

## **Minutes of the October 3, 2011 Meeting of the UCLA Communications Board**

Board members present: Thomas Atkins, John Bollard, Nancy Calderon, Jennifer Frehn, Brent Gaisford, Jodi Levinson, Lys Mendez, Erik Peña, George Pierce, Raiyaan Serang, Michael Sondheimer, Arvli Ward

Board members arriving late: George White

Board members leaving early: Jodi Levinson

Board members absent: Nancy Calderon

Guests: Justin Sedor (OutWrite Editor in chief), Melissa Van Gelder (Fem Editor in chief), Ashley Truong (Pacific Ties Editor in chief), Helga Salinas (La Gente Editor in chief, Naseem Golestani (Al-Talib Editor in chief), John Masline (UCLARadio.com General Manager)

### I. Call to order (Serang)

Bollard called the meeting to order at 6:02 p.m.

### II. Approval of the agenda (Serang)

Sondheimer moved to approve the agenda. Mendez seconded the motion. The motion passed by unanimous consent.

### III. Approval of September minutes (Serang)

Mendez moved to approve the minutes. Pierce seconded the motion. The motion passed by unanimous consent. Ward said that there were two typos that needed correction.

### IV. Executive Committee Report (Serang)

Serang said that the Executive Committee had not met yet, but that he was currently planning a meeting.

### V. Operations Committee Report (Gaisford)

Gaisford said that the Operations Committee would have their first meeting on Wednesday, October 5.

Gaisford asked that Thomas Atkins be appointed to the Operations Committee.

Serang appointed Atkins to the Operations Committee.

### VI. Finance Committee Report

Ward said that the Finance Committee had not met yet. He said he had preliminary August financial statements and that finalized statements would be available for the committee to review soon. Mendez said she would coordinate the scheduling.

### VII. Media Director's Report (Ward)

Ward said that most of the media recruited successfully this fall. He said there were about 1,000 application downloads from the Daily Bruin recruiting website resulting in 266 applications, including 47 for the advertising side. He said the newsmagazines also had outstanding numbers, including 12 applicants for the yearbook, 19 for Fem, 17 for La Gente, 14 for OutWrite 14, and 5 each for Al-Talib, Ha'Am, and Pacific Ties.

Ward said the first iPhone application had been sold last week. Ward showed the Volcano Tea app. He said it was not yet in the application store yet. Gaisford asked how much the client would be charged. Ward said \$99 per month, but free to the end user. Gaisford asked if the client wanted to update offers would they do it themselves. Ward said that to begin with Local Research staff would provide this service but that eventually clients could serve themselves. Ward said the contracts were yearly.

### **Discussion Items**

#### **VIII. July Communications Board Financial Statements (Ward)**

Ward discussed the year-end statements for FY 2010-11 since they had not been presented since the new board convened. Ward said that print advertising was declined in FY2010-11 and that was why it was important to create new products to create new revenue streams.

Total income was \$1,868,913 against budgeted income of \$1,911,572 for a negative variance of <\$42,659>. Total income for the prior year was \$1,820,139. Revenue improved by \$48,744. Ward said sales actually increased by \$86,000 if you exclude the Knight Foundation grant revenue from last year. Kiosk Income was \$183,194 against budgeted income of \$151,118 for a positive variance of \$32,076. Display advertising was \$1,028,269 against budgeted income of \$994,608 for a positive variance of \$33,661. Classified Advertising was \$178,840 against budgeted income of \$228,472 for a negative variance of <\$49,632>. Other Income was \$93,085 against budgeted income of \$148,653 for a negative variance of <\$55,568>. Ward said this decline was due mostly to the late launch of Local Research.

