

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
NATIONAL BOARD OF DIRECTORS MINUTES
Wednesday, June 13, 2012
4:00 – 6:30 p.m.
Gross Family Board Room, McNamara Alumni Center**

Board Members Attending

Adams Loyd, Susan

Beniak, Judy

Blissenbach, Henry

Campe, John

du Bois, Jim

Esten, Phil

Finsness, Elizabeth

Freimark, Natasha

Gates, Leah

Hallin, Gayle

Hofflander, Linda

Horsager, Kent

Jacobs, Walt - phone

Joselyn, Bernadine-phone

Lanphere, Jane - phone

La Valleur, June

Lichty, Marshall

Linster, Janice

Martin, Roy

McDonald, Dan

Oftelie, Alexander

Omlie, Joey

Page, Alison

Phenix, Amy

Pinkney, Beth - phone

Reed, Maureen

Schaff, Clinton - phone

Schott, Patrick

Spence, Pat

Trecker, Andrew

Tuzcu, Ertugrul

Walstad, Dave

Wiese, Sandra

Welshons, Bonnie

Williams, Todd

Board Members Unable to Attend

Abbruzzese, Dave

Bond, Walter

Johnson, Susan

McDonald, Tom

Pichler, Jim

Schultz, Martin

Shay, Lizzy

Spence, Pat

Stein, Robert

Wilson, Grant

Zweig, Ted

UMAA Staff Attending

Coffer, Curtis

Faulkner, Heather

Isaak, Ruth

Korman, Caryn Schultz

Radar, Bruce

Guests:

Jan Sickbert, Assistant Vice President of Development, University of Minnesota Foundation

Chair's Report

Chair Maureen Reed welcomed board members and Jan Sickbert, Assistant Vice President, Development, University of Minnesota Foundation.

Consent Agenda

Reed directed board members' attention to the March 24, 2012 National Board minutes. Other reports presented for board information are the April 30, 2012 Internal Financial statements, March 31, 2012 Investment Report, May Membership Report, May Bi-Monthly Alumni Survey and the June Outreach Calendar.

MOTION: Approve March 24, 2012 National Board Minutes
APPROVED UNANIMOUSLY

Volunteer Recognition

Reed acknowledged the following board members leaving the board. She thanked Robert Stein (6 years), Susan Johnson (6 years), Ted Zwiig (3 years), Walt Jacobs, Faculty Consultative Committee Vice Chair (1 year), Lizzy Shay, Minnesota Student President (1year) and Abou Amara, Graduate and Professional Student Assembly President through January, 2012. Reed expressed the board's appreciation for their commitment, involvement and input on key issues.

Reed thanked past chair, Ertugrul Tuzcu, concluding 8 years on the board, serving in all the officer capacities. She noted that Tuzcu's fingerprints were on all major board initiatives during those eight years such as the search committee for CEO and President Esten, Chair during Esten's first year and the strategic planning process resulting in the current strategic plan, Beyond Traditions, Vision 2016.

She presented him with a framed collage of pictures representing highlights of his service to the national board. Tuzcu responded that he had enjoyed his time of service and served because of his gratitude to the University of Minnesota, noting it had changed his life from the time he arrived as a young man from Turkey.

Kent Horsager then thanked Maureen Reed for her leadership as national board chair with a special poem he had written, noting she was a passionate and tireless advocate for the University of Minnesota and a wonderful spokesperson for the Association.

A donation was made in Reed's name to the UMAA Scholarship Fund for the Freshman Leaders – Need Based Scholarship in appreciation of her service as FY12 Chair of the National Board of the Alumni Association. Reed thanked the board for their support, saying it had been a great experience and the board had done worthwhile work.

FY13 Finance/Budget Presentation

Secretary Treasurer Patrick Schott requested authority for the Finance and Audit Committee to approve the FY12 audit and tax reports. CFO Curtis Coffey said that it was a timing issue relative to board meetings and also the in-depth study necessary on the items. The audit report will be presented at the fall meeting and tax forms will be presented at the winter meeting.

MOTION: Grant approval authority of the FY12 Audit Report, Federal and State Tax Returns and Charitable Organization Annual Report to the Finance and Audit Committee.
APPROVED UNANIMOUSLY

Coffer explained that the FY12 Budget had included approval of up to \$400,000 for strategic plan initiatives. The actual amount spent was \$178,300.

MOTION: Grant approval of the use of \$178,300 from the Adrian Buttz Fund principal for initiatives undertaken during fiscal year 2012 to implement the Association's strategic plan.
APPROVED UNANIMOUSLY

Patrick Schott and Curtis Coffer presented the FY13 budget. They outlined the notable differences between the FY12 and FY13 budgets. Operating expenses increase 2.9% or \$133,000 in FY13 primarily due to personnel costs and expanded outreach programs. Budgeted revenue and transfers from investments increase \$26,000 and \$107,000 respectively in FY13. The operating budget includes approval of the expenditure of board-discretionary invested funds up to \$440,000 to implement the Association's strategic plan in fiscal year 2013.

