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COMMUNITY ADVISORY BOARD

Special Meeting - July 25, 2014

Call to Order

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Welcome and Introductions

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New Business

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New Business

UA/AZPM Funding

- Update on Activities

Eugenia Hamilton

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New Business

Update on Activities

- Introduction

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Update on Activities

- November 5, 2013
Presidential Meeting with CAB representatives scheduled, cancelled, never rescheduled.

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Update on Activities

- January 16, 2014
AZPM described as “mouthpiece for the University.”

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Update on Activities

- April 1, 2014
Special CAB Executive Committee meeting called
- Jack Gibson informed us that the University was considering deep cuts to its support for AZPM

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Update on Activities

University Cash Support for AZPM

Fiscal Year	Cash Support	Cash Cut
2014 (7/1/13)	\$2.782M	0
2015 (7/1/14)	\$2.382M	(-\$400K)
2016 (7/1/15)	\$1.982M	(-\$800K)
2017 (7/1/16)	\$1.582M	(-\$1.2M)
2018 (7/1/17)	\$1.182M	(-\$1.6M)
2019 (7/1/18)	\$782K	(-\$2M)
2020 (7/1/19)	\$782K	0

Support continuing at this reduced rate thereafter.



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Update on Activities

- April 1 - May 12, 2014
At Jack Gibson's request, Executive Committee endeavored to address situation quietly.

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Update on Activities

- April 17, 2014
At the next regular Executive Committee meeting, we decided to request a meeting with President Hart to gain a better understanding of the decision to to cut support to AZPM.
- That meeting was scheduled for April 22.

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Update on Activities

- When informed of our scheduled meeting with Dr. Hart, Senior VP Thompson asked us to meet with her before we met with the President, as a favor to her.
- We complied with her request.

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Update on Activities

- April 18, 2014
Six of us met with Senior VP Thompson and Jack Gibson for an hour.

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Update on Activities

We expressed two concerns:

- *While we did not disagree with AZPM's doing its part to help the University address its funding crisis, the proposed reduction to AZPM appeared disproportional.*
- *We knew of no analysis which had been done by the University decision-makers to forecast the likely outcomes of these reductions before they were proposed.*

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Update on Activities

We also had three questions:

- *What analysis had been done to ascertain that AZPM would be able to survive a cut of this size in the time frame proposed?*
- *What impact was it expected that a cut of this magnitude would have on AZPM and its Strategic Plan?*
- *What specific steps did Senior VP Thompson propose we might take to mitigate the impact of this reduction in support?*

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Update on Activities

- Senior VP Thompson appeared not to have anticipated the questions we were likely to ask.
- She asked us no questions and expressed no concern about the future of AZPM.
- She *did* communicate Dr. Hart's "frustrations" with AZPM.

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Update on Activities

- Toward the end of the hour, she suggested that she might reduce the first year's cut to \$200,000 instead of \$400,000
- She ended by promising to contact us after working up a new “proposal.”

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Update on Activities

- We complied with Senior VP Thompson's request and temporarily cancelled our meeting with Dr. Hart.
- She never got back to us.
- The cuts went through as originally proposed. We never had the opportunity to meet directly with the President.

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Update on Activities

- May 8, 2014
Senior VP Thompson gave the keynote address at AZPM's Annual Meeting.
- Those of us who had met with her on April 17 were asked by Jack not to broach the topic of possible funding cuts at the meeting.

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Update on Activities

- June 10: Jack informed AZPM leadership that the full \$400,000 cut would be effective July 1.
- June 12: The full staff was informed; this was leaked to *Tucson Weekly*.
- June 14: Jack emailed the news to the full CAB.

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Update on Activities

- June 14: Chris Helms emailed his frustration about the situation to the CAB.
- His letter was picked up by *Arizona Daily Star* and *Tucson Weekly*.
- Senior VP Thompson was very angry at these developments.
- Jack Gibson “composed” a “reassuring” op-ed.

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Update on Activities

- One potentially positive note:
Imposition of charges for rent and other “indirects” appear to be taken off the table in the UA statements “...that even after the cuts, the UA will continue to support AZPM with more than \$2-million per year, in cash and indirect support.”

