

Minutes for the regular National Finance Committee meeting July 26, 2022.

Meeting convened at 8:33 PM (ET) a quorum being present, the Chair and Secretary being present.

Attending: Chris Cory, Elizabeth von Gunten, Julie Hewitt, Kim Kaufman, Julia Kennard (CFO), R. Paul Martin (Secretary), Sean Kelly McPherson, James Sagurton (Chair), Susan Young also attending was Pacifica Executive Director Stephanie D. Wells.

Agenda:

1. Convene meeting 8:30 PM (ET)
2. Roll Call
3. Adopt Agenda
4. Chair's Announcements (2 minutes)
5. Minutes (3 minutes)
6. Report from Executive Director (If available, 10 minutes)
7. Report from the CFO (10 minutes)
8. Review of the May and June financials (40 minutes)
9. Motion to update Pacifica Transaction Limits (See Appendix A) (Beth von Gunten, 20 minutes)
10. Non Disclosure Agreements (See Appendix B) (20 minutes)
11. Budget Timelines and schedule for NFC review of budgets for FY22 and FY23 (5 minutes)
12. New Business
13. Adjourn no later than 10:15 PM (ET)

Appendix

A)

Motion to update Pacifica Transaction Limit Policy

The NFC recommends that the PNB authorize the Executive Director, General Managers, Pacifica Unit Managers, and other senior management as designated by the Executive Director, to approve on their own authority all reasonable and necessary standard transactions within policy and budgetary guidelines, in amounts up to and including \$10,000 per annum, including all previously approved contractual obligations and routine payments.

Any and all proposed new transactions in excess of \$10,000 per annum not already covered in the budget shall require PNB approval in advance. All such proposed transactions shall be submitted to the PNB in writing in advance and considered for approval at the next appropriate PNB meeting.

In case of emergency, in light of the need to provide for continuity of operations, the most senior acting Pacifica Manager may obtain the necessary approval with the signatures of the current acting Pacifica CFO and any two currently seated elected PNB Officers, a process to be reserved strictly for emergencies.

Any transaction above this Transaction Limit executed without pre-approval is in violation of Pacifica Policy. Any and all questionable transactions shall be reported immediately to the PNB, shall be agendaized at the next appropriate PNB meeting, and shall be considered in performance evaluations.

This policy of __, __ 2022, supersedes the previous PNB Spending Policy of April 25, 2013, and any and all other previous pertinent Pacifica policies.

Beth von Gunten

KPFK LSB, PNB Director

Member, NFC

B)

Nondisclosure Agreement

Pacifica National Board Member And Pacifica National Board

Committee Member Non- Disclosure and Confidentiality Agreement

This Non-Disclosure and Confidentiality Agreement (this “Agreement”)

is entered into as of the ____ day of _____ (the

“Effective Date”) by and between the Pacifica Foundation, Inc.

(“Pacifica”) and _____,

[Pacifica National Board (PNB) Member’s name or PNB Board

Committee Member’s name] a member of the Pacifica National Board

or a Committee of the Pacifica National Board (“Member”). The above parties may be referred to singularly as a “Party” or collectively as the “Parties”.

_____ is a member of the PNB or a member of a PNB Committee. In connection with the Member’s duties, Pacifica may disclose to the Member certain confidential and proprietary information unique and valuable to its ongoing business operations. In consideration of the Member’s ability to discuss and address that confidential proprietary information the Parties agree as follows:

1. Confidential Information. The term “Confidential Information” as used in this Agreement shall mean any data, information, or knowledge disclosed by Pacifica to the Member and not generally known to the public, including but not limited to:

a. Pacifica’s business or operational plans or activities, existing or contemplated markets, fundraising initiatives, methods of operation, products, or services;

b. Pacifica’s strategic, demographic and logistics data;?c. Reports from Pacifica’s attorneys, including but not limited to discussions of litigation strategy, litigation decisions, and assessments of possible courses of action;?d. Pacifica’s financial information other than that publicly available through the Internal

Revenue Service;?e. Pacifica’s management, suppliers, customers, employees, or third-party contractors;?f. Pacifica’s accounts, or

goodwill;?g. Pacifica’s technical systems, processes, methods, algorithms, computational schemas, know-how, or trade secrets;?h. Pacifica’s employees’ salaries, personal information, job related functions, duties or responsibilities, except to the extent that such information is set out in the Pacifica Bylaws; I. Pacifica’s written, auditory or electronic communications;?j. Any information that if disclosed, whether true or untrue, could harm the goodwill or reputation of Pacifica or Pacifica’s management, supporters, suppliers, customers, employees, third-party contractors, methods of operation, or services; or?k. Any other information of any nature whatsoever that Pacifica’s Executive Director, Chief Financial Officer or General Counsel desires to maintain confidentially.

