

Minutes for the regular National Finance Committee meeting August 24, 2021.

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

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Attending: Sharon Adams, Teresa J. Allen, Fred Blair, Chris Cory, Elizabeth von Gunten, Julie Hewitt, R. Paul Martin (Secretary), James Sagurton (Chair), Anita Sims (interim CFO) also attending was KPFK Business Manager Barry Brooks.  
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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. Schedule an Executive Session for Each of the Next Two NFC Meetings (3 minutes)
7. Check Registers to NETA (10 minutes)
8. Review Draft 2021 KPFK Budget Non Personnel Expenses (60 minutes Q&A with KPFK BM Barry Brooks)
9. Interim CFO Report Central Services Payments Report (20 minutes Report and Q&A)
10. Budget Timelines for FY 2022 (10 minutes)
11. National Office Updates: Aged Payables Report, Allegiance, FJC, Paper work on Texas house sale, FJC Revised Contract, Access for NETA to KPFT Bank accounts, KPFT Studio Sale Brokers Contract (5 minutes)
12. New Business Accounting for Side Channel Income, Motion: Check Registers Copied to NETA at End of Every Month, Invoices to NETA Every Month (5 minutes)
13. Adjourn no later than 10:15 PM (ET)

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**Motion:** (James Sagurton) "To adopt the agenda." (Passed without objection)

Chair's Announcements 8:43 PM (ET)

"Tonight we have as our guest the KPFK Business Manager, Barry Brooks. In keeping with our practice we will honor Mr. Brook's time by hearing him first after we deal with some preliminary matters."

Minutes Approval 8:43 PM (ET)

**Motion:** (R. Paul Martin) "To approve the minutes of the August 10, 2021, NFC meeting." (Passed without objection)

Schedule an Executive Session for Each of the Next Two NFC Meetings 8:44 PM (ET)

**Motion:** (James Sagurton) "Whereas, because the NFC may have proprietary and confidential matters of Pacifica business to discuss, therefore, be it resolved that there will be an Executive Session noticed for a part of each of the next two scheduled meetings, the timing and necessity of said sessions to be determined by the Chair as information becomes available." (Passed without objection)

(The Secretary scheduled the executive sessions on KPFTX.ORG.)

Check Registers to NETA 8:46

**Motion:** (James Sagurton) “Whereas Pacifica needs to know its short term cash position, therefore, be it resolved that the NFC recommends to the PNB that it direct the General Managers, Business Managers and Directors of each budgeted unit to update all entries for month end closing and provide NETA a check register electronically of everything that was paid for the month.” (Passed without objection)

The Committee discussed the motion.

Review Draft 2021 KPFK Budget Non Personnel Expenses 8:49 PM (ET)

The Chair announced that this was an informal, 60 minute question and answer period with the KPFK Business Manager.

The KPFK Business Manager said that with regard to telephone line costs the committee should bear in mind that KPFK has cut back all of the telecom services that they can do without hindering the station. The committee discussed what was and what was not telephone line expenses, cell phone expenses and Internet expenses. The KPFK Treasurer said that when comparing KPFK’s phone expenses, which are four or five times larger than other stations’, not having a line item for Internet expenses makes it difficult. The Chair noted that KPFK’s Internet, transmission lines and voice telephone services were all lumped into one category. The committee discussed how to categorize the various charges and where they should go in terms of Administrative, Expenses, Programming Expenses, etc. The KPFK Business Manager suggested that some phone lines be eliminated. The interim CFO said that re-categorizing all of FY21 wasn’t what the committee wanted, but that the July and August financials should be re-categorized so that the committee can compare apples to apples, and that this would become the basis for KPFK’s FY22 budget.

In the course of the discussions it was established that more than one vendor is involved with Internet services. The KPFK Business Manager told the committee that the company Tele Pacifica Communications is used for long distance, local and international calls and that there are some Internet charges there as well. He said that there were a lot of international calls on that bill and that they were trying to get a handle on that. He said that a lot of those calls were involved with an extension that’s in KPFK’s Telecom Room and that they were coming in after working hours. There was discussion of how VOIP, hard wired phones and various cell phones are billed. In answer to a question the KPFK Business Manager said that the phone lines that had been used for taking calls during on-air fund raisers were idle because KPFK has been using a call center during the pandemic lockdown, but the lines are still being billed for. The committee discussed the possibility of putting those idle phone lines on hold for a while so that the station is not billed for them when they can’t be used.

