

MEETING OF THE BOARD OF GOVERNORS OF THE NATIONAL PRESS CLUB

Jan. 23, 2008

Maureen Groppe, Secretary

Secretary Maureen Groppe called the meeting to order at 6:40 p.m. Present were President Sylvia Smith, Vice President Donna Leinwand, Treasurer Alan Bjerga, and Governors Keith Hill, John Donnelly, John Hughes, Lou Priebe, John Gallagher, Theresa Werner, Dipka Bhambhani, Jennifer Sergent and Gayela Bynum. Also member Valentine Wilber, General Manager Bill McCarren and Membership Director Sarahanne Driggs.

Groppe opened the floor to nominations for board chair and vice chair. Leinwand moved and the board unanimously approved Hill as chairman of the board. Leinwand moved and the board unanimously approved Donnelly as vice chairman.

Groppe moved and the board approved the minutes of the December meeting and a correction to the November meeting minutes.

MEMBERSHIP

Donnelly moved and the board approved the applications of 31 members. (See attached list.) Donnelly moved and the board approved asking the membership committee for more information on one applicant. Bhambhani, Gallagher and Bjerga opposed the motion. Donnelly moved and the board approved retired dues status for 2 members and a six months dues waiver for 1 member.

Priebe moved and the board approved that this year's waiver of initiation fees for the first 100 applicants apply to affiliate/associate members as well as to active members.

BOARD AND COMMITTEE LIAISON REPORTS

House -- The committee is reorganizing its subcommittees and will conduct its annual review of House rules in February.

Affiliate-associate -- Received \$11,950 in pledges and collected \$4,450 for the Centennial party.

Book and Author -- Book raps have been scheduled through June.

Photo -- The Centennial slide show is online.

Books and Brunch -- Averaged 14 members at Saturday meetings in 2007.

Travel -- Upcoming trips are to Japan, Panama, Rome, the Homestead, France, Bermuda, Chicago, Quebec City, national parks, Thailand and Hong Kong.

Communications and Marketing -- Working on the Centennial.

Professional Development -- Held first meeting with new chair.

Young Members -- Participated in Botswana embassy night and working on trip to New Orleans.

Speakers -- Senate Majority Leader Harry Reid and House Speaker Nancy Pelosi are speaking Friday.

Strategic Planning -- The survey results will be posted on the Web and Jerry is meeting with the survey company to discuss problems with the nonmember survey.

Newsmaker -- Holding an event on Pakistan and on the National Guard.

International Correspondents -- Participated in Botswana embassy night.

TREASURER'S REPORT

Bjerga reviewed the December financials. The Club had a \$100,000 loss in December but Bjerga said that's better than it could have been. He emphasized that the Club has no more money in its rainy day reserves. Leinwand said the fund had been set up to pay an anticipated tax bill but the Club should still maintain a rainy day fund even though the bill has been paid. That would help the Club's cash-flow situation and bills could be paid on time. Hughes asked if the Club should have a target amount for the reserves. McCarren said \$500,000 would be a good target as the Club must be able to withstand a major event like a terrorism attack in Washington.

GENERAL MANAGER'S REPORT

McCarren said the Club lost \$300,000 over the last 60 days, which is not as big a loss as during the summer, but the Club still needs to dig out of a hole. McCarren said business is picking up. Gallagher asked about the effects of the possible recession. McCarren said it hasn't yet affected business and the drops have been seasonal. McCarren said he is thinking about whether to add the Club's line of credit to its loan package as interest rates are low.

He said the Centennial books should be ready in a week or so. The Aviva contribution for the documentary was received in January so both the money and the documentary costs will be recorded in the 2008 budget.

McCarren said Mike Woods, a cook who has worked at the Club for at least 40 years, is retiring. He encouraged board members to attend the retirement lunch.

He said the Club has a new IT employee and Web master and a third person in the membership department.

The board discussed ways of advertising the Fourth Estate. McCarren said it is being advertised in the Washingtonian and it will be promoted on the jumbotron. He suggested members could donate gift certificates to the restaurant to charity auctions. Leinwand suggested the Communications and Marketing Committee pitch Chef Jim Swenson to the local morning TV shows.

