

PACIFICA FOUNDATION  
2207 Shattuck Avenue  
Berkeley, Calif. 94704

M I N U T E S Board of Directors

ANNUAL MEETING Nov. 19 and 20, 1966  
Berkeley, California



MINUTES OF THE BOARD OF DIRECTORS OF PACIFICA FOUNDATION: Annual meeting held Saturday November 19 and Sunday November 20, 1966 at the Hotel Claremont in the City of Berkeley, California, pursuant to call and notice as provided in the By-laws.

PRESENT: Boughton, Cooney, Elson (Secretary), Fielder (entered the meeting at 12:15 on Saturday, Goodman, Hoffman (President), Hurwich (Treasurer, entered the meeting at 3:40 on Saturday), Klein (present on Saturday only), Smith (Chairman), and Wyle (present on Saturday only).

ABSENT: Saturday: Agnew, Fischer, Taylor, Saltman  
Sunday: Agnew, Fischer, Klein, Taylor, Saltman, Wyle  
Absent, and resignation accepted Saturday: Simon

Managers Present: Partridge, Dallas, Millspaugh  
Staff Present: Hopkins

The Meeting was called to order by the Chairman at 11:00 a.m. with a quorum present as provided by the By-laws for the Annual Meeting.

BD 171  
MINUTES  
APPROVED

MSR: that the Minutes of the meeting of September 17 and 18, 1966 be accepted as distributed.

MSR: that the Minutes of the Executive Committee Meeting dated September 26, 1966 be accepted as distributed.

BD 172  
RESIGNATION  
of SIMON

The Chairman referred to a letter of resignation which had been mailed by Director Simon to all other Directors, and asked that a letter be written to Mr. Simon to express the regret felt and stated in this meeting.

MSR: that the resignation of John Simon as a Director of Pacifica Foundation be accepted with regret.

BD 173  
PRESIDENT'S  
REPORT

The President, referring to documents which were received either in the mail or at the meeting, stated it was his understanding that the purpose of this section of the agenda is to try to reach a decision with respect to the direction of Foundation organization.

The President referred to these positions: 1) The Plan, as discussed at the September meeting, which would move toward centralization of certain functions; 2) Go on as we have been going, perhaps with a gradually evolving structure but with no sizeable move of any kind to bring about integration of the activities of the stations; 3) A plan outlined in the Partridge memo (which would have a President who is more than nominal, but retain a high degree of initiative within the stations). All 3 plans call for increased involvement of Board members with the local stations. Mr. Hoffman stated that since the



discussion in September he has come to a position that it would be unwise to move toward centralization unless we can move far enough toward it to get some of the benefits that he foresees. His own recommendation is to adopt seriously with intent to put into effect The Plan outlined in the September meeting. This would mean a Staff at the Foundation level with time and capacity to do its job and authority to operate; the backing of the Board; the centralization of finance with correlation of expenditures with a budget that has been adopted. In The Plan there is the potential of national significance. Mr. Hoffman stated that he is in favor of more local programming than any station is now producing and hopes this will become better and more intensive. But the Board, which now has the legal and moral responsibility, does not have the means of seeing that decisions are carried out. This is untenable and growing more hazardous as the operation becomes more expensive. The alternative is to charge the Local Boards with enough authority so they may act responsibly.

The Chairman in opening the meeting for general discussion reminded the Board that whatever plan is adopted, it is faced with the necessity of electing a new President. He cautioned against being misled by labels such as "high" degree of centralization. He sees the choice as that between a central organization that is equipped and staffed to do something compared to one that can accomplish virtually nothing--and the difference between something and nothing does not necessarily mean an extreme or burdensome type of control, particularly with regard to policy and programming matters that are most legitimately matters of local concern. He spoke of his conviction that it is necessary to have general consent to a plan for any chance of success.

