

SPJ Executive Committee Minutes

SPJ Exec. July 17, 1999

July 17, 1999 - Indianapolis

Meeting Date: July 17

Meeting Place: Palmer House Hilton, Chicago, IL

Roll Call:

Present: 8

Wendy Myers, President
Kyle Niederpruem, President-elect
Fred Brown, Immediate Past President
Mac McKerral, Vice President for Campus Chapter Affairs
Regional Directors Jay Evenson and Ginny Frizzi
Alvin Cross, Chair, Project Watchdog
Jim Gray, Executive Director

Absent: 1

Ray Marcano, Secretary-Treasurer

Others Present:

Howard Dubin, Chair, SPJ Facilities Committee, and SDX Foundation treasurer; Chicago Headline Club (SPJ Pro Chapter) members: Rob Hess, President; and Headline Club board members Steve Rynkiewicz; Ilyse Glink; Christine Tatum; and Bob Roberts.

The meeting came to order at 8:10 a.m. CDT

Myers welcomed the members of the Chicago Headline Club. Howard Dubin, who serves as treasurer of that SPJ Professional Chapter, noted that of the more than 350 members of the Headline Club, about 150 have not paid SPJ national dues. He said there was a "spirit of rebellion" in the chapter. Elise Klink, immediate past president of the chapter said she and others in the leadership had received a number of calls, letters and e-mails from members who gave various reasons for not paying national dues including, "I can't afford it;" "I don't feel like it," etc. She said she had a hard time giving these non-paying members a compelling reason to pay national dues. Christine Tatum asked if national could be more flexible billing options. Executive Director Jim Gray noted that there were several innovative membership promotion and payment options in the works, but that flexibility in billing was one aspect that could be implemented immediately.

Al Cross noted that the Blue Grass Chapter (Kentucky) adheres to the national policy that states that it is a requirement to belong to (and therefore pay dues to) national SPJ in order to belong to a local professional chapter.

Steve Rynkiewicz said with many members' salaries in the low 20s that asking for \$90 is difficult.

Tate urged national SPJ to make it clear that national is on the front lines of the Freedom of Information battle; that we ought to market our Legal Defense Fund more prominently; that SPJ should be more efficient in notifying members of job openings, fellowships, etc. Also, she said SPJ should do what it

could to overcome the perception that the organization is predominantly print-oriented.

Kyle Niederpruem noted that this year's convention would contain more broadcast-oriented panels and workshops than in any previous year and that much of the programming was oriented for college students.

Howard Dubin reviewed some of the Chicago chapter's membership numbers but also urged the institution of "creative" billing and to make certain that with each bill SPJ includes promotional information so that members understand the work the organization does.

Myers asked if the 150 non-paying members of the Chicago chapter could be surveyed. Klink said that was possible.

Mac McKerral noted that while student membership numbers continued to be good – largely because there is a good network going among student chapters – that national seems to be losing these individuals about two to two-and-a-half years after graduation. He speculated that while salary may be an important issue that there may be others that SPJ should endeavor to find out.

Myers thanked the members of the Chicago Headline Club for coming to the meeting and urged their continued support of SPJ.

President's Report

Post Graduate Task Force. Elizabeth Kelly, a former campus rep-at-large, and now a reporter in Kansas City, is surveying recent grads and preparing recommendations on how to retain college members as they become working journalists. She will present the survey results and task force recommendations at the October board meeting.

Maggie Balough Resigns. Maggie decided to step down from her post as FOI co-chair. She expressed concerns about the board's decision to close portions of the April meeting and a new contributor's contract for Quill. Ian Marquand will take over Maggie's projects. We appreciate the contributions Maggie has made to SPJ.

