

WBAI Treasurer's Report
June 12, 2024

The National Finance Committee (NFC) met on May 14, May 28, and June 11, 2024. The local Finance Committee met on May 15, 2024. All of those meetings were held by teleconference.

At the May 14, 2024, NFC meeting the committee passed two motions relating to deficit budgets, such as WBAI and WPFW have been running. WBAI's deficit draft FY24 budget was not approved by the PNB. Discussion around the first motion related to the possible political use of such a motion. What was being done with regard to WBAI was cited by some NFC members as a very good example of what would happen with any station that had a deficit budget. At that time the maker of the motion said that this meant that Pacifica would look to the Executive Director working with station Management to come in with their strategies, and they might include programming changes.

Motion: (Susan Young) "When the NFC forwards a deficit budget to the PNB, the NFC will automatically follow up with the Executive Director, Business Manager and station management to begin the process of addressing the deficit."
(Passed without objection)

Motion: (Susan Young) "For stations with deficit budgets, station and national management will determine, with periodic financial reports at least quarterly, whether the deficit is increasing or decreasing and report to the NFC."
(Passed without objection)

The Executive Director was not at the open session meeting so we didn't get a report from her. The NFC Chair explained to those listening to the stream that the committee would go into executive session to consider the WBAI draft FY24 Deficit Budget, Financials, Personnel, and Contractual items with Executive Director Stephanie Wells and WBAI General Manager Berthold Reimers.

The NFC then went into executive session, and the Executive Director was at that meeting. The report out from that executive session was, "The NFC met in consideration of the WBAI FY24 deficit budget; we addressed financial, personnel and contractual matters of a confidential nature with the Executive Director and WBAI General Manager."

At the May 15, 2024, 2024, local Finance Committee meeting the General Manager did not show up. The committee discussed the need to get the station's programming to attract more listeners so that WBAI's on-air fund raising will be more effective. The FCC consent agreement was discussed. It was mentioned that all of the fines levied against non-profit organizations by the FCC have been the result of filed complaints. A member suggested that somebody saw the opportunity to file a complaint and force Pacifica to spend money, and that the complaint was a weaponization of the process for what the member called reasons unknown.

The committee was told that on-air fund raisers can only pitch premiums twice per hour now, donor fatigue and Pacifica-wide training on the new pitching methods were discussed. The fact that WBAI now has to pay a \$25,000 fine levied by the FCC for what Pacifica has agreed to and things that were done while pitching in the past was discussed. WBAI will be paying the fine in increments of \$5,000 per month for five consecutive months. It was noted that the FCC action was brought about by people in Pacifica making complaints, and not always accurate ones, to the FCC. The similarity of

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WBAI's pitching methods and those of some other Pacifica stations was brought up. Only WBAI was complained about and only WBAI has to pay the fine.

The ineffectiveness of certain groups of mostly well meaning people who want to raise funds for WBAI was discussed. The need to make off-air fund raising more efficient was discussed.

At the May 28, 2024, NFC meeting the Executive Director told the committee that Pacifica's Accounts Payable amounted to about \$1.4 Million. She said that although the Economic Injury Disaster Loan (EIDL) has been transferred to the United States Treasury Department for collection due to overdue payments, she was able to talk to multiple people at the Small Business Administration (SBA) and Pacifica may qualify for the SBA Hardship Accommodation Plan (HAP) program. She said that this would allow Pacifica to pay just 10% of our usual interest payment of \$8,731 per month or as low as \$25 per month for six months, with the option to extend. She said that the SBA was trying to remove the former Executive Director's name from paperwork for the loan and put hers on as Executive Director. She said that once all of the paperwork is done it would be much easier to remove the lien that's on the Los Angeles building. She said that she's been working with FJC on revising the terms of the loan and the lien should be removed within the next few weeks and she anticipated the close of escrow in early July. She said that the FJC loan amounted to about \$2.5 Million if we were to pay it all off and the EIDL would cost about \$2.7 Million to pay off totally.

The Executive Director said that the National Office was working on the FY25 budgets.

The Executive Director said that with regard to WBAI the reductions recommended by the WBAI General Manager would begin on June 1, and those included some paid programmers, the marketing consultant, and it was recommended to lose the Constant Contact subscription. She said that she was looking to not have that done because she didn't want to lose the mailing list. She said that she was looking to move that Constant Contact account to the National Office. She said that the General Manager had suggested losing the weekend board ops. She said that was probably not going to be done because it would cause more problems. She said that the suggested cuts would not make significant dents in the deficit. She said that WBAI was able to make payroll, and also pay the second installment of the FCC fine as well as pay the FCC attorney.

At this point in the meeting I registered a protest of the Executive Director having not afforded any due process to the WBAI producers who had been cited in the complaint to the FCC. I noted that at least one program cited in the consent agreement disputed the charges against it and said that they were without foundation and were from a person who had a personal grudge against those programmers and none of that was reflected in the consent document. The Executive Director said that they were following the results of FCC investigation.

The Executive Director said that there had been no further payments made to 4 Times Square and that the Tower Rent bill was about \$111,000. She said that the call center was owed about \$102,000 and that WBAI owed about \$10,600 in rent at 388 Atlantic Ave.

