

Meeting of the KGNU Board of Directors

Boulder Community Broadcast Association, Inc.

KGNU Studio, 4700 Walnut, Boulder

June 10, 2008 minutes

Board present: Michael, Basit, Barry, David, Marge, Judy, Wendy
(Absent: Chris, Shareef)

Staff: Sam, Faye

Public: Steven Sherman Boemker, Clover, Paul Mischo, Greg O'Brien, Michael Robbins, Chris Rysom, Jose Jiminez

Agenda unanimously adopted as is.

Minutes were unanimously approved with changes Judy had suggested.

Public Comment:

Why were Whole Foods and Nationwide included as sponsors of the 30th anniversary concert promotion? Sam checked them out and found nothing nefarious. Allegro is owned by Whole Foods and asked that they be included. Paul said that all insurance companies make concerted efforts to change laws to their advantage not ours. Sam said that it fit under our corporate gift policy. Do we need to change it? Paul said the CEO of Whole Foods is anti-union and labor; he is concerned how KGNU will be perceived. Faye and Sam explained the gift policy. Marge asks if we need a committee to vet the sponsors, etc. Barry said it would slow down the work. Marge says if we are acting in haste we may alienate supporters; we would have been better off moving slowly. Michael (and Faye) said that we use filters to do research, and that these businesses didn't show up. Whole Foods has supplied food during pledge drives.

Station Manager's report (summary)

We met the \$210,000 goal for the Spring Drive.

There were 19 applicants for the Development Director position. Kathy Metzger, Kathy Partridge, Evan, David, and Sam are on the hiring committee.

We are still dealing with the \$4000 fine from the FCC.

Concert was a great success, raising \$15,000.

Dining on Air raised \$6000 from 8 parties.

There is a request to get this report out earlier and to send it to volunteers.

Treasurer's report

We are on track with our operating expenses for fiscal year 2008.

Our performance for the Resource Development Plan has improved. We can no longer service the debt by hoping for deferred payment or a release of the loan. There is a question of whether the operating budget is to cover the capital campaign or not.

On the income side the areas of major change are:

- underwriting needs work but is attainable
- major donors needs more effort
- membership is increasing somewhat; AM and FM have been tracked together and need to be separated
- still need to increase grants and special events
- there has been no clear return on investment for the program guide

We are moving the Fall Drive to September until further notice. There may be criticism for having extra drives.

Notable changes on the expense side are:

- decrease due to a more cost effective benefit plan
- increase in premiums as we have to buy some
- internet expenses are up
- gas budget is not sufficient
- mortgage is going down
- legal and engineering professional fees are going up
- ISDN expenses have increased with more remotes

There is \$238,400 needed to go toward debt repayment, \$231,000 needed towards the loan and \$52,000 currently in reserves.

We discussed whether to mix the capital campaign and the operating campaign or not, the former is managed yearly and the latter is managed monthly, and both need to be balanced for income and expense.

Greg asks why there is no line item for website changes.

The FM conversion will come from the monies we already have.

We need to approve the final budget in August.

Mortgage Consolidation and Establishment of a Line of Credit

Sam and Basit have the possibility of consolidating the two mortgages currently at 7 and 7 1/4% to one loan of \$427,000 at 6% with a fluctuating rate at the Bank of Denver.

We discussed a fixed versus adjustable rate. With the adjustable rate we will save \$3500 a year in interest and pay off some principal. There was some discomfort given the economy with the possibility of the rate increasing dramatically, so it was agreed that Sam and Basit will go back to the bank and get hard numbers for a fixed rate.

In the past we have had \$300,000 in cash reserves. We also requested a Line of Credit from the Bank of Denver to use in place or in addition to cash reserves. This would be a revolving loan.

DECISION

Judy moved and Basit seconded that the Board Chair would be the third person to sign the line of credit. Motion passed six in favor and one abstention.

Wendy moved and Judy seconded that we accept the line of credit as amended. Motion passed six in favor and one opposed.

Development Committee report

Faye reported on the concert suggesting it could be an annual event. It was quite successful and not a lot of work for the community. (See her report)

Chris Rysom, Barry, Basit Michael, Judy and David offered to make phone call for the breakfast on the 26th of June.

Leadership Development Retreat

David reported that he would be willing to facilitate a program that was developed by folks in Boulder who studied leadership qualities for a long time. It identifies four leadership styles that would help us through issues that are in conflict and resolve them. David will do this for us free of charge. He would participate and facilitate. He learned this model in the Denver Community Leadership Forum started by John Parr. We would do this work in order to work together better. A straw poll showed five board members are interested, two are maybes and one is not saying. We will look to October for a date.

Meredith's nomination will be postponed for next month, as she is not here.

Ratification of Station Manager's Contract

Discussion:

We need an employee handbook to back the contract up.

Contracts state the obvious and are not comfortable but valuable when problems arise.

All the non competing clauses have been pulled out.

Greg asked why we have a contract. Basit: employment agreements are standard and backed by contracts. KGNU usually makes agreements with handshakes. Contracts are mutually protective of Sam and the Station. Contract renewals are rare; contracts are usually valid until terminated. Faye says it needs to be called an Employment Contract and needs an end date. The state of Colorado requires a contract.

We discussed vacation time and pulled it out as Sam requested.

DECISION

Add to clause 19. Term of Contract. This contract is valid for the period June 10, 2008 until September 30, 2009 unless sooner terminated by either party under the provisions stated in clause 8. In clause 8 remove "But shall receive severance allowance".

Barry moved, Judy seconded accepting the contract with the above changes. Vote was unanimously in favor.

Marge's Renewal

Marge immediately excused herself from the room.

The Executive Committee was not polled about her renewal. Michael and Wendy met with Marge to discuss how her time on the Board was going.

Barry moves that we go into Executive Session with the Nominating Committee. This is unanimous. The vote is unanimous to renew Marge's term on the Board.

Other business.

Juneteenth is on Saturday June 14th and Pridefest is on June 21 and 22. Volunteers are needed for both events for tabling.

Sam is exploring teleconferencing with the phone guy.

Adjourn

Judy moves to adjourn. Basit seconds. Vote is unanimous.

Respectfully Submitted,
Chris Mohr, Secretary, July 8, 2008