

MEETING OF THE BOARD OF GOVERNORS OF THE NATIONAL PRESS CLUB

April 16, 2007

Sylvia Smith, Secretary

Vice chairman Keith Hill called the meeting to order at 6:40 pm. Present were President Jerry Zremski, Secretary Sylvia Smith, Membership secretary Mark Hamrick and Governors Alan Bjerga, John Gallagher, Keith Hill, Gayela Bynum, Lou Priebe, Theresa Werner and Dipka Bhambhani and former president Jonathan Salant. Also, General manager John Bloom, Membership recruitment director Sarahanne Driggs, Comptroller Georgetta George and David Jones and Tina Peacher of Ribis, Jones & Maresca. Absent were Vice president John Donnelly, Treasurer Donna Leinwand, Chairwoman Maureen Groppe and Governor Joe Anselmo.

Hill invited the auditing team to make a report. Jones said he presented the draft audit to the Budget Committee and pointed out that the balance sheet for 2006 is somewhat unusual. He said there was a lot of activity, primarily because of the broadcast operations center. He said the biggest change is a \$600,000 drop in cash flow and the property/equity is \$1.4 million higher, all related to the BOC, which was partially funded by cash and investments.

Jones said total revenue and total expenses are both up substantially. The net income was a \$537,000 loss for the year, which includes about \$300,000 in depreciation. He said another unusual item, which will not be repeated, is a \$196,000 income tax credit (because of the loss which occurred within two years of the 2004 large income tax bill the Club paid as a result of the dissolution of the building partnership). He said that next year, even if the Club posts a loss, it can not claim a credit.

Jones said the NPC's net worth is about \$1.4 million after all liabilities; about \$400,000 is in cash, and the rest is assets that could not be used to pay bills. Every time there is a large yearly loss, he said, that amount goes down. He said that is not a lot of equity for an organization that has \$10 million in expenses. He said the Club leadership must start thinking how to ensure that there isn't another year or two of \$500,000 losses and that 2007 will be a very critical year for the Club. "It can't withstand many more of 2006-type years," he said. He said it is critical for the leadership to start thinking and acting now.

Jones said he also asked Bloom and George to make some changes in breaking out expenses so the board can more easily see them and make decisions.

Jones said the investment portfolio might be too much in mutual funds given the Club's current financial picture. Bloom noted that the investment policy must be approved by the board. He said the annual advisory for allocation is up for renewal in April.

Jones said the library is in a fairly healthy position. Even not counting the Friedheim trust held by the Washington Press Foundation, the library is strong, he said.

During discussion, Zremski said the audit reflects what the board knew would happen when the BOC was under taken. He asked what ways there are to reduce the debt. Jones said the only way is to create more income. Zremski asked if the Club could sell some assets. Jones said yes. He said the Club could sell off part of the BOC and apply that to the debt. In response to a question about whether the BOC was a bad decision, Jones said no because the revenue is substantially up. But he said 2007 will be the indicator of whether the business choices were smart.

Salant asked whether the Club should dip into the Second Century Fund. Jones said if that were done, the money would not be there as an emergency backup in case, for instance, cash were needed to meet payroll.

Jones said the rule of thumb is that when equity vs. expenses dips below 25 percent, an organization starts to have cash flow problems. He said the Club's ratio is below 25 percent and that the rule of thumb would say that cash is now a critical concern. When accounts payable are stretched out, he said, it shows an organization does not have enough equity.

Zremski said the final audit will be presented for a vote at the May meeting.

Smith moved and the board approved the minutes of the March meeting.

MEMBERSHIP REPORT

Hamrick moved and the board approved the following 29 new members:

Active: Klaus Kastan, Correspondent, German Public Radio; Suzanne Malveaux, White House Correspondent, CNN; Kaoru Nishizaki, Correspondent, The Asahi Shimbun; Gail Roberts, Chief Editor, McGraw-Hill Companies; Barbara Slavin, Diplomatic Reporter, USA Today; Rachele Younglai, Equities Reporter, Reuters:

Active under 35: Christie Findlay, Campaigns & Elections, Managing Editor.

Active under 30: Katharine Culpepper, National Geographic Television & Film, Associate Producer, Research; Amy Doolittle, The Politico, Reporter; Victoria M. Jaggard, National Geographic News, Writer and Editor; Ruth Mantell, Dow Jones Market Watch, Personal Finance Reporter.

Active non-resident: L. Peyton Bobo, Millport, Ala., The Gazette Newspapers Publisher; Jonathon S. Felt, Los Angeles, The Felt Family Ventures Corp. chief editor and publisher; Joshua Scheer, Los Angeles, truthdig.com, research Editor and podcaster.

Active non-resident reinstatement: Narda Zacchino, San Francisco, San Francisco Chronicle deputy editor.

Affiliate: Llenda Jackson-Leslie, American Civil Liberties Union director of legislative communication.

