

Minutes for the regular National Finance Committee meeting October 22, 2019.

Meeting convened at 8:38 PM (ET) a quorum being present, the Chair and Secretary being present.

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Attending: Sharon Adams, Nick Arena, Fred Blair, Chris Cory (Chair), Bill Crosier, R. Paul Martin (Secretary), Mansoor Sabbagh, James Sagurton, Nancy Sorden.  
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Agenda:

1. Convene meeting 8:30 PM (ET)
2. Roll call
3. Approve Agenda
4. Backing up Yahoo! archives (15 minutes)
5. Statement from Chair on financial status of Pacifica (10 minutes)
6. Discussion of financial status (60 minutes)
7. New Business
8. Adjourn no later than 10:15 PM (ET)

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**Motion:** (Chris Cory) “To approve the agenda.” (Passed without objection)

Backing up Yahoo! archives 8:43 PM (ET)

Yahoo! Has announced that they are no longer going to host “content,” by which they mean files, on Yahoo! Groups. The official statement from Yahoo! Says, “New content can no longer be uploaded [to Yahoo! Groups] after October 28, 2019,” and that, “Starting December 14, 2019 Yahoo Groups will no longer host user created content on its sites,” which means that the content that’s currently up there will be deleted.

The committee discussed this development. It was noted that E-mails back and forth would still be allowed. The idea of alternative mailing lists and places to store the substantial history and files of the NFC was brought up. The idea of Pacifica hosting the various PNB committees and their files was discussed. The Secretary said he would research this issue.

Statement from Chair on financial status of Pacifica 8:59 PM (ET)

The Chair told the committee that he has been looking at the reports from NETA and he’s confused. He said the interim CFO is not available right now. He said that it’s been pointed out that regarding the cash flow summary from the interim CFO that “cash flow” might not be a precise term. He said that we have no balance sheets so it’s impossible to say how the cash flow summaries are arrived at. He said that we need to see balance sheets in order to reconcile Cash Flow summaries and Profit & Loss statements. He said that another problem is that stations which are not using the same software as the interim CFO are producing independent budget statements and they’re not agreeing and not using the same numbers. He said that since the Cash Flow statement is the most widely circulated document in Pacifica at this time that the interim CFO’s Cash Flow statement is what we should look at.

The Chair said that the Cash Flow summary contains some data that is part of the system but it also contains some projections that are not part of the system. He said that the FY19 and FY20 figures are projections. The FY19 figures are a six month projection, and the FY20 figures are a 12 month

projection, and that projections are notoriously inaccurate. He took issue with some of the underlying assumptions used for the projection. He said one assumption was that revenue will decline over the 18 month period of the projection, but that's already changed. He said that it is being reported that revenue is up at KPFA, although these figures have not been confirmed. He said that another assumption is that the health care expenses will increase 20%. He said that this means that stations with lot of personnel will have lot of extra expense and negative cash flow associated with that health care assumption. He said that there were ways to attenuate those issues if they should come to pass. He said he wished that it were a lot less confusing than it is but it's confusing, and that some elements in Pacifica are taking advantage of that confusion because you can make almost any case by looking at these numbers, but you can also say things about stations based on this. He said we need to get these statements tied together so that they all agree and make sense.

#### Discussion of financial status 9:09 PM (ET)

The committee discussed the Chair's presentation and the financial statements. Health care insurance issues were discussed.

In answer to a question that Chair said that NETA has been discussing pulling out from its relationship with Pacifica, but he didn't think that the timetable was as short as the end of October, as has been said by some. He said he thought that maybe the end of November could be a time when NETA might pull out. He said that NETA was owed about \$60,000 at the time of this meeting and will be owed more soon. He noted that it would be bad if we lost their accounting services.

In answer to a question the Chair said that for FY18 and FY19 he'd spoken to the interim CFO and for FY18 she says the numbers for September 30, 2018, were being processed by two stations, but he wasn't told which two those were. He said that the interim CFO can't generate reports right now because they're in middle of half the data being entered and half not. He said the work for FY18 isn't complete yet, but it's being worked on. A member said that the interim CFO had told the PNB the we owed NETA about \$60,000 then and \$35,000 this month, and that the priority was to get the information to the auditors. The Chair said that the audit is taking NETA's time; the interim CFO told him that interim data transmission is going on, and the auditors are owed about \$26,000 as well. He said the FY18 audit is due out shortly. He said that probably the auditors will complete the FY18 audit and then get paid and then they'll let us have that audit. The Chair said that NETA was complying with requests from the auditors and that it will probably be a conditional audit.

In answer to a question the Chair said that the Cash Flow projection columns were not labeled well. The Chair said that the interim CFO can't give him any numbers past March 2019.

There was a discussion of the different software platforms being used for financial accounting in Pacifica at this time.

There was a discussion of where the numbers in the FY18 Cash Flow came from after a member enumerated information having been left out of that document and the contradictory nature of some numbers that were presented in it.

In answer to a question the Chair said that he believes that the Cash Flow statement did not have any accruals in it.

The Chair said that his opinion was that WPFW and KPFT are doing well, KPFA is in the middle of the field, breaking even or maybe with a 10% gain, KPFK is running a relatively small loss, Probably 5% to 10% on revenue, and he didn't think that WBAI was as hopeless as others do.

He said that if there is a downturn then all of the stations are in trouble, but that he's more optimistic about the California stations fixing it than the stations that are understaffed. He said Pacifica should develop metrics to find out the optimal number of employees.

A member said that the Cash Flow report is about right for KPFT for FY19 but that their current

on-air fund raiser is not going well and they may have to adjust their expenses. The possibility of lowering health premium costs was discussed. The Chair said that KPFA is realizing about \$300,000 a month revenue for the last 12 months.

The issues around WBAI were discussed. The veracity of some statements made by the interim Executive Director was questioned. It was pointed out that the Unionized Staff at WBAI was still having to be paid, and that other expenses continued. It was noted that WBAI was stopped from broadcasting local programming six days into an on-air fund raiser. It was noted that the actions since October 7, have not helped Pacifica to save money but have in fact done the opposite, with all of the expenses in place but no revenue being realized at all. Members discussed the WBAI situation.

**Motion:** (Chris Cory) “To extend the time for this item by 10 minutes” (Passed without objection) 10:09 PM (ET)

The discussion of the WBAI situation continued.

**Motion:** (Fred Blair) “The NFC recommends to the PNB that we return local control to WBAI on the shortest possible time table.”

The Committee discussed the motion.

**Amendment:** (Bill Crosier) “To add, ‘on a sustainable manner.’” (Passed without objection as amended)

The committee discussed the amendment.

**Amendment:** (James Sagurton) “To add, ‘as it was prior to Oct 5, 2019.’” (Passed 4 for, 3 against)

The committee discussed the amendment.

**Motion as amended:** “The NFC recommends to the PNB that we return local control to WBAI on the shortest possible time table on a sustainable manner as it was prior to October 5, 2019.” (Passed without objection)

Adjourned 10:26 PM (ET)

Submitted by R. Paul Martin, Secretary.