

Minutes for the regular National Finance Committee meeting November 28, 2023.

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

Attending: Sharon Adams, Teresa Allen, Kamau Harris, Julie Hewitt, Kim Kaufman, R. Paul Martin (Secretary), James McFadden, Sean Kelly McPherson, James Sagurton (Chair), Elizabeth von Gunten also attending were Pacifica Executive Director Stephanie D. Wells and KPFT General Manager Sandy Weinman.

Agenda:

1. Convene Meeting
2. Roll Call
3. Adopt Agenda
4. Chair's announcements (2 minutes)
5. Report from the Executive Director with Q & A (30 minutes)
6. Review of the KPFT FY24 Draft Budget (60 minutes)
7. Updates from stations on the status of their budgets and when the NFC may expect to receive them (5 minutes)
8. Minutes (10 minutes)
9. Adjourn no later than 10:15 PM (ET)

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

The Committee discussed the motion.

Amendment: (James Sagurton) "To switch 'Review of the KPFT FY24 Draft Budget (60 minutes)' and 'Report from the Executive Director with Q & A (30 minutes).'" (Passed without objection)

Chair's announcements 8:41 PM (ET)

"Tonight we will review the KPFT FY24 Draft Budget with KPFT General Manager Sandy Weinman. We will also hear a regular report from Pacifica Executive Director, Stephanie Wells. Please look at the documents from the KPFT Treasurer as posted by National Finance Committee (NFC) Secretary, R. Paul Martin on the NFC list."

Report from the Executive Director with Q & A 8:42 PM (ET)

The Executive Director told the committee that she was talking to vendors about paying down Pacifica's Aged Payables. She said that she was arranging payment plans and things like that. She said that the total amount of Aged Payables was \$1,169,450. She said that Pacifica is still past due on the FJC loan interest payments and the Economic Injury Disaster Loan (EIDL) interest payments, but that she was in talks with both FJC and the Small Business Administration, which administers the EIDL about paying those loans down.. She said that with

the potential sale of the Los Angeles property the plan is to set aside some money in a restricted account in order to pay those interest payments and cover them for the next year or so. She said that she was still waiting for some divisions to move to Bank of America. She said that E-mails had been sent to those divisions that are still in the process of doing so because the deadline has been set as December 1. She said that the National Business Manager has been talking to them with regard to any issues or concern. She said that the Bank of America has been very patient through all of it. She said that we're leaving a little money in the old bank accounts to take care of any payables that may come up. She said that Pacifica has accepted an offer on the Los Angeles property. She said that the 15 day inspection period had started. She said that people from KPFFK were working with the buyer's architects. She said that after the 15 day inspection she hoped that things would go as planned and the building would be in escrow by the first week of December. She said that people at KPFFK were organizing things, deciding what to toss, to keep or to sell. She said that they were looking for volunteers to help with that. She said that it had been suggested that unworkable equipment be used as sort of historical premiums to be sold for donations. She said that people were looking for a temporary location space for the 1½ years of refurbishing that would happen before KPFFK moves back into the revised building. She said that we still can't do the FY22 audit because there's no money to pay for it. She said that she was reaching out and talking to the auditors about getting individual audit reports for each of the stations as per the Corporation for Public Broadcasting (CPB) requirements. She said that each station is audited already so the auditors will have those documents. She said that the General Manager of WPFW has announced his retirement in the first quarter of 2024, and the exact date had not been set. She said that the WPFW General Manager wants to help with the transition. She said that a Personnel Search Committee will be formed at the station and will post the requirements for that job.

The committee discussed the possibility of having a volunteer interim General Manager for WPFW. The Executive Director said that it's worked at other stations and that financially it may be the direction in which we need to go.

In answer to a question the Executive Director said that with regard to the consolidation of the bank accounts of all Pacifica divisions in Bank of America that the National Office was still waiting for the Pacifica Radio Archives (PRA), WPFW and one account at WBAI to be sent to Bank of America. She said that KPFA has not transferred their accounts to Bank of America and there was still debate from KPFA about transferring their accounts, and that the KPFA LSB and Treasurer were still pushing back and this will need to be discussed further. She said that there was discussion about KPFA having a separate account for payroll, since they do not use the same payroll system as the rest of Pacifica.

The committee discussed the issue of having interim employees in place for years. The Executive Director said that Pacifica had been bitten by IRS about this and that the unions had issues with the practice.

Review of the KPFT FY24 Draft Budget 9:11 PM (ET)

The KPFT Director said that it was not a deficit budget but a very slightly positive budget.

