

## **Minutes of the May 7, 2012 Meeting of the UCLA Communications Board**

Board members present: Thomas Atkins, John Bollard, Jennifer Frehn, Lys Mendez, George Pierce, Raiyaan Serang, Michael Sondheimer, George White, Arvli Ward

Board members absent: Nancy Calderon, Brent Gaisford, Erik Peña, Jodi Levinson

Board members leaving early: Michael Sondheimer

Guests: Justin Sedor (OutWrite Editor in chief), Katie Schonwengerdt (OutWrite Editor in chief applicant), Helga Salinas (La Gente Editor in chief), Helen Alonzo (La Gente Editor in chief applicant), Naseem Golestani (Al-Talib Editor in chief), Zainab Mithani (Al-Talib Editor in chief applicant)

I. Call to order (Serang)

Serang called the meeting to order at 5:45 p.m.

II. Approval of the agenda (Serang)

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

III. Approval of April minutes (Serang)

Pierce moved to approve the minutes. White seconded the motion. The motion passed by unanimous consent.

IV. Executive Committee Report (Serang)

Serang said there was nothing to report.

V. Operations Committee Report (Gaisford)

Gaisford did not attend the meeting. Ward said there hadn't been a meeting. Atkins said he'd believed Gaisford was planning a meeting within the week.

VI. Finance Committee Report (Peña)

Peña was not present, but Ward said was prepared to discuss the March financial statements.

VII. Media Director's Report (Ward)

*Local Research*

Ward said Local Research was beginning to show some promise as some client sales were made recently. Ward said that the staff was improving its ability to produce apps.

*WAUPM*

Ward said that Jeremy Wildman, the Daily Bruin advertising manager, would be attending the Western Association of University Publications Managers meeting in Charleston, SC instead of Ward.

## Discussion Items

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

Ward said March income was \$125,315 while budgeted income was \$183,920, which meant that revenue was \$58,605 less than plan despite additional publishing days in March. Ward said he had believed March revenues would capture revenue lost in January and February due to fewer publishing days.

March expense was \$163,873 while budgeted expense was \$164,178 for a small savings of \$305. Net revenue was a loss of \$38,558 while budgeted net revenue was \$19,742 or a negative variance of \$58,300. Year-to-date net revenue was a loss of \$53,941 while budgeted year-to-date net revenue was a positive \$58,735, which meant that year-to-date net revenue was \$112,676 less than plan.

March cash reserves stood at \$264,000, which was still in deficit to policy Ward said but still at serviceable levels in terms of the department's current needs. April cash reserves were estimated at about \$224,000.

Serang asked Ward what was the major cause of March's deficit. Ward said local and university display advertising.

### *April Estimates*

Ward said estimated April revenue was about \$190,000 while budgeted revenue was \$190,270.

### IX. FY2012-13 Communications Board Budget Draft (Ward)

Ward presented a draft of the FY2012-13 Communications Board Budget and began by talking about the FY2011-12 results. Ward said that he had revised the anticipated net revenue for FY2011-12 to a loss of \$50,000 rather than the \$30,000 loss indicated in the first budget draft. Ward said budgeted net revenue for FY2011-12 was \$56,000.

Ward presented slides to the board to display the major issues in the FY2012-13 Communications Board Budget.

### *Local Display*

Ward estimated that Local Display would finish down about 21 percent or \$138,000 less than FY2011-12 budget plan. This would be a 16 percent decline from FY2010-11 actuals. The FY2012-13 budget projected just a one percent decline from FY2011-12 estimates.

White asked Ward what the source of optimism was. Ward said he thought this category would continue to suffer declines but that without these kinds of projections the budget wouldn't work. He said that the staff would work hard to achieve the budget targets. Bollard said if Ward used a more dire projection for print revenue he

would be forced to reduce expenses now. Bollard said he understood Ward to be taking a position that would require him to reduce expense if the numbers he posted in the budget did not materialize.

#### *Campus Display*

Ward estimated that Campus Display would finish down about 7 percent or \$8,000 less than budget plan for FY2011-12. This would be a 7 percent decline from FY2010-11 actuals. The FY2012-13 budget projected a further decline of 7.5 percent from FY2011-12 estimates.

#### *National Display*

Ward estimated that National Display would finish ahead of budget by about 7 percent or \$8,000 better than budget plan for FY2011-12, which also represented a 6 percent increase over FY2010-11. The FY2012-13 budget projected calls for a 2 percent decline from FY2011-12 estimates.

#### *Classifieds*

Ward estimated that Classified Advertising would finish below budget by about 15 percent or \$26,000 short of budget plan for FY2011-12. This would be a 13 percent decline from FY2010-11. The FY2012-13 budget projected calls for a 2 percent decline from FY2011-12 estimates. Ward said that the initiatives to bring classifieds to mobile will help stem the decline.

