

Texas Student Media  
Board of Operating Trustees Meeting  
Friday, February 21st, 2014 at 1:00 p.m.  
William Randolph Hearst Building, HSM 4.112  
Austin, Texas 78712

**Voting Members Present:** Dave Player, Jordan Hawkes, Jason Lu, Vincent Cicchirillo, Heidi Toprac, Robert Quigley, Todd Nienkerk, Jeff Cohen

Voting Members Absent: Samantha Carlile, Mary Dunn, Ray Ortiz

**Non-Voting Members Present:** Frank Serpas III, Laura Wright, Mary Beth Mercatoris, Shabab Siddiqui, Joe Aragon, Ian Reese, Jaclyn Kachelmeyer, Nick Mehendale, Bree Wiethorn, Ted Sniderman

Non-Voting Members Absent: None

**Guests Present:** Riley Brands, David Maly, Eric Nikolaidis, Grant Schaefer, CJ Salgado, Michael Gammon, Robert Blanchard, John Mitts, Lindsey Hollingsworth, Ileana Barron, Edward Stockwell, Alex Vickery, Cliff Avery, Jordan Rudner, Nicole Cobler, Nathan Beddome, Wanda Cash

### Meeting Opening

The Texas Student Media Board of Trustees February 21st meeting was called to order at 1:09 pm by Dave Player.

### Approval of the Minutes of the November 22, 2013 Meeting of the Texas Student Media Board of Operating Trustees

Heidi Toprac made a motion to approve the minutes of the November 22nd, 2013 meeting. Vincent Cicchirillo seconded the motion. The motion passed.

### Activity Reports From the Interim Director, Advisers, and Student Editors & Managers For Each Media Unit

The student managers provided new updates and touched on some things already included in their board reports:

#### Cactus Yearbook

- The book is now guaranteed to print due to a recent increase in sales numbers.
- Staff have been working on creating the book and marketing it to seniors.
- Focus on marketing has changed to reflect current trends.
- The future of the Cactus will be shaped by budget decisions.

- Transitioning to digital will be challenging, but this can be mediated by making decisions earlier.
- The archives will be utilized for some of the content in this year's book.
- The book will be amazing.

### The Daily Texan

- Significant changes were made to the employee handbook in order to clarify policy; this has been made available to readers online.
- Laura Wright met with Dean Hart of the College of Communications to discuss the transition; many questions still remain unanswered.
- A town hall meeting was held with the staff to discuss the budget.
- There were a lot of applicants at try-outs this year.
- The recent crime story is shaping up to be one of the biggest online stories ever for the Daily Texan. However, this brought its own set of challenges.
  - > A member of the board asked if this was a concern.
  - > It was noted that this was the first time such a problem has occurred; traffic has not been this high since the food trailer story. The problem is not acceptable and ITS has been made aware of The Daily Texan's expectations.
  - > The board asked for metrics for online traffic and digital revenue information.
  - > It was mentioned that making such info public may pose a problem, but two members of the board welcomed the idea of added transparency and will look to provide the requested info in the next report.
- Staff structure for taking care of the online aspect has been reorganized.
- The comic anthology, a collaboration with the advertisement department and made possible by John Massingill, is set to come out soon
- Recent partnership with TSTV to live stream, opportunities, and occurrences have made Daily Texan content stronger than ever.

### Texas Travesty

- The regular print issue is currently being put together.
- Systems to provide online content more regularly are being created.
- During the winter break, the Travesty succeeded in driving online traffic up.
- This is indicated by higher engagement with social media and an increased number of 'likes'.
- Student engagement/outreach has increased to develop brand awareness.
- A screening of "The Room" will occur on campus soon.
- Work is being done on things related to student government.

### KVRX

- The Pledge Drive was successful at raising a significant amount of money.
- Instead of only promoting one time donations, listeners were encouraged to become KVRX "members". The intent is to encourage listener involvement throughout the year.
- A major challenge being faced is restructuring the staff since many current staffers are graduating seniors.

- Improving the KVRX website has been one of the main focuses. It needs to engage the station's DJs to write for it and the readers to visit it.
  - > A board member asked how KVRX was planning to revamp their website.
  - > Doing so is inherently complicated, but KVRX will fix the easy things, work around the small glitches, and work on reorganizing it as a whole.
  - > A board member wanted to know if the DJs could instead have a feature on The Daily Texan website.
  - > Although it's a nice idea, KVRX would rather the DJ constantly update their own website and tailor it to a specific audience.
  - > When asked about the top two things he's looking for in a new director...
  - > Joe Aragon responded that they should know FCC guidelines, the radio business, and the KVRX culture.
  - > When asked about the premium gifts...
  - > Joe assured the board that donors did in fact get them.

## TSTV

- Good headway is being made on the live remote unit; in fact, future events have already been scheduled. These will be great venues to test and perfect the system. Purchasing, testing, and construction of the system are nearly complete.
  - > A question was raised about how the system was being marketed.
  - > A promotional video has been made that will be sent out to different college departments. Additionally, resources around the university are being looked at.
- Involvement with this equipment has increased.
- TSTV is collaborating with The Daily Texan.
- The student government debates will be live broadcasted; this is a great opportunity to open up TSTV's services to the rest of the university.
- A recent production with a client has just been completed.
- There is a new group of volunteers that are ready to work for TSTV.
- A College of Communications donation was invested into new projectors.
- TSTV set up the room that the TSM meeting was being held in and was also live broadcasting and live streaming the meeting.
  - > Ian Reese was asked if someone is ready to take over his position in the future.
  - > Ian informed the board that there is a candidate lined up for next year. Additionally, the production directors and staff are trained very well on the things they do.
  - > In response to a question about doing video ads in collaboration with the ad department...
  - > Ian emphasized that TSTV and advertising do collaborate already. For example, clients at the Housing Fair were interviewed.