Affiliate reinstatement: George M. Gold, Concept Solutions, Inc., editor and senior writer; Dianne W. Pickar, Court Services & Offender Supervision Agency, community supervision officer of public relations.

Student non-resident: Omar Ullah, Katy, Texas, The University of Texas at Austin.

Associate: David J. Albritton, Raytheon, director of media relations; Tonya Fitzpatrick, Bronze World Travel Media Group owner; Michele Frisby, International City Management Association, director of public information; Mark L. Hurley, Campaign for Tobacco Free Kids, director of international communications; Douglas C. McNabb, McNabb Associates, senior principal.

Associate under 35: Lynn Marie Johnson, U.S. Department of Transportation, program policy specialist; Michael L. Ledford, Lewis-Burke Associates LLC, vice president for client management; Michael J. Meneer, Council on Competitiveness, vice president for communications.

Associate non-resident: Bruce Boissonnault, Williamsville, N.Y., Niagara Health Quality Coalition, webmaster and CEO.

Associate reinstatement: Russell Scott Stoermer, University of Virginia doctoral student.

Hamrick moved and the board approved retired dues status for 1 member.

Hamrick moved and the board approved a motion to recommend the following definition change in the Constitution to the general membership at the May meeting (new language in italics): *Affiliate: Persons who have been Active members of the Club but who no longer qualify as Active members, persons who are actively engaged full time in public information or editorial duties for a foreign or domestic government agency (or have retired from such a position) and those persons who have been employed for not less than five years of the last ten years or ten years overall in jobs that would have qualified them as Active members.*

PRESIDENT'S REPORT

Zremski briefed the board on a proposal for Beijing Week, which was proposed by organizers of a privately run and newly formed press club in Beijing a la the Australia week at the Club before the 2000 Olympics. He said he was torn about whether the Club should co-sponsor it or merely rent space. He said he is concerned because of the way China treats journalists. Smith said the upsides are strong if it is carefully managed, but she questioned who would manage it. Zremski said several Club committees managed the Australia week. Smith said if the Club is going to proceed, a board member should be designated as a superliaison to all the committees involved, and the committees should be instructed to consult with the board liaison before making any decisions. Other board members expressed unease with a co-sponsorship. Werner suggested an approach of co-sponsoring a few events with the group and offering to allow the group to rent space for other events. Others expressed agreement, and Zremski said it sounded like a consensus.

In addition, he reviewed the proposal by the deputy bureau chief of the Russian state news agency in DC to host a meet-and-greet buffet, etc. for club members, akin to an embassy night, except with a news agency rather than an embassy. He asked if anyone has a concern, and no one expressed any.

Zremski also sought board members' thoughts on a possible partnership among the Club, the library and the Poynter Institute to do a two day "Convergence Conference" at the Club, probably in February. The idea would be to train political reporters from DC and elsewhere in blogging, podcasting, basic television skills etc. This program would be contingent on the NPC library obtaining major grant funding. Salant noted that the first program the Club and Poynter did together was a success, but the second one was not. He said the Club would need a commitment on proper publicity of the convergence event.

Zremski noted that in an email exchange with board members about the possibility of the Club going on record to support legislation that would require senators and Senate candidates to file their campaign reports electronically, some board members were reluctant to support such a move. He said he considers the legislation a free press issue, but some board members do not, so he will not sign the letter.

He also reported that the Freedom of the Press Committee has indicated a strong interest that the Club be U.S.-focused on free press issues. He said he thinks the view should be international. Other board members agreed.

BOARD AND COMMITTEE LIAISON REPORTS

Young Members – will do the event with the state-run Russian news service

Change board – some web page changes have been approved. Smith asked if the committee could consider making the day book information more complete.

Communications and marketing – Is helping with the May 14 battle of the bands

Oral History – Is not functioning as it should.

Photo – Is planning to review the archives and select a photo to represent each of the Club's 100 years. Zremski said that project should be coordinated with the Centennial Committee, which is doing something similar.

Events – Music night is April 26; Picnic is Aug. 28; there is no one to head the golf subcommittee.

Zremski said Aug. 28 is not a good time for the picnic because it's too hot. Others agreed. June 20 and July 4 were recommended.

Broadcast taskforce – The program will be distributed over iTunes soon.

Professional development – Is working on a business etiquette series; April 30 seminar with Fact Check; Center for Responsive Politics will do a data diving.

Book and Author – April 24 wine dinner; committee voted against charging non-members for book events. Zremski said the committee should be focused on getting big-name authors and said the committee is booking more events than it is budgeted for. Bhambhani said the Young Members Committee wants to know about getting discounted tickets to wine dinners. She was told that they are fundraisers.

Salant said Fact Check intends to sell books at the Professional Development event, which is against Club rules. **Smith moved that the board allow Fact Check to sell its book. The motion died for lack of a second.**

Speaker – Cal Ripken is nearly sold out.

Freedom of the Press – May create a beat system to monitor activities.

