

The Iowa Public Radio Board of Directors met on February 26, 2013, at Space2Work in Des Moines, IA. Present for the meeting were Chairman Kay Runge, Vice Chairman Doug West, Directors Art Neu and Steve Firman. Directors Gloria Gibson, Warren Madden and Mark Braun joined by phone. Chief Executive Officer Mary Grace Herrington, Chief Administrative Officer Kelly Edmister, and Executive Assistant Deirdre Giesler attended from IPR.

The meeting was called to order by the Chair at 1:00 p.m.

### **Agenda**

Director Firman moved and Director Neu seconded to approve the agenda as presented. Motion passed unanimously.

### **Chairman's Report**

Chair Runge asked the board members to review the materials Herrington sent out electronically. Hard copies will be mailed.

### **Minutes**

The minutes of the December 13, 2012 meeting were reviewed. Director Neu pointed out that he should not have been given the title "Chair" in the 3<sup>rd</sup> paragraph of page 2. Director Neu moved and Director Firman seconded to approve the minutes as corrected. Motion carried unanimously.

### **Finance**

#### *Finance Committee Report*

Vice Chair West said the committee plus Roger Nearmyer, Bob Holtzbauer and Molly McWilson from Cremers, Holtzbauer and Nearmyer met January 24. The final audits were not available but Nearmyer reported that unqualified opinions would be issued on the IPR audit as well as the three radio station audits. The concern of how to handle the misapplication of funds as part of the budget was discussed. It was determined that it is permissible under the terms of our endowments to access principal funds to address the shortfall of approximately \$250,000. Cash forecasts will continue to be reviewed. Steve Firman confirmed that the report covered the meeting adequately.

Chair Runge requested audit fee information. Edmister will email the Cremers, Holtzbauer and Nearmyer contract.

*FY12 Financial Reports* –The January 31<sup>st</sup> reports were presented which Edmister referenced as the most current financial information available. Operating revenue was discussed. It was noted that the Annual Financial Reports and SAS Surveys have been filed with the Corporation for Public Broadcasting (CPB). An additional \$211,000 is expected in funding from CPB now that the Annual Financial Reports and SAS Surveys have been filed. It was noted that Membership revenue is under budget year-to-date but that the pledge drive scheduled to begin March 7 should help this situation. It was also noted that Underwriting revenue is under budget year-to-date. Edmister reported that as of January 31<sup>st</sup> there was approximately \$493,000 in underwriting contracts that have been sold and will be billed between February and year-end.

Vice Chair West asked about the length of the pledge drives. Herrington responded that the pledge drive is a number of days longer, but not as much interruption per day. We anticipate three campaigns per year moving forward.

Major gifts are under budget year-to-date. Edmister reported that Events revenue is also under budget year-to-date but that this is due to the Insights Series sponsorships being sold through Underwriting this year. It is anticipated that this variance will be less as the series progresses. Edmister noted that the Other revenue line item is more than budget year-to-date and outlined the items making up that category.

Operating expenses were discussed. The largest expense line item is compensation which is under budget year-to-date. Edmister noted that this is due to attrition and positions budgeted but not filled or not filled as quickly as anticipated.

Programming fees, the next largest line item, is under budget year-to-date. Edmister noted that the process for budgeting and tracking programming fees continues to be refined.

Depreciation expense is under budget year-to-date but may change somewhat by year-end. This occurs each year because each university updates the fixed asset schedules differently. Edmister noted that the depreciation expense was a non-cash item.

Both Facilities and Telecommunications expenses are under budget. Edmister noted that the budget had included the build-out of KHGM near Sioux City. Since this project has been delayed, the expenses will not occur.

Professional expenses are over budget. Edmister noted that some of this variance will take care of itself by year-end. For example, the annual audit fees were budgeted evenly on a monthly basis but since the audits began and finished earlier this year, the expenses were incurred earlier this year as well. It was also noted that legal fees were budgeted in the same manner but that the amount budgeted for the

license renewals of \$7,500 occurred mostly in the September & October timeframe since the filings were due October 1.

In reviewing the Balance Sheet on page 4, Edmister distributed a corrected version pointing out an error in the restricted assets. It was noted that the corrected version will be emailed to those participating via telephone. The makeup of the restricted and unrestricted assets changed but net assets in total were not impacted.

Director Gibson moved and Director Madden seconded to approve the financials as presented. Motion passed unanimously.

**Closed session – 1:40 pm**

Vice Chair West moved and Director Neu seconded to close the session to discuss personnel performance. A roll call vote was taken:

Art Neu, Aye  
Doug West, Aye  
Gloria Gibson, Aye  
Kay Runge, Aye  
Mark Braun, Aye  
Steve Firman, Aye  
Warren Madden, Aye

The board moved into closed session.

Respectfully submitted,

Deirdre Giesler  
Recording Secretary

**Open session – 4:56 pm**

The board returned to open session.

Director Neu moved and Vice Chair West seconded a motion to terminate the employment contract of Mary Grace Herrington, Chief Executive Officer of Iowa Public Radio.

Chair Runge asked for discussion. Hearing none, the vote was called.

Art Neu, Aye  
Doug West, Aye  
Gloria Gibson, Aye  
Kay Runge, Aye  
Mark Braun, Nay  
Steve Firman, Aye  
Warren Madden, Aye

The motion passed 6 to 1.

**Adjournment**

Meeting adjourned at 5:04 p.m. The next meeting will be held on Monday, April 15.

Respectfully submitted,

Doug West  
Vice Chairman