## Report on the Status of the TSM Director Position; Dave Player, President of the Board of Operating Trustees

The board entered closed session at 1:37 pm.

The meeting was called back to open session at 2:01 pm.

## Executive Committee Reports; Vincent Cicchirillo, Chair of the Executive Committee of the Board of Operating Trustees

Vincent Cicchirillo led a discussion regarding the matters discussed during the Executive Committee meeting. He summarized the most important points:

- April 2nd is the deadline for approving the 2014-2015 budget.
- There is a projected loss of revenue that is greater than the loss last year.
- The reserves are threatened.
- Change is necessary.
- A proposed change is making the Daily Texan a weekly publication.
- Other options are either not known or precluded by time constraints.
- It is the opinion of some on the board that salaries should not be touched.
- With these things in mind, what changes need to be made?

## Discussion Regarding Preliminary 2014-2015 TSM budget; Frank Serpas III, Interim Director

The discussion began with a Powerpoint presentation by Dave Player. He started with background about the previous year's plan to go from five days of printing The Daily Texan to four days. A major unknown with that plan was its effect on existing revenue. In the case of making The Daily Texan a weekly publication, the same problems arise:

- If one day is cut, are the ads for that day lost?
- What about advertisers who buy ads for more than one day?

In order to address these questions and more, Dave sampled three weeks of this year and calculated the net savings after accounting for all foreseeable issues and assuming that advertisers migrate to buying ads on Monday.

For each of these three weeks (weeks when UT Austin did not host a home football game), Dave calculated the savings, loss in revenue, and net savings for three scenarios in which page count, circulation numbers, and print days differed. In general, costs are driven down when pages, circulation, and printing days decrease. However, there can be many unintended effects.

In considering cutting circulation numbers, it was brought to the board's attention that it must consider that many big advertisers may shy away from newspapers that print less than thirty thousand copies a day. This is especially important if The Daily Texan is printed weekly. However, another problem continues to lurk, and that is pickup rates. As one of the board members pointed out, this is a major factor that drives ad sales. The possibility of making the newspaper a tabloid size was discussed, but it was ultimately deemed unwise due to a potential loss of ad revenue. Switching gears, Dave pointed out some advantages of going weekly.

First, a weekly Daily Texan will be a different product than it is now, and it will be marketed as such to advertisers. Currently, demand exists in this area. Secondly, there may be a broader pool of printing vendors to choose from. Dave went on to summarize the major takeaways of his presentation:

- Cutting print days saves more money than reducing page count and circulation.
- Revenue will be lost from advertisers who buy ads daily.
- The savings are not significant as initially hoped.

Following the presentation, the floor was opened to questions:

Q: What is the worth of the brand's equity? Will it be damaged?

A: There is currently no data, and it might be. In fact, another school was cited as receiving major damage to its brand.

Q: Are the net savings presented in Dave's presentation realistic? Will the same advertisers come back?

A: The newspaper will be marketed a different way and offer different value to advertisers. Also, many advertisers are tied to different events, so there will be some retention. Other than that, there is no way to estimate demand at this point and the net savings are an educated guess that relies on many assumptions.

Q: Who is the competition?

A: Since many Austin newspapers appeal to different audiences and operate differently, it is really difficult to classify competitors. The same goes for other university newspapers. Information about other schools will be made anonymous and presented at a future time.

Q: Why cut to weekly printing?

A: As of now, it has the most knowable outcome and moves TSM forward without making other cuts.

Q: How will rates increase with decreasing readership?

A: Because it will be a different product, it is not known how The Daily Texan will react. Instead of going weekly, a board member proposed there be a new strategy and serious corrective action.

Q: What about ideas to increase revenue? How was the 2014-2015 revenue line calculated in the budget?

A: As of right now, time constraints limit the amount of revenue generating ideas that can be put into action. The revenue line is the best estimate that can be made right now.

Q: Can we get actual numbers?

A: It is very difficult to do that at this time. Despite the pitfalls, the change to printing weekly needs to be framed in terms of the alternatives.

Q: Can we make a new budget without cutting to a weekly print schedule?

A: Yes, but the board needs to be wary of the potential danger this places on the reserves.

Q: Should we go "all in" on revenue?

A: An interested board member suggested that ten corrective measures should be drafted. Dave Player reminded the board that corrective action to students must come from the board and not the interim director. Adding on to the revenue generating part, CJ Salgado suggested increasing advertisement staff and building the brand for Longhorn Life. There are a lot of opportunities here.

Q: Is there any way to expand online advertising?

A: There is limited real estate on the sites at this time.

Todd Nienkerk left the meeting at 3:01 pm.

Q: Is there a chance the board could schedule an additional meeting before passing the final budget?

A: Yes, Frank Serpas III will be looking to schedule an additional meeting for March 7th, 2014. By then, the board would like to see a new budget line, hear from Dave Player following talks with Dean Hart, and hear from the Friends of The Daily Texan about possibly volunteering to pay for student wages at The Daily Texan. The new budget will be adjusted to include a new advertisement staffer and the regular daily print schedule.

A board member addressed all of this and believes that going weekly will hurt both the brand and the educational experience for students. Also, the member was concerned about the strength of The Daily Texan's current digital product, the lack of digital analysis, and asked that any major changes be made with the dean of the College of Communications in mind. As of right now, the College of Communications is taking a hands off approach until the transfer is finalized.

Heidi Toprac and Jordan Hawkes left at 3:22 pm.

### Meeting Closing

Jeff Cohen made a motion to adjourn the meeting. Vincent Cicchirillo seconded the motion. The motion passed.

The meeting was adjourned at 3:22 pm.