

Minutes for the regular National Finance Committee meeting July 8, 2014.

Meeting convened at 8:42 PM (ET) a quorum being present, the Chair and Secretary being present.

Attending: Jim Boyd, Lydia Brazon, Brian Edwards-Tiekert (Chair), R. Paul Martin (Secretary), Tony Norman, Michael Novick, Manijeh Saba, Raul Salvador (CFO), Barbara Whipperman.

Agenda:

1. Minutes Approval
 2. CFO Report
 3. NFC Work Plan
 4. Depreciation in budgeting
-

Motion: (Lydia Brazon) “To approve the agenda.” (Passed without objection)

Minutes Approval 8:48 PM (ET)

Motion: (Lydia Brazon) “To approve the minutes of the June 10, 2014, meeting.” (Tabled)

Motion: (Lydia Brazon) “To table the motion.” (Passed without objection)

CFO Report 8:51 PM (ET)

The CFO reported that the National Office had hoped to get the audit schedules to the auditors for the FY13 audit by June 30, but they found that the audit schedules had not been done. He said that the audit will now be delayed an additional two to three weeks while the work of getting the audit schedules together goes on. He is not sure how this is all going to be presented to the auditors.

The CFO said that the National Office is unable to produce a balance sheet at this time, and that income statements are currently being reviewed. The National Office has discovered that bank reconciliations have not been done. He noted that cash transactions have a lot of unrecorded transfers, mostly inter-company. He said that the National Office needs to start gathering this information and input it all into the FY14 financials. He said they do not have payroll entries starting from March 2014. Regarding the motion passed by the NFC asking for all five stations’ current financials through June by July 10, 2014, he said, “Obviously that’s probably unrealistic right now.” He said that by July 30, the National Office will be able to provide the NFC with more accurate or more complete financial statements through June 30, but that they might not be able to reconcile most of the accounts. The National Office’s goal is to get caught up recording Pacifica’s financial data for the last six months.

The CFO reported that he and the Pacifica interim Executive Director and PNB Chair Margy Wilkinson will be in contact with each other, that they have not yet contacted Pacifica’s FCC attorney John Crigler about updates regarding Pacifica’s CPB funding.

The committee discussed the report. In response to a question the CFO said that the possibility has been brought up that Pacifica could do bi-annual audits, but that has to be checked with Pacifica's FCC attorney John Crigler. They will also have to contact Mr. Crigler about the chances that Pacifica will get the second installment of the FY13 CPB grants. The CFO said that he doesn't know if Pacifica is in talks with the CPB regarding getting that second installment. He also has to check with the lawyer about what happens if Pacifica doesn't meet the current deadline for the audit.

It was noted that, even if the CPB doesn't require an annual audit, the State of California, where Pacifica Foundation Radio is incorporated, does require an annual audit.

The NFC discussed the fact that all of Pacifica is way behind the annual budget timeline. Getting the budgets done will require financial statements from the National Office, which the CFO has said he'll provide by mid-August.

NFC Work Plan 9:30 PM (ET)

The committee discussed the previously adopted timeline, and agreed that the committee was comfortable with it, even though we are behind on it.

When asked if the committee could count on his sending the FY15 draft budgets by August 15, the CFO said that he will have to address each station separately about where they are with the creation of a draft FY15 budget.

Motion: (Brian Edwards-Tiekert) "That the next meeting start with an open session followed by an executive session to discuss proprietary information, personnel issues and legal matters requiring privileged advice of counsel."

The committee discussed the motion.

Amendment: (R. Paul Martin) "To make the open session 90 minutes." (Fails 3 for, 6 against)

Amendment: (Manijeh Saba) "To have station Treasurer's reports at the next meeting." (Fails 2 for, 7 against)

Amendment: (Brian Edwards-Tiekert) "To make the open session 60 minutes." (Passed without objection)

Motion as amended: "That the next meeting start with an open session for 60 minutes followed by an executive session to discuss proprietary information, personnel issues and legal matters requiring privileged advice of counsel." (Passed without objection)

Motion: (Michael) "To take from the table the motion to approve the minutes of the June 10, 2014, meeting." (Passed without objection)

Minutes Approval 10:08 PM (ET)

Motion: "To approve the minutes of the June 10, 2014, meeting." (Passed without objection as

amended)

Amendment: (Michael Novick) “In the motion passed by the committee at that meeting requesting all five stations’ current financials through June, to change ‘get’ to ‘provide.’” (Passed without objection)

Depreciation in budgeting 10:13 PM (ET)

Motion: (Brian Edwards-Tiekert) “Pacifica budgets should show Depreciation as both an operating expense, and an adjustment in the ‘Cash and Capital’ section that zeroes out the operating expense. Capital expenses should be budgeted separately.” (Postponed to next meeting)

The committee discussed the motion.

Motion: (R. Paul Martin) “To table the motion.” (Fails 3 for, 5 against, 1 abstention)

Motion: (R. Paul Martin) “To postpone the motion to the next meeting.” (Passed 5 for, 1 against, 3 abstentions)

It was noted that the following motion had been postponed to this meeting:

Motion: (Referred to the committee by the PNB) “An HR employment attorney must be available to provide legal counsel to the board during any employment or personnel discussions.”

Motion: (Lydia Brazon) “To postpone this motion to the August 12, 2014, meeting.” (Passed without objection)

The CFO said that he could tell us what the hourly rate for a Human Resources (HR) person is.

Adjourned 10:37 PM (ET)

Submitted by R. Paul Martin, Secretary.