

Minutes for the regular National Finance Committee meeting July 28, 2015.

Meeting convened at 8:38 PM (ET) a quorum being present, the Chair and Secretary being present.

Attending: Lydia Brazon, Adriana Casenave, Bill Crosier, Brian Edwards-Tiekert (Chair), R. Paul Martin (Secretary), Tony Norman, Michael Novick, Cerene Roberts, Nancy Sorden, also attending were John Profitt, Executive Director, Leslie Radford, General Manager of KPFA and Efren Llarinas, National Office Financial Planning and Analysis Manager.

Agenda:

Call to Order (5 minutes)

Agenda Approval (5 minutes)

Minutes Approval

Minutes of July 14, 2015 (5 minutes)

Motion to reconsider repayment terms from KPFA (5 minutes)

Review of June YTD Budget vs. Actual Income Statements (35 minutes)

New Business

[Roberts] That Financial Reports shall be sent to unit heads before or at the same time as they are sent to the National Finance Committee. (5 minutes)

[Roberts] That whenever the finances of the Pacifica Radio Archives are to be discussed by the NFC that the Director and/or Business Manager are to be invited to participate in the same manner that a station's general manager would be invited. (5 minutes)

Adjourn to Executive Session 9:30 PM (ET)

Motion: (Michael Novick) "To approve the agenda." (Passed without objection as amended)

Amendment: (Lydia Brazon) "To add 'Motion to reconsider repayment terms from KPFA' as 3C for 5 minutes." (Passed without objection)

Amendment: (Brian Edwards-Tiekert) "To strike 'KPFA Crisis Discussion' increase time for item 4 by 15 minutes." (Passed without objection)

Amendment: (Cerene Roberts) "To strike 'Amendments to Minutes of June 23, 2015'" (passed 8 for, 1 against)

Amendment: (Cerene Roberts) “To move items 6A and 6B to right after agenda approval.” (Fails 2 for, 4 against, 3 abstentions)

Minutes Approval 8:56 PM (ET)

Motion: (Brian Edwards-Tiekert) “To approve the minutes of the July 14, 2015, meeting.” (postponed to the next meeting)

Motion: (Cerene Roberts) “To postpone the motion to the next meeting.” (Passed without objection)

Motion to Revise Terms of Advance Repayment to KPFA 8:57 PM (ET)

Motion: (Lydia) “Move that the PNB reconsider the terms of repayment to KPFA for the PNB-approved advance of \$55,000 from KPFA to the Pacifica national office (PNO) to pay the outstanding balance for the 2013 auditor. Instead of having its central services credited to KPFA as repayment, the PNO, upon receipt of the CPB funds, shall assign to said advance, priority status in its repayment to KPFA.

The Pacifica Foundation thanks KPFA for its much needed Advances to Pacifica’s National Office and other Pacifica units in recent months following KPFA’s bequest windfall.” (Passed without objection)

The committee discussed the motion. The Executive Director said that the money from KPFA had already been advanced and that today the auditors had been paid for the FY13 audit.

Review of June YTD Budget vs. Actual Income Statements 9:00 PM (ET)

KPFFK - Questions were solicited regarding KPFFK. The Chair noted that through June 30, KPFFK has raised about \$34,000 more revenue than was budgeted, and has had about \$284,000 more expenses than what had been budgeted, which produces a deficit of about \$250,000. KPFFK’s deficit has not grown over the past two months. There was an unbudgeted emergency on-air fund raiser in April. The Executive Director commended the General Manager of KPFFK for her diligent work over the past couple of months. There was a discussion of KPFFK’s finances in FY14. The National Office Financial Planning and Analysis Manager said that the FY14 figures have been updated with some adjustments because they are preparing the FY14 audit, and those books will remain open until the FY14 audit is done. The “Salaries and Related” line is up by almost 9% due to short term hires that were made, and the KPFFK General Manager said that most of those people were no longer working at KPFFK, but that KPFFK has a surplus of staff compared to budget.

