

General Manager Report December 2016/January 2017

by
Quincy McCoy, GM KPFA

As I have done the last two years at this inaugural meeting is to first welcome aboard the newly elected members. Second as a battle-tested veteran of these gatherings and Pacifica shenanigans, I'd like to offer you some advice. I have offered it before with little success, but I'm not one to give up on what I believe is the right thing.

Coming from a lifetime in radio (broadcast and non-profit) a former Youth Radio co-chair, I trust you'll understand when I say that I hope you're here to **listen**. I hope you'll put aside any preconceived assumptions or ideas about what is the right or wrong direction for KPFA, and first strive to understand that all successful boards are a product of teamwork. It's not about any individual—it's about us, and what we do collectively.

Ideally, these meetings are an opportunity for everyone to become connected to what the station is doing and to help energize and support those efforts.

In a successful active board, relationships need to be open-ended, spontaneous, and in true partnership with each other—a dynamic source of ideas, resources and energy. To survive, we need to target our objectives and not be distracted.

Our board's primary responsibility is to focus on the big issues that management brings forth—the important problems facing the station that need tackling. There is a networking component to your job—a readiness to share contacts that may have valuable resources to offer and steer the

organization towards a sustainable future by adopting sound, ethical policies to ensure that KPFA has adequate resources to advance its mission. Therefore, everyone serving on the board must be enthusiastic and actively involved in raising money.

Our biggest area of need is still fund raising. This week our station has taken on a lot of water and unfortunately this will affect our infrastructure and elevator operation and cost us money in cleanup and repairs. We have antiquated computers and let's face it, the station needs to move quickly from an analog to digital broadcasting operation. Yet, we have not one committee established to help brainstorm, create and assist with successful fund raising off-air projects.

Energies need to be placed in this direction, which would be a major step forward. Off-air fund raising is crucial to our survival. You see fund drives are our lifeblood, yet additional off-air funding offers us the flexibility to improve our equipment, infrastructure needs and reach enough stability to begin building reserves and establishing lines of credit.

IT and Website Upgrade: 2017

For some time now, the technical infrastructure of KPFA has limped along through pieced together legacy systems, configured and managed through a variety of vendors and out-of-date software that have created an unsustainable environment. Breakdowns in communication between Tech, Management, and Finance over the years as well as vendor lock-in contracts have manifested into a nothing short of a crisis.

We determined the only answer is a complete re-engineering and overhaul of our IT infrastructure to fulfill our duty to our staff, our listenership, and our mission. We have begun the first phase in a process which examines our IT

Network, Servers, Phone, Internet and Personnel to determine what is serving our needs and where is there room for improvement.

In late November 2016, we contracted New Day Host, the folks that host our website and do IT consulting, to improve our WiFi Network. Our situation was not unlike other systems we have; unsustainable. A single consumer WiFi Access point which provided a slow and unreliable connection with minimal coverage throughout the building. Frequent outages were the norm. New Day Host provided not only expanded coverage and a reliable connection but also saved us money in the process.

The "UniFi system" being implemented will provide a solution to make our IT network efficient and cost-effective. Our strategy is to bring about vendor consolidation, update hardware and software while creating a transparent interface.

In short, this saves the station money by eliminating overpriced contracts, retiring power inefficient servers and reducing staff frustration levels while generating a belief in stability and possibility. New redundant servers are already being provisioned. Faster Internet has been secured with Comcast and in the weeks to come, this will bring a 10x improvement in bandwidth to KPFA.

Programming Update:

Our next fund drive begins on Tuesday, February 21st through Saturday, March 11th. We've changed things up, moving the **Grateful Dead Marathon** event from their usual Winter Drive kick-off position, to the last day of the drive, Saturday, March 11th.

On Inauguration Day, January 20th, Democracy Now will broadcast 5am to Noon from the Women's March from Washington and also January 21st from 7am-12pm. Here at home, we will broadcast special headlines throughout the day with reports from actions all over the Bay Area.

The Nation Magazine to their Progressive Honor Roll as the Most Valuable Radio Show has named Mitch Jeserich program Letters & Politics for 2016. The Nation says this show is “**talk radio that makes you smarter!**” Please congratulate Mitch on this well-deserved recognition.

Starting Monday, January 23rd, Mitch will be broadcasting from Washington, DC for three weeks to begin his coverage of the first 100 days of the Trump administration. His coverage will be heard on both Letters and *Upfront* in the coming months.

After two years of broadcasting on KPFB, *Talk It Out Radio* had their premiere show on the KPFA airwaves last Sunday, from 7-8pm. *Talk It Out Radio* is the first program to successfully make the transition from KPFB to KPFA. The show models Nonviolent Communication skills and interacts with callers to help them solve their specific communication problems. A crew of long-term Nonviolent Communication trainers and practitioners host the show. The show's first KPFA Facebook post generated over 5,000 views. With this move, *The Week Starts Here* with Veronica Faisant, has moved to 8-9pm on Sunday nights.

We continue to upgrade our on-air 30-second promo grid. You'll be hearing new promos from many of our long-standing programs. In addition, we are trying to create and incorporate an algorithmic system to cross-promote upcoming shows throughout our programming schedule in a timely fashion.

