

Minutes for the special National Finance Committee meeting May 31, 2016.

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

Attending: Sam Agarwal (CFO), Fred Blair, Adriana Casenave, Joseph Davis, Brian Edwards-Tiekert (Chair), R. Paul Martin (Secretary), Tony Norman, Michael Novick, Cerene Roberts, Eileen Rosin, Barbara Whipperman, also attending was KPFK General Manager Leslie Radford.

Agenda:

Roll Call (5 minutes)

Agenda Review and Approval (5 minutes)

State of KPFK

Report by KPFK General Manager (10 minutes)
roadblock (20 minutes)
Discussion and/or Action (20 minutes)

3.5 CFO Report Re: deficits

Adjourn 9:30

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

Amendment: (R. Paul Martin) "To add item 2A 'CFO Report Re: deficits,' 5 minutes."

Amendment: (Cerene Roberts) "To make it item 3.5." (Passed 6 for, 2 against, 3 abstentions)

Amendment as amended: "To add item 3.5 'CFO Report Re: deficits,' 5 minutes." (Passed without objection as amended)

State of KPFK 8:42 PM (ET)

Report by KPFK General Manager 8:42 PM (ET)

The KPFK General Manager said that the CFO and she have agreed on a candidate for Business Manager, the candidate is being interviewed, he's assured the General Manager that he is sending his background check forms in and the KPFK General Manager said she anticipates that the station will soon have a Business Manager.

The KPFK General Manager said that she has sent out reports for the NFC that show essentially the

National Office figures, they are a Profit & Loss, a Budget to Actual, and a Cash Flow projection to the end of FY16. Some information has not been entered into the Great Plains software because she doesn't have access to it, but they will be entered when the new Business Manager arrives. There are notes in the Income Statement as to what the corrections are.

She said that KPFK has accomplished a lot, they have paid off their seniority and pension past notes, they are essentially on budget, and they are current on all of their operating expenses. KPFK's May on-air fund raiser looks like it will be about \$80,000 over the \$370,000 goal.

She said that there have been some disappointments, they haven't made the premiums progress she'd wanted, there are too many on-air fund raiser days, they will not get Staff back to 100% before September 1, 2016.

The KPFK General Manager said that the station has made efforts to improve its air sound and its community relations. They had an off-air event that may have had a thousand people attend. Their People's school of Broadcasting is getting good publicity. The General Manager is meeting with grass roots groups. They are getting a lot of work from volunteers. They will be having what they call a stakeholder's meeting in July that will be a brunch with about 30 Major Donors, she wants them to hold KPFK together. The KPFK General Manager said she is hoping to use that to move to a more celebrity style fund raising event in September, and that they're holding their own.

The KPFK General Manager said that getting information from the National Office is difficult at times. The Staff being on 80% pay is a roadblock. She said they could have started to bring back the News Department this week but KPFK doesn't have the personnel to do it because they only have 1½ people and the one person is only 80%. She said that governance at KPFK is more involved in criticizing destructively than criticizing constructively. She said that Staff has sacrificed about 28% of their pay this year and only she has said "Thank you," to them. KPFK doesn't have any reserves. She said that next year with Staff at full salary is major concern of hers.

Questions 8:49 PM (ET)

The Chair asked the KPFK General Manager to send the committee the list of on-air fund raiser days.

In response to a question the KPFK General Manager said that she had been asking the National Office for COBRA forms for vision and dental and not getting them, and she needs someone at the National Office to reach out to the widow of the deceased Chief Engineer and that hasn't happened, and general information requests have not been answered. She said that she understood that the National Office was overworked. She said that KPFK has been having to use temporary workers and they are not familiar with the Chart of Accounts and she has asked the National Office to make corrections but no one has had the time to do so, she said that the Business Manager will arrive soon and he will correct the Chart of Accounts as soon as he gets oriented. She said she would appreciate more help. The CFO said that the National Office not supplying more help is a Human Resources related issue, and that the skills are not there. He said that there is no Human Resources person in-

house, and sometimes there are technical issues, and that the National Office gets Human Resources related questions from all of the stations.

A question was asked regarding the replacement of programs that raised revenue with programs that have not raised revenue.

Point of Order: (Cerene Roberts) We shouldn't be discussing individual programs and programmers in open session.

The KPFK General Manager said that she agreed, and that the KPFK LSB was trying to interfere with programming decisions by requesting that the two programs that had raised money be returned to the air.

In response to a question regarding Management also taking pay cuts and Administrative Expenses being cut from about \$500,000 to about \$360,000 the KPFK General Manager said that Management was cut and KPFK is current on its Operating Expenses so they're not paying penalties, they have finished the contract for billboards and that is saving about \$3,000 a month. They had been paying for personnel for their SSTV program and when SSTV cancelled the contract that expense went away.

In response to a question the KPFK General Manager said she was sorry to have not gotten the financial reports to the NFC earlier. She also said that KPFK is awaiting a decision on the arbitration of the grievances, and that the NLRB was not involved. She said that the labor issues are all confidential.

In response to a question the KPFK General Manager said that KPFK is putting out flyers at every event, and has people at events. They are involved with sponsorships at music events, and they have met with grass roots groups across the city.

Discussion and/or Action 9:09 PM (ET)

The committee discussed the KPFK General Manager's report and the questions that were asked. A request was made for KPFK's MEMSYS data for the past two years.

CFO Report Re: deficits 9:12 PM (ET)

The CFO told the committee that the financial situation looks quite bad, although some of that is because there are no on-air fund raisers going on in April. He said that the biggest surprise is that KPFA shows a deficit of about \$141,000, which he said is quite bad compared to past trends. He said that WBAI and WPFW also showed big deficits. He said that these are alarming because there is not the prospect that these deficits will go away at those two stations, he's hoping the deficits will go away at other stations. He said that not getting optimistic messages from KPFA would be a trouble sign. He said that KPFT is not out of the woods. He said that the \$550,000 consolidated deficit is very alarming and it means that there is hardly any cash to pay the bills. He said that we have seen that

played out in unpaid Central Services fees.

The committee discussed the report. In response to a question the CFO said that only KPFA and KPFT are currently paying Central Services fees to the Pacifica Radio Archives (PRA); there are outstanding balances from last year. The CFO said that KPFK's on-air fund raiser came in over goal, but the other stations are coming up short. He said that the money being raised now would be enough to pay the bills for only the next two or three months, he said he would give more details in the executive session. The CFO said that cuts could result in inefficiencies, he said he will deal with the unions on this issue. The CFO said that income shortfall is the major topic and it has to be addressed quickly. He said that a second aspect is Management action; a lot of resolutions have been passed by the NFC and the PNB but not implemented.

Adjourned to executive session 9:29 PM (ET)

Submitted by R. Paul Martin, Secretary.