

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
EXECUTIVE COMMITTEE MINUTES**

September 27, 2012
200 McNamara Alumni Center

Committee Members Attending

du Bois, Jim
Esten, Phil
Horsager, Kent
Lichty, Marshall
Loyd, Susan Adams, phone
Page, Allison – phone
Phenix, Amy
Reed, Maureen
Schott, Patrick
Welshons, Bonnie

UMAA Staff Attending

Coffer, Curtis
Korman, Caryn
Isaak, Ruth
Meyer, Scott
Rader, Bruce
Vicich, Lori Ann

Chair's Report

Chair Horsager welcomed Vice Chair Marshall Lichty, newest member to the Executive Committee, and Lori Ann Vicich, serving as Interim Vice President of Communications for the Alumni Association.

He introduced Interim President and CEO, Scott Meyer. Noting that he is an experienced and talented leader and strategic facilitator who is very familiar with the University because of other assignments, Horsager welcomed him and thanked him for assuming leadership while a CEO search is being conducted.

Consent Agenda

Horsager directed Executive Committee attention to the June 6, 2012 Executive Committee minutes. Other reports included for committee information are the August 31, 2012 Internal Financial statements, June 30 Investment Report, August Membership Report, September Bi-monthly Alumni Survey Results and October Outreach Calendar.

MOTION: Approve June 6 Executive Committee Minutes
APPROVED UNANIMOUSLY

FY12 Financial Review and Audit

Patrick Schott, Secretary-Treasurer, thanked his committee consisting of board members Hank Blissenbach, John Campe, Dan McDonald, Amy Phenix, Dave Walstad and Todd Williams. He reported the Finance and Audit Committee had tabled approval of the FY12 Audit Report from McGladrey awaiting investment numbers from the University of Minnesota Foundation. The Committee will likely approve the report through an email poll. The Alumni Association received a “clean” audit opinion and no issues arose during the audit.

Curtis Coffer, 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

Committee chair, Marshall Lichty, said the committee is revising the current bylaws to reflect the board structure changes. Remaining issues are recommendations on how board members are elected and procedures around electing board council representatives. He expects the committee's final recommendations will be presented at the January 3 Executive Committee meeting.

Nominating Board Development Committee

Past chair Maureen Reed serves as chair of the 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 in addition to the President and CEO.

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, Past Chair and Committee 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.

CEO Report

Phil Esten reviewed progress on FY13 Goals and Objectives. Metrics will be framed for each objective. He explained that over a ten-year period, there has been a significant decline in University support and also in the revenue generated from the association's credit card contracts. He urged the board to consider how to establish a sustainable business model.

Membership Engagement Report

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 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 a 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

Other Business

Chair Horsager announced a December 4 board retreat for strategic discussion on each of the FY13 Goals and Objectives.

The meeting adjourned at 9:30 a.m.

Submitted by Ruth Isaak
For Patrick Schott, Secretary-Treasurer