

Minutes for the regular National Finance Committee meeting January 30, 2024.

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

Attending: Teresa Allen, Lynden Foley, Kamau Harris, Julie Hewitt, Christina Huggins, Kim Kaufman, R. Paul Martin (Secretary), James McFadden, James Sagurton (Chair), Elizabeth von Gunten also attending was Pacifica Executive Director Stephanie D. Wells.

Agenda:

1. Convene Meeting
2. Roll Call
3. Adopt Agenda
4. Chair's announcements (2 minutes)
5. Minutes (5 minutes)
6. Set next meeting date.
7. Review the End of Year Consolidated Monthly Statements for the 12 months ending September 30, 2023 (30 minutes)
8. Report from the Executive Director with Q & A (20 minutes)
9. Updates from the National Office and WPFW on when the NFC may expect to receive their budgets (5 minutes)
10. Adjourn no later than 10:15 PM (ET)

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

Chair's announcements 8:40 PM (ET)

"Tonight we will review the End of Year Consolidated Monthly Income Statement for the 12 months ending September 30, 2023.

"Also, tonight we will have a regular report from the Executive Director, Stephanie Wells.

"Please look at any documents posted by National Finance Committee Secretary R. Paul Martin on the NFC list."

Minutes 8:40 PM (ET)

Motion: (R. Paul Martin) "To approve the minutes of the December 12, 2023, December 19, 2023, January 2, 2024, January 9, 2024 and January 23, 2024, NFC meetings." (Passed 7 for, 1 against, 1 abstention)

The Committee discussed the motion.

Motion: (Elizabeth von Gunten) "To add a brief executive session at the end of this meeting for the purpose of approving the outstanding the executive session minutes." (Passed without

objection)

Set next meeting date 8:50 PM (ET)

Motion: (James Sagurton) “To schedule a meeting for February 6, 2024, at 8:30 PM (ET).”
(Passed 6 for, 4 against)

The Committee discussed the motion.

Amendment: (Teresa Allen) “To make it ‘February 27, 2024.’” (ruled out of order)

The committee discussed the amendment.

Point of Order: (R. Paul Martin) “The amendment is out of order because the committee already has a meeting scheduled for February 27.” 9:34 PM (ET)

The Chair ruled the point of order well taken.

The Committee discussed the motion to meet on February 6, 2024.

Review the End of Year Consolidated Monthly Statements for the 12 months ending September 30, 2023 9:38 PM (ET)

The Executive Director went over the numbers in the “Pacifica Foundation Consolidated Monthly Income Statement For the Twelve Months Ending Saturday, September 30, 2023.” She said that Pacifica’s Total Revenue for FY23 had been \$8,628,459 and that for the year prior it had been \$8,668,867 which was a decline of roughly \$40,000. She said she had spent more time looking at the budgets and that a lot of the line items on the budgets were going to have to change. She said that she still had questions across the board about things like what constitutes a Major Donor, She said that some stations have a line for sustainers and some don’t have that line item, she said that we had multiple lines for grant income and we don’t need that many. She said she wanted to add sustainers and break out the Sponsorships Underwriting line a little bit more. She said that she wants to make sure that we’re counting the revenue the same at all stations. She said that it would be nice if the NFC would define what a Major Donor was. She said that for expenses Personnel Costs had been \$5,339,474 and the year prior had been \$5,937,264. She attributed the decrease to layoffs and individuals leaving or retiring. She said there had been a decrease in Administration Expenses from about \$2,228,000 in FY22 to about \$2,065,000. She said that for Programming Expenses there was a slight decrease from about \$1,045,000 to about \$1,023,000. She said that Development Expenses had seen a decrease from about \$830,000 to about \$664,000 and that there had been a decrease in Community/Special Events from about \$35,000 to about \$19,000. She said that Total Operating Expenses for FY23 had been \$9,163,145. She said that some of these things needed to be broken down. She said that some expenses were thrown into other expense categories and that as we look at the budgets moving forward we need to put those expenses where they belong. She said she also wanted the committee to look at moving the Central Services fees up into the revenue, which would be blank for the stations but would show revenue for the National Office and Pacifica Radio Archives. She said that KPFA had started paying about \$17,000 a month in Central Services and KPFK and KPFT had been paying Central Services and the Pacifica Affiliates Network (PAN) had been

paying Central Services.

She said that with regard to payroll, quite a few months ago the National Office had divided the payroll shortfall and had spread it out among the stations that were not paying Central Services so that although those stations couldn't afford to pay Central Services they could afford the little bit extra needed to make up the shortfalls in some stations' payroll and that eliminated what had been the constant threat of not making payroll.

In answer to a question the Executive Director said that a separate bank account had been set up where only that money for payroll is put and that money was not being used for anything but payroll. She said that KPFA's Central Services along with PAN's and KPFT's Central Services are used to offset expenses that the National Office incurs, like insurance. She said that Pacifica now has casualty and liability insurance nationwide. She said that now that KPFA is paying Central Services that she can negotiate with the insurance company to pay the premiums quarterly instead of monthly. She said that the National Office now knows that they can project out and rely on those Central Services payments.

In answer to a question the Executive Director said that the National Office was trying to reduce payroll costs. She said that there were agreements with various Unions and that severance packages that needed to be paid out, so reductions in the work force have to be scattered so that the stations don't get hit with a large severance package. She said that they were taking a close look at consultants to make sure that they are actually consultants, that they're needed, that they're sending in invoices showing their hours and what they've done before they get paid. She said that payroll is always the priority and that health care premiums were so far behind that it's always a matter of getting caught up. She noted that we haven't had any health care that's been cancelled. She said that pensions are another story because there really is no retirement plan, that there had been one years ago and some people were grandfathered into that but there was no pension or retirement plan for people. She said that pension plan payments are made out of an existing pension plan that had been set up years ago.

