

Minutes for the regular National Finance Committee meeting June 23, 2015.

Meeting convened at 8:41 PM (ET) a quorum being present, the Chair and Secretary being present.

Attending: Lydia Brazon, Adriana Casenave, Bill Crosier, Brian Edwards-Tiekert (Chair), R. Paul Martin (Secretary), Tony Norman, Michael Novick, Cerene Roberts, also attending was John Profitt, Executive Director.

Agenda:

1. Call to Order (5 minutes)
2. Agenda Approval (5 minutes)
3. Minutes Approval (5 minutes)
 - A. Update on FY16 Budget Progress (10 minutes)
 - B. Update From the Executive Director on the FY14 Audit (5 minutes)
4. Unfinished Business
 - A. SCA motion (referred from PNB - 30 minutes)
 - B. Recommendations re: Affiliates Underwriting Program (30 minutes)
5. New Business (if any -- 15 minutes)
6. Adjourn 10:00 PM (ET)

Motion: (R. Paul Martin) “To adopt the agenda.” (Passed as amended without objection)

Amendment: (Bill Crosier) “To add ‘Update on FY16 Budget Progress’ as 3A for 10 minutes.” (Passed without objection)

Amendment: (Bill Crosier) “To add ‘Update From the Executive Director on the FY14 Audit’ as 3B for 5 minutes.” (Passed without objection)

Minutes Approval 8:49 PM (ET)

Motion: (R. Paul Martin) “To approve the minutes of the June 9, 2015, meeting.” (Passed 6 for, 0 against, 1 abstention)

Update on FY16 Budget Progress 8:53 PM (ET)

KPFA - The KPFA Director reported that he was unaware of any new progress on KPFA’s FY16 budget.

KPFF - They are meeting soon, and they are working on a template for the budget.

KPFT - Their local Finance Committee has been meeting for the last month, they will meet again

tomorrow. They have a rough draft budget; the General Manager expects another version of the draft FY16 budget tomorrow. The Local Finance Committee may pass that draft budget tomorrow. They are on schedule for the LSB to approve their draft FY16 budget in July.

WPFW - They have a new interim General Manager. Their LSB Treasurer has resigned; there is a new interim Treasurer who is not on the call tonight. They expect to have a local Finance Committee meeting in the next week or two, and there will be no information till then.

WBAI - The General Manager has agreed to be available to meet with the local Finance Committee on Thursdays; the committee is being polled to see when it can meet. The General Manager has been sent the FY16 budget timeline and has been asked for a draft FY16 budget, so far there is no draft budget proposal.

National Office and Pacifica Radio Archives (PRA) - The Executive Director said that his impression is that Efren has been working on it and is talking to the stations. The Executive Director said that he's puzzled that there is no template yet. The Executive Director said that he had no idea about the PRA FY16 budget.

The committee discussed the budget progress. The CFO job is being posted.

Update From the Executive Director on the FY14 Audit 9:00 PM (ET)

The Executive Director said that he is frustrated with the auditing firm, Armanino LLP, because the situation is the same as it was a couple of weeks ago. The Executive Director said that he has been talking to them on a weekly basis about beginning the FY14 audit, but they want to be paid the balance of the bill for having done the FY13 audit before they will begin the FY14 audit. The Executive Director said that he has suggested a time payment plan to pay the bill, but that Armanino LLP have made it clear that they don't want to come to a settlement of Pacifica's bill. He said that they did discount the original bill by about \$5,000, but they want the remainder, which amounts to \$62,500.

The committee discussed the update. The Executive Director said that he and Efren had sent out a letter to each of the station's General Managers asking them to make at least a partial payment on their overdue Central Services fees; he said that if even a third of the overdue Central Services fees were paid Pacifica would be able to pay the bill to the auditing firm. Despite statements made months ago that the bill was being paid it has not been. Preparations for the FY14 audit are going well; the auditing firm said that if the requested preliminary work were done that they should probably only take two to three weeks to finish the FY14 audit. It was noted that this might qualify Pacifica for CPB funds again. For every day after June 30, 2015, that the FY14 audit isn't presented Pacifica loses one 365th of the total grant it would have gotten.