The committee moved on to discuss legal fees and other items. The KPFK Business Manager said that the legal fees were for labor negotiations. He said that consulting fees included people who do Web hosting who are not full time or permanent FTEs. He said that Christine Blodale is doing contract work for the on-air fund raiser. He said that KPFK’s head count was down to 23 FTEs.

**Motion:** (James Sagurton) “To extend the time for this item by 10 minutes.” (Passed 7 for, 1 against, 1 abstention) 9:49 PM (ET)

It was noted that utility expenses tended to rise in the Summer months, partly because the station needs to air condition the transmitter at Mount Wilson. In answer to a question the KPFK Business Manager said that the station was cutting back on the use of premiums in on-air fund raisers partly because of the cost of mailing them out, and that this has reduced KPFK's premium expenses by about 30%. There was a discussion about partnering with other non-profits for on-air fund raising. The KPFK Business Manager said that for FY22 Personnel Costs will be significantly down.

The KPFK Business Manager said that with regard to KPFK's current on-air fund raiser they had a tally of \$197,695 after 35 days, which is something more than \$5,000 per day and that this was not adequate.

#### Interim CFO Report Central Services Payments Report 10:04 PM (ET)

The interim CFO told the committee that in the "Pacifica Station Payments" spreadsheet she had sent out that for August only KPFA and WPFW had paid Central Services fees. She said that for Benefit Costs the only station not paid was WBAI. She said that the total outstanding owed to the National Office was about \$610,000 which she agreed is unsustainable.

In answer to a question with regard to the Aged Payables Report the interim CFO confirmed that NETA is owed more than \$82,000, the auditors are owed more than \$40,000 and that Advocates for Justice, the billing name of Pacifica's Corporate Counsel, is owed more than \$44,000 and that the latter expense is from two separate invoices.

#### Budget Timelines for FY 2022 10:10 PM (ET)

The Chair asked for each station's progress on their draft FY22 budgets.

WBAI - The WBAI Treasurer told the committee that the local Finance Committee had gone over the General Manager's revenue projections and that at their next meeting the local Finance Committee would look into expenses, although the expenses are largely fixed and can't be changed much. He said that there was still a bit of work to do with tweaking the revenue. In answer to a question he said that the draft FY22 budget would probably go to the WBAI LSB in October or November.

WPFW - The WPFW Director said that she had missed the last Budget Committee meeting, but that they were doing well in the prior meeting and were pretty much on schedule. She said that maybe in October they could pass their draft FY22 budget.

KPFT - The KPFT Treasurer said that their local Finance Committee had met last week and was presented a budget by the Business Manager. She said that because their General Manager wasn't there they have to schedule another local Finance Committee meeting for August 31, to try to have the new General Manager on the phone to weigh in on the draft FY22 budget before sending it to the LSB for approval. She said that the local Finance Committee doesn't want to approve it until the new General Manager can look at it. She said that it would help KPFT do a draft budget if they knew if they were going to get any of that money from the sale of their building to help toward getting another building. She said that they are in limbo with that.

**Motion:** (Chris Cory) "To extend the time for this item by 10 minutes." (Passed without objection)  
10:14 PM (ET)

KPFK - The KPFK Treasurer said that they were waiting for the new General Manager to show up in about three weeks and that nothing was really happening on the draft FY22 budget other than the interim CFO finishing up the FY21 budget. He said that they will use that as a template for next year. The KPFK Director said that a lot of station business has been in limbo without a General Manager in place. She said she was grateful for what NETA and the NFC have done.

KPFA - The KPFA Treasurer said that they have budget workshops this week and expect to pass a draft FY22 budget at the September 18, LSB meeting.

With regard to KPFT, the Chair said that there have been questions about what's happening with funds from the sale of building in the network, and that's one of the things that they need to get information about from the interim Executive Director.

#### National Office Updates 10:19 PM (ET)

The Chair said that among the items the NFC needs to know about from the National Office were: how much KPFT can expect from the sale of the building, an Aged Payables Report, a report on *Allegiance* and the possibility that the initial setup and training fees have not been paid, a report on the FJC payables, paper work on the Texas house sale, a report on the FJC revised contract which the corporate counsel had offered to send us at the last PNB meeting, view-only access for NETA to the KPFT Bank accounts and since the KPFT Business Manager is acting as General Manager maybe she can help us with that, KPFT Studio Sale Brokers Contract that we have requested and have not received. The interim CFO confirmed that they need a signature from someone in charge at KPFT so NETA can get access and she didn't know what holdup was.

Adjourned 10:25 PM (ET)

Submitted by R. Paul Martin, Secretary.