

Minutes for the regular National Finance Committee meeting June 14, 2022.

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

Attending: Nick Arena, Chris Cory, Elizabeth von Gunten, Julie Hewitt, Kim Kaufman, Julia Kennard (CFO), R. Paul Martin (Secretary), James McFadden, Sean Kelly McPherson, James Sagurton (Chair), Susan Young also attending was Pacifica Executive Director Stephanie D. Wells.

Agenda:

1. Convene meeting 8:30 PM (ET)
2. Roll Call
3. Adopt Agenda
4. Chair's Announcements (2 minutes)
5. Minutes (3 minutes)
6. Report from Executive Director (If available, 10 minutes)
7. Report from the CFO (10 minutes)
8. Motion to update Pacifica Transaction Limits (Beth von Gunten, 20 minutes)
9. Non Disclosure Agreements (20 minutes)
10. Budget Timelines and schedule for NFC review of budgets for FY22 (5 minutes)
11. Adjourn no later than 10:15 PM (ET)

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

The Committee discussed the motion.

Amendment: (R. Paul Martin) "To strike references to appendices" (Passed without objection)

Chair's Announcements 8:43 PM (ET)

"Tonight we will hear the regular report from the CFO.

We will also consider a Motion on Transaction Limits.

We will also review the previously distributed Nondisclosure Agreement and Consent to use Electronic Transmission Forms

The Executive Director has announced that there will be no application for Corporation for Public Broadcasting grants until next year.

Intensive work is ongoing to produce appropriate revised Draft Budgets for our remaining three

budgeted units. The Executive Director, the CFO and the NFC Committee are working together to produce realistic budgets. The CFO is working very hard with everyone involved and is also working on the FY21 Audit and keeping the financials updated as much as possible. These efforts are happening every day.”

Minutes 8:43 PM (ET)

Motion: (R. Paul Martin) “To approve the minutes of the May 10, 2022, NFC meeting.” (Passed without objection)

The Committee discussed the motion.

Motion: (R. Paul Martin) “To approve the minutes of the May 24, 2022, NFC meeting.” (Passed without objection)

Report from Executive Director 8:46 PM (ET)

The Executive Director said that the PNB Strategic Planning Committee had met yesterday with key Staff from each of the stations and divisions to brainstorm on immediate national fund raising efforts.

The Chair said that it had been an executive session meeting and they hadn’t done a report out yet.

The Executive Director said that they had created a National Fund Drive Working Group made up of Staff from each division and that they would be meeting with a goal of having a two day on-air fund raiser in early July. She said they were brainstorming to see what they need to do to move forward. The Executive Director said that she was focusing on budgeting for FY23.

Report from the CFO 8:48 PM (ET)

The CFO told the committee that she was hoping to have the financials out for the month of May in the next week. She said that she’d been working on the audit. She said that there would be more information to come on that. She said that she was focusing on Staff conversations with the General Counsel and vendors, She said that as of the date of this meeting the National Office had about \$52,000 cash in bank and payables of about \$330,000. She said that about \$75,000 of that \$330,000 is for things like the June 30, payroll, the July health insurance premiums and liability insurance, so that \$75,000 is due by July 1. She said that Pacifica has a couple of deposits coming in and they should cover the \$75,000. She said that the \$330,000 in Accounts Payable will grow. She said that we can’t quite seem to get ahead of the game with this. She said that KPFK is in an on-air fund raiser, but she didn’t know its exact numbers. She said that the day before this meeting the average raised had been about \$5,500 a day and that that’s not sustainable. She said that the \$5,500 per day only covers payroll and health insurance and maybe a little of the electricity bill. She said that they had repackaged all of the past due electric bills into 18 months of payments going forward. She said that they still have to pay the regular bill.

She said that KPFFK's Accounts payable balance, not including past due electricity, is a couple hundred thousand dollars. She said that those were the two extreme Accounts Payable things. She said that she hoped that KPFFK could fund payroll by June 30, and the station wouldn't be able to pay anything else besides health insurance. She said that she has had conversations about Pacifica Radio Archives (PRA) not being able to fully fund their payroll at the end of June. She said she was talking about generating fund raising for them and some other units. She said that they are probably not going to turn anything around in two weeks. She said that she felt good about WBAI, WPFW, KPFA and the affiliates funding their payrolls by the end of the month, and that KPFT thinks they can by the end of the month. She said that KPFT, PRA and KPFFK are in a week by week situation about whether or not they can fund payroll. She said that PRA and KPFT have very small payrolls and so they're not as challenged as KPFFK. She noted that it's easier to come up with a \$7,000 payroll than a \$40,000 payroll.

In answer to a question the CFO said that KPFFK had over \$60,000 in past due invoices from the electric bill. She said that originally Southern California Edison had wanted KPFFK to pay the bill within a week. She said that she had reached out to them and they agreed to bundle the past due bills and repackage it and invoice it as a payment plan. She said that the electric company had wanted the bill paid over the course of 12 months, but Pacifica's General Counsel was able to get them to make this 18 months. She said that the payments on the past due invoices will be about \$3,500 a month due on the 20th of every month for 18 months and KPFFK's average electric bill is about \$7,500 to \$8,000 every month. The CFO emphasized that we have to make these payments. She said that she has been given on-line access so that the bills can be paid more quickly than by check. She said that it's about \$10,000 a month they have to pay Southern California Edison now. She said that KPFFK doesn't have a large Tower Rent bill and that helps.