The organization guidelines for the operation of the Foundation until the next meeting of this Board were arrived at after some 8 hours of deliberation. It appeared that on the strength of the votes in the meeting, it would have been possible to resolve to proceed with staffing the Foundation with a full-time President, an Executive Vice President and a Finance Vice President; that a mail poll of all the Directors would probably have resulted in approximately an even split; but that clearly two of the areas, New York and the Bay Area, were opposed to The Plan at this time. Mr. Smith stated he considered the guidelines tentative, but felt it was unwise to force the judgment of Southern California on the two other units that have to remain operating efficiently. Mr. Hoffman stated that the Board did not adopt a plan to staff the Foundation at this time, but did not foreclose it. Mr. Goodman was concerned because members of the Board who could not be present on Sunday when the guidelines were adopted, had not yet had an opportunity to respond to it.

#### AREAS OF AGREEMENT

In the course of the discussion certain areas of agreement appeared--

That the Foundation needs a National Board as well as Local Boards.

That the Foundation needs a President; that the kind of service needed requires that he be a paid Foundation employee; that no one should be both Manager and President since the President has to be the agent of the National Board in relation to all three stations; that at this time in the development of the Foundation the chief executive needs to be a multi-facet person with skills in both finance and administration.



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That there should be more local responsibility. Ideas of the degree and kind of local responsibility varied.

That the local Boards must be made responsible for reviewing station budgets and take a more active role in the financing of the stations.

That it was desirable to move toward automation of records, especially of subscription records, and it was pointed out that Los Angeles is about ready to adopt a machine system and that Berkeley likewise is moving toward automated subscription information.

That the Management Council, which is already essentially in existence, is a strength to be continued. The President was viewed as a coordinator on the Council, and to do his job he must work by persuasion and must receive cooperation at all levels--Management Council, station staff people with whom he works, and the Local Board.

That certain central goals are desirable--central archives, greater distribution of programs outside Pacifica, and perhaps some ability to encourage stations outside the present three.

That the Board has confidence in the present Managers and in the performance of the stations, characterizing them as "better than ever."

#### AREAS OF DISAGREEMENT

The areas of disagreement were expressed in terms of timing and of a different reading of the organic necessities of the existing structure. Mr. Wyle and Mr. Hoffman said that without something like The Plan with Foundation staff to implement the decisions of the Board and the Management Council, the Foundation is not likely to achieve fiscal accountability or the operating efficiencies and information the Managers need to do their jobs. They believe that something like The Plan is likely to be evolved from necessity in the course of the next year or two or three, and that it would not cause dislocation to begin now with a Finance man who would be able to make procedural recommendations on the basis of which would be evolved over a year or two the systems to provide the needed information. They believe money could be found to finance such a Foundation staff, and that enough of it would be found outside the stations so that financing would not burden the stations. They believed that some of the people to staff the Foundation might best come from existing staff, now Managers, who know a great deal about the operation of the stations and are best equipped to select and train their successor Managers. Mr. Wyle referred to the frustration of being a Board member in an organization that gets so twisted in ideology as against functions that we seem to think there is no place for something if it is practical--he believes The Plan would enhance what we have without imposing something.

Mr. Goodman, supported by Mr. Elson in particular, felt that the stations are succeeding now, but would be disrupted by The Plan because it represented too much change at once. In a small organization it is unwise to take 2 or 3 Managers from their stations, there is an organic integrity in what is existing and succeeding. Mr. Goodman agreed that many of Mr. Wyle's points were valid for a business, but stated that Pacifica's educational function is to show what is wrong in our society--a function he believes might be lost in the process of



centralization. Mr. Partridge said he believed The Plan would result in a de-personalized operation without involvement. He believed a part-time President might be sufficient, and throughout the discussion he stressed his strong belief that initiative for liason should arise in the areas at the request of the Manager or the Local Board, the President coming only to give financial help when asked, or to alert the Local Board to a financial problem not foreseen or acted on by them. Mr. Goodman and Mr. Partridge doubted that money would be found outside the stations. Mr. Elson and Mr. Partridge did not see national significance as an essential goal.

#### DISCUSSION AFTER THE ARRIVAL OF MR. HURWICH

Mr. Hurwich, having been briefed on the meeting to the point of his entry, presented views which crystallized the previous discussion and formed the basis for working out the guidelines.

