

KPFK Finance Committee
AGENDA January 13, 2021 3:00 PM

1. Call to Order; Roll call

PUB Grace Aaron
PUB Ken Aaron
LSB Alan Beek
LSB Fred Blair
LSB Bella De Soto
PUB Dave Johnson
PUB Steve Kaiser
PUB Kim Kaufman, Chair/Secretary
LSB Jeanine Rohn
LSB Michael Novick
LSB Polina Vasiliev
PUB John Wenger
Management: GM Anyel Z. Fields, BM Barry Brooks
Guests: James Sagurton, Beth Van Guten

2. Approve agenda (1 min)
3. Approve minutes from December 9, 2020 (1 min)
4. Comments from Chair (5 min)

FC Chair Report to the FC
January 13, 2021

I was going to read a version of this, along with a finance report, at the December LSB meeting. But due to the usual internal Pacifica politics, the LSB never got to a finance committee report. I'll skip any financial report and what I will say now is that I am resigning from the Finance Committee as of today.

It is clear the LSB and those LSB gatekeepers on this committee do not take its responsibility to oversee KPFK's finances seriously. KPFK did not become the worst station in the network overnight. It is not because of Covid. It is because of the total lack of oversight of the finances by the LSB in general and the FC in particular for the last five years.

Before the last LSB meeting, I asked Fred if he would step aside as Treasurer and let me be Treasurer this year. I said at this critical point, KPFK needs someone who really understands the numbers and is willing and able to do the work required. KPFK needs a strong advocate on the NFC. And that I am unwilling to continue to do all the work, as I have done since becoming Chair in June, and then painfully listen to the inadequate responses on the NFC from the current Treasurer. Of course Fred said no. He said he

thinks he's doing a good job. The present financial status of KPFK should disabuse anyone paying attention of that assessment. But... So be it.

After voting for the FC's motion not to approve the FY2021 budget at the November meeting, without review or discussion, the LSB then voted against having a special LSB meeting to actually review the budget. Four or five voted for it. Fred Blair voted against it, as did directors Grace Aaron and Jan Goodman and the rest. This is unconscionable. The public should take note of the Treasurer's and LSB's indifference to its primary responsibility as board members.

Neither Treasurer Fred Blair nor Director Grace Aaron contributed anything to the discussions through the multiple drafts of the budget. Now that I've done all the work, they both dismiss my work as "details." Overseeing finances is about details. It's not a coffee klatch, making up numbers for expediency, or magic wand waving which is what was going on in this committee before I became chair. Lack of interest or capability to do this work is why KPFK crashed on their watch. And a shout out to Director Jan Goodman and former Director Mansoor Sabbagh who have also shown zero responsibility for or interest in oversight of KPFK's finances.

Of course management is not blameless. The GM's primary responsibility is to see that the station is solvent, pays its bills to vendors and especially payroll, and to comply with all federal, state, local and FCC rules. The GM is not compliant with any of this. In my view, the GM has shown willful indifference to performing his job to any standard of competency, including oversight of the Business Manager. One example is the GM blew through \$550k in bequests in FY2019 and still ended the fy with a deficit and too many fund drive days. FY2020 had a whopping \$700k deficit and 174 fund drive days.

There's plenty of blame to go around and management deserves plenty. But, again, governance should never have let the financial situation get to this point. The financial problems have been obvious to me since the beginning of FY2019. The officers in particular on this FC have been negligent and incompetent in their duties. Good people willing and able to help have been ignored or driven away from this committee as well.

Further, the current iED Lydia Brazon has been blocking Lawrence Reyes' director's inspections. This, of course, is illegal and her reasons are jibber jabber. Grace Aaron also refused to do director's inspections in her five years sitting on this committee as Director. There is simply no will for transparency and oversight of finances in this organization. Having the tools to do oversight is essential and the indifference or outright stonewalling is just destructive to proper governance. This is an abdication of all fiscal responsibility.

The main responsibility of a board of a non-profit is to make sure the public's money goes where they think it goes and see that it is reported to the public, as required by law. Neither management, nor anyone on the LSB, including Directors present and past, can honestly tell the public where their money is going - even if management or the LSB were interested in doing so. In the two most recent audits, the auditor said he could not verify Pacifica's financial reports because the books were a mess. No one gets bragging

rights for overseeing two audits with these results. Any talk of getting grants or CPB funding to support KPFFK or Pacifica is mere fantasy.

I've personally enjoyed doing the work for the last seven months. But it's more like reading a murder mystery. You know there's a murder being committed, you know who's doing it and it's just putting the pieces of the puzzle together and waiting for the final denouement. It's been the perfect stay-at-home project but to continue is just enabling bad behavior.

Thanks to Lawrence Reyes for the director's inspections he did manage to get and thanks to Michael Novick for his help on the budget.

That's it. Have a nice day.

5. No next meeting scheduled

6. Report on current financial status from BM (20 min)

Adjourn