

WBAI Treasurer's Report
September 11, 2024

The local Finance Committee met on August 21, and September 4, 2024. The National Finance Committee (NFC) met on August 27, 2024. all of these meetings were held by teleconference.

The interim General Manager did not attend the August 21, 2024, local Finance Committee meeting. At the meeting committee member Matt Mazza told the committee that the approximately \$222,000 that came into WBAI in June was not a bequest but was from a *very* generous listener. Matt Mazza further reported that the station had also gotten a check for \$50,000. He said that at the same time the station does not have paper towels or toilet paper nor can it pay someone to come in and clean the place. He noted that there were other issues regarding WBAI's ability to pay bills and get premiums sent out which have already been paid for.

WBAI PNB Director Jim Dingeman said that he was doing a Director's Inspection to get information about those issues. He said that for his inspection he will not accept oral testimony about what's happening and that if he gets stonewalled he will let the public know about it. He said that he wanted to get to the bottom of what's financially going on. He said that it has to be verified that the amount of revenue coming in from listeners has dropped 80% to 90%.

The committee discussed the fact that Pacifica Management and a majority of the PNB decided not to fight the FCC case that's cost WBAI \$25,000 and has hamstrung on-air fund raising. Questions about how much of the money coming into Pacifica from Unions goes to WBAI were raised again. The committee voted to invite the interim General Manager to a meeting on September 4.

The open session of the August 27, 2024, NFC meeting had some bizarre elements to it.

First, a word about Central Services fees. They are set up so that the National Office can get funded. The National Office needs to pay its Staff it also does all sorts of things in Pacifica such as make sure that all units make their payroll, make sure that health insurance premiums are paid and that other types of insurance premiums are paid and the National Office is supposed to keep Pacifica in line with California Corporate law, and in compliance with regulations from the FCC, IRS and other federal agencies. The National Office covers the cost of the Pacifica elections. The National Office is also supposed to make sure that the annual audits are done on time, although that hasn't been the case for a while. It takes money to do all of these things. Central Services fees are also supposed to support the Pacifica Radio Archives which an E-mail rumor has it has had its entire Staff laid off (see the August 14, 2024, Treasurer's Report for what happened when I asked about that rumor at an NFC meeting). A Central Services formula is needed to spell out just who pays what in Central Services fees. Putting together Central Services formulas is a job the NFC has had for decades. There have been quite a number of Central Services formulas in Pacifica over the years.

The Executive Director told the NFC that she was waiting for the Central Services formula in order to do the National Office draft FY25 budget. She said that the basic National

(MORE)

Office revenue projection without Central Services for FY24 was about \$220,000 and that the draft FY25 budget projection for revenue without Central Services was about \$307,000. She said that the projected expenses for FY24 were projected to be about \$1,076,000 and that for FY25 they're projected to be about \$938,000. She said that she wanted to add sponsorships and underwriting for the National Office for the FY25 draft budget. She said that they were waiting on the Central Services formula. After a short discussion the Executive Director said that the National Office would need about \$635,000.

And then some people on the NFC brought the KPFA Business Manager into the meeting to tell us about Central Service fees because, they said, she has so much history. Well, I've got more history than she has, and I realized soon after she began her narrative that her history of Central Services formulas in Pacifica can most charitably be described as wildly inaccurate.

At the request of the NFC Chair I'd sent the NFC the past two motions that had been passed by the NFC regarding Central Services formulas before the August 27, meeting. One Central Services formula motion had passed in 2021, and the other had passed in April 2023.

The KPFA Business Manager went on a long talk about how the Central Services formula had not changed for quite a few years. In fact it's been changed a number of times since the formula she was talking about which was passed around a decade ago. After the KPFA Business Manager's initial presentation I quoted the most recent Central Services formula motion which the NFC had passed in April 2023 (a copy of that 2023, Central Services formula motion is in the appendix of this report). The KPFA Business Manager then claimed that no one had ever told her that the Central Services formula had changed since 2014, or 2015. This strikes me as a bizarre claim. KPFA has always had full representation on the NFC and PNB and over the past nine or ten years she's claiming that none of the KPFA Treasurers, none of the KPFA Directors nor any of the KPFA General Managers had informed her that there were new Central Services formulas. So she seemed to say that her not knowing about the Central Services changes is all the NFC's fault!

