

NCR—NO CARBON REQUIRED

Date 8/17/92

To Travelle Evans-Vann

From Diane Fisher

Subject Audited financial stmts

University
Minnesota
memo

Margaret thought that we should include copies of the audited financial statements with the board minutes. I've attached copies of the FY 90 and 91 financial statements as well as the management letters that were issued for these periods.

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION

Officers and Committee Chairs

THURSDAY, APRIL 16, 1992

7:30 a.m.

Faegre and Benson Law Firm
Minneapolis

Present:

John French
Larry Laukka
Kay MacKenzie
Janie Mayeron
Linda Mona
Emily Anne Staples
Mike Unger

Unable to Attend:

Sue Bennett
Ezell Jones

Margaret Carlson
Donavon Hess
Ron Johnson
Deanne Magnusson
Jane Whiteside

INTRODUCTIONS

Margaret Carlson introduced Ron Johnson, the new director of marketing and membership.

MINUTES

The minutes of February 20, and February 26, 1992, were approved as mailed.

FINANCIALS

Janie Mayeron reported that with eight months and 67 percent of the fiscal year completed, revenues are 63 percent of budget and expenses are 64 percent of budget. The year-to-date deficit is \$21,926, compared with a \$13,697 deficit at this time last year.

For the Alumni Club, revenues are 65 percent of budget and expenses are 59 percent of budget. Excess revenues year-to-date are \$17,469, compared with excess revenues of \$26,113 at this time last year. The club is rebating \$1,000 per month to the UMAA for management services and \$8,000 has been paid to date, which accounts for the year-to-date variation.

MEMBERSHIP

Larry Laukka reported that the spring membership promotion will be sent to 41,000 alumni households by April 27. Herman*Mancino Agency is working with the staff on this effort; Laukka feels confident that it will be successful.

Laukka reported that membership is 29,000-plus; Ron Johnson will be working over the next few months to remedy the data management system problems, which may be the source of some of our membership decline.

A special meeting to discuss the strategic direction for the UMAA, including membership and membership dues, will be held in the near future.

SPACE

The UMAA national board unanimously adopted a space proposal at its meeting on March 7. Michael Unger presented the proposal to University President Nils Hasselmo in a meeting on March 11.

Resolved that the UMAA National Board strongly endorses a move of the UMAA/AR office to the 5th Floor of Coffman Union and adopts the proposal set forth below:

- *University assumes cost of remodeling and moving, as well as annual rent to the Campus Club;*
- *UMAA/AR spends an amount to match the remodeling/moving costs (not to exceed \$291,000) during the four year period, 1992-95, on projects or programs mutually agreed upon with the University. Examples include mentoring, recruiting, diversity, scholarships, Gateway challenge grants, etc.; such expenditures to be funded by endowments;*
- *UMAA/AR will provide a package of goods and services to the Campus Club as an inducement to lower the annual rent to \$50,000; and*
- *the UMAA/AR will try to schedule events at the Campus Club.*

In his reply of April 2, 1992, President Hasselmo stated that it has already been decided that the UMAA will move from Morrill Hall, however, the administration has not made a decision on where the UMAA will move. It will be one of two alternatives: the Campus Club or the FMC Building, adjacent to the University of Minnesota Foundation (UMF). The decision awaits completion of a study on the long-term viability of the Campus Club, which is expected to be completed in 60 days (June 1).

Volunteers and staff discussed in-depth the political and monetary considerations of moving. Strategies to strengthen the case for the Campus Club will include asking members to write a personal letter to President Hasselmo during the April 29 board meeting and meetings with key administrators and groups to petition their support for the UMAA's move to the Campus Club.

GATEWAY

Larry Laukka reported that \$10,000 had been pledged by board members to date. A professional consultant will be hired to assist the UMF with this \$15 million fund-raising effort. A luncheon will be held at the Governor's residence on May 20 to acquaint donors with the Gateway and garner more supporters for the project.

STAFF DIVERSITY PLAN

Margaret Carlson handed out a draft plan, which was discussed by the group; a revised plan will be presented to the board in April.

ANNUAL MEETING

Deanne Magnusson reported that to date 1,485 tickets for the annual meeting, featuring Garrison Keillor as the keynote speaker, have been sold. Attendance is expected to reach 1,600.

UPCOMING MEETINGS

The board meeting and annual meeting are April 29.

A review of President Hasselmo's performance will be conducted June 11; it was suggested that John French and Mike Unger represent the UMAA at the review.

In order to approve the objectives and budget for 1992-93, a June national board meeting will be scheduled.

Respectfully submitted by:

Ron Johnson
Marketing/Membership Director

for

Ezell Jones
UMAA Secretary

**University of Minnesota Alumni Association
Special Meeting of the Officers**

MONDAY, JUNE 8, 1992

4:00 - 6:00 p.m.

Faegre & Benson

Minneapolis

Present:

John French
Larry Laukka
Janie Mayeron
Michael Unger

Margaret Carlson
Travelle Evans-Vann
Jane Whiteside

Unable to Attend

Ezell Jones
Kay McKenzie
Linda Mona
Emily Anne Staples

A special meeting was held to review the outcome of a meeting of University President Nils Hasselmo, Margaret Carlson, and Michael Unger regarding the impending relocation of the University of Minnesota Alumni Association/Alumni Relations (UMAA/AR) from Morrill Hall, as well as to discuss two sites—the Campus Club and the Radisson Metrodome.

Carlson reported that she had been informed that President Hasselmo wanted to meet with her and Michael Unger on the following day, Wednesday, June 3. Via Vice President Rick Heydinger, she was further informed that President Hasselmo would be asking the UMAA/AR to move to 1300 Second Street, South by September 1.

Carlson telephoned each of the officers to tell them of the impending meeting, then prepared for the meeting, based upon the advice received. At the June 3 meeting, President Hasselmo talked with Unger and Carlson, and it was agreed:

- President Hasselmo would support the UMAA/AR move to the Campus Club, contingent upon a favorable report of the current study of the long-term viability of the Campus Club
- Facilities management would be asked to recalculate costs for the following: (1) building code compliance, (2) moving, (3) other renovations deemed necessary, and (4) other optional renovation (e.g., air conditioning, upgrading the restroom).
- President Hasselmo would then reassess the costs to be assumed by the University and the UMAA.
- The UMAA/AR must be prepared to move on or before September 1.

Minutes/Special Officers Meeting
Page Two
June 8, 1992

Following the meeting, Vice President Rick Heydinger suggested that Carlson and Larry Laukka accelerate their discussions with Bill Maddux, manager of the Radisson Metrodome, about the possibility of relocating the UMAA/AR offices in the hotel. Then the UMAA/AR would have an alternative if the Campus Club arrangements could not be worked out.

Respectfully submitted,

Margaret Sughrue Carlson
Executive Director

for

Ezell Jones
UMAA Secretary

University of Minnesota Alumni Association
Special Meeting of the Officers and Managers
to Discuss UMAA Strategic Directions
with Emphasis on UMAA Membership

MONDAY, JUNE 15, 1992

5:00 - 9:00 p.m.

Popham, Haik, Schnobrich, & Kaufman, Ltd.
Piper Jaffray Tower, Minneapolis

Present:

John French
Rick Heydinger
Ezell Jones
Larry Laukka
Janie Mayeron
Mike Unger

Margaret Carlson
Travelle Evans-Vann
Jean Marie Hamilton
Don Hess
Ron Johnson
Deanne Magnusson
Jane Whiteside

Unable to Attend:

Kay McKenzie
Linda Mona
Emily Anne Staples

Periodically questions are raised about the mission of the University of Minnesota Alumni Association (UMAA), particularly as it relates to being a membership organization with membership dues. UMAA officers directed the staff to prepare background materials for an in-depth discussion of UMAA strategic direction with special emphasis on membership dues. Jane Whiteside, in consultation with the other managers, prepared a comprehensive package of materials (attached) that focused on six questions:

1. Are the resources spent on recruiting and retaining members worth it?
2. How can UMAA membership be more meaningful to alumni?
3. If "multiple asks" by many different departments and units are part of the problem, what needs to be done about it?
4. If using available resources to get the University's message out is an issue, what does this mean for the UMAA?

5. If connection and communication with nonmember alumni is an issue, what needs to be done by whom?
6. How much/what kind of independence and autonomy does the UMAA need?

A lengthy discussion followed. These were the recommendations:

Expand programming that makes a difference to alumni and the University in the following areas:

- student mentoring
- student recruiting
- student scholarships
- the Alumni Legislative Network
- alumni career development

Use our endowment funds to carry out any proposed new programming and to enhance current programming:

- hire additional staff for a limited time to carry out these new programs; set measurable objectives, quantify results, promote successful programs, and secure long-term funding
- utilize endowment funds, that are currently held by the UMAA, for scholarships

Promote coordination between the UMAA and the University of Minnesota Foundation (UMF):

- focus on cooperative action through on-going activities (Gateway) and new projects (student scholarships)
- hold a joint session among a small group of volunteers (e.g. three from each organization) to discuss concerns of UMAA and UMF volunteers without coming to any specific conclusions or decisions
- recognize that a major realignment of the organizational structure and/or dues structure will take significant volunteer and staff time over a number of months and years and will require other programming to be curtailed

Encourage the University to move immediately to fill the position of vice president for external relations:

Clarify the current emphasis on advocacy, particularly diversity, in relation to the expanded programming suggestions summarized above:

(Although advocacy has been the UMAA's focus during last two years, it was not discussed in depth at the meeting)

Respectfully submitted,

Margaret Sughrue Carlson
Executive Director

for

Ezell Jones
UMAA Secretary

**University of Minnesota Alumni Association
Officers and Committee Chairs Meeting**

THURSDAY, JUNE 18, 1992

7:30 - 9:30 a.m.

Faegre and Benson
Minneapolis

Present:

Ezell Jones
Larry Laukka
Janie Mayeron
Linda Mona
Mike Unger

Penny Bader
Margaret Carlson
Jean Marie Hamilton
Don Hess
Ron Johnson
Deanne Magnusson,
Jane Whiteside

Unable to Attend:

John French
Kay MacKenzie
Emily Anne Staples

Mike Unger chaired the meeting in John French's absence.

GREATER COORDINATION BETWEEN UMAA AND UMF

Mike Unger reported that the UMF Development Committee had suggested convening a think tank of volunteers and key University administrators to set the direction for alumni relations for the next ten to twenty years so that alumni giving could be enhanced. Unger said he had tried to schedule a meeting with a key UMF volunteer to discuss the issue, but the meeting had been cancelled. He will continue to try to meet with one of the key UMF volunteers to define some common ground and common issues. Out of this meeting, an action plan can be designed that meets mutual goals and defined expectations.

Larry Laukka asked Margaret Carlson to explain the UMF's volunteer and staff structure, as well as a current study being conducted by an outside consultant. Laukka noted that it might be helpful if some UMAA staff/volunteers serve on the President's Development Council (PDC), which sets University fund-raising priorities.

A UMAA proposal to the UMF, that *Minnesota* be sent to different groups of donor/nonmembers once a year, starting with the Fall Preview Issue, was reviewed and endorsed.

PROPOSED 1992-93 OBJECTIVES AND BUDGET

Mike Unger led the discussion on the objectives and budget, in preparation for the national board meeting on June 24. Margaret Carlson reviewed budget scenarios and assumptions for a "status quo" budget. She explained that for the current year expenditures are \$25,000 more than the projected revenue. The staff recommends that the UMAA/AR petition the University to waive next year's final \$25,000 payment to the AIS, to enable the UMAA to cope with \$90,000 in cuts from the University and to continue providing service to the University ~~without cutting staff or having~~ an unbalanced budget.

Jane Whiteside explained the \$25,000 fee in question dates back to when Steve Roszell, associate vice president of alumni and development, negotiated the turnover of data management from AIS to the UMF. In doing so, the UMAA/AR was assessed \$100,000 over four years. Three of the four payments have been made.

The officers/chairs endorsed a plan to seek Kathleen O'Brien's assistance in getting the last \$25,000 payment waived.

Mike Unger reported that the UMAA is in the second year of a two-year planning cycle. Much of the agenda is already charted, however, the UMAA needs to follow-up on the concerns that were expressed in a board survey: simplifying board meetings, making meetings more focused and substantive; finding ways to get board members better acquainted; relooking at social events. Unger reported that some officers want to clarify the role of the board/volunteer when it comes to important hiring decisions. Linda Mona commented that it becomes messy for volunteers who meet four times a year to get involved in the hiring of staff or involved in the operations of the organization. Ezell Jones added that the issue should be addressed at the orientation of new board members.

Among the priorities Unger discussed:

The University Issues Committee will be active next year. Diversity will be revisited especially with regard to staff and volunteers.

Long-term funding of the Morse Alumni Association Award and the use of current endowments for scholarships are priorities in 1992-93, as are broadening volunteer involvement in legislative efforts, mentoring, and recruiting new students.

The University would like to see the establishment of international chapters. For now, it may be too expensive for the UMAA to operate chapters on the international level.

The UMAA needs to reevaluate how events—annual meeting, homecoming, reunions—are run and what they accomplish.

The Gateway is another very important issue for the next year.

Unger will ask national board members to endorse the "status quo" budget as well as to consider using some of the UMAA endowments for enhancements, special projects and activities that could be piloted with extra staff and funding. If they are deemed important after a two-year trial period, the University would be asked to assume long-term funding. The areas for enhancements might be the Alumni Legislative Network and student mentoring.

Respectfully submitted:

Penny Bader
Executive Secretary
for
Ezell Jones
UMAA Secretary

**University of Minnesota Alumni Association
Special Meeting of the Officers**

THURSDAY, JULY 9, 1992

7:30 - 9:00 a.m.

Hvass, Weisman & King, Chartered

Minneapolis

Present:

Larry Laukka
Janie Mayeron
Michael Unger

Margaret Carlson
Travelle Evans-Vann
Jane Whiteside

Unable to Attend

John French
Ezell Jones
Kay McKenzie
Linda Mona

The meeting was called to order by Mike Unger at 7:46 a.m.

Michael Unger asked Margaret Carlson to give the officers an update on space. Referring to a letter from former Vice President of External Relations Rick Heydinger, Carlson stated that a long series of domino moves within the University are contingent upon the University of Minnesota Alumni Association/Alumni Relations (UMAA/AR) vacating its Morrill Hall space. Consequently, University President Nils Hasselmo has asked the UMAA/AR to move to new quarters by September 1.

Carlson reviewed comparisons for relocation from Morrill Hall to the Campus Club or to the Radisson Hotel, including total square footage, renovation/moving expenses, annual rent, enhancements, concerns, visibility, availability, and parking. Discussion followed and board members determined that the Campus Club space was preferable, which concurred with the staff managers' recommendation.