Holiday/Year-End 2016 Fund Drive:

**Holiday 2016 Pledge Drive (Tues., 12/6 thru Fri. 12/16)
As of 1/11/17**

GOAL:	DOLLAR AMOUNTS				
	TOTAL PLEDGED	ACHIEVED	TOTAL PAID	FULFILLMENT	UN-FULFILLED
\$550,000	\$508,543	92.5%	\$394,060	77.5%	(\$114,483)

BY PURPOSE...	PLEDGED		PAID		UNFULFILLED
	\$	%	\$	%	
Acquisitions - New members	129,482	25.5%	97,479	24.7%	(32,003)
Renewals - Within 3-mo of exp.	110,442	21.7%	90,030	22.8%	(20,412)
Rejoins - Lapsed memberships	107,901	21.2%	81,576	20.7%	(26,325)
Add'l Gifts - Repeating FD donors	160,718	31.6%	124,975	31.7%	(35,743)
	\$508,543	100%	\$394,060	100%	(\$114,483)

BY RESPONSE METHOD...	PLEDGED		PAID		UNFULFILLED
	\$	%	\$	%	
PLG: Walk/Mail-ins	9,291	1.8%	9,041	2.3%	(250)
ROL: Call center	193,294	38.0%	143,934	36.5%	(49,360)
ROL: Call center	103,368	20.3%	77,051	19.6%	(26,317)
WEB: Web Site	202,590	39.8%	164,034	41.6%	(38,556)
	\$508,543	100%	\$394,060	100%	(\$114,483)

CC vs NO-CC	PLEDGED		PAID		UNFULFILLED
	\$	%	\$	%	
Credit Cards	431,480	84.8%	357,018	90.6%	(74,462)
Non-Card	77,063	15.2%	37,042	9.4%	(40,021)
	\$508,543	100%	\$394,060	100%	(\$114,483)

PREMIUMS	PLEGGED		PAID		UNFULFILLED
	\$	%	\$	%	
Premiums Requested	359,295	70.7%	267,499	67.9%	(91,796)
No Premiums	149,248	29.3%	126,561	32.1%	(22,687)
	\$508,543	100%	\$394,060	100%	(\$114,483)

- 1) As of 12/16, the day the phones were shut-off, the fund drive was short of the \$550,000 goal by \$152,350.
- 2) Including the 15 days since the end of the fund drive, we achieved another \$110,894, bringing the total pledged for the Holiday Fund Drive to \$508,543.
- 3) In a little over 1-month, since the beginning of the drive, we have achieved 77.4% fulfillment when our avg 12-month fulfillment is 86.2%.

The PNB: National Finance Committee

The PNB passed a motion where Pacifica National Office (PNO) would start giving the stations “credit” for the SCA* revenue retained by PNO over the past years. However, to lessen the cash flow impact on PNO, it is proposed that the central services percentage be increased. (See the chart below for the actual figures.) To quote from an email from the National Finance Committee chair...

*The sum of these new monthly payments is still \$115,576, and the \$23,000 in SCA payments still go to the PNO, so this is **revenue neutral as far as the PNO is concerned**. (PRA is unaffected since the credit doesn't apply to those CS obligations.) **For the stations, the impact varies.***

To say the impact varies per station is an understatement! For example, under the new formula, WBAI will be saving \$50 thousand dollars per year in CS payments, despite the fact that, at the end of FY16, they owed \$118 thousand in unpaid CS and healthcare premiums. However, **KPFA**, the only

Pacifica station that is not in debt to the PNO, will have an increase of central services payments of 13%, \$4 grand a month or nearly \$53 thousand dollars a year.

*A **subcarrier**, known also as **Subsidiary Communications Authority** or **SCA**, is a separate audio or data channel that is transmitted along with the main audio signal over a broadcast station. (<https://www.fcc.gov/media/radio/subcarriers-sca>)

	WBAI (NYC)	KPFT (TX)	KPFA	KPFK (LA)	WPFW (DC)	TOTAL
Current Central Svcs (CS)	16,890	11,884	34,666	36,829	15,307	115,576
Increase to CS	3,361	2,365	6,899	7,329	3,046	23,000
New CS	20,251	14,249	41,565	44,158	18,353	138,576
SCA Credit (based on actual SCA revenue)	(7,500)	(3,000)	(2,500)	(10,000)	-	(23,000)
Adjusted CS	12,751	11,249	39,065	34,158	18,353	115,576

Monthly Increase (Decrease)	(4,139)	(635)	\$ 4,399	(2,671)	3,046	-
Annual Increase (Decrease)	(49,666)	(7,621)	\$ 52,784	(32,051)	36,554	-

Uncollected as of 9/30/16						
Central Svcs	118,230	59,420	-	73,658	183,684	434,992
Healthcare	-	-	-	-	30,209	30,209
	118,230	59,420	-	73,658	213,893	465,201

Calculation for CS Increase

Current CS Allocation	16,890	11,884	34,666	36,829	15,307	115,576
Proportion of Current CS	14.6%	10.3%	30.0%	31.9%	13.2%	100%
Proportion of CS increase based on current allocation	3,361	2,365	6,899	7,329	3,046	23,000

This increase will wipe away our hard fought gains of lowering the medical benefits payment we've been negotiating with the Union and all the other small financial victories I've mentioned earlier.

This unsound increase will lead KPFA down the same destructive financial path of our sister stations. First, we would be inconsistent in paying this higher rate and will fall behind as the others have. We will be forced to add more days to our pledge drive schedule, cuts, layoffs and resignations of major talent will follow, coupled with the loss of the great progressive voices who frequent our airwaves because of our talent and finally we will be left with less listeners and lower donor income. This is Pacifica history repeating itself.

As General Manager, for the last 2 years and six months I know this one thing to be true. Our strategy of **less** fund drive days has been successful for KPFA. We've made a sacred bond with our listeners to deliver on our mission and programming and in turn they provide our financial support. We have a duty to our listeners who fund us. If we increase our pledge days it would break that relationship and I believe that would be wrongheaded and irresponsible—a true recipe for disaster.

Quincy McCoy

January, 20th 2017