2. Exclusions to Confidential Information. The obligation of confidentiality with respect to Confidential Information will not apply to any information:

a. If the information is or becomes publicly known and available other than as a result of prior unauthorized disclosure by a Member; ?

b. If the information is or was received by the member from a third-party source which, to the best knowledge of the Member, is or was not under a confidentiality obligation to Pacifica with regard

to such information; ?

c. If the information is disclosed by the Member with Pacifica's prior written permission and approval; ?

d. If the information is independently developed by the Member prior to disclosure by the Pacifica and without the use and benefit of any of Pacifica's Confidential Information; or ?

e. If the Member is legally compelled by applicable law, by any court, governmental agency, or regulatory authority or subpoena or discovery request in pending litigation, but only if, to the extent lawful, the Member gives prompt written notice of that fact to the Pacifica Executive Director prior to disclosure so that Pacifica may request a protective order or other remedy, the member may disclose only such portion of the Confidential Information which they are legally obligated to disclose. ?

3. Obligation to Maintain Confidentiality. With respect to Confidential Information:

a. The Member agrees to retain the Confidential Information in strict confidence, to protect the security, integrity, and confidentiality of such information and to not permit unauthorized access to or unauthorized use, disclosure, publication, or dissemination of Confidential Information except in conformity with this Agreement. ?

b. Confidential Information is and will remain the sole and exclusive

property of Pacifica and will not be disclosed or revealed by the Member except (I) to other members of Pacifica's Board who have a need to know such information and agree to be bound by the terms of this Agreement or (ii) with the Company's express prior written consent. ?

c. The Member agrees that, in the event the member must download, access, process, transfer or otherwise communicate Confidential Information, the Member will comply with all laws and regulations applicable to exports and re-exports of data and information and will not, directly or indirectly, export or re-export any Confidential Information in violation of such laws and regulations. ?

d. Upon termination of this Agreement or at the request of Pacifica, the member will ensure that all Confidential Information and all documents, memoranda, notes and other writings or electronic records prepared by the Member that include or reflect any Confidential Information in Pacifica's actual or constructive possession are returned to Pacifica's Executive Director within 24 hours. ?

e. The obligation not to disclose Confidential Information shall survive the termination of this Agreement, and at no time will the member be permitted to disclose Confidential Information, except to the extent that such Confidential Information is excluded from the obligations of confidentiality under this Agreement pursuant to

Paragraph 2 above. ?

4. Remedies. The member acknowledges that use or disclosure of any confidential and proprietary information in a manner inconsistent with this Agreement will give rise to irreparable injury for which damages would not be an adequate remedy. Accordingly, in addition to any other legal

remedies which may be available at law or in equity, Pacifica shall be entitled to equitable or injunctive relief against the unauthorized use or disclosure of confidential and proprietary information. Pacifica shall be entitled to pursue any other legally permissible remedy available as a result of such breach, including but not limited to damages, both direct and consequential. In any action brought by Pacifica under this Section, Pacifica shall be entitled to recover its attorney's fees and costs from member, and the Member may be barred from all closed session of the Board.

5. Notices. All notices given under this Agreement must be in writing. A notice is effective upon receipt and shall be sent via one of the following methods: delivery in person, overnight courier service, certified or registered mail, postage prepaid, return receipt requested, addressed to the Party to be notified at the below address or by facsimile at the below facsimile number or in the case of either Party, to such other party, address or facsimile number as such Party may designate upon reasonable notice to the other Party.

Pacifica

Name of Contact Person and Title: Stephanie Wells, Executive Director

Address: 3729 Cahuenga Boulevard West, Los Angeles, CA 91604

E-mail Address: ed@pacifica.org

Member

Street Address _____

City, State, Zip Code _____

Telephone Number _____

E-mail Address _____

6. Amendment. This Agreement may be amended or modified only by a written agreement signed by both of the Parties.

7. Jurisdiction. This Agreement will be governed by and construed in accordance with the laws of the State of California. Any dispute arising from this Agreement shall be resolved in the courts of the State of California.

8. No Offer or Sale. Nothing in this Agreement will be deemed a sale or offer for sale of Confidential Information nor obligate Pacifica to grant the Member a license or any rights, by statute, common law theory of estoppel or otherwise, to Confidential Information.

9. Entire Agreement. This Agreement constitutes the entire agreement between the Parties and supersedes all prior or contemporaneous negotiations, discussions or agreements, whether written or oral, regarding the subject matter hereof.

