

MEETING OF THE BOARD OF GOVERNORS OF THE NATIONAL PRESS  
CLUB

FEB. 28, 2005

Sylvia Smith, Secretary

Chairwoman Donna Leinwand called the meeting to order at 6:40 pm. Present were President Rick Dunham, Vice president Jonathan Salant, Secretary Sylvia Smith, Treasurer Jerry Zremski, Membership secretary John Donnelly and Governors Joe Anselmo, Alison Bethel, Alan Bjerga, Gayela Bynum, John Gallagher, Maureen Groppe, Mark Hamrick and Lou Priebe. Also, General manager John Bloom, Membership director Julie Schoo and Director of member recruitment Sarahanne Driggs.

**Smith moved and the board approved adoption of the modified Feb. 7 minutes.**

**Donnelly moved and the board approved the following 19 new members:**

ACTIVE

ACTIVE: Beth Frerking, executive director, Casey Journalism Center on Children and Families;  
Kensuke Karube, senior correspondent, Jiji Press; Demian McLean, reporter, Bloomberg News;  
Masaomi Terada, Washington bureau chief, The Yomiuri Shimbun; Thomas Walde, deputy bureau chief, ZDF German Television.

ACTIVE UNDER 34: Hugo Alconada, correspondent La Nacion; Al R. Schleicher, reporter, The Yomiuri Shimbun; Michael J. Smith, photojournalist, Dispatch Broadcast Group; Erica Werner, reporter, Associated Press.

ACTIVE UNDER 30: David Freddoso, reporter, Evans & Novak Inside Repor Christina Holder, reporter, Evans & Novak Inside Report.

ACTIVE NON-RESIDENT: Annmarie Christensen, director of publications/new media, Global Health Council; Jerry L. Reppert, publisher, Reppert Publications; Richard Sachs, senior producer, New Line Media/Platinum Television; Paul Smart, editor, Phoenicia Times; Scott Talan, producer/writer, UN/UNICEF.

ASSOCIATE: Gloria E. Herndon, president and CEO, G. B. Herndon & Associates.

ASSOCIATE NON-RESIDENT: Madeleine Miller-Holodnicki, editor/senior communication specialist, Council of Supply Chain Management Professionals.

ASSOCIATE REINSTATEMENT: David A. Bolger, public relations manager, UPS.

The total members as of February: 3,816 vs. 3,981 a year ago.

**Donnelly moved and the board approved retired dues status for 3 members. Donnelly moved and the board approved six-month dues waivers for 3 members.**

Donnelly distributed the list of 246 members who will be suspended as of March 1 for non-payment of dues. He asked board members to contact people they know personally. Schoo said everyone on the list had been contacted by letter. Salant noted the names of a few people who had joined recently and said they shouldn't be on the list. Zremski said perhaps those people paid the initiation fee but did not pay their dues.

Bloom said membership card checks will be done in mid-March.

#### PRESIDENT'S REPORT

Dunham said he wants to organize a broadcast task force to consider what can be done to attract more broadcast journalists as members and to offer advice on the configuration of the new broadcast space on the 4th floor.

He reported that the opening reception for the President's Club went well. The contest for sponsoring the most members will run for the calendar year and will credit people for being either of a candidate's two sponsors. He congratulated Bethel for winning the 2004 contest.

#### TREASURER'S REPORT

Zremski said January was a mediocre month financially. It exceeded January 2004 but did not meet budget expectations, primarily because of the security in the area during the US presidential inaugural.

He said he, Dunham and Leinwand would meet soon with the auditors in preparation for the '04 audit.

#### CHAIRWOMAN'S REPORT

Leinwand asked board members to forward important dates, including committee events, to her for compilation in an on-going calendar. She said if committees want to submit written reports monthly, she will include them in the board packets.

#### GENERAL MANAGER'S REPORT

Bloom said he hopes bookings will increase in the spring. He said the first draft of the 2004 audit will be ready in 2 weeks. In response to a question from Hamrick, Bloom said catering bookings are flat because of the US presidential inaugural and because there is a great deal of pressure to use the rooms for Club events.

#### NEW BUSINESS

Zremski said the item he placed in the Record about the proposal to rent space on the 4th floor didn't generate much response. Several praised the idea, and a couple questioned the prospect of the Club getting back into the real estate business. He said he explained to them that the space that could be rented to visiting journalists or one/two-person bureaus is only a small part of the total square footage. He said the board of the Friends of the National Journalism Library is scheduled to discuss its end of the project the following week. The cost of creating adequate space for the archives is about \$350,000, and the president of the library board, Gil Klein, has indicated the board would discuss a proposal to request the release of that amount of money from the Eric Friedheim bequest, which is managed by the National Press Foundation.