#### *Outdoor*

Ward estimated that Outdoor Advertising would finish ahead of budget by about 18 percent or \$66,000 better than budget plan for FY2011-12. This will be a 28 percent increase over FY2010-11. The FY2012-13 budget projected calls for a 5 percent increase from FY2011-12 estimates. Ward said that demand remains strong for kiosk advertising space.

#### *Online*

Ward estimated that Online Advertising would finish ahead of budget by about 37 percent or \$30,000 better than budget plan for FY2011-12. This will be a 46 percent increase over FY2010-11. The FY2012-13 budget projected calls for a 6 percent increase from FY2011-12 estimates. Ward said that more advertisers are moving to online.

#### *Local Research*

Ward estimated that Local Research would down to budget by about 71 percent or \$59,000 short of budget plan for FY2011-12, although it would be an increase of more than 200 percent from FY2010-11. The FY2012-13 budget projected calls for a 64 percent increase from FY2011-12 estimates. Ward said that the pieces are finally in place to begin to see significant returns from the Local Research strategy.

#### *Total Communications Board Revenue*

Ward estimated that total Communications Board revenue would be short of FY2011-12 budget by 9 percent or \$190,000, which would mean that revenue declined about 2 percent from FY2010-11. The FY2012-13 budget calls for a \$28,000 or 1.5 percent increase from FY2011-12 estimated actual revenue.

#### *Total Communications Board Expense*

Ward estimated that total Communications Board expense would be better than FY2011-12 budget by 7 percent or \$135,000, which would mean that expenses declined about 4 percent from FY2010-11. The FY2012-13 budget calls for a \$25,000 or 1 percent increase from FY2011-12 estimated actual revenue.

#### *Communications Board Net Revenue*

Actual net revenue is estimated to a loss of \$50,000. Budgeted net revenue for FY2011-12 was \$56,000 so the variance is a negative \$106,000. Budgeted net revenue in FY2012-13 budget is \$0.

#### *Capital Expense*

Capital expense would be \$40,000. Ward said this is about the minimum needed.

#### *Estimated Cash Reserves*

Estimated cash reserves as of July 2013 would be \$243,000.

Ward said the key issues for the board to discuss included the following:

1. Where are we in our strategic planning with respect to the new initiatives?
2. What expense reductions will be necessary if revenues continue to fail?
3. How do we plan to meet our mission in a smaller funding footprint?
4. What is the timetable for all these things to happen?
5. Do we have enough cash? How long will it last? Is it enough to achieve our strategic goals?
6. Are these revenue forecasts realistic?
7. If the forecasts are not realistic the board would have to plan for alternatives.
  - a. Board may have to reconsider the Communication Board's mission.
  - b. Study how to reduce expense, especially allocated overhead, and set the triggers that would activate those cuts.
  - c. Be prepared to train students to fill the roles and functions formerly done by career staff.
  - d. Take on an outlook that focused on sustainability through an approach towards our work, which meant documentation to third party partnerships that could do jobs for us and outsourcing of some of the in-house functions.

Bollard said that the board should approve this budget but should commit to making any changes deemed necessary to remain solvent, including reduction of overhead that would be tied to triggers to take action.

Pierce moved to adopt the 2012-12 Communications Board Budget and Five-Year Forecast with the provision that the media director define a contingency plan to be approved by the Communications Board at September 2012 meeting. White seconded the motion. The motion passed by a hand vote of 8-0 with no abstentions.

Pierce moved to direct the 2012-13 Communications Board review the budget with the contingency plan in place by the October 2012 Communications Board meeting. Mendez seconded the motion. The motion passed by a hand vote of 8-0 with no abstentions.

#### New Business/Action Items

X. Al-Talib editor in chief interview – Zainab Mithani (Ward)  
Pierce moved to enter executive session at 6:42 PM. Bollard seconded the motion. The motion passed unanimous consent.

Bollard moved to exit executive session at 7:05 PM. Mendez seconded the motion. The motion passed by unanimous consent.

Mendez moved to appoint Zainab Mithani as the 2012-13 Al-Talib Editor in Chief. White seconded the motion. The motion passed by a hand vote of 7-0 with no abstentions.

XI. La Gente editor in chief interview – Helen Alonzo (Ward)  
White moved to appoint Helen Alonzo as the 2012-13 La Gente Editor in Chief. Mendez seconded the motion. The motion passed by a hand vote of 7-0 with no abstention.

XII. OutWrite editor in chief interview – Katie Schonwengerdt (Ward)  
Bollard moved to appoint Katie Schonwengerdt as the 2012-13 OutWrite Editor in Chief. Pierce seconded the motion. The motion passed by a hand vote of 7-0 with no abstentions.

XIII. Adjourn (Serang)  
White moved to adjourn the meeting. Pierce seconded the motion. The motion passed by unanimous consent. The meeting adjourned at 7:05 p.m.

Submitted by Doria Deen