

ADMINISTRATIVE REPORT

TDNA Board of Directors Meeting

July 13, 2006

With the day-to-day activities running smoothly and a very positive budget outlook, the Texas Daily Newspaper Association is in a strong position as we head into the last half of 2006.

Most of the day-to-day activities at TDNA involve member services. We field calls daily from publishers on legal and advertising related issues, with a goal of getting an answer in 24 hours or less.

Standing programs like the summer intern program, lineage and circulation reports, job listings on our website, and campus visits program are among the ways TDNA tries "to promote and protect the welfare of the newspaper industry" as stated in our Articles of Incorporation. The Membership Services Report will provide more details about these activities.

Staff will also continue to meet with as many publishers as possible during the last half of 2006. The goal is to 1) provide details about what we do and 2) visit non-member publishers to persuade them to join TDNA. We will know more about those efforts by the next board meeting.

While more details are available in the Finance Report, the short version is that TDNA's financial outlook is the best it's been in many years. While the projected net profit for fiscal 2005 fell short by some \$11,500, the projected savings in 2006 will more than make up for that. TDNA is projected to finish the year with a surplus of more than \$100,000.

The projected surplus for 2005 was not reached because of a number of factors: loss in member dues (mostly associate members), necessary office computer upgrades and travel and management training expenses that were not budgeted. We also paid fees and expenses for Phil Berkebille to help with the 2005 Annual Meeting.

That being said, fiscal 2006 is the first year that the full affect of the TDNA management restructuring is being felt because Phil is totally off the payroll. The combination of savings from moving into the Texas Press Association Building and reducing the staff by one, with the attendant salary and personnel cost savings, are the main reasons for the improved financial condition at TDNA.

One area that will have to be addressed is the TDNA pension plan. The current defined benefit plan was created in the 1980s mainly to benefit Phil and no longer suits our needs. We will ask for your approval for creating a new 401 (k) plan toward the end of the agenda today. The funding for the pension will continue at current levels for this fiscal year but we'll need to look at restructuring that for 2007.

While work will begin soon on the 2007 Annual Meeting, it's appropriate to look back at the mostly successful 2006 Meeting. While attendance continues to be a problem, the strength of the programs remains high and convention costs have fallen due to cost-saving measures. Changing the Sunday night event to a welcome reception at the hotel has been a key to reducing our costs and there has been a lot of positive feedback from membership.

We will be looking at ways to boost attendance for the 2007 Annual Meeting. We think moving the meeting place from the Driskill Hotel to the Four Seasons will be a draw for some who haven't attended recently. Wes Tuner of the *Star-Telegram* has agreed to speak to his new boss, Gary Pruitt of McClatchey Newspapers, about giving the keynote address. We think a lot of Texas publishers will be interested in what he has to say as McClatchey makes its first inroads in Texas.

Along with meeting with publishers, staff will also be laying the groundwork for the 2007 legislative session by meeting with as many legislators as possible. The Legislative Report will give you more details about what we accomplished in the 2006 special session and what we'll be looking to do in 2007.

While we have had success in recent years in fending off major changes in the public information and public notice laws, the job gets tougher every session. Simply put, we face what every press association in the United States faces: dealing with increasingly hostile legislators who don't want to do any favors for an industry that regularly criticizes them. We overcome that in a number of ways and providing opportunities for publishers to have one-on-one contact with their legislators is among the most effective things we do.