

## **Minutes of the KPFK Local Station Board Meeting of October 18, 2014**

A rescheduled monthly meeting of the KPFK LSB was held on Saturday October 18, 2014, 4:14 PM, at the Aris and Carolyn Anagnos Peace Center, 3916 Sepulveda Blvd., Culver City, CA 90230. Brenda Medina served as Chair. John P. Garry III served as Secretary. Prior to the meeting Nancy Kazar resigned as an LSB Member. Luis Garcia was seated as a new member. No agenda or minutes were approved.

**Seventeen members were present**, constituting a quorum: Chuck Anderson, Rodrigo Argueta, Lydia Brazon, Steve Brooks, Chris Condon, John Cromshow, Aryana Gladney, Tej Grewall (Chair), Kim Kaufman, Fred Klunder, Brenda Medina (Vice-Chair), Steve Pride, Lawrence Reyes, Ron Spriestersbach, John Wenger, Lamont Yeakey.

**Two members were excused:** Jim Lafferty, Chipasha Luchembe.

**Five members were absent:** Ankine Antaram, Fred Blair, Dutch Merrick, Michael Novick (Treasurer), John Parker.

**Also present:** Terry Goodman (Web Liaison, Election Teller, Parliamentary Advisor) and members of the public.

**Authority and Notice:** This meeting was authorized by a vote of the LSB at its meeting of September 20, 2014. It was rescheduled from its original date of Wednesday, October 15, 2014. The new date was posted on KPFTX.org on September 20, 2014. Additional notice was posted on KPFK.org and other websites beginning on October 9, 2014 (see Appendix A). Automated e-mail notifications from pnb@kpftx.org were sent to Board members on October 11, October 16, and the day of the meeting.

**Audio Recording:** The audio of the meeting is not yet available.

[VOCO13.wav, original, unedited audio file]

Prior to this meeting a Delegates Meeting was held from 1:26 PM to 4:09 PM in the same location.

CALL TO ORDER / OPENING BUSINESS (4:14) [3:04:35]

The meeting was **called to order** by the LSB Chair at 4:14 PM. The Chair passed the gavel to the Vice-Chair, who chaired for the rest of the meeting.

ROLL CALL (4:19) [3:09:37]

Quorum was not achieved on the roll call. A quorum of 13 was achieved soon thereafter when an additional member entered the room.

Condon asked to notice two motions. The Chair ruled the motions out of order at this time. The

Chair ruled that the member could notice these motions during the agenda item Scheduling / Locations / Announcement of Meetings. Cromshaw challenged the ruling of the chair.

The ruling of the chair was **not sustained** by a show of hands: Yes—7, No—10, Abstain--0.

Condore noticed two motions for the next LSB Meeting: [3:21:27]

Censure Motion for Tej Grewall (staff representative, LSB Chair)

“That the KPFK LSB censures Tej Grewall, staff member, Chair, LSB for improperly calling a Delegates Assembly to remove Kim Kaufman as a Director to the Pacifica National Board, but with no specific written charges given and without proper procedure according to the Pacifica Bylaws and Roberts Rules of Order, which governs the Foundation. This violates Pacifica Bylaws Article Five, Section 7, “Removal of Directors,” specifically that “the Director shall be afforded reasonable and appropriate due process according to the circumstances, including notice and an opportunity to be heard,” as well as parts of Sections 61 and 63 of Robert’s Rules of Order as to proper procedures for an investigation and trial. Most particularly, in section 63, “the Secretary should immediately send to the accused by registered mail a letter notifying him/her of the date, hour and place of the trial, containing an exact copy of the charge(s)…”

Furthermore, Tej Grewall improperly represented herself in noticing this meeting as the “Chair of the Assembly of Delegates of KPFK.” This position does not commonly exist cannot be found in the Pacifica Bylaws, and if that body did, in fact, elect a person to said position, that action must be specified in approved Minutes of the KPFK Delegates Assembly.

Censure Motion for Lydia Brazon (listener-sponsor member, Director Pacifica National Board)

The KPFK LSB censures Lydia Brazon, listener-sponsor member LSB, Director, Pacifica National Board, for participating in, or instigating, an improperly and illegally called meeting to consider the removal of Kim Kaufman from the Pacifica National Board that violates the Pacifica bylaws and Robert’s Rules of Order for due process requirements.

