasizes local initiatives to bring healthy food to a larger portion of the population; and featured a segment in the pilot show about Los Angeles County's Master Gardener education program.

Operations

- The operations department has had a fairly smooth run during the last month with little of any difficulty to report.

- KPFK's EEO report is being prepared and is expected to be filed on time
 - LAFD Brush Clearance Ordinance – In accordance with the LAFD Brush Clearance requirements we removed debris from the roof and trimmed trees near the building.
- Inspections in our area started May 1st, but we have yet to be inspected.
- Air conditioning – The units throughout the building are performing well.

Engineering

- Studios – The KPFK studios are generally in good condition and repair with few problems. The new Sage ENDEC Emergency Action Notification unit has been installed and is operating properly. There are continuing problems with the computer server that is the studio audio source for programs, themes, promos and other copy.
- Malibu Booster site – The FAA has the KPFK application for an “Outgrant” on file. If approved, KPFK will be authorized to use FAA space at the Saddle Peak booster site for the KPFK FM receive antenna. In the meantime, we are testing other locations on Saddle Peak as an alternate to the FAA site. When we find a location for the antenna we may have to reduce the booster output power somewhat to achieve a balance between the 90.7Mhz receive signal and the 90.7Mhz transmit signal. Even with the lower booster output power we will still be able to increase KPFK signal penetration along Pacific Coast Highway and in the canyon areas of the Santa Monica Mountains.
- Rancho Bernardo translator site – This translator is in good condition and is operating well covering Northern San Diego County. There are occasional moments of interference from the FM station on 90.7Mhz in Tijuana particularly during hot weather.
- Santa Barbara translator site – The translator is in good condition and is operating properly and is covering the coastal area of Santa Barbara from Isla Vista to Montecito. There are also occasional moments of interference from the FM station on 90.7Mhz in Tijuana during hot weather.
- Mt. Wilson transmitter site – The KPFK Nautel NV-20 solid state backup transmitter is on the air into the main antenna system. Repairs have been attempted and completed on the old Armstrong transmitter only to have other problems arise. Repair of the current KPFK transmitter has become a continuing process with no end in sight. The FCC has

approved temporary transmission from Mt. Wilson at lower power while the difficulties are addressed. Current antenna ERP is sufficient to cover the main KPFK coverage area. The plan to replace the current problematic Armstrong transmitter with another new Nautel solid state transmitter is becoming more and more important if we are to maintain our coverage in Southern California. With another new solid state transmitter in place interference from Tijuana to our main signal from Mt. Wilson and to our translators would be significantly reduced. With reliable solid state transmitters in place we can anticipate that electrical power usage would also be cut nearly in half and the cost of electricity would be reduced dramatically.

The emergency electrical generator has been repaired and wired into the Nautel transmitter which will keep the transmitter operating during electrical power outages.

Business Office

- Financial status as at **July 25** (cf. June 19) –
 - o Total Cash in Bank is **\$407,000** (467,000)
 - o Total payables stand at **\$43,000** (30,000).
 - o Central Services fees owed to National Office stand at **\$211,000** (110,200).

We have been advised that the CPB funding due in May has been approved and will be released to Pacifica this month. It is likely to go a long way towards off-setting the central services fees owed.

Membership

- The following table details in brief the state-of-play with respect to station fundraising during this financial year:

Fund Drive Month	Pledged \$	Fulfilled \$	Fulfillment %
October 2011	792,626	586,902	74
December 2011	267,340	211,962	79
February 2012	956,780	677,722	71
May/June 2012	957,399	605,258	63

Non-funddrive major donors have provided **\$21,875** during the financial year, and car donations have generated **\$96,862** in revenue.

The current count of active members as at 30 June is 16,032.

