

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
NATIONAL BOARD OF DIRECTORS MINUTES
Saturday, November 8, 2008
8:00 – 10:00 a.m.
Gross Family Board Room, 500 McNamara Alumni Center**

Board Members Attending

Anderson, Jan-phone
Beeson, Rick
Blissenbach, Hank
Carlson, Margaret
Carthaus, Marcia
Cunningham, John
Dragseth, Ken
du Bois, Jim
Givens, Archie
Gruenberg, Karyn
Hallin, Gayle - phone
Himle, Karen
Hoover, Emily
Horsager, Kent
Johnson, Susan
Joselyn, Bernadine
Kremers, Kristie
LaSalle, Tom
Loyd, Susan Adams
Lucas, Peggy
McDonald, Dan

Meyer, Jan
Mooty, Bruce
Mulder, Jim
Nagel, Mark
Omlie, Joey
Osberg, Brian
Page, Alison
Peterson, Debra
Phillips, Jessica
Reed, Maureen
Reichl, Lorna
Resch, Jim
Schott, Patrick
Schultz, Martin
Stein, Robert
Thacker, Kip
Tuzcu, Ertugrul
Wiese, Sandra Ulsaker
Welshons, Bonnie

Board Members Unable to Attend

Cheung Ho, Yvonne
Lichty, Marshall
Newell, Rich

Thompson, Paul
Xu, Amy

UMAA Staff Attending

Fisher, Diane
Hanley, Stacy
Isaak, Ruth
Rader, Bruce
Shortridge, Julie

University Guests Attending

Tom Sullivan, Sr. Vice President and Provost, University of Minnesota

Jim Aagaard, Vice President, Information and Computer Services, University of Minnesota Foundation

University of Minnesota Alumni Association (UMAA) President Bruce Mooty called the meeting to order at 8:00 a.m.

Presidents Report

Mooty welcomed board member Emily Hoover, Faculty Consultative Committee Chair, to her first board meeting and welcomed Jim Aagaard attending on behalf of the University of Minnesota Foundation.

Mooty said he was very sorry to say farewell to Diane Fisher, CFO and Sr. Director of Operations. Fisher will be leaving the association on January 2. He acknowledged her many contributions to the Alumni Association and thanked her for her excellent and steadfast service. Mooty presented Fisher with a farewell gift on behalf of the board of directors.

Fisher thanked Mooty and the board, noting that she appreciated the opportunity to work for the association and acknowledged her staff for their talent and dedication to the organization.

University Report

Mooty introduced Tom Sullivan, Sr. Vice President and Provost of the University of Minnesota, to present an Accountability Report. Sullivan told the board that it has been four years since the University launched the Strategic Planning project. The inspirational goal of the University to become one of the top three public research universities in the world is on track.

The U is the second largest University in the United States, with a total of 66,312 students, 51,000 at the Twin Cities Campus. The student population consists of 55% women and 45% men. There are 5,106 freshman students at the Twin Cities campus selected from 29,000 applications. Forty-five percent of that freshman class came from the top 10% of their graduating class and 84% of them from the top 25%. Twenty percent of the new class is students of color, the second highest percentage of Big Ten schools.

Graduate students comprise twenty percent of the student population and the University of Minnesota is the second largest producer of PhD degrees and the third largest in masters degrees. The retention rate of first year students has improved to 88%. The University has made a concerted effort to strengthen the undergraduate experience, 40% of the freshmen are now in freshman seminars with 15 or fewer students and taught by senior faculty and there is a new all-university honors college.

The library is ranked 13th and is considered a model in the United States. According to National Science Foundation data for 2007 total research expenditures, the university ranked ninth overall among public universities and 14th among all universities, public and private.

The university also raised or maintained its status among some of the leading rankings for research universities. In the Shanghai World Rankings, the U of M moved up to the 28th ranked research university in the world and to 9th of U.S. public research institutions.

The university has led a concerted effort to increase financial aid. Forty-eight percent of students receive financial aid each year with the average size of the aid package at \$6,700. President Bruininks has been a great champion of the Founders Free Tuition Program, offering free tuition to students that have family incomes of \$50,000 or less.

Sullivan concluded that the university has made remarkable progress in quality, diversity of students, stellar faculty and research contributions.

