

Minutes for the regular National Finance Committee meeting August 25, 2015.

Meeting convened at 8:35 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 was Efren Llarinas, National Office Financial Planning and Analysis Manager.

Agenda:

1. Call to Order (5 minutes)
2. Agenda Approval (5 minutes)
3. Minutes Approval (5 minutes)
 - A. Public Minutes of August 11, 2015
4. Financial Statement Review (70 Minutes)
 - A. KPFA (10 minutes)
 - B. KPFA (10 minutes)
 - C. KPFT (10 minutes)
 - D. WPFW (10 minutes)
 - E. WBAI (10 minutes)
 - F. National Office (10 minutes)
 - G. PRA (10 minutes)
5. Scheduling Special Budget Review Meetings (5 minutes)
6. Adjourn 9:00 PM (ET)

Motion: (Brian Edwards-Tiekert) "To approve the agenda." (Passed without objection)

Amendment: (R. Paul Martin) "To add 'KPFA Foundation' as item 4H for 10 minutes." (Fails 2 for, 6 against, 1 abstention)

Minutes Approval 8:44 PM (ET)

Motion: (Michael Novick) "To approve the minutes of the August 11, 2015, public session." (Passed 4 for, 0 against, 5 abstentions)

Financial Statement Review 8:47 PM (ET)

The committee worked from the spreadsheet named "July 31 2015 Income Statement Prep

Aug.19.2015.xlsx.”

KPFA 8:47 PM (ET)

The KPFA Director said that income through July 31, was about \$611,000 better than budgeted, due to the bequests received earlier in the year. Listener Support was off by about \$300,000, the Summer on-air fund raiser was cancelled. KPFA’s Fall on-air fund raiser will begin early, on September 15. Management wants to do that on-air fund raiser in 17 days. If the daily averages are not good enough they plan to do 21 to 23 days. The goal has been increased to offset the lack of a Summer on-air fund raiser. Operating Expenses were more than budgeted by about \$87,000. There are two areas that account for most of the extra expenses, one was premiums which looks to have been mis-budgeted, maybe due to the template that was used; the other area was in Administration Expenses where phone charges and repairs pushed expenses over budget. The station is spending less than budgeted in other areas. As of July 31, KPFA is about \$524,000 better than budgeted.

KPFB 8:52 PM (ET)

The KPFB Treasurer said that his computer had died so he couldn’t read from the income statement during the meeting, and he voiced his frustration with the mix of accrual and cash accounting on the financial statement.

The committee discussed the report. The National Office Financial Planning and Analysis Manager said that KPFB was budgeted to pay about \$368,000 in Central Services to the National Office and about \$49,000 to the Pacifica Radio Archives (PRA), but almost \$203,000 of the \$368,000 has not been paid. Only \$165,000 has been paid for the current fiscal year. Premiums spending was about \$103,000 under budget, but this may be because KPFB hasn’t sent out those premiums yet. After further discussion it was concluded that there had been double booking of some revenue. KPFB may be as much as \$450,000 worse than budgeted at this time. It was noted that the revenue discrepancy needs to be corrected, especially when there are layoffs and large scale cuts at KPFB.

KPFT 9:03 PM (ET)

The KPFT Treasurer said that the station is showing a deficit of about \$9,700 YTD. Personnel expenses are down, and it is hoped that KPFT will do better once the new transmitter is installed in the next week or two. The transmitter is being shipped now, will be delivered in the next week or so, and then it will be installed.

The committee discussed the report. The station is not getting the Web Site Income that had been budgeted. They had been planning on taking ads on the Web site, but outside of a free ad for a restaurant that helps to feed the phone volunteers there have been no Web site ads. There was a discussion of Web site ads vs. Web site donations. The possibility of the NFC coming up with criteria and definitions for Web site derived revenue was discussed.

Motion: (Cerene Roberts) “To extend the time for this item by 3 minutes.” (Passed without objection)

Motion: (Cerene Roberts) “That the NFC create a working group consisting of volunteers from the NFC and Programming committees to draft guidelines with regard to Web site advertising at Pacifica stations.” (Fails 1 for, 5 against, 3 abstentions)

The committee discussed the motion.

