

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

Meeting convened at 8:36 PM (ET) a quorum being present, the Chair and Secretary being present.

Attending: Chris Cory, Elizabeth von Gunten, Kamau Harris, Julie Hewitt, Kim Kaufman, R. Paul Martin (Secretary), James McFadden, Sean Kelly McPherson, James Sagurton (Chair), Susan Young also attending were Pacifica Executive Director Stephanie D. Wells, National Business Manager Markisha Venzant and KPFT interim General Manager Sandy Weinman.

Agenda:

1. Convene meeting 8:30 PM (ET)
2. Roll Call
3. Adopt Agenda
4. Chair's Announcements (2 minutes)
5. Minutes (3 minutes)
6. Schedule extra meetings this month (5 minutes)
7. Review of the KPFT Budget (50 minutes, Markisha Venzant and Sandy Weinman presenting)
8. Executive Director's Report (20 minutes)
9. Repeater Station estimates and questions (10 minutes, Kim Kaufman)
10. National office Budget and Central Services Formula (15 minutes)
11. NDA and Electronic Transmission Consent (5 minutes)
12. Adjourn no later than 10:15 PM (ET)

Motion: (James Sagurton) "To adopt the agenda." (Passed as amended without objection) 8:41 PM (ET)

Amendment: (Kim Kaufman) "To add after 'Minutes' 'Schedule extra meetings this month. (5 minutes).'" (Passed without objection)

Chair's Announcements 8:41 PM (ET)

"Tonight we will be joined by Markisha Venzant, the new Pacifica National Business Manager (NBM). Markisha has, I believe, been with Pacifica for 17 years as a Business Manager, mostly at KPFT. Markisha has a BA in Accounting, an MBA in Business Management and a Doctorate in Educational Leadership. Tonight she will present the KPFT Budget along with Sandy Weinman, the volunteer i GM at KPFT. We will also be joined by Kamau Harris, the new Treasurer from WPFW.

"The NFC, in conjunction with the ED and NBM will be monitoring the cash flow situation and serve as a forum for discussion of problem solving and corrective intervention."

The Chair asked the new WPFW Treasurer to introduce himself, and he did.

The National Business Manager told the committee that she had been Business Manager at KPFT for 20 years, not 17 years.

Minutes 8:45 PM (ET)

Motion: (R. Paul Martin) “To approve the minutes of the September 13, 2022, public meeting.” (Passed without objection)

Schedule extra meetings this month 8:47 PM (ET)

Motion: (Kim Kaufman) “To add meetings for October 18, and closed meetings for October 18, and October 25.”

The Committee discussed the motion.

Amendment: (James Sagurton) “To strike October 18.” (Passed without objection)

The committee discussed the amendment.

Amendment: (Kim Kaufman) “To add a meeting on November 1, both public and executive session.” (Passed without objection)

Motion as amended: “To add a meeting for October 25, and a meeting both public and executive session for November 1.” (Passed without objection)

Review of the KPFT Budget 8:59 PM (ET)

The KPFT volunteer interim General Manager introduced himself and told the committee that KPFT was bringing a basic budget, with only one employee and one contractor who looks at development and prepares events. He said that there was an engineer who was the one FTE. He said that this was a deficit budget and that the station had to raise more revenue. He said he hoped the station could become self sustaining. He said that the budget didn't hinge on cutting, but was all on the fund raising side. He said they were operating live from the station now from 8 AM to 8 PM. He said they were seeing good results for the first week of the on-air fund raiser. He said they hoped to out perform their revenue projections to become self sustaining.

The National Business Manager, who had until recently been the KPFT Business Manager, Told the committee that the KPFT draft FY23 budget projected Listener Support of about \$447,000 which is 10% more than what was raised for FY22. She said that Corporate Match was projected as \$5,500 for FY23 which was about 10% more than it had been for FY22. She said that Major Donor Income was tricky because most are sustainers who don't know if they'll be Major Donors till the end of the year. She said that Car Donations had taken a hit due to the pandemic and they'd made only about \$15,800 so they had increased that by 10% to \$17,500 for FY23. She

said that they had not done Community Events due to the pandemic so not much was budgeted for those. She said that a grant for about \$35,000 was funded from a person who wants a repeater station near a women's prison, but that's not budgeted for FY23 because it's probably a one time thing. She said the grand total was \$499,402 which was down from about \$505,000 for FY22. She said that the budget was pretty lean and had no places to cut. She said that now that they had a building again those expenses would be back. She said that the Tower Rent goes up 5% every year. She said that the phone lines were in the new building, and that the engineer was able to shop around and get good rates. She said that premium costs were down because they were not housing premiums and were instead using a service. She said they'd removed their postage meter and copier.

