

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
NATIONAL BOARD OF DIRECTORS MINUTES
Saturday, March 24, 2012
8:30 – 11:30 a.m.
Gross Family Board Room, McNamara Alumni Center**

Board Members Attending

Abbruzzese, Dave - phone
Adams Loyd, Susan
Blissenbach, Henry - phone
du Bois, Jim
Esten, Phil
Finsness, Elizabeth
Freimark, Natasha
Gates, Leah
Hallin, Gayle
Horsager, Kent
Jacobs, Walt
Johnson, Susan – phone
Joselyn, Bernadine
Lanphere, Jane - phone
La Valleur, June
Lichty, Marshall
Linster, Janice
Martin, Roy

Oftelie, Alexander
Omlie, Joey - phone
Page, Alison - phone
Phenix, Amy
Pichler, Jim
Pinkney, Beth
Reed, Maureen
Schaff, Clinton - phone
Schott, Patrick - phone
Shay, Lizzy
Trecker, Andrew
Tuzcu, Ertugrul
Walstad, Dave
Welshons, Bonnie
Wilson, Grant
Williams, Todd

Board Members Unable to Attend

Beniak, Judy
Bond, Walter
Campe, John
Hofflander, Linda
McDonald, Dan
McDonald, Tom
Schultz, Martin
Spence, Pat
Stein, Robert
Wiese, Sandra
Zweig, Ted

UMAA Staff Attending

Coffer, Curtis
Faulkner, Heather
Isaak, Ruth
Korman, Caryn Schultz
Radar, Bruce

Guests:

Bob Burgett, Vice President of Development, Minnesota Foundation
Graciela Guzman, Director of Alumni, Career Services and Fundraising, Universidad de San Andres,
Buenos Aires, Argentina

Chair's Welcome

Chair Maureen Reed welcomed board members and Bob Burgett, Vice President of Development, University of Minnesota Foundation.

She introduced Caryn Schultz Korman, the new Alumni Association Vice President of Outreach. Korman brings more than 15 years of higher education and advancement experience to the Alumni Association coming from the University of Illinois Alumni Association. She was recently elected as chair-elect of CASE District V. CASE is the Council for the Advancement of Support of Education, an international group. District 5 represents the Midwest region.

Reed welcomed special guest, Graciela Guzman. Graciela is the Director of Alumni, Placement and Fundraising at the Universidad de San Andres in Buenos Aires, Argentina. She is a Humphrey School of Public Affairs fellow and is doing a portion of her fellowship at the Alumni Association. The focus of her fellowship here at the University of Minnesota is the management of non-profit organizations, fundraising, social leadership and poverty reduction.

Consent Agenda

Reed directed board members' attention to the January 28, 2012 National Board minutes. Other reports included for board information are the January 31, 2012 Internal Financial statements, December 31, 2011 Investment Report, February Membership Report, February Bi-Monthly Alumni Survey Results and the March Outreach Calendar.

MOTION: Approve January 28, 2012 National Board Minutes
APPROVED UNANIMOUSLY

University Report

Reed welcomed President Kaler and thanked him for speaking at the upcoming Annual Celebration. Kaler told board members that it had been a busy time since he last addressed them. He has traveled to address alumni across the state and country. He has also been to the Capitol several times to address state legislators. The main topic has been to explain the University's capital request. The main portion of the \$169.5 million request is for Higher Education Asset Preservation and Replacement (HEAPR) to maintain and update the University's infrastructure. Another very necessary item is funds for the Combined Heat and Power Plant, a new multi-utility plant that would serve 163 buildings on the Twin Cities campus. The current House version only includes \$35 million and the U is waiting for the Senate's recommendation. The University hopes to increase that very minimal allocation.

He was also called to the capitol to address the issue of administration compensation and transition packages that has generated so much press lately. Kaler and his leadership team along with the Regents will review all compensation policies and practices and make any necessary changes.

He informed board members of new staff appointments, Karen Hanson, Provost, Scott Studham, Chief Information Officer and the newly appointed dean of the Carlson School of Management, Sri Zaheer. Vice President for Research Tim Mulcahy will retire at the end of the calendar year.

The Athletic Director search is well underway with a search committee, advisory committee and the help of the search firm. The position will be filled by the time Joel Maturi steps down.