**Zremski moved that the board authorize John Bloom to enter into a 10-year lease with the building for space on the 4th floor and direct Bloom to move forward as quickly as possible toward opening of the studio.**

He said the space is 10,800 square feet, of which 3,000 would be for the archives, 4,000 for the studio, 1,500 for journalist work space and 2,500 for the director of journalism and accounting. He said the building management offered to put \$200,000 toward the project (tenant improvements) if the lease were for 10 years rather than seven as originally suggested.

During discussion, Bethel asked about the maximum amount the Club could lose if the venture were a total flop. Bloom said the yearly rent is \$350,000 to \$400,000. But he also said that to lose that amount, the studio would have to have no business, which is unlikely because the Club already has some business in that arena, and the new studio could reasonably be expected to retain business of the current 4th floor tenants.

In response to a question from Donnelly, Bloom said the current tenant, Pyramid Video, has asked for a 3-month lease extension, which would be up to the Club to authorize. He said it would take about 3 months after that to construct the studio (the revenue-generating area), so it should be in operation by the fall. Bloom noted that what drove the project from the beginning was the recommendation of the Future Task Force (headed by former president Larry Lipman).

In response to a question from Smith, Bloom said the next step, if the board approves Zremski's motion, is to hire an architect. He said he has already spoken to a few engineering firms. He said bids would be taken for as much as possible. Smith also asked whether the current tenant could pose a problem. Bloom said they could refuse to leave, forcing the building management to evict them.

Leinwand advocated contacting the Club's financial advisers to ask whether bank financing is wiser than tapping into the Second Century Fund. Bloom said he has and that another factor is whether there is a better tax consequence to borrowing rather than using reserve funds. He said there normally is. Bloom said it is important to line up a bank loan to ensure it exists if needed. He also said the Second Century Fund was set up for the enhancement of the 13th and 14th floors or moving to another space entirely. He said it also might make more sense to lease equipment than buy it.

In response to Leinwand, Bloom said space on other floors (particularly the 12th) will be released and the rent canceled. The net additional rent of the new space, then, would be \$250,000.

Dunham thanked Bloom, Howard Rothman and other staff members for their work on the project. He said he recognizes it could be a risk, but the prospects of the studio being a new revenue source are higher. He said it

also offers great opportunities for journalism training and producing programming.

**The vote on Zremski's motion was unanimous in support.**

Smith said member Gail Chaddock recommended the Club conduct a fund-raiser for two journalists facing jail for their refusal to disclose sources: Time magazine reporter Matt Cooper and New York Times reporter Judith Miller. In an email, Chaddock said that in keeping with concern about making the Club a venue for professional development, she thinks it could also be a venue for professional defense. She said she would be glad to work on the project, and suggested inviting the authors of legislation that would create a national shield law (Rep. Mike Pence and Sen. Richard Lugar, both Indiana Republicans) to participate in some kind of event.

During discussion, board members said the expertise of the Club is providing information, not conducting fund-raisers. Salant said he questions whether 2 Fortune 500 companies need the additional cash. Groppe said the idea of bringing attention to the cases is an appropriate action for the Club, but conducting a fund-raiser is not. Zremski and others discussed up-coming panels on press freedom issues.

**Smith moved to instruct the Constitution and Bylaws Committee to consider all ideas for updating and modifying the documents but to bring only those deemed worth of recommendation to the full board. The motion was approved.**

Priebe noted that a social club of D.C. chefs planned a fund-raiser for chef Jim Swenson's son's medical bills. The board discussed the policy of not having non-Club events in the Record. Smith said that, as a Club member, she would want to know about such things in the lives of other members or long-time staffers.

**Salant moved and the board approved that Bloom offer to the chefs' club the use of a Club restaurant for one of its fund-raisers on behalf of Swenson.**

**Dunham moved and the board approved a waiver of the rule that restricts items in the Record to Club events and authorized the Record staff to publicize the Swenson fund-raiser.**

## BOARD COMMITTEE AND LIAISON REPORTS

The Scholarship Committee will do preliminary judging March 19.

Book and Author Committee was glad to know its specific budget so it can plan accordingly.

Lawmakers Committee wants input from the board on whom it should invite.

The Softball Committee invited the Softball League to meet in the McClendon Room.

Communications and Marketing Committee has developed a plan for promoting luncheon speakers.

The High Tech Committee is looking at the internal technical workings of the Club.

Young Members Committee is planning an April 1 comedy night with Hotline.

Membership Committee will target Capitol Hill correspondents, international journalists and press attaches.

Newsmakers Committee plans a whistleblower panel in March.

Mentoring program is getting under way.

Professional Affairs Committee is working on a Sunshine Week event. Zremski said an event violated the partnering guidelines when the Regional Reporters Association promoted an event as co-sponsored with Professional Affairs, but the committee was unaware of it. Zremski said he has spoken with the RRA president and believes it will not happen again.

House Committee is dealing with the dessert issue and has scheduled a Club tour for March 7.

Travel Committee has a full plate, including South Africa, Beijing, the Baltics and Thailand.

The next meeting is March 28.  
The meeting adjourned at 8:35 pm.