I remember that some years ago during a presentation of a KPFA draft budget that there was a discussion with her at an NFC meeting about KPFA's treatment of Central Services fees. When I brought this up at the meeting the KPFA Business Manager denied that such a conversation had ever occurred. I will note that the 2023, change in the Central Services formula was spearheaded by a Director from KPFA.

One Director on the NFC challenged me to prove that the PNB ever passed any changes to the Central Services formula over the past nine to ten years. I have already received testimony from a former PNB Director that the 2023, Central Services formula motion did pass the PNB, and I'll look for those PNB minutes.

I found this bold denial of reality and her assertion that no one had told KPFA Management about the changes bizarre indeed.

The NFC then adjourned to an executive session the report out of which was, "The NFC met in executive session to discuss financial, personnel and contractual matters of a confidential nature."

The interim General Manager attended the September 4, 2024, local Finance Committee

(MORE)

meeting. Just before the meeting he sent the committee an E-mail with the following revenue figures:

2023 - January through December

Row Labels	Sum of PmtAmt
Jan	\$75,401.14
Feb	\$90,080.54
Mar	\$94,439.53
Apr	\$93,260.67
May	\$93,853.73
Jun	\$84,818.13
Jul	\$74,793.00
Aug	\$74,579.43
Sep	\$90,729.70
Oct	\$84,606.47
Nov	\$89,169.02
Dec	\$80,524.94
Grand Total	\$1,026,256.30

2023 - January through August

Row Labels	Sum of PmtAmt
Jan	\$75,401.14
Feb	\$90,080.54
Mar	\$94,439.53
Apr	\$93,260.67
May	\$93,853.73

2024 - January through August

Row Labels	Sum of PmtAmt
Jan	\$76,497.24
Feb	\$74,552.11
Mar	\$60,383.38
Apr	\$140,205.02
May	\$77,006.24

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Jun	\$84,818.13
Jul	\$74,793.00
Aug	\$74,579.43
Grand Total	\$681,226.17

Jun	\$50,902.95
Jul	\$307,720.07
Aug	\$112,020.44
Grand Total	\$899,474.13

The interim General Manager's E-mail also said that the 2024, figures included restricted money from two bequests; one for \$18,850.42 and one from the very generous listener mentioned above which was for \$222,316.50.

His E-mail also said that Major Union donations were July: \$32,500 from the Transport Workers Union, and August: \$50,000 from the American Federation of Government Employees. He said that pending was \$14,000 from 32 BJ SEIU. He said that there was about another \$25,000 to \$30,000 from other Unions in amounts of \$500 to \$6,500. He said he was preparing a chart with all of the information on it. He said that there was an additional \$20,000 commitment from the Transport Workers Union to cover news and information deeply focused on issues related to labor that's not in the E-mail report he'd sent.

He said that WBAI's revenue did take a hit after paid a producer had left but that the station had been "holding its own." He said that various SAG-AFTRA related issues, including the way that the paid producer had been terminated, were being resolved. He said that the station was trying to turn the corner.

The interim General Manager said that all programs would be evaluated. He said that each program would be required to raise at least \$10,000 per calendar year in the way of BAI Buddies. He said that the money from the Unions did not require that we send anything out in the way of merchandise. He said that efforts were being made to fulfill past premiums. He also sent information on BAI Buddies that shows the monthly revenue from that source to be more than \$22,000.

The interim Program Director told the committee that she was working with producers to build trust and that she and the interim General Manager were talking to the Mayor's Office to get grant money for an internship program to get people who could do some of the jobs around the radio station. The interim General Manager said that the station needs an additional 1½ FTEs to cover the engineering chores. He said that engineers were getting burned out by having to do too much during a shift.

