

Finance Committee Meeting, March 4, 2005
MINUTES

The meeting convened via telephone conference call at 2:09 p.m. Pacific Standard Time by Chair Pro Tem David Adelson.

Proposed Agenda:

1. Roll Call
2. Approval of Agenda
3. Results of election for committee Chair
4. Approval of Minutes
5. Review of PNB financial transparency motions and Administrative Council request for tabling implementation
6. Reports from station Treasurers
7. CFO report
8. Review of memo received from Lonnie Hicks
9. Review of January Financials
10. Review of proposed budget adjustments

1. Roll Call

Present: David Adelson, Baruti Bediako, Jane Gatewood, Patty Heffley, Lonnie Hicks, Mike Martin, Casey McFall, Mark Roberts, Marnie Tattersall, Sandy Weinmann, LaVarn Williams

Absent: none

Guest: Dan Coughlin

2. Approval of the Agenda

The agenda was approved by unanimous consent with the following changes:

1. Add item after Approval of Minutes to review separate proposals by McFall and Martin regarding committee process.

3. Results of election for committee chair

Mike Martin was elected Chair of the committee. Ballots were submitted by mail to the Secretary in double-blind envelopes, and counted in the presence of an observer.

Mike Martin assumed the role as Committee Chair.

4. Approval of Minutes

Minutes of the January 11, 2005 meeting were approved with no objections.

Minutes of the February 18, 2005 meeting were approved with no objections

Approval of minutes from the February 4, 2005 meeting was postponed until the second half are submitted to the Secretary by LaVarn Williams.

Approval of minutes from the December 28, 2004 meeting was postponed until they are received from former committee members.

5. Committee Process

Motion by McFall, 2nd by Weinmann

The National Finance Committee shall maintain a chart of action items to be completed by committee members, a permanent place on the agenda shall be established to review those items and progress toward completion, and that the chart be placed into the official record as part of meeting minutes.

Approved with no objections

Martin proposed the establishment of two sub-committees to work on issues related to 1) performance evaluations and 2) budget prioritization.

Discussion regarding this proposal ensued and included concerns regarding public meetings and limited committee input. Martin will provide a written outline of the proposal to the committee at the next regular meeting.

6. Review of PNB Financial Transparency Motions

Hicks and Coughlin stated that required information would be provided to the committee immediately. Packages were processed mailing that afternoon, and included:

1. Monthly MEMSYS reports
2. Report on the number of active members at each station
3. Monthly financial reports
4. Employee headcount report with names, positions, hours and salaries
5. Report on Inter-unit transfers

In the event a required report is not applicable in any given month, a written statement will be included and signed that there is no information to report.

Coughlin will work with Martin to ensure that all committee members receive the reports and information being sent.

Coughlin discussed National Office concerns with releasing required information, which included matters surrounding confidentiality of documents, and issues with how committee members would make use of information provided. A copy of a confidentiality agreement will be included in the mailing. Martin will also send a sample confidentiality agreement to Coughlin.

The committee requested information regarding the scheduled joint meeting with the Administrative Council to discuss a memorandum regarding General Managers' concerns with providing reports.

Coughlin and Hicks felt it inappropriate to speak on behalf of others and requested that the General managers relay their individual concerns at the meeting on March 11, 2005.

Extensive discussion ensued regarding the release of information, reasons for resistance and/or hesitation by the National Office, and ways to ensure that transparency is achieved without compromising confidentiality or the privacy rights of employees.

Treasurers' Reports

KPFT

Weinmann reported that the October fund drive was short of goal. The cash position as of January 31, 2005 was short by approximately \$50,000. The recent fund drive raised \$289,000 in 16 days. The goal was \$300,000. The station gained 900 new members. KPFT's General Manager has proposed extending fund drives longer periods of time. A joint meeting of the station's Develop and Finance Committees is scheduled for the coming week.

Motion by Martin, 2nd by Adelson

KPFT shall provide the National Finance Committee with a Contingency Plan to deal with the projected budget shortfall at the next regular committee meeting.

Passed without objection

WBAI

Bediako reported that the winter fund drive was complete. The drive lasted more days than desired. The station is now telephoning pledgers to ensure fulfillment.

Coughlin reported that a telemarketing campaign has been piloted at WBAI. The campaign targets lapsed members. Previous acquisition mailings have been successful, and they are now being instituted at the local level.

The committee requested that Bediako provide information regarding costs for moving the station.

WPFW

Gatewood reported that the local finance committee will convene in the upcoming week.

