

Minutes for the regular National Finance Committee meeting February 28, 2012.

Meeting convened at 8:40 PM (ET) a quorum being present, the Chair and Secretary being present.

Attending: Ken Aaron, Jim Boyd, Bill Crosier, Marcus Jetter, Campbell Johnson, Kim Kaufman, R. Paul Martin, Tracy Rosenberg, Barbara Whipperman, Lavarn Williams, also attending was Executive Director Arlene Englehardt.

Agenda:

1. Approve Draft Agenda
 2. Approve Minutes
 3. Briefing on Financial Recovery Plan Status (Bill)
 4. KPFT 1st Quarter Review
 5. KPFK 1st Quarter Review
 6. KPFA 1st Quarter Review
 7. Continuation of Confidentiality Discussion
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The Chair directed that the minutes note that Alex Steinberg could not attend this meeting due to a family emergency.

Motion: (R. Paul Martin) “To approve the agenda.” (Passed without objection)

Approve Minutes 8:43 PM (ET)

Motion: (Bill Crosier) “To approve the minutes of the February 14, 2012, meeting.” (Passed without objection)

Briefing on Financial Recovery Plan Status 8:44 PM (ET)

The recovery plan should be considered by the PNB tomorrow night, and it may be passed then. The Financial Recovery and Audit Task Force (FRAT) was set up at the suggestion of the auditor who had problems with Pacifica’s cash reserves being depleted and big bills not being paid. The recovery plan contains suggestions with regard to increasing Pacifica’s revenue and reducing expenses.

The committee briefly discussed the recovery plan and the FRAT.

KPFT 1st Quarter Review 8:55 PM (ET)

The KPFT Treasurer reported that KPFT had brought in about \$94,000 in listener support revenue, some of which came from an event in late August. A restaurant they do events with gave the station a \$10,000 grant. There was a question about \$6,500 in health charges from December. This is being looked into. There are some questions regarding some lines in the FY12

budget. The two repeater stations are costing more to maintain than was in the FY12 budget. There was a question regarding where Arbitron ratings were in the budget. The station got more from the CPB grant that goes to Free Speech Radio News (FSRN), so that income was evened out by the passing along of that grant money to FSRN. The Treasurer plans to go through the budget line by line and compare it to the draft that came out of the NFC to see if some items are mis-categorized.

The committee discussed the report. The station's Winter on-air fund raiser came in with about 88-90% of its goal, and lasted 16 or 17 days.

KPFK 1st Quarter Review 9:11 PM (ET)

The KPFK Treasurer reported that KPFK was budgeted to have a \$174,540 surplus for the first quarter, but it's \$146,664 short of that projection. There is an error on capital items. \$20,000 was supposed to be in the budget for this but the budget shows nothing, this makes the first quarter look \$20,000 worse than budget. Donations revenue is about \$17,000 higher than budgeted. There are some items in the budget spreadsheet that don't look correct. The big problem for KPFK is lack of income. The station is spending more and the Treasurer is still trying to find out for what. KPFK is still having transmitter issues, and there are technical expenses that she's trying to find out about. She is unsure about KPFK's insurance being paid. There are still people on payroll whose salaries are listed under "Programming Expenses." Community Events Expenses are running significantly higher because the station has plans for a big event in May and unbudgeted consultants are being paid for there. The Treasurer has spoken to the General Manager about under-performance issues and he's working on it. The station has planned for a strategy session with Staff and Management and LSB members on a volunteer basis to see what ideas that combination can come up with.

The committee discussed the report. There was some question about how figures from the budgets are not in the first quarter statement. The maintenance categories were discussed. There is a backup generator and equipment on Mount Wilson, KPFK is still spending money on the old transmitter. There is a question about what KPFK bought for \$92,000. The station has all sorts of equipment, the Treasurer is trying to get an actual inventory of it.

The CFO said that the National Office is reviewing each item on the profit and loss statement and she will go over the expenses with the Treasurer. She said that the committee should discuss some of these issues at a future meeting.

There were questions about the very high computer expenses at KPFK. A request has been made to KPFK Management for an itemization of the station's equipment, the information has not been forthcoming. It was requested that the CFO and the KPFK Treasurer look into some of these expenses.

KPFA 1st Quarter Review 9:44 PM (ET)

The KPFA Treasurer reported that the station is behind in revenue and over budget in expenses. There is a question regarding where the property tax refund will show up. She discussed the

property tax situation at KPFA. A \$10,000 revenue item is being reclassified from the Grants Income line to the Major Donor line. The donor had called it a grant, but it's a donation. Salaries are over budget, the KPFA Business Manager has restored some salary lines that had been cut in 2011. KPFA has some bequests that are maturing, they are going into inter-unit accounts and KPFA is getting credit for this. At this point KPFA has over paid the amount due for Shared Expenses by \$93,000. KPFA has also paid out a sizeable loan for WBAI expenses. Bequests are helping KPFA with cash flow at this point. This is not ideal. The problem of staffing needs more of a discussion. With regard to state filing fees \$8,000, was in the wrong line and will be given a new account number. The Web site expenses were approved by KPFA Management. Some information about these expenses is on a KPFA Wiki. Station Management is working on the expense overrun for the Community Events and Crafts Fair lines.

The committee discussed the report. The payroll problem was discussed, the expense overruns on the Web site were discussed. There were questions about the premium expenses and credit card fees. The CFO said that KPFA has a full time person working on their Web site and the station also has an internal Web site, the KPFA General Manager is looking into the value of all of this. The CFO explained that some stations still have large, outstanding Shared Expenses lines owed from previous years, those arrears are not wiped out with the start of a new fiscal year. The reasons for the low credit card fees after an increase in credit card pledges during the on-air fund raiser were discussed.

The goal for the on-air fund raiser was \$800,000, pledges were \$628,757. The on-air fund raiser lasted for 24 days.

Continuation of Confidentiality Discussion 10:31 PM (ET)

The committee resumed its discussion of this item from the last meeting. The provisions of *Robert's Rules of Order* with regard to committees were discussed. It was suggested that this item be discussed in executive session at the next meeting.

Motion: (Ken Aaron) "To adjourn." (Passed without objection)

Adjourned 10:37 PM (ET)

Submitted by R. Paul Martin, Secretary.