

**Pacifica National Board
Finance Committee Regular Meeting - February 15, 2007**

MINUTES

A regular meeting of the PNB Finance Committee was called to order at 5:20 pm PST by continuing Chair LaVarn Williams with Terry Goodman serving as Secretary Pro-Tem. The minutes of the meetings of 1/18/07 were approved.

Attendance

Present: Dave Adelson, Baruti Bediako (arrived at 5:24 pm), Brian Edwards-Tiekert , Jane Gatewood (left at 7:27 pm), Terry Goodman, Lonnie Hicks, Sandra Rawline, Berthold Reimers (arrived at about 5:40 pm), Thomas Ruffin, and LaVarn Williams.

Absent: Bob Sanborn

Amended Agenda

- 1) Roll Call and Approval of Agenda (10 minutes)
- 2) Approval of Minutes (5 minutes)
- 3) Housekeeping (5 minutes)
 - a) Scheduling Next Meeting
 - b) Electing Committee Officers
- 4) CFO Report
 - a) Review November and December 2006 Results (50 minutes)
 - i) Income Statement and Balance Sheet
 - ii) Headcount
 - iii) Risks and Opportunities
 - iv) Information Items: Reimbursements, Credit Cards, Internet Project, RFP
 - b) Review Legal Expense Forecast (20 minutes)
 - c) Review Status of Motions (30 minutes)
 - i) Legal Settlement Review by Coordinating Committee
 - ii) Finance Group Orientation for March PNB Meeting
 - iii) Foundation Wide Signature Authorization levels
 - iv) Finance Committee Motion on Archive Restoration
 - v) RFC process
- 5) New Business
 - a) 2007 Committee Priorities and Goals
 - b) Finance Reporting Delays During Annual Audit
 - c) Investment Policy
 - d) Work in Subcommittees
- 10) Items Referred by the PNB
- 11) Adjourn

1. Approval of Agenda

Motion by LaVarn Williams (as amended) that the Agenda be approved.

Agenda was amended and approved without objection at 5:41 pm.

2. Approval of Minutes

Motion by Terry Goodman that the minutes of the committee meetings of January 18, 2007 be approved.

Motion passed without objection at 5:42 pm.

3a. Scheduling Next Meeting

Motion by Lonnie Hicks that the committee meet on Thursday, March 1, 2007 at 8:00 pm EST.

Motion passed without objection at 5:43 pm.

[NOTE: This meeting will include a closed session review of the CFO's Legal Expense Forecast.]

Motion by LaVarn Williams that the committee subsequently meet on Thursday, March 22, 2007 at 8:00 pm EST.

Motion passed without objection at 5:44 pm.

3b. Committee Officer Elections

Motion by Jane Gatewood that the committee hold its 2007 term officer elections.

Motion passed without objection at 5:45 pm.

LaVarn Williams and Berthold Reimers were nominated for the office of PNB Finance Committee Chair. Berthold Reimers declined.

Jane Gatewood and Terry Goodman were nominated for the office of PNB Finance Committee Secretary. Jane Gatewood declined.

Ruling by the Chair that the committee officer elections shall be conducted by written ballot even though the elections are uncontested. The Chair will send instructions and an address to all committee members by electronic mail. *Ballots are to be returned to the Foundation Secretary, Mary Berg, by postal mail within a week.*

4. CFO Report

The CFO report began at 5:51 pm.

CFO Lonnie Hicks reviewed with the committee his January report to the PNB, which included December Income Statements and Balance Sheets and 1990-2006 Arbitron data. Although listenership is declining, average donation amounts have increased. There have been no "bad" fund drives so far in the current fiscal period, and national mail drops are on track.

There was discussion of the CFO Report, including reference to the reports and analysis of the Radio Research Consortium, available at <http://www.rrconline.org/reports/>.

