

**MEETING OF THE BOARD OF GOVERNORS OF THE NATIONAL PRESS CLUB
July 21, 2008
Maureen Groppe, Secretary**

Chairman Keith Hill called the meeting to order at 6:45 p.m. Present were President Sylvia Smith, Vice President Donna Leinwand, Treasurer Alan Bjerga, Membership Secretary Mark Hamrick, Secretary Maureen Groppe, Vice Chairman John Donnelly, former President Jerry Zremski and Governors John Hughes, Lou Priebe, Theresa Werner, Jennifer Sergent, John Gallagher and Dipka Bhambhani. Also General Manager Bill McCarren and Director of Membership Sarahanne Driggs.

Groppe moved and the board approved the minutes of the June meeting.

MEMBERSHIP

Hamrick moved and the board approved the applications of 54 members. Hamrick moved and the board approved retired dues status for seven members.

Driggs report on a new agreement with Clear Card to give members a 10 percent discount in exchange for publicizing the service to members. Clear Card members are pre-screened to pass through airport security faster.

BOARD AND COMMITTEE LIASON REPORTS

Awards -- Groppe thanked McCarren and the staff for the excellent Awards Dinner.

Freedom of the Press -- Working on a way to get the money from the John Aubuchon Award for Press Freedom to the international winner, Qi Chonghuai of China. The committee also signed on to support a bill that would direct the National Archives to set standards for electronic record keeping.

Young members -- Had a panel discussion on international and domestic fellowships.

Book & Author -- Upcoming authors include Christopher Buckley in September.

Supreme Court Justice Antonin Scalia has been invited to speak at the event. The committee is also exploring creating a book award.

5 K Race -- The committee has received only \$17,500 in sponsorships and at least \$62,000 is needed to match last year's revenue from sponsorships. Board members were encouraged get their employers to be a sponsor and/or submit items themselves for the silent auction.

Broadcast -- The "From the National Press Club" program has been moved to a more popular XM channel. The committee is working on a video training series.

Events -- The picnic was a success. The art awards reception is July 28 and the exhibit runs July 26-Aug. 8. Three films are planned through September. There will be an Indonesian Embassy night Sept. 11. The committee is planning viewing events for the fall presidential debates. A staff member will be paid to play piano in the Truman Lounge Monday evenings in August.

House -- Talking about replacing Budweiser, now that it's been bought by the Belgians, with a domestically-owned brew.

Communications & Marketing -- Promoting the centennial DVD.

Travel -- The Civil War battlefield trip is full. Trips to Thailand and Quebec City were cancelled due to lack of interest.

Book Club -- A dozen people discussed "Island at the Center of the World" in July.

Photography -- The reception for the members photography exhibit is Sept. 5. Some of the photos will be put online for the first time.

4th Estate Award Dinner -- Planning continues including trying to recruit Garry Trudeau to do the caricature.

Strategic Planning Committee -- The work teams have been asked to discuss the survey results and makes suggestions for the working plans.

New media -- Collecting lists of members with blogs and working on blog storage.

Speakers -- Upcoming speakers include governors from New York and Minnesota and Billy Joel. Hoping to get the presidential and vice presidential candidates.

Newsmakers -- Held 45 events so far. Upcoming newsmakers include the lieutenant governor of Louisiana and the Zimbabwe ambassador.

International Correspondents -- Holding a panel discussion in August with foreign journalists completing stays in the U.S. Co-sponsoring the Indonesian Embassy Night.

Working on a daytrip to Amish country.

TREASURER'S REPORT

Bjerga said the year-to-date net profit at the end of June was \$635,000, which was slightly above where we hoped to be going into the slow season. Bookings for July and August are promising. The budget process for next year has begun. The Budget Committee discussed setting a target for the reserve fund.

GENERAL MANAGER'S REPORT

McCarren said the Budget Committee talked about a reserve fund equal to three months of expenses. He said having a realistic goal, talking about it and making it part of the strategic plan and budget assumptions will help make it happen. While he would be more comfortable with reserves of \$500,000 but the goal needs to be achievable.

More than 25 employees volunteered to take unpaid days of leave this summer under the furlough program. Most employees will have to take at least two mandatory furlough days in July and August. That should save the Club about \$50,000.

Steps being taken to improve revenue include 1) integrated marketing programs such as "Project Democracy" which packages election-related events to create momentum and includes discounts for renting a room in August for such events; 2) making Josh Funk the director of business development to focus on getting new customers.

The Club is ending its arrangement with Federal News Service to provide transcripts of luncheons. McCarren said we can get more revenue by hiring a different transcription service to create the transcripts and selling them ourselves.

PRESIDENT'S REPORT

Smith said the Club is ramping up efforts to help reporters who've lost their jobs and is looking for a facilitator to meet regularly with out-of-work Club members who are journalists.

Renovations to the library and Fourth Estate are on schedule. The library will be moved to the First Amendment Lounge in August during the renovations. The National Press Foundation board has approved the drawdown of \$400,000 for the library work.

The new method of communicating with members electronically in a replacement of the Words list is almost ready to launch.

The posting of a video of Tony Loci's award acceptance speech on the Club Website was a success and is an example of what we want to do more of.

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OLD BUSINESS

Gallagher said the Cosgrove Award has been scaled back from a medal to a plaque because not enough money was raised.