President Hasselmo had indicated in correspondence of June 26, 1992, that he would assume the estimated \$50,000 in costs necessary to make building code compliance changes, as well as moving expenses, including telephone, computers, furniture (estimated to be \$19,550). The officers recommended that we ask President Hasselmo to assume the cost of the roof repair (\$10,000), since it is a capital expenditure for Coffman Union.

They further recommended that the remaining expenditures be divided into two categories—additional renovation expenses (\$112,800) and annual rent (\$50,000 per year for four years for a total of \$200,000). The officers would request that these expenses (totaling \$312,800) be paid for by the University with the UMAA agreeing to spend an identical amount from its endowment fund on projects or programs that would be mutually agreed upon by President Hasselmo (letter and proposal attached).

Special Officers Meeting
Page Two
July 9, 1992

Janie Mayeron suggested that the Campus Club lease be negotiated at a fixed rate for up to four years instead of the proposed three years. In the four-year plan, there would also be a clause that would allow the UMAA to vacate the Campus Club premises prior to four years if the proposed Gateway Center is built and ready for occupancy.

Michael Unger and Margaret Carlson will present this new proposal to President Hasselmo in writing by July 10, per President Hasselmo's request. Carlson will contact Kathleen O'Brien, assistant to President Hasselmo, to set up a meeting to discuss the proposal.

Meeting adjourned at 9:00 a.m.

Meeting respectfully submitted,

Travelle Evans-Vann

for

Larry Laukka
Secretary

reasons -- should be no problem with divulging our plan since it has already been accepted.

Have JMh proof -- might be easiest if you file serve.

For the minutes book only, attach the July 10, 1992, letter to Hasselmo and the one page of comparisons for the fifth floor -- not the supporting information

University of Minnesota Alumni Association
Special Meeting of the Officers

THURSDAY, JULY 9, 1992

7:30 a.m.

Hvass, Weisman & King
Minneapolis, Minnesota

Present:

Larry Laukka
Janie Mayeron
Michael Unger

Margaret Carlson
Travelle Evans-Vann
Jane Whiteside

Unable to Attend

John French
Ezell Jones
Linda Mona

The meeting was called to order by Mike Unger at 7:46 a.m.

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four years instead of for the proposed three years. In the four-year plan, there would also be a clause that would allow the UMAA to vacate the Campus Club premises prior to four years if the proposed Gateway Center is built and ready for occupancy.

Michael Unger and Margaret Carlson will present this new proposal to President Hasselmo in writing by July 10, per President Hasselmo's request. Carlson will contact Kathleen O'Brien, assistant to President Hasselmo, to set up a meeting to discuss the proposal.

Meeting adjourned at 9:00 a.m.

Meeting respectively submitted,

Travelle Evans-Vann

for

Larry Laukka
Secretary

REPORT OF INDEPENDENT ACCOUNTANTS

The Board of Directors
University of Minnesota Alumni Association:

We have audited the accompanying balance sheet of the University of Minnesota Alumni Association as of June 30, 1991, and the related statements of revenues, expenses and changes in fund balances and cash flows for the year then ended. We previously audited and reported upon the financial statements of the University of Minnesota Alumni Association for the year ended June 30, 1990, totals of which are included for comparative purposes only. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the University of Minnesota Alumni Association as of June 30, 1991, and the results of its operations and changes in its cash flows for the year then ended, in conformity with generally accepted accounting principles.

As discussed in Note 1 to the financial statements, the Association changed its method of recording its investments and related investment income in 1991.

Minneapolis, Minnesota
August 9, 1991

Coppan & Sylward

1991

<u>Obligated Fund</u>	<u>General Endowment Fund</u>	<u>Total</u>	<u>1990 Total</u>
		\$ 35,627	\$ 40,096
\$ 1,875	\$ 1,875	39,864	63,325
2,500		27,500	72,647
	24,954	24,954	70,000
		9,300	5,289
<u>4,375</u>	<u>26,829</u>	<u>137,245</u>	<u>251,357</u>
2,823,767	2,716,885	5,540,652	4,471,213
	279,242	279,242	209,866
			39,628
	<u>82,931</u>	<u>82,931</u>	<u>106,661</u>
<u>\$2,828,142</u>	<u>\$3,105,887</u>	<u>\$6,040,070</u>	<u>\$5,078,725</u>
		73,200	120,784
	8,462	8,462	
		49,013	42,287
		9,300	5,289
	25,000	25,000	70,000
	2,500	2,500	
		<u>1,875</u>	<u>11,681</u>
	35,962	169,350	250,041
<u>2,828,142</u>	<u>3,069,925</u>	<u>5,870,720</u>	<u>4,828,684</u>
<u>\$2,828,142</u>	<u>\$3,105,887</u>	<u>\$6,040,070</u>	<u>\$5,078,725</u>

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION

BALANCE SHEET, June 30, 1991
(with comparative totals for 1990)

	Operat Fund
ASSETS	
Current assets:	
Cash	\$ 35,
Accrued interest and dividends receivable	
Other current assets	36,
Due from endowment fund	25,
Foundation-held funds receivable	
Cash held for others	9,
Total current assets	106,
Investment securities, at fair value	
Investment securities, at cost (fair value, \$5,390,390)	
Prudential Insurance Company of America - advance premium account	
Works of art, at appraised value	
Equipment, at cost less accumulated depreciation of \$50,821 in 1991 and \$25,838 in 1990	
	\$106,
LIABILITIES AND FUND BALANCES	
Current liabilities:	
Accounts payable and accrued expenses	73,
Foundation-held funds payable	
Payable to alumni society groups	49,
Cash held for others	9,
Due to operating fund	
Due to obligated fund	
Deferred revenue	1,
Total current liabilities	133,
Fund balances	(27,
	\$106,

The accompanying notes are an integral part of the financial statements.

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE

for the year ended June 30, 1991
(with comparative totals for 1990)

Revenues:

Membership fees:

Annual

Life

Total memberships

Contributed support from the University of Minnesota
Interest and dividends
Net appreciation in the fair value of investment securities
Group insurance dividends contributed by members
Advertising
Tours
Endowment support
Other

Total revenues

Expenses:

Publications and promotions
Salaries and employee benefits
Office supplies and materials
Data processing service
Travel and subsistence
Contribution to alumni societies
Depreciation
Insurance
Scholarships and awards
Other

Total expenses

Excess (deficiency) of revenues over expenses before cumulative effect
of the change in accounting principle

Cumulative effect on prior years (to June 30, 1990) of change in accounting
method of valuing investment securities

Excess (deficiency) of revenues over expenses

Other changes in fund balances:

Transfer of fiscal year 1990 life membership fees
Transfer of current portion of life membership fees
Transfer to finance current operations
Transfer of equipment to General Endowment Fund
Fund balances, beginning of year

Fund balances (deficit), end of year

Pro forma amounts assuming the method of valuing investment securities is
applied retroactively:

Excess of revenues over expenses

The accompanying notes are an integral
part of the financial statements.

1991

<u>Operating Fund</u>	<u>General Obligated Fund</u>	<u>Endowment Fund</u>	<u>Total</u>	<u>1990 Total</u>
\$ 494,970			\$ 494,970	\$ 538,625
<u>77,075</u>			<u>77,075</u>	<u>108,528</u>
572,045			572,045	647,153
1,035,896			1,035,896	1,082,032
2,222	\$ 143,135	\$ 159,927	305,284	330,547
	13,226	8,237	21,463	136,989
		51,222	51,222	130,169
15,018			15,018	32,185
16,954			16,954	63,260
61,778			61,778	55,416
<u>73,167</u>		<u>16,491</u>	<u>89,658</u>	<u>47,983</u>
<u>1,777,080</u>	<u>156,361</u>	<u>235,877</u>	<u>2,169,318</u>	<u>2,525,734</u>
439,823			439,823	399,293
1,098,972			1,098,972	1,064,471
86,180			86,180	90,494
132,629			132,629	138,928
38,253			38,253	38,586
86,726			86,726	87,128
		24,983	24,983	16,792
13,532			13,532	14,250
30,000			30,000	30,745
<u>39,478</u>	<u>8,182</u>	<u>47,701</u>	<u>95,361</u>	<u>60,850</u>
<u>1,965,593</u>	<u>8,182</u>	<u>72,684</u>	<u>2,046,459</u>	<u>1,941,537</u>
(188,513)	148,179	163,193	122,859	584,197
	<u>400,400</u>	<u>518,777</u>	<u>919,177</u>	
(188,513)	548,579	681,970	1,042,036	584,197
(108,528)	108,528			
113,957	(113,957)			
149,000		(149,000)		
(1,254)		1,254		
<u>7,991</u>	<u>2,284,992</u>	<u>2,535,701</u>	<u>4,828,684</u>	<u>4,244,487</u>
<u>\$ (27,347)</u>	<u>\$2,828,142</u>	<u>\$3,069,925</u>	<u>\$5,870,720</u>	<u>\$4,828,684</u>

\$ 889,071

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION

STATEMENT OF CASH FLOWS

Increase (Decrease) in Cash

for the year ended June 30, 1991
(with comparative totals for 1990)

Cash flows from operating activities:

Excess of revenues over expenses
Adjustments to reconcile excess of revenues over expenses to net cash
provided by operating activities:
Depreciation
Loss on write-down of works of art
Net appreciation in the fair value of investment securities
Loss on sale of equipment
Changes in assets and liabilities:
Interest and dividends receivable
Other current assets
Due from obligated fund
Due from endowment fund
Foundation-held funds receivable
University-held funds receivable
Accounts payable and accrued expenses
Foundation-held funds payable
Payable to alumni society groups
Due to operating fund
Due to obligated fund
Recruitment film advance
Deferred revenue
Board-approved transfers:
Transfer of prior fiscal year life membership fees
Transfer of current portion of life membership fees
Transfer to finance current operations
Transfer of equipment

Net cash provided by operating activities

Cash flows used by investing activities:

Purchases of investment securities
Proceeds from sales of investment securities
Increase in advance premium account - Prudential Insurance Co. of America
Net (increase) decrease in short-term investments - money market funds
Purchase of equipment

Net cash used by investing activities

Net increase (decrease) in cash

Cash at beginning of year

Cash at end of year

The accompanying notes are an integral
part of the financial statements.

1991

<u>Operating Fund</u>	<u>Obligated Fund</u>	<u>General Endowment Fund</u>	<u>Total</u>	<u>1990 Total</u>
\$(188,513)	\$ 548,579	\$ 681,970	\$ 1,042,036	\$ 584,197
		24,983	24,983	16,792
		39,628	39,628	
	(413,626)	(527,014)	(940,640)	(136,989)
				1,355
36,533	30,197 (1,875)	33,128 (1,875)	63,325 32,783	(8,451) 11,657
45,000	(2,500)		42,500	21,369
		(24,954)	(24,954)	(70,000)
(47,584)			(47,584)	25,000
6,726		8,462	8,462	(183,992)
		(45,000)	(45,000)	(40,000)
		2,500	2,500	70,000
(9,806)			(9,806)	(21,369)
				(25,000)
(108,528)	108,528			11,681
113,957	(113,957)			
149,000		(149,000)		
(1,254)		1,254		
(4,469)	155,346	44,082	194,959	256,250
	(3,425,047)	(3,289,413)	(6,714,460)	(1,349,214)
	2,690,221	2,881,036	5,571,257	1,248,735
		(69,376)	(69,376)	(144,035)
	579,480	434,925	1,014,405	(142,198)
		(1,254)	(1,254)	(84,216)
	(155,346)	(44,082)	(199,428)	(470,928)
(4,469)			(4,469)	(214,678)
40,096			40,096	254,774
<u>\$ 35,627</u>	<u>-</u>	<u>-</u>	<u>\$ 35,627</u>	<u>\$ 40,096</u>

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies:

ASSOCIATION DESCRIPTION:

The University of Minnesota Alumni Association (the Association) is organized to develop and encourage alumni interest in the University of Minnesota for the betterment of the University and its faculty, students and graduates.

The Association provides accounting and management support to the University of Minnesota Alumni Club.

FUND PURPOSES:

The funds of the Association do not carry restrictions by external parties. The Board of Directors, however, has designated funds for certain activities. The purpose of each fund, and Board designations on them, if any, are:

Operating Fund

Used to account for all revenues from annual memberships and expenses not designated for any other fund, which finance the principal activities and services of the Association.

Obligated Fund

Designed by the Board of Directors to account for all revenues received from life memberships that will be used in future years to finance the principal activities and services of the Association. Expenses for this purpose are paid out of the Operating Fund, after an annual transfer of funds from the Obligated Fund. The amounts remaining in the Obligated Fund at the beginning of the fiscal year are the prepaid noncurrent portions of life membership revenues.

General Endowment Fund

The General Endowment Fund was established to receive resources not used for operations to provide a general endowment for Association programs. Income of the General Endowment Fund may be transferred to the Operating Fund as determined by the Board of Directors.

Fund Transfers

The Board of Directors approves all transfers between funds. During 1991, transfers of \$149,000 were made from the General Endowment Fund to the Operating Fund to finance current operations.

Continued

1. Summary of Significant Accounting Policies, continued:

BASIS OF PRESENTATION:

The financial statements of the Association have been prepared on the accrual basis of accounting under the guidelines of the Audit and Accounting Guide for Audits of Certain Non-profit Organizations. Significant accounting policies followed by the Association are:

Valuation of Investment Securities

Prior to fiscal year 1991, investment securities were presented in the aggregate at the lower of amortized cost or market value, except for marketable debt securities, which were carried at amortized cost where there is the ability and intention to hold such securities to maturity.

During 1991, the Association changed its method of valuing investment securities when it sold its existing investments and transferred the funds into a commingled investment fund managed by the University of Minnesota Foundation (the Foundation). The assets of this fund (equity and debt securities and fixed interest obligations) that are traded on a national securities exchange are valued at the last reported sales price on the last business day of the year; investment securities traded in the over-the-counter market are valued at the last reported bid price. The Association made the change because cost information pertaining to the assets held by the Foundation is not available. Had the effects of this change been applied retroactively, the excess of revenues over expenses would have decreased by \$919,177 in 1991 and increased by \$304,874 in 1990.

The statement of revenues, expenses and changes in fund balances includes the net appreciation in the fair value of investment securities. This consisted of realized gains and losses in 1990 and both realized gains and losses and the change in unrealized appreciation/depreciation in the fair value of those investment securities held in 1991.

Equipment

Equipment is recorded at cost and depreciated using the straight-line method of depreciation with a 10 year life for office equipment and a five year life for computer equipment. The cost and related accumulated depreciation on asset disposals are removed from the accounts and any gain or loss thereon is included in operations.