Kaler reviewed highlights from his State of U address. The number 1 issue in higher education is increasing tuition and student debt. This is not helped by the reduction of state support. He committed to operational excellence and reducing administrative costs. The University has many institutes and they will be evaluated for efficiency and necessity. He also suggested a new academic calendar that would provide more options for students and faculty as well as better use of infrastructure. He is also providing a \$21 million fund for academic initiatives.

Kaler concluded his remarks by thanking the alumni board for their support and urging them all to carry a lifetime membership card like he does. When asked for the most important University talking points, he said they are the University's economic impact, education of leaders and the opportunity to invent, create and cure.

CEO Report

Esten congratulated Bruce Rader, recently named a 2012 Robert G. Forman Fellow by the Council of Alumni Association Executives (CAAE). As a fellow, Rader will conduct research on alumni engagement and present a report at the 2012 CAAE Summer Institute. Rader is the second U of M recipient; the other being Bob Burgett.

Esten noted that he had passed his two-year anniversary with the Alumni Association and it was important to look back to note the progress made. A new strategic plan was created in a process that involved more than 4,000 alumni. Staff reorganization and key hires have increased the ability of the Alumni Association to deliver on strategic plan goals, specifically outreach and communications. New partnerships have been created and the Alumni Association is starting to deliver on both Association and University strategic plan outcomes.

The Alumni Association has increased outreach to all alumni, not just members, with methods such as making Minnesota magazine available to all alumni online and outreach activities around athletic events such as the upcoming NIT mens' basketball tournament. He noted that great progress has been made on FY12 initiatives.

Esten has also traveled statewide and nationally with the President to alumni association events arranged around the President's travel.

He presented the new speaking points card, which board members had requested at the January meeting. The card shares concise points on the value of the university and highlights key data regarding the economic impact the University makes on Minnesota's economy.

Membership Report

Bruce Rader shared updates from the recent alumni survey. The bi-monthly survey now aligns with the strategic plan by measuring the net promoter score (NPS), a commonly used metric to measure loyalty. It is determined by subtracting the percent of detractors from the percentage of promoters. He shared that the NPS decreased in the most current survey and that reduction could be explained by negative media reports about administrative compensation and transition packages. He also gave an update on the alumni directory, noting that 5,000 directories had been sold, information was updated on over 120,000 alumni records and the project generated \$36,000 in new membership revenue.

Board Review Committee Proposal

Chair-elect Kent Horsager presented the Board Review Committee's proposal approved by the Executive Committee at their March 8 meeting. He explained that the proposal reflects changes based on board feedback from the proposal discussed at the January board meeting. The Board Review committee was established to review the board structure relative to the strategic plan. Horsager said that the new structure increased collaboration through the board councils.

The proposal allows for a 25 member board plus the University of Minnesota President. All board members would be voting members with the exception of the President of the University. The board consists of the following:

Board council representatives - 2 students, 3 geographic, 5 from the affinity group and 2 young alumni; University Partners – 1 faculty representative, appointed by the Faculty Consultative Committee, UMF president, MMF President, Athletic Director, or their mutually agreed upon designees, University of Minnesota President's designee and UMAA President and CEO.

In addition, there would be 7 at-large board positions. Officers would be from the board total of 25 and consist of the following officers: Chair, Chair-elect, Past Chair, and Secretary/Treasurer. The Executive Committee would consist of officers, the University of Minnesota President's designee and the UMAA President and CEO.

Board councils will be formed in the areas of students, young alumni, geographic chapters and societies and affinity groups. The affinity group board council will include collegiate representatives, and other groups such as band, Greek organizations and Recreational Sports.

MOTION: Approve the restructuring of the National Board per Agenda Item 8 (attached)
APPROVED UNANIMOUSLY

Next steps will be changing bylaws to reflect the new structure and the Nominating Board Development Committee will meet to develop an implementation plan. The Geographic and Affinity Group Board Councils will be formed in the next fiscal year and the newly recommended structure of the board will be ready for implementation by July 1, 2013.

Board Development Committee Report

Chair Ertugrul Tuzcu thanked this year's Nominating Board Development Committee -Phil Esten, Yvonne Cheung Ho, Kent Horsager, Alex Oftelie, Maureen Reed and Denny Schulstad.

