

WBAI Treasurer's Report
October 8, 2014

The National Finance Committee (NFC) met on September 16, 18, 23 and 25, and on October 6, 2014. The NFC has been mostly concerned with the FY15 budget proposals. The committee has passed a pair of motions regarding what are once again being called "Central Services" fees.

Motion: "To meet the budgeted expenses of the National Office not covered by other sources of income in fiscal year 2015, Central Services shall be a fixed cost set at 15% of the prior 4 years' (2010-2013) average annual listener support. For WBAI, Central Services shall be set at 8% of that average." (Passed without objection)

The idea behind this motion was that the Central Services fees should be based on what the National Office will need for FY15. This motion will result in WBAI paying slightly less than it was supposed to have paid last year, but WBAI will *really* need to pay these Central Services payments because the National Office will be counting on them. Given WBAI's chronic cash flow problems it is hard to see how the Central Services fees will adequately be prioritized.

Motion: "To meet the budgeted expenses of the Pacifica Radio Archive not covered by other sources of income in fiscal year 2015, PRA Assessments shall be a fixed cost set at 2.0% of the prior 4 years' (2010-2013) average annual listener support for each station." (Passed without objection)

This motion should result in a slightly lower Central Services fee for the Pacifica Radio Archive (PRA) than has been the case for years. Again, however, WBAI's cash flow problems will present a challenge to meeting this obligation in a timely way.

What's become clear from the budget proposals considered so far is that money is very tight throughout Pacifica. We are told by the National Office that there are no cash reserves. Stations' budget proposals show a net result for FY15 that is very small, and which can be wiped out by almost any minor emergency. In addition, KPFT is still broadcasting at a lower signal strength which affects their ability to reach more listeners and which also could result in FCC action since the station has been broadcasting at this lower than licensed power for years. It is estimated that KPFT will need about \$200,000 to replace their transmitter. KPFT could face an emergency around this issue during FY15. The KPFT FY15 budget is so far the only one approved by the NFC.

The NFC was informed that pension plan payments were not made for FY12, those payments need to be made up by the stations and PRA and the National Office.

WBAI's FY15 draft budget proposal has been preliminarily reviewed by the NFC, and as a result WBAI will need to budget the monthly tower rent at the current rate. This will result in a deficit budget. All budgets are required to be positive. How the WBAI FY15 budget could be made to come out even or with a slight net surplus, given the stipulations of the NFC, is something that no one has figured out yet.

(MORE)

The latest WBAI FY15 draft budget proposal should come to the LSB at tonight's meeting.

The local Finance Committee met on September 15, and October 1, 2014. At the September 15, meeting **the General Manager told the committee that WBAI had \$465,457.37 in unpaid bills.** There is a restricted donation from the Jim Krivo estate of about \$120,000 for building out studios which is still pending.

Some local Finance Committee members will be helping Management with calls to Verizon in an attempt to lower WBAI's bills and get refunds on phone lines that WBAI has not used since Superstorm Sandy hit in late October 2012.

Much of the discussion of the FY15 draft budget proposal centered around the projected daily tally. The local Finance Committee passed the following **Motion:** "That the daily tally in the FY15 budget be set at \$15,476 per day with 127 days spent pitching and a fulfillment rate of 78.3%." The committee also passed the following **Motion:** "To add to the budget up to \$24,000 in expenses funded by a donor(s) to hire a consultant for three months to launch a project and create a team of volunteers and university affiliated professionals to create and begin implementing a sustainable fund raising structure."

The local Finance Committee did not vote on approving the draft FY15 budget proposal.

At the October 1, local Finance Committee meeting the General Manager said that the Empire State Building (ESB) had not been paid for October. He is hoping that the negotiations with the ESB will include a large reduction of the back rent as well as a lowering of the monthly rent from now on.

WBAI began the Fall 2014, on-air fund raiser on October 6. At this time the tally results are not accessible.

The NFC will meet on October 14, 16 and 28, with the possibility of more meetings being added. The local Finance Committee will meet on October 9, if the LSB does not approve the draft FY15 budget proposal at tonight's meeting. The local Finance Committee will also meet on November 6.

WBAI's cash flow is a serious problem. We are looking at a draft budget proposal that will result in a six figure deficit, and there is in addition the almost half a million dollars in unpaid bills extant at the end of FY14. Given the shaky finances of the rest of Pacifica it is hard to see how WBAI is going to survive financially through FY15.

R. Paul Martin
WBAI LSB Treasurer