

## Board of Directors Meeting Minutes March 21, 2007

The Iowa Public Radio board of directors held its regular monthly meeting on March 21, 2007, at the Pappajohn Higher Education Center in Des Moines. Members present for the meeting were Chair Art Neu, Vice Chair Kay Runge, Warren Madden, Steve Parrott and IPR executive director Cindy Browne. Board member Steve Carignan was absent. Also attending the meeting were IPR senior management team members Joan Kjaer, Robin Fraser, Wayne Jarvis, Todd Mundt, and Don Wirth. Des Moines attorney Wayne Reames and Friends of KUNI member Steve Firman of Cedar Falls also attended the meeting.

Neu called the meeting to order at 1:15 p.m. Kjaer asked that the minutes of the February meeting be corrected to reflect her absence. Runge moved acceptance of the corrected minutes, Madden seconded, and the motion was unanimously approved.

Wirth presented the financial report, noting that revenues from the Corporation for Public Broadcasting (CPB) has not yet been recognized because the corresponding NPR expenses are still in negotiation with the network. (The IPR Board has asked that CPB revenues be recognized as they are expensed, not as they are received). National Public Radio (NPR) programming has not been paid because we are negotiating with NPR based on the newly-combined news and information programming for the IPR stations. He said he hopes that there will be a savings of at least \$26,000 by purchasing programs as a unified network.

Other revenue and spending are tracking as expected, Wirth reported. The membership drives to be held in March will provide a bump in revenue that will be reflected in the April financial reports. A year-end projection for the budget will be presented at the April meeting, he added.

Wirth noted that final reports on capital expenditures will have to await the completion of the Iowa Legislature's current session to see if a special appropriation for IPR is approved. That appropriation includes funds for a number of IPR capital expenses. For example, the conversion of WOI-FM to digital transmission will be deferred until we are certain about state appropriations to IPR. The conversion of KUNI to digital transmission is also being deferred. IPR has received CPB funding for that project, but it can wait to be completed before the end of the federal fiscal year, which ends Sept. 30.

Jarvis reported on storm damage to the KHKE tower. The top 200 feet of that tower fell in the ice storm in March. It is a total loss, he said. Jarvis said KUNI would apply to the CPB for an emergency PTFP grant, which would cover 75% of the replacement cost. He said he would also apply for Public Telecommunications Facilities Program (PTFP) grant funds to replace the KHKE transmitter. Meanwhile, an old back-up transmitter is being used. In addition, KUNI has applied for state reinsurance funds in case PTFP funding is not available. Madden asked if the station would qualify for Federal Emergency Management Agency (FEMA) funds. Jarvis said his staff was investigating that possibility as well.

Bids have not yet been obtained on the cost of replacing the tower and transmitter, Jarvis reported. The tower was built 30 years ago for \$30,000, but the replacement cost is expected to exceed that by a significant amount.

Browne reported that the outlook is good for IPR obtaining a state appropriation of \$2.5 million for each of the next three years. Gary Steinke, executive director of the Board of Regents, told Browne he

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is very optimistic the request will be approved. Browne also noted that she testified before an Iowa Senate subcommittee chaired by Senator Matt McCoy about the efficiencies that have been realized through Iowa Public Radio.

Browne also reported that IPR has been awarded a grant of \$75,000 from the Northwest Area Foundation of St. Paul, Minn., for producing programming about how Iowans deal with poverty. In the grant application, IPR agreed to produce 10 talk shows and eight features of 5- to 7-minutes over the next year. Nearly \$20,000 of the grant will be allowed for staff training, she noted. IPR staff members Mundt, Wirth and Joyce Russell of WOI actually undertook the work of writing and submitting the grant, Browne noted. She said she would visit the Northwest Area Foundation in the near future and express thanks on behalf of IPR. The grant is renewable, she added.

Reames led a review of the most recent version of the proposed management agreements by which IPR will contract with the three state universities to operate the radio stations. He explained that there are four things that IPR could do:

1. Manage the radio stations
2. Operate the radio stations
3. Own the radio stations
4. Fund-raise on behalf of the radio stations.

However, he added, under the current circumstances, the licenses of the radio stations will continue to be held by the universities and most employees of the radio stations will continue to be employees of their respective universities. Consequently, IPR will have two functions: management of the stations and fund-raising for the stations.

According to Reames, the issues that need to be addressed in the management agreement include how funds will flow from the universities and other funding agencies (such as CPB, the state legislature, etc.) to IPR. In addition, the management agreement should lay out how IPR will conduct fund-raising and how the money raised will be accounted for. Options for those funds include putting them in an account with one or more of the university foundations, or if IPR were to raise enough of its own funds, to set up its own account. There are advantages to having an account with at least one foundation because of restrictions on state money, which is what IPR-raised funds would be considered, Reames said.

In either case, IPR will likely have to create investment guidelines to determine how its funds could be invested when not needed for covering expenses. IPR investment guidelines would have to follow those of the Board of Regents.

Reames recommended that the IPR board of directors make it clear that they are agreeing by contract to have IPR funds used in a particular way and that the IPR board does not agree that those funds are state funds.

Other details of the proposed management agreements were reviewed, including cash financial support from each university, a continuation of support services provided by each university to its radio stations, and use of and access to facilities that remain university property. Madden asked that the management

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agreement include language that does not obligate the universities for any expenses beyond what is budgeted for the radio stations. He also asked that the language regarding support services be amended to make clear that if a university withdraws services for the entire university, it would also be able to withdraw that kind of support for the radio station. Reames said he would make those changes. The revised management agreements will be made available to the university representatives on the IPR board, who will then provide them to their respective university legal counsels for final review.

Wirth raised a concern that employees of IPR are not currently covered by liability insurance. There was some discussion about whether they would still be covered by the universities, but the consensus of the IPR board was to ask Wirth to get bids for insurance and bring them to the next meeting.

Chair Neu noted that Governor Chet Culver has nominated four new members of the Board of Regents. IPR board members agreed that it would be advisable to meet with the new Regents and provide an introduction to how IPR functions. However, Neu said that no contacts should be made until after the Regents are confirmed in mid-April. Browne and Neu said they would talk with Board of Regents President Michael Gartner and BOR executive director Steinke about a meeting with the new Regents.

In an update on potential offices and facilities for IPR, Browne noted that Des Moines real estate agent Peter Brown has agreed to pull together bids from the sites the IPR board visited in February. He will also provide information on another location at 300 East Locust Street.

Board members asked Mundt about the possibilities for having IPR stations interview presidential candidates who are coming to Iowa prior to the Iowa caucuses. Mundt said he would leave that decision to Joyce Russell, who has been named interim IPR news director. Browne said the stations need to be strategic about covering presidential candidates; otherwise, she said, their frequent visits to the state would occupy a large part of IPR reporters' time. Board members encouraged coverage of the candidates, noting that 2008 may mark the last time the Iowa caucuses are the first test of the U.S. presidential campaign.

Madden moved for adjournment, Parrott seconded; and the motion carried. The meeting adjourned at 4 p.m.

Respectfully submitted,

Steve Parrott  
Secretariat