

Minutes for the regular National Finance Committee meeting February 23, 2016.

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

Attending: Sam Agarwal (CFO), Fred Blair, Adriana Casenave, Joseph Davis, Brian Edwards-Tiekert (Chair), R. Paul Martin (Secretary), Tony Norman, Michael Novick, Cerene Roberts, Michael Washington, Barbara Whipperman also attending was WPFW General Manager Gerald Paris.

Agenda:

Roll Call (5 minutes)

Officer Elections (5 minutes)

Secretary
Chair

Minutes Approval (5 minutes)

2016 Meeting Schedule (5 minutes)

CFO Report (20 minutes)

Budget Review and Approval

WPFW Budget - (15 minutes)
WBAI Budget - (15 minutes)

Adjourn 9:40-----

Motion: (Barbara Whipperman) "To approve the agenda." (Passed without objection)

Officer Elections 8:41 PM (ET)

Secretary 8:41 PM (ET)

Barbara Whipperman nominated R. Paul Martin.

There being no other nominations R. Paul Martin was declared elected Secretary.

The Chair stepped down and the Secretary took the chair. 8:41 PM (ET)

Chair 8:42 PM (ET)

Tony Norman nominated Brian Edwards-Tiekert

There being no other nominations Brian Edwards-Tiekert was declared elected Chair.

The Chair resumed the chair. 8:42 PM (ET)

Minutes Approval 8:42 PM (ET)

Motion: (Barbara Whipperman) “To approve the minutes of the May 12, 2015, NFC meeting.” (Passed 6 for, 1 against, 4 abstentions)

Motion: (R. Paul Martin) “To approve the minutes of the February 9, 2016, NFC meeting.” (Passed 8 for, 0 against, 3 abstentions)

2016 Meeting Schedule 8:47 PM (ET)

Motion: Brian Edwards-Tiekert) “During 2016, The National Finance Committee shall hold regular meetings the third Tuesday of each month, beginning at 8:30 PM Eastern.” (Passed without objection)

The committee discussed the motion.

Motion: (Michael Novick) “To reconsider the approval of the minutes of the February 9, 2016, NFC meeting.” (Passed without objection)

Amendment: (Michael Novick) “In the sentence, ‘The Chair ruled that Lydia Brazon could not be a voting member of the committee as the WPFW LSB Treasurer for this meeting, but could otherwise participate,’ to strike ‘as the WPFW LSB Treasurer’.” (Passed without objection)

Motion: “To approve the minutes of the February 9, 2016, NFC meeting as amended.” (Passed without objection)

CFO Report 8:53 PM (ET)

The CFO said that for the FY14 audit the National Office is running into a problem they hadn't foreseen because the auditing firm is asking for more information than anticipated. He said that he expected to have the FY14 audit done in the first or second week of March, barring any big issues. The CFO reported that Pacifica has a serious cash flow problem, about which the auditors have raised some concern. The CFO said that Pacifica has to get revenue sources besides the on-air fund raisers. He said that he, Lydia Brazon and the station General Managers would be discussing alternative fund raising methods. He said that he didn't have any recommendations but he was still looking into the legal aspects involved and that the NFC should talk about this at its next meeting. The CFO said that Pacifica should not count on getting CPB money for at least four to six months because Pacifica is behind on the FY14 and FY15 audits. He said that some stations can't even meet payroll deadline, nor pay for Health insurance, central services, etc. He said that the National Office is so busy dealing with the audit that they can't spare the time to prepare the January financial statements, but the National

Office hopes to catch up in March. The CFO said that the LSB members should participate in fund raising because the need is very urgent. The CFO said that he was particularly concerned about WPFW because that station is late in making payments, and he said he can't get financial information from that station so he doesn't know how the station's funds are being managed. The CFO said that WBAI is not in good shape. He said that these stations were behind and that even if they did do well on their Winter on-air fund raisers that the revenue would be eaten up within 15 to 20 days and there was the question of how they would get through the next two or three months after that. He said that he couldn't recommend the draft FY16 budgets for WPFW and WBAI because they both need to be drafted anew in light of the current situation.

The committee discussed the CFO's report. The KPFT Treasurer said that the station had not been doing any advertising of itself and that this is now being addressed which may cause the station's listenership and revenue to increase. The CFO said that he is able to see WBAI's accounts, but WBAI is cash poor, and he can't get information about WPFW's finances. There was a brief discussion about getting the CFO access to WPFW's accounts. KPFT has voted to have a fund raising committee. The CFO said that he is slowly getting access to the accounts at most of the stations, but some stations don't know who opened the accounts, who the signatories to the accounts are or how to grant him access. As a result the CFO has had to contact the banks directly, which he said is not an acceptable process. The WPFW Director said that he has spoken with the CFO about not getting information or access to WPFW, and he will follow up.

