

SDX Board of Directors Meeting Minutes

April 30, 2000 - Phoenix, Ariz.

Meeting Date: April 30, 2000, 11:45 a.m.

Meeting Place: The Crowne Plaza Hotel, Phoenix, Ariz.

Roll Call:

Foundation Members Present: 17

Paul Steinle
Paul McMasters
Georgiana Vines
Howard Dubin
Betsy Ashton
David Boardman
Fred Brown
David Carlson
Paul Davis
Steve Geimann
G. Kelly Hawes
Jane Kirtley
Hoag Levins
Dori Maynard
Tony Mauro
Kyle Niederpruem
Sue Porter

Foundation Members Absent: 4

Phil Record
Lou Dobbs
Frank Gibson
Russell Pulliam

Staff Members Present: 4

Jim Gray, SPJ Executive Director
Julie Grimes, SPJ Communications Director
Catherine Davis, SPJ Director of Finance
Traci Christler, SPJ Director of Membership and Awards

Guests Present:

Robert Leger, Irwin Gratz, Lisa Rollins, Al Cross, Oren Campbell, Mark Scarp, Jim Parker

Recognition:

SDX President Paul Steinle called the meeting to order and acknowledged the recent death of Foundation board member June Anderson Almquist. Steinle noted her volunteer spirit and enthusiasm. Board members shared stories of time with Almquist. Georgiana Vines donated a photograph of Almquist and other Wells Key winners to the Society's archives and mentioned that the Society will also be honoring Almquist's memory during the Leader Breakfast at the National Convention in Columbus, Ohio. Executive Director Jim Gray mentioned that he would be working to secure funding to remodel the atrium in the new headquarters building and name it after Almquist.

Steinle next acknowledged the resignation of board member Reginald Stuart. Stuart has been a great friend to the organization over the years, at times, almost single-handedly keeping the doors to the Society open. The board appreciates his work and service.

New Foundation Board Members

Steinle recognized new appointments to the Foundation board by SPJ President Kyle Niederpruem, noting that her appointments departed from the past practices and included excellent selections. New appointments are David Carlson, David Boardman, Hoag Levins and Tony Mauro.

Motion by G. Kelly Hawes to formally approve these one-year appointments. Second by Betsy Ashton. Motion carried unanimously.

Treasurer's Report

Treasurer Howard Dubin presented his report noting that the value of Central Newspapers Inc. stock as decreased 33 percent. This stock is the Foundation's main holding, and the Foundation still has 50 percent of the stock it initially received. Dubin recommended that this was not a good time to sell. As history for new board members, Dubin pointed out that until about three years ago, all of the Foundation's investments were in CNI stock.

Board members asked about the decision last fall to hire an outside money manager to manage a portion of the Foundation's funds. The consensus of the board was that it was time to implement the decision of the board to hire this person.

Dave Carlson pointed out that one shouldn't have more than 20 percent of holdings in one particular investment. Consider divesting itself of a large portion of its stock. If anyone has names they would like considered for this position, contact Howard Dubin.

The decision of the prior board will be enacted immediately. Dubin plans to hire the investment manager for the \$500,000 for 18 months within 60 days. Paul Steinle will send an e-mail announcement to board members once this manager is in place.

Motion by Betsy Ashton to continue to diversify the Foundation's holdings and that sales of CNI stock be made at a prudent time. Second by Steve Geimann. The motion carried.

In favor — 14

Opposed — 1

Board members discussed that the Foundation's original diversification goal was to sell half of its CNI stock. It was suggested that the new goal be that no more than 20 percent of the Foundation's holdings would be in any one asset.

The group briefly discussed the fact that a financial committee had been appointed by President Paul Steinle.

Headquarters Report

Executive Director Jim Gray announced that Liz Ellis, director of development, had resigned. Board members were concerned about the loss of Ellis and its effects on fund raising and whether Ellis had determined that her ability to raise funds for the organization was limited. Gray said that he would continue his active role in the Capital Campaign.

Gray said the Campaign was approaching \$300,000 raised, and he was waiting on word from a potential major gift. He should know something in about one week. He is still seeking 100 percent participation in the campaign from the Foundation's and Society's boards of directors. Jane Pauley has agreed to serve as honorary chair of the campaign.

The campaign goal of \$1 million will cover the \$400,000 that was taken from the two organizations' invested reserves. When the campaign reaches the \$1 million goal, the \$400,000 will be returned to the organizations' invested reserves. Building construction is ahead of schedule, and even though some costs have increased, others have gone down, and Gray says the building will come in under budget and on time.

The official ribbon cutting is set for Aug. 11. In addition to Jane Pauley, Gray expects the mayor of Indianapolis and the governor of Indiana to attend.

