

MINUTES OF THE GENERAL MEMBERSHIP OF THE NATIONAL PRESS CLUB  
JAN. 18, 2007  
MAUREEN GROPPE, NPC SECRETARY

President Jerry Zremski called the meeting to order at 12:30 p.m. About 100 members were in attendance.

The minutes of the October meeting were approved.

#### MEMBERSHIP

Membership Secretary Mark Hamrick said that the Club has 3,673 members, down from 3,737 last year. Hamrick said that's not bad, given the state of the journalism industry. He said promotional activities are planned for 2008 including waiving initiation fees for the first 100 applications for active membership. The Club is also working on improving retention and hopes the updated Web site will help.

Member Dave Anderson asked why the dues waiver isn't being offered to affiliates/associate applicants. Hamrick said that's what the board decided but other fee waivers during the year will apply to all categories.

Past NPC President Clayton Boyce asked how many affiliate/associate members are waiting for full membership. Director of Membership Sarahanne Driggs said there are 12 members on the waiting list.

#### TREASURER

Treasurer Donna Leinwand said the Club's income in 2007 was about \$12 million. The Club had about \$11.8 million in expenses for a net profit of about \$262,000. But that does not count the \$250,000 expense for the Centennial documentary that was paid in 2007 but will be recorded in 2008 since that's when the documentary will be released.

Leinwand said the 21st Century Fund, which will be tapped when the Club's lease runs out, has \$381,000. Saturday sales at the Reliable Source were up in 2007, thanks to the work of the Saturday Task Force and events such as the chili cook-off, the book club, and Zremski's lunches with members. As a result, the cost of subsidizing each meal at the Reliable Source on Saturdays declined from about \$33 in 2006 to about \$20 in 2007.

In a power point demonstration, Leinwand presented a multi-year look at the Club's finances. She said 2007 was the Club's first profitable year since 9-11. Because of decreased business and increased fuel and insurance costs, the Club needed to spend out of its reserves which have been exhausted. Loss of membership has also been a factor. The Club has lost about 1,000 members since 2001. Membership dues represent only about 12 percent of the Club's revenues.

Member Keri Douglas asked for more information on the reserves. Leinwand said the Club has other reserves, but can not use them for operating expenses. Those are for the pension, fellowship, scholarship and awards trust funds.

Member Doug Turner said that since Leinwand gave the subsidy amount for Saturday meals at the Reliable Source, she should also give the subsidy for other services. Leinwand said none of the meals reflect their true cost.

Past NPC President Art Wiese asked whether the reserves were depleted because of the creation of the Broadcast Operations Center. Leinwand said the Club took out a loan for that.

Member Dave Schuchat asked what makes up the "other" category, which is the largest category of revenue. Leinwand said it includes: \$5.85 million for catering; \$1.7 million for the BOC; \$1.59

million for AV rental; \$162,724 for the membership department; -\$323,436 for restaurant operations.

Member Kelly Kuwayama asked how the proceeds from the building sale were handled. General Manager Bill McCarren said the money from the 2004 sale went into reserves in anticipation of paying the tax bill.

Member Bill Royce asked if the BOC is paying for itself. Leinwand said it is making a healthy profit, contributing nearly \$2 million to the Club's revenues in 2007. Zremski added the BOC has been operating for only two years and has so far exceeded revenue projections.

Member Rod Kuckro said the Club's finances are not a pretty picture and there needs to be more focus on what will keep members coming to the Club and spending money.

Member Shawn Bullard said the Club needs new and innovative ways to bring in people and members should contribute suggestions.

A member said that if the budget is based on the Club having 5,000 members and we don't, we need to look at operational costs. Leinwand said there are fixed costs the Club can't control such as fuel, taxes and insurance. Zremski said it's difficult to cut operating costs without cutting services.

#### WINNERS OF PRESIDENT'S CLUB

Zremski said this year's winner was Jonathan Salant, who recruited 17 new members. Myron Belkind was second with 10 new members. Peter Hickman was third with 7 new members. Salant is donating his \$500 prize to the Joan Friedenbergl Online Journalism Awards fund. Zremski said other contributions are welcome.

#### NPC LIBRARY PROJECT

Zremski summarized the history of the proposed project, his outreach efforts and reasons for supporting it which include: the need for new revenue sources; structural problems with the current library space; having the library and archive staff in the same place; and being able to offer members better training facilities, new computers in the hallways and an all day coffee bar where they can read the papers. Zremski said he is recommending that the board put the project on hold pending a space utilization study to determine how the potential space on the 4th floor would be used, to determine the best use of the Club's existing space, and to determine the Club's major capital needs over the next five years.

