

SDX Board Meeting Minutes

September 11, 2003 - Tampa, Florida

MEETING CALLED TO ORDER

With President Sue Porter presiding, the meeting of the board of directors of the Sigma Delta Chi Foundation was called to order at 3:10 p.m., on Thursday, September 11, 2003, in the Esplanade Room of the Hyatt Regency Tampa in Tampa, Florida.

SPECIAL RECOGNITION

As the meeting began, Porter recognized the long service of retiring board member Paul McMasters. McMasters was greeted by board members wearing T-shirts that read "I served with Paul McMasters" with a ball and chain graphic. McMasters was presented with one of the T-shirts, mounted and framed, with a plaque thanking him for his service.

ROLL CALL

In addition to President Porter, the following were in attendance for all or a portion of the meeting: Vice President Steve Geimann; Secretary Frank Gibson; Treasurer Howard Dubin; Directors Betsy Ashton, Fred Brown, David Carlson, Al Cross, Holly Fisher, Todd Gillman, Irwin Gratz, Kelly Hawes, Jim Highland, Jane Kirtley, Robert Leger, Mac McKerral, McMasters, Dori Maynard, and Georgiana Fry Vines; Executive Director Terry Harper, Foundation Coordinator Micca Leppert, SPJ Deputy Executive Director Julie Grimes; Bill Ketter; Reggie Stuart; Mead Loop; Guy Baehr; Joel Campbell; Kelley Coppinger; Amy Lemel; and Suzanne Cervenka.

MINUTES APPROVED

Upon proper motion and second by Ashton and Geimann, respectively, the minutes of the April 26, 2003 joint meeting of the boards of directors of the SDX Foundation and the Society of Professional Journalists were approved.

Upon proper motion and second by Gibson and Carlson, respectively, the minutes of the board meeting April 27, 2003 were approved.

REPORT OF THE SDX PRESIDENT

Porter referenced her written report and, in addition, distributed her plan of work for 2004, including all committees with assigned chairs for each committee.

Porter's report and 2004 plan of work are attached to these minutes as Exhibits A and B, respectively.

REPORT OF THE SPJ PRESIDENT

Leger provided a summary of SPJ board meeting and briefly reviewed his written report.

REPORT OF THE EXECUTIVE DIRECTOR

Harper referenced his written report which included notice of a bequest to the Society of Professional Journalists from the estate of Frederick I. Archibald to establish a scholarship fund in his memory. The bequest totals approximately \$76,000. At Harper's recommendation, the SPJ board voted to transfer the bequest to the SDX Foundation to administration. Details of the scholarships will be ironed out.

Harper reported that the day-to-day accounting functions have been brought back in-house. Use of the outside accounting firm had outlived its usefulness and the staff was experiencing difficulty obtaining financial information in a timely manner. The independent audit is scheduled to begin in late September.

2004 CONVENTION REPORT

Ashton referenced her written report. She stated that convention planning is moving ahead quickly. Speakers, sponsorships and contributions are all being secured.

MISSION COMMITTEE REPORT

Gibson explained that the committee's written report is a compilation of the Courier Report, and that work will continue on things charged to this committee.

SURVEY OF JOURNALISM ORGANIZATIONS

Carlson provided results of a survey he conducted of journalism organizations that are members of the Council of National Journalism Organizations. According to the results, SPJ appears to be in line with other organizations in terms of staff, dues, etc. The survey does not represent all journalism organizations, only those who responded. The survey is probably more useful to SPJ than the Foundation, but it is a useful tool that can be used to establish credibility for use with development projects.

DEVELOPMENT COMMITTEE REPORT

Ashton reported that she would no longer be able to serve as chair of the development committee, due to her responsibilities with the 2004 SPJ National Convention and other obligations. Ashton will continue to serve on the committee.

Porter announced that past SPJ president Reggie Stuart has accepted the post as development committee chair and will join the SDX Foundation board as a director.

Leppert reported on June solicitation results, and emphasized the need to keep building the annual fund, and start connecting with planned giving donors. Leppert also referenced her written report with proposed fund raising projects.

