

Minutes for the regular National Finance Committee meeting September 8, 2020.

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

Attending: Sharon Adams, Nick Arena, Teresa J. Allen, Fred Blair, Chris Cory, DeWayne Lark, R. Paul Martin (Secretary), James Sagurton (Chair), Anita Sims (interim CFO), Nancy Sorden, Polina Vasiliev, also attending was Pacifica interim Executive Director Lydia Brazon.

Agenda:

1. Convene meeting 8:30 PM (ET)
2. Roll Call
3. Adopt agenda
4. Approve minutes (2 minutes)
5. Chair's announcements (2 minutes)
6. Report from interim Executive Director Lydia Brazon (10 minutes Report, 15 minutes Q&A)
7. Analysis of YTD financials Director Cory (15 minutes)
8. Interim CFO Report, Anita Sims (15 minutes report, 15 minutes Q&A)
9. Central Services Formula (15 minutes)
10. Reports from stations on Budget Timeline progress (starting where we left off last time) KPFT, WPFW, WBAI, KPFA, KPFA (10 minutes)
11. Discussion: Should all Pacifica stations have a Finance Committee? (15 minutes)
12. New Business
13. Adjourn no later than 10:15 PM (ET)

Motion: (Fred Blair) "To approve the agenda." (Passed without objection)

The Committee discussed the motion.

Approve minutes 8:44 PM (ET)

Motion: (R. Paul Martin) "To approve the minutes of the August 25, 2020, NFC meeting." (Passed without objection)

The Committee discussed the motion.

Chair's announcements 8:46 PM (ET)

The Chair told the committee that Pacifica has been removed from Charity Navigator's "Concern" rating and now has a one star rating.

Report from interim Executive Director Lydia Brazon 8:47 PM (ET)

The interim Executive Director had not joined the meeting at this time. It was agreed to postpone this item until she got on the call, and to go to the next item on the agenda.

Analysis of YTD financials Director Cory 8:48 PM (ET)

The KPFA Director said that instead of a report he would ask some questions regarding the financials to July 31st. He said that the Corporate Match category for KPFA was greatly elevated from last year and he asked if this revenue was re-categorized on a decision by the station or if it was something new that was happening at KPFA. The interim CFO said that about \$151,000 of it had come in in March. The KPFA Treasurer said she's gotten knocked off the calls and asked that the question be E-mailed to her. The KPFA Director then asked about Administration Expenses \$60,892.57 and Professional Fees - Legal \$48,611.27; he said that without these expenses KPFA is in the black for FY20. The KPFA Treasurer said that she would speculate that one of the items is the charge that Pacifica levied against KPFA for the attorney's fees for the property tax issue which the KPFA Treasurer said was acknowledged to be due to Pacifica's fault in a letter from the interim Executive Director. The KPFA Director said that he wanted to back that expense out as an extraordinary expense. The KPFA Director asked about KPFA's Utilities-Tower being 57% higher than it had been in FY19. The KPFA Treasurer said that it might have to do with the weather on their antenna tower site being hotter than usual and their air conditioning there using up more electrical power he said he'd ask the Business Manager about it at the next local Finance Committee meeting. The KPFA Director asked about KPFA's Website Income revenue being up 53% over last year, and he asked about the Grant Income being much higher as well. The KPFA Treasurer said that their local Finance Committee had gone over the Web revenue issues, and he said that these numbers make no sense. The KPFA Director asked about KPFA's Administration Expenses being up by 29% and Development Expenses being up 53%. The KPFA Treasurer said she'd check on that. The KPFA Director said that consultants and temps had dropped a lot. The KPFA Treasurer said that the station had a Development Director who'd left the job about two months ago and that was probably the difference. There was a discussion about one attempted hire. It was noted that KPFA has had a reduction in Paid Staff. There was a discussion of the Premiums from Other Vendors expense being lower.

Motion: (Chris Cory) "To extend the time for this item by five minutes." (Passed without objection) 9:07 PM (ET)

The KPFA Director asked about WPFW's Taxes, Fees expense for May being \$20,109. The interim CFO said that she had asked about that too and had not received an answer yet. The WPFW Treasurer said that he believed that it was the expense for WPFW's contribution toward paying off the CPB debt. In answer to a question the KPFA Director said that he was in favor of backing those payments out. The KPFA Director asked about WPFW's Consultant/Temps/Contractuals expense being about 15% higher. The WPFW Treasurer said that it was expenses associated with increased engineering costs incurred which were needed to run the station based on Covid-19 and engineering support for National broadcasts. The WPFW Director said that they should get Central Services credits for providing the engineers. The KPFA Director asked why WPFW's Utilities - Office was so high. The WPFW Treasurer said that those expenses are being recalculated by NETA because they are costs for a call center associated with the station's on-air fund raisers. The KPFA Director asked the interim CFO why WPFW's Interest/Bank Charges were so much higher in March and June than in other months. The WPFW Treasurer said that it was due to bank charges for the processing of credit card donations during their on-air fund raisers in those months.

