

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
NATIONAL BOARD OF DIRECTORS MINUTES
Saturday, April 4, 2009
8:30 – 10:30 a.m.
Gross Family Board Room, 500 McNamara Alumni Center**

Board Members Attending

Anderson, Jan-phone
Blissenbach, Hank
Carlson, Margaret
Carthaus, Marcia - phone
Cheung Ho, Yvonne
Cunningham, John
Dragseth, Ken
du Bois, Jim
Gruenberg, Karyn
Hallin, Gayle
Himle, Karen
Horsager, Kent
Kremers, Kristie
Loyd, Susan Adams
LaSalle, Tom
McDonald, Daniel
Meyer, Janice

Mooty, Bruce
Mulder, Jim
Newell, Rich
Omlie, Jo Ann
Osberg, Brian
Reed, Maureen
Resch, Jim
Schott, Patrick
Schultz, Martin
Stein, Robert
Thacker, Kip
Thompson, Paul
Tuzcu, Ertugrul
Wiese, Sandra Ulsaker
Welshons, Bonnie

Board Members Unable to Attend

Hoover, Emily
Johnson, Susan
Joselyn, Bernadine
Lichty, Marshall
Lucas, Peggy
Page, Alison

Peterson, Debra
Phillips, Jessica
Reichl, Lorna
Resch, Jim
Xu, Amy

UMAA Staff Attending

Coffer, Curtis
Isaak, Ruth
Rader, Bruce
Shortridge, Julie

University Guests

Erik Thurman, Assistant Vice President of Development, Minnesota Medical Foundation, representing CEO Becky Malkerson
Steve Goldstein, President and CEO, University of Minnesota Medical Foundation

University of Minnesota Alumni Association (UMAA) President Bruce Mooty called the meeting to order at 8:30 a.m.

Presidents Report

Mooty welcomed Curtis Coffey. Coffey joined the Alumni Association on March 16 as the Chief Financial Officer and Senior Director of Operations. He was most recently the director of finance for the Greater Minnesota Housing Fund. Prior to moving to Minneapolis, Coffey was the Director of Finance for the Brothers of Holy Cross – Notre Dame. Curtis is a CPA and has a Ph.D from the University of Michigan and a BS from the University of Illinois.

Consent Agenda

Mooty directed board attention to the consent agenda which included the January 31, 2009 National Board minutes, January 31, 2009 internal financial statements, membership report, bi-monthly alumni survey results and Advocacy Committee report.

MOTION: Approve items on the Consent Agenda as submitted
APPROVED UNANIMOUSLY

University Report

Mooty introduced Steve Goldstein, President and Chief Executive Officer of the University of Minnesota Foundation. Goldstein said that he was also representing Becky Malkerson, President and Chief Executive Officer of the Minnesota Medical Foundation, on the topic of trends and the changing role of philanthropy. He said that the number of gifts had been flat in the current fiscal year but the total dollars had increased by six percent. The economic downturn is very real, however, and like other organizations, the foundations are doing more with less.

Four important trends are emerging that will influence the future work of the foundations. It is possible to raise funds without a campaign structure; donors like to give to big ideas that have the potential to solve world problems; there is unprecedented support for tuition scholarships and donors want more immediate impact of their gifts. There is a shift to less long-term endowments and more gifts to current needs where donors may see the impact in their lifetime.

Goldstein has visited with colleges, campuses and university units in his first year on the job. He has asked them for specific plans to develop gifts over \$1 million, identify their top four priorities and identify aggressive plans to match the priorities. He noted that the units are identifying really big ideas. They appreciate the guidance and are asking for advanced tools and technologies. The foundations are focusing on how to message, organize and work better with the various units using new tools.

Board members asked how university-wide initiatives will be addressed without a campaign approach. Goldstein said that university-wide mini campaigns could arise such as ‘food safety’ or the ‘Promise for Tomorrow’ scholarship fund. He also said that certain projects with a defined start and finish are compatible with the campaign strategy. Examples are the TCF Bank Stadium and the Children’s Hospital Campaign but the continuous progress and improvement that is needed is not always compatible with a campaign’s cyclical nature.

Board Development Report

Tom LaSalle, Chairman of the 2008-2009 Board Development Committee, explained that the Board Development Committee is charged with recommending officers to the National Board and new board members are approved by the membership at the Annual Celebration. He thanked his committee members: Bruce Mooty, Archie Givens, Yvonne Cheung Ho, Bonnie Welshons, and Margaret Carlson. Mary McLeod recused herself from the committee when her name was placed in consideration as an officer.