PRESIDENT'S REPORT

Smith said she has appointed all the committee chairs. The annual retreat is Feb. 2. Member Andy Alexander is arranging for the Club to get tickets to the Gridiron reprise to sell to members. Actress Marcia Cross taped a Centennial congratulations during her visit to the Club. The Centennial documentary is showing at the front desk. Smith also promised to continue past President Jerry Zremski's monthly lunches with members at the Reliable Source and his weekly email updates to the board.

OLD BUSINESS

Smith offered the following motion:

The Board of Governors authorizes General Manager Bill McCarren to hire professionals to do preliminary drawings for a 4th floor library facility and for a space utilization study of the space available to the Club on the 13th, 14th and 4th floors of the National Press Building. The space utilization study shall focus on maximizing both member space and revenue, and shall also prioritize the Club's long-standing capital improvement needs.

Groppe questioned whether the additional information the Club would get from a space utilization study is worth the cost.

Bynum said the real issue is whether the board is going to move forward on the library project.

McCarren said rough drawings to show how the space on the 14th floor would be used would cost about \$2,100. The Club's last space utilization study was done in 2004 and cost \$30,000.

Sergent said that after listening to the views expressed at the general membership meeting, she still supports the project.

Werner asked whether the Club could cover the new rent cost on the 4th floor if there is a recession. McCarren said the rent would be about \$70,000 a year and the project is expected to bring in \$750,000 a year in new revenue. After rent and other expenses are subtracted, the project is projected to clear \$120,000 in profit the first year of operations. The Club currently has three very attractive rooms for large-scale events and renovating the space of the current library

would increase that capacity 25 percent. McCarren said many of the people who rent rooms at the Club for news conferences and other events are members.

Leinwand said the 2004 space utilization study is pretty recent and should be reviewed before conducting a new one.

Priebe said the project has been thoroughly vetted and the board needs to stick with it.

Hughes said he likes the idea of a space utilization study because it can answer the question of whether there's a better place to put the library. He said he's worried the board isn't moving in the proper order.

Hill asked whether the main purpose of the move is to expand the training room. McCarren said that would be a benefit as would combining the staff of the archives and library.

Bjerga said the last space utilization study was done under a previous general manager and before the Club had a presence on the 4th floor. He asked whether there is a need to move quickly. McCarren said the new space could still be ready in September, if a space utilization study is required, but temporary space would have to be found for the library. The building is likely to tell us if they have another offer for the 4th floor space although the Club can't ask the building to hold it open indefinitely. If the board wants another study done, McCarren said the board should limit it so we're not paying to address nonrelevant issues.

Smith withdrew her motion. She said the board has talked in depth over the years about various space issues and already knows, for example, the difficulty of moving the gym somewhere else. She said the issues that need to be addressed with the library move include that the space is inadequate for training, the computers are available 40 hours a week less than the Club is open, and people aren't using the reading room. She said the board is either for the project or it's not so should move forward or kill the idea.

Groppe pointed out that the motion approved by the board in December to authorize McCarren to negotiate a lease for the 4th floor included a request for designs for the project and a comprehensive space utilization study on the 13th and 14th floors.

Donnelly moved that the board require that the designs and space utilization study be completed by the board's February meeting and not exceed \$10,000. Groppe moved and the board unanimously approved to move into the Committee of the Whole. Donnelly restated his motion. The motion passed. Gallagher opposed it. Smith moved and the board unanimously approved dissolving the Committee of the Whole. Groppe moved that the board accept the recommendation of the Committee of the Whole. The motion passed. Gallagher opposed it.

McCarren updated the board on the demonstrators outside the National Press Building. He said the lawyers' recommendation of taking the issue to the National Labor Relations Board did not work. He said the situation is a public relations problem and needs a public relations solution. He said he would return to the board with specific proposals.

NEW BUSINESS

Priebe asked the Constitution and Bylaws Committee to review a proposed constitutional amendment to grant full voting rights to affiliate/associate members.

Hill moved and the board approved the following resolution:

Whereas Maureen Groppe has served with distinction as chair of the Board of Governors and previously as Awards Committee chair, and whereas Maureen is completing a successful year as

chair during which a new general manager was hired, the first full year of operation of the broadcast operations center was successful, the foundation was laid for the Club's centennial and work on the strategic plan was begun, be it resolved that the Board of Governors 1) commends Maureen for her dedicated service to the Club and 2) request that she remain active in the Club.

The meeting was adjourned at 9:40 p.m.