Minutes for the regular National Finance Committee meeting November 30, 2015.

Meeting convened at 8:38 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, Barbara Whipperman, also attending was, KPFK General Manager Leslie Radford.

Agenda:

Call to Order (5 minutes)

Agenda Approval (5 minutes)

Minutes Approval (5 minutes - if available)

Budget Review and Approval
  WPFW Budget - fourth review (30 minutes)
  WBAI Budget - sixth review (30 minutes)
  KPFK Budget - 7th review - time certain 9:30 PM (ET) (30 minutes)
  PRA Budget - 2nd review (30 minutes)

Cash Flow / Liquidity (5 minutes)

What happens when we can’t get realistic budgets for a unit? (15 minutes)

Adjourn 10:30 PM (ET)

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

Amendment: (Michael Novick) “To make item 4C ‘KPFK budget’ time certain for 9:30 PM (ET).” (Passed without objection)

Minutes Approval 8:46 PM (ET)

Motion: (Adriana Casenave) “To table this agenda item.” (Passed without objection)

Budget Review and Approval 8:47 PM (ET)

WPFW Budget 8:47 PM (ET)

There was no new budget for the committee to consider.
WBAI Budget 8:47 PM (ET)

There was no new budget for the committee to consider.

**Motion:** (Michael Novick) “To take the ‘Minutes Approval’ item off the table.” (Passed without objection)

Minutes Approval 8:47 PM (ET)

**Motion:** (R. Paul Martin) “To approve the minutes of the October 10, 2015, meeting.” (Passed without objection)

The committee discussed the motion.

PRA Budget 8:52 PM (ET)

The Chair told the committee that Pacifica Radio Archives (PRA) has not submitted a revised budget with personnel cuts. The Chair read an E-mail from the PRA Director to the NFC.

**Motion:** (Cerene Roberts) “To amend the agenda to take up ‘KPFK Budget’ now.” (Passed without objection) 8:56 PM (ET)

KPFK Budget 8:56 PM (ET)

The KPFK General Manager told the committee that changes were made to the KPFK draft FY16 budget to make the expenses reflect what KPFK has been paying for the last four months. They have also cut the National Office Central Services fees to paying about $18,000 per month for past Central Services fees and about the same amount for current Central Services fees, they hope to be able to resume full Central Services payments later in FY16. The KPFK General Manager said that they have reduced income in the KPFK draft budget to 80% in this draft to reflect their most recent on-air fund raiser which came in at almost exactly 80%. She said that this resulted in a balanced budget. She said the station has a terrible time with payables, and pension and catch-up seniority payments would be a problem. She said that this budget shows a savings of about $1,000 a month on the new phone system although they expect to save about $1,500 a month on it.

The committee discussed the KPFK draft FY16 budget proposal. It was noted that cutting Central Services fees would affect the National Office’s FY16 revenue. The KPFK General Manager told the committee that the station is facing serious difficulties due to the work force cuts, and keeping people on half time is not a long term solution to KPFK’s financial problems, she hoped that KPFK could get through the December on-air fund raiser. There was a discussion about whether or not KPFK could continue with the current number of FTEs. The KPFK General Manager said that the station is paying the full Central Services fees to the Pacifica Radio Archives (PRA).
At this point the Chair told a member that he could not ask a third question.

**Point of Order:** (R. Paul Martin) Debate and discussion cannot be so limited in a committee.

The Chair ruled that the committee had passed a motion that a member could not ask a third question in a row.

**Motion:** (R. Paul Martin) “Appeal the ruling of the Chair.”

**Motion:** (Cerene Roberts) “To table the motion to appeal.” (Passed 7 for, 2 against)

The committee continued to discuss the KPFK draft FY16 budget proposal. The question was brought up of what happens when the KPFK Paid Staff go back to their full hours, and whether some reductions might remain in effect. The KPFK General Manager said that would depend on the results of the arbitration that KPFK and the Union are participating in. She said that if the arbitrator rules against KPFK then Management will have to go back to the drawing board in a big way. The effect of KPFK deferring payment of Central Services fees was discussed again. The KPFK General Manager said that the daily average revenue, at an 80% fulfillment rate, would be about $26,600. The committee discussed the projected increase in the daily tally, and the fulfillment rate for the KPFK December on-air fund raiser. The KPFK General Manager said that once the Pacifica elections are over things will settle down and that will contribute to better on-air fund raisers. The KPFK General Manager said that there was no feasible way to pay down KPFK’s debt in nine months and that the station’s debts would probably have to be carried over into FY17, also leaving Paid Staff at half time for the rest of FY16 would not be tenable and more layoffs would result in severance payments that KPFK couldn’t pay. The KPFK Treasurer said that the Listener Support goals were actually lower than KPFK has accomplished in the past and that if the station can raise enough revenue these problems will disappear, he said that the KPFK LSB had passed a motion to commit to raising funds off-air through sustainer pledges. The KPFK General Manager said that the station is approaching Major Donors whom she believes will be impressed with the station’s established track record in cutting expenses, and that the station will do a lot of grant seeking. She also said that undoubtedly there will be attrition and those duties will be absorbed by remaining Staff. She is also looking to monetize the Web stream and obtain free premiums, and the General Manager said she is asking a grantor to let KPFK keep the grant money the station was given for a project which will not now be completed. She noted that she was still finding old bills that are in arrears at KPFK. The committee discussed the possibility of making the current 50% cuts only 20% cuts later in FY16.

**Point of Order:** (Lydia Brazon) Personnel issues should be discussed in open session.

The Chair ruled that the point was well taken.

The committee continued the discussion of the plans to increase Listener Support revenue and how many days of pitching it would require.
Motion: (Brian Edwards-Tiekert) “The National Finance Committee requests that KPFK make the following revisions to its proposed budget by Monday, December 7:

1. Increase National Office Central Service expense to the same amount per month as in 2015.
2. Zero out depreciation expense by making a negative adjustment under ‘Cash and Capital.’
3. Reduce operating expenses sufficiently to produce a surplus of at least $100,000.
4. Re-structure cash payments of old payables to show positive cash balances for every month.”

The committee discussed the motion.

Amendment: (Michael Novick) “To change ‘to produce a surplus of at least $100,000’ to ‘to produce a balanced budget.’” (Passed 5 for, 4 against, 1 abstention)

The committee discussed the amendment.

Amendment: (Bill Crosier) “To add at the end, “5. Change listener support revenue estimates to reflect the actual average dollars raised per day of fund drive revenues in FY2015 and the fall drive of Oct-Nov. 2016, for both active pitching fund drive days and ‘quiet’ fund drive days.” (Fails 2 for, 6 against, 2 abstentions)

The committee discussed the amendment.

Motion: (Cerene Roberts) “To extend the time for the meeting by 15 minutes.” (Fails 4 for, 4 against, 2 abstentions) 10:40 PM (ET)

Motion as amended: (Brian Edwards-Tiekert) “The National Finance Committee requests that KPFK make the following revisions to its proposed budget by Monday, December 7:

1. Increase National Office Central Service expense to the same amount per month as in 2015.
2. Zero out depreciation expense by making a negative adjustment under ‘Cash and Capital.’
3. Reduce operating expenses sufficiently to produce a balanced budget.
4. Re-structure cash payments of old payables to show positive cash balances for every month.” (Passed 9 for, 1 against)

Motion: (Adriana Casenave) “To add a meeting on December 14, 2015.” (Passed without objection)

Adjourned 10:45 PM (ET)
Submitted by R. Paul Martin, Secretary.