

## **Minutes of the March 5, 2012 Meeting of the UCLA Communications Board**

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

Board members arriving late: George White

Board members absent: Jodi Levinson

Guests: Justin Sedor (OutWrite Editor in Chief), Jose Hernandez (BruinLife Editor in Chief), Helga Salinas (La Gente Editor in Chief), Helen Alonzo (La Gente staff), Haidee Pachecho (La Gente staff), Lauren Jow (Daily Bruin Editor in Chief), Alexa Smahl (Daily Bruin Managing Editor)

I. Call to order (Serang)

Serang called the meeting to order at 5:39 p.m.

II. Approval of the agenda (Serang)

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

III. Approval of February minutes (Serang)

Frehn moved to approve the minutes. Atkins seconded the motion. The motion passed by unanimous consent.

IV. Executive Committee Report (Serang)

Serang said he and Ward met and discussed fine-tuning the Plan to Develop Student Management.

V. Operations Committee Report (Gaisford)

Gaisford said the Operations Committee met on Thursday, February 9 to discuss the new mobile platforms and solicit magazine staff participation in what would be a new revenue stream for the magazines. He said most of the editors present wanted to participate.

VI. Finance Committee Report (Peña)

Peña said the committee met on Wednesday, February 29 and they approved the budget assumptions. He wanted to point out that employee benefit costs increased to 27.99 percent. He said budgeted Local Research revenue would be about \$80,000. They also talked about the decision to stop Daily Bruin Westwood village distribution. Serang asked if we would not have the kiosk any more since the distribution had been stopped. Ward said he wasn't sure what they would do with them yet.

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

### *Local Research*

Ward said Volcano Tea House, our first app in the Apple Store, was launched on February 4. Despite little promotion, the app had generated 405 downloads, 235 active users, 1,600 user sessions, and a retention rate of 69 percent within a month of being launched. So far two push notifications for coupons had been sent to Volcano Tea app users and the app's analytics showed usage spikes after the notifications. Ward said Volcano Tea was so pleased with the results that they wanted to sign up for six more months and get an Android version built.

Ward said there were currently three apps waiting to be approved by Apple and that marketing staff were working to push out eight more apps by the end of the week.

Gaisford asked Ward if there was any concern that the current advertisers would stop requesting print ads to advertise with apps. Ward said yes, but they were reducing their advertising dollars anyway. Ward said he'd hoped that most of the app sales would be from clients who were not current print advertisers, like Duck House, which was in the San Gabriel Valley. Peña asked how we made a presence in the San Gabriel Valley. Ward said that Daily Bruin Marketing had several Chinese-speaking students on staff who were using their language skills to reach out to these communities.

Mendez asked Ward if he was making an app for the whole Panini chain or just the local store. Ward said just the local store and added that Daily Bruin Marketing was negotiating to provide apps to the five-location Xtreme Pizza chain.

Pierce asked Ward if there was a launch for the Tehrangeles app because the Persian New Year was on March 18. He said it would be a great time to launch the app around that time. Ward said it should be launched by then.

Serang asked Ward how he planned to market the apps to UCLA students. Ward said that apps that were relevant to the campus would be promoted through the Daily Bruin. Apps would have their own promotional campaigns depending on their target markets, so some campaigns would not use the Daily Bruin.

Atkins asked Ward how the student group apps were coming along. Ward said they should be completed very soon. He said the data had been completed and that the functionality was being finished.

### **Discussion Items**

## VIII. January Communications Board Financial Statements (Ward)

Ward said January revenue was \$160,984 while budgeted income was \$184,885, which meant that Income was \$23,901 less than plan. Ward said the variance was mostly because of the change in the fiscal calendar. This year the quarter began on January 9, but last year it began on January 2. So last year there were four publishing

weeks in January while this year there were only 3 publishing weeks. As a result the final publishing week was pushed into March, so March should capture some of that shortfall in January revenue.

Total expense was \$160,225 while budgeted expense was \$175,976. There was a savings to expense of \$15,751. Ward said supplies were overspent because of the printing of kiosk posters, which were recharged to clients. Professional services were \$1,439 under budget as January development was scaled back. January net revenue was \$759 while budgeted net revenue was \$8,909. The variance from plan was \$8,150.

