

Minutes for the regular National Finance Committee meeting August 22, 2023.

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

Attending: Sharon Adams, Teresa Allen, Elizabeth von Gunten, Kamau Harris, Kim Kaufman, R. Paul Martin (Secretary), James McFadden, James Sagurton (Chair) also attending was Pacifica Executive Director Stephanie D. Wells.

Agenda:

1. Convene Meeting
2. Roll Call
3. Adopt Agenda
4. Make the report out from last executive session meeting
5. Minutes (5 minutes)
6. Report from the Executive Director (30 minutes)
7. Review Draft Consolidated Financials for the period ending May 31, 2023 (60 minutes)
8. Consolidating Bank Accounts: Bank Comparisons (10 minutes)
9. Adjourn no later than 10:15 PM (ET)

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

Amendment: (R. Paul Martin) “To add ‘Make the report out from the last executive session meeting,’ after ‘Adopt Agenda.’” (Passed without objection)

Make the report out from the last executive session meeting 8:39 PM (ET)

Motion: (R. Paul Martin) “That the report out from the August 8, 2023, executive session be, ‘At its August 8, 2023, meeting the NFC met in executive session to discuss personnel issues of a confidential nature.’” (Passed 5 for, 1 against, 2 abstentions)

The Committee discussed the motion.

Minutes 8:49 PM (ET)

Motion: (R. Paul Martin) “To approve the minutes of the August 8, 2023, public NFC meeting.” (Passed without objection)

Report from the Executive Director 8:50 PM (ET)

The Executive Director told the committee that one of the things she’s been working on at all stations has been consultants. She said she was working closely with WBAI and that the WBAI

General Manager was sending her lists of consultants who are essential and who are not essential. She said that she was going to go over the lists later that week with a fine toothed comb. She said that WPFW was also sending her a lot of information on their consultants. She said that she wants to roll out who does what and then have new agreements with all consultants and see what they're doing and what we expect of them. She said she wanted to determine if maybe a Staff member could do a job or if maybe some consultants have to become Staff. She said that there will be a clear explanation of what the consultants are expected to do and instead of paying them regularly require a time sheet from each one and then invoices would be submitted along with a check request and a check would be cut to pay them. She said that a lot of Unpaid Staff, listeners and committee members often have questions about the use of consultants. She said that the last payroll went down to the wire with regard to a shortfall, and that she had to re-negotiate some payments to some vendors. She said that WBAI had provided a large portion of the funding to cover the payroll shortfall and the National Office had been able to cover the remaining balance. She said that one of the things that's been generating a lot of E-mails and phone calls is Pacific's California Secretary of State non-profit registration. She said that their web site says Pacifica is delinquent but they just haven't updated their Web site yet. The Executive Director said that Pacific's non-profit registration has been paid; she said that the National Education Television Association (NETA) had filled out a registration form when we were working with them. She said that when she had spoken to the California Secretary of State about getting an extension for filing Pacifica's FY22 audit they had discovered that NETA had been sent an older form to fill out and a fee of \$400 had been paid. She said that they sent her the new form with the new registration fee, which has gone up to \$575. The Executive Director said she'd filled it out and sent in the extra \$175 back in early July. She said that although Pacifica is listed as delinquent on their Web site we're listed as up to date on their records, they just haven't gotten around to updating their Web site. She said that people had been sending out E-mails, newsletters, blogs, etc. saying that Pacifica was being told by the California Secretary of State that we can't raise funds but none of that was true Pacifica is not delinquent we are paid up they just haven't updated their Web site yet. She said that the PNB had passed an indemnity release and liability waiver form because Pacific's liability insurance had lapsed. She said that Pacific's General Counsel had written the form and the PNB had voted to approve it. She said that she'd sent the form out to all General Managers and division directors. She wants to make sure that anyone other than paid employees who enters any of Pacific's facilities will be required to sign it. She said that this includes all volunteers, guests, consultants and contractors. She noted that paid employees were covered by Worker's Compensation Insurance. She said that once forms are signed they'll be scanned and sent to the Executive Director and the National Business Manager and the local General Manager or director would keep the original copy in an easily accessible place. She said that KPFK Staff had asked for a Spanish version and that form and a Spanish language programmer had been asked to translate the form. She said that she'd already gotten a couple of copies of the form sent in.

