

**MEETING OF THE BOARD OF GOVERNORS OF THE NATIONAL PRESS CLUB  
Sept. 19, 2005  
Sylvia Smith, Secretary**

Chairwoman Donna Leinwand called the meeting to order at 6:35 pm. Present were President Rick Dunham, Vice president Jonathan Salant, Secretary Sylvia Smith, Membership secretary John Donnelly and Treasurer Jerry Zremski and Governors Joe Anselmo, Alison Bethel, Alan Bjerga, Gayela Bynum, Maureen Groppe, Mark Hamrick and Lou Priebe. Also present were General manager John Bloom, Membership recruitment director Sarah Driggs and members Jim Noone and Jerry Bastarache. Governor John Gallagher was absent.

**Smith moved and the board approved adoption of the July 25 minutes; Leinwand abstained.**

**Smith moved and the board approved the 2005 election calendar with two exceptions: The board review of the active roster will occur at the October board meeting, and the board defers appointment of the Election Committee to Smith, who will report to the board nearer to the election. (The calendar is included at the end of the minutes.)**

**Smith moved and the board approved rules for absentee ballots. (Included at the end of the minutes.)**

**MEMBERSHIP SECRETARY'S REPORT**

**Donnelly moved and the board approved the following 41 membership applicants:**

ACTIVE: Gary Kebbel, executive producer, Education Week Newspaper; Arshad Mahmud, correspondent, The Daily Prothom Alo; Christoph V. Marschall, bureau chief, Der Spiegel; Michael P. McGough, correspondent, Pittsburgh Post Gazette; Marcelo Raimon, correspondent, ANSA Italian News Agency; Hiroki Sugita, bureau chief, Kyodo News.

ACTIVE UNDER 30: Ian Brier, director of project development, Video Cairo Sat; Kristina Herrndobler, correspondent, Hearst Newspapers; Elizabeth Saloom, managing editor, Federal Employees News Digest.

ACTIVE UNDER 35: Melissa Jacobs, talent producer, ESPN; Lucy Webb, staff writer, Washington Business Journal; Sharon Weinberger, editor of Defense, McGraw-Hill; Alexandra Witze, senior news and feature editor, Nature.

ACTIVE NON-RESIDENT: Kristina Borjesson, Tenafly, N.J., freelance journalist and author; Marianne Pearl, New York, N.Y., freelance journalist; Les Weatherford, Kansas City, Mo., assistant copy chief, Kansas City Star.

AFFILIATE: Paul L. Anderson, managing director of public affairs, Government Accountability Office; Yolanda Clark, director of communications, Department of Homeland Security; Arthur Higbee, retired journalist; Zamira Sydykova, ambassador, Embassy of the Kyrgyz Republic; Sock-Joong Yoon, minister of public affairs, Embassy of the Republic of Korea.

AFFILIATE UNDER 35: Amy Von Walter, deputy director of public affairs, Department of Homeland Security.

AFFILIATE NON-RESIDENT: Kim Dixon, Chicago, news editor, University of Chicago; Brian L. Steffens, Columbia, Mo., executive director, National Newspaper Association.

AFFILIATE NON-RESIDENT RE-INSTATEMENT: Carl W. Cardin, Little Rock, Ark., retired journalist.

GRADUATE STUDENT: Muhammad Abid Azad, University of Maryland; Mihaela Biliouschi, University of Denver.

ASSOCIATE: Karrye Braxton, president and CEO, Global Business Solutions; Brian Lagana, executive director, Pedorthic Footwear Association; Anthony Makris, president, Mercury Group; William Powers, executive vice president, Mercury Group; Margaret L. Schwartz, consultant; Andi Sporkin, vice president of communications, NPR; Diane Tomb, president; Tomb & Associates; Summer Whitford, president, Maison Chanteclerc.

ASSOCIATE UNDER 35: Lauren McCollough, project associate, Crimes of War Project; Rob Yunich, director of communications, National Small Business Association.

