

GENERAL MEMBERSHIP MEETING JAN. 16, 2004

By Sylvia Smith, Secretary

President Tammy Lytle called the meeting to order at 12:25 pm. About 70 members were present.

Lytle thanked the membership for a year's worth of experiences that she will always cherish. She said the past year was challenging on many fronts, starting with the decision of two large bureaus to discontinue paying their employees' NPC dues and continuing with the war's effect on NPC catering business. She said that nonetheless, the net loss of members was only 47, the President's Club brought in more than 100 members, and the Club was able to continue its practice of setting aside money for the upcoming tax liability. She thanked all volunteers for their hard work.

Among the highlights of the year, she said, were the Fourth Estate Award dinner honoring Tom Brokaw, the Club's many programs analyzing the war, the panel of Pulitzer winners, the awards dinner and the scholarship program. She said the Library board became very active and wrote bylaws and is developing a strategy for its future. In addition, she said she appointed several groups to work on the Club's future, including a task force on young members, a centennial task force and a long-term strategy task force.

Lytle turned the gavel over to the new president, Sheila Cherry.

Cherry thanked Lytle for her leadership. She also thanked 2003 Board Chairman Joe Anselmo for his diligence and the membership for the honor of selecting her as president. She said she looks forward to working with the hard-working and often under-appreciated general manager, John Bloom, and his staff.

She said members and member services are a priority for her and that she has asked the new chairwoman of the Professional Development Committee to plan a members-only job fair. She said she has created three subcommittees on the Membership Committee to cover recruitment, diversity and non-resident membership.

Cherry said she is working with former presidents Don Larrabee and John Cosgrove to build an advisory system and brain trust.

Cherry said she wants to strictly enforce the members-only status of the 14<sup>th</sup> floor and wants to emphasize that NPC membership is not a perk but is a career necessity.

2003 Treasurer Rick Dunham submitted the following report:

After all the sobering financial news I've reported in the past two years, I'm pleased to report that the Club is in the soundest financial footing of my two years as Treasurer. Here are the bottom-line numbers for the end of 2003:

Income for the year was \$8,949,184—down 4.2% from 2002 and 9% below budget.

However, General Manager John Bloom did a commendable job of holding the line on expenses, despite unbudgeted legal expenses and huge increases in our insurance bills. Operating expenses for 2003 were down 3.4% from 2002 and were 3.65% below budget.

That means our net cash flow was \$6,102—just barely in the black—but \$557,084 below our hopes and \$79,296 below the previous year.

If you add back depreciation, our net cash flow was \$206,298.

Our cash-flow situation is complicated by the fact that we get so much of our income in two chunks from semi-annual dues, so we needed to roll over our line of credit to smooth the cash-flow problems.

Another problem is that our catering hit a plateau after years of double digit gains. In fact, catering income bookings sales were down 17% from 2002 because of the war and the economy, 22% below what we had budgeted.

Our membership has continued to sag, but the good news is that new membership was the best in years. If we can convince some of the big bureaus to restore memberships—and the economy improves—we are in excellent shape to make a strong recovery.

The bottom line is that we managed our finances responsibly last year and exercised caution for 2004 with more than \$100,000 in budget cuts. The 3.5% dues increase should help to narrow the gap between membership income and the cost of membership services.

On the good news front, our investments increased in value by \$260,036 last year—increasing member equity when the end-of-the-year adjustment is made by our auditors. Our trust funds were up 23% for the year, when you include market gains and Club contributions such as the Second Century Fund payments. Total member equity increased by 18% this year to \$3,938,111—up by \$602,065 from last year's \$3.36 million, a testament to the financial management throughout the year.

Thanks to everyone at the Club—our members, our board and our staff—for working to keep us on solid financial footing through tough times. I hope I have accomplished the other top goal of my time as treasurer—to explain our financial numbers clearly to the membership. I look forward to serving you this year as vice president and am pleased to turn the treasurer's duties over to Jonathan Salant.

He said that when setting the 2004 budget, the Board of Governors attempted to make cuts that would least affect members.

Membership secretary Jerry Zremski said membership is 1.54% below January 2003 because of the hundreds of members that were lost at the beginning of last year. But he said various recruitment tools brought in 381 new members, the most new members in many years. He thanked former president Clayton Boyce for his advice, Jeff Coman for working on recruitment letters and the staff led by Julie Schoo.

Zremski said other membership news of 2003 included changing membership rules to offer active status to online journalists and journalism professors.

Cherry said before opening the floor to old business, she wanted to reiterate what the Board voted to do about the Record. She said the newsletter is a vital way to communicate with members and that it is not going away. She said it has been a long-time goal to get the Record to members faster but that:

- The Record will continue to be produced and edited as it is now and by the same committee.
- The Club will promote the electronic Record, but any member who wants to receive the Record in printed form and through the mail will be able to do so.

She said a significant number of members want the Record by email and that 400 currently receive it electronically. She invited comments from the membership.

Boyce said the membership directory accepts advertising and recommended that the Record – both printed and electronic – also accept ads as a revenue stream. He also said that people who receive the Record electronically should also receive it in print and then use it as a recruitment tool. John Metelsky asked how members will receive hard-copy Records. Cherry said there will be notice in the Record telling people how they can register to receive a printed Record. Governor Donna Leinwand, a member of the task force that made recommendations about the electronic Record, said the group will not let people fall by the wayside and that if they don't respond to that notice and don't have an email address, they will be contacted. Boyce said if that's the case, the Board should reverse its opt-out policy. He said it doesn't make sense to force people to take action to retain the status quo.

Boyce moved that the membership ask the Board to change the policy so members can opt out of receiving the Record in print form and urge the Board to consider a plan for running advertising in the Record. (The motion appears as it was eventually modified by a friendly amendment.)

During discussion, one member said the Record states that \$50 of each member's dues goes for the publication of the Record and that if the Record is transmitted electronically, dues should go down. Jeanne Jennings said an organization should decide whether to move to an electronic newsletter based on the financial well-being of the organization. Zremski said no one who wants the printed Record will lose it, but an electronic newsletter will save money. Marshall Cohen said if only 10% of the members want the Record electronically, then there is no financial advantage. Larry Lipman asked what the Board's rationale was for the opt-out policy. Dunham said the board was divided and that he, Lytle and Cherry were on the losing side. He said he estimated a \$9,000 savings for every 10% of the members who choose the electronic Record. He said the winning side's reasoning is that if the electronic version is the right way to go from a financial standpoint, it should be easier to receive it that way and less easy to receive it in print through the mail. Boyce asked how much money the membership directory receives in ad revenue. Bloom said it grosses \$275,000 and nets \$125,000. Governor John Gallagher asked if a quorum was present. It was not. Smith said even if a quorum was not present, she would be interested in knowing the sense of the membership president and asked for a straw vote on Boyce's motion. The straw vote was 20-16. Cherry said she would take that to the Board as a sense of the membership.

Lytle moved approval of the minutes of the Dec. 15, 2003, meeting. The minutes were approved as submitted.

Arlen Withers, chairman of the House Committee, and Smith, the Board liaison to the committee, made a presentation to Lytle of a set of laminated Reliable Source placemats as a thank you for her leadership during 2003.

The next general membership meeting is May 14.

