

Report  
from the  
Interim Director

Minutes  
of the  
March 21, 2014 TSM Board meeting

2014-2015  
TSM Service Agreement

April 23, 2014

As this busy semester hurtles to a close, it's worthwhile to savor our accomplishments (lighting the Tower orange to honor the Texan's CMA award is surely no empty gesture) and take stock of where we stand.

The 2014-2015 operating budget passed at the last TSM Board meeting was successfully submitted to the UT Budget Office before the deadline. An RFP addressing newspaper printing services for the upcoming fiscal year (reflecting the Texan's unchanged publication frequency) was sent to UT Purchasing on April 2.

Applications are now being accepted for one of the sales positions approved by the Board; this position can be funded immediately using the allocation remaining for the salesperson who retired earlier this fiscal year. The job description of the second approved sales position will be finalized after the first position is filled; online sales experience will likely be a preferred applicant characteristic.

The scope of the approved sales assistant position may be shaped by a recent staffing change: Chad Barnes (Executive Assistant / Business Manager) left for another UT position last week just shy of his six-month mark at TSM. This vacancy affords an opportunity to reevaluate the assignment of tasks within the Business Office.

The approved broadcast coordinator position will be vital to maintaining the momentum generated by Ian Reese this semester with paid video productions. A link to Texas Student TV has been added to the "Getting Your Video Made" section of the University Communications website.

Texas Student TV is now earning revenue with one of its digital subchannels (29.3) by airing CornerStoreTV, a 24-hour infomercial network. When viewers buy products, we get both money and demographic data (the purchasers' zip codes).

Talks are underway to embark on a complete digitization of the Texan's print archives. Over the past year Curt Yowell has been in touch with UT Libraries on this topic; they have completed a test run of the Texan issues from spring 1974 and are prepared to fund a significant portion of the eventual cost of the project. It's hoped that alumni donations will pay for the balance of this undertaking.

The City of Austin has extended the lease for the land housing the 91.7 FM transmitter and tower until 2019. The transmitter has been in operation since KVRX began FM broadcasts in 1994, and is due for replacement. This approaching 20-year milestone has generated interest amongst station alumni, including "founding father" Kevin Tuerff, who has hosted a pair of meetings at EnviroMedia (his PR firm) to plan a station reunion for November 15, the anniversary of the FM launch. A concomitant fundraising drive aims to pay for a new transmitter and associated equipment.

Another pending KVRX upgrade is the replacement of the audio automation system, which assists in playing music, promos, and underwriting spots. In addition to reliability problems endemic in aging hardware, the automation software runs on Windows XP, which is no longer supported by Microsoft. It's expected that a new system would feature a less-inelegant interface with the KVRX website, which would improve site visitors' user experience and ensure compliance with the "now playing" reporting requirements of the Digital Millennium Copyright Act. The funds raised during this semester's Pledge Drive would be well spent on this need.

During May 20-23 I will visit the Cronkite Building in Phoenix, Arizona, representing Texas Student Media at the annual conference of the Western Association of University Publications Managers (WAUPM). A benefit of WAUPM membership is access to quantitative benchmarks with our peers in student media on a variety of measures.

In preparing and reviewing the applications for the TSM student leadership positions, I noticed that the TSM Handbook is in need of updating regarding the qualifications for the positions. At a minimum, references to courses in the School of Journalism must be updated to reflect the new curriculum. Beyond that, it's worth examining whether any qualifications need to be modified, including the question of which items can be waived. It's appropriate for the media units to employ disparate criteria as warranted, but the differences should be deliberate; at present the rationale for the vetting discrepancies is unclear. I urge the Board to address this topic before the next round of applications arrives.

Due to a confluence of factors, five of the six student positions on the Board will need to be filled at the first meeting of next year, which could take place during the summer if desired. Applications for those positions are currently being accepted.

