

Approved Minutes
(Approved on May 7, 2020)
Special Pacifica National Board Open Session
 Teleconference Meeting
Thursday, April 30, 2020 8:30 pm ET
All times are Eastern Time
(meeting notice appended to the end of this agenda)

Directors:

Grace Aaron, KPFFK, Listener	Ralph Poynter, WBAI, Listener
Robin Collier, KCEI, Affiliate	Sandra Rawline, KPFT, Listener <i>excused</i>
Chris Cory, KPFA, Listener	Lawrence Reyes, KPFFK, Listener
Vanessa Dixon-Briggs, WPFW Listener	Shawn Rhodes, WBAI, Staff
Lynden Foley, KPFT Listener	Eileen Rosin, WPFW, Listener
Jan Goodman, KPFFK, Listener	James Sagurton, WBAI, Listener
Heather Gray, WRFG, Affiliate	Nancy Sorden, WPFW, Listener <i>late</i>
Sabrina Jacobs, KPFA, Staff	Alex Steinberg, WBAI, Listener
Wally James, KPFT, Staff	Akio Tanaka, KPFA, Listener
DeWayne Lark, KPFT, Listener	Polina Vasiliev, KPFFK Staff
Ron Pinchback, WPFW, Staff	Tom Voorhees, KPFA, Listener

Others:

Lydia Brazon, Interim Executive Director
 Arthur Schwartz, Pacifica Counsel
 John Tatum, Parliamentarian
 Otis Maclay

Item # Description	Time
1. Preliminary items	5 min.
A. Call to Order by Alex Steinberg, Chair at 8:37 pm	
B. Roll Call – Secretary takes the Roll. Twenty Members are present.	
C. Excused Absences (for both Open and Closed Sessions tonight) Sandra Rawline is excused without objection.	
D. Identify Timekeepers (for both Open and Closed Sessions tonight) Topics: Polina Vasiliev, People: Lawrence Reyes	
2. Agenda Approval – Item #8 is moved to just after Item #4 and becomes Item 4b.	5 min.
3. Minutes Approval – April 23, 2020 Open Session Minutes approved at 8:52 pm.	3 min.
4a. Motion Postponed from Open Session of April 23, 2020	17 min.

MOTION on Accurate Recording of Interdivisional Income and Expenses - The Management Team (Alex Steinberg, Chair, Dewayne Lark, Vice Chair, Grace Aaron, Secretary, Lydia Brazon, iED)

(Due to some confusion a few members and especially new members have expressed about this Motion, the Management Team has added a preamble and modified the motion slightly. The preamble is in italics. The modified Motion itself is in regular type. The Motion as presented in the PNB Meeting of April 23rd is in the posting of this meeting in the Appendix.)

The purpose of this Motion is twofold. First, to remove the income from the sale of the National Office building from the KPFA books in 2018 and add it to the income of the Pacifica Foundation managed by the National Office. Second, to remove all expenses related to the settlement with the Empire State Realty Trust, including the loans, from the WBAI books and add it as an expense of the Pacifica Foundation as a whole. This will give NETA guidance as to how the National Board wishes to categorize these particular transactions.

Because the income of KPFA was increased incorrectly by \$927,000 in 2018 and because about \$500,000 in expenses from the settlement and loans was added to WBAI's books in 2018 it made the KPFA operations look a lot better than they actually were and it made WBAI's operations look a lot worse than they actually were. This misleading information was used to justify the shutdown of WBAI. The shutdown resulted in a loss of about \$400,000 for Pacifica. We want to correct the books so that this incorrect allocation of credits and debits will not be used in the future to shut down WBAI again. Straightening out this misleading financial information will also, hopefully, reduce the factional divide on the PNB due, at least in part, to the way these transactions were 'booked'.

This shift in accounting notations will not affect Pacifica's overall financial reports in toto, but will give a truer picture of the actual performance of KPFA and WBAI.

All assets, including real estate assets, are owned by the Pacifica Foundation and can only be sold or encumbered at the direction of the Pacifica National Board. The income derived from the sale or encumbrance of any asset, including real estate assets, is recorded as National Office income. Stations running their operations out of Pacifica Foundation real estate assets are responsible for maintenance and local property tax costs for the property they are occupying, just as stations that are running their operations out of rented facilities are responsible for the payment of the rent.