There was a discussion of the use of call centers and if there was some drop off in the quality of service with most of them having their employees working from home. The KPFA Director said that they were struggling with that, and the service has improved. A fast poll showed that all five stations were using call centers now.

INTERIM CFO Report, Anita Sims 9:24 PM (ET)

The interim CFO told the committee that she had sent out two documents, one was the Pacifica station payments. She said that the unpaid Central Services for FY19 was \$341,652, and that unpaid Central Services for FY20 was \$423,517 which adds up to \$765,169 for both fiscal years. She said that KPFA overpaid and they're getting credit for that. She said that the rest of the stations have outstanding Central Services payments.

In answer to a question the interim CFO agreed that we were about twice as far behind in Central Services payments as we had been a year ago.

In answer to a question the interim CFO said that the Central Services payments cover the 12 months of FY19 and FY20 up to July 31. She said that we don't have the financials up through August 31, but will for the next meeting. The interim CFO had also sent a document showing the Accounts Payable YTD.

In answer to a question the interim CFO said that the CPB collections were apportioned based on the amount of Central Services each station was assessed.

In answer to a question the interim CFO said that she would send the committee the amounts from the PPP loan that each station received.

The interim CFO said that she had spoken to some General Managers and that KPFT was the only station that had not given NETA view-only access to their Wells-Fargo bank accounts, but that they were working on it. The interim Executive Director said that she had sent everything requested to grant access to Wells-Fargo but that they then asked for more.

There was a discussion of a vendor in the Accounts Payable file the interim CFO had sent named Orbital Media Networks, Inc. which is owed \$29,900. The interim CFO said that this was a vendor that needed to be cancelled.

Motion: (Sharon Adams) "To extend the time for this item by five minutes." (Passed without objection)
9:48 PM (ET)

The interim Executive Director confirmed that the vendor named Advocates for Justice was the firm of Pacifica's Corporation Counsel Arthur Schwartz.

Report from interim Executive Director Lydia Brazon 9:49 PM (ET)

The interim Executive Director told the committee that we're moving along with the reductions at KPFK per discussions at the PNB and a proposal by the KPFK General Manager. She said that the next station to be examined will be KPFT. She said that in terms of the Economic Injury Disaster Loan we're at the point of waiting for the appointment of a loan officer, and that the Small Business Administration which is handling the loans acknowledged WBAI's application as having been withdrawn. She said that she'll continue asking Senator Harris' office to help.

In answer to a question about the Economic Injury Disaster Loan's September 30, 2020, deadline the interim Executive Director said that she's still taking that as the date by when we need to get approval. She said that she's been assured that because we filed on time we're okay. She said that the Economic

Injury Disaster Loan does have limitations as to how it can be used but they're all unclear to her because we haven't been allowed to upload documents and characterize our debt.

In answer to a question regarding how Pacifica is handling music licensing the interim Executive Director said that we're availing ourselves of assets at the NFCB. She said she'd also contacted ASCAP and BMI and that they told her that the CPB is still covering us. She said that she hasn't received any ultimate confirmation of this. She said that maybe when we sent the CPB the \$137,506 that that had bought us some good favor with them and the coverage has continued. In answer to a question she said that the on-line streaming of the Pacifica stations is covered by the NFCB because she has had all stations join that organization and that the NFCB coverage of the licensing for music on streaming goes through the CPB. She said that maybe that helped to mitigate the CPB's position towards Pacifica.

In answer to a question the interim Executive Director said that she was not aware of any missed opportunities to reconfigure the big loan and that Pacifica hasn't received any other proposals. She said that if we want to we can always pursue other entities for rolling over the loan. She said that she's operating based on motions from the PNB and that one motion mandates that a percentage of all bequests go to paying off the loan. She said that as soon as Pacifica gets the money from the Economic Injury Disaster Loan that we have to start planning for paying off the loan. She said that people who are familiar with dealing with loans have said that paying some of the loan off and having the FY19 audit would be helpful in possibly rolling over the loan.

There was a discussion of putting provisions for paying down the loan in the stations' budgets.

Motion: (DeWayne Lark) "To extend the time for this item by seven minutes." (Passed without objection) 10:09 PM (ET)

Discussion of the Economic Injury Disaster Loan and the big loan that Pacifica has continued. An on-air fund raiser to pay down the loan was discussed. One member said that it was the PNB that had made the loan and PNB should come up with a plan to pay it off.

There was a discussion of whether or not KPFT's air is being archived. The interim Executive Director said she's ask the Archives Director about that and give the committee a report.

Adjourned 10:19 PM (ET)

Submitted by R. Paul Martin, Secretary.