The committee met twice, considering what is needed on the board. The committee also discussed the impact of the board restructuring if it should be passed.

In light of that possibility, the committee recommends leaving two at-large positions open.. The committee also recommends geographic representatives that are eligible to serve another term be asked to do so. Susan Johnson, NW/Central USA representative, has served the maximum 6 year term so staff will recommend a candidate for this position.

The committee recommends that if colleges agree, the five collegiate representatives completing their first term be asked to continue. The Law School Collegiate representative spot will be open and staff is talking to the Law School regarding selecting a representative.

Tuzcu presented the Board Development Committee's recommendation for individuals to serve as fiscal year 2013 officers. All are willing to serve.

FY 13 Alumni Association Officers

Chair– Kent Horsager

Chair-elect – Susan Adams Loyd

First Vice Chair – Jim du Bois

Secretary/Treasurer – Patrick Schott

Vice Chair – Marshall Lichty

Vice Chair – Alison Page

Vice Chair – Bonnie Welshons

Past Chair – Maureen Reed

MOTION: Approve FY13 officers as recommended by the Board Development Committee
APPROVED UNANIMOUSLY

Chair Reed thanked both the Board Review and Nominating Board Development Committee for their work this year. She reminded board members of the Annual Celebration and encouraged them to buy their tables.

The meeting adjourned at 11:00 a.m.

Submitted by Ruth Isaak
For Patrick Schott, Secretary-Treasurer

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION

I. AGENDA ITEM 8: National Board, March 24, 2012

II. TITLE: National Board Review Committee Recommendation for Restructuring of the National Board

BACKGROUND INFORMATION AND RECOMMENDED RESOLUTION OR PROPOSED ACTION:

The following restructuring of the National Board was recommended by the Board Review Committee on February 13, 2012 and unanimously approved by the Executive Committee, March 8, 2012. The Executive Committee submits the following proposal to the National Board and recommends approval.

Background Information:

The board review committee was established at the request of the National Board Chair to review our board structure. The committee offered a board restructuring proposal at the January 28 National Board Meeting for the board's review and feedback. The Board Review Committee met on February 13 to review the original board restructuring proposal in light of January 28 board member comments.

The committee's final recommendation follows below. It has been presented and unanimously approved by the Executive Committee to forward to the National Board at the March 24 meeting.

As a reminder, the board committee's charge was to consider the following improvements to our board structure:

1. Best practice board model with implementation strategy that provides meaningful volunteer engagement around board responsibilities.
2. More engaged and satisfied board aligned with the Association's strategic and business objectives.
3. Stronger advocacy for Association and University initiatives.
4. Stewardship and oversight of the successful implementation of the Association's strategic plan.

After considering our strategic plan, best practices seen in leading alumni associations and other non-profit organizations, and careful deliberation of the unique characteristics of our alumni association, the committee identified the following rationale for change:

1. More effective and efficient UMAA governance
 - a. Better alignment with strategic plan

- b. Fully active and engaged board with expanded responsibilities
 - c. Responsive, nimble and informed with regards to stakeholder (University and alumni) priorities
2. Expand reach and engage more people in meaningful roles
- a. A review of board trends and best practices revealed trends towards smaller boards who are more actively involved, complimented by advisory councils that are more participatory and collaborative around focused topics and issues
 - b. Broader constituent representation which will allow a venue for specific issue discussion
 - c. Advisory Councils will expand volunteer engagement, create a forum for additional expertise, involve additional alumni in focused work with the Association and provide other strategic advice and counsel
3. Stewardship and legacy of UMAA
- a. Strategic identification and selection of board members, creating better alignment with priorities and other initiatives
 - b. Constructive, deliberate board development and succession planning (identify and cultivate new leadership)

Changes made to the original committee proposal reviewed by the National Board on January 28, 2012, and how concerns were addressed:

- The University Partner segment of the board is too large relative to nominated alumni board members.
 - **Change** – Increase the total number of board members by 5 members for a total board of 25 plus the U of M President.
- Reduction came at the expense of collegiate representatives.
 - **Change** – Representatives from the Affinity Group Board Council was increased to 5, or 20% of the entire board. Geographic group representatives was increased to 3 and at-large members will be 7.
- Why is the Athletic Director or designate a member of the board vs. other University entities?

