

MENDOCINO COUNTY PUBLIC BROADCASTING
Board of Directors Meeting and Annual Membership Meeting
Willits Center for the Arts
71 E Commercial St, Willits, CA
June 24, 2025 - 5 PM

DRAFT MINUTES

A CALL TO ORDER

*Present: SB, MG, JZ, CW, MS, DS, SD, KO. Director Weiderholt observed via Zoom. Also present, GM/Dir of Operations Andre de Channes and Outgoing Interim GM Dina Polkinghorne.
President Baird called the meeting to order at 5:08 PM*

B AGENDA APPROVAL

JZ moved to approve. 2nd by DS – AIF 8-0

C INTRODUCTIONS

The board members and staff introduced themselves and audience members were invited to introduce themselves. President Baird introduced new board member Karen Ottoboni, who-recently ran unopposed for the position of Programmer-Elected Director.

D KZYX REPORT – 2024/2025 Fiscal Year

Annual Report Overview Given by Susan Baird. Key areas of growth as reported by the board. New GM Identified and hired. Started KZYX Connector newsletter. List of milestones for the bldg. project. Overview of financials for past year. President Baird's notes are attached to these minutes.

E PUBLIC EXPRESSION

- *Eileen Russell – Concerns about news department being impacted. News director being laid off.*
- *Suni Smith – Echoed concerns of Eileen Russell.*
- *Prana – Encouraged creative solutions to the budgetary challenges.*
- *Sarah Shankman, KZYX Membership Director – Questioning how people are saying that the news director was fired.*
- *Jim Beatty – Programmer and CAB member. Recommended having a vehicle for people to send suggestions/ideas. CAB@kzyx.org.*
- *Ed Keller – Former board member who recalled a time when KZYX did not have a news department. He knows that news is expensive. It is up to the board.*
- *Jill Hannum – Could not disagree more deeply with cutting news department. The mission of the station is to be concerned with what goes out over the air. KMUD has three people doing the news.*
- *Johanna Cummings – Gave overview of her experience. We could have rolled the decision out over the air and via an email. This was a missed opportunity. KZYX needs allies. Do we want community input or not?*

Board Responses

- *Vice President Jeff Zolitor reaffirmed that KZYX stills intends to do the news.*
- *Director Wilder agreed with Jim Beatty.*
- *President Baird said that we would have an informal discussion at the end of the meeting and it would be included in the Zoom recording. (Post meeting note: Due to operating issues, the meeting was not recorded.)*

Director Ottoboni questioned what would be required to fund the news department through fundraising.

F REPORTS FROM COMMITTEES

F.1 Finance Committee – Mary Golden, Board Treasurer

Director Golden read her report, attached to these minutes.

Director Ottoboni congratulated Treasurer Golden on the QuickBooks conversion and said this is the 4th accounting platform the station has utilized.

Director Golden encouraged kindness as we move through this tough fiscal year and station transitions.

F.2 Executive Committee – Susan Baird, Board President

In addition to planning the Annual Meeting, at its June meeting the Committee received a report from the GM/OD about the National Federation of Community Broadcasters conference he attended and updates from the Treasurer and the Building Fund Task force. Members nominated Mark Spindler as the Board Secretary, replacing Carol Wilder, for action at the June 24 meeting.

F.3 Building Fund Task Force – Susan Baird, Task Force Chair

Chair Baird reported that almost \$1 million has been raised for the \$2 million Ukiah project and that staff is eager to get into the building ASAP, as most live in Ukiah but it will be some time before the move is complete. She further reported that the task force is planning a full-scale PR campaign.

F.4 Building Project – Mark Spindler, Building Advisory Group Chair and Board Member

Based on a recent update from the Project Manager, Director Spindler reported the following:

- *Tower permit issued*
- *Tower hardware and grounding system have already been delivered to the site.*
- *Coordination and scheduling are underway for foundation work to begin ASAP. (Bob) Sack Concrete (proposal signed). Concrete Inspector needs to be present.*
- *Trenching and backfilling from tower to building is pending coordination and scheduling with (Ernie) WIPF Construction (providing conduits for coax) and penetration into concrete subfloor in equipment room.*
- *Building mechanical (Next Generation) and electrical installation (Tipton Electric) are nearing completion.*
- *General Contractor Adrian Fisher (Big Fish Construction) will arrange time for inspection by the city and this is anticipated in upcoming weeks.*
- *Low voltage wiring contractor identified and available to complete work early July.*
- *CAT6 cabling purchased and on site followed by insulation and drywall.*
- *Carpet 1 flooring is updating quote.*
- *Painting quotes are being requested now.*
- *Cabinetry, plumbing fixtures appliances and other finish hardware is on site.*
- *Studio furniture is the next purchase.*

Regarding the budget, Director Spindler reported the following

- *All is on track and additional internal reporting is forthcoming.*
- *Everyone's patience is appreciated while the organization transitions its accounting software and personnel.*
- *A detailed Excel spreadsheet is being maintained and shared by the project manager and we are also maximizing cost controlling measures.*

Director Golden inquired about the signal changes needed to re-engineer the signal to originate from Ukiah.

