

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
NATIONAL BOARD OF DIRECTORS MINUTES
Friday, October 12, 2012, Noon – 2:30 p.m.
Gross Family Board Room, McNamara Alumni Center**

Board Members Attending

Adams Loyd, Susan
Beniak, Judy
Blissenbach, Henry
Campe, John
du Bois, Jim
Edwards, Brittany
Finsness, Elizabeth
Hallin, Gayle
Hancher, Michael
Hofflander, Linda
Horsager, Kent
Joselyn, Bernadine
La Valleur, June
Lichty, Marshall
McDonald, Dan
Martin, Roy

Meyer, Scott
Oftelie, Alexander
Omlie, Joey
Page, Alison - phone
Phenix, Amy
Pinkney, Beth
Reed, Maureen
Schaff, Clinton
Schott, Patrick
Spence, Pat
Trecker, Andrew
Walstad, Dave
Wiese, Sandra
Welshons, Bonnie - phone
Williams, Todd

Board Members Unable to Attend

Abbruzzese, Dave
Bond, Walter
Gates, Leah
Freimark, Natasha
Lanphere, Jane
Linster, Janice
McDonald, Tom
Pichler, Jim
Schultz, Martin
Williams, Taylor
Wilson, Grant

UMAA Staff Attending

Coffer, Curtis
Isaak, Ruth
Korman, Caryn Schultz
Radar, Bruce
Vicich, Lori Ann

Guests:

Kathleen Pritchard, Vice President and CFO, University of Minnesota Foundation and Carolyn Buzza, Associate Vice President of Marketing and Communications, Minnesota Medical Foundation

Chair's Introductions

Chair Kent Horsager welcomed new board members, Brittany Edwards, President of the Graduate and Professional Student Assembly, and Michael Hancher, Vice Chair of the Faculty Consultative Committee. He introduced Scott Meyer, serving as interim President and CEO of the Alumni Association. He noted that Meyer brings a wealth of strategic leadership expertise and has broad University experience. He said Meyer will work with staff to execute the strategic plan.

Horsager also welcomed new staff member, Lori Ann Vicich, serving as Interim Vice President of Communications. Vicich has served in various communication roles at the University for the past 14 years.

Regent Openings

Horsager introduced David Fisher, Vice Chair of the Regent Candidate Advisory Council. Fisher informed the board that there are four Board of Regents openings this year, two at-large seats, one student position and a fifth congressional district seat. The two at-large seats are currently held by Regent Cohen and Regent Johnson. Both intend to run for re-election. The other two seats do not have a current Regent seeking the position.

He explained that the role of the Regent Candidate Advisory Council is to find, screen, and interview candidates and then recommend to the Legislature for a final decision. Fisher encouraged board members to extend the word and encourage qualified candidates to apply for Board of Regents openings.

University Report

Horsager introduced Karen Hanson, Senior Vice President for Academic Affairs and Provost. Hanson assumed her role as the University's chief academic officer in February of 2012. Provost Hanson told board members that she is an alum as are many of her family and is a lifetime member of the Alumni Association.

Hanson noted that while the student experience is good, it is the University's goal to improve it even further. Improvements have been made in several areas; welcome week, orientation, advising, and mentorship.

The University is moving aggressively to improve digital technology and use it to enhance student's classroom experience. More and more emphasis is being put on student outcomes and measuring those outcomes.

It is critical for the University to make the state, region and world aware of its capabilities, value and contributions, noting that alumni can do that. Provost Hanson specifically thanked the Alumni Association for their partnership with the distinguished teaching awards and noted that alumni are ambassadors for the University.

She said the University will emphasize to legislators that the University has the talent to work on four major research issues; advancing industry while conserving our environment, supporting robotics, advancing the treatment of brain conditions and securing the global food supply. The University will

propose a partnership with the state, offering the talent if the legislature will support necessary research infrastructure.

Consent Agenda

Horsager directed board members' attention to the June 13, 2012 National Board minutes and the resolutions appointing Scott Meyer as Interim President and Chief Executive Officer of the Alumni Association and authorizing him to act on behalf of the Association in conducting banking transactions for the Association.

MOTION: Approve Consent Agenda as presented including June 13, 2012 Minutes and Interim Appointment resolutions
APPROVED UNANIMOUSLY

Other reports presented for board information were the August 31, 2012 Internal Financial statements, June 30, 2012 Investment Report, September Membership Report, September Alumni Survey, and October Outreach Calendar.

FY12 Financial Review and Audit

Patrick Schott, Secretary-Treasurer, thanked his committee members Hank Blissenbach, John Cample, Dan McDonald, Amy Phenix, Dave Walstad and Todd Williams. He reported the Finance and Audit Committee had approved the FY12 Audit Report from McGladrey by an October 8 poll. The Alumni Association received a "clean" audit opinion and no issues arose during the audit.

