

ADMINISTRATIVE REPORT

TDNA Board of Directors Meeting

July 28, 2005

The first half of 2005 can be seen as a road map to where the Texas Daily Newspaper Association is headed. The office move and staff restructuring plan have resulted in TDNA being in its best financial position in at least ten years. After many years of struggling financially, this is good news for TDNA and the newspaper industry it serves.

As is detailed in the Finance Report, TDNA is on pace to end the year with a surplus of approximately \$31,000. This is due to the decrease in salaries with the retirement of Phil Berkebile and the decrease in office expenses with the move to the Texas Press Association Building. Income has remained stable.

Office Rent totaled \$20,075.00 at this time last year, including the May rent payment. This year, rent through May has amounted to \$12,000.

For the first four months of 2005, Salaries totaled \$72,184.64, which is the lowest in six years even though it includes \$25,000 paid to Phil for his bonuses and consulting. If the \$25,000 were not included, salary expense would be lower than it has been in at least 10 years.

Assuming that income and expenses continue at their current levels, TDNA will be on track to ending the 2006 and 2007 calendar years with surpluses of approximately \$80,000 per year. That is because we will no longer be dealing with a spending deficit and Phil's bonuses and consulting fees won't be part of the equation.

The three main ways that TDNA serves its members – member services, the convention and legislative activities – continue to operate at a high level.

We continue to provide information to members through the legal issue hotline and do our best to have a one-day turnaround on inquiries. We also act as a resource on issues involving state government, such as the situation in Wichita Falls involving newsroom access to police scanners that ended up being resolved locally.

TDNA membership covers 98% of total 7-day-average circulation in Texas. With circulation added in for all Rumbo editions, using circulation they have listed in the 2005 TDNA directory, membership is 96%. One new associate member joined in February. That was Haynes and Boone, LLP of Fort Worth.

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Our annual advertising survey was mailed on April 8, and a reminder was mailed on April 28 with TDNA's fax number corrected. Although the deadline was extended to May 6, we received only six completed surveys. In the past, this was a survey of advertising rates. Participation was good, but there were lots of explanatory footnotes and some complaints about the confusion. So a committee revamped it and turned it into a survey of advertising revenue.

Last year was the first year we did the new survey and there were seven responses, compared to 27 responses in 2000 which was the last year covered by the old survey. We will continue to look at ways to increase participation in this survey.

There are other projects staff will be working on in the coming months that are detailed in the Membership Services Report.

Work has begun on the 2006 convention in Fort Worth and we hope to build on what we did in 2005. While the 2005 meeting was a successful one because of the strength of the programs, attendance was disappointing because of several last-minute cancellations. The Sunday evening event at the hotel was a big success, with many comments being received that it was an improvement over having an off-site event.

Unfortunately, the cost of the convention was not reduced by nearly as much as was touted. We've gone over the Driskill Hotel's bill, tallied up attendees, and came up with a per-person cost that is not as low as Phil said it would be. We publicized a 33 percent reduction in costs for this year's convention, but it was actually only 5 percent lower. That is due mainly to the fact that the Sunday night event, although it did not include transportation costs, was still an expensive per-person event.

The 2005 legislative session and subsequent special session were successful for Texas newspapers with no qualifications. We were able to fend off efforts to tax circulation and reduce public notice requirements for school districts. Awareness was raised about issues like a journalist's shield law and mandatory recorded votes, setting the groundwork for a big push to have both pieces of legislation approved next session. Most anti-open government bills were defeated.

We've also been successful in raising the profile of open government issues in general. Lawmakers know who to contact if there are open government questions and several have gauged our reaction to proposals before bills were filed. This is something we will continue to concentrate on in coming years.