The Iowa Public Radio Board of Directors held their regular meeting May 26, 2010 at 2111 Grand Avenue in Des Moines, Iowa. 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, Michelle Rourke, and board liaison Matt Sieren.

Chair Runge called the meeting to order at 12:36 p.m.

Director Madden moved approval of the March 31, 2010 minutes, seconded by Neu. Approved unanimously.

**Executive Update:**
Runge inquired about the status of Friends groups referring to recent community fundraising events, the attendance and outcomes. Herrington responded that the events are presented the Friends of KHKE/KUNI with proceeds benefitting Iowa Public Radio. Recent events included Blues Blowout and an Evening of Wine and Tulips. Blues Blowout is positioned as a ‘friend-raiser’ contributing about $2,000 in net proceeds while Wine & Tulips is a true fundraiser contributing more than $20,000 each year.

Parrott inquired about the community outreach events in other markets. Schares explained that IPR is a media sponsor for the Iowa City Jazz Festival and will be recording many of the musical acts for later play in PERFORMANCE IOWA. Parrott further asked if other events were friend-raisers or fundraisers. Herrington indicated the new Speaker Series is forecast at $37,000 - $47,000 net proceeds for each of the shows.

Carignan asked about how we’re measuring the public awareness campaign. Herrington indicated no benchmarks existed but a comparison of impressions can be illustrated using public awareness methods from previous years until now. Herrington indicated this comparison will be included in the July executive update.

Carignan introduced discussion on increasing board members, clarifying stipulation in the Bylaws and considering a model used in other organizations such as the Kennedy Center. Herrington proposed time to review the Bylaws, discuss at the July board meeting in coordination with continuance of strategic planning and consider a more strategic use of our community groups versus enlarging the board of directors. Examples included Friends of IPR – Ames; Friends of IPR – Des Moines and so on. Herrington reminded the board this was a key deliverable in the strategic planning phase supported by the Leadership for Philanthropy Project (LFP) recently moderated by consultant on the project, Kate Sandweiss.

Runge introduced discussion on the expansion of the Des Moines office. Herrington indicated – also in conjunction with strategic planning – that a 3 year staffing model would be completed for board review in July. The staffing model would indicate the space required in Des Moines and therefore rough estimates of square footage and usage would be prepared for an initial review. Should a continued lease or purchase option of the Smith Metzger building not meet the growth needs of the organization, other space in Des Moines could be considered. Board was comfortable with Herrington evaluating...
options with the leadership team and providing rough estimates and scenarios at the July meeting. Board cautioned on purchase of building through capital campaign funds indicating challenging benefits to naming rights of an organization like IPR.

Runge reviewed other department updates and asked if a press release had been issued on our recent journalism awards. Herrington indicated this was in process.

Wirth reviewed the financial suite which included statements for month end April as well as a forecast for fiscal-year-end 2010. Wirth projected over $60,000 in surplus at FYE 2010. Despite missing income targets in Development, Wirth contributed this surplus to careful department management of expenses, the CPB stimulus package, improvements to our investment income and the continued monthly contribution from the Friends of KHKE/KUNI.

Herrington presented the new operating budget for FY2011. Herrington reviewed all revenue streams and recent conversations with universities. Discussion centered on the Regent universities contributions and the upcoming discussion at the June Board of Regents meeting. Herrington shared the history of university funding that she’d provided to the Board of Regents. Madden commented that the piece that’s missing is what IPR’s response to the university cuts is – what’s the impact of this decision? Herrington indicated her understanding was that IPR’s goal was to build a true development operation to reduce financial dependence on state and federal funding. Neu indicated he understood the contribution would decrease over time, but never cease. Neu indicated this was not the Regents’ intent. Discussion centered on appropriate next steps. Madden added that there are ways to do this: 1. Take the angle with the board of regents and have them discuss, or 2: Approach with the presidents. Carignan included that two presidents have changed and it would be a good conversation to have with the presidents and Myles. Runge recommended IPR meet with the university presidents and David Miles. Herrington suggested we wait for outcome of June Board of Regents meeting which may frame our next steps to solve together.

FY2011 operating budget discussion continued. Herrington proposed an aggressive goal of $1.5M in underwriting revenue citing the value is based on a revenue target of $250,000 per underwriting sales representative. At this time, two reps were exceeding the goal indicating the goal is attainable with a quality prospect portfolio and good contact activity habits. Parrott and Carignan expressed concerns about having this as the goal, as we don’t know what might happen. Carignan asked about increasing the major gift total and decreasing underwriting. Herrington noted that FY11 results will be shared at the detail level and that with no basis built for major gifts, there is still fundamentals to consider. Examples included a valuing a major gift for public media as $10,000 and that it could take up to nine months to close a major gift in public media. This is consistent with practices throughout the industry. Madden asked for the status of the various reserves at the stations? Herrington indicated the cash balance sheet was prepared quarterly and would send out via email following the meeting. Wirth estimated $750,000 at ISU; $1.2M at SUI and $1.8M managed by the Friends of KHKE/KUNI representing UNI. Parrott cautioned again on the underwriting target; Herrington responded that we are already demonstrating it is achievable per representative, new resources in place and renewed focus on accountability. Runge indicated she believe the targets per representative to be realistic. Herrington
continued the budget discussion by reviewing several operating expense lines and noted the following: increase in compensation allows for new Chief Administration Officer and transition of Wirth, managing retirement payouts, merit and moderate performance increases. Travel includes a more appropriate forecast than previous years. Services includes IT desktop support for Ames and Des Moines offices using ISU IT Services as the ‘vendor’; conversion to a gift accounting and donor database that fits our business needs today; construction and conversion to the new website and use of a new telemarketing organization. Printing, postage and programming were budgeted based on scheduled changes to the calendar and programming. Madden asked if we would begin communicating with the listener base more? Herrington indicated that our communication efforts have primarily increased on the web and on-air, however our public awareness messages have increased as well following an aggressive newspaper campaign. Transit media will be added in FY11. Carignan asked if the system replacing Memsys better support our needs for communication. Herrington indicated yes – that IPR has ‘outgrown’ the current system and its capabilities to manage data and analysis to aid planning and segmentation.

