

WBAI Treasurer's Report
September 13, 2023

The WBAI local Finance Committee met on August 16, 2023. The National Finance Committee (NFC) met on August 22, and September 12, 2023. All of those meetings were held by teleconference.

At the August 16, 2023, local Finance Committee meeting WBAI PNB Director Jim Dingeman who is the Chair of the PNB's Strategic Planning Committee spoke to the committee. He said that there was a draft strategic plan that had been done by the Pacifica Executive Director last year and the Strategic Planning Committee was working on that. He told the committee that the number of listener members of Pacifica, which includes WBAI, had declined from about 96,000 listener members in 2004, to about 36,400 now. He said that the number of Major Donors, which are listeners who donate \$1,000 or more a year, varies from station to station and that some stations have about 20% of their revenue coming from what amounts to very generous people.

He said that the average amount of money coming in to all the different public media sectors nationwide from national and local foundations is about 6%. He said that Pacifica was getting probably about 0.2% of our overall revenue from such sources. He said it was a weakness that most Pacifica stations don't get much money at all from local and national foundations. He said that Pacifica needs a total structural change. He said that the PNB motion that had been passed allowing limited underwriting had not been implemented in most stations. He said that a task force was being set up to get underwriting for Pacifica. He also noted that as of June 2023, the total number of people listening to analog radio in major markets had declined in some cases by 40% to 47% during the pandemic. He said that in other cases, overall, there was a 20% decrease in people listening to analog radio. He said that what was disturbing was that coming out of the pandemic the numbers have continued to decline. He said that aggregate analog listening throughout the entire United States, including commercial, public media and community radio has declined by an additional 10% to 15%. He said that Pacifica's total decline in listeners over the years may amount to as much as 90%. He said that a draft of a written report would be released at some point. He said that it was essential to stabilize Pacifica's finances ASAP and that WBAI and KPFK have to be stabilized. He said that a proposed bridge loan for \$3 Million using the KPFK building as collateral that some people have been saying would help save Pacifica had a 14% interest rate had been rejected by the PNB because the terms of the loan were not good for Pacifica. **He said that we face the likelihood of the implementation of drastic budget cuts within six months and the possibility of Pacifica selling a signal for millions.**

The General Manager reported to the committee that not much had changed in the last month. He said he'd had a special meeting with the WBAI LSB. He said that WBAI owes about five months of rent, which amounts to about \$85,000 to 4 Times Square, we owe about \$57,000 to the call center, he said that we owed about five or six months rent to 388 Atlantic Ave. which amounts to about \$30,000, and there were other essential bills.

The General Manager said that on-air fund raising revenue has gone down to about

(MORE)

\$2,500 a day because there were no new premiums. He said that Management was doubling down on more PSAs. He said that his goal was to get \$300,000 a year from PSAs. He said he had asked the LSB to participate in raising money and that committees had been created. He said that there was a premium finding committee and he wanted Staff on that. He said he'd give the committee instructions on how to find premiums. He said his goal is to get two new premiums a month and that if he could get that it could reduce WBAI's problems. He said that a PSA committee would establish a list of PSAs being played in New York City and finding out how to reach out to people, trend setters, who can get WBAI more PSAs. He said that he wanted to bring PSA revenue from \$80,000 to about \$300,000. He said that another committee was to get underwriting. He said that programs that reviewed books should be underwritten by publishers. He said that calling lapsed members, etc. was going to happen in an effort to get them to become BAI Buddies. He said that the station would do E-mails to lapsed or expiring members on a regular basis, starting in two weeks to solicit money. He said that the station couldn't cut consultants. He said that maybe \$3,000 of consultants could be cut which would be only about 10% of the stations \$30,000 a month deficit. The General Manager talked about specials coming up including one about Latin musicians and politics. He said that there would be a conspiracy theory day, and a health day. He said it all needs to be coordinated. He said there would be listener forums on the air. He said that there was the potential of a significant grant that would get us off hook for the Tower Rent arrears, the call center and the rent on 388 Atlantic Ave. He said that he had negotiated a commitment for a matching fund where the donor would give WBAI four months of rent for 388 Atlantic Ave. and the condition is that we have to pay four months of that rent. Since we owe 388 about six months rent that would put us in a good situation. He said that maybe it could be increased to five months. He said that this has to be done ASAP. He said he would also send out a newsletter to raise that money. He said that it would amount to about \$12,100. He said that WBAI had \$40 cash in bank, because he had paid \$7,000 to the call center the day before. He said that the bill at the call center grows by about \$6,500 a month. He said that he was working on a spreadsheet to show people the cost of premiums, and mailing. He said that we do charge listeners about \$5 for shipping and handling on premiums. He noted that the cost of mailing is going up again.