ASSOCIATE NON-RESIDENT: Eddy Sanquiza Chacin, Caracas, Venezuela, communications and international relations manager, Petroleos De Venezuela, SA; Eelco H. Dykstra, Sarasota, Fla., correspondent and visiting professor, Nieuwsbrief Crisis Coordination; Ilene Lumpkin, Params, N.J., director of media relations, Berkeley College; Will Sullivan, Minneapolis, Minn., president, ASI Marketing.

Donnelly said an Oct. 6 recruitment reception is geared toward broadcast journalists and asked board members to attend. He noted that the initiation fee will be waived for the month of October. He also reported that the membership application has been reworded to indicate the under 35 category and to indicate that members' residence and employment status must be kept up to date with the membership office.

#### TREASURER'S REPORT

Zremski said the budget assumptions were approved by the Budget Committee, and that it includes a presumed dues increase of 4%. He said the main reason for a yearly increase is to avoid a large increase every several years. However, he said, 4% is above inflation and that 3% sounds better than 4%. Smith inquired what the difference is among a 3%, a 3.5% and a 4% increase and was told that active dues are \$495 and would increase to \$510 with a 3% increase, \$512 for 3.5% and \$514 for 4%. Associate dues are \$753 and would increase \$23, \$27 or \$29 over the range. Bynum said the increase for associates is too large. Dunham said the budget assumptions offered by Bloom are based on programs and activities the board requested. Leinwand said the Club can't keep milking catering operations for expanded programs. She said the director of journalism should be postponed for a year to keep the dues increase at 3%. Zremski said the board needs to have a thorough

discussion about the director of journalism but that that has not occurred.

Bloom said a dues increase does not raise enough money for the position; a 3% dues increase would generate \$48,000. He said if the position is retained in the 2006 plans, he will have to make substantial personnel changes to accommodate it. Bethel said her paper will not pay if there is a dues increase. **Zremski moved the board approve a 4% dues increase for 2006 and present it to the general membership. Salant moved approval of a 3% dues increase, which was rejected 3-7. (Yes votes from Salant, Bethel and Anselmo; no votes from Hamrick, Groppe, Dunham, Leinwand, Smith, Zremski and Donnelly.) On the original motion, the vote was 9-1 with Bethel the sole no vote.**

**Zremski moved that the board instruct John Bloom to bid the contract for the printing of the Record, with the goal of cutting costs and producing the newsletter faster.** In-house publication should be one of the options considered. During discussion, Zremski and Leinwand said they had discussed the proposal with members of the Publication Committee, who support the idea. Bloom said the Record has been printed by AAA Graphics without a contract for many years. He said as far as he knows, AAA is the only Club vendor without a contract. **The vote was unanimous to approve the motion.**

**Zremski moved and the board approved authorizing John Bloom to rebid the Club's web services, with the goal of improving online member services such as account management and event registration.** During discussion, Zremski said the goal is to have an online reservation system that allows people to pay for their tickets, members to be able to manage their accounts on line and improvements to the website. He said the rebidding involves both Jonas and Potomac Digitek. Dunham said if the web site is going to be as good as the board wants, the Club leadership will have to pitch in. He said the professional staff can't write web content. He said in considering committee chairs, future Club presidents will have to consider whether they can write a committee web page. Bethel said she is concerned about setting aside money in the 2006 budget for web and computer improvements without a specific plan, especially a better cost estimate. Zremski noted that the issue before the board is budget assumptions, not the actual budget. He said a much clearer plan will emerge before the board is asked to vote on the budget in December.

**Zremski moved and the board approved the assumptions for the 2006 budget.**  
(Attached at end of minutes.)

#### GENERAL MANAGER'S REPORT

Bloom said summer was challenging and that year to date income is \$6.5 million compared to a budget expectation of \$6.6 million. He said expenses are \$25,000 under budget. But he said there are some positive signs in catering. He said there was a lot of housekeeping work done over the summer, including upgrades to the First Amendment Lounge and the square bar, refinishing the Reliable Source parquet floor. Smith asked how much it costs to refinish the floor twice a year compared to carpeting the floor. Bloom said refinishing costs \$4,000 (\$8,000 a

year) and it would cost \$5,000 to carpet the floor. He said the Reliable Source dishwasher had to be replaced and the large kitchen dishwasher needed repairs.

The board moved into executive session to discuss a legal matter and then resumed open session.

