

Minutes for the regular National Finance Committee meeting December 22, 2020.

Meeting convened at 8:37 PM (ET) a quorum being present, the Chair and Secretary being present.

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Attending: Sharon Adams, Teresa J. Allen, Nick Arena, Fred Blair, Chris Cory, DeWayne Lark, R. Paul Martin (Secretary), James Sagurton (Chair), Anita Sims (interim CFO), Nancy Sorden, Polina Vasiliev, also attending was WPFW General Manager Jerry Paris.  
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Agenda:

1. Convene meeting 8:30 PM (ET)
2. Roll Call
3. Adopt agenda
4. Chair's announcements (2 minutes)
5. WPFW Budget Presentation with General Manager Jerry Paris (40 minutes report and Q & A)
6. interim CFO Report, Anita Sims (15 minute report and Q&A)
  - A. Motion: "The NFC requests that the PNB pass the following motion, 'In order to promote transparency and accurate and timely accounting it is resolved that all units will provide NETA with view only access to all of their credit and debit card accounts for verification or review.'"
  - B. Motion: "The NFC requests that the PNB pass the following motion, 'In order to promote transparency and accurate and timely accounting it is resolved that all units will provide NETA with a monthly list of outstanding accounts payables for verification or review, said list to be delivered by the 7<sup>th</sup> day of the following month.'"
  - C. Motion: "The NFC requests that the PNB pass the following motion, 'In order to promote transparency and accurate and timely accounting it is resolved that all units using Allegiance membership software will provide NETA with a monthly report showing revenue by cash and pledges received for verification or review, said list to be delivered by the 7<sup>th</sup> day of the following month.'"
7. Mailing list (5 minutes)
8. Central Services Formula (45 minutes)
9. Reports from stations on Budget Timeline progress (KPFT, KPFK) (3 minutes)
10. Unfinished business: Motion for a moratorium on Central Services from KPFT
11. New Business
12. Adjourn no later than 10:15 PM (ET)

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**Motion:** (Polina Vasiliev) "To adopt the agenda." (Passed without objection as amended)

**Amendment:** (Fred Blair) "To add 'mailing list' after interim CFO report for five minutes." (Passed without objection)

Chair's announcements 8:43 PM (ET)

“Tonight we will review the Budget for WPFW. WPFW General Manager, Jerry Paris will be presenting. He requested to be first on the Agenda.

Legislation was passed yesterday that included new PPP relief.”

#### WPFW Budget Presentation with General Manager Jerry Paris 8:44 PM (ET)

The Chair told the committee that the interim CFO had just sent the WPFW draft FY21 budget to the committee, although a copy had been sent previously.

The WPFW General Manager told the committee that the WPFW FY21 draft budget was realistic. He said that one aspect of this budget hinges on a singular project that he’s brought to the station which will bring in about \$120,000 or 10% of the budget. He said that a Major Donor has an art collection that has an estimated value of \$1,000,000. He says that they’re working on the math that has to occur that will yield a donation to WPFW of \$120,000 from the sale of that collection. He said that planning began well before the pandemic hit and it had been somewhat based around social gatherings where they could display the art. He said that they have a venue for it. He said that they can’t do it on the scale they’d planned for but that they are adapting to the current circumstances and looking for ways to still come up with \$120,000. He said that WPFW’s ratings are going up and that WPFW is 0.1% from entering top 20 stations in their market. He said that that metric has a financial corollary.

The WPFW Treasurer said that they’re actually expecting to get \$170,000 from this art collection. He said that the donor has verbally committed to the station that he’ll provide for up to \$250,000 based on the sale of the items and at WPFW they have lowered the estimate to \$170,000 in case he can’t collect all of it. The WPFW Treasurer said that the November sales have not returned yet and that the donor is working with an auction house. He said that this project will carry over into 2021. He noted that looking back at past revenue they had been working on their antenna site early in 2020, and they didn’t get as much reach as they do now and so they didn’t get as much revenue then and they expect to do better in FY21. He said that they did not receive the budgeted \$50,000 from the November art sale yet and it will be delayed by 30 to 45 days. He said that WPFW’s Listener Support was strong.

The interim CFO said that this draft budget was one of the cleanest she’s seen with little variance from FY20. She asked if the \$50,000 Major Donor donation should be moved to February or March. The WPFW Treasurer said that he thought it would be January or February.