Total expense was \$1,978,658 against budgeted expense of \$1,911,572 for a negative variance of <\$67,086>. Ward said MIS Wwages were \$31,864 against budgeted wages of \$18,000 for a negative variance of <\$13,864>. Ward said wages to support technical infrastructure would grow, not decrease. He said the only way to hold down costs would be to outsource some tasks. Sales Commissions were \$86,150 against budgeted wages of \$76,310 for a negative variance <\$9,840>. Ward said this was because the sales were higher. Printing was \$295,049 against budgeted printing of \$279,628 for a negative variance of <\$15,421>. Ward said he probably budgeted too optimistically since actuals ended up being close to what was spent in the previous year, FY 2009-10

Professional Services were \$132,248 against budgeted \$57,816 for a negative variance of <\$74,432>. Ward said that it was necessary to continue technical development in order to adapt. Ward said he sought the boards' support to shift even more money to this budget area. Bollard asked if ASUCLA or Ward negotiated the contract between the professional developers. Ward said he did it. Ward said that the hourly rate currently paid was about half of what we had paid developers working under the Knight grant.

Ward said there were expense savings in Typography Wages, Editorial Wages, and Bad Debt Expense. Typography wages were \$86,526 against budgeted wages of \$90,729 for a positive variance of \$4,203. He said this was because they received more camera-ready ads, which allowed the reduction of student wage hours. Editorial wages were \$201,672 against budgeted wages of \$220,799 for a positive variance of \$19,127. He said this was due to a Marketing staff restructuring. Bad debts were \$1,000 against a budgeted \$24,000 for a positive variance of \$23,000. He said this was because the collections staff was able to collect most of the outstanding receivables, which meant that most of the money reserved for bad debts was returned to revenue/

Total allocated expense was \$742,823 against budgeted \$753,104 for a positive variance of \$10,281.

Net revenue was a loss of <\$109,745> against budgeted net revenue of \$0 for a negative variance of <\$109,745>.

Cash Reserves stood at \$295,000 which meant cash increased by \$23,000. Beginning cash was \$272,000. Ward said he agreed with Bollard about the usefulness of a 20% cash reserve when the board needed capital to create new products. Bollard asked if the board should approve a new cash reserve policy. Ward said it was up to the board, but that policy does protect the cash when it is present.

#### *August Projections*

Ward said August projections looked pretty good. Estimated Revenue was \$66,000 against budgeted revenue of \$52,000 for a positive variance of \$14,000. Estimated Expense was \$125,000, which was \$12,000 more than budgeted expense. Estimated Net Revenue would be a loss of <\$58,000>. Ward said last year there was a loss of <\$59,000> for August, so we were even with last year. Cash stood at \$253,000, and the policy was \$390,000 which was \$137,000 in deficit to policy. This time last year we had \$207,000 in the bank. So we were doing better than last year.

#### *September Estimates*

Ward said that typically September was one of our most profitable months. He said all of his estimates were unofficial because September revenue was still being tallied. So far estimated revenue was \$272,000, but budgeted revenue was \$291,000. Ward said last year revenue stood at \$273,000. Ward said Local Display was down 15 percent while he had anticipated a 5 percent drop. But Web Display Advertising was

up 88 percent and Kiosk advertising was up 44 percent to help address the print shortfall.

Serang asked if Ward had any figures for how much web revenue was being generated. Ward said yes. About \$7,000 was sold in Local Research and one app was sold. Peña asked when they would see a decrease in professional services. Ward said he didn't know because he believed the organization should continue to invest in technology although he said he current spending levels could be brought down. White asked Ward about his expectations for selling Local Research this year. Ward said it was the same as last year, to sell \$86,000 worth of services. White asked how likely Ward thought this would be accomplished. Ward said he thought it was possible. Atkins asked what the incentive was for reps to sell the new products since they would make more money selling print. Ward said that commissions were restructured so that sales reps would increase overall commission rates by one tenth of one percent for every Local Research profile sold on total sales. Selling Local Research profiles was a way to build their commissions across all products.

### **New Business/Action Items**

#### **IX. Communications Board appointee confirmations (Ward)**

Ward said that both he and the media adviser recommended that all the appointees be confirmed.

Gaisford moved to confirm the appointees. Atkins seconded the motion. The motion passed by unanimous consent.

#### **X. Adjourn (Serang)**

Pierce moved to adjourn the meeting. Mendez seconded the motion. The motion passed by unanimous consent. The meeting adjourned at 7:04 p.m.

Submitted by Doria Deen