

MEETING OF THE BOARD OF GOVERNORS OF THE NATIONAL PRESS CLUB  
FEB. 7, 2005

Sylvia Smith, Secretary

Vice chairman Mark Hamrick 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 Alison Bethel, Alan Bjerga, Gayela Bynum, John Gallagher, Maureen Groppe, Mark Hamrick and Lou Priebe. Also, General manager John Bloom, Membership director Julie Schoo, Director of member recruitment Sarahanne Driggs and Howard Rothman, director of audio/visual. Absent was Governor Joe Anselmo, Chairwoman Donna Leinwand arrived after the meeting began.

**Hamrick moved and the board approved adoption of the current edition of Robert's Rules of Order Newly Revised to govern the Board of Governors in 2005 in all instances in which they are applicable and in which they do not conflict with the bylaws and Constitution of the National Press Club.**

**Smith moved and the board approved adoption of the January minutes.**

**Donnelly moved and the board approved the following 18 new members:**

**ACTIVE**

Bill Adair, Washington bureau chief, St. Petersburg Times; Otis Bilodeau, reporter, Bloomberg; David Duitch, vice president, Belo Capital Bureau; Michael Gawenda, bureau chief, The Age Newspaper/The Sydney Morning Herald; David Lightman, Washington bureau chief, Hartford Courant; Jerome F. Mazzuchi, associate producer, King Publishing Group; Schinichi Hisadome, correspondent, Tokyo Shimbun.

**ASSOCIATE UNDER 34**

Margaret Talev , reporter, McClatchy Newspapers

**ACTIVE UNDER 30**

Jamal A. Wilson, freelance photojournalist

**ACTIVE NON-RESIDENT**

Teresa Savage, University of Illinois College of Communications

**AFFILIATE**

Jeffrey T. Carter, chief of media relations, US Coast Guard

**ASSOCIATE**

Gloria E. Herndon, president and CEO, G.B. Herndon & Associates, Gerald J. Kovach , senior vice president, external affairs, NeuStar Inc.; Chris Robichaux ,

American Academy of Actuaries; Julie E. Ronen attorney/consultant; Retha Sherrod, director of public relations, Association of American Medical Colleges.

**ASSOCIATE NON-RESIDENT**

Robert Ottenhoff, president and CEO, Guidestar.

**ASSOCIATE NON-RESIDENT**

William Moore II, consultant, Olentangy Associates; Darlene Taylor, assistant director of corporate media relations, Pfizer Inc.

The total number of members as of January is 3,836 compared to 3,950 a year ago.

Members under 34: 259 vs. 209 a year ago.

Paying members: 3,583 vs. 3,712 a year ago.

Active members: 1,770 vs. 1,803 a year ago.

Associate members: 782 vs. 792 a year ago.

Associate slots open: 15 vs. 19 a year ago.

**Donnelly moved and the board approved a motion to grant retired dues status for seven members and a six-month dues waiver for three members.**

Donnelly said a reception will be held Feb. 25 to kick off the 2005 President's Club; the new member reception will be March 7; initiation fees will be waived in April and October.

Zremski briefed the board on a proposal to lease a suite on the 4<sup>th</sup> floor and to build a broadcast studio, space for the Club's archives, offices for a director of journalism training, offices to be leased to journalists and space for other Club operations now spread throughout the building. (See attachments at the end of the minutes.) Groppe asked what evidence there is that the studio space would make money. Rothman gave two recent examples of clients wanting space for live broadcasts, which the Club does not readily have. He also said the current tenants of the space do \$600,000 a year in business without marketing. Gallagher asked whether there has been any negative feedback from Club members or others. Zremski said he has had only positive reactions. Smith said the House Committee was briefed earlier in the day and gave its unqualified support for the project. Dunham said ex-presidents and members of the futures task force were sent emails and that the reaction was positive. There was also discussion about the timetable. Bloom said the current tenants, whose lease expires March 1, did not renew their lease in December, when the tenants could have done so automatically. Now, however, they have said they want to renew the lease. Bloom said the owners of the building would prefer to do business with the NPC, but they will do what is in their best financial interests. Zremski said he would offer a motion to allow Bloom to proceed but defer final board action until the next meeting to allow Club members to be more fully briefed. Several board members expressed support for that plan but also said it would be unfortunate if any delay in board action allowed this opportunity to slip away.