Memberships

The Association records memberships as revenues in the period received. The Association makes an annual transfer from the Operating Fund to the Obligated Fund for life membership fees

Continued

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS, Continued

1. Summary of Significant Accounting Policies, continued:

BASIS OF PRESENTATION, continued:

Memberships, continued

collected in the prior year. This transfer amounted to \$108,528 in 1991 and \$114,454 in 1990. In addition, a transfer is made each year from the Obligated Fund to the Operating Fund to finance Association activities for life members. This transfer amounted to \$113,957 in 1991 and \$104,542 in 1990 and is determined by an actuarial valuation performed for the Association.

Interest and Dividends

Interest income is recorded as earned on an accrual basis and dividend income is recorded on the ex dividend date.

Pension Plans

All employees of the Association meeting age and length of service requirements participate in either civil service or faculty pension plans. The plans require contributions by both employer and employees. Pension expense is included with salaries and employee benefits, as the amounts incurred are not separately identifiable, since employee benefits are all paid in aggregate. The Faculty Retirement plan is a defined contribution plan and is fully funded. The Civil Service Retirement plan is a defined benefit plan.

Income Taxes

The Association is classified as a tax-exempt organization by the Internal Revenue Service under the provisions of Section 501(c)(3) of the Internal Revenue Code and is only subject to federal income tax on its net unrelated business income.

2. Related Party Transactions:

Certain expenses relating to the Association's operations are funded by the University of Minnesota and are included as support in the accompanying statement of revenues, expenses and changes in fund balances. These funded expenses consisted of \$1,035,896 in 1991 and \$1,082,032 in 1990 for a portion of the Association's salaries, employee benefits and supplies.

The Association is located in facilities on the University of Minnesota campus. These facilities are provided rent-free with no specified term.

Continued

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS, Continued

4. Prudential Insurance Company of America - Advance Premium Account, continued:

from the group life insurance plan in which some of the Association's members participate. Insured members voluntarily transfer all rights to interest and dividend earnings to the Association annually. Activity in the account during the two years ended June 30, was:

	<u>1991</u>	<u>1990</u>
Balance at beginning of year	\$209,866	\$ 65,831
Interest earned	18,154	13,866
Dividends earned	<u>51,222</u>	<u>130,169</u>
Balance at end of year	<u>\$279,242</u>	<u>\$209,866</u>

5. Cash Held for Others:

The Association allocates approximately \$2.50 per member of annual membership dues to each alumni society group to which the paying member belongs. These funds and other miscellaneous alumni society monies that are received by the Association are maintained in a bank account on behalf of the various alumni society groups. Allocations of annual membership dues to alumni society groups amounted to \$86,726 in 1991 and \$87,128 in 1990.

Cash held for others of \$9,300 at June 30, 1991 and \$5,289 at June 30, 1990, represents allocations to alumni society groups that are available for their use. The total amount payable to alumni societies is \$49,013 and \$42,287 at June 30, 1991 and 1990, respectively, remaining from previously specified Association alumni society program funds.

6. Funds Held for the Association:

The University of Minnesota and the University of Minnesota Foundation (the Foundation) hold and control certain additional funds at market value which, subject to various restrictions, are available to the Association. At June 30, 1991 the Foundation held \$158,168 available to the Association and an additional \$532,804 for which the principal must remain intact (Endowment Funds) at the donor's request. Similarly, at June 30, 1990 the University of Minnesota held \$809,503 available for Association use and \$697,327 of Endowment Funds.

Continued

7. Statement of Cash Flows:

During fiscal year 1991, the Association adopted the provisions of Financial Accounting Standards Board Statement No. 95, "Statement of Cash Flows" (SFAS 95). The 1990 statement of changes in financial position has been restated to conform with SFAS 95.

REPORT OF INDEPENDENT ACCOUNTANTS

The Board of Directors
University of Minnesota Alumni Club:

We have audited the accompanying balance sheets of the University of Minnesota Alumni Club (the Club) as of June 30, 1991 and 1990, and the related statements of revenues, expenses and accumulated deficit and cash flows for the years then ended. These financial statements are the responsibility of the Club's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the University of Minnesota Alumni Club as of June 30, 1991 and 1990, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Coopers & Lybrand

Minneapolis, Minnesota
August 9, 1991

UNIVERSITY OF MINNESOTA ALUMNI CLUB
BALANCE SHEETS, June 30, 1991 and 1990

ASSETS	<u>1991</u>	<u>1990</u>
Current assets:		
Cash	\$ 66,864	\$ 36,178
Accounts receivable	425	
Prepaid expenses	<u>1,053</u>	<u>2,058</u>
Total assets	<u>\$ 68,342</u>	<u>\$ 38,236</u>
LIABILITIES AND ACCUMULATED DEFICIT		
Current liabilities:		
Accounts payable and accrued expenses	6,525	4,609
Deferred revenue	<u>72,801</u>	<u>79,117</u>
Total current liabilities	79,326	83,726
Accumulated deficit	<u>(10,984)</u>	<u>(45,490)</u>
Total liabilities and accumulated deficit	<u>\$ 68,342</u>	<u>\$ 38,236</u>

The accompanying notes are an integral
part of the financial statements.

UNIVERSITY OF MINNESOTA ALUMNI CLUB
 STATEMENTS OF REVENUES, EXPENSES AND ACCUMULATED DEFICIT
 for the years ended June 30, 1991 and 1990

	<u>1991</u>	<u>1990</u>
Revenues:		
Membership and initiation fees	\$201,891	\$225,816
Room rental		11,845
Interest income	<u>3,544</u>	<u>1,950</u>
Total revenues	<u>205,435</u>	<u>239,611</u>
Expenses:		
Salaries and employee benefits	69,514	65,039
Rent	60,000	76,308
Publication and promotion	16,477	22,280
Supplies and materials	7,248	8,848
Insurance	1,461	1,497
Data processing services	9,077	12,499
Travel and subsistence	929	3,976
Other	<u>6,223</u>	<u>10,108</u>
Total expenses	<u>170,929</u>	<u>200,555</u>
Excess of revenues over expenses	34,506	39,056
Accumulated deficit:		
Beginning of year	<u>(45,490)</u>	<u>(84,546)</u>
End of year	<u>\$(10,984)</u>	<u>\$(45,490)</u>

The accompanying notes are an integral
 part of the financial statements.

UNIVERSITY OF MINNESOTA ALUMNI CLUB

STATEMENTS OF CASH FLOWS

Increase (Decrease) in Cash

for the years ended June 30, 1991 and 1990

	<u>1991</u>	<u>1990</u>
Cash flows from operating activities:		
Excess of revenues over expenses	\$34,506	\$ 39,056
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Amortization		2,250
Benefit from favorable settlement of contested rent		(21,371)
Changes in assets and liabilities:		
Accounts receivable	(425)	4,495
Prepaid expenses	1,005	667
Accounts payable and accrued expenses	1,916	(2,844)
Deferred revenue	<u>(6,316)</u>	<u>(8,791)</u>
Net cash provided by operating activities	30,686	13,462
Cash, beginning of year	<u>36,178</u>	<u>22,716</u>
Cash, end of year	<u>\$66,864</u>	<u>\$ 36,178</u>

The accompanying notes are an integral part of the financial statements.

UNIVERSITY OF MINNESOTA ALUMNI CLUB

NOTES TO FINANCIAL STATEMENTS

1. Description of Organization:

The Club was incorporated as a nonprofit organization for the purpose of promoting the interests and objectives of the University of Minnesota in a social atmosphere and assisting the University of Minnesota Alumni Association (the Association). The Club is governed by a Council of Governors including members of the Board of Directors of the Association and is managed by the Association's executive director. The Club is provided financial and management services by the Association. These services are provided without charge to the Club.

The Club has an operating agreement with a restaurant management company that operates the restaurant facilities in the Club. The restaurant management company is not paid a separate management fee by the Club but is entitled to the profits or losses from operating the restaurant service of the Club. As such, the operations of the restaurant are not included in the accompanying financial statements.

2. Summary of Significant Accounting Policies:

The accompanying financial statements under the guidelines of the Audit and Accounting Guide for Audits of Certain Non-profit Organizations have been prepared using the accrual method of accounting.

REVENUE RECOGNITION:

Membership and initiation fees are recorded as revenue in the period earned. Unearned membership fees are amortized over the term of the membership.

3. Federal Income Taxes:

The Club is a tax-exempt organization under Section 501(c)(7) of the Internal Revenue Code and is only subject to federal income tax on its net unrelated business income, which was insignificant in 1991 and 1990.

4. Leased Facilities:

Effective January 1, 1990, the Club leases space under an 18-month lease which expired in June 1991. The lease has been extended through December 31, 1991 and has monthly payments

Continued

UNIVERSITY OF MINNESOTA ALUMNI CLUB
NOTES TO FINANCIAL STATEMENTS, Continued

4. Leased Facilities, continued:

of \$5,000. Previously, the Club's lease agreement called for an annual base rental payment of \$81,680 plus 50% of actual utility and occupancy costs including real estate taxes.

5. Statement of Cash Flows:

During fiscal year 1991, the Club adopted the provisions of Financial Accounting Standards Board Statement No. 95, "Statement of Cash Flows" (SFAS 95). The 1990 statement of changes in financial position has been restated to conform with SFAS 95.

November 15, 1991

Finance Committee
University of Minnesota Alumni Association
100 Morrill Hall
100 Church Street SE
Minneapolis, MN 55455

Dear Don:

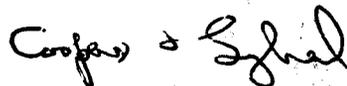
In planning and performing our audits of the financial statements of the University of Minnesota Alumni Association and the University of Minnesota Alumni Club for the year ended June 30, 1991, we considered the Organizations' internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements. Although our audits were not designed to provide assurance on the internal control structure, we noted certain matters involving the internal control structure and its operation, and are submitting for your consideration related recommendations designed to help the Organizations make improvements. Our comments reflect our desire to be of continuing assistance to the Organizations.

The accompanying comments and recommendations are intended solely for the information and use by management and others within the Organizations.

We wish to take this opportunity to thank you and your personnel for the cooperation we received during the course of our work and in developing these recommendations.

We are, of course, available to assist you at any time in implementing changes based upon these recommendations. We appreciate the opportunity to have been of service to you and the Organization. Should you have any questions about our recommendations, this letter, or other matters, please contact us at your convenience.

Very truly yours,



JPO:els

cc: Donavon J. Hess

C O N T E N T S

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University of Minnesota Alumni Association	
CURRENT YEAR COMMENTS	
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PRIOR YEAR COMMENT RESOLVED	
1. Establish Steps to Verify Bonus Computation	5

MINNESOTA ALUMNI ASSOCIATION

CURRENT YEAR COMMENTS

1. Establish a Policy on Accounting for Donated Artwork

The Association has not had a formal policy on accounting for donated works of art. This resulted in works of art being capitalized several years ago at an amount in excess of its fair value. Accordingly, a writedown was recorded in the current year as a result of a recently completed independent appraisal. In conjunction with the Association's effort to update the accounting policies and procedures manual, we recommend that the Association establish and document a policy addressing the value assigned to donated art, which should be derived from an independent appraisal if significant. In addition, the policy should also address the related depreciation recorded in subsequent years so as to comply with the provisions of Statement of Financial Accounting Standard No. 93, "Recognition of Depreciation by Not-For-Profit Organizations."

2. Modify Accounting Procedures for Investment Activity

During the 1991 fiscal year, the Association changed its method of valuing investment securities when all investments were sold and transferred into a commingled investment fund managed by the University of Minnesota Foundation (the Foundation). The investment information provided by the Foundation includes neither cost information nor a break-out of realized and unrealized gains and losses for the Association's portion of the Fund. This information is required to be disclosed by generally accepted accounting principles. For financial reporting purposes, this information was obtained for the Fund in total which allowed management to back into the Association's portion of the realized gains and losses using the Foundation's allocation methodology.

In order to track investment information on a timely basis, we recommend that the following information be requested from the Foundation as of the end of each quarter (which is the frequency that investment income is posted to the investees' accounts):

- . The fair value of the Fund's assets as of the beginning of each month within the quarter.
- . The Association's account value as of the beginning of each month within the quarter.
- . Both realized and unrealized gains and losses recorded by the Fund during the quarter.
- . Investment income (comprised of realized and unrealized gains and losses) credited to the Association's account for the quarter.

Then, by multiplying the Association's average portion of the total Fund balance (computed based on beginning of the month account values) by both the total realized and total unrealized gains and losses recorded by the Fund, the investment income credited to the Association's account can be broken out. Once segregated, realized and unrealized gains and losses can be disclosed separately in the financial statements.

PRIOR YEAR COMMENT REQUIRING FURTHER FOLLOW-UP

1. Update Accounting Policies and Procedures Manual

During our review of systems documentation it was noted that the manual of accounting policies and procedures has not been recently revised and, as a result, it has become outdated in many aspects. We recommended that the manual be revised and/or updated to reflect the Association's current policies and procedures.

Status:

The Association has completed the first phase of updating the policies and procedures manual, which involved restructuring the chart of accounts and expense authorization guidelines. Management intends to continue pursuing this project during the next fiscal year.

PRIOR YEAR COMMENTS RESOLVED

1. Begin Depreciation of Certain "Works of Art"

During our 1990 audit, we found that the Association was not depreciating its works of art recorded on the balance sheet. We recommended that those items not clearly recognized as appreciable art be depreciated on a going forward basis.

Status:

During 1991, the Association had certain works of art independently appraised. As a result of this appraisal, the works of art were found to be worth substantially less than the amounts carried on the balance sheet. Due to the insignificance of the appraised values, the Association wrote off amounts previously capitalized.

2. Reduce the Number of General Ledger Accounts

We noted that the Association's chart of accounts had a large number of accounts which had very little activity. We recommended that management consider condensing some of the general ledger accounts.

Status:

During 1991, management created a new chart of accounts which was implemented on July 1, 1991.

3. Consider the Need for Cost Basis Information on Investments Held by the Foundation

The Association was considering transferring certain unrestricted funds to accounts maintained by the Foundation. Because the Foundation was not able to provide the information needed to comply with the Association's existing policy of accounting for investments, we recommended that management explore all available options and alternatives before making a decision.

Status:

The Association transferred its funds to accounts maintained by the Foundation during 1991. Accordingly, the Association changed its policy of accounting for investments from the cost to fair value method.

4. Prepare a Memorandum Documenting the Understanding of Endowment Funds Held by Others

The Association currently has several endowments under the possession and control of the University of Minnesota and the Foundation that are not reflected on the Association's balance sheet. We recommended that management and the Association's finance committee document their understanding of donee intent and control of these type of funds and available accounts to ensure they are properly accounted for in the future.

Status:

The Association has considered this comment and has determined that additional documentation of donee intent and control over such funds is not necessary.

UNIVERSITY OF MINNESOTA ALUMNI CLUB

PRIOR YEAR COMMENT RESOLVED

1. Establish Steps to Verify Bonus Computation

New memberships and renewal memberships are processed by the finance department and forwarded to the Alumni Club marketing manager and secretary. The Club manager's bonus compensation is based upon new and renewal members, but there was no process in place to verify the computation by the finance department; however, current procedures were in place to approve the bonus computation. We recommended the Club manager submit her bonus compensation to the finance department for verification before being submitted to the executive director for approval.

