

Minutes for the regular National Finance Committee meeting July 27, 2021.

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

Attending: Sharon Adams, Teresa J. Allen, Nick Arena, Fred Blair, Chris Cory, Lynden Foley, Elizabeth von Gunten, Julie Hewitt, R. Paul Martin (Secretary), James Sagurton (Chair), Anita Sims (interim CFO).

Agenda:

1. Convene meeting 8:30 PM (ET)
 2. Roll Call
 3. Adopt Agenda
 4. Chair's Announcements (2 minutes)
 5. Minutes Approval (3 minutes)
 6. Interim CFO Report (10 minutes Report and Q&A)
 7. Review Draft 2021 KPFK Budget (Anita Sims presenting 60 minutes)
 8. Budget Timelines for FY22
 9. New Business
 10. Adjourn no later than 10:15 PM (ET)
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Chair's Announcements 8:36 PM (ET)

The Chair said that the Interim CFO was officially on vacation but she had come to help with the KPFK draft budget.

“The Executive Director, Lydia Brazon, has responded to our resolution of July 13 requesting her to send us the broker's contract for the sale of the KPFT studio building saying, ‘It will be forthcoming at the appropriate time for Directors only.’ In the same Resolution we requested to see the renegotiated FJC Loan agreement. Her response is that, ‘It is under review for any necessary redactions.’

The following resolution was passed by the PNB at the October 29, 2020 PNB meeting: ‘The PNB requests the the LSBs submit a proposed draft FY 2021 budget to the NFC. If a budget is not submitted within two weeks the NFC will begin to create a budget for the stations based on available financial data.’

The monthly Financials and other significant materials are simultaneously copied to the NFC, the interim Executive Director, the PNB Officers and the GENERAL MANAGERS. Please review them before NFC meetings and be ready to discuss and ask questions if you wish.”

Minutes Approval 8:40 PM (ET)

Motion: (R. Paul Martin) “To approve the minutes of the July 13, 2021, NFC meeting.” (Passed without objection)

Interim CFO Report 8:41 PM (ET)

The interim CFO said that she wanted to give the committee an update on the audit. She said that the auditor had presented the audit last week and that the deadlines for the audit have been met. She said she’d send the committee information on the National Office after her presentation. She said that the National Office had about \$124,000 in outstanding invoices; NETA and the auditors are the largest outstanding invoices. She said that they’d gotten two Central Services payments, one from KPFK and one from WPFW that were behind in July. She said that Pacifica was behind in Central Services payments by about \$449,000 for FY21.

There was a discussion of Central Services payments from the other stations. The committee discussed the Accounts Payable of the National Office. In answer to a question the interim CFO said that according to the KPFK Business Manager the station has the funds to meet the end of month payroll. She said that those funds had just come in.

There was a discussion of KPFK having problems meeting payroll during the on-air fund raiser and a question about meeting payroll when the station is not doing an on-air fund raiser. The interim CFO said that we need to evaluate what’s getting paid and put more thought into it, but not to take that away from Management. She said that payroll should be preserved as much as possible. She said that NETA doesn’t see the vendor invoices. In answer to a question the interim CFO said that the approximately \$124,000 in outstanding invoices was the figure arrived at after counting in the \$200,000 payment from WBAI. There was a discussion of the revenue from the sale of the house in Texas going to pay KPFT’s outstanding Central Services fees. It was noted that KPFT paid the taxes on the house. In answer to a question the interim CFO said that she didn’t know if KPFT was going to be refunded for those taxes by Pacifica. In answer to a question the interim CFO went over the process for financial information such as invoices to come in to NETA and be booked. It was noted that WBAI and WPFW both scan everything in and send the information directly to NETA, since neither station has a Business Manager. She noted that at other stations NETA can ask about outstanding Accounts Payable but they don’t get a listing of what’s come in. She said that the stations enter them as they’re able to pay them so NETA never sees an outstanding Accounts Payable. She said that this was not a good method, that a better method would be that when a payment is approved it should be entered in to Accounts Payable.