Porter would like to see signature programs endowed and asked that the Development Committee would along those lines with SPJ's 100th anniversary in mind.

COMMUNICATIONS COMMITTEE

Geimann referenced his written report emphasizing that the committee is dedicated to increasing visibility of the Foundation, including a monthly presence in Quill and increased promotion of SDX support of SPJ's national convention and new marketing materials for fund raising purposes. The committee will develop better ways to promote Foundation awards as well and oversee creation of our first SPJ/SDX Foundation annual report.

FINANCE COMMITTEE

Dubin reported that all of the Foundation's holdings have been consolidated into three accounts at Charles Schwab: Pulliam Editorial Fellowship; Quill Endowment; and everything else. As of the date of the meeting, invested assets totaled approximately \$10 million. Dubin also reported that the investment selection process with Ashton and Harper is working well. He emphasized the Foundation's need to keep growing and bringing in new revenue.

Porter referred board members to her written report that included recent balances in the various Foundation accounts.

PROJECTS COMMITTEE

Kirtley reviewed her written report which outlined two SDX-initiated projects underway: a national survey of journalists looking at the state of press organizations in the United States, and a project to create a state FOI "audit kit in a box." Requests for proposals have been prepared and will be sent immediately following the convention.

Porter noted that Fisher will be taking over as chair of the Projects Committee for 2003-2004. Porter thanked Kirtley for her service as chair.

MINIMUM ASSET BASE POLICY SUSPENDED

Upon proper motion and second by Vines and Dubin, respectively, the board unanimously voted to temporarily suspend its self-imposed \$10 million asset base requirement.

GRANT REQUESTS

SPJ FOI Committee/New Jersey Foundation for Open Government/National Freedom of Information Coalition: Request for \$10,000 to underwrite cost for the 2004 NFOIC national conference in Newark, New Jersey.

Upon proper motion and second by Vines and McMasters, respectively, the board approved the grant in the amount of \$10,000, to be paid from the Pulliam General Fund.

Ethics AdviceLine for Journalists: The Ethics AdviceLine for Journalists, a project of the Chicago Headline Club and Loyola University Chicago Center for Ethics, requested \$23,242 annually for three years to maintain and enhance the existing program, including necessary promotion efforts. The Foundation provided seed money of \$5,000 in 2001 to launch the project.

The committee recommended a grant of \$10,000 for one year for advertising and marketing, from the Pulliam General Fund. Concern was expressed by some board members that this is a duplication of efforts by SPJ. Overall, the sense of the board was that this is a worthwhile project that is worthy of additional funding.

Upon proper motion and second by Vines and Hawes, respectively, the board approved by majority vote a \$10,000 grant to the Ethics AdviceLine for Journalist for one year for the purpose of promoting the program. The grant is to be paid from the Pulliam General Fund.

First Amendment Project of California: The First Amendment Project of California requested \$7,500 to update, reprint and distribute Freedom of Information Pocket Guides. Vines stated that the Grants and Awards Committee does not recommend funding the project at this time. Leger stated that the SPJ board agrees with the committee's recommendation.

McMasters moved to make a \$5,000 grant as a show of support for the project with the stipulation that SDX receives credit for its support and, further, that SDX be allowed to review and approve all copy prior to publication.

With Gratz providing the second, the board approved a \$5,000 grant, from the Pulliam General Fund, to the First Amendment Project of California, subject to proper credit and prior review.

ANTI-SLAPP LEGISLATION PROPOSAL

Kirtley introduced a possible SDX project regarding anti-SLAPP legislation. The board discussed a proposal solicited from Bruce Sanford, Baker & Hostetler, to draft a model law and develop a lobbying strategy to encourage enactment of strong anti-SLAPP statutes by state legislatures. Sanford reviewed a memo he prepared outlining the strategy Baker & Hostetler would employ. Sanford estimates that it will cost \$30,000 to draft the model law and develop the lobbying strategy.