10. Waiver. Neither Party will be charged with any waiver of any provision of this Agreement, unless such waiver is evidenced by a writing signed by the Party and any such waiver will be limited to the terms of such writing.

IN WITNESS WHEREOF, the Parties hereto have executed this

Agreement as of _____

MEMBER OF THE BOARD:

PACIFICA FOUNDATION

By: _____

Name: _____

Title: _____

C.

CONSENT TO USE OF ELECTRONIC TRANSMISSIONS

In accordance with Corporations Code §§20 and 5079 and the bylaws of Pacifica Foundation, Inc., a California Nonprofit Corporation (the “corporation”), the undersigned hereby agrees to the following:

1. The corporation may send meeting notices, annual reports, and all other materials (“records”) to me by electronic transmission at the E-mail address listed below.
2. The corporation may rely on communications sent by me to the

corporation by electronic transmission from the E-mail address listed below for any purposes, including action by written consent. I hereby certify that the corporation may reasonably conclude that I am the author of communications so sent.

3. I understand that I have the right to have all records provided or made available on paper or in nonelectronic form, but only if requested by me in writing. Requested Records shall be provided within a reasonable period of time.

Electronic transmissions may be sent and received as follows:

By E-mail: [insert E-mail here]

This consent shall remain in full force and effect until I revoke it in writing and so notify the corporation.

Date:

Signature:

Printed Name:

Motion: (James Sagurton) “To adopt the agenda.” (Passed as amended without objection)

Amendment: (R. Paul Martin) “To add ‘New Business’ before ‘Adjourn no later than 10:15 PM (ET).’” (Passed without objection)

Amendment: (James Sagurton) “To set the duration for ‘Review of the May and June financials’ to ‘40 minutes.’” (Passed without objection)

The Committee discussed the motion.

Chair’s Announcements 8:39 PM (ET)

“Tonight we will review the May and June financials.

The 2021 Audit is underway. The CFO reports that Jorge from Rogers has indicated that, "he feels completing the audit in its entirety by the end of this month is doable. I told him George and I will do everything possible to support them in making that happen."

We will also consider the Motion on Transaction Limits that has been carried over from previous agendas. (Appendix A)

We will also review the previously distributed Non-disclosure Agreement and Consent to use Electronic Transmission Forms (Appendix B)

A consensus is growing that our current priority should be to create FY23 budgets for all units rather than complete FY22 budgets for the National Office and KPFK where revenue in those two units is still so uncertain.”

Minutes 8:41 PM (ET)

Motion: (R. Paul Martin) “To approve the minutes of June 14, 2022, NFC meeting.” (Passed without objection)

Motion: (R. Paul Martin) “To approve the minutes of the December 14, 2021, exec sess NFC meeting.” (Passed without objection)

The Committee discussed the motion.

Report from Executive Director 8:44 PM (ET)

The Executive Director told the committee that she’s been focusing on grant opportunities and she’s applied to the City of Los Angeles “LA 2050” grant funding program; she hasn’t heard anything yet. An application has been made for a \$50,000 grant for KPFT for general operating support with an emphasis on programming, and she hasn’t heard from the grantor yet. She said that she’s working on a \$50,000 grant from the DEW Foundation for KPFK building improvements that’s due on August 1. She said she’s started looking into a Federal Emergency Management Agency 2022 Hazard Mitigation Program grant which deals with building infrastructure in communities and flood mitigation. She said that she’s researching that and that there are some Webinars that she has to go to for it. She said that she’s started working with KPFT Staff and volunteers for insight on the capital campaign that they’re planning.

In answer to a question the Executive Director said that the DEW Foundation grant is by invitation only and that Pacifica got an invitation based on a relationship that the President of the Board of that organization has with a Staff member.

Report from the CFO 8:47 PM (ET)

The CFO told the committee that we're scheduled to have the FY21 audit presented on July 31, and if that didn't happen she would let everyone know. She said that she's starting on tax return work, and the deadline is August 15. She said that she was also working on the July financials and she hoped to have them for the next NFC meeting. She said that she's also trying to focus on trying to develop notes that will help with the transition after September 30, with whomever will take NETA's place then. She said that she wants to make sure that everything is as organized as possible and that there are notes that are helpful. She suggested that Pacifica look into a document management system. He said that the pandemic forced Pacifica to use one and that once she got used to it it was fantastic. She said it's a real stand-alone document management system and there needs to be some conversation about that.

In answer to a question the CFO said that NETA is using software named *DocLink* as their document management system.