In terms of FY24 I added up the interim General Manager's figures and for the first 11 months and those figures say that WBAI has raised about \$935,500 and a linear projection would put the End of Year estimate for WBAI's FY24 revenue at around \$1,000,000.

I asked the interim General Manager how much of that money from the various Unions we actually going to WBAI. This is a question the local Finance Committee has asked the interim General Manager, in writing, since July. The interim General Manager said that WBAI is a part of Pacifica and that my question was an attempt to "split the baby." I told the interim General

(MORE)

Manager that when we go to the NFC with a FY25 budget we'll have to show actuals for FY24 and if money doesn't come to WBAI directly then we can't show it in our actuals. After some more discussion the interim General Manager said that WBAI was getting all of the money listed as coming from Unions right now. I asked the interim General Manager if the grant that was being sought from the Mayor's Office would require that we show an audit. He said "No." I asked him how he saw WBAI's FY25 budget coming to the local Finance Committee. He said he was working with the Executive Director and the National Business Manager and that they were developing a budget and that it would be turned in as required by the bylaws. I asked him if he could get the draft FY25 budget to the local Finance Committee before the committee's next meeting on September 18, and he said that he would confer with the people that he reports to and get back to me.

In answer to a question the interim General Manager said that the minimum amount of revenue that WBAI would need going forward was \$1.5 Million to \$1.6 Million which he said was about a \$300,000 increase over the rough figures of the past. He said it was an open question whether he can sustain the kind of donations he's gotten lately. He said that we needed for BAI Buddies to come back. He said that if we can't get that amount of revenue for all that's been happening in 2024, that we really should hang it up.

The interim General Manager discussed sponsorships and the need to get them and copyright permissions in writing. He said that WBAI has not had written permission from copyright holders to use their materials or duplicate them for premiums, despite more than one previous WBAI Management regime telling us that we did get written authorization from the copyright holders.

The previously scheduled NFC meeting set for September 10, was postponed to September 17, so that NFC members could watch the Presidential Debate.

So things are in a strange flux in Pacifica. What is motivating people to deny the reality of Central Services formula changes over the years is a mystery to me. Funding is looking speculative. At least the WBAI interim General Manager has started attending local Finance Committee meetings, but there's no way that WBAI's draft FY25 budget will get approved by the NFC before FY25 actually starts on October 1. It's even possible that the local Finance Committee and LSB will not see the draft FY25 budget until next month.

It is now public knowledge that the long delayed sale of the KPFK building has collapsed after one of the people involved in buying the building had a medical problem. The property was re-listed. In a written report for public consumption that was sent to the NFC two days ago the Executive Director writes that, "We are still working with the potential buyer and their offer of \$4.5M for the Los Angeles property." Apparently that 10 year rent-free deal for KPFK to move back into the building after renovations are made is off the table and the Executive Director writes, "The buyer has agreed to allow occupancy of the building for 14 days after the close of escrow for the purpose of vacating the property." This sounds to me like a major blow. KPFK has been bivouacked at a location in Glendale, CA for weeks and the idea was that they'd go back to the "KPFK Building" when the renovation were done. It sounds like they'll be doing a

(MORE)

search for a new building now. (A copy of the Executive Director's publicly viewable reports to the August 13, 2024, NFC meeting, and the September 5, 2024, PNB meeting are appended to this Treasurer's Report.) I am quite pessimistic about WBAI's and Pacifica's futures.

The next NFC meeting is scheduled for Tuesday September 17, 2024, at 8:30 PM (ET). The next local Finance Committee meeting is scheduled for Wednesday, September 18, 2024, at 7:00 PM (ET). These meetings will be held by teleconference.

