

Minutes for the regular National Finance Committee meeting January 11, 2022.

Meeting convened at 8:34 PM (ET) a quorum being present, the Chair and Secretary being present.

Attending: Nick Arena, Chris Cory, Lynden Foley, Elizabeth von Gunten, Julie Hewitt, Kim Kaufman, R. Paul Martin (Secretary), Sean Kelly McPherson, James Sagurton (Chair), Anita Sims (interim CFO) also attending were NETA Controller Julia Kennard and WPFW General Manager Jerry Paris.

Agenda:

1. Convene meeting 8:30 PM (ET)
2. Roll Call
3. Adopt Agenda
4. Chair's Announcements, Welcome new member (2 minutes)
5. Minutes Approval (3 minutes)
6. Report, if available, from the Pacifica Executive Director (10 minutes Report and Q&A)
7. Review FY22 WPFW Draft Budget (General Manager Jerry Paris and Treasurer Nick Arena presenting 20 minutes presentation and 40 minutes Q&A)
8. Report from the interim CFO (20 minutes)
9. Discussion of Standard Transaction Limits (Beth von Gunten reporting 5 minutes Q&A 5 minutes)
10. Budget Timelines and schedule for NFC review of budgets for FY22 (5 minutes)
11. Unfinished business with the National Office; compile a list to share with the NO of year end outstanding items (5 minutes)
12. Adjourn no later than 10:15 PM (ET)

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

Chair's Announcements, Welcome new member 8:38 PM (ET)

"On January 10, 2022 Pacifica received a notification from the Small Business Administration that our Economic Injury Disaster Loan (EIDL) application has been modified from \$500,000 to \$2,000,000.

The NFC membership is changing as a result of the annual reorganization elections at the stations. We look forward to welcoming new members and returnees as they are elected and seated.

Tonight we will be joined by Jerry Paris, General Manager at WPFW. He will be presenting the WPFW FY22 draft budget, assisted by NFC Member and WPFW Treasurer Nick Arena. In keeping with our policy of giving priority to agenda items that involve guests we will hear from

them after we go through the usual meeting preliminaries.

Our interim CFO and our NETA Controller are both recovering from illnesses and will both be joining us tonight to share in making an interim CFO Report.

Tonight we will also briefly review a corrected version of the November 2021 financials.”

Minutes Approval 8:40 PM (ET)

Motion: (R. Paul Martin) “To approve the minutes of the December 28, 2021, meeting.” (Passed without objection)

Report, if available, from the Pacifica Executive Director 8:42 PM (ET)

The interim Executive Director was not at the meeting.

Review FY22 WPFW Draft Budget 8:42 PM (ET)

The WPFW General Manager told the committee that WPFW was experiencing a period of recovery after hard times and that the station has been stabilized. He said that the station is now in the top 20 stations in their market. He said that their competition is two PBS stations. He said that their on-air fund raiser was doing well and that the last five on-air fund raisers have met their goals. He said that a lot of forecasts regarding on-air fund raisers have been low with regard to goal and the last one was budgeted for \$150,000 but came in closer to \$200,000.

The WPFW Treasurer said that the updated FY22 budget had been reviewed with the interim CFO and the and the NETA Controller. He said that over the last three to four years one transmitter has been repaired and a new one put in place. He said that the station has done consistently well with regard to on-air fund raiser goals. He said that WPFW operates under a set of on-air fund raisers as other stations do: Winter, Spring, a mini-drive in August, a Fall and an end of year soft drive in December. He said that most of the station’s on-air fund raisers are three weeks long, although they have been extended a couple of times. He said that the August and December on-air fund raisers are two weeks long. He said that the numbers in the draft FY22 budget reflect historical numbers from the previous year. He said that most donations come as Listener Support. He said that car donations and some Community Events go into Listener Support too. He said that the station has been talking to a Major Donor for two years about selling some of his artwork, but it’s been difficult due to the pandemic. He said that they’ve budgeted that artwork sale for January-February in 2022, but it may happen later. He said that Personnel Costs and Administration Expenses including rent were adjusted based on contractual requirements due to the Union contract and health insurance increases and that there will also be a contractual increase in their rent and there are some capital projects including the HVAC repair and offices for the station.

