

Minutes for the regular National Finance Committee meeting January 26, 2021.

Meeting convened at 8:37 PM (ET) a quorum being present, the Chair and Secretary being present.

Attending: Sharon Adams, Teresa J. Allen, Nick Arena, Fred Blair, Chris Cory, DeWayne Lark, R. Paul Martin (Secretary), James Sagurton (Chair), Nancy Sorden, Polina Vasiliev also attending were Pacifica Affiliate Network Director Ursula Ruedenberg and Pacifica Affiliate Network Business Manager Ruth Wiedemeier.

Agenda:

1. Convene meeting 8:30 PM (ET)
2. Roll Call
3. Adopt agenda
4. Chair's announcements (1 minute)
5. Minutes Approval (2 minutes)
6. Affiliates Budget presentation and Q&A (45 minutes)
7. Fred Blair report and Q&A (30 minutes)
8. Reports from stations on Budget Timeline progress KPFT, KPFK (2 minutes)
9. Unfinished business: Motion for a moratorium on Central Services from KPFT
10. New Business
11. Adjourn no later than 10:15 PM (ET)

Motion: (Sharon Adams) "To adopt the agenda." (Passed without objection)

Chair's announcements 8:42 PM (ET)

"Tonight we will review the Budget for the Affiliates Unit. Ursula Ruedenberg will be presenting. As our guest, she will be first on the Agenda. We have had this budget for some time and a copy will be sent again to everyone tonight.

Committee member and Treasurer from KPFK, Fred Blair, has set up a new E-mail list for our use and it is up and running successfully: natfinancecom@groups.io.

Anita Simms will not be with us tonight. She is involved with a NETA Webinar. The November Financials are available and have been distributed to the Committee on our new list. We will review them at our next meeting."

Minutes Approval 8:43 PM (ET)

Motion: (R. Paul Martin) "To approve the minutes of the January 12, 2021, meeting." (Passed without objection)

Motion: (R. Paul Martin) “To approve the minutes of the January 19, 2021, meeting.” (Passed without objection)

Affiliates Budget presentation and Q&A 8:45 PM (ET)

The Pacifica Affiliate Network Director told the committee that the Affiliates Network draft FY21 budget projected revenue from Affiliation Dues as \$240,000, projected revenue from the Internet Streaming Fee (Internet Tech Package) as \$10,000, projected revenue from Contributions from Affiliate Stations as \$ 4,000, revenue from Contributions from Individuals as \$ 5,000 and Total Revenue is projected as \$ 259,000. She listed the expense categories and said that Total Operating Expenses are projected as \$213,080. She said that Fixed Expenses were projected as \$45,920 and Total Expenses were projected at \$259,000. She said that they had rolled over about \$80,000 from last year. She said that they’re estimating their Central Services fees at about 20% of their budget. She said that they look to a surplus to make additional contributions to Pacifica and they had NETA set up a bookkeeping category specifically for that. She said that they make loans to the Pacifica stations, and they currently have about \$17,000 in outstanding loans to the stations. He said that they maintain a special projects part of their budget for projects that are above and beyond their operating expenses and are aimed at growth and development. She said that they do have a relationship with one foundation in particular that has been giving them funding and that they would go back to them again for more funds to help pay for the special projects. The Pacifica Affiliate Network Business Manager said that they were now paying their Central Services fees monthly and they were paying about \$3,900 a month.

The committee discussed the Affiliates Network draft FY21 budget proposal. The Pacifica Affiliate Network Director told the committee that it was the Tides Foundation was that they were getting additional funding from at the bidding of a benefactor. The Pacifica Affiliate Network Business Manager said that they have not entered the donation via the Tides Foundation as revenue in their draft FY21 budget. She also said that one of the affiliates gives the Affiliates Network their CPB money so that station is sort of a donor.

In answer to a question the Pacifica Affiliate Network Director said that the outstanding \$17,000 loan was to KPFK this fiscal year, and that they had lent less to WBAI, but WBAI has repaid that loan.

A member of the committee noted that this draft FY21 budget was a couple sheets in a PDF file. It was noted that the budgets were supposed to adhere to a template, and the committee was told that a previous budget was submitted as a spreadsheet based on a template from NETA. Further discussion disclosed that the Affiliates Network had not received such a template. It was requested that the spreadsheet form of the Affiliates Network draft FY21 budget be sent to the NFC.

The KPFK Treasurer said that the KPFK Business Manager had told their local Finance Committee that the \$17,000 loan had been repaid. The Pacifica Affiliate Network Director and the Pacifica Affiliate Network Business Manager said that they had not received repayment of \$17,000 loan from KPFK.

In answer to a question the Pacifica Affiliate Network Business Manager said that there are currently between 210 and 220 affiliate stations. She said that they add about one or two per month and they expect to add more in this fiscal year. The Pacifica Affiliate Network Director said that some stations had ceased to operate owing to stresses caused by the Covid-19 pandemic.