Upon proper motion and second by Gibson and McMasters, respectively, the board voted unanimously to fund the anti-SLAPP proposal from Baker & Hostetler in the amount of \$30,000, with the stipulation that an additional breakdown for costs and funding be completed.

ACEJMC REPORT

Geimann briefly reviewed the written report he submitted in advance of the meeting. Membership in ACEJMC has reverted back to SPJ and Geimann will continue to serve as the Society's representative.

SPJ LOAN REQUEST

Harper presented a loan request from SPJ to the SDX Foundation to fund the upfront costs to produce The Journalist, the special 2004 convention magazine. It is anticipated that the revenues from ad sales will more than pay the costs of publishing the magazine and the loan will be paid off in a lump sum in August or September of 2004. The \$183,000 line of credit would be secured with the Society's interest in the Headquarters building. Harper reported that National City could make a secured loan to the Society at prime, currently four percent.

The SDX board heard from Ashton who is coordinating the sponsorship efforts for the 2004 convention and from Amy Lemel, the independent contractor who has been engaged to serve as publisher of The Journalist. Board members expressed concern at the amount of some of the expenditures on the cash flow projection, but ultimately were satisfied that the project and the loan request were reasonable.

Upon proper motion and second by Ashton and Geimann, respectively, the board unanimously approved a secured line of credit of up to \$183,000 to SPJ. Members of the SPJ board of directors who also serve as members of the SDX Foundation board recused themselves from the vote. Harper will work out the details with the Society and the Foundation's legal counsel.

RAINBOW SOURCEBOOK CELEBRATION OF DIVERSITY CAMPAIGN UPDATE

SPJ Diversity Chair Sally Lehrman updated the board on the Rainbow Sourcebook and the Celebration of Diversity Campaign which are being funded by grants from the Foundation. Lehrman reported that information has been sent to 2,300 editors across the country. A module for teaching diversity in sourcing has been developed. Lehrman asked the board for permission to adjust the original project budget. The sense of the board was that this would be acceptable subject to Lehrman providing an explanation of the budget changes and submit it to the board for review.

NEW OFFICERS ELECTED

As outlined and amended in the Nominations Committee report, Hawes presented the following slate of officers for the SDX Foundation:

- Sue Porter, for president (two-year term)
- Frank Gibson, for vice president (one-year term)
- Todd Gillman, for secretary (one-year term)
- Howard Dubin, for treasurer (one-year term)
- Terry Harper, for assistant secretary-treasurer (one-year term)

Upon proper motion and second by Vines and Brown, respectively, the above slate was unanimously elected.

Hawes moved the election of the following slate of candidates to the Sigma Delta Chi Foundation board of directors for three-year terms:

- Frank Gibson
- Todd Gillman
- Kelly Hawes
- Bill Ketter
- Georgiana Vines

With Geimann providing the second, the slate was unanimously elected.

Upon proper motion and second by Gratz and Ashton, respectively, the board unanimously approved an additional director seat to be filled by Reggie Stuart who will also serve as Development Committee chair. In accordance with the SDX Bylaws, Stuart's term is three years in duration although Stuart has committed to serving only one year at this time.

Porter welcomed Bill Ketter and Reggie Stuart to the board, as well as Mead Loop and Guy Baehr, who will be appointed to the SDX Foundation board by incoming SPJ president Mac McKerral. Their appointments will become official on September 14, 2003.

RECOGNITION

As the meeting drew to a close, Porter presented lapel pins to the new board members. Vines recognized Cross who leaves the board at the close of the convention. Cross was thanked by the board for his service. Porter recognized the 2002-2003 members with gifts for their service. Finally, Porter presented McMasters with the ceremonial SDX gavel, handcrafted with equipment from a hotel men's room, in recognition of his years of service.

ADJOURNMENT

As his last official act as a member of the SDX Foundation board of directors, McMasters moved to adjourn the meeting. Geimann provided the second and the motion passed unanimously. The meeting was adjourned at 5:48 p.m., on Thursday, September 11, 2003.