

Draft Minutes for the regular National Finance Committee meeting May 24, 2011.

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

Attending: Ken Aaron, Jim Boyd, Campbell Johnson, Kim Kaufman, R. Paul Martin, Tracy Rosenberg, Alex Steinberg, Barbara Whipperman, Lavarn Williams, Bruce Wolf, also attending was Executive Director Arlene Englehardt.

Agenda:

1. Approve Draft Agenda (10 minutes)
 2. Approve 5-10 Minutes (5 minutes)
 3. Check-in on Treasurers Meeting/Report Writer and WBAI LSB Issue (15 minutes)
 4. Complete WBAI 6 month review (30 minutes)
 5. Complete KPFK 6 month review (30 minutes)
 6. Budget Prep Check-in at all 5 stations (20 minutes)
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At 8:35 PM (ET) the Secretary joined the call and called the roll.

The Chair asked that the minutes reflect that Bill Crosier has had a death in the family and so could not attend this meeting.

Motion: (Tracy Rosenberg) "To approve the agenda." (Passed as amended without objection)

Amendment: (Kim Kaufman) "To swap items '4. Complete KPFK 6 month review' and '5. Complete WBAI 6 month review.'" (Passed without objection)

Approve 5-10 Minutes 8:46 PM (ET)

Motion: (R. Paul Martin) "To approve the minutes of the May 10, meeting." (passed without objection)

Check-in on Treasurers Meeting/Report Writer and WBAI LSB Issue 8:46 PM (ET)

CFO Lavarn Williams told the committee that the issue with some Business Managers having a problem with the report writing software would be on the agenda for the next meeting with the Business Managers.

WBAI LSB Issue 2048

The question of the WBAI LSB Finance Committee motion regarding executive sessions of that committee, discussed at the last NFC meeting, was brought up. It was reported by the Treasurer of the WBAI LSB that the motion was tabled at the May 11, LSB meeting.

Complete WBAI 6 month review 8:48 PM (ET)

The WBAI Treasurer reported that the totals for WBAI's current on-air fund drive were \$658,357 pledged as of 8:00 AM today. For the first six months of FY11 WBAI had spent 60 days pitching. "Listener Support" is doing better than budget by \$38,601. The fulfillment rate is higher than it had been in the past and it continues to climb. WBAI is making most of its on-air fund raising goals, although for the Fall one WBAI fell short. This was partly made up by an extra on-air fund raiser in December. "Grants Income-CPB/CSG-Unrestricted" is lower because when the FY11 budget was being made up WBAI Management didn't have the details of the CPB grant for FY11. They estimated that we'd get more than we ended up getting allocated. WBAI's "Major Donor Income" is higher than budget by \$21,565. "Community Events Income," "Community Events Income - Restricted" and "Crafts Fair Income" are being conflated. These categories include WBAI's regular Saturday morning on-air ticket sales which is a substantial amount of

income. Conflating the income for all three of these separate items makes it hard to see which ones are raising how much money. The Treasurer again asked for a separate line for the WBAI Saturday morning ticket sales income on the FY12 budget template. "Grants Income" was \$21,535, it had been budgeted at \$0. "Total Revenue" was better by \$31,581 at the half way point of FY11. The "Gross Salaries" line was \$2,073 worse than budget. But "Total Salaries & Related Expenses" was worse by \$25,588 mostly due to health benefits, with some of the extra accounted for by taxes. The "Rent Expense -Tower" line was higher than budgeted by \$17,898.

The committee discussed the report. The repair of the premiums problem that had plagued WBAI for years was discussed. Past and current premiums are being sent out now and subscribers are coming back to the station. The CFO said that the "Shared Expenses" line was accrued, not cash.

Complete KPFK 6 month review 9:35 PM (ET)

The KPFK Treasurer noted that the Income Statement has different numbers from what KPFK Management is sending out in their financial statements. She reported that KPFK is doing fabulously well with regard to income, but an extra on-air fund raiser was needed in December. The current on-air fund raiser is set to last for 30 days and has achieved about 70 to 72% of its goal. She said that the numbers were padded to begin with, actual income is about \$75,000 ahead of budget. Shared expenses are also higher than budgeted. She noted that she was uncomfortable with the income as stated, last year the auditor knocked about \$200,000 off KPFK's income at the end of year. She's not sure of the income numbers she's seeing. It looks like KPFK is about \$65,000 better than budget and about \$50,000 better than last year. She noted that the KPFK LSB didn't get to approve last year's budget.

The committee discussed the report. It was noted that a lot of the income lines are lower compared to FY10, and KPFK couldn't afford to lose more money. The possibility of on-air fund raiser burnout might be happening due to too many days pitched. An analysis of the premiums and on-air fund raiser income was under way. It was felt that with a new General Manager coming to the station on June 15, that the station would have a more disciplined financial department soon. At this time the budget seems padded and money goes from one item to another. The idea of stations providing programming to other stations getting some financial consideration for that was brought up. It appears that KPFK is actually about \$75,000 worse than in FY10.

The CFO said that some stations have agreed to reduce their payables to the National Office and use an average day of on-air fund raising to pay down Pacifica's debts. An alternative is for stations to send the National Office one day of credit card on-air fund raising to reduce the amount of transactions to transfer to the National Office. Some stations are doing extra days of on-air fund raising though. The CFO will get the committee the information when it's all done; this money is to retire the FSRN and Democracy Now! Debt.

The committee had a short discussion of WPFW's current on-air fund raiser.

The CFO noted that there are Program Director meetings and that the stations are sharing fund raising ideas and premiums.

It was noted that the NFC needs to keep monitoring where stations are in the budget and also look at the previous year's performance so that any corrective action doesn't come too late.

Budget Prep Check-in at all 5 stations 10:07 PM (ET)

The deadline for the first draft of each station's FY12 budget is May 31. The committee discussed this. KPFA may not make the deadline, KPFT will be somewhat late, WPFW doesn't have numbers yet, KPFK will probably not really move on its FY12 budget until the new General Manager arrives, WBAI is

looking to have a meeting with its General Manager to get the draft FY12 budget.

The CFO said that we should know soon what the CPB income will look like for FY12, she is pretty sure that there will be a decrease.

Adjourned 10:22 PM (ET)

Submitted by R. Paul Martin, Secretary