

Minutes for the regular National Finance Committee meeting March 24, 2020.

Meeting convened at 8:47 PM (ET) a quorum being present, the Chair and Secretary being present.

Attending: Sharon Adams, Nick Arena, Chris Cory (Chair), Bill Crosier, R. Paul Martin (Secretary), James Sagurton, Anita Sims (interim CFO), Nancy Sorden.

Agenda:

1. Convene meeting 8:45 PM (ET)
2. Roll call
3. Approve Agenda
4. Central Services Formula Discussion (30 minutes)
5. General discussion of finances and payables with the interim CFO (30 minutes)
6. New Business
7. Adjourn no later than 10:00 PM (ET)

Motion: (Chris Cory) “To approve the agenda.” (Passed without objection)

Central Services Formula Discussion 8:53 PM (ET)

The committee again discussed a Central Services formula. The Chair said that he had spoken to the interim Executive Director about different ways of doing a Central Services formula. The committee again discussed the problem of some stations not being able to pay according to a formula. It was noted that for FY19 the stations were short by about \$400,000 on Central Services, health insurance premiums and Pacifica Radio Archives (PRA) payments. The Chair said that getting the stations to operate gainfully would do it, but that stations consider payroll to be more important than paying Central Services. The Chair said that maybe four stations were operating gainfully in the First Quarter of FY20 but that maybe only three were by January. The National Office’s expenses and ability to raise money were discussed.

The interim CFO said that National Office expenses were trending about \$170,000 a month, and that revenue is coming in at a lower pace than expenses. She said that stations that are able to pay Central Services are what balances the National Office budget. She said that through February net income for the National Office was about \$191,000. She said that the majority of payables that are outstanding are six months old or older and that without Central Services payments those can’t be paid. She said that consolidating both FY19 and FY20, counting unpaid Central Services, payroll and benefits about \$755,000 is owed. In answer to a question the interim CFO said that she would do an analysis to determine why National Office expenses went up from about \$1.6 million in FY18 to about \$1.9 million in FY19. She said that there were a lot of legal expenses paid from October on, and insurance expenses in February were about \$17,000.

The Chair said that he would like feedback from the General Managers on the latest financial statement.

General discussion of finances and payables with the interim CFO 9:22 PM (ET)

The interim CFO reminded the committee that Pacifica is not paying NETA's invoices. She said she's spoken to the interim Executive Director and the NFC Chair about it. She said that NETA's contract is for \$27,500 a month and Pacifica is about six months behind for paying NETA. She said that NETA sees a large balance from Pacifica on its balance sheet. She said that they need to collect something on it, maybe half of what's owed. She said that NETA is using a line of credit to subsidize the balance, and that the outstanding amount is about \$168,000.

The committee discussed the issues of finances and payables. It was suggested that relying on the stations to produce almost all of the revenue for the National Office was unrealistic, given how that has worked out over the past few years. The question of how to generate more revenue for the National Office outside that provided by the stations was discussed. Making the stations' programming net more revenue was discussed.

Motion: (Chris Cory) "To extend the time for the meeting by 15 minutes" (Passed without objection) 9:54 PM (ET)

There was a discussion of getting financial information to NETA more quickly. The committee discussed the number of on-air fund raiser days each station has done in FY20 through February 28. The Chair asked that members bring that information to the next NFC meeting.

Motion: (James Sagurton) "The NFC recommends to the PNB that they immediately consider a national on-air fund raiser and other fund raising efforts to expedite past due payment for the audits and the accounting services from NETA." (Passed without objection)

The Committee discussed the motion.

Amendment: (Bill Crosier) "To add, 'and stress that stations that can't make Central Services payments must work to control their expenses.'" (Fails 3 for, 3 against)

Call for the orders of the day (R. Paul Martin). 10:15 PM (ET)

Motion: (Bill Crosier) "To extend the time for the meeting by five minutes." (Fails 3 for, 3 against)

Adjourned 10:17 PM (ET)

Submitted by R. Paul Martin, Secretary.