In answer to a question from the Chair the Executive Director said that it was her understanding that the PNB needs a personnel search committee and that the NFC would determine what's needed with regard to a CFO replacement. There was a discussion of whether the Executive Director was already authorized to hire people or organizations that would replace NETA. The Executive Director said that as a condition of her contract she is not authorized to make hires on her own. It was suggested that these conversations will be a part of our budget discussion, and that the PNB needs to be explicit in determining who will have the power to make hires to replace NETA. The CFO recommended not changing the payroll company that Pacifica has been using.

Motion: (Kim Kaufman) "That the NFC schedule executive sessions for the next three meetings for the possible discussion of personnel, litigation, proprietary matters or any other confidential matters in addition to our regular open meetings." (Passed without objection)

Review of the May and June financials 9:20 PM (ET)

The CFO said that she wanted to combine discussion of the May and June financials and focus on YTD. She said that she'd plugged holes in the reports but when she ran the financials the day before the meeting two other holes had sprung up. She said that Staff were responsive and they worked on it the previous night. She said that it's been a rough couple of years and a rough couple of months. She said she wants people to understand where the tough spots are.

She said that the KPFA YTD for FY21 was incorrect. That when accruals had been reversed and reentered in May some were not reversed and it wasn't caught till they had sent it to the auditor. She said that instead of being down 38% KPFA revenue is flat for FY22. She said that after the audit she would have more information. She said that KPFA raised \$307,000 during May and June vs. \$414,000 in 2021, which is insufficient to cover the station's monthly expenses. She said that May and June were stressful months for Staff with leadership changes followed by the departure of three part time board operators, and issues with the station's air conditioning. She said that they did not have an on-air fund raiser in July and cash is down. She said that the day of this NFC meeting was the 63rd anniversary of KPFA and they were starting an on-air fund raiser

around that in the hopes of raising \$63,000, and that the next few days were very important for them. She said they were hoping that this celebratory on-air fund raiser would obviate the need for a full blown on-air fund raiser in August. She said that KPFK was day to day with regard to cash.

The CFO said that KPFT's revenue was down 40%. She said that KPFT had received some nice sized major gift/grants all of which is restricted to tower-related equipment and rent and one related to programming, and these funds made up all of their cash at the time of this meeting, so fundraising for unrestricted support is critical at this time. She said that restricted funds should not be used for expenses unrelated to their purpose. She said that a Capital Campaign is potentially starting soon to be used for the build-out of the station. She said that some partial on-air fund raiser may be done in August. She said she believed that KPFT had gotten about \$10,000 of deposits in July.

The CFO said that WBAI had a tough May and June. She said that their on-air fund raising was stronger last year and this was compounded by a large gift last year for about \$200,000 that they didn't get this year. She said that several gifts were outstanding and they're hoping to get them before the end of the year.

The CFO said that WPFW was supposed to have an on-air fund raiser but they're trying to change their fundraising model and focus more on donor support rather than smaller gifts. She said that fundraising for May and June exceeded that for 2021, due to an emphasis on major gift fundraising led by a member of the LSB. She said that Staff and board members are still working on a new model and are in the process of deciding what if any fund drive will be held in August as originally planned. She said that they want more donor development but that stewardship and cultivation takes time. She said that her understanding was that there's a desire to forego an August on-air fund raiser and focus on donor gifts, but it takes time to develop that and convert to actual cash.

The CFO said that the Pacifica Affiliates Network revenue for May and June was up over 16% compared to 2021, and that cash is lower but a big renewal is coming up in early Fall.

The CFO said that the National Office is struggling with cash flow and unpaid Central Services fees from KPFK, KPFT and WBAI. She said that there was a little delay with KPFA and WPFW due to their tax issues, but that they are still committed to paying their Central Services fees. She said that WBAI has made significant progress in funding health benefits in FY22 with three months still due to the National Office. She said that WBAI is funding payroll and current health in a timely manner. She said that KPFA and WPFW are still paying Central Services fees. She said that the one gap at WBAI that's improved was that they were unable to pay their health benefits, she said she told them it's not optional and they've been paying it. She said that they're still behind three months. She said that the National Office had fronted that and that's \$30,000 for WBAI instead of paying National Office bills. She said that WBAI is funding payroll and health insurance in a timely manner now. She said that cash is very tight there, the station had about \$5,000 to \$6,000 earlier that day and they have lot of outstanding payables. She said that WBAI is not in the same situation as KPFK or the National Office but she thought that the

station could easily slip into that and we will need to watch for the next couple of months. She said that her main concern cash-wise is KPFK, KPFT and WBAI. She said that WBAI seems to be able to pull it out, but the increase in Accounts Payable in the last couple of months puts them back on the radar because their Tower Rent is very high. She said that KPFK is in the same situation it's been in, but they're not in an on-air fund raiser now. She said that KPFT is in the same situation and they have to do an on-air fund raiser to get out of this. She said that KPFT's utility bills will start coming in and there are things we can't avoid paying. She said that their Accounts Payable can pile up without a fundraising plan. She said that all three of those stations are at risk for problems funding payroll and health in August.

