

Minutes for the regular National Finance Committee meeting January 25, 2022.

Meeting convened at 8:35 PM (ET) a quorum being present, the Chair and Secretary being present.

Attending: Sharon Adams, Chris Cory, Lynden Foley, Elizabeth von Gunten, Julie Hewitt, Kim Kaufman, R. Paul Martin (Secretary), Sean Kelly McPherson, James Sagurton (Chair) also attending were NETA Controller Julia Kennard, Pacifica Executive Director Stephanie D. Wells, Pacifica CPB Compliance Officer and IT Development Director Otis Maclay and PNB Chair Alex Steinberg.

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. Report, if available, from the Pacifica Executive Director (10 minutes Report and Q&A)
7. Report on Application Process for CPB Grant Program Participation. (Otis Mclay, Pacifica CPB Compliance Officer and IT Development Director presenting, 15 minutes presentation and Q&A)
8. Report from the interim CFO (20 minutes Report and Q&A)
9. Review a preliminary version of the December 2021 financials (60 minutes)
10. Budget Timelines and schedule for NFC review of budgets for FY22 (5 minutes)
11. Unfinished business with the National Office; compile a list to share with the NO of year end outstanding items (5 minutes)
12. Discussion of Standard Transaction Limits (Beth von Gunten presenting, 5 minutes Q&A, 5 minutes)
13. Adjourn no later than 10:15 PM (ET)

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

Chair's Announcements 8:40 PM (ET)

"Tonight we will be joined by Otis Mclay, Pacifica CPB Compliance Officer and IT Development Director in a discussion of Pacifica's Corporation for Public Broadcasting (CPB) Application. In keeping with our policy of giving priority to agenda items that involve guests we will hear from Otis after we go through the usual meeting preliminaries.

Tonight we will also review a preliminary version of the December 2021 financials.

There is no new news on the status of Pacifica's application for the Small Business

Administration's Economic Disaster Injury Loan (EIDL).”

Minutes Approval 8:41 PM (ET)

There were no new minutes.

Report, if available, from the Pacifica Executive Director 8:42 PM (ET)

The Executive Director said that she didn't have anything to report, that this was her eighth day in the job and that it had been a wonderful week so far. She said that she'd been at KPFK, talked to people at KPFA, and was looking forward to meeting the other General Managers. She said that she wants to get all stations up to the levels where they can be and should be and she was glad to be here.

Report on Application Process for CPB Grant Program Participation 8:44 PM (ET)

The Pacifica CPB Compliance Officer told the committee that after Pacifica was kicked out of the Corporation for Public Broadcasting (CPB) our attorney at the time spoke to the Inspector General of the CPB and there were two issues: 1) audits, and 2) meeting notices and transparency. The Pacifica CPB Compliance Officer said that he worked on the meeting notices issue and resolved that. He said that Pacifica has an automatic system now that shows meeting notices on the station Web sites, and shows the date of notice to show that the seven days notice has been observed. He said that he does screen shots for each of the stations so we can show the CPB that we conform to their requirements. He said that he had reminded General Managers to complete their reports on time. He said that the lack of audits had really hurt us.

The committee discussed the report. In answer to a question the Pacifica CPB Compliance Officer said that the CPB has an on-line system called Isis that has models for reports. He said that the requirements are huge and it requires a very focused couple of weeks to get that done and into the CPB. He said that the CPB wants to give us the money but they can't unless we conform to what the legislation requires. He said that the new Executive Director's experience would be supportive in getting grants and dealing with this kind of thing. He said that there has been a lack of consciousness about this whole process and that everything we can do to increase that consciousness is helpful.

In answer to a question the Pacifica CPB Compliance Officer said that he was not sure how far back the CPB would look for compliance with the Open Meetings requirements and there's no way of knowing how far back they'll go, but he has screen shots of notices on KPFTX.ORG going back to 2006, or so. He also noted that the Open meetings requirements are also an FCC requirement. He said that Pacifica has conformed to the Open Meetings requirements and can show it. He said that the CPB was annoyed at us in general and had said that Pacifica had thumbed our nose at the CPB, and that we got bounced from CPB membership for not returning grants that we turned out not to be eligible for. He said that Pacifica is making a new application and there's nothing in the new application that would require past compliance. There was a further discussion of complying with the Open Meetings requirements.

Call for the orders of the day: (James Sagurton)

Motion: (R. Paul Martin) “To extend the time for this item by 10 minutes.” (Passed without objection) 9:05 PM (ET)

The committee continued discussing the report. The PNB Chair said that lot of committees have not paid attention to minutes and reports out, etc. and that has to change. He said that he was trying to get all PNB committees to catch up on their minutes. He said that ratings and diversity of listeners was another factor. He said that Pacifica needs to comply with all of the CPB requirements and that if we show them a good effort they will give us funding. He said that someone has to be in charge of making sure it all happens, and he suggested that the Executive Director appoint someone to deal with these CPB issues.

