

Minutes for the regular National Finance Committee meeting August 11, 2015.

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

Attending: Lydia Brazon, Adriana Casenave, Bill Crosier, R. Paul Martin (Secretary), Tony Norman, Michael Novick, Cerene Roberts, Nancy Sorden, also attending were John Proffitt, Executive Director and Efren Llarinas, National Office Financial Planning and Analysis Manager.

Agenda:

1. Call to Order (5 minutes)
2. Agenda Approval (5 minutes)
 - A. [Cerene Roberts] That Financial Reports shall be sent to unit heads before or at the same time as they are sent to the National Finance Committee. (5 minutes)
 - B. [Cerene Roberts] That whenever the finances of the Pacifica Radio Archives are to be discussed by the NFC that the Director and/or Business Manager are to be invited to participate in the same manner that a station's general manager would be invited. (5 minutes)
3. Minutes Approval (5 minutes)
4. Financial Statement Review (40 Minutes)
 - A. WBAI
 - B. WPFW
 - C. National Office
 - D. Pacifica Radio Archives
5. Unfinished Business (time permitting)
6. Adjourn to Executive Session 9:30 PM (ET)

In the absence of the Chair Michael Novick took the chair for this meeting.

Motion: (Cerene Roberts) "to approve the agenda." (Passed as amended without objection)

Amendment: (Cerene Roberts) "To move the motions under Unfinished Business to #2A." (Passed without objection)

Motions from Unfinished Business 8:41 PM (ET)

Motion: (Cerene Roberts) "That Financial Reports shall be sent to unit heads before or at the

same time as they are sent to the National Finance Committee.” (Passed without objection)

Motion: (Cerene Roberts) “That whenever the finances of the Pacifica Radio Archives are to be discussed by the NFC that the Director and/or Business Manager are to be invited to participate in the same manner that a station’s general manager would be invited. (5 minutes) (Passed without objection)

Minutes Approval 8:46 PM (ET)

Motion: (R. Paul Martin) “To approve the minutes of the July 14, 2015, meeting.” (passed 5 for, 0 against, 2 abstentions)

Some minor typographical corrections were suggested and accepted.

Motion: (R. Paul Martin) “To approve the minutes of the July 28, 2015, meeting.” (passed 6 for, 0 against, 1 abstention)

Financial Statement Review 8:51 PM (ET)

Motion: (Cerene Roberts) “To postpone a review of Pacifica Radio Archives (PRA) till the PRA Director or Business Manager gets on.” (Passed without objection)

WBAI - At the local Finance Committee meeting the WBAI General Manager disagreed with some of the figures in the income statement that we’ve gotten from the National Office for the nine months ending June 30, 2015. He says that the income statement is inaccurate. In the income statement some revenue appears to still be getting lumped into Listener Support. The income statement shows WBAI’s actuals as about \$325,000 in the red, which makes it about \$392,000 worse than budgeted. The income statement says that revenue is off by about \$479,000. The WBAI General Manager said that by July 30, revenue was off by about \$511,000. A lot of the deficit is from the accrual of the tower rent. The station is actually doing better with expenses. The problem is not realizing the budgeted revenue.

The committee discussed the report. It was noted that WBAI’s revenue between 2011, and June 30, 2015, has fallen. In 2014, revenue and expenses were close to even, but after that revenue has fallen. As of December 3, 2012, WBAI had about 15,000 members, as of June 14, 2015, WBAI has about 9,000 members. The Chair had sent the committee an E-mail with the following questions about WBAI’s revenue shortfall:

How much is because of spending fewer days in fund drive?

How much is because of lower daily averages during fund drive?

The WBAI Treasurer said that WBAI has extended every on-air fund raiser in FY15, and has had unofficial on-air fund raisers where pitching is done for two or three hours at a time on various days. Most of the falloff in on-air fund raiser revenue is due to daily tallies that are less than the budgeted goal. Insufficient information has been received in order to assess off-air fund raisers’ revenue. The Executive Director said that membership figures are down by considerable margins

for all five stations. The question of plans for WBAI was discussed. The Executive Director said that there is a strategic planning working group chaired by George Reiter and it would love to have more members join it. It was noted that if neither the WBAI LSB nor the WBAI General Manager come up with a plan that the PNB and/or Executive Director will have to come up with a plan.

WPFW - The WPFW Treasurer said that the figures in the income statement from the National Office were different from the figures she had from local WPFW sources. The income statement shows WPFW's Listener Support for June 2015, as \$35,569, but WPFW is showing that month's Listener Support at \$77,951. She said that other figures are different as well, but none as large as the Listener Support difference. It was noted that WPFW is almost \$200,000 worse than budgeted according to the income statement.

The committee discussed the report. The WPFW Treasurer said that the station needs to increase its revenue or cut expenses. The WPFW Director said that the WPFW July mini-on-air fund raiser tallied over \$70,000 and there was an off-air fund raiser that made about \$10,000. It was noted that some other revenues are being lumped into Listener Support. WPFW's local Business Manager has gotten another job and is working for WPFW part time in the evenings now. The WPFW Treasurer estimates that July revenue is about \$78,000. It was suggested that the WPFW Treasurer and the National Office talk about how to get the figures to agree.

National Office 9:26 PM (ET)

The National Office Financial Planning and Analysis Manager said that the National Office is showing a revenue shortfall of almost \$75,000 and he doesn't have an explanation for that. Expenses are lower; gross salaries are lower due to fewer people being employed than budgeted. For PNB meetings about \$70,000 had been budgeted for the first nine months of the year, but there was only one PNB meeting. This resulted in a savings of about \$44,500. Election expenses are still in process, they've just hired the National Elections Supervisor (NES) that's why there is currently an excess expense. Phones were budgeted at about \$21,000 but only about \$4,500 has been spent. Consultants were budgeted at about \$22,000 but so far the National Office is only spending about \$5,000 for that line. The National Office's Net Income of almost \$580,000 as against about \$7,600 budgeted is a result of the accrual of Central Services payments. He said that as of the end of July the National Office has about \$336,000 in uncollected Central Services payments, and they are really short in cash.

Motion: (R. Paul Martin) "To extend the time for the meeting by 5 minutes." (Passed without objection) 9:30 PM (ET)

The committee discussed the report. There was a question as to whether the NES had been hired months ago. The Executive Director said the NES has started submitting invoices only recently. The Executive Director was asked if he anticipated any problems paying for the Pacifica elections currently in progress; he said that the mailing house expense for the elections was coming up and he was concerned about that because the stations are having cash flow problems too. He said that the stations' Fall on-air fund raisers will need to raise enough money to pay for

them. The auditing firm Armenino LLP has sent the National Office audit samples they would like to receive before they begin the FY14 audit. This should allow them to complete the audit more quickly. The Executive Director said that he was cautiously hopeful that the stations' Fall on-air fund raisers would also be able to cover this expense.

Call for the Orders of the Day (Michael Novick) 9:37 PM (ET)

Adjourned 9:38 PM (ET)

Submitted by R. Paul Martin, Secretary.