

Minutes for the regular National Finance Committee meeting June 9, 2015.

Meeting convened at 8:37 PM (ET) a quorum being present, the Chair and Secretary being present.

Attending: Adriana Casenave, Bill Crosier, Brian Edwards-Tiekert (Chair), R. Paul Martin (Secretary), Tony Norman, Michael Novick, Cerene Roberts, also attending were John Profitt Executive Director and Ursula Ruedenberg Pacifica Affiliates Coordinator.

Agenda:

Call to Order (5 minutes)

Agenda Approval (5 minutes)

Minutes Approval (5 minutes)
Minutes of May 26, 2015

Unfinished Business

LSB Review Budget Motion (15 minutes)
Affiliates Group Underwriting (20 minutes)
Sideband Motion from the WBAI LSB (30 min.)

New Business

Affiliates Underwriting Program (15 minutes)

Adjourn (10:15 Eastern)-----

Motion: (Michael Novick) "To approve the agenda." (Passed as amended without objection)

Amendment: (Brian Edwards-Tiekert) "To add 'Affiliates Group Underwriting' motion as item 3.1." (Passed as amended without objection)

Amendment: (Cerene Roberts) "To make 'Affiliates Group Underwriting' motion item 4B" (Passed 4 for, 1 against, 2 abstentions)

Amendment: (Bill Crosier) "To make the adjournment time 10:40 PM (ET)" (Fails 1 for, 5 against, 1 abstention)

Amendment: (Cerene Roberts) "To make the adjournment time 10:15 PM (ET)." (Passed without objection)

Minutes Approval 8:52 PM (ET)

Motion: (Cerene Roberts) “To approve the minutes of the May 26, 2015, meeting.” (Passed as amended 5 for, 0 against, 1 abstention)

Amendment: (Michael) “strike ‘is meeting’ and replace with ‘met’.” (Passed without objection)

Amendment: (Michael) “To change, ‘a little ahead of budget for FY15. They are over budget for expenses,’ to ‘a little ahead of budget for revenue for FY15, but are over budget for expenses.’ (Passed without objection)

Amendment: (Bill Crosier) “To change, ‘the Executive Director said that he didn’t know when the FY14 would start,’ to ‘ the Executive Director said that he didn’t know when the FY14 audit would start.’” (Passed without objection)

Unfinished Business 9:00 PM (ET)

LSB Review Budget Motion 9:00 PM (ET)

Motion: (Cerene Roberts) “To table the motion till Adriana Casenave comes back on the call.” (Passed without objection)

Affiliates Group Underwriting 9:02 PM (ET)

Motion: (Cerene Roberts) “To table the motion.” (Fails 2 for, 2 against, 2 abstentions)

The Executive Director and the Pacifica Affiliates Coordinator talked to the committee about a proposal to seek underwriting support for those stations in the Affiliates Program that want to participate. The Pacifica Affiliates Coordinator said that the affiliates were ready for this and that if Pacifica didn’t do it some affiliates would probably do it themselves. The Pacifica Affiliates Coordinator said that Listener Support was no longer adequate and that affiliate fees are not a good model for next 10 years, and she described the way the underwriting would work. The Executive Director noted that none of this would have any on-air impact on any Pacifica stations.

The committee discussed the proposal. The Pacifica Affiliates Coordinator said that if the underwriting resulted in enough revenue that a sales person would be added to the Affiliates Program.

Motion: (Brian Edwards-Tiekert) “To extend the time for this item by 15 minutes.” (Passed without objection) 9:27 PM (ET)

The committee continued discussing the proposal. The Executive Director said that his arrival is what’s pushing this proposal, and that this is a test. He said that with Pacifica’s financial situation additional revenue sources need to be tested, and Pacifica would get some revenue from this underwriting plan. The Pacifica Affiliates Coordinator said that ultimately she would want to pay for a real bookkeeper and Business Manager and that money for that is an investment in the Affiliates

Program in terms of Staff. She noted that the Affiliates Program doesn't have its own office, but occupies office space provided by another organization.