The National Board negotiated and completed a settlement with the Empire State Realty Trust. The National Board needed to raise money to fulfill this settlement and did so by approving the sale of the National Office building at 1921-1925 Martin Luther King, Jr. Way, Berkeley, CA and by taking out a loan collateralized by the 3 other Pacifica Foundation owned properties in Los Angeles, Berkeley and Houston.

It was and is the clear intent of the Pacifica National Board to have the Pacifica Foundation as a whole assume all liability associated with the settlement with the Empire State Realty Trust including all related expenses, loan interest, fees and principal payments.

The PNB directs NETA to enter all proceeds from the sale of 1921-1925 MLK Way in 2018 as income to the Pacifica Foundation in a 'gain/loss from sale of asset' line item.

Further, the PNB directs NETA to remove any and all expenses related to the ESRT settlement and related loan expenses from WBAI's books in 2018, 2019 and moving forward. It is noteworthy that the \$3.2 million loan and ESRT settlement reset the allocation of transactions and assets for accounting purposes.

Eileen Rosin puts forward a Motion to Divide:

I move to divide the **MOTION on Accurate Recording of Interdivisional Income and Expenses** into two separate motions.

In my view, the motion covers two distinct issues, each of which deserves specific treatment, and thus move to divide it as follows:

- Motion #1 would consist of Paragraph 1 of the modified motion, which deals with how to treat assets and liabilities in terms of belonging to a given unit or the Foundation as a whole.
- Motion #2 is the remainder of the modified motion, which deals with how to book transactions related to the sale of the Nacopon building, the ESRT settlement, the Supporters' loan and the loan from the nonprofit lender, and any income, liabilities, gains, or losses associated with any of these.

And then I offer a substitute motion for each:

Substitute Motion #1:

I move that consideration of paragraph 1 of the modified motion be postponed until Pacifica's auditors have provided their opinion on it and advised the PNB on the intricacies and potential wide-ranging impacts of committing the Foundation to such a decision.

Substitute Motion #2:

I move that the remainder of the modified motion also be submitted to the Pacifica Foundation's auditors for their expert opinion on whether the shifting of assets, depreciation, and so on from one internal unit's books to another's as proposed in the modified motion is legitimate and proper according to professional and technical standards.

The Motion to Divide fails: Yes: 9, No: 12

Yes: Collier, Cory, Foley, Goodman, Jacobs, James, Rosin, Sorden, Tanaka

No: Aaron, Dixon-Briggs, Gray, Lark, Pinchback, Poynter, Reyes, Rhodes, Sagurton, Steinberg, Vasiliev, Voorhees

9:23 pm

Eileen Rosin puts forward a Motion to Postpone, which fails: Yes: 9, No: 12

Yes: Collier, Cory, Foley, Goodman, Jacobs, James, Rosin, Sorden, Tanaka

No: Aaron, Dixon-Briggs, Gray, Lark, Pinchback, Poynter, Reyes, Rhodes, Sagurton, Steinberg, Vasiliev, Voorhees

MAIN MOTION on Accurate Recording of Interdivisional Income and Expenses - The Management Team (Alex Steinberg, Chair, Dewayne Lark, Vice Chair, Grace Aaron, Secretary, Lydia Brazon, iED) (above) passes: Yes: 12, No: 9

Yes: Aaron, Dixon-Briggs, Gray, Lark, Pinchback, Poynter, Reyes, Rhodes, Sagurton, Steinberg, Vasiliev, Voorhees

No: Collier, Cory, Foley, Goodman, Jacobs, James, Rosin, Sorden, Tanaka 9:36

Chris Cory Notices a Motion to Rescind the above Motion. 9:37 pm

4b. Motion to rescind the Bylaws schedule passed on Apr. 23, 2020, motion to consider an Articles of Incorporation Amendment process. - Jan Goodman (moved from Agenda Item 8 to 4b.)

Motion to Rescind fails: Yes: 3, No: 14, Abstain: 4

Yes: Foley, Goodman, Tanaka

No: Aaron, Dixon-Briggs, Gray, Lark, Pinchback, Poynter, Reyes, Rhodes, Rosin, Sagurton, Sorden, Steinberg, Vasiliev, Voorhees

Abstain: Collier, Cory, Jacobs, James 10:05 pm

5. Motion on Virtual Town Hall Meetings – Alex Steinberg 8 min.

In order to facilitate communication between the Pacifica National Board and the members of the Pacifica Foundation:

Be it resolved that the Pacifica National Board will sponsor a series of 4 **Virtual Town Hall Meetings** in 2020. These meetings will allow members of the Pacifica National Board to engage in a dialogue with the members and supporters of our stations and of the Affiliates. Each Town Hall meeting will include an agenda covering the topics to be discussed. Members of the public will be able to register for each event and will be able to participate fully in the conversation. Each event will be web-streamed in real time. Dates and topics will be announced shortly.