Review Draft 2021 KPFK Budget 9:02 PM (ET)

The committee went over the KPFK draft FY21 budget again.

The interim CFO said that she’d added the June actuals and had put in an estimated revenue for July, August and September. She said that she’d adjusted revenue down and adjusted personnel costs. She said she’d added a Board Expenses of \$50,000 for the elections. She said that the result is a shortfall of \$224,872.

The interim CFO said that in talking to the KPFK General Manager he said that the current on-air fund raiser is not doing well and that they will extend the on-air fund raiser to mid-August and not have one in September. During discussions it was pointed out that without the Paycheck Protection Plan (PPP) money KPFK's loss would be about \$550,000. It was noted that KPFK does appear to have met the goal of reducing expenses by 30%. The interim CFO said that she wanted to look at the major expenses some more.

The KPFK Director said that there was a correlation between the decline in on-air fund raiser results and cuts in personnel. That after laying off the Program Director and Development Director at the end of January there was no time to prepare, and no one else at the station was prepared to coordinate the on-air fund raiser. She said that at the end of March the General Manager left and that the interim General Manager splits his time between KPFK and Washington, D.C. She said that there had been a severe decline in KPFK's results because the on-air fund raiser is not getting adequate attention. She said that the station is getting a new General Manager in September, but that's a long time to wait.

The Chair suggested that the committee should deal with the National Office's draft FY21 budget and the Central Services formula after KPFK and then go back to KPFK's draft FY22 budget and hammer something out. He noted that the committee is not Management and can't decide what to cut.

The committee continued to discuss the KPFK draft FY21 budget proposal. The interim CFO said that the committee should get into details and start looking at invoices. She said that the committee should look at some expenses that she thought looked high. She said that at some point someone has to start cutting. She said that she had questions about several line items and she wanted to check them every month and see what's necessary.

The committee discussed NETA being able to have access to bank accounts and credit card accounts. The idea was brought up to have a motion to give NETA access to bills as they come in. This resulted in a discussion of whether or not the NFC had already passed such a motion that had been passed on to the PNB. The Secretary said he'd research the motions the NFC had passed on this topic. (Note: this was done a couple of days after this meeting.) The interim CFO said that the use of scanners, as is being done at WBAI and WPFW, would allow things to be scanned in daily, NETA would get all of those invoices, they could process them once they're approved and then NETA can work with the stations on cash flow.

Budget Timelines for FY22 9:51 PM (ET)

The committee discussed the set of past timelines for budgets that the Secretary had sent out. The committee discussed where the stations were in terms of FY22 budget preparation.

The KPFA Treasurer said that KPFA will do a budget workshop in August and they will want to present the draft FY22 budget to the KPFK LSB in September.

The Chair noted that WBAI had already started discussing the draft FY22 budget with

Management at local Finance Committee meetings.

The WPFW Treasurer said that WPFW was starting to discuss their draft FY22 budget at their local Finance Committee earlier that night and they're looking to approve their draft FY22 budget in September.

The KPFT Treasurer said that a draft was sent by the Business Manager. She said they were notified that the General Manager had resigned and his desire was that they'd wait to talk with the new General Manager starting on August 8.

The KPFK Treasurer said that at the start of July he'd sent E-mails to the General Manager and Business Manager telling them about the start of the draft FY22 budget development period. He said he'd sent an E-mail to the interim General Manager two weeks ago but has gotten no response. He said this has been talked about at the local Finance Committee. He said that Management is responsible for starting the process off but he can't get a response from Management. The committee continued this discussion.

New Business 10:09 PM (ET)

Motion: (Teresa J. Allen) "That the NFC ask the interim Executive Director and the PNB for evidence that the KPFT building at 419 Lovett is listed for sale." (Passed without objection)

The Committee discussed the motion.

Motion: (Teresa J. Allen) "To extend the time for the meeting by five minutes." (Passed without objection) 10:18 PM (ET)

Adjourned 10:24 PM (ET)

Submitted by R. Paul Martin, Secretary.