4a(i). Income Statement and Balance Sheet

The December Income Statement and Balance Sheet were distributed to the Committee by email and reviewed in the CFO Report. *Detailed discussion was postponed to the March 1st meeting.*

4a(ii). Headcount

A Foundation Headcount Report was distributed to the Committee by email. *Total headcount was reported at 6:31 pm. Detailed discussion was postponed to the March 1st meeting.*

4a(iii). Risks and Opportunities

The CFO identified the risk of cash flow problems if multiple stations simultaneously failed to meet fund drive goals. He reported that stations are responding to income challenges through diverse strategies; including fund drive extension, special premium offers, increased web site income, and local mail drops. Among the opportunities, the CFO mentioned content licensing.

4a(iv). Information Items

The CFO reported that the Foundation discovered that its Employee Pension Plan had several years earlier reached the size that requires annual independent audits. The National Finance Office has assembled and reviewed records and is prepared for audits of the Plan covering the prior four years. *There will be an unbudgeted expense of \$40,000 in the current fiscal year for the preparation of these four legally required audits. The audits will begin in three to four weeks.*

With respect to the PNB approved reimbursements policy, the forms for management reimbursements are done, but the policy applicable to Board Members requires clarification and is still being developed. *The Committee can expect a detailed proposal in 30 days, incorporated into the draft Financial Policies and Procedures Manual being prepared.*

With respect to credit cards, the PNB has approved a policy for station use of credit cards with a \$2,500 or \$5,000 limit. KPFK is using one. KPFA has one but isn't using it. Primary use may be for the expenses of PNB meetings. *Recommendations will be incorporated into the draft Financial Policies and Procedures Manual being prepared.*

With respect to the Internet Project, it is still in development.

With respect to the development of an RFP process, the discussion has started. Dave Adelson gave notice to the Committee that a proposal regarding the development of content licensing strategies via a consultant is being prepared by Rob Robinson. *The CFO's preliminary plan will be ready in two weeks. The Committee can provide input on the initial RFP process in its consideration of the Robinson proposal, possibly at its March 1st meeting.*

4b. Review Legal Expense Forecast

Consideration of this item was postponed to a closed session portion of the March 1st Committee meeting. A general statement may be offered in the public session at that time.

4b. Review Status of Motions

The Committee's proposal to require Coordinating Committee review with General Counsel of proposed legal settlements was approved by the PNB.

The Committee's proposal for a finance group orientation teleconference in March was approved. The PNB itself will be meeting in Washington, D.C. in April.

An acceptable resolution regarding signature authorizations on the Bank of New York investment account was approved, requiring at least two signatures from specified parties. Transaction levels requiring PNB Finance Committee approval and the PNB Chair's signature were also identified.

The outcome of the Committee's motion on Archive Restoration was not reported in the meeting, *so this status report is presumed postponed to the next committee meeting.*

The status of the RFP process was reported in item 4a(iv), above.

5. New Business

Consideration of new business began at 7:00 pm.

5a. 2007 Finance Committee Priorities and Goals

A proposed list of Committee "Goals and Projects for the Next Nine Months" was included in the January report of the Committee to the PNB and sent to committee members by email from the Chair on January 31st. *Members were requested to review this list and be prepared to prioritize Committee goals at the next committee meeting.*

5b. Finance Reporting Delays During Annual Audit

Consideration of this item was postponed by meeting adjournment.

5c. Investment Policy

Consideration of this item was postponed by meeting adjournment.

5d. Work in Subcommittees

Consideration of this item was postponed by meeting adjournment.

5d. Items Referred by the PNB

Consideration of this item was postponed by meeting adjournment.

Dave Adelson sent an email to committee members identifying the following item referred to the Finance Committee at the last PNB meeting.

- i) Joint meeting with the Audit Committee to review and approve a revised Financial Procedures Manual.

6. Adjourn

Motion by Brian Edwards-Tiekert to adjourn.

Committee adjourned without objection at 7:28 pm PST.

Respectfully Submitted,
Terry Goodman
Secretary Pro-Tem

These minutes were approved on 3/01/07.