

Minutes for the regular National Finance Committee meeting December 14, 2015.

Meeting convened at 8:36 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 WBAI General Manager Berthold Reimers, WPFW General Manager Gerald Paris and KPFK General Manager Leslie Radford.

Agenda:

1. Call to Order (5 minutes)
2. Agenda Approval (5 minutes)
3. Minutes Approval (5 minutes - if available)
4. Budget Review and Approval
 - A. PRA Budget - 2nd review (30 minutes)
 - B. WPFW Budget - fourth review (30 minutes)
 - C. WBAI Budget - sixth review (30 minutes)
 - D. KPFK Budget - ?th review (30 minutes)
5. Cash Flow / Liquidity (5 minutes)
6. What happens when we can't get realistic budgets for a unit? (15 minutes)
7. Adjourn 10:30

Motion: (Michael Novick) "To approve the agenda." (Passed without objection as amended)

Amendment: (Bill Crosier) "To make item 4A the PRA budget." (Passed without objection)

Minutes Approval 8:40 PM (ET)

Motion: (Tony Norman) "To approve the minutes of the October 19, 2015, meeting." (Passed without objection)

Motion: (Adriana Casenave) "To approve the minutes of the October 27, 2015, meeting." (Passed without objection)

Budget Review and Approval 8:41 PM (ET)

PRA Budget - 2nd review 8:41 PM (ET)

The Chair reported that the NFC has asked the Pacifica Radio Archives (PRA) to make a 10% reduction in their expenses in their draft FY16 budget proposal, but PRA hasn't done that.

The committee discussed the Chair's report.

Motion: (Bill Crosier) "That, regarding the prior motion passed by the NFC to cut the PRA's personnel expenses by 10%, that we add a proviso that PRA has the option to either raise the funds referenced in the 10% cut and/or reduce expenses, rather than dictating where the cut is to be made, as long as there is at least a \$10,000 surplus."

The committee discussed the motion.

Amendment: (Brian Edwards-Tiekert) "In order to replenish its reserves, the Pacifica Radio Archive shall raise \$3,000 per month more than budgeted, or cut an equivalent amount of spending."

The committee discussed the amendment.

Amendment: (Cerene Roberts) "To add 'effective January 1, 2016.'" (Passed 4 for, 1 against, 3 abstentions)

The committee discussed the amendment.

Amendment as amended: "In order to replenish its reserves, the Pacifica Radio Archive shall raise \$3,000 per month more than budgeted, or cut an equivalent amount of spending effective January 1, 2016." (Passed without objection)

The committee discussed the amendment.

Amendment: (Adriana Casenave) "To add, 'if the unit does not comply with the proviso the Executive Director and CFO will make the cuts.'" (passed 4 for, 2 against, 2 abstentions)

The committee discussed the amendment.

Amendment: (Cerene Roberts) "To move 'effective January 1, 2016' to immediately after '\$3,000 per month'." (Passed without objection)

The committee discussed the amendment.

Amendment: (Cerene Roberts) "To insert 'in collaboration with the unit head,' at the end.'" (passed 4 for, 3 against, 1 abstention)

Point of Order: (R. Paul Martin) Call for the orders of the day. 9:17 PM (ET)

Motion as amended: “The NFC recommends the Pacifica Radio Archive FY16 budget with the following proviso: In order to replenish its reserves, the Pacifica Radio Archive shall raise \$3,000 per month more than budgeted effective January 1, 2016, or cut an equivalent amount of spending. If the unit does not comply with the proviso the Executive Director and the CFO will make the cuts in collaboration with the unit head.” (Passed 3 for, 2 against 2 abstentions)

Motion: (Brian Edwards-Tiekert) “To take up WBAI Budget - sixth review now” (Passed without objection)

WBAI 9:29 PM (ET)

Motion: (Cerene Roberts) “To amend the agenda to adjourn at 11:00 PM (ET).” (Passed without objection) 9:30 PM (ET)

The committee discussed the WBAI draft FY16 budget proposal.