Bernard Duncan

General Manager
July 26 2012

Appendix D—Personnel Committee Report

KPFK LSB Personnel Committee - July 29, 2012 Report

Meeting: Wed. 7/11/2012, 4:00-6:00 PM
Place: KPFK Downstairs Conference Room
Present: Ali Lexa, Doug Barnett, Fred Blair, John Cromshow & Kim Kaufman

I. Reviewed listing of companies that provide surveys. The committee decided to go with Ridgecrest Surveys because of our positive experience with the company with the PD Evaluation.

II. GM surveys that have previously been conducted do not appear to be available. The committee will write the questions that will be used.

The GM English/Spanish survey will be sent to: (1) paid staff; (2) unpaid staff; and, (3) LSB members.

III. Reviewed list of GM "Duties and Responsibilities" - which had 30 items.

IV. Developed as a preliminary step eight broad categories and put the 30 questions into those categories.

Our goal is to have a category, a main question and a number of sub-questions.

V. Awaiting report from GM re: two interim positions at KPFK:
(1) Interim Accounting Manager; and
(2) Interim Development Director.

VI. Next meeting scheduled mid-August (t.b.a).

Respectfully Submitted,
John Cromshow, Chair
LSB Personnel Committee KPFK

Appendix E—Program Search Committee Public Report

KPFK Program Director Search Committee Report 7/28/12

Description and sequence of work performed

Early meetings

- Signing of non-disclosure agreements
- As a group we composed four ads for publication
 - o a simple one sentence ad
 - o a 25- 30 word short ad
 - o a 90 – 125 word full ad
 - o and a full page ad
- Determined where to place advertisements

?Ads were placed in various publications, and numerous online locations and job sites. The full list is available. The National Office and some other stations conducting searches complimented us on the thoroughness of our list and suggest using it as a template/model for future searches.

After applications started coming in, all members reviewed every application for our first pass of evaluations. We received over 120 applications. All applications were assigned a reference number.

It took a lot of time to read through all of the applications, some were quite lengthy.

The first pass consisted of every member giving an applicant either a “check” or “x”.

Any applicant that received at least two checks moved on to the next level of review. ?This process filtered out about 40 candidates.

For the second pass we created a grid with specific categories where we ranked each candidate based on specific experience demonstrated in their application.

We re-read the applications for this process.? This left us with 39 candidates.

For the third pass we discussed these candidates and took a poll to see which we wanted to interview. Any candidate that at least two people wanted to interview, were scheduled for interviews. This left us with 19 candidates.

At this time we created questions for the interviews.

We contacted all to arrange telephone interviews, during this process three candidates withdrew their applications, two because they were hired elsewhere and one who did not indicate why.

We performed telephone interviews with the remaining 16 candidates. Various committee members took turns asking the questions. All candidates were asked the same questions and given equal access and time. All committee members either participated or listened to recordings of all the interviews.

After reviewing all the interviews we discussed the candidates and decided we wanted to contact the references for some of the candidates. We took a poll to see which candidates’ references we wanted

to check and came up with 9 candidates.

We checked with the National Office and our HR consultant. We were instructed to have each candidate sign a release before contacting their references. After doing this we sent all the references the same set of questions.

To select our finalists we reviewed all of the responses from the references, reviewed parts of the interview recordings and discussed the candidates. We took several STV votes to determine “where we were”, and found that the same group of candidates kept coming out on top. For our final vote we took an STV ballot vote. The results were tallied by Fred Blair and then re-tallied by Terry Goodman to verify and validate our accuracy.

The committee worked very well, and spent countless hours reviewing and discussing the candidates, process and other issues relating to the position.

The majority of the committee is very confident that we have come up with an outstanding pool of candidates, any one of which would be a benefit to the station, the Pacifica mission statement and the network.

Ali Lexa Al-Hilali?PNB Representative?KPFK PDSC Co-Chair

Appendix F—Additional Reports from the General Manager

KPFK Financial, Transmission and Other Status

In response to some recent discussions surrounding various issues at and related to KPFK, this paper seeks to provide some clarification. The information herein is contributed from relevant staff at KPFK and is presented in good faith, and to the best of the knowledge of the General Manager.