Bloom said he got a letter saying former Club member Robin Livingston Perry had bequeathed a portion of his estate to the Club.

#### PRESIDENT'S REPORT

Dunham said Speakers Committee chairman Bill McCarren has been working on partnership possibilities to replace NPR's coverage of luncheons. He said American Public Radio is interested in picking up where NPR left off. Dunham also said all the rooms in the Club are wired for XM Satellite Radio. He said discussions about a one-hour program weekly on Club events are proceeding.

He said the mentor program has been successful and has cost the Club nothing. He said 5 of the 13 mentees have gotten new jobs, which was not the point of the program but which is a side benefit.

Dunham said he and Zremski have been working on the possibility of having a box for donations to the journalists affected by the hurricane in Louisiana and Mississippi, and he asked for board input. The discussion centered around whether it would be appropriate to single out one group to receive donations. Bethel offered to spearhead a way for Club members to serve as contacts for affected journalists in the area, to serve as mentors or soundingboards.

Dunham thanked everyone for assisting with the 5K, which he said shattered previous records. He did not have a final accounting of how much money was raised. Salant complained that the DC police forced the tail-end 5K participants off the street and onto sidewalks before the event was officially over. Dunham said Salant was correct but questioned what could be done about it, because the DC police have the final say over whether the event receives a permit.

#### OLD BUSINESS

Bloom was asked to provide an update on the broadcast studio. He said a construction contract was ready to be voted on and that demolition began Sept. 16. He said he received three bids, and recommended Rand as the best choice at \$1,150,000 and a guarantee that work will be done in 12 weeks. He said he made some cuts such as requiring that the entryway look the same as the NPC lobby and the robotic camera. He said nothing was eliminated that can't be added later and that the infrastructure - air conditioning, wiring - remained in the project. He said the total cost will be \$2.6 million. The budget is \$2.5 million. He said he negotiated a one-month deferral in paying the monthly \$38,000 rent.

Zremski said he is concerned that the Club could lose the space for the robotic camera on the roof of the Willard Hotel.

Smith asked if there is a consequence if the construction is not completed in 12 weeks. Bloom said no. He said if a penalty is written in, then a bonus has to be promised for completing the work on time.

Bloom was asked to explain what happened to the project manager. He said the project manager helped him get through the early stages of the project but couldn't get the bidding done the way Bloom wanted it, so he fired him.

**Zremski moved and the board approved a motion to authorize Bloom and Dunham to enter into a final contract on the studio project.**

Bloom asked the board for direction on how to proceed in discussion with vendors about donated equipment to the studio and on naming rights for the facility. The consensus was that if the equipment comes from the vendor and there are no other obligations other than the equipment being used in the studio, we would graciously accept (much like the Compaq computers donated for use in the Library). The consensus about naming rights is that if there is an offer, the board would discuss it thoroughly.

Priebe and Bynum raised the issue of voting rights for the affiliate/associate board members. **Salant moved to table the proposal to the February board meeting. The motion was defeated 6-4 because a 2/3 vote is required to table. The yes votes were from Groppe, Hamrick, Salant, Zremski, Donnelly and Anselmo. The no votes were from Leinwand, Dunham, Smith and Bethel. Bjerga abstained.**

Bynum and Priebe said the reasons to approve a Constitutional amendment to give the affiliate/associate board members a vote on the board include fairness, the fact that the 12 active members could easily override the 2 votes of the affiliate/associate members and respect. Groppe asked for the arguments against the proposal. Zremski said he opposes the chance because the NPC is a press club, ie a club of journalists, and decisions involving journalism should not be made by non-journalists. Smith noted that the outcome of a vote on journalism issues is unlikely to be swayed by two votes. Salant said he voted against the proposal the last time it was raised because he never got an answer to the question of where the line would be drawn. He said he proposed, and the board approved, allowing the budget to be dealt with in the committee of the whole, in which the affiliate/associate board members are permitted to vote. He said the board should wait to see how that works before changing the Constitution. Bjerga said the ultimate outcome of the logic of the proposed change in the Constitution is to allow affiliate and associate members to vote for the entire NPC board, which he opposes. Anselmo said he voted against the proposal two years ago not because of who the affiliate/associate board members are but because non-journalists shouldn't vote on freedom of the press and other journalism issues. Leinwand said she would prefer the issue be submitted to the membership as a referendum during a Club election. Salant said there is no provision for that in the Constitution. Bastarache said when the Club was formed in 1908, half the people on the original charter were not journalists and that all Club members paid equal dues until 1967. He likened the non-voting status to past Club policies of not admitting people of color or women. Bjerga said the comparison is apples and oranges because a Club is, by definition, exclusionary.

