

Draft Minutes for the regular National Finance Committee meeting September 13, 2022.

Meeting convened at 8:35 PM (ET) a quorum being present, the Chair and Secretary being present.

Attending: Chris Cory, Elizabeth von Gunten, Julie Hewitt, Kim Kaufman, Julia Kennard (CFO), R. Paul Martin (Secretary), James McFadden, Sean Kelly McPherson, James Sagurton (Chair), Susan Young also attending was Pacifica Executive Director Sephanie Wells.

Agenda:

1. Convene meeting 8:30 PM (ET)
2. Chair's Announcements (2 minutes)
3. Roll Call
4. Adopt Agenda
5. Minutes (3 minutes)
6. Executive Director's Report (10 minutes)
7. Chief Financial Officer's Report (10 minutes)
8. Review PAN budget (10 minutes)
9. National Office Budget (20 minutes)
10. Central Services Formula (20 minutes)
11. NDA and Electronic Transmission Consent (2 minutes)
12. Adjourn to executive session.

Motion: (James Sagurton) "To adopt the agenda." (Passed as amended without objection)

The Committee discussed the motion.

Amendment: (Kim Kaufman) "To replace 'Adjourn no later than 10:15 PM (ET)' with 'Adjourn to executive session.'" (Passed without objection)

Chair's Announcements 8:44 PM (ET)

"Tonight we will continue review of the Pacifica Affiliates Network's budget.

We will also discuss the National Office Budget and the related Central Services Formula."

Minutes 8:44 PM (ET)

Motion: (R. Paul Martin) "To approve the minutes of the August 23, 2022, NFC meeting." (Passed without objection)

Executive Director's Report 8:45 PM (ET)

The Executive Director told the committee that she was looking at creating the National Office draft FY23 budget. She said that she needed to see what the Central Services formula would be so she could project what their revenue would be. She said that Staff reductions were taking place at one division and one station this pay period and that they had been approved by the PNB a couple of weeks earlier. She said she was waiting for an amendment to the Union agreement on that. She said that she was working with HR and the General Managers for possible Staff reductions for the three additional stations that haven't had Staff reductions yet as well as other divisions, including the National Office. She said that once they figure out what those reductions will be then the information will be forwarded to the PNB so they can discuss them. She said that she continues to work on the lack of funding at the national and station levels. She said that as we look at Central Services one of the things we need to take a close look at is that for many years Central Services and the payment of Central Services have been stains on paper with no cash hitting the bank. She said that when stations lend money to another station they get Central Services credit for that rather than having the other station pay them back. She said that the Central Services credits are just numbers on paper without any actual cash getting to the National Office. She said that the National Office covers payrolls and health insurance premiums when stations can't make those payments. She said that when the stations get behind the National Office has to cover the costs and we need to make sure that money actually gets transferred from one account to another and not just transferred on paper. She said that with regard to more divisions having trouble making payroll that the NFC needs to look closely at what are our Staff and when can't we make payroll. She said that payroll covers work done not what is to be done and we need to take a realistic look at what notification we'll give employees when we can't make payroll so they can get enough notice to look for work elsewhere. She said that we had talked for months about an influx of revenue for Pacifica as a whole, but nothing specific has been seriously looked at or taken into consideration. She said that they're not recommending this but Pacifica may be pushed to a point where Pacifica has to take a close look at signal swapping, selling assets and declaring bankruptcy and that rather than just having recommendations have a working group that will seriously take a look at what those options involve. She said she'd talked to individuals about this for months but there was no discussion at a serious level at the PNB and that maybe the NFC could help push that forward so that we are not taken by surprise by not making changes and then having to do what we don't want to do about change. She said that she'd talked to foundations and individuals about grants. She said she'd submitted an application for a grant a while ago to the Dew Foundation for multiple capital improvements, but they're not pleased with our finances. She said that she'd had a discussion with them and there was a very low chance that we would get funding from them this year, but they suggested the possibility that we can apply next year when our finances might be a bit more stable.

In answer to a question the Executive Director said that with regard to getting FEMA grants she had gone through two of their on-line trainings which they require. She said that she's still trying to get a determination about if we qualify for that funding, but we're making progress following the steps in the timeline.

The committee discussed investigating grant opportunities.

Motion: (Kim Kaufman) "To extend the time for this item by five minutes." (Passed without

objection) 9:05 PM (ET)

The committee discussed national on-air fund raisers and how they've done in the past.

Call for the orders of the day: (R. Paul Martin) 9:12 PM (ET)

Motion: (James Sagurton) "To extend the time for this item by five minutes." (Passed without objection) 9:12 PM (ET)

The committee continued to discuss fund raising ideas and making lists of Major Donors to be appealed to for donations. Reaching out to Unions and their members for donations was also discussed.