NEW BUSINESS

Bhambhani moved and the board rejected the following motion:

Whereas the board of governors is independently elected by the membership of the National Press Club and not appointed by the National Press Club president to develop the Club and advance its mission;

Whereas the National Press Club board members must often further the development of the Club through meetings that involve meals or other expenses;

Whereas sometimes there is no alternative if the National Press Club president cannot finance or is not available to release funds to finance any business meetings that involve monetary expense;

I hereby move to create the National Press Club Board Fund for business development. The fund would contain \$3,000 per year at the disposal of all board members for business development only. Each month, the chairman of the National Press Club Board of Governors would examine the use of the fund and accept or deny charges. Should there be a charge that the chairman does not accept, he can order that the charge be moved to the board member's house account.

Hamrick asked whether the president's account could be used. He said he had never had an experience when he couldn't get funding for a legitimate expense, although some out-of-pocket expenses come with the territory of being a board member.

Bhambhani said the fund was not meant to challenge the discretion of the president but is intended to streamline the process so a board member wouldn't have to seek out the president for approval of an expense.

Zremski said he was concerned how the new fund would look to members at a time of belt-tightening and furloughs.

Bjerga said the board already has an account so if the board wants to allow this type of spending by board members, it should come out of the existing account instead of creating a new one.

Hughes said he would prefer the chairman approve an expense before the fact.

Leinwand said any process needs parameters to prevent abuses.

Hughes moved and Bjerga seconded the following:

The Club's Board of Governors appoints John Hughes and John Gallagher acting co-chairs of the Publications Committee for the purpose of taking over publication of The Record Sept. 1, 2008.

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1. THE RECORD'S PUBLICATION PROCESS WILL CHANGE. Instead of a group of volunteers coming to the Record office each week to put out the publication, the Record will be put together remotely, through existing club software, by an editor each week. A team of eight volunteers will produce the Record initially, though that number is expected to grow. Committee chairs, members covering events and photographers will file to the NPC blog or Web site, and the Record editor will pull that copy for the Record.

2. THE RECORD WILL MOVE TOWARD BECOMING ALL-DIGITAL. All new members will automatically get the Record electronically unless they tell the club they want a paper copy. They will be given an opt-in form in their membership package and will have to submit it to the club in order to get a paper Record. Additionally, duplication will be ended that currently has members receiving the Record digitally and by mail. Club e-mail lists will continue to be updated and grown, making it easier for the Record to eventually shift to a digital-only format.

3. THE RECORD WILL BE PRODUCED AT A LOWER COST. The monthly two-page insert, including the monthly calendar, will be eliminated, saving on printing costs. The Record will be published two times in August instead of three, and two times in December instead of three, further saving printing costs. The updating of e-mail lists and opt-in form for new members will further reduce costs.

4. THE RECORD'S MEMBERSHIP BENEFIT WILL BE RETAINED. The Record will continue to be valuable, particularly for reaching remote members and marketing the Club and its activities. The new streamlined Record process will increase its value as a this-just-in product, and it will serve to better integrate all communications, including the Words list, The Wire and Press.org

Hughes said publishing the Record once a month is too much of a cut in member services too quickly.

Zremski said the bylaws state that the president appoints committee chairs so the board has no authority to approve the motion.

Sergent asked whether it's worth publishing the Record four times a month if much of the information would be recycled from other places.

Hughes said that a lot of the content being published in various places is not getting to all members.

McCarren said the current publications committee saves the Club a lot of money by making the Record printer ready.

Werner said the board should have faith in its fellow members that they can produce what they're promising.

Hamrick said he was uncomfortable with taking the process away from the president.

Hughes said he's not trying to usurp the powers of the president but wants the board's view on how often the Record should be published.

Smith said there doesn't seem to be board agreement that changing the system to a revamped monthly Record with expanded daily electronic communications is the way to go. She suggested Hughes and Gallagher produce a Record while the board decides what type of printed product it wants.

Hughes said the entire production system needs to be changed so it wouldn't make sense for him to work with the Record staff on producing it as its currently done.

Leinwand and Groppe said they would like Hughes and Gallagher to produce a Record their new way as the old production continues. That would allow for a test run of the new method.

Hughes withdrew his motion and offered the following: The National Press Club Board of Governors proclaims it is the policy of the National Press Club to produce a weekly Record. Werner seconded the motion.

Sergent said she thinks a monthly publication is better.

Donnelly said he's open to the idea of a monthly publication and doesn't want to tie the board's hands one way or the other.

Leinwand said she is researching ways to give the Record a more professional look, possibly by hiring a professional editor twice a month. She said a better product could offset less frequent production.

Werner said the board could change the policy if it passes the resolution then later decides it wants to cut back on production.

Bjerga said he liked the idea of a test run and opposes the current motion.

Hughes said the time has passed for tryouts and he needs the authority to relaunch the Record. He said the board has no other options if it wants to keep weekly production of the Record.

**Smith moved to table the motion and the board agreed.
Those voting in favoring of tabling were: Groppe, Donnelly, Sergent, Hamrick, Leinwand, Smith, Hill and Bjerga.
Those voting against were: Hughes, Werner, Bhambhani and Gallagher.**

Smith asked Hughes and Gallagher if they were willing to do a prototype of their proposed Record. Gallagher said he was and Hughes said he would think about it.

Groppe moved and the board approved not meeting in August.

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The next meeting was set for Sept. 15.

The meeting was adjourned at 10:30 p.m.