The Executive Director said that Pacifica continues to have very low cash on hand. She said that a lot of the stations were doing on-air fund raisers and she's getting updates from General Managers on a regular basis. She said she'd spoken with WPFW and KPFT that morning and they were pleased with how their on-air fund raisers were going. She said that at KPFK they were extending their on-air fund raiser and being specific about needing to pay their power bill for the

tower and things like that. She said that Pacifica still had Aged Payables of concern. She said that the overall Aged Payables were still over \$2,000,000 and the Aged Payables of concern were just under \$1,000,000. She said that she was talking to those vendors and trying to negotiate any sort of extensions of payment plans with them. She said that if we get any more behind on some of these Aged Payables payments it could cause issues with things like utilities being turned off or insurance issues. She said that they're keeping a closer eye on some of those.

The Chair and the Executive Director discussed the WBAI General Manager sending the Executive Director an E-mail about consultants at WBAI. The Executive Director said she'd gotten it and the WBAI General Manager had sent it to her right after the last NFC meeting and that it showed essential consultants and ones that they needed to discuss. She said that he'd sent her information in greater detail based upon their first discussions. She said that she needed to do a little more, make charts for herself based on his numbers and based upon a review of the last five months of bank statements to make sure that the numbers match as far as potential savings. She said that they're looking to see if they can reduce some hours of some consultants even if they're essential ones and that WBAI could save about \$45,000 per year in consultant expenses based on what the WBAI General Manager had presented, but she thought maybe a little bit more could be done.

There was a short discussion of the need to make sure that the translation of the liability waiver form was in legal qualified Spanish so that the Spanish language form is as binding as the English language one is. The Executive Director said that she'd have a legal aide who speaks Spanish look at the waiver form once it has been translated.

The Executive Director was asked if any of her report would be in writing and she said that it would be.

In answer to a question the Executive Director said that the Aged Payables of concern were still \$988,000 as they had been at the previous NFC meeting.

There was a discussion of the consultant's invoices detailing the amount of time that they've worked. She said that we needed the details of the agreements they're working under. The Executive Director said that the amount of time that they'd worked would be on the invoices although some consultants get paid a flat rate while some have varied rates and as a backup the person to whom the consultant reports also has to sign off on the invoice. She said that if a consultant is not consistently doing their work they're no longer a consultant.

In answer to a question the Executive Director said that she has asked General Managers to submit their FY24 budgets. She said that the National Business Manager was working with the stations that have Business Managers moving forward. She said that they'd pulled out a lot of the monthly bank statements for the stations so they can review them. She said that a lot of the stations were behind on reconciliations and she wanted to look at some of the direct expenses that are happening. She said working from that she wanted to project out what the bank statements are matching with the financials we have. She said that one of the reasons why we're not getting consolidated financials fast enough is that the information is not being put into *Great*

Plains, and that people using *QuickBooks* have to have their information manually put into *Great Plains* and we can't keep up because there's double work being done. She said that the General Managers know that the Executive Director and National Business Manager are working on the upcoming budgets. She said that the xcd and National Business Manager would give the General Managers their first draft and see how that compares to what local Finance Committees are working on. She said that some local Finance Committees are still working on FY23 draft budgets but those are not worth spending time on and the local Finance Committees' energy would be better spent on the draft FY24 budgets. She said that some stations aren't working on them but that the National Business Manager and she were working on all of the stations' budgets themselves. With regard to a deadline for the draft FY24 budgets the Executive Director said that she would like one before September 1. She described how the budget is done differently at different stations with local Finance Committees and General Managers not agreeing on whose job it is to get the budget prepared. She said that nothing is written in stone. There was a discussion of the mechanics of getting a budget created. The Chair noted that he had attended local Finance Committees around Pacifica and all of them did things differently.

There was a discussion of Pacifica paying for the commercial music that it airs. The Executive Director said that one of the bills in the Aged Payables of concern is owed to ASCAP, but BMI is getting paid. She said that WBAI and KPFK owed money to ASCAP.

The committee discussed how local Finance Committees and local Management have dealt with producing budgets in the past. In answer to a question the Executive Director said that the budget template would be the same as the consolidated financials, and if that's too complicated it can be simplified and be just a simple spreadsheet with a "notes and justifications column" to explain things. She said that a narrative would help. She said that she likes budgets that are simple and fit on one page. She said that she didn't want people getting bogged down, that they could do whatever they're comfortable with. She said people at the stations could write their draft FY24 budget on paper, scan it in and send it to her and she and the National Business Manager could turn it into a standard budget. The Executive Director said that Pacifica can't be in this situation next year.

The Chair had each Treasurer on the committee describe how the budgeting process works at their station. There was then a discussion about the pros and cons of having a local Finance Committee and how they could work with regard to creating budgets.

The Chair polled the committee regarding whether the committee should go over the consolidated financials through May 31, or put it off till next time. It was decided to do it at this meeting by extending the time for the meeting.

Motion: (R. Paul Martin) "To extend the time for the meeting and the item till 10:30 PM (ET)."