Chief Financial Officer's Report 9:23 PM (ET)

The CFO said that the training was going well with the new National Office Business Manager. The CFO said she's spent time working with engineers related to the *Great Plains* software and server, and she said that they've made progress. She said that the new Business Manager has expanded access to do things but she still can't do financial statements. She said that a person on the National Office Staff was reaching out to a third party vendor who can help us with *Great Plains* issues and that we shouldn't have a problem getting this fixed. She said that she was working on closing August and was working with the new Business Manager to let her do some of it. She said that *Great Plains* will be where it needs to be so she can do what's needed for the next meeting. She said that Pacifica will be funding payroll for all units. She said that KPFK was not able to fully fund theirs, they were about \$14,000 short which the National Office funded for them. She said that as far as cash and outstanding payables things have not improved. She said that of five units she knew about they had about \$61,500 in cash in bank and all together have about \$815,000 in Accounts Payable. She said that the \$815,000 was not due in six months but much of it by the end of September or the start of October, or the bills were past due. She said that the National Office had the most cash, about \$26,000. Next would be PAN with about \$19,000 and WBAI with about \$7,000, she said WPFW had about \$5,000 and KPFK had about \$4,500. She said that was really low. She said that WPFW has not had cash that low since she'd been working with Pacifica. She said that WBAI swings funding payroll but gets it back up because they're pitching daily. She said that WBAI gets up to about \$16,000 and pays the Tower Rent and it drops down. She said she hoped that some stations could do on-air fund raisers before the end of September. She said that KPFK could pay their health insurance premiums for October.

The committee discussed the CFO's report. The committee discussed sustaining members. The CFO said that the \$48,000 interest payment on the FJC loan was due by September 30, and that that had to be a priority. She said that with payroll, health insurance premiums, and the interest payment Pacifica needed to pay out about \$80,000 before September 30, and that we'd need to see some dramatic deposits between the meeting date and the end of September.

The committee discussed the Major Donor appeals that the Executive Director had mentioned

and the working group that she wanted to start. Regarding the working group the Executive Director said that it would need to do research and that she was talking to lawyers about what bankruptcy really means and that an education process was needed. The committee discussed a working group. It has to be created by the PNB and while the enabling motion for it exists it has not been voted on yet.

Review PAN budget 9:43 PM (ET)

The committee discussed whether we were ready to move forward with the Pacifica Affiliate Network (PAN) draft FY23 budget.

Motion: (Kim Kaufman) “To postpone the vote on this.” (Ruled out of order)

Point of Order: (R. Paul Martin) “There is no motion on the floor to postpone.”

The Chair ruled that they motion to postpone was not in order.

The Chair said that we needed guidelines for what the stations will be doing and that before NETA goes we need to do a Central Services formula. He said that we need to know what the National Office needs to create a Central Services formula.

The CFO told the committee that this was a work in progress. She said that the worksheet she’d done to calculate different options for Central Services has PAN’s Central Services fees based on their last four years of audited revenue and would be about \$5,000 less than what they’d budgeted, about \$33,000. She said that she was using 15% which results in a total of about \$1.5 Million for FY23 which is less than what National Office needs to pay its bills.

Motion: (Elizabeth von Gunten) “That the NFC recommend to the PNB that they approve the PAN draft FY23 budget proposal.”

The Committee discussed the motion.

The KPFA Treasurer told the committee that there was an earthquake going on at his location.

Amendment: (James Sagurton) “To add, ‘The budget will be reviewed monthly with particular attention focused on projected and anticipated revenue with adjustments made as necessary.’” (Passed without objection)

Motion as amended: “That the NFC recommend to the PNB that they approve the Pacifica Affiliates Network draft FY23 budget proposal. The budget will be reviewed monthly with particular attention focused on projected and anticipated revenue with adjustments made as necessary.” (Passed 5 for, 1 against, 4 abstentions)

National Office Budget 10:06 PM (ET)

The Executive Director said that she had no problem starting to deal with it, that she knows what the expenses are and about Staff reduction. She said that what needs to be determined was the projected revenue and what the Central Services payment will be. There was a general discussion of what the National Office would need for FY23. A member noted that it was hard to keep track of the National Office financials with all of the lending going back and forth. Underwriting was briefly discussed.

Motion: (James Sagurton) “To extend the time for this meeting by 15 minutes.” (Passed without objection) 10:18 PM (ET)

Adjourned to executive session 10:18 PM (ET).

Submitted by R. Paul Martin, Secretary.