

Minutes for the regular National Finance Committee meeting January 28, 2020.

Meeting convened at 8:41 PM (ET) a quorum being present, the Chair and Secretary being present.

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Attending: Sharon Adams, Nick Arena, Fred Blair, Chris Cory (Chair), Bill Crosier, Lynden Foley, R. Paul Martin (Secretary), James Sagurton, Nancy Sorden.  
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Agenda:

1. Convene meeting 8:30 PM (ET)
2. Roll call
3. Approve Agenda
4. Minutes approval (5 minutes)
  - A. for executive session on 11/26/19: no discussion permitted
  - B. for open session 12/10/19
5. Central Services Formulas Discussion (60 minutes)
6. P&L discussion from Chair, continued (10 minutes)
7. Big Loan discussion (15 minutes)
8. Set/change/confirm time for next NFC meeting (5 minutes)
9. New Business
10. Adjourn no later than 10:15 PM (ET)

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**Motion:** (Chris Cory) “To adopt the agenda.” (Passed as amended without objection)

The Committee discussed the motion.

**Amendment:** (Bill Crosier) “To add ‘Big Loan discussion’ for 15 minutes after ‘P&L discussion from Chair, continued.’” (Passed without objection)

The committee discussed the amendment.

Minutes approval 8:47 PM (ET)

**Motion:** (Chris Cory) “To approve the minutes for the executive session NFC meeting on November 26, 2019.” (Passed without objection)

**Motion:** (Chris Cory) “To approve the minutes for the December 10, 2019, NFC meeting.” (Passed without objection)

Central Services Formulas Discussion 8:50 PM (ET)

The committee again discussed the issue of a Central Services formula. The Chair noted that

the current formula has been in place for years and that the committee hasn't treated it like a moving target but it really has been one. How to weight more recent years in a rolling average for the stations was discussed. The issue of getting the amount contributed that the formula would call for was discussed, as was the need to find out just what the National Office will need to meet its expenses. How to apportion legal fees that the National Office would cover but which might be specific to one station was discussed. It was noted that a big part of the complication with a Central Services formula is that some stations will have difficulty paying according to the formula. The higher overhead for WBAI was discussed. It was suggested that a Central Services formula should be revised annually. The advisability of creating a Central Services formula before yearly budgets were prepared was discussed. The Chair said that over the past 12 months four of the five stations had lost money, so this would indicate an inability to pay Central Services fees. The factor of the loan was discussed in this context. The Chair said that camaraderie and teamwork are needed. It was suggested that a plan to better utilize windfalls, such as bequests, was needed. It was suggested that \$200,000 be added to whatever the National Office's projected FY20 expenses would be in order to deal with emergencies. It was estimated by some members that the National Office would need about \$1.4 million or \$1.5 million for FY20, and the proposed \$200,000 would be added to that. The capacity of Pacifica to handle such complicated financial issues was called into question.

One member volunteered to work on a formula and asked that he be sent the numbers needed by the National Office. He said he'd send his idea for a formula in a day or so.

#### P&L discussion from Chair, continued 9:51 PM (ET)

The Chair told the committee of his attempt at reconciling WBAI's books with what NETA had sent out. He said he had gotten a Portable Document Format file from the WBAI General Manager after the last meeting and had tried to get his numbers to line up with the NETA numbers. The Chair noted that many things that WBAI has been arguing about is on their books, and the station has a lot of extraordinary expenses. The Chair said that he hasn't spoken to the WBAI General Manager about missing items from his report, one example of which was election expenses which are on the NETA report. The Chair said he needs to find out what the operating numbers are for that station. He suggested that members write to him with any questions. He said he's getting close at this point. He said that the interim CFO told him that changes to the NETA books have been implemented, four months of tower rent in the rent category now. Also \$20,000 in consulting fees for elections is listed. The Chair said that the lesson here is that unless you're really familiar with the details of the operations you can't figure it out.

The committee discussed the Chair's report. It was suggested that the committee needs to get an updated P&L from NETA for the accrued expenses. It was suggested that the Chair speak with the WBAI General Manager and see if they can reconcile the differences in the P&Ls. It was noted that some errors had been noticed in the P&L. The Chair was encouraged to send out the P&L ending September 30, 2019, which the Chair had previously said needed to be treated as confidential. He said that he had felt handcuffed because there were errors and questions with the FY19 P&L. The Chair said that the P&L would help the stations with their budgets. It was noted that at some stations people are demanding the FY20 financial documents and some are even

calling up NETA on their own to try and get those documents.

**Motion:** (Chris Cory) “To extend the time for this meeting by 10 minutes.” (Passed without objection) 10:10 PM (ET)

Big Loan discussion 10:11 PM (ET)

**Motion:** (Lynden Foley) “To go to closed session.” (Fails 2 for, 6 against)

The Committee discussed the motion.

**Motion:** (Chris Cory) “To extend the time for the meeting by six more minutes.” (Passed without objection) 10:17 PM (ET)

The committee discussed the need to pay off the loan. The Chair said that it had been suggested that Pacifica run a national on-air fund raiser asking each Pacifica member to donate \$10 toward the interest on the loan, and ask if they could send us \$60 to help retire the loan. The committee discussed this idea. The idea of asking people to invest in Pacifica, as a bond issue, with a return of 3% to 4% was brought up.

Adjourned 10:34 PM (ET)

Submitted by R. Paul Martin, Secretary.