Status:

The Club has implemented a procedure for the finance department to review and approve the necessary bonus computations.

REPORT OF INDEPENDENT ACCOUNTANTS

The Board of Directors
Minnesota Alumni Association:

We have audited the accompanying balance sheet of the Minnesota Alumni Association as of June 30, 1990, and the related statements of revenues, expenditures and changes in fund balances and changes in financial position for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Minnesota Alumni Association for the year ended June 30, 1989, were audited by other auditors, totals of which are included for comparative purposes.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Minnesota Alumni Association as of June 30, 1990, and the results of its operations and changes in its financial position for the year then ended in conformity with generally accepted accounting principles.

Coopers + Lybrand

Minneapolis, Minnesota
August 17, 1990

MINNESOTA ALUMNI ASSOCIATION

BALANCE SHEET, June 30, 1990
(with comparative totals for 1989)

ASSETS	<u>Operati Fund</u>
Current assets:	
Cash	\$ 40,0
Accrued interest and dividends receivable	
Other current assets	72,6
Due from operating fund	
Due from endowment fund	70,0
University-held endowment funds receivable	<u> </u>
Total current assets	182,7
Investment securities, at amortized cost	
Prudential Insurance Company of America - advance premium account	
Cash held for others	
Works of art, at appraised value	
Equipment, at cost less accumulated depreciation of \$25,838 in 1990 and \$158,163 in 1989	<u> </u>
	<u>\$182,7</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued expenses	120,7
Payable to alumni society groups	42,2
Cash held for others	
Recruitment film advance	
Due to operating fund	
Due to obligated fund	
Deferred revenue	<u>11,6</u>
Total current liabilities	174,7
Fund balances	<u>7,9</u>
	<u>\$182,7</u>

The accompanying notes are an integral
part of the financial statements.

1990

<u>Obligated Fund</u>	<u>General Endowment Fund</u>	<u>Total</u>	<u>1989 Total</u>
\$ 30,197	\$ 33,128	\$ 40,096 63,325 72,647 70,000	\$ 254,774 54,874 84,304 21,369 25,000
30,197	33,128	246,068	440,321
2,254,795	2,216,418	4,471,213	4,091,547
5,289	209,866	209,866 5,289	65,831 3,879
	39,628	39,628	39,628
	<u>106,661</u>	<u>106,661</u>	<u>40,592</u>
<u>\$2,290,281</u>	<u>\$2,605,701</u>	<u>\$5,078,725</u>	<u>\$4,681,798</u>
		120,784 42,287 5,289	304,776 82,287 3,879 25,000
5,289		70,000	21,369
		<u>11,681</u>	
5,289	70,000	250,041	437,311
<u>2,284,992</u>	<u>2,535,701</u>	<u>4,828,684</u>	<u>4,244,487</u>
<u>\$2,290,281</u>	<u>\$2,605,701</u>	<u>\$5,078,725</u>	<u>\$4,681,798</u>

MINNESOTA ALUMNI ASSOCIATION
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES

for the year ended June 30, 1990
 (with comparative totals for 1989)

	Operati Fund
Revenues:	
Membership fees:	
Annual	\$ 538,6
Life	<u>108,5</u>
Total memberships	647,1
Contributed support from the University of Minnesota	1,082,0
Interest	10,0
Dividends	
Gains on sale of investment securities, net	
Group insurance dividends contributed by members	
Advertising	32,1
Tours	63,2
Endowment support	55,4
Other	<u>47,9</u>
Total revenues	<u>1,938,0</u>
Expenditures:	
Publications and promotions	399,2
Salaries and employee benefits	1,064,4
Office supplies and materials	90,4
Data processing service	138,9
Travel and subsistence	38,5
Contribution to alumni societies	87,1
Depreciation	
Insurance	14,2
Recruitment film costs	3,8
Scholarships and awards	30,7
Other	<u>43,8</u>
Total expenditures	<u>1,911,5</u>

Continued

1990

<u>Obligated Fund</u>	<u>General Endowment Fund</u>	<u>Total</u>	<u>1989 Total</u>
		\$ 538,625	\$ 459,715
		<u>108,528</u>	<u>114,454</u>
		647,153.	574,169
		1,082,032	849,969
\$ 115,196	\$ 132,503	257,709	204,364
36,004	36,834	72,838	76,125
8,866	128,123	136,989	80,567
	130,169	130,169	70,670
		32,185	40,330
		63,260	34,718
		55,416	59,732
		<u>47,983</u>	<u>9,995</u>
<u>160,066</u>	<u>427,629</u>	<u>2,525,734</u>	<u>2,000,639</u>
		399,293	408,530
		1,064,471	890,460
		90,494	105,633
		138,928	106,363
		38,586	42,580
		87,128	87,940
	16,792	16,792	11,036
		14,250	14,534
		3,810	3,431
		30,745	29,750
<u>5,832</u>	<u>7,347</u>	<u>57,040</u>	<u>83,349</u>
<u>5,832</u>	<u>24,139</u>	<u>1,941,537</u>	<u>1,783,606</u>

MINNESOTA ALUMNI ASSOCIATION

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES, Continued

for the year ended June 30, 1990
(with comparative totals for 1989)

	<u>Operatin</u> <u>Fund</u>
Excess of revenues over expenditures	\$ 26,4
Other changes in fund balances:	
Transfer of fiscal year 1989 life membership fees	(114,4
Transfer of current portion of life membership fees	104,5
Transfer to finance current operations	145,0
Transfer of equipment to General Endowment Fund	(84,2
Fund balances (deficit), beginning of year	<u>(69,3</u>
Fund balances, end of year	<u>\$ 7,9</u>

The accompanying notes are an integral part of the financial statements.

<u>1990</u>			<u>1989</u>
<u>Obligated</u> <u>Fund</u>	<u>General</u> <u>Endowment</u> <u>Fund</u>	<u>Total</u>	<u>Total</u>
\$ 154,234	\$ 403,490	\$ 584,197	\$ 217,033
114,454			
(104,542)			
	(145,000)		
	84,216		
<u>2,120,846</u>	<u>2,192,995</u>	<u>4,244,487</u>	<u>4,027,454</u>
<u>\$2,284,992</u>	<u>\$2,535,701</u>	<u>\$4,828,684</u>	<u>\$4,244,487</u>

MINNESOTA ALUMNI ASSOCIATION

STATEMENT OF CHANGES IN FINANCIAL POSITION

for the year ended June 30, 1990
(with comparative totals for 1989)

Funds provided:

Excess of revenues over expenditures

Items not requiring funds:

Depreciation

Loss on disposal of office equipment

Funds provided by operations

Board-approved transfers:

Transfer of fiscal year 1989 life membership fees

Transfer of current portion of life membership fees

Transfer to finance current operations

Transfer of equipment

Sales and maturities of investment securities, cost

Net increase in short-term investments - money market funds

Net increase in Prudential Insurance Company of America -
advance premium account

Total funds provided

Funds applied:

Purchase of investment securities

Purchase of office equipment

Total funds applied

Increase (decrease) in working capital

Changes in working capital:

Increase (decrease) in current assets:

Cash

Accrued interest and dividends receivable

Other current assets

Due from operating fund

Due from endowment fund

University endowment fund receivable

Total increase (decrease) in current assets

Decrease (increase) in current liabilities:

Accounts payable and accrued expenses

Payable to alumni society groups

Recruitment film advance

Due to operating fund

Due to obligated fund

Deferred revenue

Total decrease (increase) in current liabilities

Increase (decrease) in working capital

The accompanying notes are an integral
part of the financial statements.

1990

<u>Operating Fund</u>	<u>Obligated Fund</u>	<u>General Endowment Fund</u>	<u>Total</u>	<u>1989 Total</u>
\$ 26,473	\$ 154,234	\$ 403,490	\$ 584,197	\$ 217,033
		16,792	16,792	11,036
		<u>1,355</u>	<u>1,355</u>	
<u>26,473</u>	<u>154,234</u>	<u>421,637</u>	<u>602,344</u>	<u>228,069</u>
(114,454)	114,454			
104,542	(104,542)			
145,000		(145,000)		
(84,216)		84,216		
	519,867	591,879	1,111,746	975,873
	(71,363)	(70,835)	(142,198)	(499,606)
		<u>(144,035)</u>	<u>(144,035)</u>	<u>(58,904)</u>
<u>77,345</u>	<u>612,650</u>	<u>737,862</u>	<u>1,427,857</u>	<u>645,432</u>
	628,905	720,309	1,349,214	590,498
		<u>84,216</u>	<u>84,216</u>	<u>25,324</u>
	<u>628,905</u>	<u>804,525</u>	<u>1,433,430</u>	<u>615,822</u>
<u>\$ 77,345</u>	<u>\$ (16,255)</u>	<u>\$ (66,663)</u>	<u>\$ (5,573)</u>	<u>\$ 29,610</u>
(214,678)			(214,678)	229,558
	5,114	3,337	8,451	(2,801)
(11,657)			(11,657)	18,986
	(21,369)		(21,369)	
70,000			70,000	
(25,000)			(25,000)	(45,580)
<u>(181,335)</u>	<u>(16,255)</u>	<u>3,337</u>	<u>(194,253)</u>	<u>200,163</u>
183,992			183,992	(169,103)
40,000			40,000	(9,820)
25,000			25,000	
		(70,000)	(70,000)	
21,369			21,369	
(11,681)			(11,681)	8,370
<u>258,680</u>		<u>(70,000)</u>	<u>188,680</u>	<u>(170,553)</u>
<u>\$ 77,345</u>	<u>\$ (16,255)</u>	<u>\$ (66,663)</u>	<u>\$ (5,573)</u>	<u>\$ 29,610</u>

MINNESOTA ALUMNI ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies:

ASSOCIATION DESCRIPTION:

The Minnesota Alumni Association (the Association) is organized to develop and encourage alumni interest in the University of Minnesota for the betterment of the University and its faculty, students and graduates.

The Association provides accounting support to the University of Minnesota Alumni Club.

FUND PURPOSES:

The funds of the Association do not carry restrictions by external parties. The Board of Directors, however, has designated funds for certain activities. The purpose of each fund, and Board designations on them, if any, are:

Operating Fund

Used to account for all revenues from annual memberships and expenditures not designated for any other fund, which finance the principal activities and services of the Association.

Obligated Fund

Designed by the Board of Directors to account for all revenues received from life memberships that will be used in future years to finance the principal activities and services of the Association. Expenditures for this purpose are paid out of the Operating Fund, after an annual transfer of funds from the Obligated Fund. The amounts remaining in the Obligated Fund at the beginning of the fiscal year are the pre-paid noncurrent portions of life membership revenues.

General Endowment Fund

The General Endowment Fund was established to receive resources not used for operations to provide a general endowment for Association programs. Income of the General Endowment Fund may be transferred to the Operating Fund as determined by the Executive Committee of the Board of Directors.

Fund Transfers

The Executive Committee of the Board of Directors approves all transfers between funds. During 1990, transfers of \$145,000 were made from the General Endowment Fund to the Operating Fund to finance current operations.

MINNESOTA ALUMNI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS, Continued

1. Summary of Significant Accounting Policies, continued:

BASIS OF PRESENTATION:

The financial statements of the Association have been prepared on the accrual basis of accounting under the guidelines of the Audit and Accounting Guide for Audits of Certain Non-profit Organizations. Significant accounting policies followed by the Association are:

Investment Securities

Investment securities are presented in the aggregate at the lower of amortized cost or market value, except for marketable debt securities, which are carried at amortized cost where there is the ability and intention to hold such securities to maturity.

Equipment

Equipment is recorded at cost and depreciated using the straight-line method of depreciation with a 10 year life for office equipment and a five year life for computer equipment.

Memberships

The Association records memberships as revenues in the period received. The Association makes an annual transfer from the Operating Fund to the Obligated Fund for life membership fees collected in the prior year. This transfer amounted to \$114,454 in 1990 and \$125,952 in 1989. In addition, a transfer is made each year from the Obligated Fund to the Operating Fund to finance Association activities for life members. This transfer amounted to \$104,542 in 1990 and \$111,417 in 1989 and is determined by use of a study performed for the Association.

Pension Plans

All employees of the Association meeting age and length of service requirements participate in either civil service or faculty pension plans. The plans require contributions by both employer and employees. Pension expense is included with salaries and employee benefits, as the amounts incurred are not separately identifiable, since employee benefits are all paid in aggregate. The Faculty Retirement plan is a defined contribution plan and is fully funded. The Civil Service Retirement plan is a defined benefit plan. The unfunded vested benefit liability of the plan is not actuarially segregated. The actuarial present value of accumulated plan benefits was not calculated.

MINNESOTA ALUMNI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS, Continued

1. Summary of Significant Accounting Policies, continued:

BASIS OF PRESENTATION, continued:

Income Taxes

The Association is classified as a tax-exempt organization by the Internal Revenue Service under the provisions of Section 501(c)(3) of the Internal Revenue Code and is only subject to federal income tax on its net unrelated business income.

2. Related Party Transactions:

Certain expenses relating to the Association's operations are funded by the University of Minnesota and are included as support in the accompanying statement of revenues, expenditures and changes in fund balances. These funded expenses consisted of \$1,082,032 in 1990 and \$849,969 in 1989 for Association salaries, employee benefits and supplies.

The Association is located in facilities on the University of Minnesota campus. These facilities are provided rent-free with no specified term.

3. Investment Securities:

Investment securities and unrealized appreciation at June 30, 1990 and 1989 are:

	<u>Amortized Cost</u>	<u>Market Value</u>	<u>Unrealized Appreciation</u>
June 30, 1990:			
Common stocks	\$1,757,701	\$2,676,829	\$919,128
Bonds and notes	1,699,107	1,699,156	49
First Trust Cash Management Fund	<u>1,014,405</u>	<u>1,014,405</u>	<u> </u>
	<u>\$4,471,213</u>	<u>\$5,390,390</u>	<u>\$919,177</u>
June 30, 1989:			
Common stocks	1,516,032	2,112,829	596,797
Bonds and notes	1,703,308	1,720,814	17,506
First Trust Cash Management Fund	<u>872,207</u>	<u>872,207</u>	<u> </u>
	<u>\$4,091,547</u>	<u>\$4,705,850</u>	<u>\$614,303</u>

MINNESOTA ALUMNI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS, Continued

4. Prudential Insurance Company of America - Advance Premium Account:

The Association has established a special reserve account with Prudential Insurance Company of America, its group life insurance carrier. This account accumulates policy dividends from the group life insurance plan in which some of the Association's members participate. Insured members voluntarily transfer all rights to interest and dividend earnings to the Association annually. Activity in the account during the two years ended June 30, was:

	<u>1990</u>	<u>1989</u>
Balance at beginning of year	\$ 65,831	\$ 6,927
Interest earned	13,866	91
Dividends earned	130,169	63,047
Withdrawal to pay premiums	<u> </u>	<u>(4,236)</u>
Balance at end of year	<u>\$209,866</u>	<u>\$65,831</u>

5. Cash Held for Others:

The Association allocates approximately \$2.50 per member of annual membership dues to each alumni society group to which the paying member belongs. These funds and other miscellaneous alumni society monies that are received by the Association are maintained in a bank account on behalf of the various alumni society groups. Allocations of annual membership dues to alumni society groups amounted to \$87,128 in 1990 and \$87,940 in 1989. At the end of each fiscal year, unexpended allocated amounts revert to the Association and are available for general operating purposes of the Association unless the alumni society groups specifically request otherwise.