The General Manager said that the station hadn't gotten the \$189,000 from the latest Boulton bequest yet. He said that when it arrived he'd give the National Office \$120,000 or more for Central Services fees and that should take care of the station's FY23 Central Services.

The General Manager said that WBAI's stream numbers are as high as KPFA's.

The General Manager said that he'd been listening to ESPN's sports channel and they are one of the top listened to stations. He said that from listening to that he believes that a part of what we're dealing with is a dumbed down population in a dumbed down country that's interested in quick, superficial stuff where WBAI is not fully appreciated. He said that our goal is to figure out how to capture those listeners, bring them back and inform them.

A committee member suggested that WBAI do a telethon. The General Manager said that a telethon once a year was a good idea and he wanted to think about it. He said it would take a long time to plan and producers would have to commit to pitching it. He said that maybe it could be mixed with BAI Buddies.

(MORE)

At the August 22, 2023, NFC meeting the Executive Director told the committee that one of the things she'd been working on at all of the stations had been consultants. She said she was working closely with WBAI and that the WBAI General Manager was sending her lists of consultants who are essential and who are not essential. She said that she was going to go over the lists later that week with a fine-tooth comb. People in Pacifica have been noting that WBAI has a lot of consultants and they make up a large percentage of WBAI's expenses. The Executive Director said that she wants to find out who does what and then have new agreements with all of the consultants and see what they're doing and what we expect of them. She said that she wanted to determine if maybe a Staff member could do a job being done by a consultant or if maybe some consultants have to become Staff. She said that there needed to be a clear explanation of what the consultants are expected to do and instead of paying them regularly require a time sheet from each one and then invoices would be submitted along with a check request and a check would be cut to pay them. The Executive Director said that the WBAI General Manager had sent her information about consultants working at WBAI in greater detail based upon their first discussions. She said that they're looking to see if they can reduce some hours of some consultants even if they're essential ones and that WBAI could save about \$45,000 per year in consultant expenses based on what the WBAI General Manager had presented, but she said she thought maybe a little bit more could be done. She said that if a consultant is not consistently doing their work they're no longer a consultant.

The Executive Director said that the August 15, payroll had gone down to the wire with regard to a shortfall, and that she had to re-negotiate some payments to some vendors. She said that WBAI had provided a large portion of the funding to cover the payroll shortfall and the National Office had been able to cover the remaining balance.

We learned at this meeting that the PNB had passed an indemnity release and liability waiver form because Pacifica's liability insurance had lapsed. The Executive Director said that Pacifica's General Counsel had written the form and the PNB had voted to approve it. She said that she'd sent the form out to all General Managers and division directors. The Executive Director wants to make sure that anyone other than paid employees who enters any of Pacifica's facilities will be required to sign it. She said that this includes all volunteers, guests, consultants and contractors. A Spanish language translation of the form is being prepared.

The Executive Director said that the Accounts Payable were still over \$2 Million and the Accounts Payable of concern were still \$988,000 as they had been at the previous NFC meeting.

