

Minutes for the regular National Finance Committee meeting June 25, 2019.

Meeting convened at 8:44 PM (ET) a quorum being present, the Chair and Secretary being present.

Attending: Sharon Adams, Fred Blair, Chris Cory (Chair), Bill Crosier, Lynden Foley, R. Paul Martin (Secretary), Mansoor Sabbagh, Nancy Sorden, Tamra Swiderski (interim CFO), also attending was KPFA Business Manager Maria Negret.

Agenda:

1. Convene meeting 8:30 PM (ET)
2. Roll call
3. Approve Agenda
4. Minutes approval (5 minutes)
5. The Purpose Of Budgets - Chair (10 minutes)
 - A. Discussion (10 minutes)
6. Review of KPFT Expenses (ATT & Wells Fargo) (10 minutes)
7. Preliminary/Continued Consideration (Status Report) of draft FY19 budgets
 - A. KPFA with Business Manager (15 minutes)
 - B. Discussion (15) minutes
8. 2020 Budget Timelines - discussion and approval of timelines for 2020 budgets (15 minutes)
9. Loan repayments - discussion of how to come up with \$25,000/month systemwide. (15 minutes)
10. New Business
11. Adjourn no later than 10:30 PM (ET)

Motion: (Chris Cory) “To approve the agenda.” (Passed without objection)

The Committee discussed the motion.

Minutes approval 8:50 PM (ET)

Motion: (R. Paul Martin) “To approve the minutes of the June 11, 2019, meeting.” (Passed without objection)

The Purpose Of Budgets - Chair 8:51 PM (ET)

The Chair read a statement he’d prepared regarding the purpose and importance of budgets for Pacifica.

Discussion 8:55 PM (ET)

The committee discussed the Chair's statement and generally agreed on the purpose and need for the budgets to act as a guideline for General Managers and others.

Review of KPFT Expenses 9:11 PM (ET)

The KPFT Treasurer told the committee that he had been looking at the station's expenses and he found that the biggest expense was AT&T costs for landlines. He said that KPFT pays \$1,149 a month for the request lines, and they pay \$585 a month for their business lines, and \$1,381 a month for ISDN lines. He noted that the station is paying about \$23,000 a year for banking services at Wells Fargo. He asked if he could shop around for better deals at other banks for KPFT.

The committee discussed the member's questions. The KPFA Business Manager said she'd call him and let him know what people at KPFA are doing to lower their phone bills. It was suggested that he also call the General Manager and Business Manager at KPFFK for similar help.

Preliminary/Continued Consideration (Status Report) of draft FY19 budgets 9:21 PM (ET)

KPFA With Business Manager 9:21 PM (ET)

The KPFA Business Manager told the committee that she always bases the KPFA draft budget as much as possible on past history. She said that their December 2017, on-air fund raiser had a goal of \$450,000 and they had raised 113% of that goal, so their goal for December 2018, was raised to \$510,000. She said she also calculates their fulfillment rate. She said that over 12 months their fulfillment rate is 88.4%. She noted that their on-air fund raisers have not been making their goals of late. She said that her suggested goal for the KPFA Spring on-air fund raiser was \$620,000, the Development Department lowered that to \$550,000 but they only made \$448,000 and that's what they'll budget for in their FY20 budget. She said they look at their expenses and look at budget to actuals. She said she meets with department heads about financial issues.

The committee discussed KPFA's draft FY19 budget proposal. The issue of being able to read the spreadsheets as presented was brought up and the KPFA Business Manager said she'd send them along with just the numbers as opposed to formulas. There was a discussion on depreciation in the budgets.

2020 Budget Timelines - discussion and approval of timelines for 2020 budgets 9:59 PM (ET)

The committee discussed the FY20 budget timeline. The interim CFO said a part of the problem the NFC has been having is that we had not been getting good financial information for the past three years. She said that the errors from previous years were also being found in the FY19 actuals data, and that the bulk of the errors were from the National Office, with the stations also making errors. In answer to a question she said that she had financial information for the first five months of FY19, and that she'd bring that to the next NFC meeting. She said that after that they should catch up by two months every month and that by August they should have the FY19 actuals through April. There was a discussion of the interim CFO being able to get the data she

has in financial reports out to the Business Managers due to software issues.

Loan repayments - discussion of how to come up with \$25,000/month systemwide 10:17 PM (ET)

The committee discussed the fact that in the Fall Pacifica will have to start paying the interest on the loan. The NFC has been told that the interest has been estimated to be between \$22,000 and \$24,000 a month. It was pointed out that on-air fund raisers have been missing their goals and that the Summer is usually a time when income is at its lowest in Pacifica. The interim CFO said that only three stations are paying Central Services fees at this time, and that she hasn't heard of any plans for paying off the interest. A Director suggested that the PNB should schedule a special meeting to discuss the issue of the interest payments. Bequests to stations and special community fund raiser events were discussed as ways of generating the cash needed to pay the monthly interest. In the course of this discussion the interim CFO said that Pacifica will probably not get any CPB money until 2021, because the audits have come in too late.

The Chair announced that the time for adjournment had arrived. 10:33 PM (ET)

Adjourned 10:34 PM (ET)

Submitted by R. Paul Martin, Secretary.