Year-to-Date net revenue was \$3,432 while budgeted year-to-date net revenue was \$33,905 making year-to-date net revenue \$30,473 behind plan. These figures were ahead of last years deficit \$45,311 through the same period. Cash reserves stood at \$291,000.

Gaisford asked Ward why BruinLife January sales were almost \$10,000 under budget. Ward said that the change in yearbook production and distribution, moving from June delivery to late summer delivery, moved marketing programs to the spring quarter. Ward said that a rise a sales should occur this spring. Sondheimer asked if a student took pictures at Campus Photo Studio if their picture would appear in the yearbook. Ward said yes. Sondheimer said he was at the studio and students were there to take pictures but the staff did not offer the yearbook to the student. Both Ward and Jose Hernandez said that the studio was supposed to help market the book. Ward said a lot of the stronger yearbook operations had the benefit of working with commercial photographers, from which they received a share of senior portrait revenues for their marketing help. He said USC made more money from commissions received from their commercial photographer than book sales. Bollard asked Ward why he would not hire USC's photographer. Ward said that was a decision that would have to be made in conjunction with ASUCLA. Gaisford asked Ward if we paid a commission to Campus Photo Studio would they help them to promote the book. Ward said that it wouldn't be affordable given the small margins on the book. White asked how much yearbook promotion was being done through the Daily Bruin. Ward said there were daily ads.

#### *February Estimates*

Ward said estimated February revenue was about \$154,000 while budgeted revenue was \$184,000. February income last year was \$173,000. Ward said Display Advertising was down about \$10,000 and Classified Advertising was down about \$7,000.

Bollard asked Ward if he had the same number of FTEs this year and last year dedicated to sales. Ward said it remained just one person, the advertising manager.

#### IX. 2012-13 Communications Board Budget Assumptions (Ward)

Ward said the budget assumptions were divided into two parts: (1) Variables outside of the Communications Board's control; and (2) Strategic variables within the Communications Board control.

Ward said the variables outside of the Communications Board's control were an inflation rate of three percent, career merit increases of three percent for 2012-13 and future years, and benefits for Worker's Compensation, unemployment, retirement annuity, OASDI, Medicare, retirement plan, and vacation expenses would increase to 27.99 percent for 2012-13, and 29.99 percent for 2013-14 through 2015-16.

The strategic variables within the control of the Communications Board were capital expenses for workstation upgrades, digital video and photo equipment, office furniture and improvements, new revenues from Local Research, and reduction of press run.

#### *Capital Expenses*

Ward said last year the capital equipment budget was about \$40,000, but year-to-date he had only spent \$4,000.

#### *New Revenues from Local Research*

Ward said Local Research had five planned revenue streams and should start to generate revenue at a significant level this year. He said he had provided the Finance Committee with a detailed breakdown of how Local Research would generate revenue from five streams.

White asked Ward if any other colleges besides North Carolina and Arizona State were app partners. Ward said Universities of Houston and Arizona were planning to build an app. He said about eight schools have said they wanted to build apps with Local Research. Sondheimer asked how much Local Research expenses would be. Ward said that information would be in the 2012-13 budget. Bollard asked Ward to discuss his short term and long term plans to determine if it made sense to go all in with Local Research if it would not be able to function if Ward decided to leave Student Media. Ward said he'd prefer to speak about it in executive session since the topic involved sensitive personnel matters.

Sondheimer moved to enter executive session at 6:49 p.m. Calderon seconded the motion. The motion passed by unanimous consent.

Sondheimer moved to exit executive session at 7:11 p.m. White seconded the motion. The motion passed by unanimous consent.

Mendez moved to approve the 2012-13 Communications Board Budget Assumptions. Peña seconded the motion. The motion passed by unanimous consent.

X. Adjourn (Serang)

Pierce moved to adjourn the meeting. Calderon seconded the motion. The motion passed by unanimous consent. The meeting adjourned at 7:13 p.m.

Submitted by Doria Deen