Motion: (Cerene Roberts) "That KPFA be asked to advance one third of the money due for the FY13 audit."

The committee discussed the motion.

Amendment: (Cerene Roberts) "To make the amount 'one half of the money due for the FY13 audit.'" (Passed without objection)

Amendment: (Cerene Roberts) “Add, ‘to be considered as advanced Central Services payments.’”
(Passed without objection)

Motion as amended: “That KPFA be asked to advance one half of the money due for the FY13 audit, to be considered as advanced Central Services payments.” (Passed without objection)

Unfinished Business 9:12 PM (ET)

SCA motion 9:12 PM (ET)

Motion: “Be it hereby resolved, that the WBAI Local Station Board recommends to the Pacifica National Board (PNB) that it approve a policy that ninety percent (90%) of SCA rental fees due as of October 1, 2015 for use of any station's sidebands shall be credited, retroactively if necessary, to that station's current Central Services accounts and ten percent (10%) to the National Office with copies of all existing contracts being submitted to the respective General Manager and Local Station Board (LSB), and to the PNB within 45 days of its passage of this motion, and

That an accounting of all SCA related income and expenses, since October 1, 2013, including billing and payment of legal and collection fees, and maintenance and upgrade costs, and any other expense, be submitted to the respective General Manager and LSB, and to the PNB within 90 days of its passage of this motion, and further

That pending and future contracts are to be signed by both national and local management with adequate and reasonable submission to the respective LSB and to the PNB for advance review and feedback.”

The committee discussed the motion.

Amendment: (Cerene Roberts) “Copies of all existing SCA contracts shall be submitted to the respective General Manager and Local Station Board (LSB), and to the PNB within 14 days of the passage of this motion, and

An accounting of all SCA related income and expenses, since January 1, 2013, including billing and payment of legal and collection fees, and maintenance and upgrade costs, if any, and any other expense, be submitted to the respective General Manager and LSB, and to the PNB within 60 days of the passage of this motion, and further

That pending and future contracts are to be submitted to the PNB for advance review and feedback after having been reviewed by our FCC attorney.”

Motion: (Lydia Brazon) “To postpone the motion to next meeting.” (Passed without objection)

Recommendations re: Affiliates Underwriting Program 9:55 PM (ET)

Motion: (Brian Edwards-Tiekert) “The National Finance Committee recommends that the PNB attach the following provisos to any approval of the Affiliates Underwriting Proposal:

I. Prior to implementation, management shall consult a tax attorney regarding whether income from this program might be taxable, and plan accordingly.

II. All contracts shall be structured so that Pacifica has no obligation to pay fees to affiliates unless and until it has collected the corresponding payments from underwriters.”

The committee discussed the motion.

Amendment: (Lydia Brazon) “In I. to substitute ‘and what we need to include to safeguard the organization's exempt status with respect to such a plan,’ for ‘and plan accordingly.’” (Passed without objection)

The committee discussed the amendment.

Call for the Orders of the Day (R. Paul Martin) 10:20 PM (ET)

Motion: (Cerene Roberts) “To extend the time for the meeting by 15 minutes.” (Fails 3 for, 2 against, 3 abstentions)

Motion as amended: “The National Finance Committee recommends that the PNB attach the following provisos to any approval of the Affiliates Underwriting Proposal:

I. Prior to implementation, management shall consult a tax attorney regarding whether income from this program might be taxable, and what we need to include to safeguard the organization's exempt status with respect to such a plan.

II. All contracts shall be structured so that Pacifica has no obligation to pay fees to affiliates unless and until it has collected the corresponding payments from underwriters.” (Passed 7 for, 0 against, 1 abstention)

Adjourned 10:26 PM (ET)

Submitted by R. Paul Martin, Secretary.