WPFW 9:21 PM (ET)

The WPFW Treasurer said that the station’s June numbers are lower in the National Office spreadsheet than what WPFW has locally because about \$37,000 was spent from the restricted fund for moving expenses. In July the station got about \$11,000 in major donations that are not on the National Office spreadsheet. The station is in the middle of an on-air fund raiser now. The goal is \$120,000; in the first week they have a tally of about \$40,000, they expect the second week to pick up and they expect to get a tally of \$80,000 to \$100,000. They had a Buddhist festival that netted about \$11,000. They are working on cutting costs. They have moved out of the storage area which they won’t be paying for anymore, and they are capitalizing on their studios by letting others use it and getting revenue from that. The WPFW LSB is having a fund raising retreat to generate fund raising ideas.

The committee discussed the report. The WPFW Treasurer said that they make more in their on-air fund raisers on the two days of weekends than they usually do during the five weekdays. The income statement from the National Office shows the station about \$195,000 worse than budget overall. The WPFW Treasurer said that expenses are lower by about \$40,000 and their income is higher than it says on the spreadsheet by at least \$60,000 which makes them about \$95,000 short of budget overall. There was a discussion of the differences between WPFW’s local figures and the figures in the National Office’s income statement including the belief that some revenue is getting lumped into Listener Support that shouldn’t be there. The National Office Financial Planning and Analysis Manager said that WPFW owes over \$30,000 for Central Services and that all of the stations owe about \$357,000 in Central Services payments. The station is somewhat behind on paying benefits.

WBAI 9:39 PM (ET)

The WBAI Treasurer reported that at the last local Finance Committee meeting the WBAI General Manager said that he disagreed with the previous income statement that went to the end of June and said that it was inaccurate. The current income statement from the National Office lists WBAI’s Listener Support revenue as about \$254,000 worse than budgeted. It looks like the lumping of other revenue into Listener Support is still happening. Grants income is listed as \$76,500 short of budget. The General Manager has said that we are getting more grant income than that. The Web site revenue is under performing by \$68,000. The WBAI General Manager has talked about getting paid ads on the WBAI Web site, but so far nothing has been done on that. The Major Donor line is only \$1,520, this is at variance with what WBAI Management has

reported. The General Manager says that Listener Support is about \$1,208,000 which is close. Other figures are at variance. Personnel costs are worse than budgeted by about \$41,000 in the National Office income statement, but the WBAI Treasurer doesn't know why that is. The General Manager is still using Quickbook and has said he'll have good numbers for the WBAI local Finance Committee at its September 3, meeting. The National Office income statement says that Total Operating Expenses are better than budget by about \$107,000 but the WBAI Treasurer is not sure that that's true. The WBAI General Manager has told the local Finance Committee that the station is behind on Central Services payments by about \$110,000. Gross Salaries are worse than budgeted by about \$53,000. The Health Benefits expense line is less than budgeted. Total Local Board & Election Expenses is listed as \$2,062 in July, the National Office Financial Planning and Analysis Manager said that this was pay for the Local Election Supervisor, and it means the amount was billed, not necessarily paid. The Consultants line is worse than budgeted by about \$36,000. WBAI Management has not been able to say why this is the case. Office Supplies are worse by budgeted by about \$28,000 which needs an explanation. The National Office income statement lists Crafts Fair Income, but WBAI doesn't have a Crafts Fair anymore, if this is Saturday morning ticket donations the figure is probably wrong. Total Revenue is off by \$634,918. The WBAI General Manager says that the finances are better than that but he can't say precisely how much better he thinks it is. The Tower Rental numbers do not jibe with any other numbers that the WBAI Treasurer has seen on this issue. The Community Events line is \$600 YTD which is low, given the number of such events WBAI has been holding. There are open questions regarding the details of the WBAI Community Events Income. Actual net loss is \$375,624 which makes WBAI \$527,830 worse than budgeted.

The committee discussed the report. The National Office Financial Planning and Analysis Manager said that the Tower Rental figures represent the accrued rental. The WBAI Treasurer said that the number looks too high. The National Office Financial Planning and Analysis Manager said that if the WBAI General Manager uses Great Plains software rather than Quickbook the variances between his numbers and the National Office's numbers will be less, and that the Business Manager has to input the data to the Great Plains software. He offered to teach the WBAI General Manager to use the Great Plains software.

Motion: (Bill Crosier) "To extend this item by five minutes.(Passed without objection) 9:56 PM (ET)

The committee continued discussing the report. Frustration was voiced regarding variances in the figures between the stations and the National Office.

Motion: (Michael Novick) "The NFC recommends to the PNB that it have the Executive Director direct Management at all units to use the same accounting platform, and that we create a network-wide task force to determine categories so that all units are using the same categories and can generate comparable financial documents."