In response to an email from nine LSB members requesting proper charges be given to Kim Kaufman 30 days in advance of a meeting and a proper and fair procedure be laid out in advance of a meeting. Lydia wrote an email on October 12 to the LSB citing, in very broad and vague, non-specific terms, three events that happened outside of an LSB meeting and one which occurred over a year ago, saying, in part, “the conduct has been known to you and to the members of the body for a period beyond the 30 days.” This violates Section 63, page 656, lines 1-6 of Robert’s Rules of Order: “A member or officer has the right that allegations against his good name shall not be made except by charges brought on reasonable ground. If thus accused, he has the right to due process—that is, to be informed of the charges and given time to prepare his defense, to appear and defend himself and to be fairly treated.” It violates the Pacifica Bylaw Article Five, Section 7, “Removal of Directors,” specifically that “the Director shall be afforded reasonable and appropriate due process according to the circumstances, including notice and an opportunity to be heard.”

Lydia also states in her email: “I believe this to be less about the facts...” which violates RRO section 63, page 662, line 32—“the “managers” at the trial...have the task of presenting the evidence against the accused...Their duty, however, us not to act as prosecutors--in the sense of making every effort to secure conviction but rather to strive that the trial will get at the truth and that, in the light of all the facts brought out, the outcome will be just.”

SEATING & WELCOME OF NEW MEMBER (4:36) [3:26:34]

The Chair reported that Nancy Kazar had resigned from the Board and welcomed the newly-seated member, Luis Garcia.

Kaufman **moved to adjourn**. Argueta seconded.

Motion to adjourn **passed** by a show of hands: Yes—10, No—4, Abstain--0

The meeting adjourned by majority vote at 4:37 PM [3:28:28]

Respectfully submitted by John P. Garry III, Secretary  
(these minutes were approved on January 25, 2015)

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Appendix A—Public Notices

Emailed by Terry Goodman on October 9, 2014:

A regular monthly meeting of the KPFK Local Station Board is scheduled to follow the Delegates Meeting. Both meetings are open to the public and all are welcome. Thirty minutes will be allotted for public comment at the LSB meeting. There is free parking behind the building. Dial 22 at the intercom for entry.

NOTE: The LSB meeting scheduled back in April for Wednesday, 10/15/2014 has been cancelled.

Refs:

[http://www.kpftx.org/pacalendar/cal\\_show1.php?eventdate=20141018](http://www.kpftx.org/pacalendar/cal_show1.php?eventdate=20141018)

<http://kpfk.org/index.php/eventcal/kpfkeventcalendar/icalrepeat.detail/2014/10/18/1932/-/kpfk-delegates>

<http://kpfk.org/index.php/eventcal/kpfkeventcalendar/icalrepeat.detail/2014/10/18/1953/-/lsb-meeting>

<http://www.kpfk.org/index.php/lsb-calendar-pointer-2/8393-delegates-10-18-2014-1-00-pm>

<http://www.kpfk.org/index.php/lsb-calendar-pointer-2/8415-local-station-board-10-18-2014-1-00-pm>

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**October Report: Fiscal Year 2014-2015**

"Every financial worry you want to banish and financial dream you want to achieve comes from taking tiny steps today that put you on a path toward your goals." - Suze Orman

Report Prepared By: Interim General Manager Anyel Zuberi Fields  
Financial Data provided by: Interim Business Manger Napoleon Johnson and CFO Raul Salvador

## Fiscal Year 2014-2015

October 1<sup>st</sup> marked the beginning of our new fiscal year Oct 14 – Sept 15<sup>th</sup>. We have been working to complete the financials report for 2013-2014. Data relating to KPFK in this report are from the 2013-2014 financials. A preliminary budget proposal for fiscal year 2014-2015 is made available in a separate file. Some of the significant changes in this year's budget include the following:

- Reduction in premium costs to \$323,400 from \$524,468. Resources and efforts must go into creating and utilizing in-house premiums that will enhance our impact and value of the station.
- Two layoffs Development Director and Operations Director, if a General Manager is hired some of the duties of the previous Operations Director should be included in the job description. Reductions have also been made in data entry personnel expenses and fill in production hours. Personnel expenses have been cut from \$1,744,121 to a projected \$1,241,543. This also accounts for the 3% salary increases agreed upon in the current union contract. Once on stable financial footing KPFK will need to hire additional staff to enhance and restore its normal business functions in development, operations, business and news department, as well as public relations and promotions.
- Recent additional revenue streams including: Mobile Giving, Ralph's Community Contributions, and the No Inventory Online Store have not been included in revenue projections. Additional revenue streams in the areas of endowments, speaker series, webpage and planned giving are in development. The prospect of a sustainer program is expected to reach development after a full assessment of the membership department.
- Listener revenue is projected to be \$2,705,505 by meeting a \$27k/day average for approximately 100 days of fund drives. In fiscal year 2013-2014 we went for 105 days raising \$3,063,399. In fiscal year 2012-13 we were in fund drive for 96 days and 87 days in the two previous years. Our daily averages have been eroding at a rate of \$2k each day ever year since 2009-10. 2009-10 was the last year we ended with a modest surplus.
- No capitol campaigns were included in the budget; however we will be making efforts through grants and on a needed basis conduct special fund raiser to minimize any capital expenses during this year's budget.
- A snapshot of our current outstanding debt is \$195,803.53 in priority services (electricity, telephones, etc), \$50,535.88 in premiums owed, \$17,926.97 in miscellaneous bills, \$7,163.04 in past due maintenance and repair expenses. \$103,200 owed in central services. Our current outstanding debt is \$324,093.54. By improving cash flow and with the success of additional revenue streams we look to reduce this debt over the course of two years.
- We budgeted \$4,300/month for a term of 24 months to pay back central services totaling \$103,200



Will KPFK and Pacifica survive if it continues to do business the way it has been? No, however the question that should be on everyone's mind is how will KPFK and Pacifica thrive? In my opinion Pacifica has mostly operated from a reactionary mode allowing situations to force us to act and or change. By being reactive we will never maximize our potential and will continue to postpone change until it's absolutely necessary and

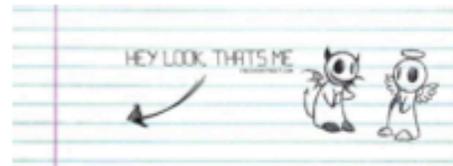
perhaps too late. Now is the time for us to take a positive, collaborative, and proactive approach to determine what kind of public media organization we want to be and how we can cease our competitive advantages to make that vision a reality. Carrying out Pacifica's mission must be done by implementing strategies that are founded on innovation, flexibility, and focus on continually improving program content, service to the community, efficiency and workplace environments.

## The Industry and the Economic Realities We Live In

Our current financial circumstance puts our very mission in danger. For the past 4-5 years KPFK has been running a deficit as has most of Pacifica. There is not much wiggle room left in taking an approach of cutting our way out of our financial reality. I recommend that we take a balanced approach by making strategic cuts and investments in areas that will help us achieve our financial goals and help foster conditions for organizational growth.

In an excerpt from an NFCB webinar "Financial Management Made Easy", they describe how less effective nonprofits approach financial management.

- Budgeting often begins with what the organization thinks it can or should spend
- The organization regularly spends outside its budget (or there is no budget)
- Fundraising is scattershot, whimsical, or an afterthought
- The organization may rely heavily on a few core donors
- The organization is hesitant to invest in fundraising, infrastructure or communications
- The organization sees fundraising only as a means to a budget goal
- There is too much reliance on government and foundation grants
- Few board members make financial contributions
- There are frequent cash flow crises
- The organization lives within the inadequacies of existing space, often tailoring programs to the space



During the boom years of the early 2000s, nonprofits were able to generate modest surpluses to create reserves and working capital, and some organizations had surplus margins of more than 30 percent of their operating budgets. Decline in levels of surpluses during the Great Recession, began in 2007 and reached the lowest point in 2009. Overall, California's nonprofit sector had a surplus margin of 5.47 in 2012. Although surpluses are again beginning to improve, nonprofits still operate with little margin for error according to an economic impact study conducted by CalNonProfits. (<http://calnonprofits.org/causes-count>)

CPB revenue reports on Public TV and Radio shows revenue grew from \$2.6 Billion in 2009 to \$2.8 Billion in 2012. Within that growth subscriber revenue grew from \$729,383,000 to \$791,985,000, accounting for 27.6% - 28.5% of PTV and PR overall revenue. (<http://www.cpb.org/stations/reports/revenue/>)

Unlike most public TV and radio stations Pacifica doesn't accept underwriting, in some cases accounting for 32% of overall income for PTV/ PR. Last year approximately 98% of our income came from our donors. It is imperative that KPFK diversifies its income in other areas such as: grants, funding from foundations, endowments, passive income, capital campaigns, revenue from goods and services. Over the past year KPFK has lost about 10% of its active donor base. Since a large portion of our operating budget relies upon donors; KPFK will need to improve recruitment, retention, and renewal of its donor base, while minimizing donor attrition.



