Minutes for the regular National Finance Committee meeting October 14, 2014.

Meeting convened at 8:33 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, also attending were Brian DeShazor Director of the Pacifica Radio Archives, Berthold Reimers General Manager of WBAI, and Maria Negret Business Manager of KPFA.

Agenda:

1. Roll Call (5 minutes)

2. Agenda Approval (5 minutes)

3. Minutes Approval (10 minutes)
   A. Minutes of September 18, 2014 public session
   B. Minutes of September 23, 2014 public session
   C. Minutes of September 25th, 2014, public session
   D. Minutes of September 26th, 2014 executive session.
   E. Minutes of October 6, 2014 public session.

4. FY2015 Budget Review
   A. PRA Budget Final Review (15 minutes)
   B. National Office budget final review (15 minutes)
   C. WPFW Budget Second Review (30 minutes)
   D. WBAI Budget third review (15 minutes)
   E. KPFA Budget third review (15 minutes)
   F. KPFK Budget second review (15 minutes)
   G. Set additional meetings for budget consideration

5. Adjourn - 11:00 Eastern

Motion: (Tony Norman) “To approve the agenda.” (Passed without objection)

Minutes Approval 8:36 PM (ET)

Motion: (Jim Boyd) “To approve the minutes of the September 18, 2014, meeting.” (Passed without objection)

FY2015 Budget Review 8:37 PM (ET)
PRA Budget Final Review 8:37 PM (ET)

The Director of the Pacifica Radio Archives (PRA) said that he and the CFO had amended the PRA draft FY15 budget proposal to reflect the motions passed by the NFC at its last meeting. The CFO said that they had reduced the temporary archivist or cataloguer from 12 months to 6 months.

The committee discussed the PRA draft budget proposal. The PRA Director said that this budget made PRA’s finances tight and if the archivist were to be kept on longer he would have to raise the money to further fund the position.

Motion: (Jim Boyd) “To approve the FY15 budget for PRA as submitted.” (Passed without objection)

National Office budget final review 8:43 PM (ET)

The CFO said that the only change to the National Office draft FY15 budget proposal was adding a cash flow tab. He discussed how the National Office will operate in FY15. The budget proposal projects a surplus of $4,618. He said that there is about $600,000 of unpaid FY14 Central Services fees. He discussed how the stations could pay that back over time. He said that he expects to get about $346,000 in owed Central Services fees from the stations in FY15, and the rest in FY16. There are also pension catchup payments needed for FY12, FY13 and FY14. In addition the CFO said he has made payment arrangements with vendors. He also noted that WPFW and WBAI have not paid their health insurance bills.

The committee discussed the National Office draft FY15 budget proposal. In response to a question the CFO said that Pacifica does not have a definite agreement with Democracy Now! for the coming year. The contract expired at the end of 2012, in FY13 it was accrued at the existing rate. Pacifica Foundation Radio is currently in negotiations with Democracy Now!

The CFO said that with regard to the cash flow probabilities of the stations and the paying back of the Central Services fees that are in arrears the National Office would have to make cuts to its FY15 expenses if the money didn’t come in. He said that the National Office would be heavily relying on the back Central Services payments coming in during the month when they’re due. The committee discussed the budget proposal some more.

Motion: (Tony Norman) “To approve the National Office FY15 budget and recommend it to the PNB.”

The committee discussed the motion.

Amendment: (Brian) “During FY15, The National Finance Committee shall review monthly the budget vs. actual performance of all financial units, plus stations’ progress on catch-up payments to the National Office.” (Passed without objection)
Motion: (Raul Salvador) “To divide the question.” (Passed without objection)

Motion as amended: “To approve the National Office FY15 budget and recommend it to the PNB. During FY15, The National Finance Committee shall review monthly the budget vs. actual performance of all financial units, plus stations’ progress on catch-up payments to the National Office.” (Passed without objection)

WPFW Budget Second Review 9:36 PM (ET)

The WPFW Treasurer said that the interim Executive Director, the WPFW General Manager and he had had a good discussion earlier today and there will be a better draft FY15 budget proposal for Thursday.

