

**Finance Committee Meeting, February 18, 2005
MINUTES**

The meeting convened via telephone conference call at 12:36 p.m. Pacific Standard Time by Chair Pro Tem Mike Martin.

Mike Martin turned Chair Pro tem position over to David Adelson with no objections from the committee.

Proposed Agenda:

1. Roll Call
2. Approval of Minutes
3. Confirmation of Chair Pro Tem
4. WBAI Update
5. Review of PNB financial transparency motions and Administrative Council request for tabling implementation
6. CFO report
7. Review of December Financials

The agenda was revised by unanimous consent to move the WBAI update to after the CFO report and to add the scheduling of the next meeting to the end of the agenda.

1. Roll Call

Present: David Adelson, Baruti Bediako, Jane Gatewood, Patty Heffley, Lonnie Hicks, Mike Martin, Casey McFall, Mark Roberts (joined at 12:50 p.m. pst), Marnie Tattersall, LaVarn Williams

Absent: Sandy Weinmann

2. Approval of Minutes

Motion by Martin, 2nd by Williams:

That approval of the minutes be postponed to the next meeting.

Passed with no objections

3. Confirmation of Chair Pro Tem

Confirmation of Chair Pro tem occurred at the beginning of the meeting, prior to roll call.

4. Review of financial transparency motions

Lonnie Hicks reported that the GMs held a conference call to develop a confidential memo that was sent to the Finance Committee, and copied to the PNB, expressing concerns regarding the implementation of the financial transparency motions passed by the PNB on December 20, 2004.

Hicks stated that the Administrative Council was composed of the Executive Director, the CFO, the 5 General Managers and the Archives Director. Hicks indicated that different stations have varying degrees of difficulty with providing required information.

Lengthy discussion occurred regarding the request for a conference call with the “Administrative Council” and the NFC as well as the contents and generation of the various financial reports.

Hicks agreed that some information is available and would be provided to the committee “as soon as possible.”

Motion by Hicks that the National Finance Committee participate in a conference call with the 5 GMs to discuss their concerns with the provision of financial reports, and that any and all available information be provided by the CFO to the NFC prior to the conference call.

Vote:

Adelson – Meeting Chair

Bediako – yes

Heffley – abstain

Hicks - yes

Martin – yes

McFall – yes

Roberts – yes

Tattersall – yes

Gatewood – yes

Williams – abstain

Motion carried 7 – 2

5. Committee Chair Elections

Motion by Roberts, 2nd by Williams that the committee hold elections for a Chairperson.

Passed without objection

Candidates for Committee Chairperson are Mike Martin and Mark Roberts. Short presentations were made by and in support of each candidate. Elections will be conducted by mail. Ballots will be made available by email and sent in a double, blind envelope to the Committee Secretary. Deadline to receive ballots is February 28, 2005. Ballots will be opened and counted in Los Angeles in the presence of listeners.

David Adelson will continue as Chair Pro Tem until election results are announced.

6. CFO Report

Hicks reported that he will bring 6 month budget adjustment recommendation to the committee in March. He also recommended that the committee adopt goals for the year.

Foundation management is researching options for increasing off-air revenue to be earmarked for

capital improvements. Those options include a 1 million piece mail drop that coincides with various upcoming station anniversaries.

An asset inventory is currently being conducted.

Elections costs exceeded the budgeted amount by \$40,000 - \$50,000.

Hicks stated that a bylaws convention will occur in 2006 and there is a need to begin budgeting for this event.

The costs of implementing the Race and Nationality policies need to be discussed in the near future.

Fund drive totals to date are:

KPFA - \$700,000, expected to reach \$1 million goal

KPFK - \$785,000, expected to reach \$1 million goal

WBAI – two different amounts have been reported - \$726,000 and \$869,000 over 27 days of fundraising

WPFW - \$204,000, ahead of projections for reaching goal

KPFT - \$150,000, behind projections for meeting goal

Amounts raised from on-air fund drives have not increased this year. Although revenues will be close to budgeted amounts, a 3rd year of flat revenue will be problematic.

Current legal expenses will be paid off this month. However, there are not adequate reserves to handle potential legal issues or costs.

Concerns surrounding finances at WBAI continue. Hicks reported that:

1. Space costs are too high and discussions are currently occurring with real estate agents regarding moving the station.
2. The fulfillment rate at WBAI is 10% lower at 75% than the other stations at 85%.
3. There is a need to reduce staff at the station.
4. There is currently no Development Director. The national Development Director worked with them prior to the fund drive and continues to provide assistance. Robert Adams, a Development Consultant is providing assistance as well.

Hicks stated that the variance in salaries was \$15,000 and not \$48,000 as shown, and that the error was a result of a computer software linking error. Further discussion on the issue indicated that the variance amount was not completely explained. Hicks will provide a more detailed written explanation of the variance amounts and reasons by next week.

Discussion related to the variance in salaries included a verbal listing of staff at the National office and included:

1. Executive Director

2. Chief Financial Officer
3. Financial Analyst
4. Controller
5. Accounts Payable
6. Executive Assistant
7. Web Site Coordinator
8. Affiliates Coordinator

Vacancies that have not been filled include a Human Resources Director, a National Technology Director, and a National Program Director. In addition to a lack of funds for salaries, there is not adequate space to house these potential employees. The hiring of the Human Resources Director at a salary of \$65,000 was budgeted for January 2005 but has not yet occurred. Hicks stated that a hire date has been moved to June 2005 in order to balance the budget.

Hicks stated that part of the variance in salaries could be attributed to the provision of unbudgeted holiday bonuses to General Managers which were approved by the former Chair of the iPNB and the outgoing chair of the PNB. Hicks indicated that he would provide a list of the amounts of bonuses and to whom they were distributed to the Committee by Wednesday, February 23, 2005.

The issue of surplus revenues raised by stations in excess of projected goals was discussed. The Committee will develop proposed policies regarding this for submission to the PNB for approval.

Hicks stated that January 2005 financial statements would be provided to the Committee on February 26, 2005.

Next meeting will be March 4, 2005 at 2:00 Pacific Standard Time. The Committee Secretary will post the meeting notices as appropriate.

Motion to adjourn by Roberts, 2nd by Bediako

Passed without objection

The meeting was adjourned at 3:32 Pacific Standard Time.

Respectfully submitted,
Casey McFall
Secretary

These minutes were approved on 11/29/07.