

Minutes for the regular National Finance Committee meeting September 9, 2014.

Meeting convened at 8:35 PM (ET) a quorum being present, the Chair and Secretary being present.

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

Agenda:

1. Roll Call (5 minutes)
 2. Agenda Approval (5 minutes)
 3. Minutes Approval (5 minutes)
 - A. Minutes of August 12, 2014 public session (postponed from 8/26 meeting)
 - B. Minutes of August 26, 2013 public session
 4. FY2015 Budget Review
 - A. National Office Expense Budget (if available) (30 minutes)
 - B. Pacifica Radio Archive Budget (if available) (30 minutes)
 - C. KPFT Budget (if available) preliminary review (pre-LSB) [15 minutes]
 5. FY2015 Budgeting Policies / Timeline
 - A. Setting additional meeting dates for budget review (10 minutes)
 - B. Set a meeting for Thursday, September 18th at 8:30 Eastern for preliminary (pre-LSB) review of the KPFK budget and any other budgets that may be available.
 - C. Set a meeting for Tuesday, September 16th at 8:30 Eastern for final (post-LSB) review of the KPFA budget and any other budgets that may be available.
 6. Report on WBAI Tax Payment (10 minutes)
 7. FY2013 Unaudited financial statements review
 - A. WPFW (10 minutes)
 - B. KPFT (10 minutes)
 - C. KPFK (10 minutes)
 - D. KPFA (10 minutes)
 8. New Business
 9. Adjourn - 10:30 Eastern
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Motion: (Jim Boyd) “To approve the agenda.” (Passed without objection)

Amendment: (Jim Boyd) “To put KPFT as 4D.” (Fails 1 for, 5 against, 4 abstentions)

Minutes Approval 8:45 PM (ET)

Motion: (R. Paul Martin) “To approve the minutes of the August 12, 2014 meeting.” (Passed without objection)

Motion: (Michael Novick) “To approve the minutes of the August 26, 2014, meeting.” (Passed without objection as amended)

Amendment: (Michael Novick) “To add, ‘Part of the discussion concerned the need for a growth strategy for the station based on the growth of Houston as the fourth largest and fastest growing large city with a growing youth population and the.’” (Passed without objection)

FY2015 Budget Review 8:53 PM (ET)

National Office Expense Budget 8:53 PM (ET)

The CFO sent a preliminary expense rough draft of the National Office FY15 budget to the committee. He reported that Central Services income is not included. Regarding revenue, he reported that the National Office was anticipating a donation of \$30,000. If they do a direct mail campaign in FY15 they are anticipating revenue of \$115,000 from it. They are budgeting an Affiliates income of about \$223,000. The National Office got about \$156,000 in a grant last year and they are anticipating getting about \$150,000 from major donors in FY15. They are maintaining SCA income at the same level, but they want to get more from the WPFW SCA income in FY15. They anticipate about \$730,000 in revenue generated at the national level. Going back to expenses, the National Office will reduce Staff by 1.5 FTE in FY15. The State of California has sent the National Office a refund to adjust taxes that had previously been paid. They anticipate Salaries & Related expenses of about \$813,000. The CFO is anticipating a \$22,000 reduction in payroll taxes due to refunds. Inactive Bank of America accounts, which had been costing \$300 to \$500 a month, have been closed. He anticipated bank fees dropping from about \$5,000 a month for the last four months to about \$2,500 a month for FY15. The CFO anticipates that audit fees should be about \$10,000 less than last year. PNB expenses should be about the same as last year. Teleconference calls were about \$13,200 last year and are being budgeted at the same rate for FY15. They are budgeting LSB election expenses for Q1 of FY15 at about \$20,000 and the same in Q4 of FY15. The expense of *Democracy Now!* Has not been included. The CFO doesn't know what that amount will be but anticipated it will be about half of the amount for FY14. Negotiations are ongoing with FSRN. A direct mail campaign will cost about \$30,000 all together. They are looking into getting a fund raising consultant for about \$30,000 for FY15. The National Office budget currently shows a deficit of \$1,386,494 which is the amount that the National Office wants to get from the stations. He said it would be a 12% reduction of what had been billed in the past.

The committee discussed the report.

Motion: (Michael Novick) “To extend the time for this item by five minutes.” (Passed without objection) 9:23 PM (ET)

The committee continued discussing the report and the formula for reduction of Central Services fees.

Motion: (Brian Edwards-Tiekert) “To extend the time for this item by 10 minutes.” (Passed without objection) 9:33 PM (ET)

The committee continued discussing the report.

Pacifica Radio Archive Budget 9:55 PM (ET)

The CFO reported that the Pacifica Radio Archives Director is working on this budget and it should be ready by next week.

FY2015 Budgeting Policies / Timeline 9:56 PM (ET)

Motion: (Brian Edwards-Tiekert) “To set a meeting for Thursday, September 18, 2014, at 8:30 PM (ET) for preliminary (pre-LSB) review of the KPFK budget and any other budgets that may be available.” (Passed without objection)

Motion: (Brian Edwards-Tiekert) “To set a meeting for Tuesday, September 16, 2014, at 8:30 PM (ET) with a fixed end time of 10:00 PM (ET) for final (post-LSB) review of the KPFA budget and any other budgets that may be available.” (Passed without objection)

Report on WBAI Tax Payment 10:02 PM (ET)

The CFO reported that severance payments to the WBAI employees who were laid off in August 2013, were made in March 2014. The checks were cut manually and not run through the regular payroll service, withholding taxes and employer taxes were not paid to the federal and state governments. The CFO said he had recreated and run a test payroll to determine the exact amount of tax liability and it comes to \$156,999.87. This tax liability is based on the paychecks issued. Federal regulations require that those taxes are paid immediately. The National Office and a PNB member got a no interest loan to pay the tax liability. That loan was approved by the PNB last Thursday.

The committee discussed this report. The CFO said that the severance payments were about \$261,000 as opposed to about \$235,000 which had been the figure previously cited. The confidential document showing these figures was sent to the committee during this segment of the meeting. The amount of the loan was to pay only the taxes, any fines have not yet been computed. The loan document itself was discussed. The CFO said that the benefactor didn't

require a complicated loan document, and that if there were difficulties with payments he could probably talk to the lender.

The CFO reported that the check for \$156,000 has been deposited and is on a two day hold, the amount will be sent to the taxing authorities on Thursday.

Adjourned 10:29 PM (ET)

Submitted by R. Paul Martin, Secretary.