Cash held for others of \$5,289 at June 30, 1990 and \$3,879 at June 30, 1989, represents allocations to alumni society groups that are available for their use. The total amount payable to alumni societies is \$42,287 at June 30, 1990 and \$82,287 at June 30, 1989. The amounts payable include \$42,287 remaining from previously specified Association alumni society program funds.

6. Funds Held for the Association:

The University of Minnesota and the University of Minnesota Foundation (the Foundation) hold certain funds at market value which, subject to various restrictions, are available to the Association. At June 30, 1990 the Foundation held \$195,239 available to the Association and an additional \$530,955 for which the principal must remain intact (Endowment Funds). Similarly, at June 30, 1990 the

REPORT OF INDEPENDENT ACCOUNTANTS

The Board of Directors
University of Minnesota Alumni Club:

We have audited the accompanying balance sheet of the University of Minnesota Alumni Club (the Club) as of June 30, 1990, and the related statements of revenues, expenses and accumulated deficit and changes in financial position for the year then ended. These financial statements are the responsibility of the Club's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the University of Minnesota Alumni Club for the year ended June 30, 1989, were audited by other auditors, whose report, dated August 4, 1989, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the University of Minnesota Alumni Club as of June 30, 1990, and the results of its operations and the changes in its financial position for the year then ended in conformity with generally accepted accounting principles.

Coopers & Lybrand

Minneapolis, Minnesota
August 17, 1990

UNIVERSITY OF MINNESOTA ALUMNI CLUB
BALANCE SHEET, June 30, 1990 and 1989

ASSETS	<u>1990</u>	<u>1989</u>
Current assets:		
Cash	\$ 36,178	\$ 22,716
Accounts receivable		4,495
Prepaid expenses	<u>2,058</u>	<u>2,725</u>
Total current assets	<u>38,236</u>	<u>29,936</u>
Leasehold improvements, at cost		90,000
Less accumulated amortization		<u>(87,750)</u>
Total assets	<u>\$ 38,236</u>	<u>\$ 32,186</u>
LIABILITIES AND MEMBERSHIP DEFICIENCY		
Current liabilities:		
Accounts payable	4,609	7,453
Contested rent		21,371
Deferred revenue	<u>79,117</u>	<u>87,908</u>
Total current liabilities	83,726	116,732
Accumulated deficit	<u>(45,490)</u>	<u>(84,546)</u>
Total liabilities and membership deficiency	<u>\$ 38,236</u>	<u>\$ 32,186</u>

UNIVERSITY OF MINNESOTA ALUMNI CLUB

STATEMENTS OF REVENUES, EXPENSES AND ACCUMULATED DEFICIT

for the years ended June 30, 1990 and 1989

	<u>1990</u>	<u>1989</u>
Revenues:		
Membership and initiation fees	\$225,816	\$221,581
Room rental	11,845	29,235
Other	<u>1,950</u>	<u>7,927</u>
Total revenues	<u>239,611</u>	<u>258,743</u>
Expenses:		
Salaries and employee benefits	65,039	65,610
Rent	76,308	143,800
Amortization	2,250	18,000
Publication and promotion	22,280	26,370
Supplies and materials	8,848	7,383
Insurance	1,497	1,612
Data processing services	12,499	9,438
Travel and subsistence	3,976	2,747
Other	<u>7,858</u>	<u>4,318</u>
Total expenses	<u>200,555</u>	<u>279,278</u>
Excess (deficiency) of revenues over expenses	39,056	(20,535)
Accumulated deficit:		
Beginning of year	<u>(84,546)</u>	<u>(64,011)</u>
End of year	<u>\$(45,490)</u>	<u>\$(84,546)</u>

The accompanying notes are an integral

UNIVERSITY OF MINNESOTA ALUMNI CLUB
 STATEMENTS OF CHANGES IN FINANCIAL POSITION
 for the years ended June 30, 1990 and 1989

	<u>1990</u>	<u>1989</u>
Sources (application) of funds:		
Excess (deficiency) of revenues over expenses	\$39,056	\$(20,535)
Less amortization not requiring funds	<u>2,250</u>	<u>18,000</u>
Total sources (application) of funds	<u>41,306</u>	<u>(2,535)</u>
Increase (decrease) in working capital	<u>\$41,306</u>	<u>\$ (2,535)</u>
Changes in working capital:		
Cash	13,462	14,523
Accounts receivable	(4,495)	(6,968)
Prepaid expenses	(667)	(8,631)
Accounts payable	2,844	(1,364)
Contested rent	21,371	
Deferred revenue	<u>8,791</u>	<u>(95)</u>
Increase (decrease) in working capital	<u>\$41,306</u>	<u>\$ (2,535)</u>

The accompanying notes are an integral

UNIVERSITY OF MINNESOTA ALUMNI CLUB

NOTES TO FINANCIAL STATEMENTS

1. Description of Organization:

The Club was incorporated as a nonprofit organization for the purpose of promoting the interests and objectives of the University of Minnesota and assisting the Minnesota Alumni Association (the Association). The Club is governed by a Board of Directors consisting of members of the Board of Directors of the Association and managed by the Association's executive director. The Club is provided financial support and certain services, such as accounting, by the Association.

The Club has an operating agreement with a restaurant management company that operates the restaurant facilities in the Club. The restaurant management company is not paid a separate management fee by the Club but is entitled to the profits, if any, of operating the restaurant service of the Club. As such, the operations of the restaurant are not included in the accompanying financial statements.

2. Summary of Significant Accounting Policies:

The accompanying financial statements under the guidelines of the Audit and Accounting Guide for Audits of Certain Non-profit Organizations have been prepared using the accrual method of accounting.

LEASEHOLD IMPROVEMENTS:

Leasehold improvements were carried at cost and were amortized using the straight-line method over the five-year lease period. During 1990, leasehold improvements were fully amortized.

REVENUE RECOGNITION:

Membership and initiation fees are recorded as revenue in the period earned. Unearned membership fees are included in deferred revenue and amortized over the term of the membership.

3. Federal Income Taxes:

The Club is a tax-exempt organization under Section 501(c)(7) of the Internal Revenue Code and is only subject to federal income tax on its net unrelated business income, which was insignificant in 1990 and 1989.

Continued

UNIVERSITY OF MINNESOTA ALUMNI CLUB
NOTES TO FINANCIAL STATEMENTS, Continued

4. Leased Facilities:

Effective January 1, 1990, the Club leases space under an 18-month lease expiring June 1991, with options to renew for a 12-month period. The lease has monthly payments of \$5,000. Previously, the Club's lease agreement called for an annual base rental payment of \$81,680 plus 50% of actual utility and occupancy costs including real estate taxes. Rental expense for the years ended June 30, 1990 and 1989, was \$97,679 and \$143,800, respectively.

The dispute over contested rent was favorably settled during fiscal year 1990. As a result, the accrual of \$21,371 at June 30, 1989, was offset against rental expense in 1990.

November 16, 1990

Mr. Donavon J. Hess
Director of Finance and Operations
Minnesota Alumni Association
100 Morrill Hall
100 Church Street SE
Minneapolis, MN 55455

Dear Don:

In planning and performing our audits of the financial statements of the Minnesota Alumni Association and the University of Minnesota Alumni Club for the year ended June 30, 1990, we considered the Organizations' internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements. Although our audits were not designed to provide assurance on the internal control structure, we noted certain matters involving the internal control structure and its operation, and are submitting for your consideration related recommendations designed to help the Organizations make improvements. Our comments reflect our desire to be of continuing assistance to the Organizations.

The accompanying comments and recommendations are intended solely for the information and use by management and others within the Organizations.

We wish to take this opportunity to thank you and your personnel for the cooperation we received during the course of our work and in developing these recommendations.

We are, of course, available to assist you at any time in implementing changes based upon these recommendations. We appreciate the opportunity to have been of service to you and the Organization. Should you have any questions about our recommendations, this letter, or other matters, please contact us at your convenience.

Very truly yours,

Coopers & Lybrand

JOD/RWK:mmk-KK93

C O N T E N T S

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MINNESOTA ALUMNI ASSOCIATION

1. Begin Depreciation of Certain "Works of Art"

The balance sheet account "Works of Art" include a donated rug and various other depreciable assets that are not currently being depreciated. We recommend that all assets that are not clearly recognized as appreciable art should be depreciated on a going forward basis.

2. Update Accounting Policies and Procedures Manual

During our review of systems documentation it was noted that the manual of accounting policies and procedures has not been revised for a long time, and as a result, it has become outdated in many aspects. We recommend that the manual be revised and/or updated to reflect the organization's current policies and procedures.

3. Reduce the Number of General Ledger Accounts

We noted that the Association's general ledger has a large number of accounts which have little activity. We recommend that management consider condensing some of the general ledger accounts. Having fewer accounts should lead to more efficiency when working with the general ledger and monthly information.

4. Prepare a Memorandum Documenting the Understanding of Endowment Funds Held by Others

The Association currently has several endowments under the possession and control of the University of Minnesota (U of M) and the University of Minnesota Foundation (Foundation) that are not reflected on the Association's balance sheet. We recommend that management and the Association's finance committee document their understanding of donee intent and control of these type of funds and available accounts to ensure they are properly accounted for in the future.

5. Consider the Need for Cost Basis Information on Investments Held by the Foundation

The Association has funds held by the Foundation in trust and is currently contemplating transferring other unrestricted investments to be managed by the Foundation. The Association currently records its investments on a lower of cost or market basis (LOCOM), while the Foundation only provides market basis information on the investments it manages. The LOCOM and market basis are different methods of generally accepted accounting principles which have different disclosure requirements. We recommend that management explore all available options and alternatives before making the decision on where funds are invested and under what method they are recorded.

UNIVERSITY OF MINNESOTA ALUMNI CLUB

1. Establish Steps to Verify Bonus Computation

New memberships renewal memberships are processed by the finance department and forwarded to the Alumni Club marketing manager and secretary. The Club manager's bonus compensation is based upon new and renewal members, but there is no process in place to verify the computation by the finance department; however, current procedures are in place to approve the bonus computation. We recommend the Club manager submit her bonus compensation to the finance department for verification before being submitted to the executive director for approval.

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
National Board of Directors**

**Wednesday April 29, 1992
11:30 a.m.**

**Hubert H. Humphrey Ballroom
Radisson Hotel Metrodome
Minneapolis, Minnesota**

Present

Jennifer Alstad
Sue Bennett
Marvin Borman
Rollin Dennistoun
Georgiann Errigo
Mary Flinn
John French
Bob Hanle
Michael Hart
Nils Hasselmo
Bruce Hawkinson
Richard Heydinger
Lynn Hughes
Carol Johnson
Ezell Jones
Ron Jost
Billie Anne Juni
Laura Langer
Larry Laukka
Kay MacKenzie
Mark Marshall
Janie Mayeron
Dee McManus
Linda Mona
Leonard Parker
Lee Paulson
Dee Peterson
Bob Potts
Emily Anne Staples
David Teslow
Betsy Thorson
Mike Unger
Paul Wilkus

Unable To Attend

Rick Broderius
Sue Danielson
Gordon Dunkley
Frank Farrell
Judith Garrard
Michael Huerth
Jeanne Katz
Lucy Kragness
Allan Larson
Richard Lindgren
Becky Malkerson
Maddy Maxeiner
Laura Merriam
Virginia Murray
Willard Powell
Lynne Schuman
Dianne Seddon
Michael Sullivan
Ralph Tillitt
Scott Whelan

Staff Present

Penny Bader
Margaret Carlson
Beverly Driscoll
Travelle Evans-Vann
Jean Marie Hamilton
Donavon Hess
Ron Johnson
Deanne Magnusson
Janet Moe
Karen Riggs
Teresa Scalzo
Jane Whiteside

INTRODUCTION OF GUEST SPEAKER

John French, UMAA national president, called the meeting to order at 11:40 a.m. French introduced University of Minnesota president Nils Hasselmo.

President Hasselmo expressed his feeling of closeness to the alumni association. He said that the alumni association's legislative network and the meetings that the alumni association arranged with alumni in greater Minnesota were important to the University as a whole. He then discussed the legislative session, indicating that it was a good session on the one hand--the legislature decided not to cut back as much as they had originally planned--but, coming on top of previous cuts, it put a lot of pressure on the University. He indicated that the University plans to stay on course with the reallocation of \$60 million to high priority needs. He also stated that the University cannot increase tuition, having increased it 9 percent per year in the last two years. President Hasselmo stated that a 5 percent salary increase for faculty and staff has been budgeted for next year, coming out of the University budget as no legislative funds were allocated. All of this will lead to additional spending cuts. The alumni association can fit into the picture in the future by continuing the legislative network. He said testimony from alumni has an impact with the legislature. When alumni speak for the University, they speak with a perception, which is of inestimable value to the University.

President Hasselmo then spoke of a proposed plan that would provide the association with a new vehicle for participation and a stronger role in the shaping of the University. He outlined how the effort would allow more effective communication between the University and the UMAA on important issues and would give alumni and even stronger sense of ownership of the institution. President Hasselmo outlined a new major planning effort that will be outlined at the Board of Regents meeting the week of May 4. He envisions the basic structure as a simple planning structure, involving the line officers. President Hasselmo hopes to have several hundred stake holders and groups that would be involved in the dialogue about the University. They would help determine what overriding issues and concerns the University must address, what kinds of qualities that are wanted at the University, and would define what quality is throughout the University. President Hasselmo hopes the UMAA will participate and reach deeply, nationally and internationally, into alumni ranks.

President Hasselmo outlined what he believes the plan would entail:

- First would be getting all ideas, then sifting and winnowing of the ideas; he is looking to the UMAA for help in prioritizing the ideas.
- Development of an overall document that captures the University in the '90s, where it is going, its priorities, and instrumentalities that include:
 - defining enrollment levels
 - defining which students to target for enrollment
 - defining an essential research agenda
 - defining essential public service and outreach

President Hasselmo envisions a series of reports and documents addressing the future role of the UMAA in communicating about the University, supporting the University, and shaping the University. He said that past planning efforts were too limited, focusing only on academic priority setting. This plan will look at the infrastructure of the University, and will look at:

- physical/facilities master plan
- technical and support staff
- equipment for instruction and research
- human resources
- how to position the University in future to both recruit and retain the best possible faculty and staff.