Paul Steinle reiterated that board members were ready to get involved in fund raising for the building and the organization. The instructions from headquarters had been to wait until all major donors had been approached. Headquarters should put together a plan for seeking funds and give the board members a green light to move forward. The plan is essential. Gray said he would put together a complete plan along with funding options and provide it to board members.

Gray explained that the board needed to pass a resolution authorizing him to borrow up to \$400,000 to complete the renovations to the building if necessary.

Motion by Paul Davis to approve this resolution. Second by Howard Dubin.

Motion carried. The text of the resolution follows:

**RESOLUTION
Of the BOARD OF DIRECTORS
SIGMA DELTA CHI FOUNDATION**

RESOLVED, that the Board of Directors authorizes Society of Professional Journalists, Inc. (the "Corporation") to borrow up to Four Hundred Thousand Dollars (\$400,000.00) in the aggregate from the Farmers Bank (the "Bank"), secured by certain real estate and personal property of the Corporation upon the terms provided in that certain Commitment Letter/Loan Agreement, dated November 23, 1999, a copy of which has been submitted to the Board of Directors (the "Agreement").

RESOLVED FURTHER, that James L. Gray, Executive Director of the Corporation, or any other authorized officer of the Corporation, acting singly, be, and hereby is, authorized and directed to execute for and on behalf of the Corporation any and all documents required in connection with the Agreement, including, but not limited to a, all construction notes, promissory notes, other evidences of indebtedness, real estate mortgages, loan agreements, security agreements, other collateral documents evidencing or governing the loans pursuant to the Agreement, and any and all other affidavits, instruments or documents necessary to effectuate the Agreement, and to take all such further actions for and on behalf of the Corporation as may be required in connection with the Agreement.

RESOLVED, that all actions taken to date by and on behalf of the Corporation relating to the Agreement are hereby ratified and confirmed.

RESOLVED, that the foregoing Resolutions shall remain in full force and effect until written notice of their amendment or rescission shall have been delivered to the Farmers Bank.

SPJ Web Site Proposal Discussion

David Carlson led the discussion of the proposed funding for the Society of Professional Journalists new Web site. Carlson pointed out that any attempt to define an Internet strategy was shooting at a moving target and that board members should see this proposal as a fluid document that will change as needs change. The site would be a journalist's start page. It would have a purpose for SPJ members, journalists who are not members and the general public. There would be personalizable features like the ability to

search the Web, check weather, news and stocks, and other areas of interest to journalists. It's a place for people interested in journalism to begin surfing the Net, and in the process, they will learn about SPJ.

SPJ-related, the site will allow members to update their information, join and renew online and register for conferences. There will be space for SPJ committees and chapters to host their own content. There would also be new discussion lists open to anyone in areas like student news, broadcast, print, ethics, FOI, new media, membership issues, etc.

Cost issues have been kept at a minimum by utilizing outside space hosting and allowing volunteers, as well as staff, access to update the site. The "portal" concept works because it doesn't require SPJ-generated content on a daily basis. Carlson pointed out that the SPJ board unanimously reaffirmed its support of this project.

Gray assured board members that he is committed to maintaining this site once it is established and will examine a realignment of staff to accommodate this proposal in the future. The director of communications will have responsibility for feeding content into the site, and an additional worker would be added. After year-two, SPJ would assume full costs of operating the site.

When asked, Carlson explained that marketing the site was not addressed in this proposal in the interest of keeping the proposal at a reasonable cost. Gray pointed out that it could be marketed in Quill and at SPJ functions. One board member suggested having the www.spj.org URL on the cover of Quill. Every page of the magazine should say, www.spj.org. SPJ should review every one of its activities to determine ways to costlessly integrate the marketing of SPJ's Web site.

The group briefly discussed content on the site and the necessity of new, valuable information that was kept up to date.

Carlson told board members that if the board approved the program today it shouldn't take more than 60 to 90 days before the site was operating. The design will include placeholders to be able to add advertising in the future.

Ashton suggested the following slogan for the Web site: "Get to the source ... spj.org"

Gray mentioned that Jay Small, from the Indianapolis Star, will be taking over for Andrew Nachison. Small designed the Web site for the Society of News Design.

Motion by Howard Dubin to postpone the database project and to move the \$120,000 in that project to fund support the Society's Web site project. Second by Ashton. Motion carried unanimously.

The board took a short break and reconvened at 1:31 p.m.

Approval of Minutes from Oct. 3, 1999, Meeting

Motion by Howard Dubin to approve minutes from the Oct. 3, 1999, board meeting as corrected. Second by Betsy Ashton. Motion carried.

