

Minutes for the regular National Finance Committee meeting November 29, 2022.

Meeting convened at 8:34 PM (ET) a quorum being present, the Chair and Secretary being present.

Attending: Grace Aaron, Elizabeth von Gunten, Kamau Harris, Julie Hewitt, R. Paul Martin (Secretary), James McFadden, Sean Kelly McPherson, James Sagurton (Chair), Susan Young, also attending were Pacifica Executive Director Stephanie D. Wells and Director Jim Dingeman.

Agenda:

1. Convene meeting 8:30 PM (ET)
2. Roll Call
3. Adopt Agenda
4. Chair's Announcements (2 minutes)
5. Minutes (5 minutes)
6. Report from the Executive Director with Q & A (30 minutes)
7. National Office Budget review (30 minutes)
8. Adjourn to Executive Session (if needed)

Motion: (James Sagurton) "To adopt the agenda." (Passed as amended without objection)

Amendment: (R. Paul Martin) "To make the 'Minutes' item 5 minutes long." (Passed without objection)

Chair's Announcements 8:37 PM (ET)

"Tonight we will hear a report from the Executive Director and review and discuss the continuing cash flow and payroll situation.

"We will also review the Pacifica National Office Budget which was postponed several times most recently from our last meeting to tonight."

Minutes 8:38 PM (ET)

The Secretary told the committee that the minutes for the August 30, 2022, NFC meeting needed to be done by someone who was at the meeting because the Secretary was not able to be at that meeting.

Motion: (R. Paul Martin) "To approve the minutes of the October 25, 2022, NFC meeting." (Passed without objection)

Report from the Executive Director with Q & A 8:40 PM (ET)

The Executive Director told the committee that she was able to get everything needed to make payroll in time. She said that WBAI had gotten past the shortfall just in the nick of time, and so everyone would get paid on November 30. She said that we have to focus on following payroll. She said that some units had money on hand to start looking at the next payroll. She said that the National Office was holding money aside to maybe pay KPFFK's electric bill. She said that Pacifica Affiliates Network (PAN) was doing the same thing, putting money aside for helping with payroll. She said that the National Office was also making sure that Pacifica would have enough to cover the FJC loan interest. She said that she was waiting for the second real estate broker report on the KPFFK building.

In answer to a question the Executive Director said that with regard to the *Great Plains* problems they were still in the process of working on that. She said that she was still looking forward to getting someone to help us with that.

In answer to a question the Executive Director said that with regard to stations that had some money already set aside for the next payroll some have Central Services fees that needed to be paid and they have set aside money to pay that. She said that she was trying to map out the best use of those Central Services payments. She said that she was always worried about finding an outstanding bill or a vendor that would go after a bank account, so she's keeping track of those Central Services funds and the money that's been set aside. She said that if necessary she'd prefer to pull money from those stations rather than keep everything in the National Office bank account and suddenly find that it's all been drained by some IRS issue that we were unaware of or something like that. She said that she was holding about \$10,000 in the payroll account and that the National Office has about \$7,000 from Central Services fees from KPFA and PAN.

In answer to a question the Executive Director said that with regard to signatory authorities that everything for Bank of America has been cleared. She said that she's requested the contact people for the banks at all of the other stations. She said that she was working with the PNB Chair on the Charles Schwab account. She said that there had been no progress since the previous week. She said that she was still reaching out and waiting for the banks to send her paperwork to start the process.

The committee discussed view-only access to the bank accounts. The Executive Director said that when the National Educational Telecommunications Association (NETA) had needed information from stations that were not banking with Bank of America they'd had to ask General Managers or Business Managers for balances. She said that the CFO couldn't provide the information and so she questioned whether NETA had had view-only access to those accounts. She said that she has to make phone calls and ask for available balances. She said she'd have to call the former CFO about this.