There was a discussion of how Central Services are shown on the consolidated spreadsheet. She said that the whole section doesn't make sense and she was hoping to have the National Business Manager make separate spreadsheets for each station for this.

There was a discussion of how much Pacifica Radio Archives (PRA) paid for storage, and personnel and how much seemed to be paid for actual tape restoration. The Executive Director said that she was shutting down the various storage facilities and moving the tapes to one location so that we can have a better idea of what we have, what we don't have and can catalog everything. She said that with the budget that was passed that Pacifica would be looking to using the PRA Staff to its fullest.

A discussion of the KPFA draft FY24 budget and the consolidated financials was started.

Point of Order: (Lynden Foley) The speaker talking about budget and not the consolidated financials for FY23.

The Chair ruled the point well taken.

In answer to a question the Executive Director said that she didn't know how many FTEs there were in Pacifica but that she could pull that information from the payroll records and send it to the committee. She said that consultants vary monthly but she could do a monthly average.

Motion: (Lynden Foley) "To extend the time for this item by 10 minutes."

Amendment: (James Sagurton) "To add 'To extend the time for this meeting till 10:30 PM (ET).'" (Passed without objection)

Motion as amended: "To extend the time for this item by 10 minutes and to extend the time for this meeting till 10:30 PM (ET)." (Passed without objection) 10:11 PM (ET)

In answer to a question the Executive Director said that Pacifica has to follow labor laws and that some people want to work as consultants and not as employees and this is also done to get around the hiring freeze and to get around some Union rules. She noted that in some cases those consultants have to be converted to employees. She said that the overall costs of personnel are being lumped into Administrative Expenses when they should be in Development Expenses. She said that if a programmer is a consultant then the money they're paid and expenses related to that program, such as premiums, need to be put in as Programming Expenses. She said that there were multiple things that needed to be done to get things right and that she has to go through them station by station and breaking things down and changing habits and business habits. She said that she was aware that the dollar ratio of what we bring in and what we spend isn't good. She said that we need to figure out what to do about consultants and paying programmers and that the expenses need to be spread out accordingly. She said that it was not an easy fix. She said that the budgets need to be done differently because they're too big and confusing.

There was a discussion of the need to have the consolidated financials sent out on a regular basis and in a timely manner. The Executive Director said that this was one of the reasons for getting all of the accounts in Bank of America so she can see what's in the accounts on her phone. She said that you can't put out the financials if you don't have all the information. She said that we need to get better clarification that everybody is recording their revenue and expenses in the same, consistent way and that it's made in a timely way when we need it because if we don't have all the numbers from a division, or with changes that are coming, in that if something changes today we have to go back months to correct other numbers because it's going to affect all of those.

Motion: (James Sagurton) "To extend the time for this meeting by 15 minutes." (Passed without objection) 10:27 PM (ET)

Report from the Executive Director with Q & A 10:28 PM (ET)

The Executive Director told the committee that Total Payables was about \$1.3 Million. FJC past due interest was \$440,000, and that the Economic Injury Disaster Loan interest was about \$104,000 past due. She said that with regard to the KPFC building sale she was working with FJC and the Small Business Administration to get a new loan agreement with both. She said that the close of escrow had been extended to the end of February to give Pacifica time to remove the liens on the properties. She said that KPFC was cleaning up and having parking lot sales in preparation to moving. She said that the buyers were working with us. She said that rental space

had been secured for KPFK. She said that KPFK was keeping its address but in meantime mail will be forwarded to a Post Office Box. She said that she had gotten new appraisals for the buildings that are being used as collateral. She said that she had gotten new appraisals for the Berkeley and Houston properties and will forward those to FJC.

Motion: (Lynden Foley) “To extend the time for this meeting by 10 minutes.” (Passed without objection) 10:45 PM (ET)

There was a discussion of the importance of Pacifica protecting the information in its membership database and the need to account correctly for the cost of the maintenance of it. The Executive Director said that getting a clean database has been a priority from day one. She said that Pacifica was the first place she’d ever worked where she hadn’t been given a complete dossier. She said that she hadn’t had access to the database in years because Pacifica is on the *Allegiance* “do not serve list” because we owe them money. She said that some stations don’t have the Staff to do the database maintenance and that while it’s not the responsibility of a National Elections Supervisor (NES) to do it the NES does need to make sure that the lists are clean. She said that she would get a breakdown on how many hours the NES spent cleaning the database.

Motion: (sag) “To extend the time for this meeting to 11:00 PM (ET).” (Passed without objection) 10:55 PM (ET)

There was a discussion of some of the election expenses that were going toward the NES doing work cleaning the database and the possibility of shifting some of the expenses for that to Administration Expenses or Development Expenses. The Executive Director said that the database lists would still need to be confirmed by each station.

In answer to a question the Executive Director said that there were no new lawsuits against Pacifica.

Updates from the National Office and WPFW on when the NFC may expect to receive their budgets 11:00 PM (ET)

The WPFW Treasurer said that he was not able to give the committee an update. The Executive Director said that the WPFW Treasurer was doing everything he could to get information with regard to the WPFW draft FY24 budget. She said that he copies her on all E-mails, and he is actively asking for information and meeting times and is doing everything in his power. She said that maybe she and the WPFW Treasurer would do the budget on their own.

Adjourned 11:02 PM (ET)

Submitted by R. Paul Martin, Secretary