

Draft Minutes for the regular National Finance Committee meeting September 12, 2017.

Meeting convened at 8:37 PM (ET) a quorum being present, the Chair and Secretary being present.

-----  
Attending: Ken Aaron, Sam Agarwal (CFO), Nick Arena, Chris Cory, Bill Crosier, Nick Economidis, Sabrina Jacobs, R. Paul Martin (Secretary), Nancy Sorden, Alex Steinberg (Chair), also attending were Mark Torres, Director and Mariana Berkovich Business Manager of the Pacifica Radio Archives.  
-----

Agenda:

1. Roll Call (2 minutes)
2. Approval of minutes (5 minutes)
3. PRA Budget (45 minutes)
4. All other budgets (KPFT, WBAI, KPFK, KPFA, National Office) (15 minutes)
5. Report from CFO (30 minutes)
6. New Business (15 minutes)
7. Adjourn 10:30 PM (ET)

-----  
**Motion:** (Nick Arena) “To approve the agenda.” (Passed without objection)

The Committee discussed the motion.

Approval of minutes 8:41 PM (ET)

**Motion:** (R. Paul Martin) “To approve the minutes of the August 8, 2017 meeting.” (Passed without objection)

PRA Budget 8:42 PM (ET)

The Director of the Pacifica Radio Archives (PRA) told the committee that when he became PRA Director in July 2016, PRA was struggling to make payroll, but now it’s as robust as it had been in 1990. He said that the PRA draft FY18 budget is conservative and reflects that they’re operating within their budget and they are fulfilling their obligations to service the stations and listeners and to preserve PRA. He said that they are budgeting \$85,000 for Listener Support even though the actual for FY17 is about \$169,000. He said that PRA had a very good on-air fund raiser in November. They are budgeting \$8,000 for Web site income. Their Total Revenue for FY18 is being projected at \$176,000. They are also budgeting donations from Major Donors and Donations Larger than \$1,000 at a total of \$10,000. He said they’re budgeting Car Donations at \$5,000 and they have gotten about \$2,700 in that area so far. Community and Special Events is budgeted at \$1,000, He said that PRA has applied for a grant for \$9,000 from the East Side Community Arts Foundation, which he has found out they have been awarded. This grant will

not be realized until December, so they have not budgeting it at this time. PRA premium sales to the stations is budgeted at \$45,000. He said that PRA came up with a very good premium in FY17, but you never know when a premium will dry up. He said that Premium Sales to Non Pacifica stations would be budgeted at \$25,000. He said PRA is developing new premiums. He said that PRA premiums had resulted in about \$186,000 in Revenue for PRA and about \$1.5 million for all of Pacifica. He said that other revenue lines are being left at \$0 until Pacifica can get PRA's records in order so PRA can apply for and be awarded grants. He said that PRA is projecting a surplus of about \$40,000 for FY18.

The committee discussed the PRA Director's presentation. The CFO said that the budget may be too conservative and suggested raising the Listener Support revenue from \$85,000 to \$150,000; the CFO said that the PRA business model has to change because PRA depending on Central Services payments from the stations is not productive. The PRA Director said that the outstanding Central Services balance for FY17 is about \$45,000. He said that KPFK is caught up, KPFA is one payment behind, KPFT is close to being caught up, but WBAI and WPFW are far behind in their Central Services payments; he said that PRA has made adjustments to live within their means and they are getting other revenue streams, so PRA can fully operate without depending on Central Services money.

The PRA Director said that they want to digitize more tapes from their collection because those tapes are like a ticking time bomb, they may deteriorate if not digitized soon. The PRA Director said that he wanted to concentrate on digitizing tapes this year and not extra on-air fund raising. He said that PRA has about 55,000 tapes that need to be digitized. He said that if they are not digitized before 2025, they may deteriorate, and he'd like to get them digitized by 2021. He said that the very successful PRA premium in FY17 was compiled from about 1,300 tapes that were digitized, and that PRA has about 15,000 digitized tapes. They are working on the next big premium similar to the successful one that they'd produced last November. He said that PRA is looking at a digitization project involving the Shoah Foundation, and they will digitize and catalog the tapes, with PRA retaining copyright. PRA is in discussions about the per-tape cost of this project. The CFO said that the total digitization could cost up to about \$750,000, the PRA Director said that he would pursue grants to digitize the tapes.

