

Minutes for the regular National Finance Committee meeting April 10, 2018.

Meeting convened at 8:46 PM (ET) a quorum being present, the Chair and Secretary being present.

Attending: Ken Aaron, Chris Cory, Joseph Davis (Chair), William Heerwagen, Tony Leon, P.K. McCary, R. Paul Martin (Secretary), Mansoor Sabbagh.

Agenda:

1. Roll Call
2. Agenda approval (10 minutes)
3. Minutes approval (10 minutes)
4. FY19 budget timeline (15 minutes)
5. CFO report to NFC (5 minutes)
6. Progress reports on station FY19 budget process
 - A. KPFT (10 minutes)
 - B. KPFA (10 minutes)
 - C. KPFK (10 minutes)
 - D. WBAI (10 minutes)
 - E. WPFW (10 minutes)
 - F. National Office (10 minutes)
7. Discussion of Pacifica Loans/ESRT Settlement (20 minutes)
8. Schedule next NFC meeting (10 minutes)
9. Adjourn no later than 10:30 PM (ET)

Motion: (Mansoor Sabbagh) “To approve the agenda.” (Passed without objection as amended)

Amendment: (Ken Aaron) “To add before ‘reports on station FY19 budget process’, ‘CFO report to NFC. (5 minutes)’” (Passed without objection)

The committee discussed the amendment.

Amendment: (R. Paul Martin) “To add time limits to each agenda item. (Passed without objection)

Minutes approval 8:57 PM (ET)

Motion: (R. Paul Martin) “To approve the minutes of the February 13, 2018, meeting.” (Passed without objection)

Motion: (R. Paul Martin) “To approve the minutes of the February 27, 2018, meeting.” (Passed without objection)

Motion: (R. Paul Martin) “To approve the minutes of the March 13, 2018, meeting.” (Passed without objection)

FY19 budget timeline 8:59 PM (ET)

The committee discussed the FY19 budget timeline, based on the FY17 budget timeline.

Motion: (Mansoor Sabbagh) “To move the dates on the FY17 budget timeline back by two weeks and change all year dates to reflect the FY19 budget times.”

The Committee discussed the motion.

Amendment: (William Heerwagen) “To substitute ‘make the dates,’ for, ‘move the dates’ and to substitute, ‘two weeks earlier’ for ‘back by two weeks.’” (Passed without objection)

Motion as amended: “To make the dates on the FY17 budget timeline two weeks earlier and change all year dates to reflect the FY19 budget times.” (Passed without objection)

CFO report to NFC 9:29 PM (ET)

The Chair reported that he had sent the CFO messages asking for some information. The CFO replied that he was very busy, and he never sent the Chair the information on any budget issues.

Motion: (Ken Aaron) “The NFC asks that if at any time the CFO cannot interface with the NFC regarding preparation of budgets that the Executive Director do so.”

The Committee discussed the motion.

Amendment: (Ken Aaron) “To add, ‘or any other financial issues that must be addressed in a timely fashion’ after ‘budgets.’” (Passed 5 for, 2 against, 1 abstention)

The committee discussed the amendment.

Motion as amended: “The NFC asks that if at any time the CFO cannot interface with the NFC regarding preparation of budgets, or any other financial issues that must be addressed in a timely fashion, that the Executive Director do so.” (Passed without objection)

Progress reports on station FY19 budget process 9:46 PM (ET)

KPFT - (Reported earlier in the meeting, 9:04 PM (ET), but moved to this section in the minutes for continuity.) The KPFT Treasurer reported that they have had three meetings regarding the FY19 budget. She reported that there are difficulties with scheduling meetings with Staff and Management. They were not sure that they had the latest numbers, so they have scheduled meetings to get the latest budget numbers. The station is short staffed at this time and things are going slowly. KPFT is within budget for what they have to do, but they are out of budget because

more people are needed to do the work. They have scheduled another meeting on April 26, to try and get up to date on budget numbers and start approving the numbers in the budget based on income statements as well as budget projections. The KPFT Treasurer said that all of the stations should commit to getting out of the current financial disaster and build toward the future so we can think about security and growth.

KPFF - 9:47 PM (ET) The KPFF Treasurer reported that they have sent to the NFC Chair the most recent version of their FY18 draft budget which is validated up through September. He said that they're ahead of budget with higher revenue than budgeted and lower expenses than budgeted. He said that they haven't done any work on the KPFF FY19 draft budget, yet. He said that they had analyzed KPFF's February on-air fund raiser which came in near what was expected.

KPFA - 9:49 PM (ET) The KPFA Director had no report.

WPFW - 9:49 PM (ET) The WPFW Director told the committee that the WPFW Treasurer had sent a report to the committee about the WPFW FY18 budget. He said that they had not gotten the financial statements from the National Office and had no Business Manager; they are tracking their performance to budget as best they can. He said that they are ahead in revenue projections and on pace for total expenses as best they can, they are current with all payables except for Central Services, they have made two Central Services payments toward their balance in March. He said that to his knowledge WPFW has not begun the process for the FY19 budget.

WBAI - 9:51 PM (ET) The WBAI Treasurer reported that the CFO has declared that the WBAI FY18 draft budget is being produced by the National Office. The WBAI local Finance Committee had met with the WBAI General Manager months ago and he had offered three different versions of a draft FY18 budget. The local Finance Committee considered one version that provided for a daily tally of about \$9,500 a day in on-air fund raisers as the most realistic, and then the General Manager did not show up for a number of local Finance Committee meetings. The draft FY18 budget proposal with the \$9,500 a day tally was never given to the local Finance Committee in an electronic form. The CFO has sent out a cash flow projection for FY18 for WBAI, we have not gotten an actual draft FY18 budget proposal from the CFO. For FY18 WBAI is behind on revenue and the latest Income Statement from the CFO shows WBAI in the red. WBAI may start doing better in the coming months because the Empire State Building (ESB) Tower Rent will not be an expense soon, and the new \$12,000 a month Tower Rent will be about 80% lower than it had been, but the WBAI Treasurer said that the \$12,000 rent had not been paid to the ESB in a timely way when the WBAI General Manager had considered it to be part of an agreement with the ESB.

Discussion of Pacifica Loans / ESRT Settlement 9:55 PM (ET)

The Chair said that he had consulted with the WBAI General Manager and the General Manager was very pleased with the settlement of the Empire State Realty Trust (ESRT) lawsuit. The Chair said that it was very important that the money owed the ESRT has been shifted to a loan. He said that the PNB is working on strategic planning, to pay off the loan. He said that Pacifica has to

seriously look at our finances and stations must perform a lot better than in past.

The committee discussed the settlement and the need to pay off the loans. Off-air fund raising was discussed and the need for change throughout Pacifica was discussed.

Schedule next NFC meeting 10:23 PM (ET)

Motion: (R. Paul Martin) “To meet on April 24, 2018, at 8:30 PM (ET).” (passed 4 for, 2 against, 2 abstentions)

The Committee discussed the motion.

Motion: (Mansoor Sabbagh) “To adjourn.” (Passed without objection)

Adjourned 10:33 PM (ET)

Submitted by R. Paul Martin, Secretary.