1. Finances

The current situation with respect to KPFK’s cash flow as compared to previous periods is outlined here, with details from KPFK’s business office.

Last year KPFK ended the fiscal year 2011 on a positive note. Net Income was \$119,800 in contrast to 2010 which was a loss of (\$45,088). Cash in Bank was \$198,000 as of end of September 2011. We paid off our central services obligation to National Office which in previous

years had been close to \$300,000.

KPFK is current and able to meet its obligations to National office.

In addition, the Business Manager and Membership Director met with Pacifica's auditor and were complimented on the accuracy of KPFK's financial statements. Our records and documents are all fairly accurate and reliable.

When drafting the 2012 budget last year, the LSB Finance Committee advised the GM to reduce costs, for example in the area of maintenance. The GM warned that while the numbers could be changed, there was no guarantee that things would not need fixing.

A budget, by definition, is a forecast or plan. It is one of the tools that management uses to adjust revenue forecasts and targets.

As of end of June we had a net income of \$99,284 and if we remove the transmitter we purchased for \$104,723, there is a loss of (\$5,438). The transmitter was not in the original budget and is an extra expense that was purchased using the surplus from the previous year, on the advice of the Pacifica Chief Financial Officer. However its purchase shows up in this year's accounts.

At the time of writing we have Cash in Bank of \$373,000 with a fund drive that is set to start in August, so we have the money and resources to meet our obligations. A reduction in our CPB funding has meant we have to make up the shortfall through fund drives. It is unfortunate, but it is our reality right now.

Comparing this year to last we are not far behind. Total Income as of June 2011 was \$2,916,580, while June 2012 was \$2,848,112 (a difference of \$68,468 or 2.3%). Total expenses last year were \$2,115,047, and this year it is \$ 2,265,560 (a difference of \$150,513 or 7%).

The financial failure of the Hero Awards has contributed to a difficult year. The project looked to be a major winner for us, but in the final analysis, it was anything but. That is unfortunate, and we learn from it, try to compensate for it, and move on.

2. News Room

It has been suggested that an additional “paid news person” has been added to the payroll. I think this confusion arises because I agreed to bring in short term support to cover during Ernesto Arce’s vacation leave. The short term support person worked for a total of two days.

3. Additional Staff

It has also been asserted that “an afternoon host went from half time to full time”. This is correct, and the change was made as a direct result of instructions from Pacifica’s Executive Director. A part-time producer referred to had worked as a contractor, and on the instruction of the ED, was moved to payroll to meet KPFK’s labor law obligations.

4. Events

In addition to the Hero Awards, a number of events that have been successful for KPFK have taken place, resulting in net income for the station, and profile in the community. These include *Dr. Gabor Mate, Smiley and West, Dr. Gerald Horne, Sonali’s 10th Anniversary, Van Jones* and *Chris Hedges*. Reconciliation reports are attached at the end of this paper.

There seems to be some suspicion attached to events such as these in some quarters, and that is unfortunate. It is depressing that almost everything the station does that has anything to do with income and/or expenditure is approached from a position of mistrust by some.

5. Transmission

Over the years there have been times when KPFK has been off the air due to loss of electrical power at the transmitter site. In 2006 the General Manager, Eva Georgia, approved the purchase of an emergency power generator which was ordered and installed as emergency electrical power for the KPFK backup transmitter. The South Coast Air Quality Management District permit forms were filled out but were not submitted due to lack of funds required to process the forms.

In 2011 the forms were submitted and a permit was granted. The generator was not run without a permit because the SCAQMD do annual inspections of all generator

installations on Mt. Wilson and will issue heavy fines if the unit has been run without a permit.

During the installation of the new back up transmitter this year, wiring was completed for the automatic transfer of emergency power to the backup transmitter. It was never suggested that it would cost \$10,000 to “hook up” the generator. In December 2011 the generator was inspected, serviced, tested and was deemed to be in good operating condition.