Motion to approve FY11 budget made by Madden (preliminary budget, subject to regents final review). Seconded by Carignan. Approved unanimously.

Employee Reclassification Plan
Herrington shared the project goal, the outcome of the initial project team’s discussion and next steps.

Goal
Invest in talent management that categorizes, recognizes, trains and rewards our people for their contribution to the organization and growth in our industry.

Strategies
- Migrate university-based employees to IPR contracts.
- Provide payroll and benefits administration to IPR employees through one administrative services agreement.
- Develop equitable and market-index compensation scales for all positions.
- Invest in professional training and implement career-pathing plans.

Discussion centered on appropriate options for employment contracts with longer terms and buy-out clauses. Parrott questioned the value proposition for an employee to convert and indicated concern for retention. Madden responded that there are contracts with varying lengths of time. Madden said from a policy point of view IPR may not want to have 60 individual employment contracts. Alternatives such as a separate IPR pay structure and compensation may be more appropriate and easier to manage. Madden added that there are cost implications both for IPR and the university if an employee says no.

Madden will not support doing this right now – for one thing, is ISU prepared and ready to do this? Additionally, he would like to have HR conversations around this. The foundation has a structure like this, but they have mixed structures as well.
Parrott’s question is how long it will take to be square with the HR departments at the universities. If they’re square with it, we’re comfortable.

Carignan also brought up that we’d have to dismiss people from one employment to the hiring as another employee.

Runge mentioned that we’ve done this before – we have people that we’ve rolled over to IPR employment.

Carignan moved to table discussions until further discussion has been had with HR departments. Tabled to the July 21 meeting.

Informational Items
Parrott inquired as to whether the new agriculture reporter is a temporary position. Ahl responded that the CPB is funding the position for two years, and we’re looking at opportunities to maintain this position beyond that. Pioneer and Nationwide are both interested in a proposal.

Carignan asked about the music resource centralization plan and the status on staff opting to relocate. Herrington indicated that Sherman will relocate, and Snook will commute. Monroe has chosen not to relocate; his last day will be June 30th. Carignan inquired about replacing Monroe. Herrington indicated Schares staffing plan used current personnel to cover the afternoons allowing for career growth and improvements to the overall schedule.

Madden asked if we’re doing internships to assist in this? Herrington responded that we have a hefty student employment program. She also shared the success story of Alex Merk, who will take over for Linda Jordening following retirement. Madden added that the student piece should be fed back to the universities so they remember the value-added bit there as well.

Runge inquired about how internet regulations being proposed will impact IPR. Maybe a future conversation. Herrington commented that given the FCC’s pace, there hasn’t been much progress.

Parrott inquired about the ratings decreases, asking for more info on this. He’s more concerned about the Classical issue. Schares responded that it’s difficult to say right now. Ahl added that in looking at the fall rating period not being great for us, we’re looking at 2008 being an artificial high, talking with Carl Olson at RRC, a 10% decrease is not anything to be worried about as that’s part of the error margin (additionally as we look at the PPM implementation). Parrott asked if we could devise something on our own to gather and analyze this. Ahl responded that yes, we could, but it would be highly expensive and would also be difficult to maintain credibility on. Ahl added that we also look at four-book averages to see what is happening overall. If you look at the graphs later on, unless it’s a period of significant programming changes, these are the averages. If you look at the local talk shows, we gather as many listeners as the national programs around them. Schares responded that for Classical, if you look Monday thru Friday, it’s a 7% drop, fall 08 we’re still ahead of (and spring 08). Additionally, we went through some periods of significant change – such as Karen Bryan’s retirement. Carignan is commented
that he’s worried about news, not classical. However, the Studio One trends look good. Runge just asked that for any changes made, let people know what’s going to happen.

Runge reminded the board that June 22 and 23 would be when the LFP is – formal invitations to follow.

Pat Deluhery attended the meeting and shared the following comments: 1) he endorses what has been said; 2) remember to use the attention you’ve got to sell other things coming up on radio; 3) capitalize of the melt-down of commercial media. Deluhery asked about challenges within the available spectrum. Herrington indicated she’d follow up outside of the board meeting.

Neu asked if there were any new opportunities in Council Bluffs for a station. Herrington responded no; not at this time.

Runge asked for future board packets to include a complete board meeting calendar.

Meeting adjourned at 2:52pm.

Respectfully submitted,
Mary Grace Herrington, Chief Executive Officer