President Hasselmo wants a draft of the overall statement before the '93 legislative session, but sees the planning process continuing at least two years, after which there will be an ongoing process of looking periodically at the issues.

President Hasselmo went on to say that the work of the UMAA is appreciated and that the dedication shown is a source of inspiration. He then spoke about the position of vice president for external relations and indicated that the search he had initiated had to be cancelled due to financial pressures. He stated that he "has every intention to position the University in the strongest possible way when it comes to these very important activities: alumni, foundation, University relations and other communications mechanisms for the University."

Sue Bennett praised the University for the legislative information that was sent out, and said that she had called her legislators. She then asked about the situation at UMD.

President Hasselmo said that there was nothing new to report. The issues that date back four or five years and have been dealt with through the grievance processes and some settlements that were entered into prior to his becoming president. Currently the University is dealing directly with the threats by cooperating with local police and the FBI. Paul Tschida, head of security for the University, was sent to UMD to interview and meet with UMD officials to coordinate University efforts with the FBI. He admitted that there have been problems with the industrial engineering department, and there were a series of investigations. He also said that UMD has had discussions, forums, and meetings to express the University's position on the issue.

John French thanked President Hasselmo for his remarks, and explained to those coming in late that President Hasselmo had to leave early to attend another luncheon. French commented that President Hasselmo was the "greatest human asset" of the University.

President Hasselmo thanked John French, then encouraged the UMAA to think about how to organize for participation in the planning process, and asked volunteers willing to be trained for state holder discussion, to send him their names. He also said that he would like to work closely with Margaret Carlson, John French, and Michael Unger.

French commented that this proposal came at an opportune time, as the UMAA was going to be using the last two months of his term to put budget and objectives in place for Mike Unger's term.

TABLE INTRODUCTIONS

John French then went back to the agenda. He explained that one complaint from the recent board evaluation was that noone knew each other, so he instructed the people sitting at round tables to introduce themselves to each other.

MINUTES APPROVED

After some discussion of how the space issue was reported, the minutes of the UMAA national board of directors meeting held Saturday, March 7, 1992, were approved as mailed, with the provision that Michael Unger would have an opportunity to review the section on space and make necessary amendments.

FINANCIAL REPORT -- ASSOCIATION

Janie Mayeron, reported that at this time the association should be at 6 percent of budget. Total revenues are running at 63 percent of budget and overall are about where they should be. She stated that membership was down, but that she would leave it to Larry Laukka to talk about membership. She did raise one issue, that of the \$ 8,000 Alumni Club service fee. She explained that the club and UMAA negotiated a fee in the amount of \$12,000 that the club was going to pay for the services rendered by Margaret Carlson, Don Hess, and others that are staff for fiscal year '91-92, because they provide management and services for the club as well as the association. In the past, the club has never had dollars available to it to pay for a portion of these salaries. The \$8,000 represents two-thirds of that because the fiscal year is two-thirds over. The remaining \$4,000 will be paid in increments of \$1,000 per month. Mayeron reported that expenses are still down, running at 64 percent rather than 67 percent. Overall the UMAA ended up with a deficiency for the month of February of \$6,618 and a total deficiency of \$21,926.

FINANCIAL REPORT -- ALUMNI CLUB

Mayeron reported that revenues were running at 65 percent,--a bit under where they should be against the budget of 67 percent. On the other hand, expenses are running at 59 percent, compared to 67 percent, which even takes into account the \$8,000 transferred to the association. However, the transfer did end up contributing to a deficit for the month of February of \$6,042, but that represented a sum for two-thirds of the year and in the future it would only be \$1,000 per month. The year to date excess is \$17,469.

The association and Alumni Club reports were approved.

REPORTS

Membership

Larry Laukka introduced the new director of marketing and membership director, Ron Johnson. Laukka reported that membership had again dropped, from 29,612 to 29,029. He said that a review of the new member and renewal membership process to identify inefficiencies in processing and the DMS reporting capabilities was in progress. Laukka also said that telemarketing is being reorganized consistent with the new UMAA positioning approach and outlined what steps were being taken to increase membership. Copies of the new membership brochures and letters that were mailed were distributed to the members present. Ron Johnson then talked about the mailing of this new appeal on April 27. The mailing was targeted to 41,000 people including nonmembers who donated more than \$100 to the University of Minnesota Foundation, and nonrenewing members from the past three years. The target response goal is 4 percent, which would result in 1,640 new members and a minimum of \$49,200 at a production cost of approximately \$34,000.

Larry Laukka shared his feeling that the turning point had come, that membership had hit rock bottom. He expressed confidence that Herman*Mancino, the marketing company responsible for the spring promotion, will help the association in its goal of increasing communication with the alumni. Laukka was asked when the results of the mailing would be known. He responded that the results should be known by the June 24, 1992, National Board meeting.

Nominating

Sue Bennett presented the proposed slate of officers for 1992-93; Mike Unger, president; Janie Mayeron, first vice president; Linda Mona, vice president; Larry Laukka, secretary; Ezell Jones, treasurer; John French, past president.

The slate of officers for the 1992-92 National Board of Directors was approved.

Bennett then presented the slate of board members that would be voted on by the general membership at the annual meeting on the evening of April 29, 1992:

At-Large, 1992-95	Anne Huntrods, partner, Briggs and Morgan Michael Huerth, assistant principal, South High School, Minneapolis Curman Gaines, superintendent, St. Paul Public Schools
At-Large, 1992-94	Becky Malkerson, senior vice president, First Bank Systems
At-Large, 1992-93	Jay Kiedrowski, senior vice president, Norwest Bank Marvin Trammel, president, Trammel and Associates
Geographical, Minnesota	
1992-95	Lynn Hughes, program associate, U of M Rochester Center, Rochester, Minnesota Kati Sasseville, general counsel, Ottertail Power, Fergus Falls, Minnesota
1992-93	Steve Jackelen, director, Beltrami Department of Social Services, Bemidji, Minnesota
Geographical, USA	
1992-95	Dick Whitney, retired business entrepreneur, Tampa, Florida

The slate of board members to be presented to the general membership for their vote was approved.

Sue Bennett also reported that six of the collegiate alumni societies would be appointing new representatives to the board for 1992-95 terms: Technology, Nursing, Veterinary Medicine, Pharmacy, Public Affairs and Management.

Board Evaluation

Mike Unger presented the results of the board survey of 1991-92 board members. He summarized the findings and impressions of the results of the evaluation:

-In considering the board make-up, there were three areas for improvement: diversity of membership; marketing/membership expertise; and representation of those in government and community organizations.

-In considering the board performance, there were four major areas for improvement: clarification of the board's role in selecting staff leadership and monitoring staff performance; effectiveness of board committees; opportunity to meet and know fellow board members and staff; and to improve our advocacy role for the University and the association in the community.

-In considering the self assessment, there were seven areas of concern: knowledge of financial operations; attendance at committee meetings; participation in events; monitoring management performance; developing policy; participating in the membership drive; and participating in the legislative network.

Unger then presented the results of the survey of alumni society presidents. The findings included:

-overall positive response

-only area for improvement was that the society presidents would like an opportunity to meet and get to know the association officers.

The directors met in small groups to discuss two questions: What is your feeling about the board's effectiveness in the past? What is your feeling about the association's effectiveness in the future?

When the meeting was called back to order, these thoughts were shared:

Effectiveness: Currently

Board size and make up are good.
Committee system needs to be enhanced

Effectiveness: Future

Board composition/representation: every group who wants to does have a forum, but there is confusion as to what is the role of at-large members

Membership: resources/ services

National Board/ societies interface

Confusion over the links between UMF/UMAA/development officer roles

Board role in monitoring and selecting staff

Out-of-state board members integration with the rest of the board

Importance of out-state chapter

Conference calls and travel to out-state chapters to help increase participation of out-state members.

"Buddy system" for new members

Getting to know staff

Service to members/to University: balance tangible outcomes vs. process

Mentoring/recruitment

Mike Unger thanked the members for their input and their helpful comments. He reminded the members that UMAA objectives would be set at the June meeting.

Space

Mike Unger stated that he would like to put this issue to rest and have it appear on the agenda only when there is a final resolution. He said that he had thought that they were almost done, but that President Hasselmo decided to have a task force look at the viability of The Campus Club from a financial standpoint to reassure himself that if a partnership were to occur, that in a year or two the association would not find itself in a situation where The Campus Club closed. In the meantime, Unger doesn't want the main issue to be sidetracked, and says the UMAA needs to remind the decision makers about the larger and more important aspect of this issue, and the message it would send to alumni about the future of the association on the campus. Unger then asked the members to write a brief note to the president about their own views of what is significant in keeping the association on campus. Paper was passed out, and the letters were collected and sent to President Hasselmo.

While the notes were written, Unger outlined the steps he was taking to keep the space issue on track. He will be meeting with individuals and groups about the UMAA's space needs. These meetings will be with: vice president of academic affairs and provost, Jim Infante; vice president of finance, Bob Erickson; associate vice president of finance, Nick LaFontaine; the Faculty Consultative Committee; The Campus Club Board of Directors; and the University Women's Club. Mike Unger passed out maps to show where the FMC building is in comparison to the University campus. There was a question about the costs involved in the move. Unger responded that the costs of the move to FMC has never been fully disclosed, and there are other factors than cost that need to be considered. There was a question about other possible spaces for the association to move. Unger responded that there may well be other space available for the association to move to on campus, but the only option presented to the association was the FMC space. The association developed the partnership with The Campus Club on its own, as an option to moving to the FMC space.

Margaret Carlson mentioned that at a recent Gateway meeting, the professional fund-raiser asked why the UMF did not just purchase the FMC building and not worry about funding and building the Gateway. She stated that her greatest fear is that if the association moves to the FMC space, the UMAA would never get back on campus. Carlson then related information about other alumni associations that have moved off campus and indicated that almost all have, or are planning to, moved back to campus.

Gateway

Larry Laukka reported that the UMF has hired a professional fund-raiser, Andrew Currie, to guide the volunteer and staff in funding the Gateway Center. Laukka mentioned that Governor Arnie Carlson offered to have a special luncheon at the State Ceremonial House (governor's mansion) in support of the Gateway Center project on May 20 for 63 potential supporters and donors. He is also continuing to look for a formal volunteer chair for the campaign, but has not found that person, which is understandable as that person is usually also the largest gift giver. One bit of old business: Laukka is still in the process of contacting UMAA board members for contributions. The board has pledged \$40,000 so far, but we need \$5 million for design and start of construction.

Annual Meeting

Laura Langer reported that most of the staff is ready for the annual meeting. There have been 1,600 seats sold, and the alumni societies, deans, and geographical chapters did a wonderful job in selling tickets.

EXECUTIVE DIRECTOR'S REPORT

Margaret Carlson introduced two new staff members, Ron Johnson, who had been introduced earlier in the meeting, and Travelle Evans-Vann, who starts May 4. She mentioned that Evans-Vann had been the assistant to the commissioner of state planning, and if he was able to keep state planning in order he could probably keep the business that will flow out of her office in order.

Carlson then gave a series of short reports:

- Thanks to Deanne Magnusson, Karen Heine, and all of the staff for their excellent work on the annual meeting.
- The association got front -page coverage in the *Minnesota Daily*, the headline reading "Keillor Returns.
- Minnesota* magazine won a gold medal for writing, bronze medal for photography, and silver medal overall in the 1992 CASE awards. The CASE awards are for university and alumni magazines nationwide. There were only 9 gold and silver overall medals given in the country.
- Thanks to Jane Whiteside who went and met with thirteen of the seventeen collegiate societies to talk about legislative action. This will show results in future legislative sessions. Also, Whiteside condensed the legislative news released by the University into the one-page sheet sent out to the alumni network legislative volunteers.
- The Gateway Center is the single most important project for the UMAA in the past 25 years. The UMAA cannot take the easy way out and need, to convince the University's administrators and donors that the Gateway Center will succeed.
- This issue of *Minnesota* gives the associations report card on diversity. It is one of the finest issues with respect to writing, graphics, and photographs.

- The collegiate societies and chapters have also been doing great work; just to mention a few activities:
- In Grand Rapids on March 25, the Natural Resources Alumni Society sponsored an evening with Nobel prize winner Norman Borlaug; 150 people were there.
 - At the mentoring kickoff for IT, 116 mentors and students were present; now nine of the seventeen collegiate societies have mentoring programs.
 - In New Ulm, in conjunction with a local radio station, 300 people came to hear men's athletic director McKinley Boston and football coach Jim Wacker.
 - Nursing Alumni Society, in conjunction with the Nursing Foundation, had 125 people at a program about overseas nursing experiences.
 - The Pharmacy annual meeting was wonderful, with the tribute to Dean Gil Banker, who is moving to Iowa University.
 - The Agriculture Alumni Society, with Cargill and Cenex is sponsoring a student recruitment program "Careers in Agriculture" on May 7 in Willmar.

Carlson then stated that she would like every board member to take a "cross-look" at what others are doing. The UMAA officers might attend a couple of society and chapter events; society and chapter representatives participate in the various association activities, such as the legislative network.

NATIONAL PRESIDENT'S REPORT

John French noted several of the upcoming meetings and events: national board meeting on June 24; UMAA volunteer training on May 9; the Morse-Alumni Awards on May 18; and the All University Forum on Diversity II on May 27. Then he introduced the videotape "Making a Difference," which will be shown at the annual meeting to all of the members.

VIDEOTAPE OF 1992-92 UMAA EVENTS AND ACTIVITIES

The videotaped annual report, highlighting the 1991-92 accomplishments and activities of the UMAA was presented. Among the highlights:

Former WCCO-TV anchor and alumnus Dave Moore introducing the various participants.

John French, UMAA national president, discussed the impact of the alumni association at the state legislature, through the Alumni Legislative Network. The network includes more than 400 alumni; they send the message to their legislators that they support and care about their University. This year, alumni played a pivotal role in helping the association restore \$23 million in vetoed funding to the budget, and they are helping to ensure that the University is treated fairly in these difficult economic times.

Joseph Sizer, member of the University Issues Committee, spoke on what the association is doing to help create a more pluralistic environment on campus. He explained that the committee has been talking to people of all colors, and has determined that the association should challenge and help the University to meet the diversity goals it has already set for itself, as well as looking at the associations own structure and programming. He gave as examples: playwright August Wilson spoke on racism in America at the 1991 UMAA Annual Meeting; the UMAA established a \$10,000 endowment to establish the August Wilson Scholarship Fund; the UMAA hired a minority intern to work on the magazine staff, through the Meyerhoff Internship program; and the May/June issue of *Minnesota* is featuring a report card on diversity efforts.