The Executive Director is asking the General Managers to submit their FY23 draft budgets. **I'll note that FY24 starts on October 1, 2023, about 2½ weeks from today.** The Executive Director said that she and the National Business Manager would give the General Managers the first draft of their FY24 budget. The WBAI General Manager has sent me a draft FY24 budget. I'll be sending that, or a later version of that, to the local Finance Committee when I'm given the green light to do so.

During this meeting we were told that WBAI and KPFK owed money to ASCAP which licenses the on-air playing of recorded music.

At this meeting the NFC and the Executive Director reviewed and then agreed to release the "Consolidated Monthly Income Statement For the Eight Months Ending Wednesday, May 31,

(MORE)

2023” to the public. I sent that out to the LSB and the local Finance Committee an hour after that NFC meeting. That Income Statement shows Pacifica as running a deficit of about \$970,000 as of May 31. It shows WBAI with a deficit of about \$287,000 for that time period.

At this meeting the topic of Pacifica consolidating all of the bank accounts in one bank was brought up again. It was clear that the Executive Director really wants to put all bank accounts in Bank of America because she believes that Pacifica will get a better deal with them and there are advantages to having all of the Pacifica accounts in one nationwide banking institution. All stations and divisions will still have their separate bank accounts but they’ll all be in one branch or another of the bank that gets chosen to be Pacifica’s bank.

At the September 12, 2023, NFC meeting the Executive Director said that Pacifica was moving forward with consolidating all Pacifica bank accounts into one bank. She said that some divisions are already in that bank. She said that with all accounts in one bank the National Office will be able to reconcile accounts more easily and it would save all of Pacifica money with regard to monthly fees, transaction fees and wiring fees. She said that she’d been sent a proposal to make Chase the bank to put all Pacifica accounts in but she noted that Bank of America had a better deal than Chase.

We were told that some people are being asked to take a voluntary layoff to save money. We were told that there has been a reduction in consultants since the last NFC meeting.

The Executive Director said that the latest Boulton Family bequest had arrived at WBAI. She said that it’s in parts and that the WBAI General Manager had sent \$60,000 of it to the National Office to pay WBAI’s Central Services fees. She said that some of it was used as a partial payment to the matching fund mentioned in the August 16, 2023, local Finance Committee meeting part of this report. This will help to get WBAI caught up on its rent payments to 388 Atlantic Ave.

The day before this NFC meeting we were sent the “PACIFICA FOUNDATION Consolidated Monthly Income Statement For the Nine Months Ending Friday, June 30, 2023.” This Income Statement has not been approved for release yet. The NFC and unit Managements still need to go over it. In discussing it in open session last night, however, the Executive Director confirmed that four of the five Pacifica radio stations are running deficits. Only KPFT is in the black. Also Pacifica overall is showing a year-to-date (YTD) deficit of \$1,365,062 and WBAI is showing a YTD deficit of \$318,953.

At this meeting the National Business Manager was in attendance and she discussed what a pain it was to have to deal with *QuickBooks* because she has to manually enter the data from *QuickBooks* into the *Great Plains* accounting software that Pacifica uses. She said that it doubles the work she has to do in order to get information into the *Great Plains* software. At the August 22, 2023, NFC meeting the Executive Director had said that one person had offered to help with software to convert *QuickBooks* to *Great Plains* in a more convenient way. This is important because the WBAI General Manager uses *QuickBooks* for accounting purposes and WBAI doesn’t need to double the workload of the short-staffed National Office personnel.

The WPFW Treasurer said that he might be able to get the expense of *QuickBooks* lowered for WBAI. It sounded like he may have an in with a company called Intuit which

(MORE)

markets *QuickBooks*. It would be good if we could lower the cost of using Quickbooks and if it could be made to interface with *Great Plains* better.

The Executive Director said that she was putting into place a procedure for how Pacifica will process checks. How this will affect things at WBAI is something we'll find out in the future.