In March 2012 the quarterly service of the unit was initiated but during the run up test the engine failed. It was eventually determined that the diesel engine had some internal component failure and would need to be taken in for repair. The unit was removed from Mt. Wilson, repaired, returned and reinstalled. The generator has been tested and is now operational. It is worth noting that this repair, billed at a little over \$12,000 in total (not \$16,000 as was suggested), has been achieved on a cost neutral basis, as the GM solicited the full cost from a major donor specifically for this repair.

Keep in mind that weather conditions are sometimes very severe on Mt. Wilson and there have been and will continue to be power outages at the transmitter site. SoCal Edison’s response to some of these outages has been less than ideal. We have experienced high winds, heavy rainfall, washed out mountain roads, ice storms and forest fires all of which have contributed to loss of power on Mt. Wilson over the years.

During 2011 several attempts were made to repair the old backup transmitter and it was decided that it was so unreliable in an emergency that KPFK would need to replace it. The backup transmitter is the transmitter that is powered by the electrical generator during power outages. A new backup transmitter, a Nautel NV20 solid state transmitter, was ordered and installed in January 2012. At no time during the discussions regarding buying a new backup transmitter was buying two transmitters discussed and was not part of the plan.

Toward the end of 2011 KPFK started experiencing serious failures to both old Armstrong main transmitters. There has been one transmitter failure after another. Fortunately we have the new backup transmitter to keep KPFK on the air into our main antenna and even at this output power level KPFK is more powerful than most other FM stations on Mt. Wilson. There are many reasons for the main transmitter failures and it questionable whether it should be up to the LSB treasurer, however well-intentioned, to determine whether the KPFK main transmitter is viable or not or whether we continue to purchase replacement parts or not.

It is good engineering practice to do everything possible to attempt repair of any transmitter defect and to work to keep KPFK viable and return the station to full power.

The LSB treasurer's message quoted what the National Technical Director stated about the status of the KPFK transmitter facility. We should point out that he has no direct experience or knowledge of the facility. All of his information is from conversations he had and email exchanges engaged in with Don Mussell, Pacifica Consulting Engineer, and KPFK's Chief Engineer.

The purchase of a second Nautel transmitter, which will enable us to broadcast at full power has been included in the 2013 KPFK budget.

6. Ratings

Finally, the issue of KPFK's audience. There is no doubt that listener numbers have fallen, and there are various reasons why this has happened, which will not be canvassed here. It is true, we need to build audience and find and implement strategies to do that. We agree that cutting fund drives and improving and replacing some programs would help. However we need to maintain the cash flow of the station.

Staff were told in a recent message from the LSB treasurer that KPFK is near the bottom of the list of stations in Los Angeles, "47th out of 50" in June, with a "0.01% share". I'm not sure where these figures came from.

While our placement near the bottom of the list is a major concern, I should just correct those points. The latest market ranker we have seen (June 2012) actually has the station placed 63 out of 70 across the week, 6am to 12midnight. It is nothing to shout about. The same report has our morning drive and weekend results at 57 out of 70, and afternoon drive at 62 out of 70. The majority of our audience is aged 45-54, and our overall average quarter hour station share is 0.1% (not 0.01%). Some of our day parts achieve 0.2%, with Sunday morning reaching 1.9%.

I should also note two other salient points:

- the June Arbitrons are a reading of a month (from mid-May into June) that was majority fund drive, which further depresses our numbers; and
- the LSB has voted for KPFK not to take heed of Arbitron until they are able to better account for some communities of color, whom they have admitted are not accurately reflected at this stage.

In addition to the radio audience measured by Arbitron, there is an online audience, which most recent statistics suggest adds between 1,000 and just over 5,000 per quarter hour depending on the time of day. Individual clip requests from the website are higher still.