Mary Heltsley, dean of the College of Human Ecology, told of the impact the collegiate alumni societies have on their colleges. When the college needs volunteers to promote the college and its goals, the society takes the lead. She feels that the alumni perspective is invaluable, as alumni know what it's like as a student, and as a professional. They know what is needed. They act as an informal advisory board to the faculty, staff, and the dean. They generate community support, provide mentorship and student guidance, recognize outstanding alumni, faculty, and students, provide professional programs to other alumni and students, and they assist in fund-raising. Dean Heltsley concluded that without the support of the alumni society she could not do her job as effectively, and that the society volunteers provide the margin of excellence that is needed by the college, as well as providing the spirit that sometimes gets lost in the day-to-day routine.

Regent Kuderer spoke of the importance of the UMAA's Geographic Outreach Program, which helps reconnect alumni in 21 Minnesota areas and 23 cities throughout the rest of the United States to the University. He mentioned that a few years ago, the regents were frustrated by the difficulty of finding out what the alumni throughout the state and nation were thinking. The regents asked the association to expand its efforts, especially in Minnesota. Since then, Regent Kuderer has been invited to many alumni association events. In Fairmont, Minnesota, he attended a dinner where he was able to hear Professor Arthur Harkins present his futuristic view of education. He was so impressed, that he invited Professor Harkins to speak before the board of regents. Regent Kuderer has met alumni in Mankato, Minnesota, and New Ulm, Minnesota, and throughout the state and nation, and has seen what the regents and alumni association can accomplish when they work together.

Jennifer Alstad, president of the Minnesota Student Association (MSA), spoke about the student leadership award she received from the alumni association. She said that in addition to helping her pay for her last year of school, it was encouraging to know that her activities were noticed and did make a difference. She mentioned that as president of the MSA, she attends national board meetings as an ex-officio member, and she was impressed by the board's willingness to listen to students and to deal with difficult issues. She feels that having the alumni on the side of the students was very valuable.

Larry Laukka, chair of the Gateway Center ad hoc committee, spoke of the need to establish a "front door" for the University. The Gateway Center would do this, as well as provide a home for the association and the foundation. It would be a place for alumni to return to the University, and for prospective students and their parents to learn about what the University has to offer. The Gateway Center would also provide a place for the University to display its past glory.

John French made the final comments. He explained that he became active in the alumni association to help the University continue to be a place that its students and alumni love and value. He wanted to try to preserve and enhance the University's ability to serve the state. When the University flourishes, so does the state, and so do all of us. He sees the association as the University's chief advocate, and the link between the University and alumni, and the University and the State of Minnesota. He stated that while there is much that alumni can do as individuals, it is in unity that they have strength. He concluded by thanking those watching who were already members and urging those who were not, to join. "Together, we can make a difference."

MEETING ADJOURNED

Minutes respectfully submitted,

Ezell Jones
Secretary

by

Janet Moe
Temporary Administrative Assistant

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
88TH ANNUAL MEETING**

April 29, 1992
Bierman Athletic Complex
University of Minnesota
Minneapolis, Minnesota

WELCOME

The 88th annual meeting of the University of Minnesota Alumni Association (UMAA) began with a reception for alumni, friends and staff of the University. At 6:30 p.m. 1991-92 national president John French welcomed more than 1,600 attendees and the six regents who were present: Peggy Craig, Elton Kuderer, Mary Page, Darrin Rosha, Stanley Sahlstrom and Ann Wynia. Following dinner, the meeting was called to order by John French at 6:45.

INTRODUCTIONS

French introduced the 1991-92 alumni association officers and the guests at the head table: Sue Bennett, past president; Emily Anne Staples, vice president; Nils Hasselmo, University of Minnesota president; Garrison Keillor, humorist, author, University of Minnesota alumnus, and featured speaker; Mike Unger, vice president; Ezell Jones, secretary; Janie Mayeron, treasurer, and Margaret Carlson, UMAA executive director.

John French thanked the many organizations and individuals who helped to plan and make the annual meeting a success. Special thanks were extended to Laura Langer, chair, annual meeting ticket sales; Karen Heine, UMAA special events program director; Deanne Magnusson, UMAA director of constituent programs; Cheryl Jones, UMAA alumni society program director; and Jean Marie Hamilton, UMAA communications director.

VIDEOTAPE OF 1991-92 UMAA ACTIVITIES

A videotaped annual report highlighting significant activities of UMAA in 1991-92 was presented. Among the highlights:

Former WCCO-TV anchor and alumnus Dave Moore introduced the participants and moderated the program.

John French, UMAA national president, discussed the impact of alumni at the state legislature, through the Alumni Legislative Network. The network includes more than 400 alumni; they send the message to their legislators that they support and care about their University. This year, alumni played a pivotal role in helping the association restore \$23 million in vetoed funding to the budget, and they are helping to ensure that the University is treated fairly in these difficult economic times.

Joseph Sizer, member of the University Issues Committee, spoke on what the association is doing to help create a more pluralistic campus environment. He explained that the committee has been talking to people of all colors, and has determined that the association should challenge and help the University to meet the diversity goals it has already set for itself, as well as looking at the association's own structure and programming. He gave as examples of the UMAA's diversity efforts: playwright August Wilson spoke on racism in America at the 1991 UMAA annual meeting;

the UMAA established a \$10,000 endowment to establish the August Wilson Scholarship Fund; the UMAA hired a minority intern to work on the magazine staff, through the Meyerhoff Internship program; and the May/June issue of *Minnesota* is featuring a report card on diversity efforts.

Mary Heltsley, dean of the College of Human Ecology, told of the impact the collegiate alumni societies have on their colleges. When the college needs volunteers to promote the college and its goals, the society takes the lead. She feels that the alumni perspective is invaluable, as alumni know what it's like as a student, and as a professional. They know what is needed. They act as an informal advisory board to the faculty, staff, and the dean. They generate community support, provide mentorship and student guidance, recognize outstanding alumni, faculty, and students, provide professional programs to other alumni and students; and they assist in fund-raising. Dean Heltsley concluded that without the support of the alumni society she could not do her job as effectively, and that the society volunteers provide the margin of excellence that is needed by the college, as well as providing the spirit that sometimes gets lost in the day-to-day routine.

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Larry Laukka, chair of the Gateway committee, spoke of the need to establish a "front door" for the University. The Gateway Center would do this, as well as provide a home for the association and the foundation. It would be a place for alumni to return to the U, and for prospective students and their parents to learn about what the University has to offer. The Gateway Center would also provide a place for the University to honor and recognize the outstanding work of its alumni and faculty.

John French made the final comments. He explained that he became active in the alumni association to help the University continue to be a place that its students and alumni love and value. He wanted to try to preserve and enhance the University's ability to serve the state. When the University flourishes, so does the state, and so do all of us. He sees the association as the University's chief advocate, and the link between the University and alumni, and the University and the State of Minnesota. He stated that while there is much that alumni can do as individuals, it is in unity that they have strength. He concluded by thanking those watching who were already members, and urging those who were not, to join. "Together, we can make a difference," he said.

MEMBERSHIP PROMOTION AND PERSONAL REMARKS BY FRENCH

French encouraged those present who were not currently members to join the UMAA. To illustrate the importance of the University of Minnesota to those not currently students, French shared his personal experiences of his, and his daughter's, cancer treatment at the University of Minnesota Hospital and Clinic.

French related how he discovered a lump under his chin one morning and the "odyssey as a cancer patient" that began. He told of the tests that were performed, and of the "loving and tender care" he received from "the most remarkably good and skillful people I have ever met". He also told of the response to his question "what would happen if I took no treatment at all." The answer: "You'll be dead in a year-and-a-half." At his nine year post-treatment checkup the previous week, it was his doctor's opinion that he wasn't dead yet. French went on to tell how a few years after his experience, his daughter was also diagnosed with cancer. She underwent treatment from the same team, and is now two years post-treatment. He then pointed out his daughter sitting in the audience. His final remark was that he hoped everyone had reasons of their own why people should join the alumni association, but if they didn't he asked the audience to refer anyone with questions about the University's value to him.

ELECTION OF 1992-93 OFFICERS

French reviewed the 1992-93 slate of officers forwarded by the UMAA nominating committee and approved by the UMAA national board earlier in the day:

President	Michael W. Unger, partner at Hvass Weisman and King
First Vice President	Janie Mayeron, partner at Popham Haik
Vice President	Linda Mona, owner of Creative Environments
Secretary	Larry Laukka, president, Laukka Development
Treasurer	Ezell Jones, CEO and chair of Premier Resource Group

The slate of new board members was introduced and voted upon, and approved by those present.

At-Large Member	Curman Gaines, superintendent of the St. Paul Public Schools
At-Large Member	Michael Huerth, assistant principal, South High School, Minneapolis
At-Large Member	Ann Hantrods, partner, Briggs and Morgan, St. Paul
At-Large Member	Jay Kedrowski, senior vice president, Norwest Banks
At-Large Member	Becky Malkerson, senior vice president of corporate relations, First Bank System
At-Large Member	Marvin Trammel, president of Tammel and Associates, an executive recruiting firm
Geographical Rep.	Lynn Hughes, program associate at the University of Minnesota Rochester Center
Geographical Rep.	Steve Jackelen, Director, Beltrami County Department of Social Services, Bemidji, MN
Geographical Rep.	Katie Sasseville, general counsel at Ottetail Power Company, Fergus Falls
Geographical Rep.	Dick Whitney, retired business entrepreneur, Tampa, Florida

PASSING OF THE GAVEL

John French introduced Mike Unger, who will take over as the 1992-93 national president on July 1, and informed the audience that Mike Unger had begun his service to the University as a student regent in 1976.

REMARKS BY PRESIDENT-ELECT MICHAEL UNGER

Michael Unger thanked John French for his tireless devotion to the university and praised him for his true appreciation of the University's importance in serving the unmet need of the people in Minnesota. Unger asked the audience to join him in showing their appreciation for John French's excellent leadership and service to the University.

Mike Unger noted that as a parent, he has developed an appreciation of the true cost of a good education. He stated that looking back, he realized what a bargain his two University of Minnesota degrees were. He went on to say that he "...received two college degrees from a world class research university which were mostly bought and paid for by generations of Minnesotans, many of whom never dreamed of attaining a college education for themselves." He pledged to continue the transformation of the alumni association into a strong and vital voice of support for the institution and students, and to address and change the fact that the alumni association's support has been long overlooked and undervalued as a resource to the University.

ASA AWARDS PRESENTATION

University President Nils Hasselmo presented the University of Minnesota Alumni Service Award to Sue Bennett and Emily Anne Staples. President Hasselmo introduced Sue Bennett by relating her history of service to the alumni association, particularly her leadership of the association during the most extensive reorganization in the UMAA history. He then read the text of the award, and presented her with the medal and certificate. Sue Bennett thanked President Hasselmo for the honor.

President Hasselmo then introduced Emily Anne Staples, mentioning her 20-year history of volunteering for the University, as an officer of the association, and through her involvement in other committees and campaigns at the University. President Hasselmo then read the text of the award, and presented her with the medal and certificate. Emily Anne Staples thanked President Hasselmo for the award.

UNIVERSITY PRESIDENT'S REPORT

President Hasselmo then thanked the alumni for being fine civic leaders and fine professionals. He said that the University was proud of its alumni, that they've given the University of Minnesota a good name. He then responded to the much asked question "How's it going?" Said President Hasselmo: "No salary increase for faculty and staff this year; budget cut of \$26.7 million for next year; 752 people laid off or terminated -- and still counting; tuition going up, up, up!" In spite of it all, said President Hasselmo, the UMAA should be assured that "We're hanging in there." He said that the alumni have been very supported, and that when they stand up and speak for their University, it really counts. President Hasselmo then outlined the changes that are or will be happening at the University:

- The University must adapt its fine land-grant tradition to needs of the 1990s.
- The University must make quality improvements in undergraduate, graduate, and professional education; in research, scholarship, and artistic activities; and in public service and outreach, despite the budget cuts.
- The University is well into its \$60 million reallocation of existing funds, more than 10% of the entire state funding.
- The University is shifting \$60 million to where the students are--in the College of Liberal Arts, in the Institute of Technology, in areas of the Health Sciences, in the School of Management.

- The University is shifting funds to support the cooperative projects with K-12 system.
- The diversity effort.
- The Undergraduate Initiative is under way and includes: a new general education curriculum, expanded training of teaching assistant, added more advisors, funded classroom and study space renovation, instructional equipment, more sections for classes in heavy demand.
- The University has funded new research and technology transfer initiatives to help the economy.
- The University has reallocated some funds to the Minnesota Extension Service to offset some of the severe cuts in state and federal funding.

President Hasselmo mentioned that the university has the same number of state funded jobs now as had 15 years ago, but that jobs not funded by the state have grown by 40%. There are now 4,000 jobs in the University that are not funded by the taxpayers.

finished by giving some positive recent developments, and promised that the University is strong, and alive and well.

INTRODUCTION OF KEYNOTE SPEAKER GARRISON KEILLOR

John French commented that he was supposed to make a "long boring introduction of Garrison Keillor." French stated that at the "Minneapolis campus of Lake Wobegon 'U'", Mr. Keillor needs an introduction."

KEYNOTE SPEECH

Garrison Keillor told the audience that he had been looking forward to the occasion since long before he was invited to come, an occasion when he could simply say thank you to the University of Minnesota for his life.

Keillor came to the University from Anoka High School in the fall of 1960 and I became a writer here." Keillor said. "This is where my world began. For me, the solitary act of writing is gracefully connected to this place and to my citizenship in Minnesota. I am continuously grateful to this school, and to the good teachers I found here."

Keillor commented that he never felt that his education was any less than what his friends, who were attending Carleton, St. Olaf, Stanford, or Yale, were getting. One of the fundamental values of the people of Minnesota is a high regard for education, Keillor continued. As his "Aunt Eleanor" says, you don't want to be a twenty dollar haircut on a 98 cent head." It is basic to Minnesota culture that everyone should have a chance at the best education. You can have glitz and glamour, Keillor warned, but it "isn't worth beans if public education is let slide." The University, Keillor said, is a testimony to the faith that "if there's a child in Minnesota who God intended to be a great mathematician, or a doctor, or a poet, or a historian, or a great public servant, then we will not willingly stand in his way by subjecting that child to indifferent and mediocre education."

Keillor stated that Minnesota will never accept that its University be anything but great. Keillor then moved on to a discussion of Minnesota culture. "Don't ever move to where it doesn't snow," he warned. "People there will never understand you...it is more important to be understood than it is

to be warm." Keillor also commented about the accusations of sentimentality and romanticism in the Lake Wobegon story by saying that he is proud of Lake Wobegon, and it came from his heart, so there must be some truth in it. "But why do we care?" he asked. "Why are we so pathetically anxious about our image? ..You live in the best part of the country --- what else do you want? When America thinks of Minnesota, it thinks of winter and it always will." Winter keeps us sharp, he commented. "It severely reduces the level of narcissism, and it keeps out a lot of people you don't want here, believe me."