In answer to a question the Pacifica Affiliate Network Director said that on paper there is a fee scale for affiliates based on their operating budget, but that since 2004, everybody's been struggling and so it's an honor system now. The affiliate stations are not asked for more than they can pay. She said that if an affiliate has a financial catastrophe their affiliation is not taken away. She also noted that the history of the Affiliates Network and Pacifica needs to be written down and that succession planning needs to happen.

In answer to a question the Pacifica Affiliate Network Director said that Pacifica is a podcast host located at pacificaster.org. She said that they haven't been promoting it; they've been working with a lawyer to anticipate potential problems. She said that any station in the network can use that right now. She said that the other thing they have is an Internet tech package which includes streaming and archiving. She said that they're in the process of making the contract for that. She said that they want to make money on it now. She said that they're inching toward both of those services.

At this time there were disputes among committee members over discussing programming issues in the committee.

Motion: (James Sagurton) "The NFC recommends to the PNB the approval of the Affiliates Program FY21 budget." (Passed without objection)

The Committee discussed the motion.

Fred Blair report and Q&A 2158

The KPFK Treasurer told the committee that at the January 13, 2021, KPFK local Finance Committee meeting the KPFK Business Manager gave a report. That report indicated that KPFK would have cash in bank of about \$17,000 on January 15. The KPFK Treasurer was concerned about the balances in the bank accounts and the need to make the second payroll of January. He wrote to the KPFK Business Manager asking about the station's end of January Financial Status. He read the committee an E-mail reply from the KPFK Business Manager dated January 26, 2021. The E-mail said that KPFK's current bank balance at the Bank of America was about \$38,529. That the January 31, 2021, Payroll funding amount would be about \$60,216. That KPFK would probably be short for the upcoming payroll. The E-mail also said that the total payout for the two KPFK employee layoffs would be \$13,502 and that KPFK had outstanding vendor expenses of approximately \$15,000. The E-mail concluded that it was imperative that KPFK's February 2021, fund drive perform at its maximum in order for KPFK to catch up on its outstanding bills. The KPFK Treasurer said that the station would need another loan of \$20,000 to \$25,000 for payroll. He said that KPFK continues to run up an average debt on a monthly basis of about \$80,000 to \$100,000. He said that KPFK has an average income of about \$200,000 a

month. He said that KPFK's December on-air fund raiser ran for 21 days formally and then for another 10 days informally. He said that KPFK got a grant of about \$38,000 at the end of December. He said that KPFK pitches every other month. He said that even with the reduction of two FTEs and with some workers put on half time KPFK is still leaking money.

The committee discussed the KPFK Treasurer's report.

In answer to a question the KPFK Treasurer said that the report he'd gotten had listed the total revenue from the December on-air fund raiser as about \$346,000 but that some of that revenue was not on-air fund raiser revenue but grant revenue. He said that this was the nature of what he called the fuzzy reporting that they're getting.

In answer to a question about how the budget cuts will affect KPFK going forward the KPFK Treasurer said that the cuts are not immediately reducing costs because there are payouts associated with those costs. He said that the payouts to employees would probably be included in any borrowing in order to make payroll. He said that KPFK is still paying out a lot of money and that the reductions will take place in later months. He said that he didn't think the cuts made so far are sufficient to deal with the deficit that the station is running. He said that a major on-air fund raising programmer was cut and that this may impact the February on-air fund raiser severely.

A member noted that the payroll figures from October 2020, showed salaries at about \$122,000 in September, payroll taxes of \$9,350 and health premiums of about \$32,000. She asked if the \$60,216 payroll figure was just salaries or if it included other costs. The KPFK Treasurer said that it was just salaries and did not include health premiums or taxes. He noted that health premiums are up 30% this year. He said it was possible that some cuts are showing up on the payroll and that severance for laid off workers is included under payroll.

Motion: (Nancy Sorden) "To extend the time for the meeting by 10 minutes." (Passed without objection) 10:14 PM (ET)

In answer to a question the KPFK Treasurer said that the KPFK LSB rejected the Management FY21 budget and left it up to us. When asked for a copy of the budget and the comments from the KPFK LSB the KPFK Treasurer said that he would provide them, but that KPFK Management never came up with a realistic draft FY21 budget. He said that the local Finance Committee Chair has lots of comments and suggestions on the budget proposal.

A discussion followed regarding the NFC doing the KPFK draft FY21 budget.

The Chair asked how the new KPFT General Manager was doing with regard to putting together a draft FY21 budget. The KPFT Treasurer said that she is not the Chair of the KPFK local Finance Committee so they have not had a meeting. She said that the new General Manager started on January 15, and so he's worked about eight days total. She said she spoke with him about the need to work on a FY21 budget. She said that the NFC does have a budget that was submitted by the KPFT interim General Manager and Business Manager. She said that needs to

be worked on. She said she told the new General Manager that he needs to work with the Business Manager on a new budget. The KPFT Treasurer said that she is most concerned that we need estimates for building repairs and those estimates should be in the FY21 budget.

Motion: (DeWayne Lark) “To extend the time for the meeting by five minutes.” (Fails 5 for, 3 against, 1 abstention)

Adjourned 10:27 PM (ET)

Submitted by R. Paul Martin, Secretary.