President Charles Moser opened the meeting at 10:00 a.m.

Moser stated that the main purpose of this meeting was to review TDNA’s financial activities for 2007 and adopt the operating budget for 2008.

Moser recognized three outgoing board members: Jeremy Halbreich, Doug Toney and Charles Spence. Moser said Halbreich had left his mark on TDNA through his service as president in 2006 during a transition period for TDNA, that Toney has been a vital member of the board and a stalwart on the LAC legislative committee, and that Spence has helped on numerous legislative issues in particular with his influence on Speaker Craddick during the advertising tax fight. Moser expressed best wishes to Spence on his pending retirement from Hearst, and said he looked forward to a continued alliance with Halbreich and Toney on future legislative issues.

Moser announced the results of the 2007 board election. Elected to serve full three-year terms beginning in 2008 were: Mike Graxiola, publisher of The Paris News, Patrick Canty, publisher of the Odessa American, and Bill Patterson, publisher of the Denton Record-Chronicle. Belinda Gaudet, executive vice president and general manager of the Austin American-Statesman, was re-elected for one year, after filling the two-year unexpired term of Guy Kerr.

Next year’s lineup of officers will be Gary Borders president, Nelson Clyde IV vice president, Darrell Coleman treasurer, and Charles Moser chairman of the executive committee. Moser congratulated Coleman on becoming 2008 treasurer which means he will be TDNA president in 2010.
Minutes from the July 19, 2007 board meeting were read and unanimously approved. Motion by Patrick Birmingham, second by Darrell Coleman, all aye. (Minutes attached to file copy)

Ken Whalen presented the Administrative Report (attached to file copy), stating that revenue remains steady and TDNA’s surplus is projected to be about $73,000 for this budget year, which means we will be going into 2008 with an accumulated fund balance of $150,000 or more. He said that we are almost halfway to the goal of one year’s income, as set by the board. When that goal is reached, membership dues rate adjustments can be considered.

Whalen reported that a new project this year is the public notice website that is being developed in conjunction with the Texas Press Association. He said he has talked to all the metro publishers and has their support. A contract has been signed for a prototype that is not quite ready that he hopes will be up and running by January or so.

Whalen reported that Fred Hartman would remain as chairman of the TPA/TDNA Legislative Advisory Committee, that a keynote speaker has been secured for the March Annual Meeting, that there would be an online convention registration form on the TDNA website later in the month, and that the Sweetwater Report is a new member for 2008.

Whalen summarized the Legislative Report (attached to file copy), reporting that TDNA’s most important accomplishment during the last half of 2007 was securing support for the constitutional amendment on record votes that was approved by voters during the November election. Starting early next year, Whalen will begin meeting with publishers and their legislators to establish connections before the start of the 2009 legislative session.

Darrell Coleman related that his District Attorney was adamant that the DAs in Texas would not let a shield law pass, and the board discussed opposition by the Texas District and County Attorneys Association and TDNA’s position on the shield law issue in the past.

Whalen presented the Membership Status Report (attached to file copy). Of the nine newspapers that are not currently TDNA members, three have said they would not join. He will work on recruiting the other six.

Doug Toney suggested TDNA ask members for the names of the third party vendors on their websites in order to create a list of potential associate members.

Whalen presented the 2007 Finance Report (attached to file copy). The association is projected to end the year with a budget net of $73,453, which will become about $155,000 when added to last year’s budget net. Convention income was below budget, but interest earned is a bright spot in this year’s income.

Moser asked if there was any item of concern, and Whalen responded that there was none at present. Whalen said the increase in insurance costs had been a concern, so TDNA went to a health savings account plan in order to shave costs from that expense item. The cost of the AARP health insurance policy was also eliminated with the death of John Murphy. The auto expense item was increased a couple of years ago and is still adequate even with rising gasoline prices.
Gary Borders presented the 2008 Budget Draft (attached to file copy). He told the board that TDNA is on track to continue building cash reserves, which is quite a turnaround from a few years ago. Borders said the board will receive the final 2008 budget before the end of the year after salaries are set for next year.

Whalen did a line-by-line comparison of the 2007 budget with the 2008 budget draft. He noted that office equipment and repairs had been increased to cover the cost of redesigning TDNA’s website. Promotion and sales expense is budgeted at $23,000 for 2008, which will be TDNA’s half of the cost to establish the TDNA/TPA public notice website. Whalen estimated that TDNA’s share of maintaining the website from now on will probably cost about $10,000 a year.