In response to other questions, Bloom said creating the studio would require the addition of two staff members – a chief engineer and an operations manager; the equipment will be purchased or rented and will cost \$500,000 to \$750,000; the start-up cost would be \$1.2 million, some of which would come from a bank loan. Salant said he supports the idea and suggested the board look into using the Second Century Fund rather than a bank loan. Leinwand said interest rates are so low, it makes more sense to take out a loan. Priebe suggested that Club member Llewellyn King be consulted for marketing ideas.

**Zremski moved and the board approved the following resolution: It is the sense of the board that the National Press Club should lease 10,000 square feet of space on the 4<sup>th</sup> floor of the National Press Building for purposes of a studio, archives and other purposes and that General Manager John Bloom should conclude negotiations with the building management about the space in anticipation of a final board vote no later than Feb. 28.**

All members voted “yes.” Bynum and Priebe said if they had a vote, they also would vote “yes.”

#### PRESIDENT’S REPORT

Dunham said the daughter of two long-time members has proposed the creation of an award for coverage of animal protection. The member said she could raise \$30,000 to endow the award (the amount needed to provide enough income to grant a \$2,000 annual award) but did not want to begin to do so unless there was indication that the board would create the category. Several board members said they do not think such a category should be added to the list of awards the Club confers on journalists. Groppe, a two-time chairwoman of the Awards Committee, noted that there are probably existing categories, particularly environmental coverage, that an article on that subject could be entered in. Dunham said he understood the sense of the board and would act appropriately.

Dunham asked for board reaction to a proposal by the chairman of the High Tech Committee to use part of the committee’s budget to make a grant to a prison journalism program. Board members said that was an inappropriate use of the money and that committees’ budgets are to be used for programs and events. Dunham said he would make sure the chairman understands this. He also asked for board members’ thoughts on the mission of the committee. The consensus was that it should assist with the Club’s web page as well as produce programming such as tech talk and events of interest to multimedia journalists.

**Dunham moved and the board approved the following appointments to the board of the Friends of the National Journalism Library: Dunham, Salant, Smith, Zremski (from the NPC board); Gil Klein, Larry Lipman, Benfred Clement Smith (from the membership); Caesar Andrews (from the National Press Foundation board); and John Godfrey (from the Washington Press Club Foundation board).**

#### TREASURER’S REPORT

Zremski said 2004 was a solid year, financially with a net \$200,000 over budget, primarily because of the building settlement. He said the Budget Committee will typically meet at noon on the Monday a week before each board meeting.

#### GENERAL MANAGER'S REPORT

Bloom said he purchased 4 season tickets to the Nationals and that the tickets will be able to be sold and otherwise used for the Club.

He said he promoted David King to the newly created position of clubhouse manager. In addition to his existing responsibility for the restaurant and physical plant operations, King will also oversee the Club's banquet operations, kitchen operations, housekeeping and fitness center. Bloom said this would give him (Bloom) more time to spend on increasing Club revenue and working on the 4th floor expansion.

Bloom said the auditors will be in the Club soon to begin field work for the 2004 audit.

#### OLD BUSINESS

-- Partnership guidelines. **Zremski offered the following proposal on partnering guidelines (as amended). The board approved them unanimously:**

**The National Press Club's committees sponsor regular events aimed at improving the skills and knowledge base of journalists. Our goal is to make the Club the center of journalism career development in the nation's capital.**

**The club co-sponsors professional affairs events, professional training events, newsmakers and issue-oriented forums with other journalism membership and training organizations and educational institutions. Past and current collaborators include Investigative Reporters and Editors, the Regional Reporters Association and the National Association of Hispanic Journalists.**

**When co-sponsoring these kinds of events with another organization, the National Press Club takes responsibility for the events' contents and offers input into the events; planning, and lends its prestige, name and logo to the event.**

**The National Press Club does not co-sponsor professional development events with non-journalistic advocacy or non-journalistic commercial organizations.**

**The club has set the following guidelines for co-sponsored events:**

- If your organization would like to co-sponsor an event with the Club, you should contact the appropriate Professional Development committee, the Club's director of membership, Julie Schoo ([jschoo@press.org](mailto:jschoo@press.org)), or a member of the Board of Governors. Current information about committee contacts will be posted on the Press Club's web site, [npc.press.org](http://npc.press.org). A Press Club committee must approve and oversee a co-sponsored event, and the Club's Board of Governors has veto power over co-sponsored events.

