

Draft Minutes for the regular National Finance Committee meeting August 24, 2010.

Meeting convened at 8:53 PM (ET) a quorum being present, the Chair and Secretary being present.

Attending: Alonzo Brown, Mike Jones, Alberto Luera, R. Paul Martin, Summer Reece, Tracy Rosenberg, Alex Steinberg, John Wenger, Lavarn Williams, Bruce Wolf, also attending was Arlene Engleheart, Executive Director.

Agenda:

1. Approval of two sets of minutes.
 2. CFO rpt
 3. Discussion of budget to actuals for KPFA
 4. Executive session
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Motion: (Summer Reece) "To approve the agenda." (Passed without objection)

Motion: (Summer Reece) "To approve the minutes of the July 27, 2010, meeting." (Passed without objection)

The minutes were read, corrected and approved.

Motion: (Summer Reece) "To approve the minutes of the August 3, 2010, meeting." (Passed without objection)

The minutes were read and approved.

CFO Report 9:13 PM (ET)

CFO Lavarn Williams reported that she's sent out the year to date results. She said that we have to limit spending which includes consultants and overtime. July showed a deficit because there were no on-air fund raisers in July. As of July 31, Pacifica had about \$713,000 cash on hand, which was about \$338,000 lower than the prior month. KPFA has best cash on hand with about \$450,000, unchanged from the prior month. Listener support revenue for KPFA is about \$170,000 worse than budget; there may be lock box issues there. The KPFA interim General Manager has been asked how to help with this problem. WBAI's July revenue was about \$70,000 worse than budget owing to bad fulfillment. The station's new interim General Manager is turning it around. At WPFW their transmitter failed. During the on-air fund raiser they had air conditioning problems and the transmitter went down, affecting the fund raiser. WPFW also had extra expenses for dealing with the transmitter problems. She reported that we have to look at KPFA for major reductions in spending. The payables list has been sent out. She reported that

legal expenses continue to grow; the former counsel has submitted an invoice for over \$100,000, current counsel is also owed money. She noted that we have to be careful about legal expenses. The Pacifica Radio Archives pitches worked at the stations where they were done. July was budgeted to show a deficit but the deficit was greater than budgeted, revenue for July was about \$700,000, salaries and related expenses came to about \$600,000.

The CFO said that we have to look at the expense to revenue ratio and set up minimum amounts for that. She said that the months of on-air fund raising and the months without on-air fund raising have to be limits of our expenses. She said that the Summer on-air fund raisers and an early launch at KPFA of their Fall on-air fund raiser in September would help; she said that other stations may also need to have some of their Fall on-air fund raisers in September. She said that we have to look critically at some things at KPFA, WPFW some other issues in executive session. She said that there was a Management conference call today. While she'd like to see fewer on-air pitching days we have to raise money. She noted that revenue has to exceed expenses, and that the budget has to be that way this year. She said that we can't have budgets with a negative cash flow at end of the year.

In response to a question the members from each station stated how their Summer on-air fund raisers has done: KPFT had a goal of \$150,000 and a final tally of \$120,000; WBAI had a goal of \$550,000 and a final tally of \$ 414,048; WPFW came in under its goal, KPFA had a goal of \$275,000 and a final tally of \$285,000; KPFK had a goal of \$250,000 and a final tally of \$200,000. The number of days pitched was discussed.

The committee discussed KPFA's cuts. The Executive Director said that she was waiting for a complete analysis which she expected to get this coming Thursday, and that some of this could only be discussed in executive session.

The question of having all budgets show revenues in excess of expenses when WBAI was very unlikely to be able to do that was discussed by the committee. The question of when the committee would see WBAI's draft FY11 budget was raised; the WBAI Treasurer said it would probably depend on the meeting schedule of the National Finance Committee and might come late in September owing to the WBAI LSB meeting schedule.

Motion: (R. Paul Martin) "That the committee meet on August 31, September 7, 21, and 28."
(Passed without objection)

The CFO went over some legal payables

The Secretary reported that the meeting dates had been booked on the KPFTX.ORG calendar.

The committee discussed looking at the election expenses at the next meeting, and also legal expenses and personnel issues at KPFA and KPFK It was suggested that the committee do KPFT's draft FY11 budget at the next meeting and start to discuss WPFW's draft FY11 budget then, with WPFW's draft being fully discussed at the meeting after that.

Motion: (John Wenger) "If requested financial documents are not forthcoming to the Treasurer of a particular unit, the Executive Director shall compel each General Manager to instruct the

Business Manager to follow PNB policy which states that each Treasurer has total access to all financial information and specifically have him/her provide us with all prior budgets so we can do comparisons and prep this year's budget." (Passed 7-1-1)

The issue of LSBs requesting Arbitron ratings for their stations and experiencing local Management resistance to obtaining them was briefly discussed. The CFO said that this issue was on the top of the agenda for the weekly teleconference with Management which is held on Tuesdays.

Motion: (Alberto Luera) "To adjourn." (Passed without objection)

The committee did not go into executive session.

Adjourned 10:42 PM (ET)

Submitted by R. Paul Martin, Secretary