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Update on Activities

Several seemingly contradictory statements about the cut in University support are all true:

- The \$400K budget cut *is* 4% of the AZPM FY 2014 budget.
- 4 years from now the total cut of \$2M *will* equal a reduction of 20% in AZPM's total (FY2014) revenues.
- \$2M *is* 72% of the cash support which U of A supplied AZPM in FY 2014.

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Update on Activities

At this point none of us can say with confidence what the impacts of the University's actions will be, nor do we know what current University leaders view as the mission of AZPM.

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New Business

UA/AZPM Funding

- Update on Activities
- Q & A

Eugenia Hamilton

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New Business

UA/AZPM Funding

- Update on Activities
- Q & A
- FY'15 Operating Scenario

Eugenia Hamilton

All

Jack Gibson

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FY'14 Recap <projected>

FY'14 Projected Fund Balance \$691K (budget <\$1.269M>)

FY'15 Operating Scenarios: Financial Outlook

Revenue Budget \$10,500,239 cash (+475K over FY'14)

Expense Budget \$10,321,628 cash (+987K over FY'14)

Reserves Used: FY'14 \$0; FY'15 \$408,000 (SV Radio)

Capital Budget: FY'14 \$878K; FY'15 \$970K (+10.5%)

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FY'15 Operating Scenarios: Original Production

Productions: *Metro Week*

Arizona Illustrated

Arizona Spotlight

Arizona Week

19 Daily Newscasts

Docs: *Raptors!/Cancer/Boneyard*

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FY'15 Operating Scenarios: Our People

Staffing: Chief Communications and Marketing Officer

Morning Edition Newscaster

Arizona Illustrated Anchor

Videographer/Editor

Account Executive

Writer

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FY'15 Operating Scenarios: Audience Support

May TV Sweeps: Whole Week +20%; Prime +16%

Radio Spring Survey: **NPR 89.1** has 5.7 share; 2nd best ever. 50+ full week tied for #1 (with KMXZ). #1 in morning drive for 50+; 4th overall for 12+.

Classical 90.5 share is 14.3% over last year.
No change from Winter Survey.

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New Business

UA/AZPM Funding

- Update on Activities
- Q & A
- FY'15 Operating Scenario
- Productive Actions by CAB

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Jack Gibson

Christie Street

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Productive Actions by CAB

- Review and endorse *AZPM Editorial Standards and Policies* and insist that AZPM and UA leadership do the same.

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New Business

Productive Actions by CAB

- Review and endorse *AZPM Editorial Standards and Policies* and insist that AZPM and UA leadership do the same.
- Urge AZPM management and UA leadership to commission a study to explore feasibility of financial transition and plan what productive steps will be required to ensure best possible outcome.

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Productive Actions by CAB

- Review and endorse *AZPM Editorial Standards and Policies* and insist that AZPM and UA leadership do the same.
- Urge AZPM management and UA leadership to commission a study to explore feasibility of financial transition and plan what productive steps will be required to ensure best possible outcome.
- Take steps to re-establish mutually productive relationships between CAB and UA leadership.

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Productive Actions by CAB

- Review and endorse *AZPM Editorial Standards and Policies* and insist that AZPM and UA leadership do the same.
- Urge AZPM management and UA leadership to commission a study to explore feasibility of financial transition and plan what productive steps will be required to ensure best possible outcome.
- Take steps to re-establish mutually productive relationships between CAB and UA leadership.
- Formally communicate this to UA leaders, ABOR and the communities AZPM serves (audiences and investors).

New Business

UA/AZPM Funding

- Next Steps/Timeline

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New Business

UA/AZPM Funding

- Next Steps/Timeline
- Discussion

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New Business

UA/AZPM Funding

- Next Steps/Timeline
- Discussion
- Approval of Plan

Eugenia Hamilton

All

Chris Helm

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Other Business

- Next Executive Committee Meeting
Thursday, August 21, 2014 @ 8:00am meeting;
phone bridge available.
- CAB Meeting
Thursday, September 18, 2014
11:45am lunch buffet; 12:00pm meeting
- Other business from the floor

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Adjourn

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