Borders asked for a motion to approve the 2008 budget with salary updates to be determined during the board’s executive session. Motion by Patrick Birmingham, second by Belinda Gaudet, all aye.

The board discussed the operation and potential use of the public notice website. Coleman wondered if every paper is putting its legal notices online now. This would not be the case if some papers are charging an extra fee to place them on their website, but Toney thought that up-selling would probably be illegal since there is no up-sell provision in the law.

Whalen will do some research to find out if all papers are placing their legal notices online. He has already talked to some other states to find out if they have a public notice website and to learn about any problems they may be having.

Moser asked that Whalen send out an info sheet to all Texas newspapers with Mike Hodges of TPA to make sure everyone is aware of this coming service and to let them know how it is progressing. Whalen said he and Hodges had already planned to do that.

Toney said there should be a mechanism whereby newspapers will automatically notify TDNA if they do get subpoenas so that TDNA can keep its records current. Whalen said he would do that in order to be armed and ready when the next legislative session starts.

Proposals for two new awards were presented to the board for their consideration. Moser reminded board members that the idea of establishing a new award that would act as an incentive for convention attendance was conceived at the July board meeting. Patrick Birmingham, Matt Oliver and Doug Toney have been working on that idea and presented entry guidelines and circulation category breakouts for a “TDNA Editorial Achievement Award” and a “TDNA Sales & Promotion Executive Award.”

Birmingham explained that the sales award would build recognition for the business side of the newspaper operation. Matt Oliver agreed with other board members that the term “promotion” was more apt than “marketing” for today’s papers.

Toney said that the editorial award would acknowledge papers that have shown courage in this era of bottom-line journalism. He said the newspaper’s editorial role is historically important and that this award should heighten its importance among our members.
In trying to increase convention attendance, Oliver suggested that the board take a look at papers under 5,000 circulation and organize contests so they will be competing against papers of their own size. Belinda Gaudet said that it takes much more creativity for a small newspaper to envision and produce sales and promotional campaigns with their fewer resources.

Big papers might help sponsor airfare to the convention for winning small papers, Oliver suggested. Or the registration fee or hotel room cost, Birmingham added. Whalen commented that it would be to TDNA’s advantage to waive the registration fee but allow all papers to pay for their hotel rooms in order to avoid any penalty charges for not meeting the contracted quota of rooms.

TDNA staff will prepare a new chart of circulation categories.

Toney suggested splitting out a couple of convention sessions specifically for smaller papers. Oliver asked that smaller papers be polled to find out their biggest topics of concern and that three sessions be developed to get into the meat of what drives their business. Moser added that SNPA has done pretty well using that approach.

Oliver asked about the status of E editions in light of the fact that Abitibi-Consolidated is closing newsprint plants and has merged with Bowater. He said it looks like the lifeblood of newspapers is going to be in E editions. Moser added that newsprint cost might be a good convention topic.

The board discussed the applications of electronic editions. E editions are getting into apartments where subscription delivery is slim and are targeting apartment lifestyle. Readers can convert for as little as one cent per day, Oliver said, and the Houston Chronicle’s interactive email is out every morning and on your computer by 4:30 or 4:45 a.m. Readers can click on the email address of writers and contact them directly, go directly to Home Depot’s website with a click on their advertising link. Oliver said that 25,000 copies a day are going to schools – now all electronic – with a look customized for NIE.

Oliver said the survival of newspapers is going to be addresses – whether email or street. Toney said an important step would be to show that delivery by email is more possible for smaller papers than they think.

In summary, Toney said a three-pronged approach to increasing convention attendance would be the new awards, help with registration costs, and targeted program sessions.

The board agreed that the two new awards would first be presented at the 2009 convention for work done during 2008 and discussed the judging process.

Darrell Coleman moved to authorize the creation of the two awards. Second by Belinda Gaudet. All aye.

The board approved the Sweetwater Reporter as a new member, motion by Patrick Birmingham, second by Matt Oliver, all aye.
Minutes – December 6, 2007 Board Meeting

Moser called the board into executive session for the purpose of evaluating Whalen’s job performance and setting staff salaries for 2008.

The meeting was adjourned shortly before noon.

Respectfully submitted,

Kenneth Whalen
Executive Vice President