Conclusion

The intention of this document is to clarify some recently raised issues. It is not an invitation to engage in continued tit-for-tat exchanges that take up time and effort that can be better directed towards more useful outcomes.

Bernard Duncan
General Manager
26 July 2012

FINANCIAL BREAKDOWN OF GABOR MATE EVENT – 11/30/12

KPFK TICKETS:

150 General Admission pairs of tickets (\$25 pr)

52 Reception pairs of tickets (\$100 pr)

Total raised for KPFK = $(150 \times \$25) + (52 \times \$100) = \$3,750 + \$5,200 = \mathbf{\$8950}$

BROWN PAPER TICKET SALES:

388 General Admission tickets

25 Reception tickets

Total from Brown Paper tickets less processing fees = **\$5,498.31**

DOOR SALES

Cash (\$2,332) and checks (\$240.50) was taken at the door for sales of admission tickets and posters, for a total of **\$2572.50**.

TOTAL AMOUNT RAISED: \$17,020.81.

EVENT COSTS:

Office supplies – \$55.04

Food & drink (including wine) for reception – \$264.88
Security – \$216
Poster printing – \$65.25
Rent for Immanuel Presbyterian – \$500
Mileage – \$26.16
Hotel – Gabor Mate – \$225.72
Air fare for Gabor Mate – \$99
Parking at LAX – \$3

TOTAL COSTS: \$1,455.05

Total remaining for future *Uprising Media* talks, events etc, video and audio recording, organizational expenses, professional engineering etc: **\$6,615.76.**

TOTAL EXPENSES (Budgeted / Actual)	\$2,400.00	\$1,810.00	KPFK Gross Earnings	
Projected Revenue Sources:				
Ticket sales	KPFK to receive		Start-up Cash for Cash	Out:
Book Sales (Blase)	Blase to receive in lieu of an honorarium		Boxes: Check issued to Jennifer Kiser	Check
Book Sales (Vroman's) 10% of all Sales	Truthdig to receive for Chris Hedges and Bob Scheer in lieu of an honorarium		\$300 Cash returned to Business Office	

EVENT SUMMARY				
VAN JONES BOOK TOUR / REBUILD THE DREAM				
Thursday, 4/26/12				
6pm - 8:30pm				
All Saints Church Pasadena				
EXPENSES				INCOME
Quote from All Saints for Venue Rental				
Sound techs: \$150				
Custodial: \$125				
Parking - \$5 a car				

2nd Annual Hero Awards and Tribute

Introduction

This report outlines the background to the decision to produce the 2nd Annual Hero Awards and Tribute which took place on May 6 2012, and looks at its outcome. The event's planning began in August 2011.

Background

The Hero Awards concept was first conceived by KPFK music director Maggie LePique in 2010, and the first Hero Awards took place in April 2011 with a tribute to the late jazz musician Billy Higgins. The event was a well-received jazz performance showcase at a small venue in Los Angeles, which resulted in a modest net return to KPFK.

Because of the success of the event in 2011, It was suggested it become an annual event, and that the second Hero Awards pay tribute to L.A. music luminary Jackson Browne in 2012. To this end planning for the 2012 event began in August 2011.

2012

The budget provided by the event organizer is copied below:

Expenses

VIP RECEPTION	1800	50%	
	Sell-out		
Venue Catering - \$40 per person (200)	8,000.00	4,000.00	
Gift Bags	200.00	200.00	
Printing - Ask cards, envelopes	150.00	150.00	
auction lists			
Photographer	400.00	400.00	
Hemp Backdrop (step and repeat)	500.00	500.00	
Red Carpet Rental	25.00	25.00	
VIP Parking Validation @15.00 per			
200	3,000.00	1,500.00	
6 spaces donated by venue for staff			
Last Holiday Books - 100 donated /			
100 purchased at \$12.50 ea	1,250.00		
Total VIP Reception	13,525.00	6,775.00	