The following motion was passed at this meeting:

Motion: (Darlene Pagano) "The NFC will give stations, LSBs and local Finance Committees, a standard timeline for completion of the FY25 budgets so that the NFC can review said budgets by its meetings of September 9, 2024, and September 23, 2024." (Passed without objection)

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There will probably be yet another Central Services formula coming out of the NFC some time soon. The most recent one of these was worked on for months and was only passed last September.

The NFC then adjourned to executive session. The report out from that executive session was, “The committee went into an executive session to consider, Financial Considerations, Personnel, and Contractual items with Executive Director Stephanie Wells regarding several stations in deficit positions and steps needed to be implemented.”

On June 9, 2025, the Executive Director sent out an E-mail to all WBAI Staff and administration people saying that effective as of that date Berthold Reimers and Linda Perry had been placed on administrative leave from their positions of General Manager and Program Director at WBAI and that Bob Hennelly would be serving as interim General Manager and interim Program Director during this transition.

At the June 11, 2024, NFC meeting the Executive Director introduced the new WBAI interim General Manager/interim Program Director and he told the committee about himself. He told the NFC about the Unions that have been giving money to WBAI based on his solicitation of them. He said that WBAI was not in the premiums business and that he wanted to clear up the backlog of premiums that the station has not fulfilled. He noted that WBAI has to meet the FCC requirements with regard to not merchandising on the air. He described how he wants to engage the listeners. He noted that he'd only had the job for a few days and he likened it to, “Trying to change a fan belt with the engine running.” I asked if he was consulting a lawyer with regard to the details of the various sponsorships he's establishing for funding WBAI, and he said that he was.

In answer to a question the new interim General Manager/interim Program Director said that the money that's being given for Pacifica's national programming around the Democratic National Convention would be earmarked for that project but that some smaller sums, in approximately the \$6,500 range, would be for WBAI. The Executive Director said that board ops and other workers around the network would be paid by Pacifica for their work on the convention coverage.

The Executive Director reported to the NFC that with regard to the sale of the Los Angeles building the close of escrow has been extended to July 8. One of the important things related to the final sale of that building is that some of the proceeds are to be used to pay for the audits that Pacifica should have already posted. The audits are essential not only to Pacifica's ability to continue doing business but it will also allow all of the stations to once again solicit grants and other forms of donation that require current audits in order for the grantors or donors to contribute money. Current audits will also be required if pacs is ever to regain membership in the Corporation for Public Broadcasting. The Executive Director said that the FJC lien should be removed momentarily, and they will also waive the late fees. She said that she was making progress with the SBA and EIDL person she's been connecting with on a regular basis and she's working on getting on the Hardship Accommodation Plan, which will allow the payments to be reduced. She said that an agreement had been reached that will allow the Pacifica archives to be digitized and that she expects the on-site materials to be fully digitized by the end of 2026.

The Executive Director talked about the training that everyone in Pacifica is going to need to undergo in order to comply with the FCC consent agreement. There will be a lot of training done by the end of June. She said that any Staff not participating in that training will be suspended.

The WBAI Director on the NFC said that he was hearing from producers who work on-air that there has been a significant decline in listenership lately. The Executive Director said that she would

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have to wait and see the *Allegiance* numbers to see if that were the case, and later in the meeting she said that she'd checked the WBAI stream statistics and that there had been no decline. About 20 minutes later the WBAI Director said that he'd checked the *Allegiance* numbers and that the station had made only about \$2,500 over about the past 10 days. Some NFC members objected to this dialogue and claimed that it was off-topic. The meeting then descended into chaos and a motion to adjourn was made and passed, ending the meeting.

So Pacifica Management and the PNB have gone from working with WBAI Management to accomplish things to firing WBAI Management in a way that is not in compliance with the Pacifica bylaws. Without getting into personnel issues I wonder if *that* what some NFC members meant by a good example of what would happen with any station that had a deficit budget?

The interim General Manager/interim Program Director has some big plans. They sound good, I suppose we'll see how they work out. The sudden belligerence at last night's NFC meeting when someone disagreed with the Executive Director was something to take note of.

It is also of note that the Executive Director has fired WBAI Management by doing an end-run around the Pacifica Bylaws. This does not inspire confidence in Pacifica's and WBAI's future. The financial picture is still bleak. It sounds like there will be a bit of an infusion of cash next month, and if we could get the audits done, we need to produce two of them, that would help to raise funds but it would also indicate some stability happening in Pacifica.

Nothing that's happened since the last LSB meeting has made me any less pessimistic than I had been. And the suspicion of some people in Pacifica operating in bad faith makes it all very hard to figure out and also difficult to trust people. Some things look better, some things look worse. I feel as if we're all just going along for a ride here.

The next NFC meeting is scheduled for Tuesday June 26, 2024, at 8:30 PM (ET). The next local Finance Committee meeting is scheduled for Wednesday, June 19, 2024, at 7:00 PM (ET). These meetings will be held by teleconference.

R. Paul Martin
WBAI LSB Treasurer