R. Paul Martin
WBAI LSB Treasurer

APPENDIX

Motion: (Elizabeth von Gunten) "The NFC recommends that the PNB pass the following motion, 'That the central services formula shall be 15% of total station revenue (all inclusive) calculated every month on a six month rolling average, starting nine months before the current month, with the exception of any station suffering acute financial distress (as determined by the PNB), for which central services shall be 8%, for a period of no more than one year, with the remaining 7% to be accrued.'" (Passed 6 for, 3 against)

(MORE)

FINANCIAL UPDATE

Payments of significance have been made to the following:

- \$133,637 was paid to Durst Corporation bringing the WBAI tower bill current. \$30K was raised during the first day of WBAI's pledge drive (began 8/12/24) - \$17K will be used to pay the current tower bill.
- \$20,952 paid to Allegiance to bring KPFK and WPFW current, \$24K is still owed for the original licensing fee.
- \$25,000 has been paid to the NES from the National Office.
- \$10,000 has been paid to the FCC. This was the final payment for the compliance violation fine of \$25K – the fine has been paid in full.

FCC CONSENT DECREE

- Because the \$25,000 has been paid in full, the FCC has granted renewal of the WBAI license for two years.
- The FCC informed us of the release of its "Public Notice" granting the renewal of the WBAI license. We were sent the following from our FCC Counsel.

Search Results - Action PN Published PN for 07/31/2024

Service	File Number	Call Sign	Facility ID	Station Type	Channel	State	City
Full Power FM	0000180618	WBAI	51249	Main	258	NY	NEW YORK

Applicant	Description	Status Date	Status
PACIFICA FOUNDATION, INC.		07/29/2024	Granted

- We have trained over 800 programming staff. We have 950+ programming staff.
- We held Compliance Trainings throughout June and July with a Spanish language session held on July 27th.
- Four additional training courses were held in early August and two dates will be added in late August. Programmers have been made aware that for those who have not yet taken the training, their program will be replaced with an evergreen of their program until training has been completed.
- One additional week of training will be added in September.

FJC and SBA EIDL LOANS

- The SBA (Small Business Administration) has confirmed that the name on the EIDL (Economic Injury Disaster Loan) has been changed from the former Interim Executive Director (Lydia Brazon) to the current Executive Director (Stephanie Wells). This will allow the ED to get access to the SBA Online Portal to manage details regarding the loan.
- We were approved for the SBA Hardship Accommodation Program (HAP), meaning the loan is no longer in default. The past due payments have been added to the end of the loan. To keep the HAP in place, we are required to pay 10% of the monthly payment, approximately \$860. The first payment is due 9/11/24.
- Because the loan is no longer in default, the process to remove the lien from the Cahuenga property can begin. The SBA has forwarded the forms, and we are finalizing the request.
- FJC will remove the lien from the Los Angeles building after the SBA removes their lien.

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FINANCIALS

KNOWN PAYABLES as of 09/05/24	AMOUNT DUE
TOTAL PAYABLES	\$ 822,712

FJC and SBA EIDL LOANS

- Still awaiting removal of the lien on the Los Angeles building from the SBA. Everything is moving forward successfully, and it is anticipated that the lien will be removed within the next couple of weeks. FJC will remove the lien from the Los Angeles building after the SBA removes their lien.
- We were approved for the SBA Hardship Accommodation Program (HAP), meaning the loan is no longer in default. The past due payments have been added to the end of the loan. To keep the HAP in place, we are required to pay 10% of the monthly payment, approximately \$860. The first payment will be paid prior to the due date of 9/11/24.

LOS ANGELES BUILDING SALE

- We are still working with the potential buyer and their offer of \$4.5M for the Los Angeles property. Building inspectors and arborists were at the site and no problems have been reported.
- The buyer has agreed to allow occupancy of the building for 14 days after the close of escrow for the purpose of vacating the property.

