

Draft Minutes for the regular National Finance Committee meeting June 28, 2011.

Meeting convened at 8:33 PM (ET) a quorum being present, the Chair and Secretary being present.

Attending: Ken Aaron, Jim Boyd, Bill Crosier, Campbell Johnson, Kim Kaufman, R. Paul Martin, Tracy Rosenberg, Alex Steinberg, Barbara Whipperman, Lavarn Williams, Bruce Wolf.

Agenda:

- 1) Approve Draft Agenda
 - 2) Approve minutes of May 24 and June 14, meetings
 - 3) Update on template locking issues - DC
 - 4) Budget Updates from Signal Areas
 - 5) Brief CFO report on May 31, financial statements
 - 6) Arbitron update
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Motion: (Bill Crosier) "To approve the agenda." (Passed without objection)

Approve minutes of May 24 and June 14, meetings 8:37 PM (ET)

Motion: (R. Paul Martin) "To approve the minutes of the June 14, 2011, meeting." (Passed without objection)

Motion: (Tracy Rosenberg) "To postpone consideration of the minutes of the May 24, meeting to the next meeting." (Passed without objection)

Update on template locking issues - DC 8:40 PM (ET)

The issue of some Business Managers at some stations not being able to change things in financial documents was revisited. The CFO said that the Great Plains software did not allow changes as a security measure, and that the documents are locked until the auditors need to go in and deal with them. Business Managers are being trained on the software and what can and can't be done. The budgets as presented on spreadsheets are generated from the Great Plains software. The CFO said that a problem at WPFW with different versions of the software has been resolved. The committee discussed the issue. It was noted that the National Office had sent out E-mails about using the Great Plains software in the past and perhaps these E-mails could be strung together and would make up something like a manual for using that software.

In the course of this discussion it was brought up that there are draft FY12 budgets for the Pacifica Radio Archives and KPFFK. The committee discussed the timeline for the FY12 budgets, how the budgets were getting generated and the flow of the budgets. It was noted that according to the timeline adopted the NFC doesn't review a budget until an LSB completes its review or we pass a certain date in August, and neither of those things have happened yet. The CFO said she'd send copies of the KPFFK draft budget to the KPFFK members of the NFC.

Budget Updates from Signal Areas 9:16 PM (ET)

The KPFT Finance Committee is expected to consider their FY12 draft budget tomorrow and it is expected to be presented to the KPFT LSB at its July 13, meeting.

At KPFA there are issues with payroll information for their FY12 draft budget. There are more meetings scheduled.

At WPFW they are having meetings focusing on the costs that will be entailed with moving their station. The cost of moving the station's transmitter due to an accelerated lead abatement program at the current location may appear on this year's budget instead of next year's. This may

result in WPFW not being able to have a balanced FY12 budget. It is expected that the LSB will meet to consider the FY12 budget on August 3. There are restricted funds that could be used for the move.

The WBAI Finance Committee has been going over the FY12 draft budget from the station's General Manager. The WBAI LSB will meet on August 10, and it is hoped that it will be able to vote on the station's budget then. The CFO noted that she has sent the preliminary draft FY12 WBAI budget prepared by the WBAI General Manager to the NFC. She suggested that committee members review it and send questions to the WBAI General Manager and Treasurer.

Brief CFO report on May 31, financial statements 9:35 PM (ET)

The CFO reported that Pacifica's income through May 31, was about \$1.3 million, which is about \$1.6 million better than last year at this time. She said that she didn't expect Pacifica to go through that positive balance of \$1.3 million before the end of FY11. She noted that in FY10 Pacifica ended about \$1.975 million in the red. We are still getting cash from the Spring on-air fund raisers. Pacifica now has a positive working capital of about \$300,000. KPFK and WPFW have negative working capital, but they have improved since September 30. She said she is cautiously optimistic. We have no choice, but to implement savings. Spending is better than budget by about \$400,000. We should be in the range of breaking even to being about \$500,000 ahead by the end of FY11. Key elements are stability at stations; we have General Managers at more stations. With the force reduction in November salaries at KPFA are under control.

The committee discussed the report. The CFO said that errors in the spreadsheet would be fixed and that by the end of the week she should know enough to be able to make a forecast and will consolidate the cash flows. She said that cash should be positive by the end of FY11. She said that we are paying our debts and that some of them should be resolved during this quarter. The amount owed to Democracy Now! Will go down by the end of the quarter. The amount of extra money from the day of on-air fund raisers that the stations are each contributing won't be known until the end of the month, she doesn't have a final number for that yet. For KPFA it's maybe about \$75,000 to \$80,000k, which is about equal to a payment for Democracy Now! And this would reduce the amount owed to FSRN by half. Arbitron update 9:52 PM (ET)

The committee again discussed Arbitron ratings, their uses and costs. The CFO reported that the Executive Director had discussed the use of the Arbitron data with the General Managers at her Staff meeting. There was a question of which stations use the Arbitron data, how they use it and who gets to see it. The question of how the Arbitron data tracks the stream data which we already get for free was raised. The question of whether or not Pacifica should be using arbitron ratings at all was raised.

Adjourned 10:12 PM (ET)

Submitted by R. Paul Martin, Secretary.