The KPFT General Manager presented the KPFT draft FY24 budget proposal. He said that KPFT had one full-time paid employee, as required by FCC rules. He said that counting contract

workers they had about 2½ FTEs. He said that KPFT was going for employing three full-time employees and four part-time ones. He said that Listener Support was the source of 95% or more of the station's revenue. He said that the station's latest on-air fund raiser had had a goal of \$150,000 and had raised \$151,000. He said that the station's 53rd anniversary on-air fund raiser had originally set a goal of \$53,000 and then had raised the goal to \$100,000 and they had exceeded that goal the day before this meeting. He said that they were out-funding the draft FY24 budget but were not out-spending it. He said that the station was going to be spending about \$20,000 to \$25,000 for real estate taxes before the end of December. He said that KPFT was not tax exempt because of a law passed in Texas that said that they'd have to be CPB-eligible in order to be tax exempt. He said that the station paid Central Services fees every month and that it was their single biggest bill. He said that expenses related to their transmitter and tower were their second biggest bill and that expenses related to their building along with utilities, etc. was their third biggest bill. He said that KPFT had been good at attracting sustaining donations with about \$19,000 in revenue coming from them now. He said that he wanted to get to receiving \$26,000 a month from sustainers and that their last on-air fund raiser increased sustainer revenue by about \$3,000. He said that they couldn't take advantage of some grants, including a large one from the Brown Foundation for \$45,000 for a repeater in Gainesville, Texas. He said that someone from the Brown Foundation had given a matching grant for \$50,000.

In answer to a question the KPFT General Manager said that their surplus was \$7,876 but that if they got a major infusion of revenue it might not go to increasing that surplus but might go to special projects like putting up a 6 MHz tower next to the KPFT building so that they could contact their main tower directly without having to use the Internet. He said that such a studio to transmitter link would be more reliable than the one that uses the Internet. He said that other capital projects would be serious contenders for any extra revenue, but that adding more paid employees would be a priority.

Motion: (James Sagurton) "That the NFC recommend to the PNB that it approve the KPFT FY24 budget." (Passed without objection)

The Committee discussed the motion.

Updates from stations on the status of their budgets and when the NFC may expect to receive them 10:07 PM (ET)

The Chair said that the KPFA draft FY24 budget was ready to go, that the KPFFK FY24 budget had already been passed by the NFC, that we'd just passed the KPFT FY24 budget, and that the Pacifica Radio Archives was a work in progress. The Executive Director said that the Pacifica Affiliates draft FY24 budget was ready.

The WPFW Treasurer said that they were having a devil of a time. He said that they'd met the previous evening for about two hours and had gone over the draft FY24 budget line by line and that there were several items they had to deal with including a \$160,000 Taxes/Fees line that no one knows how it got into the budget. He said that they were working with the General Manager and the Chief Engineer to try and find out how it snuck into the budget and how to remove it.

The WBAI Treasurer said that the WBAI General Manager had sent a revised draft FY24 budget and the WBAI local Finance Committee would meet the next night to consider it.

Minutes 10:10 PM (ET)

Motion: (R. Paul Martin) “To approve the minutes of the September 12, 2023, NFC meeting as corrected.” (Passed without objection as amended)

Amendment: (Kim Kaufman) “To change, ‘She said that the total Aged Payables were about \$1.1 million,’ to ‘She said that the total Aged Payables of concern were about \$1.1 million.’” (Passed without objection)

The committee discussed the amendment.

Amendment: (Kim Kaufman) “to add to the ‘Review Draft Consolidated Financials for the period ending June 30,’ item, ‘KPFK’s Treasurer asked about the “misc” income of \$4,600 and if that was for the PSAs, the \$14k for office supplies, and that there were mailing costs but no premium shipping costs which CPB looks for. WBAI’s Treasurer sent WBAI’s General Manager’s QuickBooks spreadsheet of \$8,650 of the office supplies which included purchases of Adobe, Apple, B&H and Intuit which is Quickbooks. He said WBAI’s General Manager said he had about \$40,000 PSA income in his Quickbooks.” (Passed without objection)

The Committee discussed the motion.

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

Motion: (R. Paul Martin) “To approve the minutes of the November 14, 2023, NFC meeting.” (Passed 5 for, 2 against)

The Committee discussed the motion.

Motion: (Kim Kaufman) “To postpone the motion to the next meeting.” (Fails 3 for, 3 against, 1 abstention)

The Committee discussed the motion.

Previous Notice: (Kim Kaufman) “To amend the November 14, and October 24, 2023, minutes.”

Adjourned 10:42 PM (ET)

Submitted by R. Paul Martin, Secretary.