

Minutes for the regular National Finance Committee meeting September 15, 2015.

Meeting convened at 8:36 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, Barbara Whipperman.

Agenda:

1. Call to Order (5 minutes)
2. Agenda Approval (5 minutes)
3. Minutes Approval (5 minutes)
 - A. Minutes of August 25, 2015
 - B. Minutes of September 8, 2015
4. Budget Review and Approval
 - A. National Office (30 minutes)
 - B. Pacifica Radio Archive (30 minutes)
 - C. First Review of station budgets
 - i. KPFA (15 minutes)
 - ii. KPFK (15 minutes)
 - iii. KPFT (15 minutes)
 - iv. WPFW (15 minutes)
 - v. WBAI (15 minutes)
5. Adjourn 11:00 PM (ET)

Motion: (Michael Novick) “To approve the agenda.” (Passed without objection)

Minutes Approval 8:39 PM (ET)

Motion: (Lydia Brazon) “To approve the minutes of the August 25, 2015, meeting.” (Passed without objection)

Motion: (R. Paul Martin) “To approve the minutes of the September 8, 2015 meeting.” (Passed without objection)

Budget Review and Approval 8:42 PM (ET)

National Office 8:42 PM (ET)

No one from the National Office was on the call.

Motion: (Brian Edwards-Tiekert) “That Efren Llarinas be added to the National Finance Committee LISTSERV until such time as a new CFO is hired.” (Passed without objection)

The committee discussed the motion.

First Review of station budgets 8:46 PM (ET)

KPFA 8:46 PM (ET)

The Chair said that he had sent the draft budget as a .PDF yesterday and as a spreadsheet today.

The KPFA Director asked for questions.

The committee asked questions and discussed the KPFA draft FY16 budget proposal. For FY16 KPFA will have 26.85 FTEs down from 29 FTEs in the FY15 budget. A breakdown of how many full time and how many part time employees there are was requested. Election expenses are expected to be about \$44,800. Bequests are on the Major Donor line and are listed as about \$200,000 which is below KPFA’s five year average, although in the past KPFA has raised as low as \$20,000 on that line. The KPFA LSB has determined that if the station doesn’t get that amount from Major Donors then the number of on-air fund raiser days will be increased to make it up. Possible cash flow problems were discussed. Listener Support is listed as about \$2,655,000. The committee discussed depreciation and how to handle it in the FY16 budgets. The committee was told that the KPFA LSB approved this FY16 budget. If CPB money comes in the LSB has said it wants to see that money used to reduce the number of on-air fund raiser days. KPFA’s Management has made cuts and has negotiated a less expensive health plan for the station.

Motion: (Bill Crosier) “That the NFC follow the recommendations of Ross Wisdom, auditor, and put into the capital expenses line item an amount equivalent to what KPFA’s depreciation expense would be, or alternatively to put that directly into the depreciation line item in the KPFA FY16 budget.”

The committee discussed the motion.

Amendment: (Barbara Whipperman) “To strike, ‘, or alternatively to put that directly into the depreciation line item in the KPFA FY16 budget.” (Passed without objection)

The committee discussed the amendment.

Motion as amended: “That the NFC follow the recommendations of Ross Wisdom, auditor, and put into the capital expenses line item an amount equivalent to what KPFA’s depreciation expense would be.” (Fails 2 for, 6 against, 2 abstentions)

KPFA 9:47 PM (ET)

The KPFK Treasurer reported that there were some issues trying to fit the information into the template from the National Office. The draft budget is predicated on the idea that payroll is cut by putting full time workers, and more than half time workers, on half time. Because of issues with the template the cash flow estimates are thrown off. KPFK may need to start its Fall on-air fund raiser in September instead of October.