PACIFICA RADIO ARCHIVES and THE ARCHIVE LEGACY DIGITIZATION PROJECT

- The Pacifica Radio Archives department is being restructured and is currently being managed by the Pacifica Foundation national office, this includes licensing and material requests, as well as continuing to oversee the Pacifica Foundation Archive Legacy Project. The Pacifica Foundation Archive Legacy Project, in collaboration with the American Archive of Public Broadcasting, the WGBH Educational Foundation, the Library of Congress, and the Mellon Foundation, is the cataloguing, digitization, curation, and storage of the historic 80,000+ collection of the Pacifica Radio Archives. In addition to saving this priceless collection, the Pacifica Foundation will maintain the intellectual property and licensing rights of the collection and will continue to own the physical materials after digitization.
- The UCLA School of Education and Information Studies has approved our application for two interns to assist with prepping the archive materials for digitization. The WGBH Educational Foundation is providing a grant of \$2,500 for "Preserving Endangered Media." The funds will be used to offset the cost of hiring two interns who will create an item-level spreadsheet inventory of all media approved for digitization, which will include a unique identifier number per item, any information present on the tape or tape label (such as series title, episode title, date, physical format, and duration). Each item will have the matching unique identifier number affixed to the item and box prior to packaging each item as per archival guidelines to be shipped to our digitization vendor. We are seeking matching funds to the WGBH grant.
- We are in the beginning stages of submitting a grant to the National Endowment for the Humanities Division of Preservation and Access to help support the expense of storage and storage materials (racks, archival sleeves, dehumidifiers, etc.) for our collection while we continue through the digitization process. If qualified, we will be applying for the maximum amount of \$30,000.

(MORE)

ED REPORT for PNB Meeting September 5, 2024 – CAN BE SHARED WITH LSBs and COMMITTEES - Page 2 of 2
Submitted by Stephanie Wells

AUDIT AND TAXES

- The 2022 and 2023 990s (state and federal) will be filed before calendar year end and the 2024 990 to be filed within the first 45 days of 2025.
- Once the audit process begins (funding needed from the proceeds of the sale of the Los Angeles building), if there are material changes that might warrant an amended return, then one will be filed and submitted to the IRS.
- The audits for FY22 and FY23 will be compiled jointly, which will lessen the expense. FY24 will be completed as a stand-alone audit.

2024 DELEGATE ELECTION

- *Attached is a Ballot Phase Update #2 Report from the NES.*

(MORE)

Ballot phase - Update #2 - Sept 5th 2024

August 15 - Sept 30, 2024

Voting

The balloting/voting/campaigning phase for the 2024 Pacifica Delegate election is in process (9 in total, no WPFW Staff). A handful of paper ballots have been sent out. Voting progress towards quorum (25% of staff to vote and 10% of listeners) is as follows:

*As of 1:23 PM PT - **KPFT staff** has made quorum

Station	KPFA	KPFK	KPFT	WBAI	WPFW
Listener	8.4% 996/11860	5% 223/4401	7.2% 227/3122	4.7% 225/4762	6.7% 403/6014
Staff	16.8% 33/196	16.1% 37/229	29% 43/146	14.2% 15/105	n/a

Candidate Forums

All forums have been completed and recordings will be sent to members via e-campaign next Tuesday (Sept 10). Optional candidate carts are in production at KPFK and WBAI and it is up to the management of each station to determine if they want to continue with this tradition.

Fair Campaign Provision Violations

Fair Campaign Provision Violations are being dealt with on a case by case basis. A recent violation (KPFA LSB members sent updates to KPFA membership lists without NES approval) has been resolved - involved parties have been warned and the FCP has been strengthened (Rule 4 - see below). The NES sign off on correspondence to the listeners during the election period is necessary to ensure equal distribution of KPFA resources, in this case membership list access. The Fair Campaign Provisions Violations submitted and my response will be posted online next week.

Rule #4

Station resources, including, but not limited to staff services, airtime, social media, endorsements, station equipment, and meeting space must be provided equally to all candidates. This applies to the use of station membership lists as these are key station resources used to communicate with members. During the election period, any e-campaign or physical mailing which includes information related to the local station board, delegate election related materials or any materials that may directly or indirectly affect members' behaviors during the nomination and balloting period must be approved by the national election supervisor prior to being sent out to avoid the introduction of bias. Failure to do so will result in a strike and could result in the disqualification of candidates.