The WBAI General Manager told the committee that for the first two months of FY16 the station’s revenue was about \$28,000 short and expenses were about \$19,000 better, which makes the FY16 actuals \$8,747 worse than the draft budget projects. He said that WBAI has gotten a bequest of \$70,000. The General Manager said that the Saturday morning ticket donations had gotten about \$21,000 in November and would raise at least \$60,000 for FY16. The General Manager said that he had lowered the goals for the on-air fund raisers. The WBAI Treasurer said that the current budget shows a daily goal of about \$12,500 but the Fall on-air fund raiser got a tally of about \$7,800. The WBAI General Manager said that the December on-air fund raiser was mostly going well and would probably make a tally of about \$11,500 to \$12,000 per day. He said that many of the premiums were downloads and this lowers their cost. The fulfillment rate is 78% in this budget. There was a discussion of WBAI’s bank charges, which are about \$80,000, and whether they have been accurately reported in the past.

Point of Order: (Michael Novick) Call for the orders of the day. 10:05 PM (ET)

The committee discussed the discrepancy between two figures in the draft FY16 budget proposal for the FY15 premiums expenses. The WBAI General Manager told the committee to trust him on this, and he said that WBAI only needed about \$20,000 to catch up on premiums.

Point of Order: (Michael Novick) Call for the orders of the day. 10:13 PM (ET)

Motion: (Lydia Brazon) “To cancel the December 22, 2015, meeting.” (Passed 4 for, 2 against, 2 abstentions)

The committee discussed the motion.

Motion: (Lydia Brazon) “To meet on January 19, 2016.” (Passed 4 for, 2 against, 2 abstentions)

The committee discussed the motion.

WPFW 10:25 PM (ET)

The WPFW Treasurer reported that the station's budget was incomplete and they wanted to run some data they'd collected past the committee. In going into the details of their actuals in order to not have revenue lumped into Listener Support that shouldn't be in that line they found that the FY16 Listener Support line was a lot higher than the line for FY15. They want to lower Listener Support by \$70,000 to \$80,000. The surplus will be lower than it was in the draft FY16 budget. The station anticipates growth, but can't put that in the budget proposal.

The committee discussed the presentation on the WPFW draft FY16 budget.

KPFK 10:40 PM (ET)

The committee discussed the KPFK draft FY16 budget proposal. Listener Support is lower by about \$500,000 and Total Expenses are lower by almost \$800,000 in this draft budget. The net income is about \$120,000. This is based on the Paid Staff hours reduction being 80% in 2016. The proposal to bring Paid Staff pay up to 80% was proposed today, and it's under discussion. There is about a \$100,000 difference between the Listener Support totals on the main budget page and the fund raising page. Concern was raised about the proposal to pitch for 200 days, with 92 of them "quiet drives." The 92 "quiet drive" days are budgeted to raise about \$443,000. The KPFK Treasurer said that KPFK did well with the "quiet drive" days last December, and that the "quiet drive" days were meant to incorporate off-air fundraising by the Local Station Board, which voted to create a fundraising committee to help meet the station's obligations. There was a discussion of efficacy of the "quiet drive" days. Revenue from and expenses for mailings were discussed. In response to a question the KPFK General Manager said that they would raise the Tower Rent in the draft budget to \$1,500 a month. There was a short discussion of negative cash balances in the cash flow tab. The KPFK General Manager went over the non-labor expenses that she is currently cutting. The KPFK General Manager said that the station's Web site would improve once she got all of the passwords. For the first two months of FY16 KPFK looks to be on budget.

Motion: (Brian Edwards-Tiekert) "To extend the time for this meeting by 10 minutes." (Passed without objection) 11:31 PM (ET)

Motion: (Brian Edwards-Tiekert) "The NFC recommends approval of the KPFK budget, with the following provisos:

1. That the restoration of staff hours be contingent upon, and proportional to, the achievement of fundraising goals in the budget.
2. Prior to submitting this budget for PNB approval, KPFK management shall correct transmitter rent expense to be in line with the prior year, and update direct mail expense to reflect the cost of its budgeted mail fund drive." (Passed 6 for, 2 against)

The committee discussed the motion.

Amendment: (Bill Crosier) “In order to replenish its reserves, KPFK shall raise \$3,000 per month more than budgeted effective January 1, 2016, or cut an equivalent amount of spending. if the unit does not comply with the proviso the Executive Director and CFO will make the cuts in collaboration with the unit head.” (Fails 1 for, 6 against, 1abstention)

The committee discussed the amendment.

Adjourned 11:48 PM (ET)

Submitted by R. Paul Martin, Secretary.