### How We Compare With The Competition?

Station in LA Metro Area	KPFK	KCRW	KPCC
<b>Revenue</b>	Contributions, Gifts & Grants \$35,522 Listener Support \$ 3,244,606 Events \$9,840 Other Revenue \$86,139 <b>TOTAL REVENUE \$3,376,107</b>	Contributions, Gifts & Grants \$12,430,602 Membership Dues \$4,728,699 Fundraising Events \$88,325 Related Organizations \$0 Government Grants \$0 Total Contributions \$17,247,626 Program Service Revenue \$686,789 Total Primary Revenue \$17,934,415 Other Revenue \$782,417 <b>TOTAL REVENUE \$18,716,832</b>	Contributions, Gifts & Grants \$7,476,251 Membership Dues \$11,544,724 Fundraising Events \$0 Related Organizations \$1,000 Government Grants \$3,365,471 Total Contributions \$22,387,446 Program Service Revenue \$260,997 Total Primary Revenue \$22,648,443 Other Revenue \$23,640 <b>TOTAL REVENUE \$22,672,083</b>
<b>Expenses</b>	Program Expenses \$ 313,749 Administrative Expenses \$2,046,133 Fundraising Expenses \$681,188 PRA & Central Services \$453,809 <b>TOTAL FUNCTIONAL EXPENSES \$ 3,494,879</b>	Program Expenses \$8,771,035 Administrative Expenses \$1,460,867 Fundraising Expenses \$2,741,320 <b>TOTAL FUNCTIONAL EXPENSES \$12,973,222</b>	Program Expenses \$17,141,675 Administrative Expenses \$2,347,116 Fundraising Expenses \$4,871,282 <b>TOTAL FUNCTIONAL EXPENSES \$24,360,073</b>
<b>Net loss/gain</b>	<b>-\$118,772</b>	<b>\$5,743,610</b>	<b>\$-1,687,990</b>

\* Definitions of each line item and the financial information on KCRW and KPCC were provided by charitynavigator.org

Name	Genre	Jul14	Aug14	Sep14
KPFK-FM	Variety	0.2	0.1	0.2
KKJZ-FM	Jazz	1.1	0.7	0.9
KCRW-FM	Variety	1.1	1.3	1.3
KCRW-FM	Classical	1.5	1.5	1.9
KPCC-FM	News Talk Info	1.8	1.9	2.3

\*Ratings were provided by Arbitron – does not include online numbers

### The Road Ahead



We have been forced to rethink the way we do business we don't have the luxury not to. Continuing to make budget cuts and layoffs will not greatly improve our current financial state nor will it enhance our mission's performance and impact. We need to re-sharpen our tools, make improvements in the way we do business, and provide resources to enhance our impact.

*Review how we currently do business and offer alternate approaches in the following areas:*

- Look for ways to reduce fund drive days so that future improvements in programming and take root and begin to establish a growing audience.
- Improve donor acquisition and retention - enhance the donor experience
- Enhance relationships with donors through greater engagement
- Increase the boards participation in achieving financial and mission oriented goals
- Consider leveraging assets to help make debt manageable, offset fund drive days, fund improvements in webpage and related online services (additional streams, digital content, etc), improve donor data management and accessibility, improve Membership Depart efficiencies, and acquire the infrastructure for a phone room that is effective and meets PCI compliance standards.
- Increase community presence and impact in the communities we serve
- Income diversification
- Minimize reliance 12 month payment plans for premiums
- Enhance and acquire new programming
- More bottom-line thinking about return on investments
- Establish a financial cushion, which will help it keep us nimble in times of economic flux
- A focus on what the audience truly wants and needs from our programs
- Greater diversity of listeners
- Expand programming so it appeals to Generations X and Y
- Shout from the hilltops about accomplishments and offerings

I look forward to overcoming the challenges that lie ahead and I know we can overcome them by strategic planning, making necessary sacrifices, engaging one another, improve station communication and involvement, embrace innovation, improve and make our fund raising efforts more effective.

There is a potential for greatness in KPFK, if we have the courage to make it so.