

ADMINISTRATIVE REPORT

TDNA Board of Directors Meeting

December 1, 2005

Budget outlook

The good news from the TDNA staff is that the association remains on track to finish 2005 with a healthy budget surplus with even bigger surpluses on the horizon for the foreseeable future.

As has been discussed before, the ultimate goal is to have a one-year operating budget (about \$450,000) in reserve. With the surplus projected to be approaching \$100,000 by the end of 2006, TDNA is well on its way to achieving that goal.

One thing to keep in mind is that as a non-profit under the Internal Revenue Code, TDNA will likely not want to have a surplus of much more than a year's reserves. Some associations that have amassed million-plus dollar surpluses have drawn IRS scrutiny and been ordered to reduce their reserves. Once the one-year operating budget goal is reached, the board will need to decide how to proceed to maintain TDNA's non-profit status.

Directory revamp

Dallas' downtown skyline at night will be on the cover of the redesigned *2006 Directory of Texas Daily Newspapers*. New pages were mailed to publishers for editing just before Thanksgiving and mailings were then begun to bureaus, national newspapers, wire services, associate members, colleges and corporate owners. Final proofs will be emailed to papers and others for their approval near the end of December, and the directory should be printed by the end of January.

Both newspapers and associates will have full-page listings in the new directory, and the separate associate member directory will be eliminated. It is hoped that the cost of printing a full-color directory cover will be covered by cutting out the cost of printing and typesetting the smaller associate member directory. If not, we will use a two-color rendition of the cover photo.

For the past 20 years, TDNA's annual directory has been a perfect-bound, pocket-sized 8-1/2 wide by 4-1/4 high. The 2006 directory will be 5-1/2 wide by 8-1/2 high and will be spiral bound so that it will lie flat when open.

In addition to the new size and layout, the TDNA directory will list email addresses for as many people as possible.

The sales price of the 2006 directory has been increased by \$2 per copy to cover unforeseen costs. But printing and typesetting costs should not be greatly increased, if at all. The larger size is a standard paper size that was already being used and trimmed to create the former pocket-sized booklet. TDNA staff are doing the initial typesetting and updates and providing the printer with the individual pages.

The printer has converted sample pages to their software with no trouble and estimates that converting TDNA's pages and making a few necessary adjustments will cost about what typesetting used to cost for updating the entire directory each year.

Website move

TDNA has received an attractive proposal to move, redesign and maintain its website from Fred Anders, who is TPA's Information Technology Director and whose office is located on the second floor of the TPA building next to TDNA. Through his own business, Round Rock Productions, Fred would host *tdna.org* for \$600 per year which includes email hosting and two hours of website maintenance per month. His one-time set-up fee would be \$450.

Although Belo Interactive is currently hosting *tdna.org* at no charge, TDNA staffers have not attained the skill level expected nor the free time needed to maintain the website in-house. An analysis of the cost to TDNA to outsource most of its website updates over the past three years shows that we have been paying an average of \$1,480 for an average of 21 hours per year. That doesn't include other onsite computer assistance/troubleshooting and does not include email hosting which costs an additional \$130 a year.

If the cost savings alone is not convincing, a look at TPA's website (www.texaspress.com) shows Fred's ability to develop an efficient and well functioning web product.

TDNA listserver

TDNA set up its first listserver in November. The association can now reach member publishers without sending emails that use up the first page to list

recipients. Additional listservers for editors, circulation directors and advertising directors will be created soon.

TDNA's listserver is to be used as a system for broadcasting notices, legislative alerts, reminders of awards contests and conventions, and other information. It is a one-way message service that does not enable cross-messaging responses by recipients, and therefore does not provide an option to unsubscribe.

A sub-domain name to *tdna.org* was created to enable the use of listservers. The actual setup and maintenance of TDNA's listservers is being done at no charge by TPA's Fred Anders with Mike Hodges' blessing.

Credit card payments

TDNA has been accepting payment by VISA and MasterCard since August. Credit card payments are posted in TDNA's QuickBooks bookkeeping software and processed by QuickBooks-affiliated Innovative Merchant Solutions.

Monthly fees depend upon the volume of money processed and whether or not there are any charge-backs or credit checks. If a fourth to a third of TDNA's membership dues are paid by credit card, processing fees might come to \$3,000 a year. So far, it has cost under \$50 a month.

We will know the true cost of accepting credit cards after the initial rush of directory sales at the first of the year and when convention registrations are paid. Hearst and Scripps newspapers were the first to take advantage of this payment option.

After consulting with TDNA's accounting firm, an additional TDNA budget account was created for showing credit card processing fees as well as service fees on TDNA bank accounts and any other finance charges incurred.

Monthly Linage and Circulation Reports

At the first of the year all member newspapers will be invited once again to participate in these two member services. Although a few papers drop out as each year progresses, roughly a third of the TDNA membership regularly submit data and receive the statistical reports.

The Linage Report deals with three categories of advertising – national, retail and classified – giving a year-to-date total as well as the monthly total, and

shows the percentage increase or decrease of each category over the same month in the previous year.

This Circulation Report provides a monthly comparison of daily averages, for both daily and Sunday paid circulation, in five categories – home delivery, single copy, NIE, bulk sales, and mail/miscellaneous. The numbers are compiled to show the month total, year-to-date average, and percentage changes from the same month in the previous year.

Both reports are entirely electronic productions. Data is submitted by email or fax, and the report is sent by email. Both reports are confidential and are released only to the personnel of participating newspapers and their corporate offices.

Convention update

As convention chairman, Bob Carlquist has committed to doing as much as possible with the convention before he leaves the Chronicle at the end of December. Bob and Wes Turner have been working hard on the event.

We have commitments from several speakers already and the convention program is taking shape. Larry Walker helped us secure Senator John Cornyn as one of our speakers, which should lend some prestige to the March 19-21 event. The convention committee will meet by conference call again before Bob's departure date.

Other member assistance

TDNA answers questions and provides assistance on a daily basis to its member newspapers, other journalists and the general public on a wide range of topics. TDNA routinely provides mailing lists and lists of newspapers by circulation size to its members and to other journalists.

Recent requests for legal information came from *The Victoria Advocate* regarding the restriction of photographers from inside polling places and from the *El Paso Times* to check a classified ad for possible defamation or invasion of privacy.

At this time of year TDNA is working with college and university journalism and advertising departments to publicize Texas newspapers that will accept interns for the next summer and to find newspaper staffers to serve as classroom speakers.

With the Texas Press Association and the Texas Circulation Management Association, TDNA is co-sponsoring a January “Circulation Master Strategy Seminar” to be presented here in Austin by the Zinser Law Firm. TDNA’s new listserver will be used to help promote this seminar to our member Texas newspapers.

TDNA continues to receive requests from colleges and universities for speakers from the journalism industry. We work with newspapers near the schools to get them the speakers they want to give a “real-world” perspective to students.

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