Motion: (Bill Crosier) "To extend the time for this item by 5 minutes." (Fails 3 for, 3 against, 1 abstention) 9:46 PM (ET)

Motion: (Cerene Roberts) "To take the LSB Review Budget Motion off the table." (Passed without objection)

LSB Review Budget Motion 9:49 PM (ET)

The committee discussed the following motion which had been introduced at the last meeting:

Motion: (Adriana Casenave) "Whereas, Pacifica's units have allowed little to no reserves in their budgets,
and,

Whereas, closely tracking the quarterly status of each unit is particularly imperative at this time,

I Move that:

Per the Pacifica bylaws, Article Seven, Section 3, Item A. that LSBs "review and approve that station's budget and make quarterly reports to the Foundation's Board of Directors regarding the station's budget, actual income and expenditures," the PNB directs the LSBs to make their quarterly budget, actual income and expenditures reports to the PNB quarterly, starting with the first quarter of FY2015, the period between October 1, 2014, through December 31, 2014, to be provided to the PNB no later than January 15, 2015, and for quarters in FY2015 and quarterly during all fiscal years thereafter where such quarterly reports are to be provided no later than two weeks after the end of each quarter.

In order for the LSBs to comply with their duties per the bylaws, the E.D./IED shall direct the General Manager (G.M./IGM) of each station to produce and send to their LSBs an electronic file of the budget draft at least 3 days in advance of the meeting during which the LSB is scheduled to approve the budget. The E.D./IED shall also direct the G.M.s/IGMs to send an electronic file of the station's LSB-approved budget to the NFC with a CC to the respective LSB within 3 days of approval as well as an electronic file of the station's NFC-approved budget to the station's LSB within 3 days of its approval. Failure to do so shall be a key consideration in the G.M.'s/IGM's performance review by the LSB and PNB.

The NFC shall also review the PNO and its unit's budgets quarterly as well.

The CFO shall send an electronic file of the PNO's and its unit's budget drafts to the NFC with a CC to the E.D./IED within 3 days prior to being presented to the NFC for approval and an electronic file of the PNO's and its unit's NFC approved budgets to the PNB within 3 days of its approval. Failure to do so shall be a key consideration in the CFO's performance review by the PNB."

Amendment: (Michael Novick) "The NFC recommends that the PNB adopt this language:

The NFC shall also review the finances of the Pacifica National Office (PNO) and its units quarterly as well. The CFO shall send an electronic file of the PNO's and each unit's budget drafts to the NFC with a CC to the E.D./INTERIM EXECUTIVE DIRECTOR at least 3 days prior to being presented to the NFC for approval and an electronic file of the PNO's and its units' NFC-approved budgets to the PNB within 3 days of its approval. Failure to do so shall be a key consideration in the CFO's performance review by the PNB." (Passed without objection)

Motion as amended: (Michael Novick) "The NFC recommends that the PNB adopt this language: Whereas, Pacifica's units have allowed little to no reserves in their budgets, and, Whereas, closely tracking the quarterly status of each unit is particularly imperative at this time,

Per the Pacifica bylaws, Article Seven, Section 3, Item A. that LSBs 'review and approve that station's budget and make quarterly reports to the Foundation's Board of Directors regarding the station's budget, actual income and expenditures,' the PNB directs the LSBs to make their reports of a quarterly comparison of budget to actual income and expenditures, plus cash flow, to the PNB quarterly, no later than 30 days after the end of each quarter. The station's (I)GM shall be responsible for providing the necessary reports to the lab. The financial reports shall be generated from data in the General Ledger, and each station shall use the same software in order to facilitate the collection, analysis, and reporting of this information. Further, these financial reports should include income statements, balance sheets, cash flow reports, and cash flow projections.

In order for the LSBs to comply with their duties per the bylaws, the E.D./INTERIM EXECUTIVE DIRECTOR shall direct the General Manager (G.M./IGM) of each station to produce and send to their LSBs an electronic file of the budget draft at least 3 days in advance of the meeting during which the LSB is scheduled to approve the budget. The E.D./INTERIM EXECUTIVE DIRECTOR shall also direct the G.M.s/IGMs to send an electronic file of the station's LSB-approved budget to the NFC with a CC to the respective LSB within 3 days of approval as well as an electronic file of the station's NFC-approved budget to the station's LSB within 3 days of its approval. Failure to do so shall be a key consideration in the G.M.'s/IGM's performance review by the LSB and PNB. The budget drafts sent to the NFC should include all assumptions used to arrive at budget figures.

The NFC shall also review the finances of the Pacifica National Office and its units quarterly as well. The CFO shall send an electronic file of the PNO's and each unit's budget drafts to the NFC with a CC to the E.D./INTERIM EXECUTIVE DIRECTOR at least 3 days prior to being presented to the NFC for approval and an electronic file of the PNO's and its units' NFC-approved budgets to the PNB within 3 days of its approval. Failure to do so shall be a key consideration in the CFO's performance review by the PNB."

The committee discussed the motion.

Call for the Orders of the Day: (R. Paul Martin) 10:30 PM (ET)

Adjourned 10:30 PM (ET)

Submitted by R. Paul Martin, Secretary.