Amendment: (James McFadden) "To make the extension to 11:00 PM (ET)." (Passed without objection)

Motion as amended: "To extend the time for the meeting and the item till 11:00 PM (ET)."

(Passed as amended without objection) 10:13 PM (ET)

Review Draft Consolidated Financials for the period ending May 31, 2023 10:15 PM (ET)

The Executive Director told the committee that by the next meeting we will probably have the consolidated financials for the end of June. She said that when she looks at where we were one year ago YTD we're up a little bit, by about \$35,000 to \$40,000. She said that revenue YTD actual was \$6,034,200 and expenses have dropped. She said that Total Operating Expenses for the prior year were \$7,230,000 and our YTD Total Operating Expenses were \$6,100,000. She said that Central Services payments had not been put in a formula because at this point it's a little wonky and we're close to the end of the year. She said they were close to implementing the new Central Services formula. She said that there was a decrease in Salaries and Related Expenses because of a decrease in employees. She said that when she'd started 1½ years ago Pacifica had about 125 employees and now there are about 84, and that last year salary was over \$4,060,000 and now salary is at \$3,600,000. She said that Local Board & Election Expenses only showed the \$13,000 that was paid to the National Elections Supervisor, and since June Pacifica had paid a little under \$5,000 for the voting system, EZ ballot or Election Buddy, and that'll show up in June. She said that there would be another payment to the National Elections Supervisor for the election extension and that will be about \$15,000. She said that Administrative Expenses had dropped by about \$500,000 and were about \$1,800,000 last year and now are about \$1,300,000. She said that there would be a new line for any moving expenses for KPFK next year. She said that Programming Expenses last year YTD were \$690,000 and this year were \$643,000. She said that there were some increases with tower rent and also with utilities and a lot of that is in the tower utilities line. She said that KPFK is continuing to pay off past due bills and only had about \$20,000 left on the power bill. She said that the Development Expenses line had decreased from last year, they were about \$580,000 and YTD they're now about \$477,000. She said for the upcoming year credit card fees would increase. She said that people were not taking full advantage of non-profit postage. She said that she was checking to make sure that if things are mailed out like books, for example, they should take advantage of media mail. She said that Net Income (Net Loss) last year YTD was about \$1,200,000 and that this YTD actual it's about \$970,000. She said that it was still a net loss but we have made reductions. She said that last year Total Revenue was about \$5,900,000 and this year was about \$6,034,000 so there was a slight increase in revenue and a slight decrease in expenses so this year's net loss is not quite as big as last year's.

The committee discussed the "Consolidated Monthly Income Statement For the Eight Months Ending Wednesday, May 31, 2023." The committee discussed the Central Services fees in the consolidated financials and the Executive Director said that she doubted that it's really the exact same dollar amount for two years and the National Business Manager would probably have a better understanding of how that would be. She said that she wanted Central Services fees to be under expenses. There was a question of how the Central Services fees were showing up in the consolidated financials and the Executive Director said that the Central Services section doesn't make sense in how it's laid out in the budget. Members began to discuss future budgets and expenses. There was a request for formulas in the consolidated financials not just raw numbers. The Executive Director said that she would talk to the National Business Manager about it

because it has to do with *Great Plains* and its output. She said we work with what we have and this is what we have right now. There was a discussion of the *Great Plains* software. The Executive Director said that one person has offered to help with software to convert *QuickBooks* to *Great Plains* in a more convenient way. The committee discussed premiums and maybe cutting back on them. There was a request that the consolidated financials be released on a regular, monthly basis and become current. The Executive Director said that we'd be getting the June statement soon.

The committee discussed releasing the "Consolidated Monthly Income Statement For the Eight Months Ending Wednesday, May 31, 2023" to the public. After some discussion it was agreed that they had been sufficiently reviewed and that they could be released.

Consolidating Bank Accounts: Bank Comparisons 10:57 PM (ET)

The Executive Director said that we could do this next time. She said that someone was going to give her more information on Chase. She said she was looking more at Bank of America because we have more free monthly transactions and a waivable monthly fee where that's not being provided by Chase, and Chase would give us 20 free transactions per month but Bank of America gives us 200 free transactions a month. There was a discussion about *Great Plains* and *QuickBooks* and the amount of hand entries that had to be made. The Executive Director said that the more people who use *Great Plains* the less hand entry will happen and that all accounts in one place makes it easier. She said that five Pacifica units were using *Great Plains* and said that people could be trained on it.

Call for the orders of the day: (R. Paul Martin) 11:01 PM (ET)

Adjourned 11:01 PM (ET)

Submitted by R. Paul Martin, Secretary.