The Iowa Public Radio Board of Directors held their regular meeting May 25, 2011, at the University of Northern Iowa - The Commons, Room 211. Present for the meeting were Chairman Art Neu, Vice Chairwoman Kay Runge, Director Tysen Kendig, Director Gloria Gibson, and Executive Director Mary Grace Herrington. Absent was Director Warren Madden. Present from the IPR leadership team were Kelly Edmister, Jonathan Ahl, Scott Rivers, Al Scharles, and board liaison Matt Sieren. Also present was guest Libby Vanderwall.

Chair Neu called the meeting to order at 2:03 p.m.

Agenda approved.

March 24 Minutes Approval:
Director Kendig moved. Director Gibson seconded. Approved unanimously.

Finance Update:
FY2010 Audit:
Edmister shared that there is closure on the FY10 audits – the final issues as ongoing with the CPB have been resolved. Director Madden has signed the ISU management representation letter. Directors Gibson and Kendig will sign their university management representation letters today. Once signed and submitted with the Audited Financial Reports (AFR’s) to the CPB, the second half of our FY11 funding will be disbursed.

Finance Report:
Edmister presented the month end financial report as of March 31, 2011. The report represents a near complete transition to accrual accounting.

Vice Chair Runge: Are the university figures what they’ll be going forward until we’re done?
Herrington: No. They will decrease by 10% each year (FY12, 13,14,15) and 50% in FY2016 according to the IPR Strategic Plan’s Five-Year Funding Illustration. From FY2017 and forward, IPR projects no financial support from Iowa’s public universities.
Chair Neu: It would make more sense for all to be going at the same decrease percent if all started at the same.
Vice Chair Runge: What is the percentage of uncollectable for underwriting? What’s the return rate?
Edmister: Anything over 90 days is projected to be non-collectable.
Vice Chair Runge: What is that % over the whole year? (Figure not handy; Edmister will follow up at next board meeting).
Chair Neu: FY11 actual is only for ¾ the year. When you do this the next time it will be the full year at actual?
Edmister: Yes, we will continue to provide month end financials reflecting accrual accounting.
Director Kendig: What is the big variance in depreciation expense?
Edmister: It wasn’t budgeted in FY11.
Edmister continued the financial report discussion noting that the non-operating income and expense were further down on the report arriving at a positive net of $378,392. Vice Chair Runge complimented Edmister on the report and her department’s efforts.

**Executive Update:**

**FY12 Operating Budget:**

Given that the Iowa Legislature had not produced a FY12 budget, Edmister presented a preliminary draft with placeholders for the appropriation from the State of Iowa as well as the CPB. All other revenue and expense projects were nearly complete. Edmister noted another variable pending was each university’s decision on performance recognition which would impact IPR’s compensation.

Edmister noted the following additional items:
The facilities line item includes a $30,000 placeholder for additional space to accommodate an expanding underwriting sales team.

Chair Neu: *So we’d be renting something outside of our premises in Des Moines?*

Herrington: *Yes – further expansion into 2111 Grand Avenue is limited at this time so we are looking for short term, inexpensive office space to accommodate the sales team.*

Edmister noted she is still working on projecting depreciation expense; she is waiting on fixed asset schedules from the universities.

Vice Chair Runge: *Did we not have the line before?*

Edmister: *Yes, as soon as we have the university schedules we’ll be able to complete the projected expense.*

Edmister noted that while this is a preliminary budget, we are pleasantly surprised with the potential outcome. We are in a good position to be able to present a final FY12 operating budget at the June board meeting.

Vice Chair Runge: *We’re hiring four new positions. How much will they cost us?*

Kelly reviewed the four positions, their responsibilities and respective salaries with benefits.

Edmister noted the preliminary projection that includes retirement and benefit plan information administered by a Professional Employment Organization (PEO). This estimate will be finalized and included in the FY12 operating budget for presentation in June.

Vice Chair Runge: *So, overall, what’s the estimated increase?*

Herrington: *Preliminary projection for FY12 is $7.3MM operating budget compared to $6.9MM operating budget for FY11.*

**IPR Employment Class:**

Herrington noted the IPR Single Class Employment Plan is near completion and will be ready for presentation and approval at the June board meeting. Herrington clarified that the PEO option for managing retirement and benefit plans represents a significant savings to IPR. With an approval at the
June board meeting, IPR would move through the employee notification process over the summer, procure the services of a PEO thus a realistic conversion date is January 1, 2012.

Vice Chair Runge: *Herrington has done a nice job of steering this.*

Herrington: *The university support and endorsement of the plan has been key and the planning and implementation efforts of Edmister and Sieren are critical to the plan’s success.*

Vice Chair Runge recommended board of directors should review executive director’s contract renewal terms and compensation at the June meeting in closed session; so noted by Chair Neu.

**Department Updates:**
Herrington reviewed a few updates at the department level noting the increase in website traffic as a result of the launch of the new iowapublicradio.org.

Vice Chair Runge: *Do the university reps get updates on this that they give to their presidents?*  
Herrington: *Yes, annually.*

Director Gibson: *I would be willing to put it on as an agenda item.*

Vice Chair Runge: *When we get done with the money from the universities – does that include an end of the WOI TV sale money?*  
Herrington: *Each university determines their internal funding stream for their IPR financial commitment. This question was deferred to Director Madden.*

Vice Chair Runge: *Can we get local dollars as well as national dollars (NPR has sponsorship – can we get sponsorship)?*  
Herrington: *There are times when both IPR and NPR will cultivate a shared gift.*

Herrington noted the June 22nd meeting would be held at Iowa State University at the IPR/WOI Studios.

Vice Chair Runge: *Can we move the meeting to 10:00am with the station tour following?*  
Herrington: *We’ll check all calendars and confirm as soon as possible.*

**Executive Session:**
Vice Chair Runge moved to enter executive session to discuss the purchase of real estate pursuant to Iowa Code 21.5(j) to. Seconded by Kendig. By roll call:

- Gibson: Aye  
- Kendig: Aye  
- Neu: Aye  
- Runge: Aye  
- Madden: Absent

Director Kendig moved to exit executive session. Seconded by Director Gibson. By roll call:

- Gibson: Aye  
- Kendig: Aye  
- Neu: Aye  
- Runge: Aye  
- Madden: Absent
Chair Neu adjourned the meeting at 4:30pm.

Respectfully submitted,
Matt Sieren, Administrative Services Manager