F.5 General Manager's Report – Andre de Channes

GM de Channes read his report (attached to these minutes). He also apologized to Jill H for potting her down during her recent call into Inside KZYX.

F.6 Brief Legislative Update – Dina Polkinghorne

Ms Polkinghorne reported that there are two "R" words in play. Rescission and Reconciliation.

On rescission, the President's request to Congress to rescind already-obligated CPB funding (representing 25% of KZYX operating revenue) for the next two fiscal years was approved by the House and it now resides with the Senate in its Appropriations Committee, which has no California senators. Four Republican senators will need to vote with the Democrats to defeat the President's rescission request. The decision on the President's request should be known by mid-July.

On reconciliation, which effects funding for the two years after (27-29), the House has approved their version of the President's bill and it's now with the Senate. Ms. Polkinghorne reminded the board that the music licensing is at issue as well. CPB is currently funded to cover all the music licensing costs for community radio stations and if they are defunded, stations will have to pick up that very expensive cost. It will also require additional staff time to administer.

Ms. Polkinghorne reminded all that the proposed draft KZYX budget is a break-even budget that gets there by contemplating a loss of these funds, a layoff of a full-time employee, and some ambitious revenue goals to make it work. She reiterated that this is a very vulnerable time for KZYX and for small community stations across the country.

G CONSENT CALENDAR

G.1 APPROVAL OF MAY 2025 MINUTES

Motion to approve main minutes. Moved by Jeff Zolitor. 2nd Carol Wilder

G.2 RECEIPT OF MARCH – MAY 2025 PRELIMINARY FINANCIAL REPORTS

Motion by JZ, DS – AIF 8-0.

H CONDUCT OF BUSINESS

H.1 NOMINATION OF MARK SPINDLER TO REPLACE CAROL WILDER AS BOARD SECRETARY, FOLLOWED BY A VOTE ON THE NOMINATION

Director Wilder made a motion to approve the nomination of Mark Spindler as board secretary, JZ 2nd. AIF 8-0.

H.2 ADOPTION OF THE 25-26 OPERATING BUDGET

Director Golden recommended approval of the budget and ensured members it will be reviewed on a quarterly basis.

Motion by MG. JZ AIF 8-0.

President Baird acknowledged work by Mary, Andre, and Dina for working so hard on developing the new budget. Budget can be viewed on the website.

I MATTERS FROM BOARD MEMBERS

- *Director Wilder offered to respond on behalf of the board to inquiries that come through bod@kzyx.org.*

- Director Ottoboni provided her email contact for programmer issues.

J ANNOUNCEMENT OF NEXT MEETING: Tuesday, July 22 2025, 5 PM over Zoom (post meeting note – the correct date is July 29, 2025)
On behalf of the board, President Baird acknowledged and thanked outdoing interim GM and former board member, Dina Polkinghorne, and presented her with a gift of appreciation.

K ADJOURN
The board adjourned at approximately 6:30 pm and met with the public informally over refreshments. Afterwards, board member Carol Wilder moderated an informal discussion of ideas for continuing the station's local news coverage in which about 20 KZYX members, staff members, and board members participated.

End Minutes

GM Report June 24, 2025

OPERATIONS

- An amplifier has been installed on the STL receiver on Laughlin Peak, which will amplify the STL microwave transmission from Cold Springs. This should help mitigate the micro dropout issues on the 91.5 signal. There is a plan to also acquire an amplifier for the Cold Springs STL transmitter.
- A problem with the mixing surface in Philo has been fixed.
- A new UPS was installed in the Philo studio so all the equipment stays on when the generator flips on.
- Ops is putting together a remote broadcasting kit for a live broadcast from Ten Mile Creek Revival.

ADMINISTRATION • _Worked with Mary and Dina on the 2025-2026 Budget.