In answer to a question the KPFT interim General Manager said that they had brought back their proven on-air fund raisers and had given them more air time. He said that they needed about \$150,000 to set up for the last three months of the calendar year. There was a discussion of live on-air fund raising doing better than recorded on-air fund raising.

The committee discussed the sale of the former KPFT building. The Executive Director said that, based upon requirements and recommendations with the FJC loan, any revenue from selling the former KPFT building has to go into an escrow account. She said that account is managed by the General Counsel and all such funds have to be used for the building.

In answer to a question regarding property tax the National Business Manager said that a stipulation in Harris County, TX is that to be exempt from paying property tax the radio station has to receive CPB funding or be eligible to receive it. She said that part of the salary of the WPFW engineer who's doing a lot of work at KPFT is credited to WPFW's Central Services payments. With regard to the lines for "Prog Serv/Automation/Traffic" and "Other Programming" the National Business Manager said that those lines include Arbitrons, Niensens, BMI ASCAP, etc. and they should be together. She said the way they're coded is the issue. She said that they're the same as FY22, with only a slight increase.

In the course of discussion it was discovered that this budget calculates the station's Central Services fees according to an old formula and that by using the current formula the KPFT draft FY23 budget should actually be in the black, not a deficit budget. The need for a National Office draft FY23 budget was discussed.

The committee discussed the 10% increase in revenue. It was noted that KPFT was unable to go live for a year and a half, and that live on-air fund raising is more effective than pre-recorded on-air fund raising.

Motion: (Chris Cory) "To extend the time for this meeting by 15 minutes." (Passed without objection) 10:17 PM (ET)

The committee discussed the National Office's expenses and Central Services. A member said that last year's National Office budget was about \$1.2 Million and that this year it might need to be \$1.4 Million. There was a discussion of holding stations to the Central Services formula in

their budgets and making them actually pay their Central Services fees.

Motion: (Chris Cory) “To extend the time for this item by 10 minutes.” (Passed without objection) 10:31 PM (ET)

The committee continued to discuss Central Services fees, getting stations to operate gainfully, extra expenses that some stations have and the need to get the Central Services fees paid.

Motion: (James Sagurton) “That pending specified adjustments the NFC recommends to the PNB that they approve the KPFT FY23 budget.” (Passed 9 for, 1 against)

The Committee discussed the motion.

The Chair asked the Executive Director if we could do the financials at the next meeting, she said it was no problem. The Chair asked the Executive Director about the National Office draft FY23 budget. She said that the budget itself was pretty easy to put together based on the actuals from last year, and she was working with the Pacifica Radio Archives (PRA) as well. She said they were looking at 15% in Central Services fees across the board, needed to know if there were any adjustments made with regard to Central Services payments to PRA. She said that they’ve added another revenue stream, because Central Services is not working for PRA. She said we have to look at the budgets on a regular basis and adjust them, not just approve them and put them in a drawer. She said that to date there was over \$900,000 of Central Services owed to the National Office and about \$137,000 in unpaid Central Services owed to PRA. She said that budgets would need to be adjusted and that when we continue to do Central Services credits it just moves magic money. She said that the National Office pays in advance for health benefits and payroll and covers insurance costs and other things and that if we continue to fund the National Office with credit it’s not real money. She said that Central Services fees need to be flat across the board. She said she’d add a column to the budget showing 15% Central Services fees across the board based on what each station had actually brought in. She said that we had to decide if the 15% across the board would include the PRA Central Services. A member noted that the PRA Central Services formula was 13 years old and should be revisited.

Adjourned 10:52 PM (ET)

Submitted by R. Paul Martin, Secretary.