Frank Serpas III  
Interim Director, Texas Student Media

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

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

Voting Members Absent: Samantha Carlile, Todd Nienkerk, Ray Ortiz

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

Non-Voting Members Absent: Nick Mehendale, Mary Beth Mercatoris

**Guests Present:** Riley Brands, Jennifer Hammat, CJ Salgado, Michael Brick, Cliff Avery, Nathan Beddome, Wanda Cash, Curt Yowell, Roderick Hart, Christine Ayala

Meeting Opening

The Texas Student Media Board of Trustees March 21st meeting was called to order at 1:03 pm by Dave Player.

Approval of the Minutes of the February 14, 2014 and February 21, 2014 Meetings of the TSM Board of Operating Trustees

Heidi Toprac made a motion to approve the minutes of the February 14, 2014 and February 21, 2014 meetings. Vincent Cicchirillo seconded the motion. The motion passed.

Declaration of Election Results Following Written Report of Results From Election Supervisory Board

The Election Supervisory Board has communicated the recent election results with some members of the board, and it was announced that Riley Brands will be the next Editor-in-Chief of The Daily Texan.

With regards to TSM board member openings, there are currently no applicants, but there is currently one interested individual. In addition, two board member positions have just opened. Appointments to fill these two positions can begin at the next board meeting in April, while appointments for the other seats will be made during the September meeting at the soonest. It is important to fill these seats in order to avoid quorum issues. It was added that some of the board members must be students of the College of Communications, and all board members

cannot be working for TSM. Everyone was encouraged to continue spreading word about the openings.

#### Executive Committee Report; Vincent Cicchirillo

Highlights of the executive committee report were discussed. These included the hiring of an advertisement staff member, salesperson, and broadcast coordinator, the decrease in print delivery expenses, and the increase of student wages. A former Student Affairs fee is no longer a part of the budget, but it is not known yet whether the College of Communications will require a similar fee in the future. Four budget options were presented: 1) Cut expenses, 2) Invest in making more revenue, 3) Do nothing, and 4) Create a hybrid of all the options. More information regarding the budget was discussed in the next agenda item.

#### Discussion and Possible Action Regarding 2014-2015 TSM Budget; Frank Sepas III

Before voting for one of the budget options:

The board asked why the possibility of adding more advertisement staff was not being considered.

- Ideally, the advertisement department would hire more staff, and such an option was included in their proposal, but they are currently limited by resources.

The board also asked where the investment in web development was.

- The budget includes increases in student wages to support web development, but there are no other specific investments in this area. The board was advised that it could explore more investment options, but none were on the table yet.

Another board member asked what was holding back digital sales from growing.

- Curt Yowell, Nathan Beddome, and others involved in web development were commended for their work on the digital side of TSM. It was remarked that right now, there is not enough traffic going through the Daily Texan website, and that it needed to be revamped, possibly by an independent vendor. Increasing the advertisement staff can help to raise revenue, and other opportunities are being discussed. There is also a Daily Texan app that is pending approval. The board questioned if these options would make enough of a difference.

Other questions regarding the board's role in relation to the student managers and professional staff were brought up. In order to address these questions, the difference between content and management would need to be clearly defined. It was discussed that this could be very challenging since future student managers could interpret the definition a different way.

Board members were asked to hold off on discussing digital ideas until agenda item F.

More details about budget option 2 were presented to the board. The main goal of budget option 2 is to raise advertisement revenue primarily by increasing the number of FTEs. With all of the recommended changes incorporated into the budget, there stands to be a surplus next year.

Dean Roderick Hart discussed the role of the College of Communications during TSM's transition. He is highly optimistic about setting in place a business plan that will bring more stability to TSM in the future. He laid out a few main points of the plan:

- 1) Interface with the new assistant dean
- 2) Fill the TSM director position by May
- 3) Reexamine the current Trust
- 4) Conduct a comprehensive audit of TSM
- 5) Examine all revenue routes
- 6) Advise on the digital media side
- 7) Increase cross promotion of entities with the university and themselves
- 8) Bring in assistance with a development team
- 9) Request transitional funding to stabilize the security of TSM revenue for a few years

The board, recognizing that none of this alleviates it from its responsibility to pass a sound budget, welcomed the news. Some members expressed their confidence about working with the College of Communications.

