

MINUTES

Texas Daily Newspaper Association Board of Directors Meeting July 28, 2005 - Headliners Club, Austin

Present: Larry Walker, Bob Carlquist, Gary Borders, Gary Coleman, Buddy King,
Charles Moser, Doug Toney, Ken Whalen, Darla Thompson

Absent: Jeremy Halbreich, Donnis Baggett, Guy Kerr, Charles Spence, Jim Wilson

President Larry Walker opened the meeting at 10:10 a.m.

Minutes from the December 2, 2004 board meeting were read and unanimously approved. Motion by Charles Moser, second by Bob Carlquist. (Minutes attached to file copy)

Ken Whalen presented highlights from the Administrative Report (attached to file copy). He said the office move went as expected and put the association in a good financial position. TDNA is on target to have a surplus of around \$31,000 by the end of 2005 due to lowered expenses in salaries, office rent and telephone.

Whalen added that, although Annual Meeting attendance was once again disappointing, the convention was a success as was the legislative session.

Walker gave his view of TDNA's current operation from the president's perspective. He said he thought the association's move and transition to the Texas Press Association (TPA) building was incredibly smooth. Space is adequate in TDNA's new offices on the second floor of the TPA building, but parking leaves something to be desired and makes visiting TDNA a little tricky.

Whalen summarized the Legislative Report (attached to file copy). Whalen said this year's legislative session was the most successful of the three he's covered with TDNA. Public notice and taxes were big issues affecting newspapers.

There was a big push for a shield law. Although the bill ultimately failed, it set the stage to make a bigger push during the next session. School finance took over from the beginning, so many bills this session didn't get hearings. Newspapers influenced amendments that were drawn for 10 bills.

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Whalen said that TDNA's partnership with TPA worked well this session. TPA's member services director Ed Sterling, who produces the Legislative Advisory Committee (LAC) legislative reports sent to both TDNA and TPA members, registered as a lobbyist for the first time. This added another set of eyes and ears at the capitol and also enabled Sterling to give more details to TPA's members. Newspaper interests were well represented considering the funds and numbers marshaled by opposing interests. For instance, there were 104 SBC lobbyists versus Whalen, Sterling, TDNA president Walker and LAC chairman Donnis Baggett.

Whalen said that two bills that newspapers wanted to push got caught up in the reduction in the number of bills that got hearings this session. The shield bill got hearings in both the House and Senate and created better awareness, which will help in the 2007 session. School finance also failed.

On a national level, Walker added he had met a couple of times with Senator John Cornyn, who is good on FOI but not a big fan of a shield law. It looks now like he will support a national shield law with the very rare and narrow exceptions, which will help states to formulate their own shield law issues.

Walker stated that he doesn't know if closing loopholes in the franchise tax law would be a good thing, which he has discussed with Texas Sen. Jeff Wentworth. Walker believes most newspapers as well as the public would be amenable to closing the loopholes, but he doesn't know how it would be structured. Newspapers need to put pressure on the Legislature, Walker said. He noted that law firms are exempt from any kind of taxes and wondered what papers pay a franchise tax.

Whalen presented the Finance Report (attached to file copy) and stated that TDNA has begun a solid financial recovery. He said that changes made last year paid off for TDNA by changing the cash deficit to a surplus. Annual budgets should product about \$80,000 in surplus each year from here on out.

Income for 2005 was budgeted at \$424,562 and \$367,706 in expenses were budgeted, producing a \$56,856 net profit. That net profit would reverse the (-\$24,489) cash deficit carried over from 2004 and turn it into a surplus of \$30,528 by the end of the year. This year's income and expense projections as of the end of May are under, but very close to, budget. Income of \$423,694 is anticipated at this time and expenses are expected to total \$368,676. A budget net profit of \$55,018 is projected, (-\$1,838) less than the \$56,856 net profit budgeted.

Walker added that the board does not anticipate repeating the legislative assessment that has been billed to members on a two-year cycle in recent years.

Whalen noted that the convention profit has also been reduced, which gives attendees a cost break.

Walker said he was a proponent of keeping dues at the current level in order to accumulate a reserve equal to one year's operating expenses, while being mindful of any tax consequences.

Whalen reported that one of the things he learned in his recent management training course was the need to establish a fund reserve policy, which is now one of his goals for TDNA. A policy governing TDNA's surplus would specify how much could be spent for new equipment, what expenses could appropriately be paid from reserve funds, and so forth.

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Doug Toney supported the idea of leaving dues where they are as prudent financial planning, and Gary Borders added that salaries and expenses will always continue to go up.

Darla Thompson presented the Membership Services Report (attached to file copy). She told the board that the project to gather e-mail addresses and fax numbers for all daily newspaper personnel was well under way and that TDNA would soon be gathering that data for associate members, journalism departments and corporate offices. Notices of journalism conferences were recently added to TDNA's website, and updates and improvements to the website are ongoing. Thompson also reported on current activities taking place in established programs such as the Linage Report, awards contests, and summer intern program.

Walker suggested that TDNA might want to combine directories with TPA.

Whalen presented the Annual Meeting Report (attached to file copy), explaining that the per-person cost to attendees was not as low as stated before the convention – although the thinking that produced that estimated reduction in cost was sound – because of higher-than-expected costs for the Sunday night buffet, a Driskill Hotel penalty fee for booking fewer rooms than contracted for, and low attendance which divided the total cost among fewer people.

A net convention profit of \$1,000 was included in the 2005 budget. The actual profit was projected at \$1,824, but that number was reduced to a profit of \$784 just before the board meeting.

Jeremy Halbreich, who could not attend the board meeting, sent his comments via e-mail suggesting that: 1) the Sunday evening reception have a less bountiful spread of food and a reduction in entertainment/music; and 2) the board consider raising the convention deposit from \$150 to \$250 and making it non-refundable three or four weeks prior to the event.

Those suggestions were supported by the board, and admitting non-members to TDNA conventions was also discussed. Bob Carlquist asked that the board serve as a committee of the whole to come up with convention ideas for next year.

The board discussed a number of possibilities for future conventions – which included inviting weekly newspaper staff, providing separate programs for larger and smaller dailies, and holding joint conventions with TPA.

Ken Whalen presented the Membership Status Report (attached to file copy). TDNA expects to receive \$411,804 in dues for 2005 -- \$390,324 from newspapers and \$21,480 from associate members. The board discussed newspaper websites and how online reporting may be changing the definition of a newspaper and thus qualifications for TDNA membership. Walker and Whalen agreed to discuss “newspaper” versus “communicator” and, at the direction of the board, Whalen will continue to pursue this subject and will make a recommendation to the board concerning TDNA by-law changes.

Darla Thompson will contact board members at a later date to organize personal calls to firms on the list of potential associate members included with the Membership Status Report.

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In miscellaneous actions, board members present at the meeting signed an amendment to TDNA's retirement plan with Jefferson-Pilot making Kenneth Whalen the pension plan trustee replacing Philip A. Berkebile.

Charles Moser requested that the entire board be sent a fax or e-mail copy of any stories involving board members or officers. This followed discussion of the recent article in San Antonio Express-News for which Larry Walker was interviewed.

The meeting was adjourned at 12:30 p.m.

Respectfully submitted,

Kenneth Whalen
Executive Vice President