

Minutes for the regular National Finance Committee meeting June 12, 2012.

Meeting convened at 8:36 PM (ET) a quorum being present, the Chair and Secretary being present.

Attending: Ken Aaron, Jim Boyd, Bill Crosier, Marcus Jetter, Campbell Johnson, Kim Kaufman, R. Paul Martin, Tracy Rosenberg, Alex Steinberg, Barbara Whipperman.

Agenda:

1. Roll Call
 2. Approve draft agenda
 3. Approve last meeting's minutes
 4. Workgroups - LA status report, DC/WBAI process/timing
 5. Budget Check-ins
 6. Financial Transparency checkin
 7. KPFA pledges
 8. Discussion of community events at stations and policies regarding them
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The Chair began the meeting and noted that The Executive Director cannot attend this meeting because she's at the NFCB Conference in Houston, Texas tonight, and the CFO will not be attending because she's currently on vacation in Alaska.

Motion: (Ken Aaron) "To approve the agenda." (Passed without objection)

Approve last meeting's minutes 8:47 PM (ET)

Motion: (Kim Kaufman) "To approve the minutes of the May 29, 2012, meeting." (Passed without objection)

Workgroups - LA status report, DC/WBAI process/timing 8:47 PM (ET)

The Chair reported that the KPFA working group had met over the Memorial Day weekend. KPFA's on-air fund raiser is coming in short. The working group has sent a recommendation to the Executive Director.

The WPFW working group met, but without any members from WPFW in attendance. It is hoped that this working group will meet again soon.

The Chair proposed that there also be a working group about WBAI. Alex Steinberg and R. Paul Martin from WBAI agreed to be on this working group and Kim Kaufman also volunteered to be on it.

Budget Check-ins 8:55 PM (ET)

KPFA's local Finance Committee has been going over their draft budget. The General Manager has incorporated priorities in the draft FY13 budget, which is similar to last year's budget. On the first day of their on-air fund raiser their antenna went down, and there's still transmitter damage from the lightning strike a month ago. Their goal for this on-air fund raiser was \$300,000 and they achieved about 80% of that goal. They expect to have a firm budget to present soon.

WPFW had nothing to report except that their General Manager hasn't made much progress on the draft FY13 budget. They are not getting much information from their General Manager. They will try to meet with him more. The goal for their most recent on-air fund raiser was \$425,000 and they raised a tally of slightly over \$300,000.

WBAI's local Finance Committee has met and has gotten a draft FY13 budget from Management, but no assumptions spreadsheet. Members mostly want to get information like a cash flow and balance sheet before they start working on the FY13 budget. Information requests to station Management have not produced all of the information requested. There are some difficulties with the local Finance Committee itself, there is also some despair in the committee over the overall state of the station's and Pacifica's finances. There is a feeling that no one knows how to fix the problems. The General Manager continues to refuse to attend the local Finance Committee meetings because he has been disrespectfully treated at the meetings in the past. The station has a new Program Director, which is a good development.

KPFA's Treasurer is meeting with the station's Business Manager, General Manager and others about the budget. A survey has been distributed asking people to rate different expense categories.

It was reported that KPFA has cancelled its most recent local Finance Committee meeting because they have not gotten a draft budget proposal yet. The Treasurer has seen a very early draft of the FY13 budget and it does not appear to be realistic. The station is running a deficit of about \$350,000, and they can't wait for new budget to fix that. What they're doing now will be the basis of the FY13 budget. The station needs to get out of deficit, get the second part of their transmitter installed, and lessen the number of on-air fund raiser days. It's not a long term solution but an immediate plan to keep the station financially viable. Unbudgeted expenses are a serious problem.

Financial Transparency checkin 9:33 PM (ET)

The Chair reported that she's trying to set up a working group meeting on this issue. She'll get one scheduled for after the CFO gets back from her vacation.

KPFA pledges 9:36 PM (ET)

The Chair reported that there is a two hour per day simulcast between KPFA and KPFK from 10:00 AM to noon, and later on there is the Pacifica Evening News. The way pledges have been handled has been that pledges made to the KPFA pledge line during these simulcasts from the KPFK listening area have not been processed in KPFA but sent to KPFK. KPFA keeps track of two sets of tallies, one of which doesn't include what should go to KPFK. The numbers for KPFK the recent on-air fund raiser are currently in dispute. It looks like KPFK is to get about \$49,000 from the recent on-air fund raiser, the arrangement usually amounts to about \$73,000 per year, so \$49,000 would be a big percentage of the usual yearly revenue on this arrangement. Some think there are errors in the accounting. The NFC should know about this problem, and that the results are not final. What is the policy for simulcasts? We're doing it two different ways now. If stations do more program sharing we'll have to figure this out.

The committee discussed this issue, and details related to it, at length. There were also questions about how other stations are handling on-air fund raising from simulcasts. In the end it was agreed that KPFK needs to keep track of what the final on-air fund raiser numbers are in this matter, we need to keep an eye on this with regard to KPFA's FY13 budget, and the NFC should see if we can come up with a policy recommendation for this issue.

Discussion of community events at stations and policies regarding them 10:22 PM (ET)

Some community events fund raisers have failed badly. There is also the issue of arrangements made in terms of who puts together events and how they're compensated. There seems to be some kind of partnership at KPFK with Staff and independent non-profit groups setting up events and splitting the revenues with the station. Issues are who can call a benefit for KPFK, and are Pacifica employees really independent non-profits and do we make arrangements with them that are different from their paid work for Pacifica?

The committee discussed this issue. Examples of off-air fund raisers that raised questions were brought up. The issue of people who do programs which financially benefit their own non-profit organizations was also discussed. It was agreed that this topic should be revisited at the next meeting and that the NFC should consider passing a motion that would strongly recommend that these practices be cleaned up.

Adjourned 10:52 PM (ET)

Submitted by R. Paul Martin, Secretary.