A member raised the issue of there being no Assumptions sheet with this budget and no other spreadsheets either. The WPFW Treasurer said that NETA had not asked for one and that an Assumptions sheet was not a part of the template that they were given. The interim CFO said that since NETA has been involved they have not seen any assumptions sheets. She said that an assumptions sheet was not a part of a template that she had gotten from someone at KPDK. She said that she could work up a narrative for this draft budget. The WBAI Treasurer noted that the WBAI draft FY21 budget included an Assumptions sheet. The Chair asked if people wanted to proceed without one. The committee discussed the issue some more and the WPFW Treasurer

said that for an Assumptions sheet and a narrative they could work with Tamra Swiderski and NETA on it and provide it after the holidays. He said that they've made all kinds of notes about this budget and would just have to put it into a format. The interim CFO said she'd work with him on it.

**Motion:** (Polina Vasiliev) "The NFC recommends to the PNB the approval of the WPFW FY21 budget."

The Committee discussed the motion.

**Amendment:** (James Sagurton) "To add 'with an assumption sheet and a narrative to be appended before it's sent to the PNB.'" (Passed without objection)

The committee discussed the amendment.

**Motion as amended:** "The NFC recommends to the PNB the approval of the WPFW FY21 budget with an assumption sheet and a narrative to be appended before it's sent to the PNB." (Passed as amended 10 for, 0 against, 1 abstention)

#### Interim CFO Report, Anita Sims 9:37 PM (ET)

The interim CFO said she'd sent out the Cash Flow document earlier. She went over the spreadsheet file named "Copy of Copy of Pacifica Cash Flow through October.xls." She told members how to read the cash flow document, she said that the Cash Balance numbers were really the cash positions of the station for each month and that the calculations were based on averages, and they assume that Central Services fees stay as they have been. She noted that KPFK's cash flow had gone negative in December. She said that the Listener Support numbers were based on her discussions with people at KPFK so it's not an average. She said that the \$230,000 for December was what people at KPFK thought was achievable. He said that Expenses are a real number, not an average. She said that NETA had taken a hard look at some of the expenses. It was suggested that another line be added to the spreadsheet to show if the station is actually making Central Services payments. She said that she could send the outstanding Accounts Payable from the previous week to the KPFK Treasurer. In answer to a question the interim CFO said that if KPFK is in a negative cash flow situation in a month that they will need to get money from an interdivisional loan.

**Motion:** (Teresa J. Allen) "To extend the time for this item by 15 minutes." (Passed without objection) 9:52 PM (ET)

The interim CFO said that it would be good if everyone reviewed the Cash Flow spreadsheet and that she'd be glad to meet about the cash flow situation again. She said that the November numbers will change the actuals.

The Chair asked what would the interim CFO recommend we do if there is not enough money in other divisions to cover a possible deficit at KPFK. The interim CFO said that she couldn't

imagine no money coming in, but if KPFK had to they would have to borrow from another station or the Affiliates account to make payroll. She said that the new Paycheck Protection Program (PPP) is waiting for trump to sign off on it, and she has heard from banks that will be able to apply for funds. She said that's a possible option for any problem with making payroll. There was a continued discussion of the PPP loan and Economic Injury Disaster Loan details.

**Motion:** "The NFC requests that the PNB pass the following motion, 'In order to promote transparency and accurate and timely accounting it is resolved that all units will provide NETA with view only access to all of their credit and debit card accounts for verification or review.'" (Passed without objection)

The Committee discussed the motion.

**Motion:** "The NFC requests that the PNB pass the following motion, 'In order to promote transparency and accurate and timely accounting it is resolved that all units will provide NETA with a monthly list of outstanding accounts payables for verification or review, said list to be delivered by the 7<sup>th</sup> day of the following month.'" (Passed without objection)

The Committee discussed the motion.

**Motion:** "The NFC requests that the PNB pass the following motion, 'In order to promote transparency and accurate and timely accounting it is resolved that all units using *Allegiance* membership software will provide NETA with a monthly report showing revenue by cash and pledges received for verification or review, said list to be delivered by the 7<sup>th</sup> day of the following month.'" (Passed without objection)

The Committee discussed the motion.

The Chair noted that it was 10:14 PM (ET) and asked if members wanted to extend the time for the meeting.

There was a short discussion about whether or not to call a special meeting to deal with the Central Services formula.

**Motion:** (Chris Cory) "To extend the time for the meeting by 10 minutes." (Fails 5 for, 3 against, 2 abstentions)

The Chair said that he would poll the committee to see if members would agree to a special meeting before the next regular meeting.

Adjourned 10:20 PM (ET)

Submitted by R. Paul Martin, Secretary.