

Minutes for the regular National Finance Committee meeting October 9, 2018.

Meeting convened at 8:48 PM (ET) a quorum being present, the office of Chair being vacant and the Secretary being present.

Attending: Ken Aaron, Nick Arena, William Heerwagen, Maxie C. Jackson III (ED/iCFO), R. Paul Martin (Secretary), P.K. McCary, Mansoor Sabbagh, also attending was Barry Brooks, Business Manager of KPFFK.

Agenda:

1. Roll Call
2. Approve Agenda
3. Elect Chair *pro tem* (5 minutes)
4. Minutes approval (5 minutes)
5. Executive Director's report (10 minutes)
6. Report from the Executive Vice President of NETA (20 minutes)
7. Q&A with the Executive Vice President of NETA (15 minutes)
8. Reports on budgets from each unit
 - A. National Office (5 minutes)
 - B. KPFA (5 minutes)
 - C. KPFFK (45 minutes)
 - D. KPFT (5 minutes)
 - E. WBAI (5 minutes)
 - F. WPFW (45 minutes)
9. New Business
10. Adjourn no later than 10:30 PM (ET)

The Chair had resigned the position of Chair before this meeting. The Secretary convened the meeting.

Motion: (R. Paul Martin) "To approve the agenda" (Passed as amended without objection)

Amendment: (Ken Aaron) "To add 'Executive Director's report' for 10 minutes before 'Report from the Executive Vice President of NETA.'" (Passed without objection)

Elect Chair *pro tem* 8:57 PM (ET)

Mansoor Sabbagh nominated Ken Aaron for Chair *pro tem*.

There were no other nominations. Ken Aaron was elected Chair *pro tem* without objection.

Ken Aaron took the chair 8:59 PM (ET).

Minutes approval 8:59 PM (ET)

Motion: (R. Paul Martin) “To approve the minutes of the September 11, 2018, meeting.” (Passed without objection)

Executive Director’s report 9:00 PM (ET)

The new Executive Director/iCFO told the committee of his 30 years experience in radio, including production and being the General Manager and Program Director at stations and his three years as President and CFO of the NFCB. He said that his transition period with the previous interim Executive Director was brief, it only lasted about a week and a half and he has had to deal with a flood of information. He said that he hoped that the NFC could give him a clear picture of Pacifica’s financial situation and that of the individual stations. He said that he has spoken with the NETA people and has sat in on Pacifica Management meetings. He said that he was familiar with the fact that there is a loan, but that he so far has a limited understanding of the details. He said he was sure that his understanding will increase in the coming weeks. He emphasized that he is a big advocate of best practices. He said he wants to reduce costs, but knows that stations want financial autonomy. He said that he needs to assess how deep Pacifica’s relationship with NETA should be, and that we need consistency in the way we conduct business, which would also make audits easier. He said that Pacifica mustn’t lose our CPB funding. He said that he had good connections with people in the CPB. He said that Pacifica needs to do things differently. He said that he’s still learning who people are, and he wants Staff information for each station. He said that we can’t operate with textbook programming and expect to generate audience, and that no stations that work have patchwork schedules. He said that he would have the Executive Director’s E-mail account by the end of the week. He said that he would mostly operate out of the Washington, D.C. area but would travel a lot.

Motion: (P.K. McCary) “To extend the time for this item by 10 minutes.” (Passed without objection) 9:11 PM (ET)

Report from the Executive Vice President of NETA 9:30 PM (ET)

The Executive Vice President of NETA was not on the call.

Reports on budgets from each unit 9:31 PM (ET)

National Office - No one who could report on the National Office budget was on the call.

KPFA - No one from KPFA was on the call. The Chair *pro tem* said that he had heard that the KPFA LSB had approved their draft FY19 budget.

KPFK - The KPFK Treasurer reported that the KPFK draft FY19 budget has not been approved yet by the KPFK LSB, but that it will be presented to the KPFK LSB before the next NFC meeting and will be ready for approval then. He said that what he’s sent to the NFC has a bottom line which projects a net surplus of \$178,612. He said that the big question is revenue. This draft budget anticipates a Total Revenue of \$3,545,786 which is close to KPFK’s FY18 numbers. The KPFK Business Manager said that it is not clear how the stations are paying back the loan.

The committee discussed the KPFFK draft FY19 budget proposal.

KPFT - The KPFT Treasurer said that the KPFT LSB has passed their draft FY19 budget and it's in the red. She noted that the on-air fund raiser revenue has been reduced by \$100,000 in two cases. She said that with a new General Manager and with outreach, development and programming that deficit can be returned. She said that the station didn't do well in previous years. She noted that none of the stations have had CPB funding. She said that she thinks there will be a battle on the KPFFK LSB about this budget. She said that it's taken them seven months and they have a budget they can be proud of. She said that they're getting a General Manager so that will be an extra cost, but they're getting rid of some contractors so salaries can be met and work can be done.

The Committee discussed the KPFT draft FY19 budget proposal.

WBAI - The WBAI Treasurer said that things regarding the WBAI draft FY19 budget proposal are pretty much where they were at the last NFC meeting. He said that the General Manager's draft FY19 budget projects revenue that doesn't seem like it's going to pan out. The daily tally has been reduced for years. The General Manager projected a daily tally of \$9,500 a day for FY19, but for the Summer on-air fund raiser the daily tally was under \$6,000 and one week into the Fall on-air fund raiser and the daily tally is just under \$5,000. The WBAI FY19 budget will show a deficit. It looks like the deficit will be worse than the General Manager has projected. Also the station is pitching for too many days. To meet the draft FY19 budget's Listener Support projection WBAI would have to pitch for 150 days, which is too much. He said that the General Manager didn't show up for the last local Finance Committee meeting he's trying to get the General Manager to come to a meeting and reach an understanding on this for a realistic FY19 budget. He said that it's important not to under report the deficit.

The Committee discussed the WBAI draft FY19 budget proposal. In answer to a question the WBAI Treasurer said that WBAI has been pushing the sustainer program, called the BAI Buddy project. The General Manager has been making major efforts on the BAI Buddy project for some time. The Major Donors are being solicited but the WBAI Treasurer said he thinks they are not bringing in a great deal of revenue. The General Manager thinks that WBAI will be doing very well with bequests in FY19. The General Manager says that there are a number of bequests coming, and he hopes that WBAI will be in the black as a result. The WBAI Treasurer noted there is currently a dispute in Pacifica regarding crediting bequests. There was a short discussion of fund raising mail drops.

WPFW - The WPFW Treasurer said that they haven't passed the draft FY19 budget yet. He said that he will do a draft of it and bring it to the November local Finance Committee and LSB meetings. He said he's sent the draft FY18 budget to the NFC and that the station has been ahead of that budget all year. Their big expenses have been a transmitter upgrade and implementation and installation project. He said that the relationship between the local Finance Committee and LSB and the accounting staff at WPFW is very good. He said that the station has cultivated a group of major donors who have helped with the transmitter project and other things. He said that the station has had some success with LSB and other off-air events at various music venues

and cultural events. He said that most revenue comes from Listener Support, and that most of the station's mailings are targeted to members who haven't given during a fiscal year and they are also appealing to lapsed donors.

The Committee discussed the KPFT draft FY19 budget proposal. Dial to text programs were discussed. Some stations are doing them.

The Chair noted that the time for the meeting had expired.

Motion: (Mansoor Sabbagh) "To adjourn." (Passed without objection)

Adjourned 10:03 PM (ET)

Submitted by R. Paul Martin, Secretary.