He stated that to both survive and have influence we have to do better than we have been doing. He believed there should be sufficient organizational change to allow the stations to relate more effectively to the people in their geographical areas. Though he resists a strong centralization trend, he believes there must be continual attention to the balance between control and autonomy. The three stations are broadcasting a related, but not identical product, in different markets and with different people. He sees Pacifica Foundation as the holding company--it holds the ownership, it insists that there be uniform standards on pornography and other things that have national significance. The Local Board would have authority, but also responsibilities to the Foundation. The stations should support the Foundation, since it is not funded, and should definitely pursue things of national interest on behalf of the joint aims of the stations. He would get fiscal responsibility through an executive hired by the Foundation, who would be comparable to the Treasurer of a corporation, functioning mainly by persuasion, having both financial and administrative know-how. This means leaving virtually all the operating authority with the Local Board, yet making them toe the line in certain areas. Program coordination would be through the Management Council. The Management Council's decision-making capability would be limited to activities that affect all 3 stations. In general questioning and discussion both Mr. Goodman and Mr. Wyle expressed themselves as being in basic agreement with the ideas stated by Mr. Hurwich.

From this point late Saturday afternoon and through Sunday morning the details which became the guidelines for operation until the next meeting were discussed and agreed upon. Final details, including election of officers of the Foundation, were worked out in executive session without the Managers present.

BD 174  
ORGANIZATION  
GUIDELINES

MSR: that we adopt the draft here evolved as our decision for the organization of the Foundation and that it be entered in the Minutes.

In adopting this Resolution, several Directors present stated that in their view these are guidelines, an expression of intent, that they were well aware that some Directors could not be present at this Sunday meeting and had not expressed their opinions on the draft, that it is expected that there will be changes in future Board meetings as the guidelines are tested by experience, and that it is not the intent of this meeting to dis-elect any of its present members.



The Chairman expressed it thus:

I want to be sure it is understood that the Board action is generally to approve in principle for the guidance of the Foundation until the next meeting.

The statement which was adopted reads:

ORGANIZATION OF RESPONSIBILITY AND AUTHORITY IN THE PACIFICA FOUNDATION

This proposal is intended to define the organization of the Foundation, relate the management functions of the Foundation to the stations, fix responsibility for the financial obligations of the Foundation and the stations, and clarify the functional responsibility of the Local Boards.

Notwithstanding anything in this memorandum, the Pacifica Foundation, acting through this National Board, retains all of the prerogatives, responsibilities, and duties of owners.

These aims will be accomplished by the following changes in our present arrangements:

1. The Board will consist of 11 members--an Honorary Chairman, a President, and three members from each station area. The National Board will meet at least once each year.

2. In each area the three Local Board members will gather three or more additional members, each of whom will be concerned with the affairs of the station in that area. The Local Board will elect a Chairman, who shall be elected from among the members of the National Board. Station Managers will be members of this executive group, ex officio, and will have a vote in their deliberations, but will not be eligible to be elected Chairman. The Local Board is authorized to supervise the management of the station in its area. It shall meet at least once each month.

3. The Foundation staff will consist of a President, who shall be primarily responsible to the National Board for the financial condition of the stations, and will act as Chairman of the Management Council; plus a secretary and such other clerical personnel as is required to carry out the functions here described. Additional Foundation personnel will be hired only with the approval of the National Board.

The management of the stations and the Foundation will be conducted under the supervision of the Management Council. The Council will consist of the three station Managers and the President. The Management Council will meet at least four times a year.

A Personnel Committee, consisting of the Management Council plus the Chairman of each Local Board, will be responsible for recommendations to the National Board for decisions about hiring and firing members of the Management Council. Local Board concurrence is required in decisions of the Personnel Committee affecting personnel (Managers, not station staff) in their area.



4. The President will monitor all budgets and see to the keeping of the financial records of the Foundation and its stations.

Budgets will be prepared by the Managers, in consultation with the President, and ratified and approved by the Local Boards.

The Management Council will be provided monthly with copies of the financial reports of the stations, in the form adopted by the Management Council.