Due to Union negotiations a number of part time board operators were added to the health benefits package. The current Business Manager is a contractor. The KPFFK General Manager said that the deficit is being dealt with by making payments arrangements and borrowing from KPFA. She has arrangements for partial payments over time to creditors, and said that the station is getting slightly caught up in terms of payment, there are fewer payments that are more than 90 days overdue. Past due

payments amount to \$253,434 including “Central Services” payments. KPFFK has been making partial payments on “Central Services.”

There was a discussion of a TV show based on a KPFFK radio program that KPFFK pays the expenses for. The cost/benefit analysis of this arrangement has not been done yet.

There is a premiums backlog of about \$35,000 to \$36,000. The station plans to reduce premium expenses. The current on-air fund raiser is bringing in a tally of about \$18,000 a day. The goal was set at \$750,000 because that’s what the station needs to get through September. It is possible that this on-air fund raiser will be extended. The next on-air fund raiser will begin on October 1.

KPFA - Due to bequests KPFA is showing a large bottom line positive variance of about \$700,000. Much of that money has been spent catching up and helping other stations and the National Office. The station’s Business Manager has done a cash flow forecast which shows them good through the beginning of their Fall on-air fund raiser. This is after advancing \$55,000 for the auditors, but they’ll have nothing to spare after that. If any part of the network can’t make payroll the NFC needs to hear about it because there’s no excess cash to cover such a contingency.

KPFT - They are showing a negative variance of about \$188,000 but that includes the \$200,000 that was budgeted to have been raised for the capital campaign. Without that KPFT is slightly positive. Their revenue is about \$26,000 more than their expenses.

The committee discussed the report. KPFT is doing a crowd funding campaign for their transmitter, the goal is to raise \$20,000 that way. The new transmitter is being built and should be shipped in a couple of weeks. The plan is to pay back KPFA on a monthly basis after the transmitter is operational. The KPFT Summer on-air fund raiser has a goal of \$180,000. Health benefits costs are up almost 30%, consultant expenses are up. Administrative expenses are up by 7.3%. Bank charges are up. Some expenses will be looked at.

Motion: (Bill Crosier) “To extend the time for this item by 15 minutes.” (Passed without objection)
9:36 PM (ET)

WBAI - The station is about \$479,000 short of budget on revenue, expenses are under budget by about \$87,000. The station is about \$392,000 worse than budgeted overall. The station is about \$100,000 in arrears on “Central Services.” The situation regarding getting financial information is the same as at the last meeting. The current on-air fund raiser is scheduled to end this Sunday but will probably be extended. After eight days of pitching the tally is about \$67,000 which is a daily average of about \$8,400 which is less than the budgeted \$15,476 per day. There will be a local Finance Committee meeting this coming Thursday.

The Executive Director said that he was in New York City a couple of weeks ago for in-person meetings. He is trying to assist with WBAI’s negotiations with the Empire State Building (ESB). He said that he couldn’t talk much about this in open session. He said that the actual liability of the current lease at ESB is staggering. WBAI has been making partial payments on its tower rent for a number of months. The Executive Director said that he was gravely concerned about the contractual

liability for WBAI being about \$300,000. The lessor says number is larger than that. There are ongoing negotiations to make adjustments with the cooperation of the lessor. If Pacifica is held to the contract it will make it extremely difficult to operate. He hopes the renegotiation of the lease is successful. The actual stated deficit is based on earlier information and recent information from the lessor is that they claim a significantly higher figure is in arrears.

Motion: (Brian Edwards-Tiekert) “That the NFC notice an executive session for discussion of the negotiations at WBAI for 9:30 PM (ET) on August 11, 2015.” (Passed without objection)

The committee discussed the motion.

Adjourned 9:49 PM (ET)

Submitted by R. Paul Martin, Secretary.