Motion passes without objection. 10:07 pm

6. Committee & Task Force Reports 14 min.

a) **Finance Committee Report by Chris Cory 10:15 pm 7 min.**

b) **Coronavirus Task Force 10:41 pm 7 min.**

7. iED Report & Q & A – Lydia Brazon 11:06 pm 15 min.

The following 2 Agenda Items will be taken up at the next Open Meeting.

8. Motion to Authorize a Personnel Task Force – Dewayne Lark 7 min.

I, DeWayne Lark (PNB Director, KPFT-Houston) move that the PNB authorize a Personnel Task Force to review and report the status of current staffing at the station and national office.

Additionally, the Task Force shall review current and proposed union and (non union) contractor contracts and make recommendations to the PNB regarding how best to move forward with future union and non union agreements. The Task Force should seek to submit a report to the PNB within 96 days from the date this motion is adopted.

Respectfully Submitted
DeWayne Lark, Vice-chair PNB 2020

9. Motion on KPFT Finances – Dewayne Lark

7 min.

Whereas, KPFT-Houston has struggled financially in all phases of finances, however it has dutifully sacrificed to meet its financial commitments to the Foundation’s National Office. Whereas, this has caused KPFT to neglect infrastructure and employee needs, the time has come for special consideration of its neglected status.

Therefore, I move that KPFT be exempted from its National Office Central Services commitments for a period of 12 months. In addition to this, that upon the Foundation receiving the anticipated stimulus funds, that KPFT’s infrastructure and equipment deficiencies be given upmost priority in any disbursements to the Foundation subsidiaries (stations).

Respectfully Submitted,
DeWayne Lark Director KPFT-Houston

10. Adjourn 11:06 pm

APPENDIX

Thursday, April 30, 2020

8:30 PM ET

Pacifica National Board

Teleconference

Emergency Session: To discuss financial matters, matters relating to the Coronavirus task force, Bylaws Amendments, motion to rescind the Bylaws schedule passed on Apr. 23, 2020, motion to consider an Articles of Incorporation Amendment process, postponed motion (below), Committee Reports and iED Report. Meeting called by Grace Aaron, Lawrence Reyes, Jan Goodman and Polina Vasiliev.

Postponed MOTION on Accurate Recording of Interdivisional Income and Expenses - The Management Team (Alex Steinberg, Chair, Dewayne Lark, Vice Chair, Grace Aaron, Secretary, Lydia Brazon, iED)

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The National Board negotiated and completed a settlement with the Empire State Realty Trust. The National Board needed to raise money to fulfill this settlement and did so by approving the sale of the National Office building at 1921-1925 Martin Luther King, Jr. Way, Berkeley, CA and by taking out a loan collateralized by the 3 other Pacifica Foundation owned properties in Los Angeles, Berkeley and Houston.

It was and is the clear intent of the Pacifica National Board to have the National Office assume all liability associated with the settlement with the Empire State Realty Trust including all related expenses, loan interest, fees and principal payments.

The Pacifica National Board charges the National Finance Committee to present a plan to apportion an equitable payment schedule for loan interest payments to all Pacifica radio station units. This plan will then be reviewed by the PNB and either approved, revised or sent back to the NFC.

The PNB directs NETA to enter all proceeds from the sale of 1921-1925 MLK Way in 2018 as income to the National Office in a gain/loss from sale of asset account.

Further, the PNB directs NETA to remove any and all expenses related to the ESRT settlement and any supporter loan or \$3.2 million loan expenses related to the settlement from WBAI's books in 2018, 2019 and moving forward. It is noteworthy that the \$3.2 million loan and ESRT settlement reset the allocation of transactions and assets for accounting purposes.

Purpose: Committee business, finance matters, policy issues.

Committee Members

Agenda

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Grace Aaron

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10:20 PM

Streamed [Here](#) The direct link is <http://kpftx.org:6280> Also [Here](#)