

Minutes for the regular National Finance Committee meeting December 10, 2019.

Meeting convened at 8:36 PM (ET) a quorum being present, the Chair and Secretary being present.

Attending: Sharon Adams, Nick Arena, Fred Blair, Chris Cory (Chair), Bill Crosier, Lynden Foley, R. Paul Martin (Secretary), Mansoor Sabbagh, James Sagurton, Nancy Sorden, also attending was WBAI General Manager Berthold Reimers.

Agenda:

1. Convene meeting 8:30 PM (ET)
2. Roll call
3. Approve Agenda
4. Minutes approval (5 minutes)
5. Yahoo Backup/Storage Situation - Continued Discussion (10 minutes)
6. Unreconciled P&L/Summary discussion hold over from last meeting (30 minutes)
7. Berthold Reimers WBAI Q&A (30 minutes)
8. New Business
9. Adjourn no later than 10:15 PM (ET)

Motion: (Chris Cory) “To approve the agenda.” (Passed without objection)

The Committee discussed the motion. It was noted that the committee had set the next meeting date for January 14, 2020.

Minutes approval 8:40 PM (ET)

Motion: (Chris Cory) “To approve the minutes of the November 12, 2019, meeting.” (Passed without objection)

Yahoo Backup/Storage Situation - Continued Discussion 8:42 PM (ET)

There was a discussion of where to find the approved minutes of the committee meetings now that Yahoo! Groups no longer provides storage for them. They can be found on KPFTX.ORG and also on the Secretary’s Web site at GLIB.COM. The Secretary said that he had gotten the entire set of files related to the NFC from the Yahoo! Groups. He said he would download it all again soon to make sure that absolutely everything that was ever sent to the NFC is preserved. The committee discussed the possibility of the PNB deciding on where all of the PNB committees’ digital information would be stored. It was noted that if Pacifica est up a server for this purpose there would be an issue of Paid Staff having to maintain the Pacifica server. The security issues of posting NFC files to public servers was discussed. A member said that the PNB Governance Committee was discussing what to do in this regard.

Unreconciled P&L/Summary discussion hold over from last week 8:48 PM (ET)

The Chair said that he had been going over the P&L from the former interim CFO that the committee had gotten before its last meeting. He said there were loose ends in the document, but it's still valuable and that some issues are worth looking at. He said that, as has been pointed out, all interest payments for the loan are lumped into WBAI and the note is on WBAI's books too. He said that this probably doesn't make sense so maybe a note needs to be attached to the financial statement about this. He said that at WBAI, WPFW and KPFT the amount of sub-contracting approached \$10,000 a month. He said he was concerned that this was growing. He asked if anyone could clarify this.

The WBAI Treasurer said that since the WBAI General Manager would be on the call he should answer that question since he pays that bill. The WBAI General Manager was not on the call at this time. The WBAI Treasurer said that there were costs associated with the call center, a hire had been made to see if someone who had name recognition in New York would work well on WBAI, and that person was hired as a contract worker for some time. There are also other smaller things like someone who cleans the space that WBAI's studios occupy twice a week.

The Chair said that what he'd actually been looking at was a combination of consulting, legal and interest payments, and that he should probably break that down. He corrected himself to say that for consulting KPFK was \$2,000 a month and for KPFA it was about \$3,000 for the year.

The KPFT Director said that they had some people working by the month, and that this reached a peak in February then dropped to about \$5,000 for the last four months of FY19. He said that some part time people had been laid off.

The WPFW Treasurer said that there are engineering costs associated with their transmitter upgrade and they needed some accounting support, which were both professional things as opposed to Staff positions. He said that NETA was not replying to him.

Berthold Reimers WBAI Q&A 9:07 PM (ET)

The WBAI General Manager got on the call at this time. With regard to sub-contract payments he said that in FY19 WBAI had paid Christine Blosdale about \$28,000 for on-air fund raiser programs, Kathryn Davis about \$8,000 for work on the on-air fund raiser, the Web master was paid about \$1,500 to \$2,000 a month for about \$24,000 in FY19, and the Executive Producer for Leonard Lopate was about \$18,000 a year, which he then corrected to about \$23,000. He said that an engineer comes in to repair things for about \$5,000 a year. He said the consultants add up to about \$85,000 a year.