**Priebe moved the board recommend the general membership adopt following changes in the Constitution. The vote was 6-4 with Smith, Dunham, Bethel, Bjerga, Donnelly and Groppe voting yes, and Leinwand, Salant, Zremski and Anselmo voting no.**

Amendment #1

**Article III, Section 7.** The Board of Governors shall have the authority, upon a majority vote ~~at a meeting~~ of ~~Active~~ its members, to grant limited Club privileges on a contractual fixed-term basis to members of such other organizations as it might deem appropriate.

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Amendment #2

**Article IV, Section 3.** The Board of Governors shall consist of the officers of the Club, each of whom shall be elected for a period of one year, ~~and~~ seven other Active members, each of who shall be elected for a period of three years, and two members elected by the Affiliate and Associate members voting as a single class, each of whom shall be elected for a period of two years. In addition, ~~there shall be three non-voting members of the Board, one of whom shall be the immediate past president of the Club shall be a non-voting member of the Board and shall serve for a period of one year., and the other two shall be members elected for a two-year term by the Affiliate members and the Associate members voting as a single class.~~ No person shall be simultaneously an officer and a governor. The terms of the Board of Governors shall be staggered so that as nearly as possible the same number of full terms shall be filled at each election. Unless otherwise provided by a majority of all the members of the Board entitled to vote, officers and governors shall be elected on the second Friday in December of each year. Those elected shall take office on the third Friday of the following January at the annual membership meeting. Each governor and officer, including any appointed or elected to fill a vacancy, shall hold office until his or her successor is appointed and qualified, excepting earlier resignation or death.

CHAIRWOMAN'S REPORT

Leinwand noted that the sale of the Detroit News to MediaNews Group will have consequences for the Club if MediaNews will not pay Club dues, and she asked board members to pay special attention to them and other MediaNews members.

NEW BUSINESS

Salant said the annual golf tournament was scheduled on Rosh Hashana, which is insensitive. He said the board has made it clear for many years that major Club events would not be scheduled on religious holidays. He said he was told that the contract with the golf course had to be signed in January, and he said he didn't think a committee chair could sign a contract on behalf of the Club. Leinwand said the committee chairs had been given a list of holidays that had the wrong date for the start of Rosh Hashana.

BOARD AND COMMITTEE LIAISON REPORTS

The Holiday Bazaar is Nov. 2.

A recruiting event for academics is Sept. 21.

The next meeting is Oct. 24. The meeting adjourned at 9:45 pm.

## **2005 ELECTION CALENDAR**

**Election day is Friday, December 9.** This year's election ballot will show five officers' seats open for one-year terms: president, vice president, secretary, treasurer, and membership secretary. Also, two three-year (active) terms are open. One two-year term (affiliate/associate members) as a non-voting member of the board will be filled.

<b>September 19</b>	<b>Board review of Active roster Absentee ballot rules approved Board appoints Election Committee</b>
<b>September 22</b>	<b>Notice in Record that nominations open Oct. 14</b>
<b>October 14</b>	<b>Nominations open</b>
<b>November 11</b>	<b>Nominations close Candidate bios and photos to Record editors</b>
<b>November 17</b>	<b>Ballot, candidate bios and photos appear in Record Copy of ballot posted on web site and bulletin board</b>
<b>November 28</b>	<b>Candidate campaign materials due for Club mailing</b>
<b>December 2</b>	<b>Mail-in requests for absentee ballots due</b>
<b>December 8</b>	<b>Walk-in requests for absentee ballots due</b>
<b>December 9</b>	<b>Elections – polls open 8 a.m. – 7 p.m.</b>

## ***ABSENTEE BALLOT RULES***

### **1. ABSENTEE BALLOT REQUESTS:**

Starting on the cover date of the NPC Record containing the sample ballot, an eligible member may obtain a ballot by turning in a personally signed request to the business office that is:

- a) Received by close of business eight days before the election (Dec. 2, 2005), accompanied by a stamped envelope addressed to the member's home or temporary address, but not the member's business if it differs from home; or
- b) Delivered in person during business hours, until the close of business on the day before the election (Dec. 8, 2005).