Legal Defense Fund. On Monday, Ian Marquand, Bruce Cadwallader, and I decided to give \$1,000 and join an amicus brief for a case involving the Los Angeles magazine. Bruce Brown at Baker & Hostetler, reviewed the case and endorses our support. The case involves Dustin Hoffman and the magazine's use of a photo of the character, "Tootsie." In a spring '97 fashion spread, the Tootsie character and other movie icons were digitally re-clothed through the use of computer and stand-in models. The article's goal was to provide a tongue-in-cheek look at new fashion trends by modernizing old movie wardrobes. In the trial, a judge awarded Hoffman \$3 million in damages. This case represents an opportunity to develop stronger First Amendment applications in the tide of celebrity-driven privacy and publicity claims.

Washington, D.C. Pro Chapter. In June, Jim Gray and I attended the DC Pro Chapter's "Hall of Fame" and journalism awards dinner at the National Press Club. I also installed their new officers. Jim and I talked with several members about our facilities progress.

Executive Session Update. I've talked with Region 8 director Todd Gillman and Austin Pro Chapter president Kathy Walt about our April board meeting executive sessions. Todd is attending the chapter's board meeting (today). I've invited Kathy or a member of the Austin chapter to help us draft the executive session guidelines. I'll give you more details when we discuss this issue later in the agenda.

Professional Funds Management. I continue to be concerned that our invested reserves are not under the management of an outside professional. I would like the executive committee to recommend to the board that we move toward professional management so that our fiduciary responsibility to the membership is fulfilled correctly.

Executive Director's Report

(Incorporating Analysis of Financial Condition)

Staff Issues. SPJ continues to experience challenges directly related to staffing, notably getting the work done in a professional and correct way, including invoicing, membership matters, etc. New staff member Jeff Mohl comes to us from DePauw. He is a new graduate with a degree in computer science and he was a media fellow at the Center for Contemporary Media. Jeff also served as editor of the DePauw newspaper and served a number of internships at papers around the country. Julie Grimes will be returning to the staff as director of communications in mid-August. She is on an 8-week leave of absence. I particularly want to single out the superior work of Stacey Steele, who just competed her freshman year in college and who has single-handedly coordinated the Scripps Leader Retreat.

Member Survey. Each member of the Executive Committee received my preliminary take on the member survey. We sent 3000 and needed 400 for statistical accuracy. We received nearly 700, many with hand-written notes to me. The result is attached to these minutes.

Financial Matters. The news is not good. It appears that we will end the fiscal year at or near break-even. We are showing a small surplus at the end of June of just under \$2900. I am concerned that too much of our financial involvement is passive, i.e., membership invoicing is on automatic pilot with no personal contact or follow-up. Also, institutional membership which traditionally comes into the treasury in June was not billed until two days before this meeting. I re-billed everyone we had from last year and asked each to increase their contribution by 20%. Unfortunately, this is a lost opportunity for this fiscal year, but could be a boon to next year's, as those who choose to renew will send checks that we will receive after the beginning of the new fiscal year.

Uncashed Checks. I have instituted a policy wherein any check not cashed within 24 months of issue will be voided and those funds will be reclaimed. We have notified those whose checks are about to be voided of this policy and have received a number of requests to reissue checks. This is particularly a problem with checks sent to pro and student chapters. A notice will be sent to all in the next chapter mailing.

[A motion by Kyle Niederpruem, seconded by Fred Brown: Reduce the reclaiming time to 12 months, while instituting a second policy in which any check recipient who has not cashed an SPJ check after 90 days receives a call verifying receipt. A report should be made on the success of this program at the convention in Columbus in 2000. Unanimous.]

Other Business. Workshop results for this fiscal year were not good. Last two were particularly bad because there were no sponsors. SPJ's ongoing problem with meeting room-night guarantees continues to have an impact on the bottom line, too. I will be contracting out this particular function to Meetings Management Group in Indianapolis, whose sole business is meeting management, including dealing with hotels and travel arrangements. Most of their income will be derived from commissions and SPJ will probably have to spend between \$5000 and \$7000, but the resulting savings in staff time and minimized losses at regional workshops and other meetings will more than compensate. Unmet guarantees in Ontario and Atlanta alone cost \$4000.

