

Minutes for the regular National Finance Committee meeting October 27, 2015.

Meeting convened at 8:35 PM (ET) a quorum being present, the Chair and Secretary being present.

Attending: Lydia Brazon, Adriana Casenave, Bill Crosier, Brian Edwards-Tiekert (Chair), R. Paul Martin (Secretary), Tony Norman, Michael Novick, Cerene Roberts, Nancy Sorden , also attending were National Office Financial Planning and Analysis Manager Efren Llarinas and WPFW General Manager Gerald Paris.

Agenda:

1. Call to Order (5 minutes)
2. Agenda Approval (5 minutes)
3. Minutes Approval (5 minutes)
 - A. Minutes of September 22, 2015
 - B. Minutes of September 29, 2015
 - C. Minutes of October 13, 2015
 - D. Minutes of October 19, 2015
4. Budget Review and Approval
 - A. Consideration of National Office
 - B. PRA Budget Second Review (15 minutes)
 - C. WPFW Budget - second review (if available - 15 minutes)
 - D. KPFT Budget - second review (if available - 15 minutes)
 - E. Status of other budgets (10 minutes)
 - F. Checking re: Fall Fund Drive Results (15 minutes)
 - G. Cash Flow / Liquidity (15 minutes)
5. Adjourn 10:15

Motion: (Cerene Roberts) “To approve the agenda.” (Passed as amended without objection)

Amendment: (Tony Norman) “To add ‘Consideration of National Office’ to the agenda as 4A, and PRA as 4B.” (Passed without objection)

Minutes Approval 8:40 PM (ET)

Motion: (Lydia Brazon) “To approve the minutes of the September 22, 2015, meeting.” (Postponed to the next meeting)

Motion: (Cerene Roberts) “To postpone the motion to the next meeting.” (Passed without

objection)

Budget Review and Approval 8:41 PM (ET)

National Office 8:41 PM (ET)

The committee discussed the National Office draft FY16 budget proposal.

It was noted that the Mail Fund Drive line shows a revenue of \$97,000 which is lower than last year's actuals. The National Office Financial Planning and Analysis Manager said that he was not sure about the Mail Fund Drive and the \$97,000 figure was a cold estimate.

There was a discussion of the SCA revenue and its relation to the National Office and the stations. The National Office Financial Planning and Analysis Manager said that the National Office was still negotiating some of the contracts. He said that some SCA lessees were not paying on time and that in FY16 the plan was to charge them late fees if they get in arrears or cut their service if they don't pay. The draft FY16 budget shows on time payments. The National Office Financial Planning and Analysis Manager said that the draft budget assumes that there will be a paid Executive Director and a paid CFO in February 2016, and that they are budgeting for only one PNB meeting in FY16. There was a short discussion of possible legal fees and what year's budget they belonged in. The National Office Financial Planning and Analysis Manager said that Pacifica still owes about \$20,000 on pension payments, some stations do not have the money to pay this; there was a discussion of stations not being able to meet their obligations to remit pension payments.

There is a discussion of the Cost to Update Great Plains Software line expense of about \$50,000. The National Office Financial Planning and Analysis Manager said that Pacifica's version of this software is 12 to 15 years old, and no one is trained on it anymore which makes it difficult to hire anyone to work on it; he said that this upgrade would save more than its own cost when it came time to produce the schedules for the auditors. He said that the upgraded software will allow stations to scan in actual financial documents. It would also allow the National Office to see which stations are not complying with the accounting requirements. It was noted that the National Office was projecting a surplus of almost \$116,000 at the end of FY16, the National Office Financial Planning and Analysis Manager said that the entire National Office FY16 budget requires that everyone pay on time, he said that the moment any entity fails to pay on time the National Office is in trouble. It was brought up that some stations haven't paid Central Services fees on time in quite a while. The committee discussed this and how the Great Plains software upgrade would assist in more timely accounting.

There are about 9.3 FTEs at the National Office.

PRA Budget Second Review 9:30 PM (ET)

The Chair reported that he'd gotten the Pacifica Radio Archive (PRA) draft FY16 budget proposal over the weekend. The budget adjusted the credit card expenses. It's a break even

budget. He noted that PRA is counting on twice as much Listener Support this year as is projected for FY15.

Motion: (Adriana Casenave) “That PRA resubmit their FY16 budget with a 10% reduction in personnel costs, this will save \$40,000.” (Passed 4 for, 3 against, 2 abstentions)

The committee debated the motion.

WPFW Budget - second review 9:50 PM (ET)

The WPFW General Manager said that the station’s draft FY16 budget will show an end of year surplus of about \$20,000 after some adjustments are made. They’ll be getting the old transmitter from KPFT and they’ll refurbish it for WPFW and they expect it to be operational before the end of the year. He reported that WPFW had just finished their 21 day Fall on-air fund raiser and had come in at just under 50% of their \$350,000 goal for that on-air fund raiser. He said that they had not offered premiums on their Fall on-air fund raiser because people had complained about not getting the premiums in the past. He told the committee that the station has just under \$60,000 cash in bank. The station plans to do an on-air fund raiser in December. He said that the station is getting significant gains in community partnerships and major donors and they are looking for more ways to raise more revenue off-air. He said that they are trying to keep costs as low as possible.

The committee discussed the WPFW draft FY16 budget proposal. It was pointed out that WPFW had shown a deficit of about \$171,000 in FY15. There was a discussion of using revenue to pay down some of the debt from FY15. The need to adjust the budget to not show a negative bank balance was brought up, and the number of months of negative cash flow projected in the draft FY16 budget was discussed. The WPFW Treasurer noted that there was a problem with the budget creation process last year, and other revenue was lumped into Listener Support. The WPFW General Manager said that they are renting out part of their space and that lease expires in March. He said that the lessee has considerably expanded the amount of space they are using. WPFW will renegotiate that lease. It was noted that the WPFW draft FY16 budget projected a tally of \$400,000 for the recently completed Fall on-air fund raiser, not \$350,000 which means that the station’s FY16 budget would now show an end of year deficit of about \$57,000.

Motion: (Bill Crosier) “To extend the time for this meeting by 15 minutes.” (Passed without objection) 10:34 PM (ET)

KPFT Budget - second review 10:35 PM (ET)

The committee discussed the KPFT draft FY16 budget proposal. KPFT is going to be negotiating a labor contract. The station will do a December on-air fund raiser. Their plan is that if one on-air fund raiser fails to meet its goal then the amount it missed by will be added to the goal of the next on-air fund raiser. There was a discussion of a freeze put on the hiring of new employees by Pacifica. KPFT is trying to get people to fulfill pledges by using electronic funds transfers and to become sustainers which will decrease credit card charges and increase fulfillment rates.

Call for the Orders of the Day: (R. Paul Martin) 10:50 PM (ET)

Motion: (Brian Edwards-Tiekert) “To meet on November 4, 2015, starting at 8:30 PM (ET) beginning with a 45 minute executive session.” (Passed 6 for, 1 against)

Adjourned 10:55 PM (ET)

Submitted by R. Paul Martin, Secretary.