Consent Agenda

Mooty directed board attention to the consent agenda which included the September 8, 2008 national board minutes, FY08 audited financial statements, September 30, 2008 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

Membership Dues and Web Site Redevelopment Update

Ertugrul Tuzcu, First Vice President and Chair of the Marketing and Communications Committee, reported that the total membership goal of 58,500 was exceeded in August when total memberships reached 59,203. The paid membership goal of 41,200 was achieved in September and reached an all-time high of 41,344 in October. The life membership goal of 14,450 has recently been attained with life memberships currently at 14,650. He commended board members for their efforts to recruit life memberships and thanked them for making the association a strong and vibrant organization.

Tuzcu presented the recommendation of the Executive Committee to increase dues. Dues have not increased since 2001, are currently among the lowest in the Big Ten and additional revenue is needed to support alumni association goals. Various scenarios and three options of increasing one and three-year memberships were studied by the Marketing and Communications Committee. Their recommendation was accepted by the Executive Committee.

The increase would be effective January 1. The Marketing and Membership Committee also recommends that staff consider reviewing the association's dues pricing structure every two or three years.

MOTION: Recommend that one and two-year membership rates increase to \$50 per single membership and \$55 per joint membership (from \$40/45) and three-year membership rates increase to \$135 per single membership and \$150 for joint memberships (currently \$105/\$120) effective January 1, 2009
APPROVED UNANIMOUSLY

Tuzcu then briefed the board on the process to review web design and content management vendors for a new alumni association web site. The purpose of redeveloping the Web site is to make it more vibrant, engaging, informative, interactive, and useful for alumni, Alumni Association members, alumni chapters and societies, and our advocacy efforts.

The current Web site structure and design is inflexible and is not a good format for involving and engaging alumni. Also, the current content management system provider has indicated they are not willing to make any additional upgrades to the system because it is too antiquated and cumbersome to do so.

Staff investigated over 20 content management system providers and Web design vendors. With input from the Marketing & Communications Committee and a Web Sub-group of that committee, plus assistance from University Relations staff who worked on the U's new Web home page, staff prepared a request for proposals that was sent to eight vendors in July.

Following a thorough review of the proposals submitted according to clearly defined criteria, the staff recommended a design firm and content management system vendor to the Web Sub-group of the Marketing and Communications Committee. The committee endorsed that recommendation and the process and selection criteria used by staff.

The recommendation was presented to the Marketing & Communications Committee on October 15. Following discussion, the committee directed staff to provide more information about the pros and cons of the recommended content management system versus UMContent, the university's content management system. That additional review is now in process and will be presented to the Web Sub-group in November. Following their action, the recommendation will proceed to the Marketing and Membership Committee for possible presentation to the January 15th Executive Committee and Jan. 31st full board meeting.

Finance Update

Kent Horsager, Secretary-Treasurer and Chair of the Finance and Audit Committee, complimented Fisher and Carlson, for their excellent execution of the association's finances, noting the audit report's unqualified opinion and the lack of findings for inclusion in the management letter.

He thanked the Marketing and Communications Committee for working through the issues regarding a membership dues increase, noting it was one of the recommended action items when the FY09 budget was approved.

Another of the action items included in the budget approval was that the Finance and Audit Committee look at the policy on use of board discretionary invested funds to determine if such funds would be a source of additional operating support. The committee reviewed the policy and recommends the following:

1. Full funding of the U of M Faculty Recognition Fund which supports the annual Distinguished Teaching Awards. Since it is the intention of the UMAA to always fund these awards the committee recognized the need to treat this fund as an endowment. To have enough principal to be able to spend \$50,000 per year on the awards, the committee recommends transferring money to this fund of approximately \$220,000- \$250,000 bringing the principal balance to approximately \$1 million. The source of the money would be the Strategic Opportunity Fund.
2. The other change recommended by the Finance and Audit committee relates to the use of the Strategic Opportunity Fund. The current policy details specific calculations for the use of this fund. The proposed change calls for the Finance and Audit Committee, at its annual winter meeting, to determine the amount that can be budgeted for the next year as

operating support. This allows the committee flexibility in addressing the balance between current and long-term needs. Special expenditures may be made for projects that are one-time in nature and meet the strategic objectives of the UMAA or are one or two-year pilot projects with firm goals and clear exit strategies.

MOTION: Approve the Finance and Audit Committee's revisions to the Alumni Association's Policy on Use of Invested Funds as detailed above.