Heidi Toprac made a motion to adopt the budget. Vincent Cicchirillo seconded this motion. The motion passed.

There was some more discussion about possibly adding yet another advertisement staffer and other opportunities for increasing digital offerings.

#### Discussion of Potential Amendments to TSM Operating Trust and Presentation of Draft Language; Dave Player

The discussion began with the disconnect created by language in the Trust between staff managers, the director, board members, and professional staffers. A conversation ensued about how to potentially correct this.

One board member suggested creating a committee that would work with some of Dean Hart's staff to draft new language together. However, it was determined that executing this would be tricky given that external legal advice is needed throughout this process to ensure that any changes made are in the best interest of the Trust. Another idea was to have a subcommittee draft new language, bring it to the board for approval, then give it to the attorneys, regents, and the president for approval.

The board was told that TSM would need its own attorney to represent it, and that approval would need to come from both the regents and the president. The last change in the Trust took 14 months to implement.

A board member addressed two main things that they believed needed to be the focus of the new draft language: 1) Who runs the organization/who is accountable to who? 2) Procedural issues, such as size of the board, student participation, and the Open Meetings Act.

Some viewed the first as a priority issues whereas others believed that the second one was much more important due to turnover and quorum issues. A suggestion was made to include student managers in this process.

One of the student managers commented that student independence needs to be protected. Overall, most agreed that there needs to be some checks and balances to ensure that the director can run TSM as a good business without compromising the learning experience of the students.

A guest mentioned that the role of the director should be examined more closely, as well as the role of the board itself.

A board member suggested increasing the influence the board has over the evaluation of the TSM director.

Dave Player proposed that he help draft language, meet with the managers, managers, and administration, and seek legal counsel. This new language will potentially be brought to the board in April, and a special meeting could possibly be called in May to approve it. A board member voiced concerns about the timing of these events in relation to a new director being hired around May or June.

Next, the board moved on to discussing the potential procedural changes, namely the size of the board and selection of board members. If it is decided that Open Meetings is not the best route for the board, an alternative would need to be set in place. A few board members and professional staff defended the importance of having something like Open Meetings, but others found it obstructive due to the quorum issues it often brings with it.

The board also discussed the terms of service for members. The current 1 to 2 year terms for members leads to high turnover rates; having longer terms could lead to greater continuity and more efficient decision making. It would also decrease the need to constantly retrain members. However, the main challenge is to get students to commit for four years. It was remarked that 4 year terms have existed in the past, and have been successful.

Moving on to entity updates, the Cactus is planning to print a smaller book next year, one that will have a coffee table look to it. They will continue to appeal to people in the market, and ties with Texas Exes and the Coop are currently being strengthened.

More board reports will be presented at the April meeting.

Agenda item F was tabled until later in the meeting.

Discussion of Potential Review of TSM Operating Policies and Seeking Assistance and/or Consultation With External Entities; Prof. Heidi Toprac

Heidi Toprac informed the board that Paul Liebman and the Compliance Office will be looking at the election process in the TSM handbook to ensure:

- 1) It makes sense
- 2) It is clear to the public, and
- 3) Ensure that TSM has followed the correct procedures

Going forward, changes need to be made in the handbook. Members were told that they may be contacted by members of the Compliance Office soon.

Discussion of TSM Digital Strategy and Product Development; Jordan Hawkes

Jordan Hawkes remarked on the importance of going strengthening the digital component, and brought up real examples of social media initiatives already present in the Daily Texan. Nathan Beddome told the board about the increase in digital offerings. Nathan and CJ Salgado have been working closely alongside a digital team to work on many projects, including:

- Social media giveaways
- Daily Digest e-mail, making it available on mobile platforms
- Native advertising

They are making sure that everyone is in agreement with native advertising policies.

The digital team is also working on Daily Texan Delta, a project aiming to completely redesign the website of the Daily Texan.

Currently, the advertisement department is limited in what they can design and by the real estate of the Daily Texan, but there was optimism that native advertising could help mitigate some of these issues.