- The Press Club will provide free space for co-sponsored events so long as the collaborating organization agrees with these guidelines.

- Scheduling of the event must be worked out in collaboration with the appropriate Professional Development Committee and its Press Club staff liaison, Julie Schoo, who can be reached at 662-7507 or [jschoo@press.org](mailto:jschoo@press.org).

- The Press Club will publicize co-sponsored events through its newsletter and web site. The co-sponsoring organization must make it clear in its publicity that the event is co-sponsored by the National Press Club.

- If audio-visual equipment is to be used, the co-sponsoring organization must use the Press Club audio-visual department, rather than an outside contractor. Fees will be agreed to in advance in talks between the co-sponsoring organization and the Press Club.

- Either the Press Club or the co-sponsoring organization can take reservations for the event. This must be worked out, however, while the event is being planned. Press Club members must be given ample opportunity to register.

- A National Press Club member must be on the agenda to speak at each co-sponsored event, either as a panelist, as moderator, or as the host who delivers a brief introduction. The Club strongly encourages co-sponsoring organizations to include Press Club members on these panels. Also, where appropriate, at

least one working journalist or journalism educator should be on the agenda to speak.

- Speakers for the events can be reimbursed for their travel and expenses, but under the Press Club's bylaws, no speaker can be paid an honorarium.
- The chair of the appropriate Professional Development Committee (or in his or her absence, the vice chair) must approve the list of speakers and the agenda for each event before the event is publicized. Usually approval is pro-forma, so long as the other guidelines are followed.
- All issue-oriented events must meet Press Club standards for objectivity, balance and fairness.
- Issue-oriented events that are co-sponsored with another organization must be approved by the Club president as well as the appropriate Press Club committee. Any member of the Board of Governors can ask for a board vote to overturn or ratify the president's decision regarding a co-sponsored event.
- Events must be open to all Press Club members and all journalism professionals as space permits.
- Press Club membership applications should be available at all co-sponsored events.
- If a co-sponsoring organization refuses to comply with these guidelines, either the committee overseeing the event or the Board of Governors can vote to cancel the event.

During discussion, Salant suggested changing the language so that no events could be co-sponsored with non-journalism organizations. Dunham said that approach is so restrictive that it would prohibit co-sponsoring events with think tanks or universities. Salant also said he wanted to change the language to

require that a Club member be on the panel as a participant or moderator. Dunham and others said they agree with the spirit of that but recommended that the guidelines be allowed to operate for a while to see if it is a problem. Bjerga suggested that committee liaisons be more active in making sure committees are aware of this concern when they plan programs.

-- Wall hanging. Smith said the Club attorney advised that there is no legal prohibition against hanging the New York Post front pages regarding John Kerry's vice presidential choice even though a Post editor sent a written refusal to allow the pages to be hung. She also reported that the chairman of the House Committee has told the chairman of the wall hanging subcommittee to be more judicious in his correspondence and language when dealing with entities on behalf of the NPC.

**Smith moved and the board approved a motion authorizing the hanging of the New York Post front pages.**

-- Game room. Smith said the House Committee had not yet prepared background material for its request that the board name the card room for late member Paul Means and withdrew its recommendation for naming the room until after the board develops guidelines for naming Club real estate in honor of members or others.

Board members asked whether a box had been placed outside the Reliable Source to collect donations to the archives in Means' name. During discussion, the consensus emerged that a more appropriate time to suggest the donations to the membership is around the time of the memorial for Means.

#### NEW BUSIENSS

-- House Rules. Smith said the House Committee has an annual responsibility to review the House Rules. In doing so, it recommended a change that would permit certain news-making events to be open to Club members only. (The current rule says all press conferences are open to accredited media.) She said the newly revived Lawmakers at the Club program is open to members only, which appears to violate that rule. **She moved and the board approved the following revised rule 7(b): All accredited reporters will be permitted to attend press conferences held in the Club unless otherwise stipulated for NPC members only by the board.**

-- NPC logo. **Smith moved and the board approved authorization of the use of the NPC logo on items sold on-line.** Smith said that as a member of the NPC emporium task force, she would meet with the staff member who is coordinating the online sales. She said the web page was put on line prematurely but that she had told him to take it down until the board had approved the use of the logo and the actual items were approved. Board members asked Smith to coordinate with the staff on the selection of the items.