[McKerral voiced support for professional meeting management, noting that regional directors could not be expected to fully understand the intricacies of dealing with hotels, etc.]

Quill. The Finance Committee set an overly optimistic goal of \$100,000 in revenue from Quill, but we will fall far short of that. I am concerned with the performance of the agency we hired to sell advertising. My opinion is that their compensation is overly generous. In any case, we set a goal of \$15,000 gross revenue per issue and the results are not there yet. I believe further that we must look at the Quill business unit from top to bottom and evaluate where we want to be with this product. It is clear that we are not competitive with AJR, CJR, Brill's or any other media-related magazine.

[McKerral and Cross offered opinions about the content and look of the magazine.]

We need a top-to-bottom review of the magazine operation and the first and foremost goal is to achieve financial stability. I propose the following actions to get to that goal:

First, the Quill editor must be on-site. It is an impossible management situation with the editor not reporting to the office on a regular basis. Second, design and layout of the magazine should be performed on site, as well. Currently, we pay \$2,700 per issue to a layout person in Pennsylvania. We also pay someone in Ohio \$750 per issue to proofread. Assuming we have a competent computer-graphics person on staff, then that person should perform these functions. Third, we must decide what we want our publication to be and that means a discussion about content. This will mean a protracted debate about whether or not this publication should be the Society's newsletter or a full-fledged magazine. Finally, as part of my own restructuring of the staff and division of duties, I plan to create a communications department and Quill will become a part of that department.

[Another discussion ensued concerning the per-issue budget for freelance contributions, which Gray said was about \$7,500. Quill pays from \$1200 to \$1500 for a cover story; \$500 to \$750 for a secondary story; and \$750 to \$1000 for cover graphics. Columnists Feola and LaRocque receive \$500 for each column.]

Contract Issues. Of great concern to me is the fact that for the past two years, at least, Quill has operated without contributor contracts. This puts Quill and SPJ at great risk. We have a current case in which a freelancer claims he has not been paid for materials he submitted and even though he had an oral agreement, he says he has not been compensated fairly or promptly. This issue developed several years ago when Maggie Balough was editor. She took the position that the contract in use at that time was not fair to freelancers. She worked with Baker & Hostetler to develop a contract but the matter was never concluded. I took up the matter and developed a contract, also with B&H (copy attached). I have now insisted that these contracts be used and this is a principle reason Maggie resigned because she refused to use these for contributors to the FOI issue which she had been overseeing. The fact that we have not had a contract has also come to the attention of the American Society of Journalists and Authors. We have been threatened with a lawsuit by them, principally over the issue of royalties they allege are due freelancers for material SPJ receives royalties for. Several data collection services include Quill and SPJ receives a small royalty each quarter from these services. ASJA claims SPJ should share this money with freelancers.

[Dubin asked how other journalism magazine freelance contracts compare. Cross and Niederpruem suggested checking with some SPJ freelance members.]

I plan to post our new contract on the web site so that anyone contemplating writing for Quill can see exactly what our contract looks like and can either agree to sign it; negotiate on any sections they don't agree with; or not do business with us.

SDX Investments

Howard Dubin said there is now \$1.25 million in cash in the Pulliam General Fund which is used to fund fellowships (at about \$60,000 per year). He said he kept 20,000 shares of Central Newspaper stock, selling the balance and investing in high yield funds. The rest of the SDX money is invested in fixed income securities. He said he is nervous about jumping into the market, so he favors more conservative investments. He specifically advises against using a bank trust department. At this point, Dubin, said he would agree to an experiment in which SPJ moved about \$400,000 of its reserves and SDX moved about \$600,000 of its funds (total \$1 million) to professional management. Myers directed Gray to request proposals from professional fund managers and invest these funds for a period of one year to compare results with current performance.