A question surfaced about the ethics in native advertising. The board was assured that native ads must be clear and honest. Overall, they will provide students with another great learning experience.

A board member recommended that the board take Cliff Avery's Friends of the Daily Texan report under serious advisement. There are many traffic idea growing ideas included in that report that have a lot of potential. In response, another board member asked which initiatives



specifically should be pursued first. A suggestion was made for adding ad banners, digital coupons, and other methods outlined in pages 19-20 of Cliff's report. Cliff also noted that the main person behind the report is very experienced in this line of work.

When asked about investigating best practices in collegiate media, professional staffers commented that ad staff and others will be attending a CNBAM (College Newspaper Business & Advertising) conference, an event that all are invited to as long as they sign up for events. There is also great information from a recent CMA conference.

Moving on to the market of the Daily Texan, the need for more data was stressed once again. The Daily Texan needs to not only drive traffic, but it must also engage the audience and have them develop a relationship with the paper. This is important to advertisers. The Daily Texan has now moved beyond just using page counts for analysis. They can now track in real time where people are clicking on the web page, their scroll depth, and much more. There was also a survey recently conducted that gathered information from 2500+ students about their level of engagement with the Daily Texan. No analysis has been done yet, but preliminary results show that people are definitely using the print product, and both word of mouth and Facebook are important.

Next, the board moved on to discussing distribution of the paper. If the Daily Texan was given permission to hand out papers in dorms, then other local competitors would be allowed to do the same. One board member noted that it still wouldn't be a bad idea regardless of the competition, but the university has historically been tentative about subjecting students to a stack of papers in their dorm rooms every day. A similar policy holds for distribution boxes: if the Daily Texan moved theirs, competitors are allowed to move theirs as well. A staff member also called into question whether such a move would be worth it. Again, having people deliver the Daily Texan brings about the same challenges, especially with DHFS. The board also discussed digitizing the Daily Texan archives.

A guest encouraged the creation of a subcommittee committed to innovation.

### Meeting Closing

Jordan Hawkes made a motion to adjourn the meeting. Vincent Cicchirillo seconded this motion. The motion passed.

The meeting ended at 3:01 pm.

## **2014-2015 SERVICE AGREEMENT**

Whereas the Board of Regents of the University of Texas (“University”) and Board of Operating Trustees of Texas Student Media Trust (“Operating Trustees”) have amended the Declaration of Trust;

Whereas, the Amended and Restated Declaration of Trust has altered the historic relationships between the Trust and the University,

The University and the Operating Trustees have for good and available consideration agreed as follows:

### **I. Definitions**

1.1 The definitions in the Amended and Restated Declaration of Trust, a copy of which is Attachment 1 hereto and incorporated into this Agreement, shall apply to this Service Agreement.

1.2 “Operating Revenue” shall mean all revenue received by the Trust other than funds received from the University including student service fees.

### **II. Purpose of Agreement**

2.1 The purpose of this Agreement is to implement paragraphs 3.1 and 4.1(b)(1) of the Amended and Restated Declaration of Trust and to allow the Trust to retain staff who are employees of the University.

2.2 The specific goal is to allow the current personnel who have served as advisers, accountants, and day to day managers of the Student Media to provide those services to the Trust without losing the retirement and other non-salary benefits they have

had as employees of the University and to allow such Leased Employees the opportunity to take advantage of discounts and other purchasing advantages University Employees enjoy.

### **III. Terms of Agreement**

3.1 The term of this Agreement is from September 1, 2014, until August 31, 2015, provided, however, this agreement may be extended for additional one year terms by mutual written agreement of the parties fully executed prior to the expiration of the then current term.