In answer to a question the CFO said that she will receive an update on the audit in another two days. She said that completion of the audit will be extremely close to the deadline and they are working feverishly to accomplish that. She said that they would be making daily calls for the next two weeks to make sure the audit is done on time. She said that Pacifica has made the first payment on the audit.

In answer to a question the CFO said that she's letting everyone know that the pace will pick up in terms of needing documents from stations in the coming weeks. She said that she'd reached out to everyone to let them know that even if they will be on vacation immediate action may be needed for the audit. She said that everyone understood that.

The CFO said that KPFT's May on-air fund raiser made just under \$45,000 and they are having another on-air fund raiser starting on August 3. She said that KPFFK at the end of May had extended their on-air fund raiser with about \$478,000 raised versus a goal of \$500,000 and they have collected about \$375,000 of that. She said that this month WBAI had raised about \$31,000 as of the day before the meeting and had collected about \$27,000 of that. She said that KPFFK had raised about \$65,000 as of the day before the meeting and had collected about \$52,000. She said that she was not sure about that approximately 15% that doesn't get collected.

There was a discussion of financing the National Office with so many stations not paying Central

Services fees. The CFO said that either you raise more money or you cut expenses. She said that we need to re-evaluate that as we go into the FY23 budget process. She said that she was not sure that people understand what she means. She said that Pacifica can't survive on on-air fund raisers alone that are based on generating individual gifts of \$140 to \$200 and you still have to take a percentage of that for the call center, premiums, mailings and staff. She said that's not a business model that's going to work. She said that increasing listenership gives you more potential for raising funds. She said that the stations need to start looking at getting donors to give \$500 or \$1,000 or \$5,000 because they believe in what the station is doing, instead of just buying a \$150 product. She said that KPFK in particular needs to do data mining in its *Allegiance* reports; who gives, at what level, who gives consistently? She said that it's not easy, is a lot of work, but it has to start somewhere. She said that the stations need to ask for bigger gifts and not sell premiums.

Motion: (James Sagurton) "To extend the time for this item by 10 minutes." (Passed without objection) 9:11 PM (ET)

The fund raising discussion continued. The usual Pacifica 10:1 ratio of premium price to cost of premium to the station was discussed.

The KPFK Director noted that KPFK has had five or six people as General Manager for the last year, and four of them in the last four months. She said that KPFK had been decapitated. She said that KPFK needs that managerial skill set to do the data mining and implement it. She said that getting to a point where the efforts to get larger donations pay off can't be done while bleeding personnel and there's no clear path forward. She said that the Management problem needs to be addressed.

Call for the orders of the day: (James Sagurton) 9:23. PM (ET)

Motion to update Pacifica Transaction Limits 9:23 PM (ET)

Motion: (Elizabeth von Gunten) "Motion to update Pacifica Transaction Limit Policy

The NFC recommends that the PNB authorize the Executive Director, General Managers, Pacifica Unit Managers, and other senior Pacifica management as designated by the Executive Director to approve on their own authority all reasonable and necessary standard transactions within policy and budgetary guidelines, in amounts up to and including \$10,000 per fiscal budget year (cumulative), including all previously approved contractual obligations and routine payments.

Any and all proposed new transactions in excess of \$10,000 per fiscal budget year (cumulative) shall require PNB approval in advance. All such proposed new transactions shall be submitted by Management to the PNB in writing in advance and considered for approval at the next appropriate PNB meeting.

In case of emergency, the most senior acting Pacifica Manager may obtain the necessary approval with the signatures of the current acting Pacifica CFO and any two currently seated elected PNB

Officers, a process to be reserved strictly for emergencies.

Any transaction in excess of this Transaction Limit executed without prior PNB approval is in violation of Pacifica Policy. Any and all questionable transactions shall be reported immediately to the PNB, shall be agendaized at the next appropriate PNB meeting, and shall be considered in performance evaluations.

This policy of June 14, 2022, supersedes the previous PNB Spending Policy of April 25, 2013, and any and all other previous pertinent Pacifica policies.”

The Committee discussed the motion.

Amendment: (R. Paul Martin) “To strike ‘of June 14, 2022.’” (Passed without objection)

The Committee discussed the amendment.

Motion as amended: “Motion to update Pacifica Transaction Limit Policy

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This policy supersedes the previous PNB Spending Policy of April 25, 2013, and any and all other previous pertinent Pacifica policies.” (Postponed to the next meeting)

The Committee discussed the motion.

Call for the orders of the day: (R. Paul Martin) 10:04 PM (ET)

Motion: (Kim Kaufman) “To extend the time for this item by 10 minutes.” (Passed without objection) 10:06 PM (ET)

Motion: (R. Paul Martin) “To postpone the motion to the next meeting.” (Passed without objection)

The Committee discussed the motion to postpone.

Call for the orders of the day: (James Sagurton) 10:17 PM (ET)

The Chair said that the committee would discuss non-disclosure agreements at the next meeting.

Adjourned 10:20 PM (ET)

Submitted by R. Paul Martin, Secretary.