

Minutes for the regular National Finance Committee meeting August 2, 2011.

Meeting convened at 8:34 PM (ET) a quorum being present, the Chair and Secretary being present.

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Attending: Ken Aaron, Jim Boyd, Bill Crosier, Campbell Johnson, Kim Kaufman, R. Paul Martin, Tracy Rosenberg, Alex Steinberg, Barbara Whipperman, Lavarn Williams, Bruce Wolf, also attending were Executive Director Arlene Englehardt, Director of the Pacifica Radio Archives (PRA) Brian DeShazor and KPFA General Manager Andrew Philips.  
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Agenda:

1. Approve Draft Agenda (5 minutes)
  2. Approve Minutes of July 12<sup>th</sup> (3 minutes)
  3. Approve Minutes Modification for May 24, 2011 (Kaufman) (5 minutes)
  4. Chair Report from Closed Session (3 minutes)
  5. Act on Proposed Archives Divisional Budget (30 minutes)
  6. Act on Proposed KPFT Divisional Budget (30 minutes)
  7. Act on KPFA LSB Request for Shared Services Discount (20 Minutes)
  8. Pending Waiver Requests - KPFA till 8-20 LSB Meeting, KPFK until 8-17 LSB Meeting, WBAI? (20 Minutes)
  9. Set Next Meeting Date. (5 minutes)
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**Motion:** (Ken Aaron) "To approve the agenda." (Passed without objection)

Approve Minutes of July 12<sup>th</sup> 8:38 PM (ET)

**Motion:** (Kim Kaufman) "To approve the minutes of the July 12, 2011, meeting." (Passed without objection)

Approve Minutes Modification for May 24, 2011 8:39 PM (ET)

**Motion:** (Bill Crosier) "To amend the minutes previously adopted for the May 24, 2011, meeting with the following:

'The KPFK Treasurer noted that the Income Statement has different numbers for listener support from what KPFK Business Manager has sent out in their financial statements. She reported that KPFK appears to be doing well with regard to income, but only because of the extra on-air fund raiser in December. Listener income in \$179,315 higher than last year but overall revenue is only \$51,272 higher than last year at this time. Because there was no approved budget for expenses, she is comparing present figures to actuals of 2010.

The current on-air fund raiser is set to last for 25 days and has achieved about 70 to 72% of its goal. She noted that the KPFK LSB didn't approve last year's budget because expenses had never been cut to accommodate the lower income expectations, previously approved by the NFC. She

noted she was uncomfortable with the income as stated, as last year the auditor knocked about \$240,000 off KPFFK's income at the end of year.

Salaries are \$72,290 (10%) higher than last year. Administrative expenses are \$51,985 higher than last year (10.1%). Programming expenses are \$13,399 (9.5%) better than last year. Arbitrons have been cut back is one reason. Development expenses are \$4,078 (1.5%) higher than last year. However, general ledger categories have been moved around from one area to another by the CFO so these expenses are relative and cannot actually be compared except overall. Overall, expenses are a total of \$122,529 higher than 2010. Expenses are \$86,733 higher than 2010 without N.O. expenses. There is a "surplus" of \$243,832 which is \$71,251 lower than last year. Surplus after capital expenses is \$224,015 or \$76,240 worse than last year.

The committee discussed the report. It was noted that a lot of the income lines are lower compared to FY10, and KPFFK couldn't afford to lose more money. The possibility of on-air fund raiser burnout might be happening due to too many days pitched. An analysis of the premiums and on-air fund raiser income was under way. It was felt that with a new General Manager coming to the station on June 15, that the station would have a more disciplined financial department soon. The idea of stations providing programming to other stations getting some financial consideration for that was brought up.

It appears that KPFFK is actually about \$75,000 worse than in FY10 (for a year that lost \$153,000+).” (Passed without objection)

#### Chair Report from Closed Session 8:43 PM (ET)

The Chair announced that the NFC had gone into executive session on June 28, to discuss contractual and legal issues, and the NFC went into executive session on July 12, to discuss contractual, legal and real estate issues.

The question of allowing guests to stay while the committee members debated motions related to the budgets was discussed. It was decided to allow the guests to stay during debate.

#### Act on Proposed Archives Divisional Budget 8:49 PM (ET)

PRA Director Brian DeShazor talked the committee through the PRA FY12 budget proposal. He reported that CD sales to the public were decreasing as were sales of PRA materials as premiums. He is requesting a third day of on-air fund raising for PRA in November. The on-air fund raisers realize more revenue for PRA than the shared expenses levy does. PRA will have an ad in the *Mother Jones* education issue soon and another one in February 2012. PRA is part of a book deal with City Lights Books that should earn some more revenue. PRA is pursuing a number of grants. Some affiliate stations have agreed to do on-air fund raisers for PRA.

The committee discussed the report.

**Motion:** (Tracy Rosenberg) “That the NFC recommend to the full PNB the approval of the Pacifica Radio Archives FY12 budget submitted by Brian DeShazor and prepared by Marianna

Berkovich.” (Passed 10 for, 1 against)

Act on Proposed KPFT Divisional Budget 9:45 PM (ET)

The committee discussed the KPFT FY12 budget proposal. Assumptions sheets were requested. This item will be on the next meeting’s agenda.

Act on KPFA LSB Request for Shared Services Discount 10:27 PM (ET)

**Motion:** (Barbara Whipperman) “The NFC recommends to the PNB to reduce KPFA’s shared expenses payments to the National Office by 1% making the total amount from KPFA 16% to the National Office and 2.5% to the Pacifica Radio Archives.” (Fails 2 for, 6 against, 3 abstentions)

Pending Waiver Requests - KPFA till 8-20 LSB Meeting, KPFK until 8-17 LSB Meeting, WBAI? 11:32 PM (ET)

**Motion:** (Tracy Rosenberg) “The NFC waives the budget submittal deadline for KPFA until August 21, on completion of their regularly scheduled monthly LSB meeting.” (Passed without objection as amended)

**Amendment:** (Bruce Wolf) "Make date ‘August 23.’” (Passed without objection)

**Motion as amended:** (Tracy Rosenberg) “The NFC waives the budget submittal deadline for KPFA until August 23, on completion of their regularly scheduled monthly LSB meeting.” (Passed without objection as amended)

**Motion:** (Tracy Rosenberg) “The NFC waives the budget submittal deadline for KPFK until September 1, on completion of their special LSB meeting.” (Passed without objection)

**Motion:** (Ken Aaron) “To adjourn.” (Passed without objection)

Adjourned 11:48 PM (ET)

Submitted by R. Paul Martin, Secretary.