There was a discussion of having the bank accounts more centralized. The Executive Director said that it would make some things easier because then we'd have all of the financial information in one central place, and that would make the audits easier too. She said that some divisions don't want Pacifica Management to have access to their accounts. She said she wants view-only access and would never transfer money without the General Managers' and others'

knowledge.

National Office Budget review 9:03 PM (ET)

The committee discussed the National Office draft FY23 budget proposal.

The Executive Director said that based on conversations with the NFC months ago she had figured Central Services in the draft budget as 15% of revenue for each station. She said she'd looked at what it was for FY22 and took 15% of that for Central Services fees for FY23. She said that she was projecting revenue for the National Office of \$425,500 plus revenue from Central Services fees amounting to \$1,194,811 for a total revenue of \$1,620,311. She said that she'd left expenses pretty much as they'd been for FY22. She said that she'd increased salaries by \$30,000 in case some new hires could be made. She said that there would be no travel for PNB meetings. She said that she hoped that elections would not be more than about \$75,000 for FY23. She said that grants in the draft budget were aspirational. There was a discussion of whether or not office space was necessary for National Office workers who are all over the country.

There was a discussion about the Central Services fees as they were shown in the draft budget. The Executive Director said that the figures in a chart about the Central Services fees in the budget were just for reference when she and the former CFO were working on this draft budget. How to list Central Services was discussed. She said that Central Services had not historically been shown as revenue. There was a discussion of the stations not actually paying their Central Services fees and how that would affect the total revenue for the National Office.

The committee discussed where some budget items should go. It was noted that the NFC has not yet passed a new Central Services fee formula.

The Chair noted that we were in the last days of the First Quarter of FY23 and needed to get budgets passed. The Chair said that if a budget has not been approved by an LSB yet but would probably be in the same form once the LSB had dealt with it then it should be sent to the NFC.

Motion: (James Sagurton) "To extend the time for this item by five minutes." (Passed without objection) 9:44 PM (ET)

There was an objection to approving a budget that includes revenue that we know the National Office is not going to receive, and that cuts need to be made. The committee discussed how to deal with this and with a new Central Services formula.

Motion: (Elizabeth von Gunten) "To extend the time for this item by five minutes." (Passed without objection) 9:55 PM (ET)

It was noted by a member that the bylaws require that budgets be adopted annually and be balanced, but none have been. The committee discussed how to deal with this. There was also a discussion of whether or not to show the proceeds of a possible sale of the KPFK building in the

budget as revenue or not.

Call for the orders of the day: (James Sagurton) 10:03 PM (ET)

Motion: (James Sagurton) “To extend the time for this item by five minutes” (Passed without objection) 10:03 PM (ET)

The committee continued to discuss the draft FY23 National Office budget proposal.

Motion: (R. Paul Martin) “The NFC recommends to the PNB that they approve the proposed National Office FY23 budget, recognizing that it remains a deficit budget and revenue is pending the creation of a Central Services formula.”

The Committee discussed the motion.

Amendment: (Susan Young) “To strike ‘it remains a deficit budget and.’” (passed 6 for, 2 against, 1 abstention)

The committee discussed the amendment.

Motion: (James Sagurton) “To extend the time for this item by 10 minutes” (Passed without objection) 10:29 PM (ET)

The Committee discussed the motion as amended.

Amendment: (Grace Aaron) “Motion to Approve the proposed National Office Budget with the Proviso that it is a Budget that relies on uncertain revenue projections. This budget will be monitored closely. The NFC and PNB are aware that shortfalls of the entire Foundation, including the National Office, will most likely be paid from the proceeds of the sale of the KPFK building or another asset, including National Office shortfalls, but the proceeds thereof cannot be included as income in any budget for accounting reasons.” (Fails 1 for, 8 against)

The committee discussed the amendment.

Motion as amended: “The NFC recommends to the PNB that they approve the proposed National Office FY23 budget, recognizing that revenue is pending the creation of a Central Services formula.” (Passed 7 for, 2 against)

Adjourned 10:41 PM (ET)

Submitted by R. Paul Martin, Secretary.