Motion: (Cerene Roberts) "To extend the time for this item by three minutes" (Passed without objection as amended) 9:15 PM (ET)

Amendment: (R. Paul Martin) "To make the extension five minutes." (Passed without objection)

The committee continued the discussion of the CFO's report. The CFO said that the auditors have shown reluctance to agree to do Pacifica's FY15 audit because they have not yet been fully paid for doing the FY13 audit. He said that they had made it clear that if FY14 fees are not paid they will not do Pacifica's FY15 audit. The CFO said that the auditors are satisfied with the progress of the FY14 audit. The CFO said that he is concerned that the current auditing firm is too expensive. He said that we should discuss this at the next NFC meeting.

Budget Review and Approval 9:18 PM (ET)

WPFW Budget 9:18 PM (ET)

The Chair asked the CFO what he would like to see for the WPFW draft FY16 budget. The CFO said that he would like a simple cash flow statement from WPFW. He said that the draft budgets don't carry meaning at this time because we don't have an understanding of what the actual cash situation is.

The CFO said that for the short term a tentative budget could be done for three months or so, showing

cash intake and payments made and what's needed to keep the station going. He said he wants to escalate the issue to the PNB level and if the station is not able to sustain itself that the PNB has to step in. He said that inter-station borrowing is not a good practice. The CFO said that he would like to see immediate transparency in WBAI's and WPFW's statements in terms of cash inflow and outflow and cash arrangements. He said he could draft a resolution about this.

There was a discussion of the cash flow problems and structural questions in Pacifica and the stations.

The WPFW General Manager said that the station's Winter on-air fund raiser was not performing well, and was at under 50% of goal. He said he'd thought that there was good communication between the WPFW Business Manager and the CFO. The WPFW General Manager said that since the on-air fund raiser was not doing well he was seriously looking at underwriting and other fund raising techniques for the station. He said he was on the verge of making a policy with regard to underwriting at WPFW and that he wanted relations with community businesses. He said that he was on the precipice of getting major underwriting and that the day after this meeting he was seeing someone whom he said was going to be a big underwriter. The WPFW General Manager said that the network as a whole needs to look at the community partnership concept and that the acceptance of underwriting needs to be looked at.

Motion: (Adriana Casenave) "To extend the time for this item by five minutes." (Passed without objection) 9:35 PM (ET)

There was a discussion of Pacifica and the stations accepting underwriting.

Motion: (Michael Novick) "To extend the time for this item by three minutes." (Passed without objection) 9:40 PM (ET)

The discussion of Pacifica and the stations accepting underwriting continued.

Motion: (Cerene Roberts) "To let the WPFW General Manager respond for 30 seconds." (Passed without objection) 9:43 PM (ET)

The WPFW General Manager said that the station is looking at what it can do on the Web as opposed to on-air, and that there was no policy in place at this time. He said there aren't the same restrictions on the Web, and that WPFW is not looking to commercialize its operation but is looking for support.

The Chair called for the orders of the day. 9:45 PM (ET)

Motion: (Tony Norman) "To extend the time for the meeting by 10 minutes." 9:46 PM (ET)

WBAI Budget 9:46 PM (ET)

The Chair asked the CFO what he would like to see for the WBAI draft FY16 budget. The CFO said

that the current WBAI draft FY16 budget was out of the question due to the station's actual cash flow. He said that the station was behind budget, the current on-air fund raiser was not going well and this puts us in a difficult spot. He said that the auditors are also concerned about the Empire State Building (ESB) rent. He's not counting the ESB rent in the immediate cash flow. He said that, based on cash flow, a budget would be too much of a stretch at this time.

The committee discussed the CFO's report on WBAI. The WBAI Treasurer said that expenses are not the issue at WBAI, outside of the ESB rent, but that raising revenue is the issue, as it has been for years. The WBAI Treasurer said that WBAI's current on-air fund raiser is averaging \$8,119 a day, which is around two thirds of the daily goal projected in the draft FY16 budget proposal. WBAI can't cut anymore and so raising revenue is the issue. He said that the on-air fund raiser is still the main way for WBAI to raise money because there is no way an off-air fund raiser would even equal \$8,000 a day for more than 20 days.

The committee discussed WBAI.

The Chair called for the orders of the day. 9:58 PM (ET)

Motion: (R. Paul Martin) "To extend the time for the meeting by two minutes." (Passed without objection as amended)

Amendment: (Cerene Roberts) "To make it three minutes." (Passed without objection)

The committee continued its discussion of WBAI. It was noted that other stations have had to extend their on-air fund raisers due to under performance as well.

The Chair called for the committee members to be mindful that our time in these meetings should be productive, not devolving into speech making.

The Chair called for the orders of the day. 10:02 PM (ET)

Motion: (Cerene Roberts) "To extend the time for the meeting by one minute."

Amendment: (Cerene Roberts) "To make it three minutes." (Passed without objection)

The Chair asked members to keep discussions germane to the committee.

The KPFT Treasurer said that he had been writing down ideas during the meeting and he would E-mail them to the committee.

Adjourned 10:06 PM (ET)

Submitted by R. Paul Martin, Secretary.