

Draft Agenda
Regular Pacifica National Board Open Session
 Teleconference Meeting
Thursday, May 28, 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
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
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
 Anita Simms, Interim Chief Financial Officer
 John Tatum, Parliamentarian
 Otis Maclay

Item # Description	Time
1. Preliminary items	5 min.
A. Call to Order by Alex Steinberg, Chair	
B. Roll Call	
C. Excused Absences	
D. Identify Timekeepers	
2. Agenda Approval	5 min.
3. Minutes Approval – Approve May 21, 2020 Open Session Minutes	3 min.
4. Motion on Grant and Loan Applications – iED and Board Officers	7 Min.
In order to provide oversight as well as ensure that there is no duplication of applications for grants and loans,	
Be it resolved that all applications for grants and loans be sent to the iED and Board Officers prior to submission and may not be acted upon until written permission is granted by the iED. (Permission by email is fine.)	
5. Motion on Oversight Regarding Expense Reductions – iED and Board Officers	13 min.
Whereas, it may be necessary to reduce expenses, including employee expenses, and,	

Whereas, the Foundation can be negatively affected by complications arising from expense cuts that may lead to Union disputes, legal repercussions or other negative consequences,

Be it resolved that prior to any expense cuts being made that all expense cuts not involving staff of over \$10,000 and all reductions in personnel such as furloughs, layoffs, discharges, reductions in employee hours or benefits or reductions in pay be reviewed by the iED and Board Officers.

6. iED Report & Q & A – Lydia Brazon

15 min.

I am recommending the following motion hoping a PNB director will add it to the agenda and move and second it. I attended the KPFT committee meeting last Sunday and I committed to recommending this to the PNB.

Thank you,
Lydia

James Sagurton and Grace Aaron agree to put this motion forward:

Whereas, the KPFT GM search committee has failed in its last two meetings to elect or even to notice a nominating process for Committee Chair,

Move that the PNB direct the interim Executive Director to provide the KPFT GM search committee with a process and timeline to elect a Chair and,

That the interim Executive Director provide the necessary directives to ensure EEO guidelines and reporting are complied with in the search process

Article Seven, Local Station Boards, Section 1: Local Station Boards

There shall be a standing committee of the Board of Directors for each Foundation radio station which shall be known as the Local Station Board ("LSB"). The powers, duties and responsibilities of the LSBs shall be those set forth in these Bylaws and such other powers, duties and responsibilities as the Board of Directors may from time to time delegate to them.

Lydia Brazon
Interim Executive Director
Pacifica Foundation
Cell: (213) 999-1037

7. Update on Pacifica Town Hall – PNB Chair, Alex Steinberg

5 min.

8. Committee & Task Force Reports

23 min.

a) Finance Committee

5 min.

b) Governance Committee

7 min.

- c) **Programming Committee** **5 min.**
- d) **Strategic Planning Committee** **3 min.**
- e) **Coronavirus Task Force** **3 min.**
- f) **Any other Committee or Task Force**

9. Motion to provide a Substitute for a Motion Previously Adopted on April 30, 2020 on Accurate Recording of Interdivisional Income and Expenses – Chris Cory **20 min.**

Rescind/REPLACEMENT MOTION on Accurate Recording of Interdivisional Income and Expenses – Chris Cory, NFC ex-chair

Original preamble (the entire motion adopted on April 30, 2020 follows the Substitute Motion):

“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.”

None of the above statements regarding the Nakapon sale is true. Since the property was purchased by KPFA using member funds, the asset belongs on the books of KPFA, a division of Pacifica. While it is true that Pacifica “owns all assets”, this is a trivialization of how multi-divisional companies operate. Booking purchases or sales of assets procured by one division to another obscures the procurement/disposal path of assets in the organization.

If you take this motion to an extreme, the asset doesn’t belong on the PNO books, either, since the PNO is also a division of Pacifica. So, given that fact, the REAL question is where does the asset make the most sense on the books? The standard practice is to book it where it is located, where it is used, with those responsible for maintaining it, and on the basis of whose funds procure it. This gives the TRUEST picture of the individual divisions of the assets of the organization. Lumping all assets onto the PNO books accomplishes none of these things, is a violation of GAAP, and is unethical, in that it shows favor of one division (PNO) over all other divisions.

In addition, since KPFA booked the depreciation, KPFA would be subject to an extraordinary gain of \$600k for 2018, which would have to be footnoted. This is also a serious deviation of standard accounting practices.

Therefore, the original motion actually does the opposite of what it proposes- it creates a distorted view of the finances of the organization that is less helpful for the individual units, and the operation as a whole.

I move to rescind the previous motion and offer the following substitute motion:

“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 on the books of the procuring division. 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.

Further, given the unusual and “national” nature of the transaction, the PNB directs NETA to move any and all expenses related to the ESRT settlement and related loan expenses from WBAI's books from 2018 to date and place them on the books of the PNO in accordance with GAAP. It is noteworthy that the \$3.2 million loan and ESRT settlement resets the allocation of transactions and assets for accounting purposes. Interest payments for this loan will be proportioned by station membership in accordance with the PNB motion passed in January of 2020.”

Chris Cory

NFC ex-chair

Original Motion Adopted on April 30, 2020:

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.

10. Motion on Special Rule Limiting Agenda Approval to 20 minutes – Alex Steinberg 10 min.

Be it resolved that the Pacifica National Board adopts the following special rule governing future meetings of the Pacifica National Board:

The time set for agenda approval shall be 20 minutes.

11. Adjourn

APPENDIX

All Times Eastern

[Back to the Calendar](#)

Thursday, May 28, 2020

8:30 PM ET

Pacifica National Board

Teleconference

Purpose: Committee business, finance matters, policy issues.

[Committee Members](#)

Agenda

[View Text](#)

Grace Aaron

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