In answer to a question regarding revenue in June being about 50% over last year the CFO said that WPFW, KPFK and WBAI were doing on-air fund raising in June. The Chair noted that WBAI has a different model and is always fundraising.

The committee discussed KPFT's progress in building out their new building. Some of the work is out for bids. They are looking to do a big live station launch for Labor Day, they're looking to get back to doing on-air fund raisers; they're having a Capital Campaign that is for non-essential things and they are working on building up their programming. The committee was told that a Major Donor had donated for security gates for the new building.

The CFO confirmed that the June financials showed a YTD Net Loss of about \$965,000, and that for WBAI the YTD deficit was about \$264,000. A member noted that about half of Pacifica's Net Loss is due to KPFK, about a quarter was due to WBAI and the rest was due to the National Office. He noted that we are seeing losses pile up in the National Office because of the difference between listing of accruals and actual expenditures. It was also noted that the NFC has not changed the revenue structure of how Central Services fees are to be charged. The CFO noted that for FY22 Pacifica had close to \$100,000 in tax liens a couple of months ago. She said that there were also high legal fees and there were other expenses. It was also noted that one has to mentally back out the Paycheck Protection Program money from FY21 in order to make the National Office finances easier to read.

Motion: (James Sagurton) "To extend the time for this meeting by 15 minutes." (Passed without objection) 10:06 PM (ET)

The CFO noted that a gift of \$25,000 to KPFK in June needed to be moved from the Listener Support line to the Major Donor line.

The committee discussed whether the June financials spreadsheet could be sent out to the public. It was noted that some parts of some tabs needed to be corrected. The CFO said she'd correct the parts that needed correcting.

Motion to update Pacifica Transaction Limits 10:22 PM (ET)

After some debate it was discovered that the motion contained in "Appendix B" of the agenda was different from the motion that had been postponed to this meeting at the June 14, 2022, NFC

meeting. The motion that had been postponed, below, was brought to the floor.

Motion: “Motion to update Pacifica Transaction Limit Policy

The NFC recommends that the PNB authorize the Executive Director, General Managers, Pacifica Unit Managers, and other senior Pacifica management as designated by the Executive Director to approve on their own authority all reasonable and necessary standard transactions within policy and budgetary guidelines, in amounts up to and including \$10,000 per fiscal budget year (cumulative), including all previously approved contractual obligations and routine payments.

Any and all proposed new transactions in excess of \$10,000 per fiscal budget year (cumulative) shall require PNB approval in advance. All such proposed new transactions shall be submitted by Management to the PNB in writing in advance and considered for approval at the next appropriate PNB meeting.

In case of emergency, the most senior acting Pacifica Manager may obtain the necessary approval with the signatures of the current acting Pacifica CFO and any two currently seated elected PNB Officers, a process to be reserved strictly for emergencies.

Any transaction in excess of this Transaction Limit executed without prior PNB approval is in violation of Pacifica Policy. Any and all questionable transactions shall be reported immediately to the PNB, shall be agendaized at the next appropriate PNB meeting, and shall be considered in performance evaluations.

This policy supersedes the previous PNB Spending Policy of April 25, 2013, and any and all other previous pertinent Pacifica policies.”

The Committee discussed the motion.

Motion: (James Sagurton) “To extend the time for this meeting by 15 minutes.” (Passed without objection) 10:33 PM (ET)

The Committee discussed the motion.

Motion: (Elizabeth von Gunten) “To postpone the motion to the next meeting.” (Passed without objection) 10:46 PM (ET)

Non Disclosure Agreements 10:46 PM (ET)

Motion: (James Sagurton) “To extend the time for this meeting by 10 minutes.” 10:47 PM (ET)

The committee discussed the “Pacifica National Board Member And Pacifica National Board Committee Member Non-Disclosure and Confidentiality Agreement” and the “CONSENT TO USE OF ELECTRONIC TRANSMISSIONS” that NFC members are being asked to sign. Not all

members had the documents. In the course of discussion some problems with the non-disclosure agreement were pointed out. The PNB Chair said she'd send out the documents as word processed documents and as PDF files.

Call for the orders of the day: (R. Paul Martin) 11:04 PM (ET)

Adjourned 11:04 PM (ET)

Submitted by R. Paul Martin, Secretary.