

**Pacifica National Board
Finance Committee Meeting – January 23, 2008**

DRAFT MINUTES

A meeting of the PNB Finance Committee was convened at 5:46 pm PST on January 23, 2008 by Chair LaVarn Williams with Terry Goodman serving as Secretary Pro-Tem. Minutes were approved for the meetings of 12/10/07 and 1/17/08.

Attendance

Present: Dave Adelson, Baruti Bediako, Brian Edwards-Tiekert, Lonnie Hicks, Sandra Rawline, Summer Reese, LaVarn Williams.

Absent: Jane Gatewood, Alberto Luera, Berthold Reimers.

Also Present: Terry Goodman

Agenda

- 1) Welcome New Members and Nominate Secretary Pro Tem (5 minutes)
 - 2) Roll Call (5 minutes)
 - 3) Approval of Minutes (5 minutes)
 - 5) Next Meeting (5 minutes)
 - 4) CFO Report (60 minutes)
 - a. WBAI Work Group Report & Recovery Plan
 - b. Income & Expenses, YTD Actual vs. Budget - All Units
 - c. Audit Status
 - 5) Next Meeting (5 minutes)
 - 6) New Business (15 minutes)
 - 7) Adjournment
- ** Times are for guidance only **

1. Welcome New Members and Nominate Secretary Pro Tem

The Chair welcomed Summer Reese onto the Committee and announced that Reese had replaced Goodman as KPFK Treasurer.

Motion from Williams that Terry Goodman is invited to remain on the call and shall serve as Secretary Pro-Tem for the meeting.

Motion passed with no objections.

2. Roll Call & Approval of Agenda

The agenda (as amended on the motions of several members) was **approved** without objection on the motion of Edwards-Tiekert at 5:52 pm.

3. Approval of Minutes

The minutes of the PNB Finance Committee meetings of 12/10/07 and 1/17/08 were **approved** without objection on the motion of Rawline at 5:53 pm.

4. CFO Report

The CFO report began at 5:54 pm PST.

4a. WBAI Work Group Report & Recovery Plan

Oral reports were heard from Hicks, Bediako, and Williams. The group has had several meetings discussing improving fulfillment, reducing costs, and further developing the recovery plan. It is expected that planning could be improved by utilizing an independent nonprofit consulting firm to conduct an operational audit examining staff, management, and fund-raising issues. Compass Point in California was contacted and recommended finding a firm local to WBAI. Initial discussions with Alysa Baraka of Nonprofit Connections have been positive, with recognition of the need to obtain buy-in by stakeholders and the potential identified of obtaining grant funding for strategic planning.

WBAI is currently operating at an annual deficit of \$200k to \$250k and has accumulated a deficit of \$375k to \$400k. A \$169k donation that was held in an investment account (and may be down to \$150k from stock market losses) has been recategorized for general use with donor consent. Its first and best use should be discussed. WBAI's new General Manager (Tony Riddle), who was a candidate for Foundation Executive Director, has experience in organization turn-around and is key to recovery planning and implementation. If WBAI's January drive performs poorly, a budget shortfall in April impacting payroll is a foregone conclusion. The 5% overall salary reduction initially ordered by the PNB has not been implemented due to subsequent resolutions of the PNB. Recovery is impeded by divisions among staff, the LSB, and the PNB that all work to veto plans. Success in recovery will require competent local management, cooperation from station staff, an active Finance Committee workgroup, a more unified national board, and outside expertise drawn from the local community.

The Workgroup should continue and should be reconstituted by the Finance Committee in the new term, if necessary. Williams is expected to be replaced as Foundation Treasurer but has offered to continue her involvement in the workgroup.

Motion from Hicks (as amended on the motions of Bediako and Adelson) that the WBAI Recovery Workgroup of the PNB Finance Committee shall make semi-monthly reports by email to the members of the PNB Finance Committee and the Pacifica National Board on its progress, including but not necessarily limited to comments from the Executive Director, the WBAI General Manager and the WBAI LSB Treasurer.

Motion passed with no objections at 8:15 pm.

There was additional discussion regarding the identification and communication of goals and timelines, progress monitoring, and the clarification of consequences for implementation failures. *Further discussion on these points was postponed to the next committee meeting, when the workgroup may have proposals in these areas and at which additional motions regarding the workgroup will be in order.*

4b. Income & Expenses, YTD Actual vs. Budget - All Units

The CFO distributed by email to committee members and the PNB in advance of the committee meeting the September 2007 Preliminary Audit Report dated 1/17/08, September '07 Foundation Income Forecast, October '07 Foundation Income Forecast, November '07 Foundation Income

Forecast, Pacifica Foundation 15 Year Financial History, Pacifica Foundation 1990-2006 Arbitron Data, September '07 Balance Sheet, October '07 Balance Sheet, November '07 Balance Sheet, FY'07 Asset Summary, and Draft Financial Statements and Notes for FY 2007. *Hicks will additionally prepare an annotated balance sheet for the PNB meeting.*

The WPFW Gala was a success, bringing in \$250k and attracting a \$1M grant. Similar galas around the 35th anniversary of PRA, the 60th anniversary of Pacifica, and the 50th anniversary of KPDK should be planned. A gala being planned for WBAI in September could bring in needed revenue, but this comes after the projected crisis in April.

The Foundation had about \$250k in legal costs in FY'07 and can anticipate similar costs in FY'08.

The National Office received a \$200k bequest and has fully or partially offset a shortfall in projected income from direct mail solicitations by reducing mailing expenses.

Motion from Hicks (as amended on the motions of Adelson and Edwards-Tiekert) that all Pacifica units shall hold their total operating expenses to at or below FY'07 levels in FY'08, unless waivers are approved by the CFO and the Executive Director after notice with supporting documentation to the PNB Finance Committee. This policy does not supersede spending levels already approved by the Pacifica National Board in FY'08 budgets or existing board policy requiring formal budget adjustment for major variances.

Motion passed with no objections at 8:13 pm.

Motion from Hicks that the PNB Finance Committee shall review the Pacifica Radio Archives and National Office budgets, incorporating input from the Executive Director, at a committee meeting to take place on or before March 26, 2008.

Motion passed with no objections at 8:18 pm.

4c. Audit Status

A preliminary audit report was sent by email and will be included in board packet for the PNB meeting. *The CFO will send an Audit draft to all board members on 1/24/08, and a final version including two additional notes will be made available at the PNB meeting on Saturday.*

5. Next Meeting

Motion from Williams (as amended on the motion of Hicks) that the PNB Finance Committee shall hold a regular teleconference meeting on Tuesday, February 26, 2008, beginning at 8:30 pm EST.

Motion passed with no objections.

6. New Business

Adelson, who is leaving the Committee, suggested that the CFO or the Committee establish a blog to consolidate and organize Foundation financial information and allow follow up on motion implementation, but did not present this as a formal resolution. *Goodman will distribute to committee members a work-in-progress compilation of Finance Committee Motions and Dispositions.*

7. Adjournment

The Chair **declared** the meeting adjourned at 8:30 pm PST.

Terry Goodman, Secretary Pro-Tem

(These minutes have not been approved.)