### **IV. Leased Employees**

4.1 During the term of this Agreement, the current Student Media employees of the University that are assigned to work for the Trust (“Leased Employees”) will remain employees of the University. The Leased Employees are listed on Attachment 2 to this Agreement. The Leased Employees shall receive the salary and benefits they are receiving or would have received, but for this Agreement during the term of the Agreement. The Leased Employees shall be assigned during the term of the Agreement by the University to perform the tasks assigned to them by the Board of Operating Trustees, but remain obligated to comply with the Board of *Regent’s Rules and Regulations* and the University’s *Handbook of Operating Procedures* as provided in the Amended and Restated Declaration of Trust of Texas Student Media Trust. The Trust shall be responsible for reporting and verifying all Leased Employees assigned work schedule, reporting time, meal and rest periods and ending time in the form stipulated by

the University office of Payroll Services and as directed the assigned University Contract Administrator. The Operating Trustees may, however, request to terminate the services of any Leased Employee for any reason that would also constitute good cause for termination of employment of a University employee under the provisions of the University's Handbook of Operating Procedures, provided that the actual decision to terminate the employee will be made solely by the appropriate University official for good cause shown in accordance with the University's Handbook of Operating Procedures. Nothing herein shall be construed to limit the rights of any University employee to grieve the terms and conditions of employment or to appeal an adverse personnel decision as provided in the University's Handbook of Operating Procedures. It is expressly understood and agreed that in any case where the trust requests to terminate the services of a Leased Employee, the trust will cooperate with, defend and indemnify the University in any administrative or legal proceeding of any kind initiated by either the University, the Leased Employee, or any state or federal agency arising out of or related to the services of the Leased Employee to the Trust. The Operating Trustees have no intention of changing any University employees to Trust employees or to in any other way to reduce benefits or employment status of the current Trust staff so long as the individual's work performance remains satisfactory to Operating Trustees' management staff.

4.2 During the term of this Agreement all of the Operating Revenue shall be deposited in accounts designated by the University. Pursuant to 3.1 of the Amended and Restated Declaration of Trust, this Operating Revenue will be controlled by the Trustees.

4.3 The Operating Trustees shall cause the University to be reimbursed for all of the expenses it incurs in providing the Leased Employees, including the payment of any wages, benefits, compensation, damages, costs or attorney fees arising out of or relating to any administrative or legal proceeding of any kind initiated by either the University, the Leased Employee or any state or federal agency arising out of or related to the services of the Leased Employee to the Trust.

#### **V. Student Employees and Operations**

5.1 During the term of this Agreement, the Operating Trustees may from time to time request the University to employ the students (“Student Leased Employees”) who work for the various student media the Operating Trustees control. Such Student Leased Employees assigned to perform services for the Trust will be employees of the University and not the Trust and the Operating Trustees will establish their duties and obligations. The Student Leased Employees shall receive the salary and benefits they would have received if they were performing services directly for the University and The Operating Trustees shall cause the University to be reimbursed for all of the expenses it incurs in providing the Student Leased Employees, including the payment of any wages, benefits, compensation, damages, costs or attorney fees arising out of or relating to any administrative or legal proceeding initiated by either the University, the Student Leased Employee, or any state or federal agency arising out of or related to the services of the Student Leased Employee to the Trust. The Operating Trustees will direct the University as to when, how and how much to pay such Students Employees.

5.2 The Operating Trustees may from time to time enter into contracts with suppliers or vendors as provided in paragraph 3.1 of the Amended and Restated Declaration of Trust.

**VI. Non-Operating Revenue**

6.1 All of the Trust's Non-Operating Revenue shall be deposited in accounts designated by the University and shall be used for the benefit of the Trust as directed by the Operating Trustees.

6.2 The Operating Trustees can invest and use the TSM Reserve Funds as they see fit.

By \_\_\_\_\_ Date \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_ (TSM BOARD OF OPERATING TRUSTEES)

By \_\_\_\_\_ Date \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_ (DIVISION OF STUDENT AFFAIRS)

By \_\_\_\_\_ Date \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_ (THE UNIVERSITY OF TEXAS AT AUSTIN)

ATTACHMENT FOR 2014-2015

Brick, Christoph  
Gammon, Michael  
Goss, Michael  
Heine, Barbara  
Hollingsworth, Lindsey  
Hublein, Daniel  
Salgado, CJ  
Serpas, Frank  
Yowell, Charles