**Motion:** (Ken Aaron) "To recommend to the PNB approval of the Pacifica Radio Archives draft FY18 budget as submitted, with adding the \$21,000 for the first 1,000 tapes to be digitized."

The Committee discussed the motion.

**Amendment:** (Bill Crosier) "To add, 'and the actual figures for revenue and expenses for the two years prior to FY17 added, and projected figures for FY17 be added.'" (Passed without objection)

The committee discussed the amendment.

**Point of Order:** (R. Paul Martin) Call for the orders of the day. 10:15 PM (ET)

**Motion:** (Sam Agarwal) “To extend the time for this item by 5 minutes for the Chair to speak.” (Passed without objection) 10:17 PM (ET)

The Committee discussed the motion.

**Motion:** (Alex Steinberg) “To postpone motion to next meeting.” (Passed 7 for, 3 against)

**Motion as amended:** “To recommend to the PNB approval of the Pacifica Radio Archives draft FY18 budget as submitted, with adding the \$21,000 for the first 1,000 tapes to be digitized, and the actual figures for revenue and expenses for the two years prior to FY17 added, and projected figures for FY17 be added.” (Postponed to next meeting)

All other budgets (KPFT, WBAI, KPFK, KPFA, National Office) 10:20 PM (ET)

The WBAI Treasurer reported that he was told that someone other than the WBAI General Manager was preparing WBAI’s FY18 budget. The CFO confirmed this, saying that it’s important that a budget give realistic numbers and they were not getting that from WBAI. He said that the person hired to do the WBAI FY18 budget is familiar with the latest audit, and the CFO expects good results. The CFO said that this is the condition when we don’t have a qualified Business Manager at the station.

The CFO said that he has sent an E-mail to the Business Managers about paying attention to the budgets; three stations say they haven’t sent FY18 budgets to their LSBs. The budgets would then need to go to the NFC. He said that maybe late this month or early in October would be a more realistic time frame for budgets to be brought to the committee.

Report from CFO 10:24 PM (ET)

The CFO said that the FY18 budgets are a priority, the National Office is just getting off the FY15 audit and the Staff is very busy; they’re still wrapping up FY15, which is a huge cleanup project. He said that there was incorrect accounting from 2010, to 2015, they are removing those transactions from Great Plains, and they can’t do the FY16 audit till the cleaning up is finished. He said that Pacifica is behind in the pension audit for FY15 and FY16, because we hadn’t gotten the general audits done for those years, but that is now in process. The National Office Staff are busy with compliance issues. He said that for FY15 and FY16 stations have not paid the pension obligations, and there are serious compliance issues. He said that he is looking into that and compliance is not at the station level but at the foundation level, Pacifica is in default if we don’t pay the full amount. He said that this is being referred to the technical group and they’ll inform us. He said that the interim Executive Director and he must submit action plans because he’s told that the penalties will be very heavy if we don’t remove this default soon. He said that the FY16 audit preparation is a major project and it will take time before we can invite the auditors in. He said that apart from the pension audit and the general audit being late, the 403b audit needs to be done. He said that the Audit committee has appointed auditors for the retirement plan 403 audit. He said that the National Office quite busy with all of these requirements.

The committee discussed the CFO's report. The CFO said that he'd sent budget evaluation worksheets out, and that they should be included along with the budgets. He said they'll give us a good idea of if the budgets are realistic or not, he wants to identify trends like the number of days spent pitching, and we would know quickly if those are realistic or not. He said that each station should give an estimate of its obligations and outstanding bills, and whether they have a plan to make those payments. He said that the LSBs should ask for that worksheet to be filled out before each budget is approved.

Adjourned 10:23 PM (ET)

Submitted by R. Paul Martin, Secretary.