Convention Updates

Niederpruem presented a brief report on the forthcoming Indianapolis convention. She said fundraising

had reached the \$60,000 mark, with additional proposals for sponsorships still out with Eli Lilly Company and Emmis Broadcasting. Gray reported he had secured a \$5,000 sponsorship from Editor & Publisher. They will underwrite the production of "Working Press" as well as distribute their magazine to all rooms in the Westin Hotel. Niederpruem continued that Saturday would be a "heavy duty business day" with committee meetings and board meetings throughout. A change in the traditional programming will have candidates for office at the opening session. She said we still need an LDF roast subject and that Ray Marcano has been asked to assist in securing someone. Al Cross noted that his Project Watchdog panel would be quite celebrity-heavy. The following have agreed to appear on the panel, moderated by Ken Bode: Howard Fineman (Newsweek); Maura Liason (NPR); Brooks Jackson; Sam Fullwood; Mary Beth Schneider (Washington Post); Tom Rosensteel; and Fred Barnes. This program has been underwritten by a grant from the Freedom Forum and will be held Monday evening, October 3 from 6 p.m. to 8 p.m., followed by dinner.

Other conventions: Gray reported that he had been to Columbus (Ohio) to meet with next year's planning committee. The day before this meeting, convention chair Bruce Cadwallader notified him that fundraising was now at \$40,000, with the Columbus Dispatch as the major sponsor (\$25,000) and Nationwide Insurance (\$15,000) as a secondary sponsor. Gray and Niederpruem met with the organizing committee for the Seattle/Bellevue convention (2001) and advised them of their responsibilities. Gray noted the concern of this group for fundraising, arising from the fact that Seattle also will host a regional conference.

Nominations

Fred Brown presented the following nominations:

Region II: Julie Asher

Region III: David Sedore

Region VI: David Aeikens

Region X: no nominee

Region XI: Mark Scarp

Region: XII: Lisa Rawlins

Officers:

President: Kyle Elyse Niederpruem

President-elect: Ray Marcano

Secretary-Treasurer: Alvin Cross

VPCCA: David Carlson

Other Races:

At-Large Director: Mac McKerral

At-Large Director: Charles Davis

Campus Rep: Michelle Swafford

Campus Rep: Kevin Koleing

Brown noted that as of this meeting there are no contested races, and that it was especially difficult recruiting candidates.

Unity '99

Niederpruem and Gray attended Unity '99, staffing an SPJ booth at the trade show. The SPJ exhibit also debuted the prototype for the Rainbow Resource Guide, which received wide praise and interest. Niederpruem noted the exceptional work that Diversity Chair Sally Lehrman has performed in putting together this project. She hopes to have a working model available for the Indy convention. Also of note is the large number of Unity attendees who came by the SPJ exhibit, saying they had no prior knowledge of SPJ or any of the work it does. Gray said the "marketing department" duly noted those comments.

Strategic Planning

Niederpruem noted that the project was already over budget, largely the result of high travel and lodging costs, especially for those committee members who have to travel long distances. But she added that the committee was the most diverse and representative SPJ has ever had and, as a result, felt the outcome would be more valuable and useful. She and Gray will meet with facilitator Chuck Loring on July 22 to finalize materials and subject matter for the next meeting of the committee on July 31 and August 1. She noted that on advice of Loring that a final report will not be possible by the time the convention begins because most of the meetings have been spent collecting information and no time has been spent analyzing this information or developing an action plan. The plan is to give both SPJ and SDX boards a detailed up-to-date report in October in lieu of a final report. Also, the committee will seek additional funding from the Foundation so that it can complete its work.

Awards

The following individuals were unanimously selected to receive awards:

Distinguished Teacher: Dr. Bailey Thompson, University of Alabama

Outstanding Graduate: Mary Louise Schumacher, University of Maryland

Eschelman Award for Campus Chapter Advisor: Neil Ralston, Truman State

[There were no selections for SPJ Fellows]

Howard Dubin Award (large chapter): Mike Cochran

Regional Director: Ginny Frizzi

Myers moved and Frizzi seconded a motion to put forward Gerald Lyons to be considered for a State Sunshine Award. Gray will forward this nomination to FOI Chair Ian Marquand.