KPFA

As of December 31, 2004 total income was approximately \$1,243,000. This amount is \$174,000 under budget. Salaries and related expenses are approximately \$25,000 over budget, and were \$65,000 over budget in the prior year. Total current expenses are \$48,000 over budget. As of January 31, 2005, station income was under budget by \$22,000.

KPFK

McFall reported that the local finance committee will convene in the upcoming week. Station finances are healthy. The recent fund drive raised \$1.05 million in 13 days. The goal was \$950,000.

CFO Report

Hicks reported that a proposal for budget revision will be sent to the committee in two weeks.

The budget from which reports have been issued and expenses tracked is not the budget approved by the PNB. Discussion ensued regarding the appropriate and legal process for budget modifications and the requirement that the approved budget be the only guideline used to determine fiscal standing and develop reports. Martin, Roberts, Williams, Tattersall, and Hicks will meet to identify the approved budget.

The costs of a proposed mid-year audit were questioned by the committee. Coughlin reported that the cost would be approximately \$10 – 15,000. The committee consensus was that such an audit was not necessary.

Coughlin discussed the need for the committee to focus on “big picture” items. In particular, there is a need for each station to build an adequate operating reserve. There are also capital needs that include some which have been deferred, such as building improvements. Future capital needs include transmitters and digitizing studios. Coughlin also reported that there is a concern regarding a flat listener growth rate.

Stations have received computers from the National Office for remote studios and audio editing. Computers were purchased with central Services funds under the “other programming” line item. The computers were purchased on a 5 year contract.

Review of the January financials was postponed until the next meeting as a result of the committee receiving them immediately before the meeting.

Other Items

The PNB referred parts of the Race and Nationality resolutions to the Finance Committee. A subcommittee was formed to address the issue. Members of the sub-committee include Martin, Roberts, McFall and Hicks.

A request was made for a list of the line items and an explanation of what was included in each of them. Hicks will send this to the committee.

McFall reminded the committee of the requirement for non profit organizations to have written fiscal procedures, separate from policies. Coughlin indicated that those procedures already exist and will email them to committee members.

Scheduling of Next Meeting

The next regular meeting of the committee was scheduled for Friday, March 18, 2005 at 2:00 p.m. Pacific Standard Time.

Reminder that there is a joint meeting with the Administrative Council scheduled for March 11, 2005.

The meeting was adjourned without objection at 5:01 p.m. pacific standard time.

Respectfully submitted,

Casey McFall

Secretary

These minutes were approved on 11/29/07.

Attachment: Action Items Chart

Action Items from PNB Finance Committee Meeting *	Who Responsible	Due Date
Action	LaVarn Williams	Not specified
Provide real estate contact to Lonnie		
Report on consultant costs, including breakdown of costs (who, how many, how much etc.) and procedures for procurement of consulting services	Lonnie Hicks	1/18/05
Quarterly forecast	Lonnie Hicks	2/4/05
Report from Finance Committee to PNB	David Adelson	2/4/05
All available reports and information required in Financial Transparency Resolutions passed by the PNB on December 20, 2004. **	Lonnie Hicks	3/3/05
Mail Ballots for Committee Chair	All Committee members	2/28/05
Written explanation of salary variance shown in Dec. 04 financial statements	Lonnie Hicks	2/25/05
List of staff bonuses, including amounts, dates, recipients, and approval process	Lonnie Hicks	2/23/05
January financial statements	Lonnie Hicks	2/26/05
** All available reports and information required in Financial Transparency Resolutions passed by the PNB on December 20, 2004. **	Dan Coughlin	3/4/05 per memo from Lonnie
Written proposal for sub-committee structure	Mike Martin	3/18/05
Ensure that all non-PNB committee members receive reports and information.	Mike Martin w/ Dan Coughlin	3/11/05
Send Confidentiality Agreement sample to Dan Coughlin.	Mike Martin	
KPFT Contingency Plan for dealing w/ budget shortfall	Sandy Weinmann	3/18/05
Report on projected costs for WBAI move	Baruti Bediako	
Proposed budget modifications	Lonnie Hicks	3/18/04
Determine appropriate budget as approved by the PNB	Working group: Martin, Roberts, Tattersall, Williams, Hicks	3/18/05
Report from Race and Nationality sub-committee	Working group: Martin, Roberts, McFall, Hicks	3/18/05
List of line items (or chart of accounts) and explanation of each	Lonnie Hicks	3/18/05
Fiscal procedures emailed to committee	Dan Coughlin	3/18/05

* Commencing with January 11, 2005 National Finance Committee meeting