MOTION: Approve the University of Minnesota Alumni Association Fiscal Year 2013 Operating and Capital Budgets (attached), recognizing that strategic investments are needed to advance the strategic plan. It was noted that revenue streams, both current and projected, are declining, the long-range budget process does not reflect financial or non-financial return on investment of current initiatives and strategic conversation is necessary about the use of the association's investments. The board requests updates throughout the year on the noted points.
APPROVED UNANIMOUSLY

CEO Report

Esten thanked Heather Faulkner, VP of Strategic Communications, for her contribution in strategic positioning of alumni association communications. Faulkner is leaving her position to pursue other interests.

He shared that Bank of America has requested early termination of their credit card agreement with the association. The contract is currently in effect for five more years. Esten has had initial discussions with the General Counsel's Office regarding the association's legal position, noting that early termination would have significant budgetary impact. Esten will keep the board informed.

He directed board attention to the FY12 Accomplishments document (attached) noting that the association has made progress in reaching all alumni, not just members. Efforts have focused in the strategic goal areas of engagement, partnership, communication, innovation and advocacy. Alumni opinions are surveyed bi-monthly.

He shared that he had recently presented the FY 12 Accomplishments and a review of our strategic plan to the Board of Regents at their June 8 meeting.

Phil Esten presented the UMAA's FY13 Goals and Objectives. They are:

- 1) **ROBUST OUTREACH:** The UMAA will develop an outreach program that prioritizes high impact segments, affinity groups and geographic activity that delivers both university-centric and alumni-centric outcomes.
- 2) **ADVOCACY:** Advocacy should address both mission-based and issue-based strategies and activities that are integrated into a comprehensive outreach and communications strategy.
- 3) **MEMBERSHIP and ENGAGEMENT:** The UMAA business model needs to reflect the changing demands of our University and alumni stakeholders, both financially and programmatically. We will seek key partnerships and collaborative efforts essential to delivering intended outcomes.
- 4) **STRATEGIC COMMUNICATIONS:** We will develop a comprehensive communications strategy that addresses UMAA communications needs and opportunities while aligning with university messaging.
- 5) **NEXT GENERATION GOVERNANCE:** We will enhance the governance function and grow alumni engagement opportunities by implementing the board restructure plan. The UMAA will better optimize board brainpower and commitment while positioning the board to both respond to current economic and market conditions and identify long-term financial, partnership and engagement opportunities.

Each goal will include:

- a) Complete and full assessment of current programming and industry best practices
- b) Proactive discussion with the board and other key stakeholders to assess opportunities and challenges associated with the respective program or activity
- c) Prioritized options for board considerations, including necessary resources, with a recommended action
- d) A final decision and implementation plan that includes a timeline

Strategic Interactive Session

Kent Horsager, now chairing the meeting, led a board group discussion of how the FY13 Goals and Objectives advance the strategic plan, opportunities and threats related to each objective and also identified the major strategic areas that the board would like to focus on in the coming year. The board conversation underscored that the goals and objectives definitely support the main strategic plan pillars. Opportunities arise from engagement, input and new leadership talent from the councils. Threats may be the ramp up time necessary for the board and board councils to fully engage. It was noted that the board must have patience with new programs, goals and objectives, realizing that many are long-term and must be measured in 3-5 year increments.

Board members would like to focus on how to inspire more alumni to passionately support the University and be a base of support when issues arise. The membership model was repeatedly mentioned for future discussion. Board members would like more opportunities to participate.

Board Development Committee Report

Ertugrul Tuzcu presented the Nominating Board Development Committee's recommendations for implementing the new board structure approved at the March 24 board meeting.

Chair Horsager will appoint a sub-committee of the board to supervise the necessary bylaws revisions, chaired by Marshall Lichty.

The affinity and geographic councils will be formed this year. Initial composition of the affinity board council will be comprised of the fifteen collegiate representatives currently on the board. Initial composition of the geographic council will include representation from each state and national geographic chapter (this will be chapter presidents or their mutually agreed upon designee.) Both councils will need to accomplish the following:

Year 1 - FY13 (July 1, 2012 – June 30, 2013):

- Develop charter and guiding principles.
- Determine who should be on the respective council in year 2 – FY14 and also how they are recruited and selected to serve on the council.
- Discuss how to nominate council members to forward to the Nominating Board Development Committee to be selected to serve on the national board. (The Nominating Board Development will not require candidates to be submitted the first year but will rather select from the initial council members for all board councils to serve in FY14.) Councils will need to be prepared to forward names for consideration during the FY14 year, to be considered for FY15.
- Determine meeting schedule going forward.

Staff will begin the process of forming a student and young alumni board council in FY13, to be convened in FY14.

Tuzcu explained the following timeline of events for the upcoming year recommended by the Nominating Board Development Committee.

FY13 Timeline:

Before the April 6, 2013 board meeting

Nominating Board Development Committee will:

- Recommend FY14 officers , also the possibility of a 1st Vice Chair
- Recommend FY14 board council representatives:
 - 2 students (undergraduate/graduate – could remain as the Presidents of the student groups)
 - 3 geographic representatives
 - 5 affinity group representatives
 - 2 young alumni
- Recommend FY14 at-large members (7)

At the April 6 National Board Meeting

FY14 officers are elected and FY14 board members are named for election at the annual meeting. Board reviews and ratifies bylaw changes.

Misc

Acting chair Kent Horsager asked for board member volunteers to review the alumni association award nominations and select award recipients.

The meeting adjourned at 6:15 p.m.

Submitted by Ruth Isaak
For Patrick Schott, Secretary-Treasurer