[After adjournment, the officers present met to select the recipient of the Wells Key. Their selection will be announced at the convention in Indianapolis.]

McKerral suggested a number of revisions in guidelines for awards. These are attached to the minutes. Myers asked McKerral to contact Awards Chair June Almquist and SPJ Awards Director Mary Giles with these suggested changes. There is an expectation that new guidelines will be presented for discussion and approval at the October board meeting.

Affinity Programs

Gray presented three proposed additions to SPJ affinity programs.

1. Fred Sands Realtors. This program would offer members discounts of 20% on realtors fees when buying or selling a home or condominium. Some states are excluded by law. There is no royalty to SPJ. This is strictly a value-added member benefit. [McKerral moved and Niederpruem seconded a motion to add this program. Unanimous.]

2. Herman Miller for the Home. This high-end office furnishings offer would give substantial discounts to members on purchases for home offices. Because the Miller Website would feature the SPJ logo, committee members expressed concern that this would present ethical problems. [The program proposal was rejected.]

3. Royal Caribbean Cruise Lines. This program will offer SPJ members discounts on cruise vacations and a 1% royalty each quarter to the Society. [Brown moved and Evenson seconded a motion to accept this program. Unanimous.]

Facilities

Howard Dubin, chair of the Facilities Committee rejoined the meeting.

Gray reviewed his Report and Recommendation which had been e-mailed and faxed to Facilities Committee members, SPJ Board members, SDX Board members and all national committee chairs. A copy of that report is attached.

Dubin said he and two other members (Paul McMasters and Sara Stone) wanted to resign from the committee because it "no longer had a real role or purpose since a succession of executive directors" had assumed much of what the committee was charged with doing. Gray urged Dubin, McMasters and Stone to reconsider their resignations since they had specifically delegated to Gray the job of researching options in Greencastle and Indianapolis. Further, Niederpruem and Myers pointed out that the Facilities Committee will continue to play a role as liaison to the SDX and SPJ boards as planning for the eventual move progresses.

Much of the ensuing discussion centered on the organization's ability to afford to buy a building in Indianapolis which Gray had identified as an ideal site for relocation. (Real estate promotional sheet is also attached to these minutes.) Purchase, renovation, furnishing and equipping such a building will probably be in the neighborhood of \$750,000.

Another discussion concerned the ability of the organization to afford to own a building rather than lease. Dubin said the big question remains: "Can we afford to buy and maintain a building?" All agreed that the Foundation could purchase the building and lease most of it to SPJ at fair market rental rates. Gray said the Society's legal counsel could structure a deal appropriately that would satisfy all legal and IRS requirements. Dubin, responding to questions from McKerral, agreed that the purchase of a building in Indianapolis, rather than the construction of a building in Greencastle, would be a sounder investment of the Foundations assets.

Dubin then added that such a move would be a big step forward and then he reiterated his pledge to support the effort financially. Gray asked what that support would be and Dubin replied that he would pledge \$100,000 in two installments of \$50,000. Gray thanked him and noted that with that pledge he could base a capital campaign.

Myers moved and Brown seconded a motion to adopt the following resolution to be presented to the SPJ and SDX boards of directors:

Whereas it is desirable for the Society of Professional Journalists to be in a facility larger than 5,000 square feet with room to grow; and

Whereas it is important for the Society to have access to a larger and diverse labor pool; and

Whereas it is desirable to own an asset rather than pay rent in perpetuity; and

Whereas it is critical for the organization to have available to it the latest technology, better transportation options and access to professional services,

Be It Resolved that the Executive Committee of the Society of Professional Journalists recommends to the Boards of Directors of the Society and of the Sigma Delta Chi Foundation that SPJ proceed with the relocation of its headquarters to the city of Indianapolis and that the Society pursue the purchase of a

building to house its operations and the operations of the SDX Foundation.