### **2. ABSENTEE BALLOTS MUST BE REQUESTED ONE AT A TIME:**

Each member must request an absentee ballot separately. Bundled requests will not be honored.

### **3. ABSENTEE BALLOT SUBMISSION:**

Individual ballots may be returned by mail, messenger or in person until the polls close. Multiple ballots bundled in a single package or delivery will be disqualified.

### **4. ABSENTEE BALLOT ENVELOPES:**

Along with each absentee ballot the club will provide two return envelopes, one for placement inside the other. The outer envelope shall identify the voter and the inner envelope shall not. Outer envelopes shall be retained for 60 days after the election.

### **5. ABSENTEE AND LIVE BALLOTS REPORTED SEPARATELY**

Total absentee and total live ballots cast shall be reported separately.

### **6. PUBLICIZING ABSENTEE BALLOT RULES:**

These rules shall be printed in the Record containing the sample ballot, and linked prominently on the Club's Web site.



## **Assumptions and Key Financial Issues in Planning the 2006 Budget**

1. The number of Club events will stay at this year's level.
2. The Club's hours of operation are budgeted at the current schedule.
3. Current operating standards and procedures will be unchanged.
4. Funding for Professional Affairs and Forum programs will remain at its present level this year.
5. Total membership will be 3,800, with 3,500 paying members. A 4% dues increase is projected.
6. The Centennial Planning Committee will need \$100,000 in 2006. In 2007 another \$90,000 is needed and in 2008, \$170,000.
7. The Future Task Force created will monitor the recommendations made
8. Sixty five dollars of member's dues will go to the operation of the Library.
9. Catering income at best will increase 6% from 2004 levels.
10. The restaurant prices will reflect increases in the cost of goods and labor expenses. The estimate is a 5% increase.
11. Staff levels will remain at the current level. Wages will increase 4%. The current union contract expires on October 15, 2005.
12. The cost of employee benefits will increase no more than 20% from its current level.
13. Expenses generally will increase 5%.
14. It is estimated that legal expenses will not exceed \$30,000.
15. Management will continue to review all technology available that will help improve productivity and services to the Club.
16. Income tax to be paid in 2006 is estimated at \$30,000.
17. The capital budget needs to be set at \$250,000.
18. 25% of the net profits will be invested in the reserve fund.
19. The Second Century Fund will be funded at \$25 per member.
20. Of the Club's net profit, 10% is to be donated to: 4% NPC Scholarship Fund, 3% NPC Awards and 3% to Library Endowment Fund.
21. The various trust funds will have an average return of 6%.
22. The Library will cover its operating cost from its operating income. Any shortfall will be covered by NPC.
23. The number of scholarships and awards will stay at the current level.
24. The policy of the Board, "Pay as we go" will continue.

### 13. 2006 Paid Holidays and Closing Days of NPC

- New Years Day – January 2, 2006
- Martin Luther King Birthday – January 16
- Presidents Day – February 20
- Memorial Weekend – May 27-29
- July 4
- Labor Day – September 2-4
- Columbus Day – October 9
- Thanksgiving – November 23-26

- Christmas – December 23-25

#### 14. 2006 Capital Items

• AV	\$30,000	
• Banquet Equipment		\$15,000
• Computer	\$15,000	
• Electrical/Lighting Mechanical Upgrades		\$40,000
• Fourth Estate	\$20,000	
• Furniture Replacement	\$25,000	
• Kitchen	\$40,000	
• Reliable Source Kitchen	\$20,000	
• Fitness Center/Locker Rooms	\$10,000	
• Wall covering	\$20,000	
• Contingency	\$15,000	
Total Capital Expenditures	\$250,000	