Curtis Coffey, Vice President and CFO, reviewed year-end FY12 finances, noting that operating revenues were \$2.7 million, transfers were \$1.6 million, and operating expenses were \$4.3 million. The UMAA financial position is strong: \$23.7 million in total assets, \$4.4 million in total liabilities and \$19.3 million in net assets. Total invested funds are \$22.6 million: \$7.6 in the life membership fund, \$7.0 million in the strategic opportunity fund, \$6.0 million in the operating support fund, and \$2.0 million in the scholarships and awards funds.

The FY13 budget approved at the June board meeting projects operating revenues of \$2.8 million, transfers of \$1.9 million and operating expenses of \$4.7 million.

Bylaws Committee Report

Marshall thanked his committee members, Kent Horsager, Susan Adams Loyd, Sandy Wiese, Patrick Schott and staff members, Curtis Coffey and Ruth Isaak. The committee is taking an in-depth look at the bylaws and will recommend the necessary revisions to reflect the board structure changes. He expects the committee's final recommendations will be presented at the January 12 National Board Meeting.

Board Development Committee Report

Past chair Maureen Reed is the chair of the FY13 Nominating Board Development Committee per association bylaws. The bylaws also state that the current chair and chair-elect serve plus at least one additional board member and two non-board members.

Reed recommended the following committee members:

Ertugrul Tuzcu, past board member and chair

Kent Horsager, current Chair

Susan Adams Loyd, chair-elect

Janice Linster, current board member

Linda Hofflander, current board member
Lizzy Shay, past Minnesota Student Association representative to the board
Maureen Reed, Chair

MOTION: Approve the FY13 Nominating/Board Development committee
APPROVED UNANIMOUSLY

Reed noted that this will be an extraordinary year for the Nominating Board Development Committee because of the responsibility for recommending the new board composition as well as working on developing robust councils according to the board-approved board restructuring plan. The Nominating Board Development Committee will review the roles of board members and recommend the roles of councils and council members.

Board members had questions on the selection of council representatives. Chair Reed said the Nominating Board Development Committee will bring their recommendations to the board at the March meeting.

Membership/Engagement Presentation

Bruce Rader gave the highlights of a lengthy study that his team has conducted on membership models and how alumni engagement can be measured. Bruce presented his report to the Council of Alumni Association Executives (CAAE) conference this past July. Rader was selected as a CAAE Forman fellow, a distinction awarded to him from the national group.

- Membership highlights:
 - Membership currently provides a third of UMAA funding (combination of annual and multi-year membership dues as well as draws from an investment account derived from life membership dues)
 - Many alumni organizations are experiencing declining revenue sources and are accessing the traditional membership model
 - Most alumni associations at large public universities operate dues-based membership programs, some are supported with funding from their university or foundation - interdependent organizations, while others receive no funding from the university and are totally independent
 - To address declining membership revenue, most associations are looking for new ways to operate their membership program, successes have been had in new types of membership, e.g. sustaining memberships and tiered membership programs
 - A few (Illinois, Ohio State and Colorado) are trying dramatically new models with funding coming from new sources including development dollars, student fees, and institutional funding
 - The UMAA revenue of approximately \$11 per alumnus is low compared to peer institutions with an average of more than \$18 per alumnus
- Engagement highlights:
 - Like other non-profit organizations, it has been difficult to create simple success metrics that are comparable to those found at for-profit organizations
 - Alumni organizations across the country are starting to develop alumni engagement scoring systems
 - Although all alumni associations exist to 'engage alumni,' they all have different priorities based on their university goals, thus, there is not a single industry accepted definition of alumni engagement
 - The best definition is based on the needs of each specific university/alumni community

- A possible dashboard for UMAA was presented that included two sections: (1) alumni attitude data (speaks positively about the U, recommends the U, and shares UMAA communications) and (2) alumni actions (participation in U of M programs)
- Future board discussion will be around the "what" and "how" of building a U of M alumni engagement system relevant to our needs

President and CEO Search Update

CEO Search Committee Chair, Susan Adams Loyd, reviewed the timeline for selecting a search firm and recruiting and evaluating candidates with the projected goal of recommending a candidate by December. Loyd noted that this is an aggressive timeline and the process may take longer if necessary. The process will involve talking to many partners and stakeholders for their input and to promote the search.

Loyd asked board members for their initial responses regarding necessary characteristics of a new CEO. Responses ranged from 'prefer that the candidate is a U of M alum, but not mandatory, should have education and/or nonprofit experience, strategic thinker and implementer, effective leader and passion for the University.' Loyd encouraged board members to contact her individually if they had additional input.

Announcements

Chair Horsager announced a December 4 board retreat for strategic discussion on each of the FY13 Goals and Objectives. Board meetings for the rest of the year are January 12, April 6 and June 19.

The meeting adjourned at 11:15 a.m.

Submitted by Ruth Isaak
For Patrick Schott, Secretary-Treasurer