In answer to a question the WPFW Treasurer said that they had not included paying back any payroll benefits from 2019. The interim CFO said that 2019, expenses would be included in cash

flow but not on the budget. In answer to a question the WPFW Treasurer said that the station pitches for a total of about 90 days per year and that has been consistent for years.

There was a discussion of budgeting loan payments, which WPFW has done but which other stations are not doing.

In answer to a question the WPFW Treasurer said that the premiums expense is lower this year because they have previously been catching up with sending out unfulfilled premiums. He also said that the Chief Engineer and the local business and accounting support team are consultants because that's something that both individuals have requested. He said that WPFW was about \$42,000 better than budget so far in FY22.

The committee discussed the sale of artwork and the WPFW Treasurer said that instead of the original plan of an auction as a community event that the owner will sell the artwork via an auction house and will donate \$125,000 to WPFW. He said that they are still trying to do that type of event to acknowledge the donor's donation. He said that it was legitimate to keep the revenue in the budget. There was a further discussion of other fund raising community events and the impact of the pandemic on them.

Motion: (Lynden Foley) "To extend the time for this item five minutes." (Passed without objection) 9:49 PM (ET)

The committee continued to discuss the WPFW draft FY22 budget proposal. It was agreed that it would be sent to NETA for a review of the committee's questions and the committee would revisit it more at the next meeting.

Report from the interim CFO 10:03 PM (ET)

The interim CFO said that NETA is working on the FY21 audit. She said that she didn't feel that NETA was ready to share a trial balance, but that she would talk with people about it on January 12. She said that they're working on the FY22 budgets and that they should have one for the National Office soon. She said that a new Central Services formula probably needs to be looked at before numbers go into the draft FY22 budget for the National Office.

The NETA Controller said that some corrections were made to the November financials. She said it's the same document but formulas were corrected, and she added notes on the summary tab. She said that on items related to KPFT and WBAI she'd noted what the corrections are. She said we'd see the corrections on the December documents. She said that the net impact of the corrections to the bottom line was zero. She also said she'd sent the committee an Accounts Payable through January 4, and had added some notes to that. She said they have to maintain some items related to loan payments on the National Office that wouldn't hit the payables list. She said she'd send out a new Profit & Loss Statement.

The committee discussed a new Central Services formula. The interim CFO said that she would put together a narrative and spreadsheet of what it should be so we can discuss it at the next

meeting. She said she felt that the NFC needs to take a position on it and decide. She said she'd be happy to talk to the stations about it. The Chair said that it would be on the agenda for the next meeting.

Motion: (Chris Cory) "To extend the time for the meeting by five minutes." (Passed without objection) 10:15 PM (ET)

Discussion of Standard Transaction Limits 10:15 PM (ET)

Motion: (Elizabeth von Gunten) "The NFC recommends that the PNB authorize the Executive Director, General Managers, Pacifica Unit Managers, and other senior Managers to approve on their own authority all reasonable and necessary standard transactions within policy and budgetary guidelines, in amounts up to and including \$5,000 per annum, including all contractual obligations and routine payments previously approved.

Any and all proposed new transactions in excess of \$5,000 per annum shall require PNB approval in advance. All proposals shall be submitted and considered for approval at any PNB meeting.

In case of emergency, the most senior acting Pacifica Manager may obtain the necessary approval with signatures of the current acting Pacifica CFO and any two of the currently seated elected PNB Officers.

This policy of January __, 2022, supersedes any and all previous pertinent Pacifica policies." (Postponed to the next meeting)

The Committee discussed the motion.

Motion: (Kim Kaufman) "To extend the time for the meeting by 10 minutes." (Passed without objection) 10:22 PM (ET)

The Committee continued to discuss the motion.

Motion: (Kim Kaufman) "To postpone the motion to the next meeting." (Passed without objection)

The Committee discussed the motion.

Adjourned 10:31 PM (ET)

Submitted by R. Paul Martin, Secretary.