Brown said he was concerned there may be feelings that the decision to move to Indianapolis was driven primarily by the executive director's wishes. Myers, however, noted that the decision is purely economic and not a matter of where SPJ's executive director lives. Brown said he wanted to be certain the work of the Facilities Committee was acknowledged because it was a lot of work and their contribution should not be ignored. Myers assured him the committee's work and its members would be thanked appropriately and acknowledged.

McKerral said everything anyone does comes with risk; that SPJ had lost many opportunities over the past three years for fear of making leaps at certain decisions. Myers added that she hoped the Facilities Committee would act as advocates for the decision to relocate to Indianapolis to the SDX Board.

Gray asked that the news about this decision not be disclosed until after he meets with the SPJ staff on Tuesday (July 20). He said staff had been ignored in previous discussions and there had been a break in faith with them. Gray added that he hoped by leveling with the staff that he would be able to oversee a smoother transition. He advised the Executive Committee that cash incentives would probably be needed to keep current staff on board until the actual move. He plans to offer each current staff member a position in Indianapolis if they so desire.

The Committee members then determined notification procedures for members of the SPJ Board, SDX Board, national committee chairs and other interested parties, including Dr. Robert Bottoms, president of DePauw University and Dean Jim Brown of IUPUI.

Myers said the charge of the Facilities Committee would continue since it would be through that committee that communication about any location opportunities should come at least through the Indy convention. She asked Dubin to extend the sincere thanks of the Executive Committee to the members of the Facilities Committee for the work they had done and for the work she hopes they will continue to do until the relocation process is complete.

Legal Matters

Gray informed the Committee that Baker & Hostetler had recommended a minor by-laws change that would automatically make the executive director assistant secretary-treasurer, technically an officer, without a vote. B&H attorneys acknowledge the de facto authority of the executive director to sign contracts, etc., but they feel the Society would be in a stronger legal position if the executive director technically were an officer. Myers directed Gray to contact By-Laws Chair Bill McCloskey.

Gray also informed the Committee that B&H is working on resolving the absence of a registration of the Society and the Foundation to legally conduct business in the State of Indiana. Apparently, no papers have been filed since the organizations moved to Indiana from Illinois in 1990.

Policy on Fax Ballots and E-mail Ballots

McKerral said he would like to see guidelines on fax balloting that incorporate five points: 1. An explanation of the significance of an issue; 2. Availability of information prior to a vote; 3. Ample time to discuss a given issue; 4. Rapid notification of the results of any such vote; and 5. Establishment of a sufficient amount of time for board members to respond.

These issues will be studied further and a report or policy for the October board meeting is possible.

Policy on Executive Session

Myers said it was important to make it clear to our members that we (the board) want to be as open as possible. She said she had talked with Austin Pro Chapter president Kathy Walt about her vehement objections to the closed sessions. Myers also said that Regional Director Todd Gillman was visiting the Austin chapter and Gray added that he had faxed blue-line copies of the forthcoming issue of Quill which contained a full discussion of the executive session issue.

McKerral reminded the committee members that closed sessions had happened many times before, especially during the tenure of individuals who had signed a letter of protest. Niederpruem added that members have to realize that elected leaders have to make tough decisions and the decision to close a meeting is never taken lightly. Cross said the biggest problem of the April board meeting was that the board closed the meeting three times in one session without guidelines. Brown agreed that guidelines should be written. Myers said that the board as a whole should work toward the development of narrowly drawn guidelines. Myers appointed Brown and McKerral to draw up guidelines and asked that they invite Kathy Walt to work with them on the project.

Membership

Gray urged the Executive Committee to take the lead in promoting membership. He said numbers continue to fall (citing the ongoing tally he includes in the Leader Update) and without members to support the work of the Society there would not be sufficient funds to carry out the programs our members need. He added that the membership function must be assumed by everyone in the organization. By the time of the convention in Indianapolis he said he expects to have several membership marketing proposals that will incorporate "value pricing" and flexible billing plans.

Adjournment

Brown moved and Frizzi seconded a motion to adjourn the meeting at 5:40 p.m.

Respectfully submitted,

James L. Gray, CAE

Executive Director