LaSalle presented the committee's recommended slate of FY10 officers:

President – Archie Givens
President-elect – Ertugrul Tuzcu
First Vice President – Maureen Reed
Vice President – Kip Thacker
Vice President – Susan Adams Loyd
Vice President – Mary McLeod
Secretary-Treasurer – Kent Horsager
Past President – Bruce Mooty

MOTION: Accept the officers for FY10 as recommended by the Board
Development Committee
APPROVED UNANIMOUSLY

CEO Report

Carlson reviewed completed FY09 goals. The association hosted an all-University Alumni Awards Celebration, recognized Legislative Champions and partnered with University Relations on the Legislative Network and Legislative Briefing. A membership high of 59,200 has been reached, life memberships are now at 15,096 and total paying memberships reached 41,344, all exceeding FY09 goals. A strategic financial review has been completed, the collegiate compact process has been reviewed and the credit card and insurance program contracts have been renegotiated.

She said that goals on track include the Statewide Speakers Tour and implementing the brand and work on the new web site. In addition to other ongoing activities, the association is involved in several committees on the university level to prepare for the Ultimate Homecoming 2009. She showed board members the 8-day schedule of Homecoming Week activities that starts off with an all-U open house at TCF Bank Stadium showcasing academic and cultural units on October 4. The alumni service award event, pep fest, parade, tailgating at McNamara Alumni Center, the Minnesota-Purdue football game, and an all-U clean-up day on Sunday, October 11.

Carlson showed a representation of how the Alumni Association's name will be displayed over sections 141/241 of the TCF Bank Stadium, along with a sectional sign that will have a 60-word explanation of the Alumni Association. This is in recognition of the association's one million dollar gift and being the first donor to give to the stadium fund. Directional signs in the concourse will also reference the "University of Minnesota Alumni Association."

FY10 Goals, Objectives and Budget

Mooty said that the reduction of deficit spending had been a discussion item at every Executive Committee meeting but also studied in depth by a 'kitchen cabinet' sub group of the Executive Committee throughout the year. This sub group included Carlson, Mooty, Givens, Reed and Horsager.

Operating deficits for FY09, FY08, and FY07 were \$442,000, \$348,000 and \$145,000. Steps taken to correct the deficit have been increasing membership dues and increasing the draw on the Strategic Opportunity Fund. The association has made the case to the University for increasing operating support and is considering asking the foundations for support. They have also requested an increase in the owners' distribution from the University Gateway Corporation.

As with all non-profit entities, there is a significant decline in invested funds due to market conditions. There is also concern that the economy will impact membership renewals.

At mid-year, the association began to reduce expenses by instituting a hiring freeze, restructuring the annual meeting to be more cost effective, eliminating conferences and training and reducing travel to reduce FY09 expenditures.

He explained that the FY10 challenge will be to create a balanced budget. He presented staff recommendations on necessary additions to the FY10 budget to deliver on key objectives. These include:

- Enhancements to the Web
- Revitalized Homecoming
- Alumni and Fan Tailgating at the McNamara Alumni Center
- Possible Student Programming
- Continue to embrace our unique advocacy role

He also presented a menu of reductions that included staff and program reductions, salary freezes and publishing *Minnesota* magazine four times per year instead of six.

Mooty explained that the board would break into three groups to address core questions regarding the FY10 draft Goals and Objectives and then the entire group would reconvene for a report from each group. These groups addressed: 1) financial and organizational vitality; 2) the alumni association's role as ambassadors and advocates, how do we improve advocacy efforts and how vital is our alumni voice; and 3) partnerships and traditions, including how Homecoming and game day traditions will affect our operation, how we distinguish ourselves from an athletic booster group, and how to better engage collegiate alumni societies and students.

In summary, board members suggested that membership growth was critical to financial and organizational vitality, along with sponsorship funds targeted to a great event. They urged using the alumni association web site in a more interactive way to reach and engage alumni.

To enhance the alumni association's role as advocates and ambassadors, they suggested that we connect with alumni by giving them important information in a warm manner, and always identify clearly that the alumni association is the sponsor behind the event or information. The statewide speakers tour is an example of a successful program that does this.

The volunteers stressed the importance of having a strong relationship with collegiate and geographical units but noted that there is not a strong connection now and geographic groups are not satisfied with their current web service.

Mooty thanked board members for their contributions, urging them to connect with staff or officers if they have additional comments and suggestions.

Mooty reminded board members of the upcoming events: Distinguished Teaching Awards on April 27, Annual Meeting on May 1, and the next board meeting on June 17.

The meeting adjourned at 10:30 a.m. and board members toured the TCF Bank Stadium, courtesy of Athletic Director Joel Maturi and the athletics staff.

Submitted by Ruth Isaak
Deputy Director and Board Coordinator

for

Kent Horsager, Secretary-Treasurer