

Minutes for the regular National Finance Committee meeting September 22, 2015.

Meeting convened at 8:34 PM (ET) a quorum being present, the Chair and Secretary being present.

Attending: Lydia Brazon, Adriana Casenave, Bill Crosier, Brian Edwards-Tiekert (Chair), R. Paul Martin (Secretary), Tony Norman, Michael Novick, Cerene Roberts, Nancy Sorden, also attending were John Profitt, Executive Director, Efren Llarinas, National Office Financial Planning and Analysis Manager, Leslie Radford, KPFK General Manager and Maria Negret, KPFA Business Manager.

Agenda:

Call to Order (5 minutes)

Agenda Approval (5 minutes)

Minutes Approval (5 minutes)

Minutes of September 15, 2015

Budget Review and Approval

National Office (30 minutes)

Pacifica Radio Archive (30 minutes)

Budgeting for Depreciation and Capital Expense (10 minutes)

First Review of station budgets:

WPFW (15 minutes)

Second Review of station budgets:

KPFA - time certain 9:00 PM (ET) (10 minutes)

KPFK - time certain for 9:30 PM (ET) (10 minutes)

KPFT (10 minutes)

WBAI - time certain for 10:30 PM (ET) (10 minutes)

Adjourn 11:00 PM (ET)-----

Motion: (Cerene Roberts) “To approve the agenda.” (Passed as amended without objection)

Amendment: (Brian Edwards-Tiekert) “To make item Ei KPFA budget second review time certain 9:00 PM (ET).” (Passed without objection)

Amendment: (Brian Edwards-Tiekert) “To make item Eii KPFK budget review time certain for 9:30 PM (ET).” (Passed without objection)

Amendment: (Brian Edwards-Tiekert) “make item Eiv WBAI budget review time certain for 10:30

PM (ET).” (Passed without objection)
Minutes Approval 8:41 PM (ET)

There were no minutes to approve.

Budget Review and Approval 8:41 PM (ET)

National Office 8:41 PM (ET)

The National Office Financial Planning and Analysis Manager reported that he was still working on the National Office draft FY16 budget proposal, and that it should be ready in about two days. He said that the Pacifica Radio Archive (PRA) draft FY16 budget needed estimates for premiums sales to stations, and that will depend on the stations’ respective projections for obtaining premiums from PRA.

The committee discussed the report. There may be some revisions that have been made to the PRA draft FY16 budget. The Chair asked about version control and asked that the latest version of the PRA draft FY16 budget be sent to the NFC.

Budgeting for Depreciation and Capital Expense 8:46 PM (ET)

Motion: (Brian Edwards-Tiekert) “All units should budget for planned Capital Expenses on the Capital Expenditures line of the budget template (row 42), budget for depreciation on line 6655, and offset budgeted depreciation by making an equal and opposite adjustment to their Capital Expenditures line.” (Passed 5 for, 2 against, 1 abstention)

The committee discussed the motion.

Motion: (Bill Crosier) “To table the motion.” (Fails 3 for, 5 against, 1 abstention)

First Review of station budgets 9:03 PM (ET)

KPFA 9:03 PM (ET)

There have been no changes to the KPFA draft FY16 budget proposal since the last meeting.

Maria Negret, KPFA Business Manager joined the call.

The committee discussed the KPFA draft FY16 budget proposal. The KPFA Business Manager explained that the KPFA Crafts Fair had been run in the past by a KPFA employee, who also has a business doing this type of work. That person has resigned as a KPFA employee and is now running the KPFA Crafts Fair as a part of her business. Under the new arrangement KPFA will get all of the door receipts from the Crafts Fair. KPFA will get \$30,000 or more for the December Crafts Fair and

\$20,000 for the June Crafts Fair. KPFA is projected to end FY16 with a surplus of about \$4,000. They will make cuts if they have to. There was a discussion of losses in previous years. There was a discussion of whether or not to use a five year average as the basis of the budgets. The National Office Financial Planning and Analysis Manager said that for some stations it would result in erroneous projections for FY16.

Motion: (Brian Edwards-Tiekert) “The National Finance Committee recommends the KPFA budget to the Pacifica National Board for approval, with the following provisos:

1) That the KPFA Business Manager adjust the budget to account for depreciation expense in accordance with the depreciation motion passed by the NFC.

2) That the PNB approve the following measure recommended by the KPFA LSB:

‘Windfall income at KPFA (e.g., from reinstated CPB funding) shall be applied toward reducing total days in fund drive towards a target goal of 60 days per year.’” (passed 5 for, 1 against, 3 abstentions)

The committee discussed the motion.

Motion: (Bill Crosier) “To table the motion.” (Fails 3 for, 5 against, 1 abstention)

KPFK 9:36 PM (ET)

The KPFK Treasurer told the committee that this version of the KPFK draft FY16 budget proposal was based on the on-air fund raiser details. The payroll details were put into the template and the effects of dropping the TV contract were reflected in this draft budget. The cash flow projection started at minus \$206,000, and there is a question regarding how to proceed from there. The KPFK General Manager said that the draft budget proposal was ready for approval.

The committee discussed the KPFK draft FY16 budget proposal. The accrued Central Services fees were discussed as well as the proposed increase in Web site revenue. The KPFK General Manager said that they were expecting to hear about a grant any time now. She also said that KPFK is looking to monetize their Web site and look at alternate revenue streams. The National Office Financial Planning and Analysis Manager said that the cash flow projection deficit for the start of the year would be updated with the correct amount from the bank statement. There was a discussion of KPFK’s declining on-air fund raiser revenue being reversed in this budget. The KPFK Treasurer said that the station had had 140 days of on-air fund raisers in FY16, which is unsustainable. The FY16 budget projects 100 days. KPFK’s net losses over the past two years were discussed. Cutting expenses was discussed. The KPFK General Manager said that the station can’t afford to make buy outs, and she was hoping for attrition to lower expenses; she said that all severance payments have been made. The committee discussed KPFK’s premiums expenses. Currently the station owes about \$80,000 for premiums. The KPFK General Manager said that the station is changing the model of relying so heavily on premiums for their on-air fund raisers, and that KPFK will turn around. There was a

discussion of whether or not KPFK could meet basic payroll and health premiums expenses in FY16. There was further discussion of the viability of projecting a 10% increase in revenue when the trend has been in the opposite direction for years.

The Chair noted that the time certain for the second review of the WBAI draft FY16 budget had arrived, but the WBAI General Manager was not on the call. The committee continued to discuss KPFK.

Motion: (Lydia Brazon) “To schedule a 45 minute executive session at 8:30 PM (ET) for the September 29, 2015, meeting.” (Passed without objection)

WBAI 10:54 PM (ET)

The WBAI General Manager was not on the call.

Motion: (Adriana Casenave) “The NFC wants the KPFT draft FY16 budget document and supporting documentation at least 3 days in advance of the next meeting.” (Passed without objection)

Adjourned 11:08 PM (ET)

Submitted by R. Paul Martin, Secretary.