Corrections:

- Page 3 -- Change COUNCIL to COUNSEL
- Page 4 -- Change ... THAT THE PRESIDENT'S TERM BE LIMITED TO TWO 2-YEAR TERMS. ... to ... THAT THE BOARD CONSIDER ESTABLISHING AN INFORMAL LADDER STARTING WITH VICE PRESIDENT. ...

After a brief discussion, the board members asked that headquarters resume the policy of preparing an action list and distributing it to board members and staff after the meetings. This should ensure that actions from the board meetings are followed through between meetings.

Requests for Funding

Motion by G. Kelly Hawes to approve funding for the following requests: SPJ Legal Defense Fund Publicity Campaign (\$14,400), Student Press Law Center's Campus Crime Handbook (\$11,000), and the SPJ International Journalism Committee's Geneva Handbook (\$10,000), for a total of \$35,400. Second by Georgiana Vines. Motion carried.

Motion by Jane Kirtley to approve a \$25,000 grant to the National Freedom of Information Coalition. The funds are to be earmarked for startup FOI groups or grants for fledging state FOI groups in existence one year or less. Second by Ashton. Motion carried unanimously.

Motion by Georgiana Vines to encourage the Journalism Education Association to continue to develop its manual on handling crisis situations in schools and look at making it available on a Web site and SDX would consider at another time a proposal for assisting with that project. Second Howard Dubin. Motion carried.

Paul Steinle will convey this information to JEA.

Foundation Bylaws Discussion

Board members discussed several options regarding Foundation bylaws and nominations procedures for board seats. Suggestions included an informal "ladder" to the presidency and actually setting a specific number of board seats. A Bylaws Task Force was created. The members are:

G. Kelly Hawes, Chair
Kyle Niederpruem
Paul Davis
Steve Geimann
Jim Gray, advisory position

Budget Discussion

The board discussed the revenue item of contributions from individuals budgeted at \$45,000. Proposed for 2000 is \$27,418. Actual as of today is \$20,500. There was concern about putting that number at \$45,000.

Motion by Paul Davis to approve the budget as amended. Second by Betsy Ashton. Motion carried.

Changes:

- Drop Contributions from Individuals from \$45,000 to \$25,000
 - Set Administrative Fees at \$8,000
-

Other Business

Strategic Planning

The group briefly discussed the organizations' strategic planning process. Geimann noted that a report had been prepared for Quill magazine. Niederpruem gave a brief report on the strategic planning discussions during the recent SPJ Regional Conferences.

Development

The group again briefly discussed plans for fund raising and the development director position. Board members said they needed an articulate message regarding funding that everyone could agree on. They need a list of programs that could be funded. They also would like a doable process for developing donors and seeking funds.

Taishoff Fund -- Broadcasting Seminar

Kyle Niederpruem explained what had been done with the Taishoff Fund this year. Money was used for publicizing the Region 6 Conference focused on broadcasting and to grant students scholarships to attend. Region 6 is interested in a similar arrangement next year.

Paul Davis pointed out that this was a restricted fund, and the Foundation has been somewhat loose with its use. He asked that a discussion of the Taishoff Fund and the Taishoff Broadcasting seminar be put on the agenda for the next meeting.

Paul Steinle instructed Gray to have the new development director to research the Taishoff fund and meet with the Taishoff family before the next board meeting in consultation with Jim. A board member would attend this meeting with the development director.

Other Notes

Paul Steinle announced that Quinnipiac College is about to become Quinnipiac University. Because of the additional time constraints, Steinle will be stepping down as president of the Foundation at the October 2000 convention after serving one year instead of two in his current term. Vice President Paul McMasters has agreed to succeed him.

Secretary Georgiana Vines announced that her term on the board expires this fall, and she will be leaving the board. She indicated her interest in remaining involved and offered to support the board and seek a replacement.

Steinle expressed his appreciation to all the individuals who have served so honorably and well up to this point.

Adjournment

Motion to adjourn by Fred Brown. Second by Kelly Hawes. The meeting was adjourned at 2:27 p.m.

Actions to be Taken

By Staff:

- Board members will be notified regarding the ribbon-cutting ceremony at the new headquarters.
- Staff will correct the minutes of the October board meeting and post the approved minutes to the Web site.
- Staff members will contact grant recipients and follow through with providing the grants allocated.
- Staff will make appropriate revisions to the approved Fiscal Year 2001 Budget.
- Staff will make a report and the Taishoff Fund will be a discussion item at the October board meeting.

By Board Members:

- Howard Dubin will work to select an independent financial manager.
- Paul Steinle will report back to board members by e-mail once the financial manager has been appointed.
- The holdings of the Foundation will continue to be diversified.
- Paul Steinle will contact the Journalism Education Association with information about their grant request.
- A newly created Bylaws Committee chaired by G. Kelly Hawes will begin meeting and make a report in October.