



Memo

From the office of the...

General Manager of the MSU

TO: Members of MSU and CFMU Incorporated
FROM: Michael Wooder, General Manager
SUBJECT: Silhouette / 93.3 CFMU merger
DATE: December 17, 2024

Dear Members of MSU Inc. and CFMU Inc.,

For years now, campus media has been in a state of fluctuation, mirroring trends affecting both commercial print and radio entities. Legacy print media and radio stations are either closing or consolidating at alarming rates, in the face of digital-first media / news, rising operational costs, and decreasing ad revenue streams. Campus media is not immune to these same forces. However, campus media is better positioned to succeed into the future, if we make careful, strategic choices now. It's time to give campus media a long overdue structural evolution and create a runway for growth and success into the future.

At present, the MSU boasts two established, respected, and student-driven media outlets in *The Silhouette* and 93.3 CFMU. However, given the market forces noted above, these two operations have already begun to blend staff, operations, equipment, resources, and content. Therefore, to help campus media continue to play its vital role in bringing students together into a true society, *The Silhouette* and 93.3 CFMU should merge into a single, well defined, cross-functional department, under the auspices of CFMU Inc. Within the partnership, all current operational elements, including print and digital publications of *The Silhouette* shall be retained. The effort will generate new cross-platform and re-mediation opportunities, to better leverage the reach and scope of campus media. To be clear, this proposal is a merger of equals, in which both brands are retained and enhanced, with no reduction to general operations of either 93.3 CFMU or *The Silhouette*.

This plan is not being suggested as a stopgap or Band-Aid solution. Rather, it is a carefully constructed, financially prudent, administratively sound strategy to ensure success of all MSU media streams into the future. The leadership teams of both 93.3 CFMU, *The Silhouette*, and the MSU have been working together for months to refine a plan and bring it forward to CFMU Inc. Further, this proposal comes to the Full Members of CFMU Inc. and MSU Inc. with a strong, unanimous recommendation for approval from the CFMU Board of Directors, while also endorsed and supported by *The Silhouette* Executive Editor, the MSU Board of Directors and the General Manager.

Background

As is true with the entire newspaper industry, *The Silhouette* has faced an abundance of challenges such as changing technologies, a cyclical staff and volunteer base, decreasing advertising revenue, and a reduction in the number of print issues. Given these circumstances, efforts have been made to evolve the product. Online content has been prioritized, a guaranteed minimum printing schedule has been set, more design and layout expertise through MSU staff designers has been provided, attempts to improve staff training and volunteer engagement have been made, and the creation of the Digital Media Specialist role - shared with 93.3 CFMU – has come to fruition. These are all positive steps, but *The Silhouette* remains limited in its ability to scale content.

Currently publishing its 95th year, *The Silhouette* is one of the only remaining campus newspapers in Canada structured as a department completely within a student union. This structure has worked relatively well over the years, however as the MSU continues to diversify, so too does the skill set and resources needed to have an industry leader media service. Media has become more complex, continuity becomes a rarity, and revenue generation becomes more difficult. Merging with a nearly 50-year-old campus / community radio station will immediately bring more voices, experience, talent, professional support and community engagement.

Conversely, 93.3 CFMU doesn't struggle with off-campus reach, as it is stalwart in the local media community. In fact, the radio station was voted the best radio station in Hamilton in 2024 through the Hamilton Spectator's Readers' Choice Awards. Clearly, the station's connection to the local community is without question. However, unlike *The Silhouette*, 93.3 CFMU needs more campus and student engagement, along with content that speaks more to the student experience at McMaster university. This is why a merger of equals will give each brand something they currently need, while simultaneously supporting the other partner in an area of potential growth.

By combining into a single entity, the two units stand to immediately gain from each other's content through vertical integration of campus media production. Further, it allows student staff and volunteers to help build on the decades of professional media and journalism experience provided by full-time staff. In addition, together they'll find financial efficiencies through a single operating budget, ensure enhanced Information Technology support through the MSU's IT department, and most importantly, better connect student stories and voices to the broader campus community through enhanced media output. In short, it's a perfect partnership.

Integration

Whereas *The Silhouette* rests inside the MSU and is financially controlled by MSU Inc., CFMU Inc. is a separately incorporated entity. As a result, there are parameters that must be adhered to ensure our continued compliance and licensing through the Canadian Radio-television and Telecommunications Commission (CRTC). The CRTC is the licencing body which bestows our legal ability to operate on Canadian radio waves. MSU legal counsel has reviewed applicable CRTC regulations, alongside the proposed bylaw suggestions. Further, we have consulted with the National Campus Radio Association, which has also shared a similar opinion that there is no issue which would challenge our CRTC license, as the composition of the CFMU Board of Directors remains unchanged.

Under a leadership team comprised of CFMU's Program Director, CFMU's Administrative Director, and *The Silhouette*'s Executive Editor, the operations of CFMU Inc will boast more

content on more platforms. Merging the two entities will immediately create the perfect pipeline of cross-coverage capabilities and content integration. By consolidating operations under a new workflow model, the work of student journalists will be able to run in print, online, in video, on socials and via radio/podcast through a new, integrated campus media department. Relevant cross-platform integration on stories such as Welcome Week, Homecoming, campus sports, local arts and events, municipal politics, coverage pertaining to McMaster University and general campus life are obvious. Simultaneously, the radio and newspaper divisions of CFMU Inc. would retain their respective abilities to foster radio and print media, without losing touch with Hamilton community stakeholders, or the campus audience(s) at the core of their respective operations.

To ensure a successful transition out of MSU Inc. and into CFMU Inc., it would be prudent of MSU Inc. to provide some level of transitional funding. At present, MSU Inc. has allocated approximately \$200,000 to support *The Silhouette's* annual operations. Given the forthcoming operational efficiencies, improved IT support, and expected revenue growth, CFMU Inc. will not need to incur a \$200,000 expense to absorb its new operations. However, short-term capital support would be useful. That funding allocation will be noted and approved through the 2025 budget process. It is likely that a multi-year runway of financial support will be utilized, stepping down contributions from MSU Inc. over a three-year time frame, to give CFMU Inc. time to fully operationalize.

Next Steps

Before the Full Members are motions pertaining to both MSU Inc. and CFMU Inc. In order, they include the transfer of *The Silhouette's* operations, assets & liabilities from MSU Inc. to CFMU Inc., followed by the approval by CFMU Inc. to accept the operations, assets & liabilities, as well as adopt corresponding bylaw changes. If those three motions are approved, there is a subsequent motion before the Student Representative Assembly to rescind the operating policies related to *The Silhouette*, as they would then be rightly housed inside CFMU Inc. All changes are presented as taking effect on May 1, 2025 to ensure that fiscal budgeting to date is respected, and that future budgets of both MSU Inc. and CFMU Inc. will be properly approved by the Full Members in due course.

Should CFMU Inc. accept the bylaw recommendations of the CFMU Board of Directors and approved the attached and circulated changes, the CFMU Board of Directors would convene in mid-to-late January to make accompanying operating policies changes. The operating policy changes would define the enhanced workflow, reporting, and cross-mediation collaboration referenced earlier.

Thank you for engaging with this memo. Please do not hesitate to reach out with any questions.

Sincerely,



Michael Wooder
MSU General Manager
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