- **No change recommended** – Athletics reaches the largest group of engaged alumni and is a key partner along with the University of Minnesota Foundation, Minnesota Medical Foundation and faculty.
- Time demands will be too intense for board members and staff based on the proposed board committees in addition to Board Councils.
 - **Change:** Standing board committees will remain but the proposed Engagement, Partnership and Advocacy committees are eliminated. These strategic themes will be integrated into Board Council work relative to their particular areas.
- Students want the interaction with alumni instead of being segmented in to a distinct council. Could they be combined with young alumni?
 - **No change recommended** – Student views are very different from young alumni and they should remain two distinct groups. Opportunities to cross pollinate and network with alumni will be provided.

Other recommendations:

- Change ‘Advisory Councils’ to ‘Board Councils’ to clearly convey their purpose to participants. Their purpose is to provide input and advice to the board of directors around primary strategic initiatives.
- Form two pilot Board Councils immediately to facilitate full engagement by the July 1, 2013 start date. Suggestions were the Geographic and Affinity groups.

University of Minnesota Alumni Association Proposed New Board Structure Recommendation Submitted for Approval on March 24, 2012 with an implementation date of July 1, 2013

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|-------------------|---|
| Board Size | <p>25 voting members + U of M President (ex-officio, non-voting)</p> <p>At-large members (7)</p> <p>Board Council representatives (12):</p> <ul style="list-style-type: none"> ● 2 Students (undergraduate/graduate) ● 3 Geographic (Minnesota/national or international) ● 5 Affinity Group (includes Collegiate Alumni Societies) ● 2 young alumni <p>University partners (5):</p> |
|-------------------|---|

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| | <ul style="list-style-type: none"> • 1 faculty, appointed by the Faculty Consultative Committee (FCC) • 1 UMF – President/CEO or mutually agreed upon designee • 1 MMF – President/CEO or mutually agreed upon designee • Athletic director – or mutually agreed upon designee • U of M President or designee <p>UMAA President/CEO (1)</p> |
| Executive Committee | <p>The officers will be selected from the board of 25 and will continue to serve in their designated roles while serving on the executive committee. University partners may not be elected as an officer to serve on the executive committee.</p> <ul style="list-style-type: none"> • Chair • Chair-Elect • Past Chair • Treasurer • U of M President’s designee [ex officio, voting] • UMAA President/CEO [ex officio, non-voting] |
| Board Committees | <p>Standing:</p> <ul style="list-style-type: none"> • Executive and Compensation • Finance/Audit • Nominating and Board Development <p>Ad Hoc:</p> <ul style="list-style-type: none"> • Established for specific purposes as needed |

Board of Directors

| | |
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| Role | Establish policy, provide oversight and overall strategic direction, ensure resources appropriate to mission and strategic plan |
| Membership | Alumni whose experiences and skill sets will ensure success of the board’s defined role |
| Size | 25 + 1 to be implemented no later than July 1, 2013 |
| Selection | Nominating and Board Development Committee to propose slate based on nominations from National Board and membership at large (process to be further defined) |
| Terms | 3 years, no more than 2 consecutive (unless elected to an officer position, at which time terms are 1-year, renewable annually) |

Board Councils (formerly called Advisory Councils)

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| Role | Provide recommendations, advice and counsel to National Board regarding key strategic issues on how to create partnerships, engage more alumni and advocate for the University relative to their specific areas of interest and concern. Council members will help implement strategic projects and be ambassadors. Each Board Council benefits from the opportunity to discuss best practices and issues relative to their unique goals |
| Membership | <ul style="list-style-type: none"> ▪ Students – undergraduate, graduate and professional –membership TBD |

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|------------------|---|
| | <ul style="list-style-type: none"> ▪ Geographic (state, national, international) – membership TBD ▪ Affinity groups (collegiate alumni societies and other affinity groups, such as band, ROTC, Greeks, Rec Sports, etc.) – membership TBD ▪ Young alumni – membership TBD |
| Size | Up to 150 additional alumni to expand constituency engagement and cultivate ongoing board leadership |
| Selection | Coordinated by the Nominating and Board Development Committee [process to be further defined] |
| Terms | 2 years, maximum of 3 terms |
| Meetings | Minimum of 2 times a year – at least 1 will be in conjunction with a National Board meeting |