APPROVED UNANIMOUSLY

CEO Report

Margaret Carlson thanked Fisher for her extraordinary skills, dedication to the job and friendship for seventeen years, noting she would be missed. She introduced each of the other managers (Isaak, Shortridge, Rader and Hanley) and mentioned their areas of responsibilities.

The alumni association is 'on track' with most of its FY09 objectives. Carlson is working very hard to secure a hallmark speaker for the annual celebration, noting that the program is linked to pursuing sponsorships.

She reviewed the past Homecoming weekend for board members, noting that it was the last Homecoming with festivities and game at the Metrodome. The Homecoming Parade's theme was "Marching into the Future" led by grand marshal alumnus and Disney executive Stan Freese, and his pal Mickey Mouse.

The Association Alumni Awards Reception and Program was held on October 29 honoring recipients of association awards in addition to Alumni Service Awards (conferred by the Board of Regents).

The Alumni Association awards recipients were:

- Outstanding Alumni Society of the Year - College of Design
- Outstanding Alumni Chapter of the Year – Chicago Chapter
- Program Extraordinaire (3 awards) –
 1. San Diego Chapter – Annual Meeting
 2. School of Dentistry – Intentional Leadership for Future Dental Professionals
 3. College of Food and Agricultural Sciences (CFANS) – Classes Without Quizzes
- Student Volunteer of the Year - Megan Hines (CFANS)
- Faculty Volunteer of the Year - Dana Souther (CFANS)

The Alumni Service Awards were awarded to the recipients by Patricia Simmons, Chair of the Board of Regents, along with the dean of their college. Alumni Service Awards honorees were:

- Mary Endorf - College of Education and Human Development
- Neal Gault – Medical School
- Arnold Hill – School of Dentistry
- James Jernberg – Hubert H. Humphrey Institute of Public Affairs
- Julie Johnson – College of Pharmacy
- Juanita Luis – College of Liberal Arts
- Scott Manwarren – College of Food, Agricultural and Natural Resource Sciences
- Eugene Ollila – Medical School
- Dennis Schulstad – University of Minnesota Alumni Association
- Margot Siegel – College of Design

- Ellen Sorenson – Band Alumni/School of Music

Carlson told board members of other recent events. The Etiquette Dinner was held on October 14 with over 350 students attending this popular annual event. Legislative Champion Awards were awarded to nine legislators in recognition of their work on legislative approval of the Minnesota Biomedical Research Program; six participated in an awards ceremony held in conjunction with a reception and tour of the newest biosciences facility on October 8, hosted with the Academic Health Center and Medical School.

The Legislative Briefing is scheduled for January 28. The focus will be telling the U's story to legislators. Board members are asked to attend and assist by being table facilitators. Carlson told board members that this will be a difficult legislative session and it is more important than ever for alumni to be ready to support the U.

Carlson told board members that three important games remain for the Gopher football team, Michigan, Wisconsin, and Iowa. The team's record will determine which bowl invitation the team receives.

She also encouraged board members to review the information provided on regent candidate applications. The deadline for applicants has been extended to December 1. Regent positions are open in districts one, four, six and seven.

Carlson reported on the most recent stops on the Statewide Speakers Tour: Brainerd Rotary-October 14; Fairmont Rotary-October 20; Cannon Falls Rotary-October 21; and New Ulm-October 21. This series was followed by another three-city swing that had stops in Thief River Falls – November 4; Park Rapids – November 5; and Crookston – November 6. All were well attended with local alumni attending in addition to club members and the events often received excellent local press coverage.

Carlson said that board member Jim Resch stepped up to compliment the Alumni Association at the Fairmont Rotary event, and she asked him to repeat his message for the board. Resch said that he told the audience that serving on the board gave him institutional knowledge but he also looked to the association to identify the important issues and champion them. He compared the association's vision to the philosophy based on a quote from famous hockey player, Wayne Gretsky, who said "I skate to where the puck is going to be, not where it has been." He then went on to encourage the audience to be life members.

Mooty reminded board members of the next national board of directors meeting on Saturday, January 31 at 8:30 a.m.

The meeting adjourned at 10:00 a.m.

Submitted by Ruth Isaak
Deputy Director and Board Coordinator

for
Kent Horsager, Secretary-Treasurer