The WBAI General Manager said that the call center was a different amount and that, based on the last audit, the call center from October 2018, to present had been paid probably about \$60,000 to \$70,000 which probably includes stamps. It was requested that the WBAI General Manager send the committee the accrued P&L for FY19 that he was talking about. He sent a Portable Document Format file of the P&L to the Secretary who sent it to the rest of the

committee during the meeting. In answer to a question regarding where these on-air fund raiser expenses were on the NETA spreadsheet the WBAI General Manager said that he doesn't pay attention to the NETA spreadsheet; he told the committee where he has put some of the expenses in his P&L.

There was a discussion of WBAI's current on-air fund raiser revenue. The WBAI General Manager said that the tally was about \$7,700 a day. The WBAI LSB Treasurer said that based on the WBAI interim Development Director's postings the on-air fund raiser had begun on November 13, the General Manager said that it had started on November 18, and also there had been about one week of on-air fund raising in October before the interim Executive Director took control of the station and the air and the station had been averaging about \$8,000 a day for that week. There was a discussion of what some individual producers were raising. The WBAI General Manager said that for that week in October the tally was about \$222,000 and the fulfillment had reached about \$172,000 cash, and that for November the tally was about \$68,000 and the fulfillment had reached about \$49,000 so far. He said that for December so far the tally was about \$164,000 and the fulfillment had reached about \$143,000 cash. The WBAI General Manager told the committee how the tally and fulfillment is done for WBAI. He noted that credit card pledges are fulfilled immediately but checks take some time to clear. The WBAI General Manager said that there was a period of about 10 to 12 days when he had to reestablish bank accounts so pledges could be taken, E-mail accounts had to be reestablished and the pledge phone line had to be reestablished, among other things. In answer to a question the WBAI General Manager said that the fee service for this was about 2.7% to 3%.

There was a discussion regarding a PNB discussion of NETA having the front end information for WBAI's on-air fund raiser revenue.

In response to a question the WBAI General Manager said that some of his solution to not getting enough revenue from on-air fund raisers was getting grants. He said that the lack of audits for years made it impossible to get CPB grant money and also other grants, such as those from the New York City Council discretionary funds. He said the station was also depending a lot on bequests. He said the station's P&L is short about \$280,000 a year and that if WBAI could get about \$25,000 a month more in grants that would be good. There was a further discussion about revenue including some details of bequests that WBAI has received or which are pending. There was a further discussion regarding the impact of the lack of CPB grants, and the WBAI General Manager said that the station's revenue is short by about \$30,000 a month. There was a discussion of premiums as the selling of products. There was a discussion of the NETA figures for WBAI's net losses for some previous years, those figures were disputed by some members and the WBAI General Manager. Members disagreed about the magnitude of WBAI's yearly deficits. The WBAI General Manager suggested that the National Office should do direct mail drops, as used to happen, and have a day of national on-air fund raising for the loan. He said that WBAI was as lean as it can be now, but that the station has to generate more cash.

One member suggested that part of the problem may be that NETA may not fully understand Pacifica. The disputed \$943,000 FY18 deficit for WBAI and the inclusion of both the Empire State Building arrears and the loan used to pay off those arrears in the NETA P&L for WBAI

were given as an examples. It was brought up that the interim CFO had noted a \$750,000 bequest from WBAI but that that bequest did not show up as revenue for WBAI in the NETA accounting. The Chair said that while putting over \$500,000 of expenses in Programming for WBAI in FY18 was ridiculous NETA has to put the losses somewhere, and maybe it should be spread out among the network. He said that putting it all on WBAI was an accounting choice. He said that he'd prefer calling it out as an extraordinary item and showing it as \$500,000 down the tubes and as something Pacifica has to deal with. He said that while WBAI has been saddled with these burdens WBAI still has operational problems and that's what we should be focused on. The WBAI General Manager said that he thought that the regular weekly meetings between NETA and the Business Managers that used to happen should be resumed and that NETA should discuss the P&L with the Business Managers before they discuss it with the board members. He thanked the committee and called for more communication.

The Chair wished everyone a happy holiday and thanked the committee for its productive year.

Adjourned 10:23 PM (ET)

Submitted by R. Paul Martin, Secretary.