KPFK - EVENT COSTS	Sell-out	50%	
Artist Rendering	500.00	500.00	
Award Engraving	700.00	700.00	
Office Supplies	200.00	200.00	
T-Shirts including set-up and screens	7,500.00	3,500.00	
1500 shirts (may not need as many)			
Printing - Program Book (some in-kind)	3,000.00	3,000.00	
Printing - Extra flyers and posters (as needed)	1,000.00	1,000.00	
Artwork			
Event Flier, signage, laminates program, ads and T-Shirts	3,000.00	3,000.00	
Rentals - Audio /Visual (screen and headsets)	500.00	500.00	
Volunteer Stipends	500.00	500.00	
Advertising - KJZZ, 10 20 sec drive time spots \$500.00			
In House Jazz, 8 weeks @ \$200.00	700.00	700.00	
Ads - 4 wks L.A. Weekly 4wks ½ page vs 4 wks 1/8 page both include web impressions (no donation)	6,300.00	2,000.00	
Stage Manager / Artist Coordinator			
Tech and backline for all 3 events	3,500.00	3,500.00	
Venue Production Costs	22,500.00	22,500.00	
Venue Filming Costs 50% discount	1,500.00	1,500.00	
Videotaping including editing			
Total bid \$4,400.00 split payment with Premiums	2,000.00	2,000.00	
Artists Guarantee*			
Brian Jackson MD Fee \$2000.00			
Airfare (2 tix) \$400.00			
Rumal Rackley airfare \$400.00	10,000.00	5,000.00	
Special Project Manager Fee	18,000.00	18,000.00	
Total KPFK Event Costs	81,400.00	68,100.00	

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Total VIP Reception	13,525.00	6,775.00	
Total Expenses	94,925.00	74,875.00	
PROJECTIONS			
Total Funds Raised to date	18,093.50	18,093.50	
Projection from DJ event	5,000.00	2,500.00	
Projections from Mama Juana's event	5,000.00	2,500.00	
Total Projected Funds Raised	28,093.50	23,093.50	
Ticket Sales -VIP			
(200x\$200.00)	40,000.00	20,000.00	
Ticket Sales - Preferred			
(600x\$100.00)	60,000.00	30,000.00	
Ticket Sales - General Admission			
(1000x\$75.00)	75,000.00	37,500.00	
Total Ticket Sales	203,093.50	110,593.50	
Total Auction Goal	10,000.00	10,000.00	
Total T-Shirts	30,000.00	15,000.00	
Total Projected Income	243,093.50	135,593.50	
Total Expenses	94,925.00	74,875.00	
Total Projected Income	243,093.50	135,593.50	
Total To KPFK	148,168.50	60,718.50	
Total over \$50,000.00 net goal	98,168.50	10,718.50	

The goal for fundraising over and above expenses was \$50,000, with an incentive to the organizer for anything above that. As may be seen from the budget, the event looked to be a major money earner.

Subsequent Events

Honoree

Jackson Browne was approached by staff to be the program's headliner and honoree early in 2012. He declined to be the honoree, but agreed to participate. A number of potential honorees were discussed, including Dr. Cornell West (whose schedule, it turned out, would not work for us), and Maya Angelou. However, with the relatively recent passing of Gil Scott-Heron, it was decided a post-humus tribute would be appropriate for this event.

As planning continued, Mr. Scott-Heron was also honored at the 2012 Grammy Awards, emphasizing the impact of his work. His work also resonated with the Pacifica ethos, and a number of his performances had been recorded and are kept in the Pacifica Radio Archive.

Staff concerns arose as to the size of the potential audience as the promotion of the event began, and at that stage it was decided to add to the line-up jazz bassist Charlie Haden and local music educator Fernando Pullum, and to include a lifetime achievement award to Pete Seeger. This enabled planning to evolve around a variety of performances, including Mr. Pullum's students, Mr. Haden's children (all of them performers in their own right), and other artists with a connection to KPFK, including Jackson Browne, John Densmore of The Doors and popular local band Ozomatli. However Ozomatli (who should have been a major drawcard) gave the station limited ability for promotion as they had a contracted performance in L.A. a month after the KPFK event.