-- Use of 4<sup>th</sup> Estate Dinner program. **Dunham moved and the board approved a motion to allow the Maury Povich film production company to use an image of the 4<sup>th</sup> Estate Dinner program the year Shirley Povich received the award.** The production company is making a documentary about Povich.

#### BOARD COMMITTEE AND LIAISON REPORTS

-- Naming. Leinwand asked for volunteers to serve on a task force headed by Bjerga to develop procedures and guidelines for naming Club rooms and other real estate for Club members or others. The members are Salant, Gallagher and Leinwand.

-- Constitution and Bylaws. Salant distributed the latest draft of proposed changes in the two documents. He noted that rather than having only 2 or 3 board members (the members of the Constitution and Bylaws Committee) make the decision, any ideas were included so that the full board can vote on them. He said the membership will be advised, input will be sought and the suggestions will be brought to the board with the goal of submitting recommendations to the membership at the June general membership meeting.

-- Professional Affairs is developing a program on the issues around the administration paying journalists.

-- Young Members is planning a comedy night with Hotline.

-- Newsmakers is working on an XM Satellite Radio project.

-- Marketing and Communications wants to assign a member to any committee that wants assistance.

-- Travel is planning trips to Beijing and Reykjavik.

The next meeting is Feb. 28, 2005 at 6:30 p.m.

The meeting was adjourned at 8:50 pm.

#### ATTACHMENTS

### **Proposal for Expansion of National Press Club Fourth Floor Project**

#### **Purpose of Expansion**

The **Future Task Committee** made a number of recommendations that would require the National Press Club to seek additional space in the National Press Building. These recommendations included:

1. A quality archive for current material and future contribution.
2. A larger television and radio studio with necessary support.
3. Workspace that could be rented on a temporary basis - weekly or monthly
4. Space for the future position of Director of Journalism.



In addition space to enable the accounting department to be centralized into one office for a higher degree of efficiency.

## **Scope of Expansion**

The amount of space required to meet these needs is 10,500 square feet. Since there is not enough available space on the 13<sup>th</sup> and 14<sup>th</sup> floors will have to find another location in the National Press Building. The breakdown of space requirements for each of the functions is:

1. Archive Storage – 3,000 square feet
2. Television and radio studio – 4,000 square feet
3. Workspace that could be rented on a temporary basis – 1,500 square feet – (each office 125 square feet)
4. Space for the future position of Director of Journalism – 500 square feet
5. Accounting and G&A space – 1,500 square feet

## **Leasing Opportunity**

On the fourth floor of the National Press Building Pyramid Video was leasing 10,254 square feet of space. They have an option to renew their lease for another 10 years. They had to make that commitment by November 30, 2004. They did not exercise that option. This space is now in play. In addition, there is another 1,500 sq. ft. adjacent to the Pyramid space. Combining these two spaces would enable the National Press Club to meet its space requirements.

## **Leasing Proposal**

A proposal has been made to Quadrangle Management to lease 10,254 square feet on the fourth floor of the National Press Building. The highlights of the lease are as follows:

1. Lease 10,254 square feet at \$34.00 per square foot. The annual cost would be \$348,636. Currently the Club leases Suite 1264, LLMM, LLS and LLS. This is a total of 2,056 square feet. The annual cost on this space is \$53,676. This space would be dropped and become the space on the fourth floor. Therefore the net cost to the Club would be \$294,959.
2. The lease would be for 5 years with an option for another 5 years.
3. We are proposing \$15.00 per square foot in tenant improvements. This amounts to \$155,000.
4. We are proposing space on the roof for a robot camera and platform for “beauty shots”.