Wiese said he represents at least 16 former presidents who think moving the library from its current space is a terrible idea. Wiese said the Club has been losing the spaces reserved exclusively for members. He said the library was put there because past presidents wanted to change the image of the club from a drinking establishment to a thinking establishment and it's become a shrinking establishment. He said the library should be modernized but not moved. He asked the board to vow not to pursue the plan. Zremski said he couldn't commit the board to any action and he thinks it's a good idea to look at all space options. Wiese moved that the membership admonish and instruct the board not to include in any study the option of moving the library from the 13th floor. The motion was seconded by past President John Cosgrove who said it's difficult to have a Club without a clubhouse.

Boyce said the move is a bad economic idea since the economy might be going into a recession and the Club will soon be competing against the Newseum. To increase revenues, the Club should be hiring recruiters and trying to keep non-members out, he said. Zremski said the Club is working on the nonmember usage problem. And he said opening up new space for rent is a good business move because the Club has to turn away 20 percent of its business because it has more demand than space. He said the library space would also be used by the membership, and not just for clients.

Past President Frank Aukofer said the board tried to push the plan through without getting support from the membership. Zremski said he reached out to Club committees, past presidents and held two general meetings in December that were poorly attended. He said he's gotten more emails in support of the project than opposed.

A member questioned whether a quorum was present to have a vote on the pending motion. Secretary Maureen Groppe counted the active members and determined a quorum was not present. Zremski said he would allow the discussion to continue as more members wanted a chance to speak.

Member Ron Baygents said the board needs to answer to why the library hasn't kept up better with members' needs. Another member suggested the library's hours be expanded.

Member Suzanne Struglinski said the library should better serve members and it doesn't matter to her what floor it's on. She said it doesn't need to stay where it is to counter the Club's drinking image because that image is long gone.

House Committee Chairman Arlen Withers said the Club will only survive by bringing in new members and the Club needs to listen to the needs of those still in the business.

Member Ted Rowse proposed having a "sense of the meeting" vote. Zremski said there's no procedure for that.

Past president Allan Cromley said the Club needs to help print journalists who are more and more expected to also do broadcast. Member Peggy Orchowski said the Club needs young members but also has to be aware of the needs of members in their 50's and older. Moving the library to the 4th floor will be a turnoff, she said. Member Peggy Wilbur said she joined the Club as a library member and the library means a great deal to her and will be irreparably harmed if moved. Member Ron Sarro said the Club needs to think outside the box to come up with new ways to attract members. Board Member Lou Priebe said the train hasn't left the station and the project discussion has been part a deliberative, fair process. Wiese asked what happens next. Zremski said it's up to the next board and the president to decide that in the context of how best to serve the membership.

## OTHER BUSINESS

Turner made several suggestions including: adding non trans fat options to the menu; creating a nominating committee to sound out board candidates; reviewing the Club's relationship with the National Press Foundation; reaching out to non resident members; putting signs in the lobby for the Fourth Estate.

Member Karrye Braxton said she's glad the Club has union employees but doesn't like the demonstrators in front of the building. McCarren said the Club is one of only two D.C. clubs with union employees. He said the demonstrators are not a picket line and the Club is trying to deal with the situation.

## PRESIDENT

Zremski said his year as president was the greatest honor of his life. Highlights of the year included hosting four heads of state including one by video conference for the first time; standing up for freedom of the press issues; planning the Centennial and asking hard questions about the Club's future. With the cataclysmic changes facing the industry, the Club must look at new ideas and nothing must be dismissed out of hand, he said. Zremski said there's no better steward to lead the Club this year than Sylvia Smith. He turned the gavel over to Smith as both received a standing ovation.

#### SYLVIA SMITH

Smith said the Club is off to a good start this year with the premier of the documentary. She is asking committee chairs to develop programs around the Centennial theme. Other priorities include making the Club more tech savvy both in program offerings and how the Club presents itself. Every time the Professional Development Committee schedules a workshop, it will be videotaped so members who couldn't attend can view it off the Web site. The committee is also making tech skills a key topic for programming.

Another priority is expanding membership by reaching out to those outside Washington. Board member John Hughes will be the non-resident member liaison to coordinate the electronic newsletter sent to non-resident members and the non-resident member weekend. He'll also look for other opportunities to involve non-resident members.

Smith praised Zremski as one of the best presidents in the Club's history. She promised to continue his commitment to member outreach through monthly lunches with the president and his efforts to communicate with members and conduct Club business transparently.

Smith also gave a special farewell to Salant and Joe Anselmo who are leaving the board after many years of service. She asked for a round of applause for Zremski, Salant, Anselmo and for the new board members.

There being no other business, the meeting was adjourned at 2:50 p.m. The next meeting is May 9, 2008.