The committee discussed the budget proposal. There was a discussion about the necessity of cutting premiums expenses, maybe not using premiums, and the concerns about the lack of a proven ability to cut their use. Last year's unauthorized ad and promotion campaign will not be repeated, the call service will also not be used. The station plans to supplement the on-air fund raisers with off-air fund raisers and "quiet drives." If that doesn't succeed the on-air fund raiser days will go up to 85 or 89 days which is less than the approximately 140 days spent pitching in FY15. The FY15 column on the spreadsheet has errors that need to be corrected. KPFK Management is trying to find out how to fit the changing job assignments, which have to be reflected in the payroll, into the template. The KPFK LSB has approved the Staff cuts. They are projecting an overall reduction in FTEs of about 5, from about 30 to about 25. They have eliminated 2.5 FTEs and all Management and more than half time staff are on half time this month and for the first two months and maybe the third month of FY16. Additional cuts may then be necessary. KPFK Management is trying to get grants. They are calling lapsed subscribers and asking them why they aren't subscribing anymore. The KPFK LSB has made a commitment to raise \$5,000 and they have already set up a matching fund for that. There is a committee working on a draft plan to raise more money. The station is trying to raise much more money on their Web site in FY16, the Web site is being revamped. There were some questions regarding items that may not be correct owing to how the template is handling them. Free Speech TV has cancelled their contract with KPFK. What the income from that was in FY15 has to be determined.

KPFT 10:31 PM (ET)

The KPFT draft FY16 budget has not been approved by the KPFT LSB.

The KPFT Treasurer reported that they have been working on the budget, they expect an increase in revenue due to the transmitter operating at full power. They would like to hear about how long it took KPFK to increase their listenership after they increased their transmitter power from 50 kW to 100 kW. They think that their revenue estimate is still higher than it will be and so they need to make some cuts, probably from personnel. The station has a little over eight FTEs, seven full time and about six part time, it varies during the year.

The committee discussed the KPFK draft budget proposal. The need for more information in the spreadsheet and the need for a budget was stressed. KPFK has gotten a cash flow for the first three months of FY16.

WPFW 10:40 PM (ET)

The WPFW Treasurer reported that there is no budget from WPFW yet, they are still working on

it. They hope to get their draft FY16 budget proposal approved by the WPFW LSB on September 21.

The committee discussed things that are in other stations' budget spreadsheets but which do not appear in the WPFW spreadsheet. KPFT is no longer renting their HD channel to Rice University, but they are renting their studios out to others which is bringing in almost as much as the HD rental did. There was a discussion of generating Web site income.

WBAI 10:52 PM (ET)

The WBAI Treasurer said that the document he'd sent to the committee was sent to him last night. It's a preliminary draft FY16 budget. It was prepared by the shared Business Manager who is physically in Texas. The E-mail that accompanied the document said that the expenses were left for the WBAI General Manager to fill in. The current expenses in the document may be place holders. The document shows an end of year net surplus of about \$873,000 for WBAI. This cannot be correct. The assumptions spreadsheet is different from those of previous years. It shows that WBAI pitched for 168 days in FY15. The WBAI Treasurer said that in fact WBAI has pitched more than that with some hours taken out of some days for pitching, and fill ins where old pitching programs are re-run. The WBAI Treasurer is not sure of the income numbers. The WBAI local Finance Committee and LSB have not seen this document yet. It looks like a lot of revenue has been lumped into Listener Support.

The committee discussed the report. Listener Support is listed as being about \$1,000,000 higher for FY16. A lot still needs to be filled in. The WBAI General Manager said that the entire budget would be done by the Business Manager. There is a local Finance Committee meeting on September 24, and the General Manager will be asked more questions then. The draft budget will probably not look like this.

The Chair asked that the WBAI General Manager be invited to the next NFC meeting. WBAI operating without a budget for the start of FY16 would be a problem.

Motion: (Nancy Sorden) "To extend the time for the meeting by 10 minutes." (fails 5 for, 4 against)

Adjourned 11:03 PM (ET)

Submitted by R. Paul Martin, Secretary.