#### SCHEDULE OF ACTIONS UNDER THIS PROPOSAL

The Personnel Committee (with the President as elected at the current meeting of the Board) will, as soon as possible, nominate a President who can fulfill the obligations of financial advisor as well as acting as Chairman of the Management Council.

BD 175  
ELECTION OF  
OFFICERS AND  
DIRECTORS

The meeting then proceeded to the election of the following officers and directors whose terms were expiring:

Honorary Chairman	R. Gordon Agnew, D.D.S.
Chairman	Hallock Hoffman
President	Lloyd M. Smith
Vice President	Robert Goodman
Secretary-Treasurer	Henry M. Elson

Directors re-elected:

R. Gordon Agnew, D.D.S.  
Marie Fielder  
Harold Taylor  
Rudy Hurwich  
Hallock Hoffman

In inviting Dr. Agnew to serve the Board as Honorary Chairman, the Board asked him also to continue as Chairman of the Committee on International Relations. The office of Honorary Chairman carries with it the right to vote on the Board, but does not count in determining a quorum for meetings.

Executive Committee Elected:

Hallock Hoffman	(ex officio)
Lloyd M. Smith	(ex officio)
Henry M. Elson	
Marie Fielder	
Rudy Hurwich	

BD 176  
WBAI  
AFFAIRS

The President outlined procedural problems that have arisen in responding to the request of the Internal Revenue Service in processing the application of WBAI-FM, INC. for separate tax exempt status, and was instructed to seek the assistance of a New York attorney and such other persons as he requires to bring the matter to a conclusion. It will be necessary to amend the existing Articles of Incorporation for WBAI-FM, INC., or to write new



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Articles, or to consider the possibility of dissolving WBAI-FM, INC. into the Pacifica Foundation. It would be necessary in the latter option for Pacifica to take over the debts as well as the assets of WBAI-FM, INC., with due consideration of the interests remaining to Mr. Louis Schweitzer.

Lloyd Smith and Henry Elson were designated to vote the stock of WBAI-FM, INC. in behalf of Pacifica Foundation as shareholder as follows:

RESOLVED: that the President and Secretary of this Corporation, acting together, be and they are hereby authorized to act for and in the name of this Corporation in its capacity as shareholder of WBAI-FM, INC., a New York Corporation, and to attend shareholders meetings of said Corporation and to execute a proxy or proxies in respect to such stock and to execute in the name of this Corporation any shareholders' written consents in respect to the stock of said WBAI-FM, INC., all in accordance with the joint judgment of the President and Secretary of this Corporation in regard to the best interests of this Corporation as a shareholder of WBAI-FM, INC.

The Directors of Pacifica Foundation expressed confidence in the following officers for WBAI-FM, INC.:

President	Lloyd M. Smith
Vice President	Robert Zicklin
Secretary	Henry M. Elson
Treasurer	Hallock Hoffman

In the matter of the indebtedness of Station WBAI to Alford Manufacturing Company, Mr. Goodman offered to speak with Mr. Alford upon returning to New York.

BD 177

MANAGER'S  
REPORTS

The remaining hour was devoted to hearing the reports of the station Managers, supplementing their written reports, with questioning of the budgets submitted.

The Managers were instructed to keep the levy in the regular way now and leave for consideration of the Management Council or a future Board meeting the question of a levy on a percentage basis vs a fixed sum based on a Pacifica Foundation budget. Under the plan adopted of local area fiscal responsibility it will be necessary for each station to pay for its own special services required of the FCC.

"DEPRECIATION": The item called "depreciation" has been carried on the books at KPFA. Mr. Hoffman said that a decision had been made to change the bookkeeping method at the end of the year to "new equipment" instead of "depreciation."

Mr. Smith and Mr. Hurwich raised the question of compensation for the Pacifica Secretary.

MSR: that the compensation of the Secretary be increased to \$525 per month.

The meeting was adjourned at 2:30 p.m.

Respectfully submitted,  
Henry M. Elson, Secretary

Pacifica  
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