## **Hard Cost**

The “Hard Cost” is the cost of setting up the space to meet the operational needs of the facilities. It breaks down as following:

1. Design plans	\$50,000
2. NPC Archives Space	\$300,000
3. Media Center Space	\$750,000
4. Accounting Space	\$20,000
5. Temporary office space	\$25,000
6. Contingency	\$55,000

**The total budget for the hard cost is** **\$1,200,000**

## **Funding of Project**

1. Grant from the Eric Friedheim endowment	\$300,000
2. Leasehold Improvements	\$155,000
3. Capital Loan	\$745,000

**The Funding Source for Project** **\$1,200,000**

## **Questions and Answers about the NPC Expansion Plan**

**This is a big investment. How can you be sure the new operation will make money?**

While we can't be sure it will make money, the Press Club's AV operation has a great track record, and that is a good indicator of future success with a full studio. In 1996, the Club grossed \$461,309 through audio/video operations. By last year, the total was up to \$1.45 million. That's an average 31 percent increase a year. John Bloom and Howard Rothman have put together a smart business plan with conservative income estimates. Moreover, our AV clients – C-SPAN and other cable networks – have told us they expect to use this space, and that they expect our studio to be a big success. While there are no guarantees, we feel confident that the studios will be worth the investment.

**If there's enough money to do this, why can't the fitness room be expanded?**

In fact, it's possible that the fitness room could be expanded if we leased this space on the fourth floor. The additional office space there will give the Club extraordinary flexibility in terms of space, allowing the Club, if it decides to do so, to move other operations to the larger open space on the fourth floor.

**Why does the studio have to be away from the club? Why can't some non-member stuff be moved off of 13/14 to create a studio?**

The fourth-floor space is two-floor space, which is necessary for a modern studio. There is simply no way to do the same kind of studio on the 13<sup>th</sup> and 14<sup>th</sup> floors without tremendously cutting back on our conference rooms and other facilities.

**Why does the club want to get back into the real estate business?**

We do not look at this as a real estate deal. We look at this as a tremendous opportunity to expand member services while creating a new revenue source that could reduce the need for future dues increases.

By having its own studio, the Club would automatically make itself more appealing to broadcasters. The Club could offer broadcast training programs that it is now currently unable to host. In fact, the expanded space could allow the Club to offer a wide range of professional development programs that it's now lacking.

The plan also provides space for a director of journalism, lots of room for classrooms, and multimedia journalism training facilities. It will be a big benefit for current members and a big draw for potential new members in broadcast and online journalism.

Finally, if the operation is as successful as we believe it will be, it will be a journalism-oriented revenue source that relieves the cost pressure on members to keep services up to their current level.

**How much money would be lost each year if this does not make money?**

Presuming the operation had no income at all, it would lose a maximum of \$350,000 a year -- \$350,000 in rent, \$50,000 in overhead. But of course the studio will have income. Networks frequently ask us for studio space now, and our public-relations clients would be likely to use the studio as well.

**The catering operation takes space and money away from the member-services side of the Club. Why won't this be just the same?**

Unlike the catering operation, this additional space will offer member benefits every day. In this age of "synergy" between print and broadcast, we could offer our print members the ability to broadcast to television stations back home. And the additional office space could be sub-leased to small Washington bureaus that otherwise might leave the building – provided that employees of those bureaus are NPC members, of course. And it could give us temporary office space for nonresident members, which would help to, in the

words of the Futures Task Force, make the National Press Club more of a truly national organization.

**What evidence is there that people would rent office space for a week or few months at a time? Won't those 12 offices remain vacant for most of the time and therefore lose money?**

The Club already gets frequent calls from news operations seeking temporary space, which indicates that there is a market for such space in the building. Furthermore, the building is refusing to grant long-term leases to small bureaus, prompting fears that they will be forced out of the building – which won't happen if we can sub-lease space to them.

**Why can't this be on the 12th floor, at least closer to the rest of the club?**

Again, this is the only large two-story space in the building – meaning it's the only place where a state-of-the-art studio can be built.

**Why in the world do we need all that space for the archives?**

The current archives, in the basement, take up nearly as much space. The new space would be professional quality and climate-controlled, which can't be said for the current space. We also believe that with additional space and an adjoining work area, more people would be willing to donate their archives to the Club. The NPC could become known as a center for journalism research and a magnet for journalism researchers around the country.

**Is the Board of Governors trying to slip something through without a lot of debate?**

The proposal came together quickly because the space opened up unexpectedly when Pyramid Video failed to renew its lease. The owners of the National Press Building contacted John Bloom and asked if he would be interested in the space. John had been thinking about ways to implement the Futures Task Force's recommendations, and this unexpected opportunity seemed to fit the goals enunciated by the task force. The Board of Governors will seek feedback from the Futures Task Force, former NPC Presidents, and our members before taking final action.