

Board of Directors Meeting Minutes
January 25, 2006

The Iowa Public Radio Executive Council (IPREC) convened at 1:05 PM Wednesday, January 25th, 2006 in room 128 of the Pappajohn Center in Des Moines.

Members present: Art Neu, Chair, Kay Runge, Steve Parrott, Warren Madden, Cindy Browne. Other attendees: Don Wirth (ISU), Joan Kjaer (UI), Wayne Jarvis (UNI), Bill McGinley (ISU), Diana Gonzalez (Board of Regents) Susan Anderson (Board of Regents), Steve Firman (KUNI Friends), Wayne Reams (Belin Law Firm), Judy McCoy Davis (jmd Consulting).

The IPREC meeting was called to order by Chair Neu. The following outlines discussion of agenda items at the meeting:

Approval of December 21, 2005 minutes

Don Wirth noted that the word “Local” was missing from the reference to the Management Agreement on page 2. Browne explained that for public purposes, we will use the terminology “Management Agreement” because it is more easily understood. Madden moved to approve the minutes of the December 21st meeting, which was seconded by Parrott.

Executive Director’s Report

Financial Report:

Wirth reported on the financials provided to Executive Council (EC) in earlier e-mail. He indicated that IPR is moving forward as budgeted. He reviewed the process and timeline for development of the FY 07 station operating budgets. The Executive Council will review budget drafts at the April and May meetings. A final budget will be presented for approval at the June meeting.

Wirth then provided an overview of university support for the stations over the past five years, which reflect the fact that combined university cash support for the stations declined by \$833,244 (31%) between FY 02 and 06, and \$242,183 (12%) between FY 03 and 06. This latter figure is particularly relevant in light of the Bornstein report recommendations that a \$300,000 reduction in university support over a period of five years would be reasonable. Given that this recommendation used FY 03 as its baseline, it should be recognized that 75% of the target reduction has already been achieved.

Discussion of the universities’ annual budgeting processes and the treatment of university support in the Management Agreement ensued. Only one of the stations is being asked at this point to reduce its budgets in the coming year. IPR staff and EC members will work with their respective institutions to ensure continued funding at FY 06 levels at a minimum and in one case, to pursue an increase to equalize the institutions’ station contributions.

Gonzales noted that once IPR gains 501(c)(3) status it will have a vendor-client relationship with the Board of Regents and the Universities’ contributions will be part of the Management Agreement.

Transition Update

Browne referenced a report sent before the meeting that provided updates on various IPR activities and team projects. There were no questions or comments.

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Browne then reviewed the proposed strategic planning process and asked for feedback. Members generally felt that 1-2 day retreats were overly ambitious and asked for a scaled down process that relies on shorter meetings, perhaps utilizing ICN so that presentations don't have to be repeated across the state. It was suggested that a smaller staff group do the majority of the research and planning work and then present draft proposals to a larger group. The idea of including external participants was generally supported, with concerns raised about equal representation from station communities. Another suggestion involved posting proposals online to generate wider public feedback. Browne will work with the management team to revise the process as directed.

Browne reviewed a hypothetical continuum that explored the relationship between various levels of investment in change to the expected returns in growth and efficiency. Members agreed that we should set maximum growth and efficiency as our target, understanding that it could require a substantial amount of change, although we don't know exactly what that change will be at this point in the planning process.

Browne reviewed a revised draft of the transition bridge fund proposal which clarified issues raised at the last meeting. Don Wirth noted that while many of the transition projects represent one-time expenses, the hiring of the senior team is an on-going commitment. Madden reminded the group that efficiencies and growth are both important. Members gave their consent for the proposal to be put into action with the safeguards identified.

Transition Funding Update

Browne reported that the CPB proposal requesting \$300,000 for the first phase of the transition was submitted on January 12th. A meeting in Washington, D.C. has been set for February 8th to discuss it further. CPB staff continue to be "extremely interested" in this project because it represents a compelling story of reinvention that could be used as a model for other public radio organizations.

Browne and McCoy Davis have begun work on the case statement that will guide and support the Iowa campaign seeking local funding for the transition.

Other

Browne reported on her meeting with Michael Gartner on January 24th and previewed upcoming meetings with the Des Moines Public Schools and the Board of Regents. She reminded members of the event and dinner coming up on January 28th.

IPR Corporate Structure/Governance

Articles of Incorporation

Per Diana Gonzalez, the Articles of Incorporation can be filed at any time. Reames will do so in the next week.

By-Laws

Wayne Reames walked members through the draft IPR By-Laws, reminding the group that by-laws can be changed to fit the evolving needs of the organization and that they are an internal document.

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Discussion about the two classes of directors resulted in several changes that simplify the structure. It was recognized that IPR may establish relationships with other radio entities in the future and members agreed that it may be desirable to explore expanding the board at that time, but for now, the By-Laws will simply codify the current arrangement of two community directors and three licensee directors.

The question of whether majorities are required of each class or of the board as a whole relative in determining a quorum and for voting was unresolved and will be clarified before the next meeting.

During discussion about the various committees the IPR board may create, Madden suggested that in many cases, the audit committee is a non-board member, usually a CPA who provides this service pro-bono. McCoy Davis emphasized that the key thing is to maintain separation between the finance committee and the audit committee.

A discussion about open meeting/open records led to a determination that this does not need to be referenced in the by-laws because it will be written into IPR's organizational policies. It was agreed that IPR's intent is to be open and transparent, complying with CPB policies, FCC requirements and State laws with regard to these kinds of issues. Reames suggested one of IPR's policies should define a process that clearly informs the public and the media about how to access IPR information. McCoy Davis handed out a background piece on the implications of Sarbane-Oxley for nonprofits, which addresses these and other issues.

While the offices of Chair and Vice-Chair are filled, those of Treasurer and Secretary have been open until this point. Parrott moved to elect Madden to the office of Treasurer, which was seconded by Runge and approved by all members present. Madden moved to elect Parrott to the office of Secretary, which was seconded by Runge and approved by all members present. Both offices carry a one-year term.

Still undecided is the term of the Community Directors. This question will be resolved before the next meeting.

The By-Laws will be revised to reflect today's discussion and presented at the February meeting for approval.

Conflict of Interest Policy

Reames explained that the policy's intent is to impose the duty of full disclosure on board members and that when a potential conflict is disclosed, the board can then determine whether a conflict actually exists. McGinley raised the potential conflict of interest inherent in the fact that the Licensee Directors are University employees. Madden clarified that what is required is that Licensee Directors disclose this relationship; it doesn't disqualify them from board participation. Reames added that we can add language to specifically address this issue, one that is unique to our situation. Parrott moved to adopt the policy as written, seconded by Runge and approved by all members present.

Directors and Officers Insurance

Wirth is exploring our options and will present recommendations at the next meeting.

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Management Agreement

Browne reported that she and Reames continue to explore licensee issues and once we have Regents staff input, will schedule a call with the committee.

Next Meeting

Next meeting scheduled for February 28, 2006 at 1:00 p.m. at the Pappajohn Center. Ensuing meetings will be held on March 30, 2006 and April 27, 2006.

The meeting was adjourned at 4:25 p.m.

Respectfully submitted,

Cindy Browne
Substitute Recording Secretary