In retrospect this variety of music artist and type may have been too broad.

Venue

The original venue selected and booked for the event was the Hollywood performance space *The Music Box*, but early in 2012 this venue announced it was closing its doors and shutting down operation. This left us, late in the piece, with a significant issue for the event and two suggestions emerged as to a possible replacement – *The John Anson Ford Theater* and *Club Nokia* in Los Angeles.

Since KPFK has a relationship with the *Ford* it was deemed appropriate at first. However since much of the projected income revolved around the VIP reception and a large and varied audience, this venue became problematic, in that it does not provide parking and was not able to provide a secure, removed space for the reception.

Club Nokia as a venue, on the other hand, provides ample parking and also boasts a top line private function space with full bar and striking ambience. While the venue is more expensive than the others, the above budget suggested it could pay for itself. In the final analysis the lower than expected ticket sales did not bear this out.

Added to that were hidden costs that had not been revealed by the organizer related to the purchase of some tickets for use as premiums and prizes, and also staffing at the venue, which was not included originally.

That said, this venue had the potential to provide an opportunity for KPFK to move to a higher level in terms of recognition as a serious radio player in a major US metropolitan market.

LSB Finance Committee

In the GM’s view, the LSB Finance Committee weighed in at a point in the process when any cancelation of the event would have resulted in a loss at least as great as that finally sustained, and without the major event taking place – a greater loss in real terms.

At the Finance Committee meeting at which this was discussed, a committee member suggested that if the event was too far along to call off, then the board should do everything it could to ensure success. Although committee members agreed, in the final analysis this board member was the only one who actually did anything to make that happen, by purchasing VIP tickets. Another committee member offered that he would be pleased if the event was a success, and would be happy to eat “crow pie” if that was the case. A few days later, after the announcement of Jackson Browne as an attendee, he told me he was getting his “knife and fork ready to eat crow pie”. This suggested to me that he thought we were on track for success.

Expenses

The following rundown details the expenses incurred in running the 2nd annual Hero Awards and Tribute detailed by payment made:

NAME	AMOUNT	PURPOSE
Dawn Kasey Lovelace	\$19,800.00	Producer
Rene Washington	\$3,000.00	Design
Danita Ushur	\$200.00	Stipend
Aaron Bock	\$100.00	Stipend
Vito Anton Triglia	\$100.00	Stipend
Patrick Johnson	\$500.00	Painting - Auction
Qwess Coast Production	\$3,000.00	Stage Management
In House Music	\$200.00	Email blast to 9000+
Lory Keller	\$118.03	Reimbursement
Chris Boyd	\$300.00	Stipend
Club Nokia	\$39,090.00	Venue etc
Marlon Lawe	\$4,485.00	Video
Global Jazz	\$500.00	Advertising (KJZZ)
LA Weekly	\$3,600.00	Advertising
Socal Trophy	\$324.29	Trophy
JNK Services	\$90.00	Banner
Next Day Flyers	\$256.54	Cards
Gold Records	\$356.00	Awards
Delta Air	\$372.60	Plane Tickets
United Air	\$350.60	Plane Tickets
Maggie Lepique	\$77.05	Reimbursement
Wolfgang Puck	\$5,771.37	Catering/Food
Brian Jackson	\$2,000.00	Performance
Seismonos	\$2,000.00	Performance

