

Minutes for the regular National Finance Committee meeting June 12, 2018.

Meeting convened at 8:41 PM (ET) a quorum being present, the Chair and Secretary being present.

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Attending: Ken Aaron, Nick Arena, Chris Cory, Joseph Davis (Chair), William Heerwagen, R. Paul Martin (Secretary), P.K. McCary, Mansoor Sabbagh.  
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Agenda:

1. Roll call
2. Agenda approval (5 minutes)
3. Minutes approval (5 minutes)
4. Davis motion on procedure reporting (5 minutes)
5. Pension audit issues (20 minutes)
6. Bequest procedures (20 minutes)
7. Budget progress reports from units (20 minutes)
8. Discussion of loan terms and repayment (5 minutes)
9. New business
10. Adjourn no later than 10:00 PM (ET)

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**Motion:** (Joseph Davis) “To approve the agenda.” (Passed as amended without objection)

**Amendment:** (R. Paul Martin) “To add times as follows: Agenda approval (5 minutes), Minutes approval (5 minutes), Davis motion on procedure reporting (5 minutes), Pension audit issues (20 minutes), Bequest procedures (20 minutes), Budget progress reports from units (20 minutes), and Adjourn no later than 10:00 PM (ET), and to add New business.” (Passed without objection)

The Committee discussed the motion.

**Amendment:** (Nick Arena) “To add ‘Discussion of loan terms and repayment (5 minutes)’.” (Passed without objection)

Minutes approval 8:48 PM (ET)

**Motion:** (R. Paul Martin) “To approve the minutes of the May 8, 2018, minutes.” (Passed without objection)

Davis motion on procedure reporting 8:50 PM (ET)

**Motion:** (Joseph Davis) “In parallel with the Strategic Planning committee, The National Finance Committee recommends the PNB direct the ED to immediately ask each unit and the central office to produce a report by July 23<sup>rd</sup>, giving an overview of the financial practices in

that unit, we are asking for approximately one to two hours work from a knowledgeable person at each unit.

The report should describe various specific financial activities, either from the list below, or something important the knowledgeable person feels relevant, and a sense of scope to cover personnel time and resources needed to accomplish each activity, and the benefit of the activity in terms of income, operations or other concerns. We also need to know if each activity occurs at a very constant rate, or occurs in surges between high and low effort needed. (monthly bills are constant, pledge drives vary from intense to slow.)

Items to be considered:

1. Pledge drives, phone banks, various donation means, etc.
2. Premium delivery.
3. Monthly utility bills and ongoing expenses.
4. Loan payments and other finite payment series.
5. grants or gifts.
6. Central office payments.
7. FJC loan compliance factors to be met.
8. Efforts specifically aimed at restoring CPB grants.
9. Bookkeeping for audit, CPB and other reporting purposes.

The knowledgeable person producing the report should sign and provide E-mail and phone contact information, and time acceptable to call, should follow questions be needed. These specific requirements may be modified by the ED to facilitate a timely and reasonable report.

The purpose of the collective reports is to make clear the activities at each unit, to be used both to complete work presently in progress such as audits, but also to consider the implementation of best practices, controls, and scaling. Benefits should include better auditing, CPB funding, pension obligations, cost reductions, and fraud prevention.” (Passed without objection)

The Committee discussed the motion.

Pension audit issues 9:01 PM (ET)

**Motion:** (Joseph Davis) “To postpone this item until someone has more information.” (Passed without objection)

Bequest procedures 9:03 PM (ET)

The committee discussed how bequests made to Pacifica from a signal area should be credited.

**Motion:** (R. Paul Martin) “Barring other concerns, bequests to Pacifica should be credited to the station or unit from whence the donor participated with Pacifica.” (Passed 4 for, 2 against, 1

abstention)

The Committee discussed the motion.

Budget progress reports from units 9:37 PM (ET)

KPFT - The KPFT Treasurer reported that the process is progressing inch by inch. She said that there are some problems from the national standpoint regarding getting software up and running. She wondered why it had to be this hard, and that people should come to meetings and talk about doing good business. She said that the KPFT Business Manager stays on top of working with the Treasurer and others. She said she's hopeful, but there remains a long way to go.

KPFK - The KPFK Treasurer said that the local Finance Committee is meeting with the Business Manager and General Manager. They don't have anything for the NFC yet, but they have started working on the draft FY19 budget.

The KPFK Director said that KPFK's Spring on-air fund raiser was successful; the goal was \$700,000 and they got a tally of \$755,000 to \$760,000. He said that they probably won't see about \$25,000 to \$30,000 of that because some people call in and subscribe and don't have money.

WPFW - The WPFW Treasurer said that they have been working on and reviewing the station's draft FY18 budget and they are tracking on par with the draft FY18 budget. He said that the local Finance Committee had a meeting last night about the draft FY19 budget and they are organizing a team to do it. He said that the local Finance Committee, LSB and staff will meet the first week of July to do it.

WBAI - The WBAI Treasurer said that The National Office had said that it would produce the WBAI FY18 budget, but that was not done. The WBAI General Manager has sent something that looks like a bare bones projection for FY18. The General Manager sent a draft FY19 budget that looks optimistic; the proposal doesn't have assumptions and other ancillary data. The General Manager said he would have all of that in a draft FY19 budget proposal for the next local Finance Committee meeting on June 28. The WBAI Treasurer said that he didn't think it was worth working on a draft FY18 budget at the end of June.

KPFA - The KPFA Director said that they had not achieved a quorum for their LSB meeting last month. He has sent an E-mail to their Business Manager. They will have another LSB meeting this weekend. He said that he will track down the Business Manager, and that they haven't gotten any information in the last 30 days. He said that he was starting to worry a bit, and he wants to be more on top of it, and that he will make sure it's taken care of.

Discussion of loan terms and repayment 9:48 PM (ET)

The committee discussed the need for the NFC to know the details of the loans taken out by the PNB and what the plans are to repay those loans. It was suggested that the interim Executive Director come and explain the full terms of the loans taken on and to also report to the NFC what

the discussion has been on how the loan will be repaid. It was noted that the loans were taken out without any consultation with the NFC. The committee was told that all terms of the loans were covered in executive session. There is a motion pending at the PNB to make all of the minutes of those PNB meetings public. A desire was expressed that the details be given to the NFC in writing, as opposed to only during a meeting. It was suggested that, if Pacifica could increase its revenue by 10% to 15%, it might be possible to refinance the loans so that it will be possible to have a much longer time to pay them off. In the past the NFC had been told that the PNB had passed a motion that for any large expenditure the PNB had to seek a review of the expenditure from the NFC. It was noted that the WBAI LSB passed a motion at its last meeting asking that the PNB make all of the information about the loans known. In response to a request, the Chair read the part of the bylaws, Article 8, section 3c, that establishes up the NFC. The Chair noted that the NFC needs to know at least some of the information about the loan repayments in order to put the FY19 budgets together.

Adjourned 10:01 PM (ET)

Submitted by R. Paul Martin, Secretary.