The Chair noted that the Pacifica CPB Compliance Officer has placed a link to the CPB requirements for Community Advisory Boards at KPFTX.ORG.

Report from the interim CFO 9:18 PM (ET)

The NETA Controller told the committee that NETA is adding someone to the team to get the FY21 audit done. She said that Central Services collections were slow, which could be a problem for National Office. She said that Pacifica’s National Office servers have been an issue for a while because NETA has no access to them. She said that NETA is looking at how to reduce KPFK’s phone bills. She said that some of the phones are still not functioning and KPFK’s on-air fund raiser starts on February 7, or 8. She said that bank balances show that cash is tight. She said that KPFK has \$45,000 in the bank but it’s all committed to outstanding checks and payroll and health benefits. She said that KPFA has lent the station enough to make payroll. She said that they have done that twice in the past two months and KPFK has paid it back. She said that the National Office has about \$30,000 in their account, but it’s all applied to invoices that need to go out, so there’s no excess cash there. She said that the Chart of Accounts is not forgotten. She said that they’ve started to break it up into chunks to match the General Ledger accounts. She said that the Chart will not be completed for a few weeks, She said that she’s been working with the KPFT Business Manager on the KPFT draft FY22 budget and she will get it to the NFC. She said that the WBAI General Manager has made adjustments to that draft budget. She said that she hoped that next year she’ll be more involved on the front end of the process instead of the back end, and that the process should go more smoothly next year.

The Chair raised the idea of putting a Central Services report and calculation on the next agenda and KPFT’s or WBAI’s budget then depending on which one is most ready.

A member noted that KPFT’s and WBAI’s numbers were troubling if not appalling. He said that at KPFT they haven’t raised as much as last year and WBAI had raised more than last year but still increased their losses, and neither station was paying Central Services fees. He said he didn’t see how that can be allowed to continue. The Chair said that the committee would be discussing the financials next.

Review a preliminary version of the December 2021 financials 9:29 PM (ET)

The Chair told the committee that these financials were preliminary and were not to be released in general.

The committee went over the “Consolidated Monthly Income Statement For the Three Months Ending Friday, December 31, 2021.” The NETA Controller said that they are doing the spreadsheet somewhat differently because reformatting the data is a problem and takes hours to do. She reviewed the formatting changes. The NETA Controller asked for buy-in from committee members on this format. The NETA Controller said that the narratives that had accompanied the financials in the past had some of their information in the current financials. There was a discussion of the different platforms in use in Pacifica. The NETA Controller said that changing the template would help, and having access to the Pacifica server was important. She said she can’t get spreadsheets out of the National Office server and into something NETA can work on and distribute, currently they have to copy reports out, put them on a spreadsheet insert columns and formulas and then use NETA’s *MAS500* platform to get it out. She said that they want get the Pacifica Affiliates Network set up in the *Great Plains* software as their own unit instead of entering their data by hand.

The NETA Controller said that the net gain of about \$24,000 for Pacifica was down a lot and the YOY change was important.

She said that something needs to turn around at KPFFK. She said that of the \$350,000 drop in revenue for KPFFK from the prior year, a majority has been offset by a decrease in expenses. She said she didn’t see that we can cut expenses much more than we have. She said that in February KPFFK will have less expensive phone bills and they will save thousands a month. She said that for anything to happen it will need to increase revenue. She said that the \$153,000 increase in expenses for the National Office included \$80,000 in legal fees. She said they’re doing what they can to reel in legal costs, and at least make sure that there’s a centralized person who knows why attorneys are being contacted. She said legal invoices were going all over. She said that we need someone to be the person who decides to send stuff to an attorney. There was a discussion of there being a Pacifica policy in place regarding who can contact an attorney about Pacifica related business.

Motion: (Kim Kaufman) “To extend the time for the meeting by 15 minutes.” (Passed without objection) 10:14 PM (ET)

A member noted that besides legal expenses there were a lot of other things that need to be looked at. He noted that the Summary tab shows four units that were gainful and four that were losing money, that the loss in net gain from a year ago is 90+%. He said that Pacifica was dangerously close to being underwater as an organization. He said that lots of motions have been passed at the PNB for stations that were not gainful, and there were probably three stations in that category, but only one was being looked at. He said that more than one station is in need of review. He said that the odds of going underwater this year are extraordinarily high if we don’t do something. The committee discussed this and the motions passed by the PNB relevant to this

issue.

There was a discussion about sending out the “Consolidated Monthly Income Statement For the Three Months Ending Friday, December 31, 2021.” The Chair said the entire document could be sent out to the general public and the committee members agreed.

Adjourned 10:36 PM (ET)

Submitted by R. Paul Martin, Secretary.