IOWA PUBLIC RADIO.

Board of Directors Meeting Minutes

July 28, 2010

The Iowa Public Radio Board of Directors held their regular meeting July 28, 2010 at the Des Moines Studio at 2111 Grand Avenue. Present for the meeting were Directors Art Neu, Kay Runge, Steve Parrott, Warren Madden, Steve Carignan, and Mary Grace Herrington. Present from the Leadership Team were Jonathan Ahl, Don Wirth, Scott Rivers, Al Schares, and board liaison Matt Sieren.

Chair Runge called the meeting to order at 1:56 p.m.

Director Runge entertained a motion to approve the minutes of the May 26, 2010 Board meeting. Director Madden moved to approve the minutes as corrected. Motion was seconded by Parrott. Minutes were approved unanimously.

Executive Update:

Herrington presented the Executive Update which included a status report on the Employee Reclassification Project. Herrington shared that concept meetings had been completed with university stakeholders and the Board of Regents staff, per the direction provided by the IPR Board at their May meeting.

> Madden asked whether IPR wants to be a completely independent organization or if it wants to contract with one of the institutions to do this, adding that if IPR wants to contract with a University institution, Herrington will need to get the entity to agree to this.

Herrington indicated there are several implementation options and concluded that it is her goal to present to the Board a final proposal in October for consideration and seek approval in December.

Herrington presented concerns with current space at 2111 Grand Avenue given growth objectives – people and equipment – over the next three years. First draft staffing plans and space needs were shared – all supporting increasing private revenues and expanding the news and information services from Des Moines.

> Per Board request, Herrington agreed to complete a review the current facility and its expansion options as well as other facilities in downtown Des Moines. Herrington agreed to present a proposal in October for consideration and seek approval in December.

Herrington next shared that the earlier strategic planning discussions have been included in the Leadership for Philanthropy Project, which is currently progressing into stakeholder feedback sessions. She added that the target is for outlying communities having their meetings in September.

Herrington then discussed that IPR has just accomplished a large amount of change, and to keep employees motivated going forward, she and Runge have discussed and selected Joelle Hadley, a consultant with expertise in managing staff culture change, to meet with all staff at a joint meeting this Fall. She added that her recommendation is that the board participates as well, as she believes it would be meaningful to the employees for Board members to be present.

Herrington then reviewed Development performance, drawing attention to increases and decreases in number and dollar amount of individual donors by primary market. She added that some of the segmentation strategies in FY10 were counter-productive to Membership achieving its fiscal year goal. She shared that despite this, Membership is at 11% of goal for the next fiscal year. Herrington then noted that Underwriting is already at 21% of its new fiscal year goal. Additionally, development officers are meeting or exceeding their activity goals, successfully collecting on contracts due, and know not to write bad business. She concluded the Underwriting portion of the update sharing that the average contract value is up 31% from 2009, which is incredible. Herrington then stated that major gifts have really begun to develop, and currently this area is at 12% of the total FY11 goal.

Herrington reviewed the Public Awareness campaign, recapping placement strategies for Fall 2009 and Spring 2010, then introducing placement for Fall 2011. Herrington noted public awareness campaign strategies included 1) educate a new audience, 2) serve the current audience, 3) invigorate the staff, and 4) demonstrate to the audience that the organization is alive and thriving.

Herrington closed her executive update sharing that the speaker series is currently pacing ahead of where sales were for A PRAIRIE HOME COMPANION in Fall 2009.

Financials:
Wirth reviewed the June financials, noting the now-anticipated shortfall in the FY10 budget. Wirth noted that Underwriting revenue continued on track with its earlier reported decreased budget projection of $900,000, while Membership reflected a shortfall of about $100,000 from earlier projections. Wirth also pointed out other revenues – that University income is reflective of the 10% cut at Iowa State University and the University of Northern Iowa and that revenues from the Corporation for Public Broadcasting are higher than was projected, which is due to drawing on accrued funds faster than in the past.

Runge requested that memos be included in future financial updates to show more detail into what is expensed to each division. Herrington added that future updates from the finance department will have a description as to why the scenario reflects certain dollar amounts, so that it's less about the item or single dollar spending and more about the category concepts.

Madden inquired about the now-projected $82,000 deficit and whether Wirth believes this will be accurate at fiscal year will end. Herrington also noted that IPR hasn't recognized the full income from the Universities, so the realized revenue line will grow a little bit.

Carignan asked if IPR experienced a slow-down in membership giving in the remaining months of the year. Herrington responded that a calendar-year-end mailing was missed and there were some segmentation strategies that were employed that were counter-productive to building membership.

Madden inquired about the need to have separate station reports reported to the Corporation for Public Broadcasting once the audit is completed. Carignan added that if this is the case, a system should be put in place that allows those reports to be pulled as necessary, but otherwise they don't need to be seen.

Herrington added that auditors Cremers, Holtzbauer, and Nearmyer know that IPR is still maturing, and to assist in the growth process have kept a list of issues to consider once the FY10 audit is completed.

Madden added that IPR should present functional department budgets for review as the financial suite is improved upon.

Wirth then introduced and discussed a developing cash management issue, sharing with the Board that expenses incurred by IPR are accruing more quickly than restricted funding becomes available to offset those costs. Wirth proposed policy to manage the cash management issues between station accounts and IPR.

After considerable discussion of decisions prior to 2009 on cash management, Herrington stated that more details need to be researched and presented, but that the distribution of funds to IPR from restricted accounts needs approval today in order to handle cash flow for July.

Madden asked for clarification as to whether IPR does not have money available to transfer to its account or if the account appears negative because there are funds existing in these other accounts that can be transferred in. He stated that if this is the case, the Board of Directors has the flexibility to cover the payment of incurred expenses by moving funding from other accounts. He concluded stating that if this is an issue of moving funding around, it should be fine to do so without board action. Herrington referenced Section 5 of the PSOA as the authorization for the board's action.

Chair Runge tabled further discussion.

FY11 Operating Budget:

Herrington shared with the Board a revised FY11 operating budget, representing a slight increase in funding provided by ISU and UNI, as the Board of Regents standardized the decrease of funding from the Universities at 11% for this fiscal year. Herrington added that the President of the Friends of KHKE/KUNI confirmed that they will continue their current contributions for the next fiscal year.

Parrott inquired as to whether IPR will achieve $1.5 million in Underwriting revenue when this hasn't been achieved by the organization to this point. Herrington reiterated her confidence that this could be achieved, noting that to this point in the fiscal year the amount of committed donor dollars are already greater than at the start of the past few fiscal years.

Director Neu moved to accept the revised FY11 operating budget. Seconded by Madden. Four votes in favor, zero against, and one abstention.

Executive Session:

Motion made by Carignan to enter executive session pursuant to Iowa code 21.5(j) to discuss the purchase of real estate. Motion seconded by Neu.

By roll call:
- Carignan: Aye
- Madden: Aye
- Neu: Aye
- Parrott: Aye
- Runge: Aye

Entered executive session at 5:45 pm.

Motion made by Parrott to exit executive session. Seconded by Neu.

By roll call:
- Carignan: Aye
- Madden: Aye
- Neu: Aye
- Parrott: Aye
- Runge: Aye

Exited executive session at 6:01 pm.

Runge adjourned the meeting at 6:01 pm.

Respectfully submitted,
Matt Sieren, Executive Assistant