Motion: (Marcus Jetter) “To table this agenda item.” (Passed without objection)

WBAI Budget third review 9:38 PM (ET)

The WBAI Treasurer reported that the WBAI LSB met last Wednesday and voted that the WBAI FY15 budget be approved for 45 days and then revisited. The draft FY15 budget has included recommendations from the NFC and as a result it is a deficit budget, which is unavoidable if the NFC’s motion regarding this budget is adhered to. Negotiations with the Empire State Building (ESB) regarding WBAI’s tower rent are still ongoing. The tower rent is the major difference from what the NFC has previously seen. The Board of the ESB has sent WBAI’s proposal to their legal separtment. Also, there will be an interim Program Director for about six months at WBAI, and the General Manager’s salary is reverting to its FY13 rate.

The committee discussed the report.

The WBAI General Manager joined the call, he said that he couldn’t discuss any details of the negotiations with ESB on the public call but that he was optimistic. He said he’d send the NFC an E-mail about the progress of the negotiations via the WBAI Treasurer.

The committee continued discussing the budget proposal. The WBAI FY15 budget proposal projects a net loss before capital expenditures of $268,444 and the committee discussed how this could be sustained. The WBAI General Manager said that the station was re-instituting Saturday morning on-air ticket sales, but that this is not proven income at this time, although the General Manager believes that it will raise revenue in the low six figures. It was noted that WBAI is about $34,000 behind in its payment of health premiums and has had trouble making payroll. There was a question about whether WBAI’s calculation of its PRA Central Services payments was too low. The CFO said that some cuts and adjustments could be made to this budget proposal but after those the budget still showed a deficit. He said that maybe Pacifica would be better off if WBAI were to shut down operations for a year. He said that he knows what’s going on with the ESB negotiations and he is optimistic. The WBAI General Manager said that the current interim Program Director was making changes in the drive time programming that should help the station increase its Listener Support revenue. The need for the station to make PRA
Central Services payments, Central Services back payments to the National Office and back payments to the pension plan was discussed. There was a discussion about WBAI’s premiums expenses which the General Manager said amounted to about $276,000 in total for FY14, some of which involved catching up on premiums from previous years. For FY15 the station intends to use more locally produced premiums. The WBAI General Manager is projecting pitching 127 days in FY15, which is 31 days less than in FY14. There is a $1,000,000 bequest for WBAI that is still working its way through a court and which can’t be projected as FY15 revenue. There was a discussion of the current WBAI on-air fund raiser and what the average daily tally should be. Some items regarding this budget proposal would need to be discussed in executive session.

**Motion:** (Lydia Brazon) “To meet on October 23, 2014, to start at 8:30 PM (ET) with a one hour executive session.” (Passed without objection)

The committee discussed the motion.

**Motion:** (Brian Edwards-Tiekert) “The National Finance Committee requests a revised version of WBAI's budget that:

1) Maintains fundraising at current levels (until expenses can be reduced).

2) Includes pension catch-up payments under ‘Cash and Capital.’

3) Moves Tax catch-up payments to ‘Cash and Capital’ from ‘Debt Retirement.’

4) Does whatever else is necessary to show a balanced bottom line.”

The committee discussed the motion.

**Amendment:** (Brian Edwards-Tiekert) “To add, ‘5) Adjusts PRA contributions to the amounts and schedule submitted by the CFO to the stations.’” (Passed without objection)

**Motion as amended:** “The National Finance Committee requests a revised version of WBAI's budget that:

1) Maintains fundraising at current levels (until expenses can be reduced).

2) Includes pension catch-up payments under ‘Cash and Capital.’

3) Moves Tax catch-up payments to ‘Cash and Capital’ from ‘Debt Retirement.’

4) Does whatever else is necessary to show a balanced bottom line.

5) Adjusts PRA contributions to the amounts and schedule submitted by the CFO to the stations.” (Passed without objection)
Motion: (Barbara Whipperman) “To extend the meeting time by 15 minutes for KPFA’s budget.” (Passed without objection) 11:18 PM (ET)

KPFA Budget third review 11:18 PM (ET)

The committee discussed the KPFA draft FY15 budget proposal. The KPFA Business Manager said that there were not a lot of changes, KPFA would have 89 on-air fund raiser days for FY15. She said that the station would add back Reuters and $5,000 for FSRN in January. The schedule for catch up payments for Central Services to the National Office were received two days ago and are not in the draft budget yet. She is still discussing the draft budget with the CFO. Cash flow issues with the draft budget proposal were discussed. It was agreed that this draft budget would be brought to the NFC again at the next meeting.

Adjourned 11:37 PM (ET)

Submitted by R. Paul Martin, Secretary.