

Minutes for the special National Finance Committee meeting January 19, 2021.

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

Attending: Sharon Adams, Teresa J. Allen, Fred Blair, Chris Cory, DeWayne Lark, R. Paul Martin (Secretary), James Sagurton (Chair), Anita Sims (interim CFO), Nancy Sorden, Polina Vasiliev.

Agenda:

1. Roll call
 2. Consideration of a Central Services formula
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Motion: (R. Paul Martin) “To adopt the agenda.” (Passed as amended without objection)

Amendment: (James Sagurton) “To strike, ‘adjourn no later than 9:45 PM (ET).’” (passed 6 for, 3 against, 1 abstention)

Consideration of a Central Services formula 8:51 PM (ET)

The KPFA Director had sent out a motion he wanted to bring on this subject. It was noted that the committee has been discussing a Central Services formula for 11 months.

Motion: (Chris Cory) “Whereas The Central Services formula has not been revised for many years and is now completely inconsistent with the underlying revenues at the individual stations, which have drifted considerably since that time. To bring the Central Services formula up to date and to keep it current with circumstances going forward, the NFC moves that the following guidance be adopted:

Revenue Basis

The Revenue Basis for Central services shall be the total revenue received through grants and donations made payable to each of the five member stations, less any ‘windfall profit’ as previously defined by the PNB (any amount \$50,000 or over). This will be on a calendar year basis, for the period ending September 30th with the CS formula adjusting annually on December 31st. For the initial period ending 9/30/20, the station revenue total is \$9.7732M.

Station Basis

The percentage of the monthly bill for Central Services will be determined by dividing the annual revenue of the station, less any windfall profit, by the Revenue Basis described above. For the initial period ending 9/30/20, the percentages for the individual stations are as follows: KPFA (36.2%), KPFK (28.5%), KPFT (7.2%), WBAI (13.7%), and WPFW (14.3%).

NATIONAL OFFICE Budget (Central Services Budget)

The Central Services budget should be sufficiently large to:

- a) Permit the general operations of the organization which are key to proper

functioning, and are required for all units of the organization, AND

b) Permit for extraordinary expenses to the organization such as lawsuits, settlements, and sudden downturns by individual units of the organization OR

c) In the absence of such incidents, debt repayment.

In order for this to occur, Central Services payments must target approximately \$300k per year in 'Excess Funding' to the National Office to provide for the purposes outlined in (b) & (c).

The suggested budget for Central Services offered at this time is \$120,000/month.

This formula will become effective in the month following passage by the PNB, and continue forward, with annual revisions, until such a time as it is superseded."

The Committee discussed the motion.

Amendment: (DeWayne Lark) "To substitute for the motion: 'That the Central Services formula be based on 12% total revenue of station calculated quarterly. All revenue is to be included in the calculations.'"

The committee discussed the amendment.

Amendment: (Chris Cory) "To strike '12%' and replace it with '15%.'" (Passed without objection)

The committee discussed the amendment.

Amendment as amended: "To substitute for the motion: 'That the central services formula be based on 15% of total revenue of the stations calculated quarterly. All revenue is to be included in the calculations.'"

The committee discussed the amendment.

Amendment: (James Sagurton) "To add at the end, '; however the cost of air conditioning for Pacifica Radio Archives shall be deducted from KPFFK's revenue, and the tower, studio and office rent for all stations shall be deducted from their revenue.'" (passed 6 for, 0 against, 4 abstentions)

Amendment: "To substitute for the motion: 'That the central services formula be based on 15% of total revenue of the stations calculated quarterly. All revenue is to be included in the calculations; however the cost of air conditioning for Pacifica Radio Archives shall be deducted from KPFFK's revenue, and the tower, studio and office rent for all stations shall be deducted from their revenue.'" (Passed without objection)

The committee discussed the amendment.

Main Motion as substituted: "That the central services formula be based on 15% of total revenue of the stations calculated quarterly. All revenue is to be included in the calculations;

however the cost of air conditioning for Pacifica Radio Archives shall be deducted from KPFK's revenue, and the tower, studio and office rent for all stations shall be deducted from their revenue." (Passed without objection)

The Committee discussed the motion.

Motion: (R. Paul Martin) "To adjourn" (Passed without objection)

Adjourned 11:20 PM (ET)

Submitted by R. Paul Martin, Secretary.