Jessica Wood	\$5.00	Parking	
Earl Gibson	\$400.00	Photography	
Millave McDade	\$125.00	Sound services	
Los Angeles Business	\$3,461.11	Banner	
Flash Digital	\$2,906.05	T-shirts	
Bernard Duncan	\$1,045.00	Additional tickets	
Smart & Final	\$99.63	Incidentals	
Office Depot	\$39.66	Incidentals	
Staples Parking	\$1,500.00	Parking	
Natra	\$340.00	Food	
Marriot Hotel	\$1,649.55	Hotel	
Chevron	\$73.54	Gas	
Maurice Newton	\$120.00	Painted shirts	
Joel Ector	\$150.00	Performance	
Derf Reclaw	\$200.00	Performance	
Zuberi Fields	\$180.00	Walkie Rental	
Uhaul	\$263.57	Equipment pick-up	
Chunky Style Music	\$200.00	Performance	
Julie Klima	\$40.00	Auction item	
Tatiana Zaza	\$13.54	Mailing	
Total	\$99,403.13		

Combining detailed payments into the areas in which the expense was incurred, and comparing it to the budget, the table looks like this:

Expense Item	Budget \$	Actual \$	
Backdrop/Banner/Flyers		500.00	
Matching pledge - approx		9,000	
Motherland DJ event		1,305	
Elevation DJ event		629	
Ticket sales - Club Nokia		19,912	
Ticket sales - KPFK		8,910	
Silent auction		8,593	
Total Income		\$58,349	

Loss to KPFK

Total expenses	99,403	
Total income	58,349	
Net loss to KPFK	\$41,054	

Conclusion

The 2nd Annual Hero Awards and Tribute, though planned with a lengthy lead-up, proved to be financially disastrous for KPFK. An ambitious event that looked likely to make a significant net gain to add to the station's bottom line, instead resulted in a significant loss and there is much to be learned from this experience.

To begin with, until KPFK has significantly increased its listening audience, a music event of this magnitude should not be attempted. With a speaker event, it has not been unusual in recent times (Smiley and West, Chris Hedges) to attract a paying audience in excess of 1,000. However this music event was unable to come anywhere close to that, due to a number of clear issues, including, among others:

- The venue was more expensive than venues KPFK has recently used and should not have been chosen, despite the chain of events that led to it being secured.
- There was a delay in confirming a headline act and difficulty with the promotion of one of the acts.
- The ticket prices were probably too high for much of the likely audience and many in KPFK's listening audience.
- The event organizer made assumptions that were incorrect and did not communicate some of the actual costs until too late.
- The management of the event on the night was sub-standard.
- The breadth of talent was probably too wide and diverse.

No further event of this type will be agreed to by current management, and it is very unlikely there will Hero Awards in 2013 if the current General Manager is still in office.

Bernard Duncan
General Manager

BUDGET FY2012 – ANALYSIS AND YEAR-END STATUS

The accompanying spreadsheet outlines KPFK's analysis of projected revenue and expenses.

The General Manager and Business Manager are projecting a conservative 12 month actual with forecast to year end. We also include a Cash Flow Projection showing how much money we will have in the bank at the end of fiscal year.

There is a projected Net Loss of \$70,000 before capital expenditures and \$175,000 after the capital expenditures mainly because of the purchase of a new transmitter. We spent \$104,000 in transmitter and related expenses which were not in last year's budget

It is important to note that last year's maintenance non technical and maintenance technical budget was considerably understated.

The 2012 budget included a depreciation expense of \$86,000 which is technically a *paper* transaction, but nevertheless needs to be accounted for proper accounting. If we did not include it we are positive \$16,000.

Last year we started at a positive cash flow of \$215,000 which does not include our restricted money of \$18,000. This allowed us to purchase the new transmitter and pay off central services. Despite the purchase occurring from last year's surplus, it is accounted for this year, giving us a negative balance, which we should offset against depreciation.

As at yesterday our Cash in Bank stands at \$407,000 with central services owed at \$211,000, however we have yet to collect our share of CPB Funds amounting to \$171,000. This is probably going to offset central services dues.

Taking all of this into consideration we will have positive cash of about \$130,000 at the end of the fiscal year. There appears to be no reason to make any cost cuts.

Bernard Duncan & Anthony Ibarrola
26 July 2012