- We worked with our fiscal contractor to finish the QuickBooks conversion. The transition has been taking longer than anticipated due to line items that were not captured in the data transfer. This necessitates hand coding these items to make sure they are assigned to the correct categories and subcategories. In addition, we are also creating new categories and subcategories so we can get more granular in tracking our departmental expenses.
- I spoke with our landlord regarding our Philo lease which expires in October. We will renew since we are not ready to broadcast from the Ukiah studios, and the decommissioning process for Philo needs to happen.
- I attended the CFPB Conference.

PROGRAM

- WDan has stepped up to take on the Public Affairs Coordinator role.
- Katharine has trained a new music programmer Seline who had her first show. She plays disco dance music. Katharine is also training a new programmer in Willits.

UPCOMING EVENTS

June 27th- Ten Mile Creek Revival live broadcast

Treasure's Report

The conversion of KZYX's SAGE-based financial data for FY 23-24 and one-half on FY 22-23 is complete. The numbers we are working with all tie back to our audits, reconciled bank statements, and other third-party ledgers.

We have a few uncategorized or miscategorized items (which is why the financial reports in the packet are marked "preliminary.") The conversion was performed by Eide Bailly, a CPA and consulting firm, and we are working with two individuals in their non-profit services department. Eide Bailly, whom you will hear us refer to as EB, provides services to 13 other non-profits, including one radio station. In addition to their professional expertise, we benefit from the diversity of their experience.

Dina, Andre, EB, and I are meeting weekly to work on the restructuring of the new QB Chart of Accounts and Class List, and the incorporation of the building fund into the general fiscal reporting. Because that work is ongoing, the budget Dina emailed you earlier represents a Chart of Accounts that is mid-transition from SAGE to QuickBooks.

Another aspect of this ongoing work is the incorporation of the building fund budget into the station's operational budget and the drafting of a multi-year building fund budget. The objective of this restructuring is to support transparency and give the GMs and department managers the insight they need to manage the station's affairs and meet the fiscal goals. It will also make it easier for board members and the public to understand our financials.

The account restructuring includes the following features:

The building fund financial activity will be integrated into the KZYX fiscal reports.

Classes are created for each revenue department. This will allow department heads to review their department's P+L monthly and compare their department's actuals to their departmental budget.

The same analysis will be done for concerts, fundraising events, and other revenue sources.

Classes are created for each studio location. This will allow us to see the cost of running each satellite studio.

Regarding the draft budget, it assumes 0% CPB funding, amounting to a loss of approximately \$174,000. To accomplish balancing this budget, the revenue goals are being increased over the current FY by 15% - 25% across all revenue departments, including membership, underwriting, concerts and fundraising, year-end donations, MRD (IRA), and donor-advised fund donations. The budget assumes a 3rd pledge drive.

The budget assumes replacing our current news department with a more affordable local news option (\$10,000) while maintaining our national news sources (for example, NPR and Pacifica) and continuing to use local news stringers.

The budget assumes a \$20k expense increase to fund long-deferred maintenance on all three towers.

The budget assumes that Clay St operational expenses are incorporated into the operational budget. The mortgage will continue to be paid out of the BF checking account. ¼ of the station's administrative salaries and wages will no longer be taken from the building fund's restricted account. Previously, the building fund paid a quarter of the station's administrative salaries and wages. This budget incorporates 100% of all salaries and wages into operational fund expenses.

The budget does not attempt to budget for the anticipated but unknown cost of music royalties that will commence in FY Q3 and Q4. At present, there are too many unknowns related to how this program will be administered to budget for it. This is one example of the dynamic nature of this coming FY and why we are committed to reviewing the budget v actuals on a quarterly basis.

The budget assumes continuing to work with EB, reducing expenses in the bookkeeping department by approximately \$14,458 while increasing our access to timely fiscal information.

The budget assumes expenses related to continuing to operate out of the Philo station as well as the expense of removal of the rail car. Examples of these expenses include rent, property insurance, telecom, and utilities. To summarize the proposed DRAFT FY 25-26

Revenue – \$651,793

Expenses – \$651,218

Surplus – \$575

As everyone is aware, the station is in a very dynamic environment, as are many public radio stations. We've lost 25% of our funding, people are angry in general about public radio becoming a bargaining chip in political gamesmanship, and stressed about what this means for us locally.

On top of that, we are in the middle of a capital campaign. With each new month that we leave Clay St unoccupied but pay for its costs, we are pushing the amount of money that needs to be raised upward. I'm fairly confident that we can accomplish what needs to be accomplished and keep the station running, and after we move to Clay St, thriving. To do that, we need the informed understanding of our current and future communities.

We also need to give and receive kindness. Kindness is the engine of all board, committee, and community work. In truth, kindness is the engine for all our successful relationships.