At this meeting we went over some questions that had arisen at the previous meeting with regard to the "Consolidated Monthly Income Statement For the Eight Months Ending Wednesday, May 31, 2023" which the NFC had gone over at the August 22, 2023, meeting. A member of the NFC had sent me an E-mail asking questions about some of the entries related to WBAI. I'd asked the General Manager to answer them. He did and I was able to answer the questions when they were posed at last night's meeting. It looks like some of the items of both revenue and expenses are getting put in parts of the spreadsheet where they don't really belong because the General Manager can't find anyplace else to put them and this is resulting in some puzzling entries. It was noted at this meeting that CFOs, the National Business Manager and others have been complaining for years about what a pain it is to have to deal with *QuickBooks*. The National Business Manager said that she has access to the General Manager's *QuickBooks* and she can go in and pull information out but she's not seeing invoices. She said that if something's really off she asks the WBAI General Manager about it. She offered the opinion that if we brought all of this into one office for all of the stations it'd take the burden off General Managers to try to keep books. She said that Pacifica is so small now that we shouldn't have stations doing this kind of accounting locally. I think that maybe that's a solution.

The Executive Director said that by implementing the check request system she's been advocating for, as well as the idea that the National Business Manager had raised, all of these payments could come from the National Office and we could keep track of it all instead of having checks slipping through on the local level. She said that if everything comes out of the National Office they'll have the information and could keep track of things being paid. It sounds like there are going to be some changes made to how financial accounting gets done in Pacifica. That would be a good thing for WBAI because the station hasn't had a Business Manager in a decade, and it would relieve the General Manager of a chore that he clearly does not like.

Rumor Control from the Executive Director

This is not strictly a WBAI financial issue, but it seems to me that it would be good to combat disinformation in Pacifica. At the August 22, 2023, NFC meeting the Executive Director said that one of the things that's been generating a lot of E-mails and phone calls is the state of Pacifica's non-profit registration with the California Secretary of State. She said that their Web site says that Pacifica is delinquent but the reality is that the Secretary of State's office just hasn't updated their Web site yet.

The Executive Director said that Pacifica's non-profit registration has been paid; she said that the National Education Television Association (NETA) had filled out a registration form for it when we were working with them. She said that when she had spoken to the California Secretary of State about getting an extension for filing Pacifica's FY22 audit they had discovered

(MORE)

that NETA had been sent an older form to fill out and a fee of \$400 had been paid. She said that the Secretary of State's office had sent her the new form with the new registration fee, which has gone up to \$575. The Executive Director said she'd filled the form out and had sent in the extra \$175 back in early July. She said that although Pacifica is listed as delinquent on the Secretary of State's Web site we're listed as up to date on their records, they just haven't gotten around to updating their Web site. She said that people had been sending out E-mails, newsletters, blogs, etc. saying that Pacifica was being told by the California Secretary of State that we can't raise funds but none of that was true, Pacifica is not delinquent; we are paid up but the Secretary of State's Web site just hasn't been updated yet.

So the overall Pacifica debt is still around \$2.3 Million, and there are Accounts Payable of concern that are still about \$988,000. All but one Pacifica station, KPFT, is operating in the red. WBAI's deficit has increased by just short of \$32,000 between the end of May and the end of June. There is the possibility of important services being cut off to various parts of Pacifica due to non-payment of bills. This is all old news, but as this same news gets older it gets more dangerous. The fact that people are circulating false rumors that Pacifica stations are no longer allowed to do fund raising is an insidious action that is not all that surprising given what some people in Pacifica who lust after control of the foundation have tried to pull in recent years.

The Executive Director has some good ideas. Perhaps they can help. I remain very pessimistic about the future for both WBAI and Pacifica. When people get really desperate what station's broadcast license will they reach for in order to make quick cash through a sale? I think that if that happens there will be a number of lawsuits filed, and that entire denouement will be historically messy, or worse.

The next NFC meeting is scheduled for Tuesday September 26, 2023, at 8:30 PM (ET). The next local Finance Committee meeting is scheduled for Wednesday, September 20, 2023, at 7:00 PM (ET). These meetings will be held by teleconference.

R. Paul Martin
WBAI LSB Treasurer