Brian - **Motion:** (Brian Edwards-Tiekert) "To divide" (passed automatically)

Motion: "The NFC recommends to the PNB that it have the Executive Director direct

Management at all units to use the same accounting platform.” (Passed 8 for, 0 against, 1 abstention)

The committee discussed the motion.

Motion: (Cerene Roberts) “To extend the time for this item by two minutes.” (Passed without objection) 10:06 PM (ET)

The committee continued to discuss the motion.

Motion: (Nancy Sorden) “To extend the time for this item by two minutes.” (Passed without objection) 10:08 PM (ET)

The committee continued to discuss the motion.

Motion: “The NFC recommends to the PNB that it create a network-wide task force to determine categories of income and expenses so that all units are using the same categories and can generate comparable financial documents.” (Tabled)

The committee discussed the motion.

Motion: (Lydia Brazon) “To extend the time for this item by three minutes.” (Passed without objection) 10:12 PM (ET)

The committee continued to discuss the motion.

Motion: (Cerene Roberts) “To table the motion.” (Passed 4 for, 3 against, 2 abstentions)

The Chair said that a tabled motion can be taken from the table at any future meeting.

Point of Order: (R. Paul Martin) A tabled motion cannot be taken off the table at any future meetings, there are limits.

The Chair ruled that a tabled motion can be taken from the table at any time during a session and that a session constitutes the full one year term of the NFC.

Motion: (R. Paul Martin) “To appeal the ruling of the Chair.” (Chair upheld 6 for, 2 against, 1 abstention)

Motion: (Bill Crosier) “To extend the time for this item by 10 minutes.” (Passed without objection) 10:20 PM (ET)

National Office 10:20 PM (ET)

The National Office Financial Planning and Analysis Manager said that the National Office on

paper has an income of about \$557,000 but about \$276,000 of Central Services payments have not been collected; the real income through July is about \$281,000 of which about \$142,000 was paid to the auditors leaving about \$139,000 cash as of now. The National Office had negotiated with lawyers and other vendors that had previously sued Pacifica for monthly negotiated payments, these average about \$30,000 per month leaving about \$100,000 for salaries, etc. Stations are having difficulties paying Central Services payments. After one month of not being able to collect Central Services payments from the stations the National Office is afraid that they will have difficulties. The National Office Financial Planning and Analysis Manager has written to all of the stations and the National Office is having difficulties collecting. Next week the National Office needs to advance health care insurance payments. The National Office Financial Planning and Analysis Manager said he wants to request that the health insurance vendors send separate invoices to the stations so that each station pays the health insurance vendors directly so the National Office doesn't have to worry about paying them. He asked the NFC if he can do that. He also said that not all of the stations are using the budget template and they should. It will allow the National Office to make monthly rolling forecasts. Managers will have cash flows every month. Stations will be involved actively, but if they don't use the template it will not materialize.

The committee discussed the National Office Financial Planning and Analysis Manager's question.

Call for the Orders of the Day: (Brian Edwards-Tiekert). 10:31 PM (ET)

Motion: (Nancy Sorden) "To extend the time for this item by five minutes."

Amendment: (Cerene Roberts) "Make it 15 minutes." (Passed without objection)

Motion as amended: "To extend the time for this item by 15 minutes." (Passed without objection) 10:32 PM (ET)

The committee continued to discuss the report. In response to a question the National Office Financial Planning and Analysis Manager said that as of last week the stations did not have the money available to pay for the elections. The auditing firm has given the National Office their initial list of audit requirements which has been sent to all stations but the National Office hasn't received responses from any of the stations. He said that KPFFK needed an accountant to work with them to finalize their bank reconciliations.

Point of Order: (R. Paul Martin) As per previous motion have to have PRA Director here to discuss PRA's finances.

Chair rules that none of the General Managers have been invited to this meeting so PRA is being treated equally.

Motion: (Lydia Brazon) "To postpone PRA to the next meeting," (Passed without objection)

Scheduling Special Budget Review Meetings 10:45 PM (ET)

Motion: (Brian) “To schedule an additional meeting for September 15, 2015.”

The committee discussed the motion.

Amendment: (Michael Novick) “To reserve September 29, 2015 too.” (Passed without objection)

Motion as amended: “To schedule additional meetings for September 15, and September 29, 2015.” (Passed without objection)

Adjourned 10:52 PM (ET)

Submitted by R. Paul Martin, Secretary.