Strategic planning – Will meet soon; moving forward with a research firm.

Newsmakers – Kathy Lee Gifford attended.

Scholarship – **Hill moved and the board approved the two winners recommended by the committee.**

They are Ahmed Mabruk of Austin Texas and Tasnim Shamma of Jamaica, N.Y.

Smith described a memo prepared by the former chairwoman of the Scholarship Committee, Kathy Kiely, in which she encouraged the board to use the criteria of "minority" student not "of color" so as to allow for a broader interpretation of the kinds of voices that the NPC wants to encourage in U.S. newsrooms. During discussion, Bloom said the original sense of the board was that the scholarship was for minority students and that "of color" was added. Members said they would like to review the Kiely memo (see attachment) and discuss it at the May meeting.

GENERAL MANAGER'S REPORT

Bloom said the buyout of ConnectLive is helping the Club's bottom line and that it will take less than 9 months to pay off the buyout. He said that because of the financial situation, he has frozen staff salaries.

Bloom said he is preparing a detailed outline for the new general manager so the transition goes as smoothly as possible.

Bloom also said that none of the centennial bills have hit yet, and the success of the fundraising will determine how it goes. He also said that as a result of the financial situation, the Club is not making the kind of capital improvements that should be done. He again stressed that it's important that the centennial fundraising be a success. Bynum asked what's being done. Zremski said there's a prospective donors' list and various meetings with them. Bloom said that's why it's important for Lisa Miller to work on fundraising, not book raps.

The board moved into executive session to select the Fourth Estate Award winner and then resumed open session.

NEW BUSINESS

Salant raised the topic of photos of members with luncheon speakers. Bynum asked why they can't be placed on the web so that members could order them and the Club could make money. Zremski said not

all the photographers shoot digitally. Smith said she thinks it is wrong and indefensible that the Club pays one class of journalists (photographers) for their volunteer time and expects others (writers and editors) to volunteer their time gratis. Bloom said photographers are paid \$15,000 a year. Zremski asked Bynum and Gallagher to speak to the photographers about both issues.

The next meeting was set for May 21.

The meeting was adjourned at 9:20 pm

To: The National Press Club Board of Governors
From: Kathy Kiely, past chair, Scholarship Committee
Re: Persina Scholarship

16 April, 2007

As the immediate past chairman of the scholarship committee, I have been asked to address the issue of the Persina Scholarship's mission statement. This is something I thought a lot about in the 10 years I ran the committee. It is also something I have discussed considerably with Bill Persina, whose family provided the seed money for this venture. I believe we are both on the same page as to what we believe this scholarship has stood for and what we would like it to represent in the future.

When I began chairing the committee 10 years ago, the Persina Scholarship was designated "for minorities in journalism." Our status as a private club enabled us to target it that way, and our role as a leader in the journalism community made it a logical thing to do: We all know the importance of having newsrooms that reflect the diversity of the nation we cover and we all are well aware of the underrepresentation of minorities in our workplaces.

During my time as chair, our scholarship picks reflected our desire to change that. We gave money to African-Americans, Hispanics, Asian-Americans and a Native American, as well as a number of biracial students. I think that the promotion of aspiring journalists of those ethnic backgrounds has been a good thing and will continue to be a good thing for the Persina scholarship to promote for the foreseeable future.

But through it all, I and some committee and board members have been nagged by some minor misgivings. How do we define a minority? What would we do if we had an outstanding gay applicant? And, more recently, what about students of Arab or Muslim descent? Do they qualify?

After much thought and a number of conversations with Bill Persina as well as with some committee and board members, I think I have a solution that will preserve the spirit of the scholarship and give the club flexibility to respond to a changing world:

Boiled down to its essence, the purpose of the Persina Scholarship always has been to bring new voices and fresh perspectives into our field. In other words, to diversify newsrooms. By that standard, it may be that we do want to consider some other categories of students, such as those I have named above. We might also want to give a homeschooled kid a look, or one who is from a military family and has been schooled on military bases.

So here's what I'd suggest: Let's rename the scholarship The National Press Club Ellen Masin Persina Scholarship for Diversity in Journalism. Let's state in our literature that our aim is to bring new voices, different faces and fresh perspectives into our nation's newsrooms. Let's also make our goal explicit in the essay question that we pose applicants. Let's ask them to address a question like: What new perspective do you believe you would bring to a newsroom; what unexplored or underexplored issues would you like to pursue; how do you think you would add depth and dimension to news coverage?

My bet is that most of our winners will continue to be racial and ethnic minorities. But this gives the Scholarship Committee and the Board the flexibility to consider and lift up truly worthy candidates whose voices need to be heard but who may not fit easily into a demographic grid. It also gives the club the ability to respond to changing situations in journalism and our nation's politics, such as the growing anti-Arab and anti-Muslim sentiment we're now seeing as a result of 9/11.

In short, I think this will codify our aims with the scholarship, honor what we have done in the past and give it a more expansive future.