Minnesota culture, Keillor said, is rural and northern, industrious and cheerful, and it demands positive thinking in order to ward off a pervasive doom. It is sociable and possessed of loneliness, he continued. It dislikes bombast and is taciturn, it is deeply humorous and profoundly democratic. It has its faults, but it is a gentle culture. There is less meanness, we trust strangers, public service is still considered a high calling, there is less civic bitterness, and people still believe that they could do something to change things. Keillor related his attempt to get a New York driver's license. "No matter how simple you think the transaction is, it will take all day and leave you pale and trembling and filled with rage. That's why, after three attempts to get a New York driver's license, I finally gave up and, on a visit back home, dropped into the driver's license office near the Capitol and got one in about twelve minutes, using my son's address."

Keillor advised that in order to defend Minnesota culture, the first thing to do is turn off the television set. "Television kills storytelling," he continued, "it cheapens politics, and it addicts us to garbage." Keillor also told the audience that they need to protect and preserve the lakes, forests, farms and prairies. The Mississippi river need to be cleaned up. "Protect for our people the option of living in a small town or in the country." Keillor continued. "Cherish the Minnesota State Fair. Wherever you find beauty and simplicity and truth, know that there is a committee somewhere planning to improve it --- don't let them do it."

Keillor told the audience that being a "notorious Minnesotan" has its benefits. World-wide, he said, people come up to him and say "Hi, I'm from Minnesota." They do not say that they are a fan. Even if they were, being Minnesotans they wouldn't say so, they just say "I'm from Minnesota."

Keillor recalled that while walking in Berlin, "walking along the Unter den Linden and through Potsdamer Platz, the desolate center of the city, bombed out in the war, then a no man's land between east and west, I was suddenly struck by the sweet thought that Minnesota is my permanent capitol and that my Unter den Linden --- the mall of the University of Minnesota --- is a green and stately and splendid as when I ventured here as a freshman in 1960." Despite the years, things have not changed much.

Keillor finished by stating "The University is a permanent beautiful place, like the Boundary Waters, or northeast Minneapolis or Al's Breakfast Nook, and to us alumni, especially as we make the far turn in life, it is indescribably beautiful. How lucky we were to come here. And now, in our University's hour of great danger and need, we should do the right thing and stand by her."

PRESENTATION OF OAA TO KEILLOR

President Nils Hasselmo then presented Garrison Keillor with the University of Minnesota Outstanding Achievement Award.

ADJOURNMENT

The annual meeting closed with "Minnesota Hail to Thee."

The 88th annual meeting of the University of Minnesota Alumni Association was adjourned at 8:40 p.m.

UMAA 1992 Annual Meeting
April 29, 1992
Page 7

Respectfully submitted,

Ezell Jones
Secretary

by

Janet Moe
Temporary Administrative Assistant

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
National Board of Directors**

Wednesday June 24, 1992

4:30 p.m.

**Hubert H. Humphrey Ballroom
Radisson Hotel Metrodome
Minneapolis, Minnesota**

Present

Marvin Borman
Rollin Dennistoun
Georgiann Errigo
Frank Farrell
John French
Michael Hart
Richard Heydinger
Billie Anne Juni
Larry Laukka
Kay MacKenzie
Janie Mayeron
Dee McManus
Leonard Parker
Lee Paulson
Emily Anne Staples
David Teslow
Mike Unger
Paul Wilkus

Staff Present

Sam Behrens
Margaret Carlson

Beverly Driscoll
Travelle Evans-Vann
Gerry Fischer
Jean Marie Hamilton
Karen Heine
Donavon Hess
Ron Johnson
Cheryl Jones
Deanne Magnusson
Janet Moe
Karen Riggs
Jane Whiteside

Unable to Attend

Jennifer Alstad
Sue Bennett
Rick Broderius
Sue Danielson
Gordon Dunkley
Mary Flinn
Judith Garrard
Bob Hanle
Bruce Hawkinson
Michael Huerth
Lynn Hughes

UMAA National Board Meeting

June 24, 1992

Page 2

Carol Johnson

Ezell Jones

Ron Jost

Jeanne Katz

Lucy Kragness

Laura Langer

Richard Lindgren

Becky Malkerson

Maddy Maxeiner

Laura Merriam

Linda Mona

Virginia Murray

Dee Peterson

Bob Potts

Willard Powell

Lynne Schuman

Dianne Seddon

Michael Sullivan

Betsy Thorson

Ralph Tillit

Scott Whelan

John French, University of Minnesota Alumni Association (UMAA) national president, called the meeting to order at 5:00 p.m.

FINANCIAL REPORT—ASSOCIATION

Janie Mayeron reported that with ten months (83 percent) of the fiscal year completed, total revenues are 82 percent of budget and total expenses are 81 percent of budget. As of April, the UMAA is doing very well in meeting its budget. Revenues are up because the annual meeting generated \$54,855, 125 percent of the prior year annual meeting income. Expenditures included the cost of volunteer recognition awards and the annual meeting, and additional spring membership promotion costs.

FINANCIAL REPORT—ALUMNI CLUB

Mayeron reported that with 83 percent of the fiscal year completed, the Alumni Club is on target. Total revenues are 82 percent of budget and total expenses are 73 percent of budget. Membership revenue is ahead of revenues from the prior year by \$2,395 but trailing the year-to-date budget by \$6,753.

The UMAA and Alumni Club reports were approved.

FINANCE COMMITTEE RECOMMENDATION ON LIFETIME MEMBERSHIPS

Janie Mayeron presented a recommendation from the Finance Committee regarding life membership sales. For more than nine months the committee has been addressing the issue of how to record life membership revenues. Mayeron explained the current procedure: Life membership revenues from year one are deposited in the operating fund. The following fiscal year, year two, an actuarial determined amount would be transferred out of the operating fund and into the obligated fund, where they would be held for administration of life memberships sold in year one. In year two, membership revenues from year two also would be deposited into the operating fund as the cycle was repeated. This accounting practice led to the situation that in one year, year two, for example, funds were deposited into the operating fund and transferred out of the obligated fund that were never equal, represented life membership sales from two different years, and bore no relationship to operations in a single year. In fact, because they represented sales from two different years, they often created an artificial increase or reduction in the balance of the two funds. The Finance Committee made three recommendations to correct the situation:

- For fiscal year 1991-92 (which started July 1, 1991, and all future years, as actual life membership sales revenues come in they will be deposited directly into the obligated fund instead of the operating fund as previously was the practice.
- Those sales that were made in fiscal year 1990-91 (approximately \$77,075) will not be transferred out of the operating fund.
- To clean up the net reduction (\$31,453) in the operating balance caused by these corrections, it is recommended that the obligated fund transfer back to the operating fund \$31,453.

After some clarification and discussion, the recommendation was approved.

FINANCE COMMITTEE GUIDELINES FOR USE OF ENDOWMENT FUND

Mayeron reported that the Finance Committee has reviewed and approved a "status quo/interim budget" with the understanding that the UMAA's space needs and adoption of certain objectives for the coming year may necessitate additional expenditures and therefore, additional transfer of monies from the endowment funds. The Finance Committee has adopted the following financial guidelines to be considered by the board in its deliberations regarding the UMAA's goals and objectives and use of endowment funds:

- Use of endowments for space needs may limit other initiatives by the UMAA requiring endowment support for the fiscal year 1992-93.
- Use of endowment for funding routine operating expenses should be limited, in accordance with the Policy on Endowment Funds, (below) except for:
 - "jump starting" new initiatives that can become self-supporting on an ongoing basis, generally after one year; and
 - new initiatives that can be transferred to another party.
- Limit the number of special initiatives coming from endowments.
- Begin using designated endowments as intended (e.g. the Freshman Fund)

OBJECTIVES/BUDGET

Mike Unger introduced the proposed budget for 1992-93, known as the "status quo/interim" budget. Unger said that the budget maintains the current level of UMAA activity, but takes into account the changing circumstances the UMAA finds itself in currently. Specifically, the University is cutting its level of support for the UMAA for the coming year. In addition, instead of distributing designated salary and benefit increases centrally, the University is requiring that these increases come from each unit. In effect, the changes mandated by the University will result in a budget decrease of approximately \$90,000. Unger explained that the increase in salaries does not mean that there has been an increase in staff. In addition, he explained that the University is mainstreaming the payments for the Rajender salary settlement into each department's budget allocation from the University. Previously the payments were reflected in central administration's budget. It represents no net increase in the UMAA's budget.

The proposed budget, said Unger, is a balanced budget with projected increases in revenue, including increases in revenues from membership and *Minnesota* advertising sales, and projected decreases in expenditures, including a potential saving of \$25,000 for a payment to the University's Automated Information System (AIS). Jane Whiteside, UMAA associate executive director, explained that when the UMAA transferred management of the data base from AIS to the University of Minnesota Foundation (UMF), associate vice president Steve Roszell committed the UMAA to pay AIS a settlement of \$25,000 per year for four years, in addition to paying for use of the data management system (DMS). Since the UMAA receives no service from AIS, it is hoped that the University will resolve the UMAA of this payment.

Georgiann Errigo raised concerns about the assumption that the membership will remain level and meet projections. Mike Unger said that much of the loss of membership was due to an increase in membership dues so he believed the projection could be reached.

UMAA OBJECTIVES

After questions and discussion regarding the budget, Mike Unger presented the 1992-93 UMAA objectives. Once again, the recommended objectives assume that the \$25,000 payment to AIS will not be made. If payment is required, there would be four options: cut staff; draw on endowment funds; begin the year with an unbalanced budget, then attempt to raise other funds and make a mid-year correction; or transfer some UMAA activities to another University office.

The 1992-1993 UMAA objectives are:

A. Organizational Effectiveness Objective: To maintain and increase the organizational effectiveness of the UMAA volunteer and staff structures.

1. Refine UMAA volunteer structure:

- strengthen new board member orientation;
- clarify and address staff and volunteer roles, including volunteer involvement in staffing decisions;
- simplify agendas and focus on substantive issues at board meetings;
- improve board social opportunities while minimizing costs, including providing more interaction time at meetings and exploring other options for board social events;
- continue recruitment of new board members;
- continue recognition and communication with key volunteers.

2. Respond to University funding and support changes, including reviewing staffing patterns and program effectiveness.

3. Resolve short-term space issue; move; long-term space issues.

4. Manage use of data base (e.g., bar-coding), and recommend new system if necessary.

5. Continue discussion of UMF and University relationships including related organizational issues (with emphasis on longer term improvements).

B. University Issues Objective: To convey alumni opinion on University issues, focusing on implementation of the 1991 diversity/pluralism report and recommendations (no new studies or action on other issues, except in the case of an emergency).

1. Advocate University action to achieve diversity/pluralism results and improvements in the student experience to University administration and regents (volunteer activity)

2. In 1992-92, continue UMAA diversity/pluralism changes; if funding allows, recruit alumni volunteer to support University efforts to identify/recruit/mentor students of color; create one or more scholarships using UMAA endowment funds; focus in May/June and in every issue of *Minnesota* on University and UMAA progress in achieving diversity/pluralism.

3. Review and activate use of UMAA endowment funds for student scholarships.

4. Continue funding and support of the Morse-Alumni Award; monitor and, if appropriate, consider assistance in fund-raising for the permanent endowment.
5. Participate in high level University searches (volunteer activity) and University planning through use of the UMAA's existing volunteer structure.
6. Activate society, chapter, and legislative networks to assist the Regent Candidate Advisory Council in identifying regent candidates in the appropriate districts.
7. Work with the new University admissions director to explore future partnerships for student recruitment.
8. Develop and implement a proposal to increase staff support on a pilot basis and significantly enhance alumni effectiveness with mentoring, particularly students of color.

C. Legislative Network Objective: To support and expand a network of alumni around the state to facilitate the University's legislative requests.

1. Coordinate with state relations on the most effective use of the alumni network during and between sessions (e.g., contact campaigns, calling projects, coffee parties, use of Garrison Keillor tape), and implement activities accordingly.
2. Expand the network by continuing to enlist and train society and chapter volunteers, including continuing alumni society and chapter briefings and suggesting ways to include legislative activities in their 1992-93 plans of work.
3. Maintain network data base.
4. Develop and implement a proposal to increase staff support on a pilot basis to significantly enhance alumni effectiveness with the legislature.

E. Membership Objective: To increase UMAA membership by implementing the 1991 membership report and recommendations.

1. Continue benefit improvements, including partnership agreements with other University

units, insurance changes, credit card options, and other appropriate revenue-generating membership benefits.

2. Develop membership materials and appeals that reflect the UMAA "look" and communication themes (see objective F #5 and #6).
3. Implement new dues structure and billing arrangements, including simplified forms and procedures and related DMS/data base changes.
4. Continue to explore joint solicitations and other coordination options with the University Foundation.
5. Continue telemarketing on a limited basis, testing use of volunteers and other methods.
6. Improve processing of memberships, monitoring and reporting of recruitment and renewal results, customer service responsiveness to questions/problems, and communication with life members.
7. Evaluate past membership recruitment efforts and develop and pursue more effective strategies to increase membership, including assisting alumni societies to be more involved in the membership recruitment process.

F. Communications Objective: To effectively communicate alumni, UMAA, and University issues and activities to alumni through *Minnesota* magazine and other means.

1. Publish six issues of *Minnesota* magazine each year.
2. Implement a Fall Preview issue of *Minnesota* and send to 100,000 people.
3. Move to make magazine self-supporting through ad revenue.
4. Implement expanded magazine if ad revenue goal is exceeded.
5. Implement more consistent UMAA "look" (e.g., letterhead, use of brochures and invitations, etc.).
6. Develop communications themes to promote perceived UMAA value, and deliver them

through planned efforts inside and outside the University.

G. Events Objective: To foster recognition, pride, and school spirit by planning and carrying out selected alumni activities and events.

1. Sponsor a homecoming pepfest at the Metrodome.
2. Continue the emeriti (50+ year) reunion in 1992 in coordination with the University Foundation, then turn over responsibility for the reunion in subsequent years to another University unit*.
3. Continue the UMAA annual meeting, while reassessing the scope and nature of the event.
4. Continue student leadership awards and alumni volunteer awards, and hold a single awards event.
5. Other than locating alumni volunteers, shift responsibility for presidential inaugurals to another University unit*.

*These activities cannot be continued if expanded national and international outreach is to occur.

H. The Gateway Objective: To facilitate the eventual completion of the center project.

1. **Actively** assist with planning.
2. **Actively** assist with promotion.
3. **Actively** assist with fund-raising.

I. Alumni Club Objective: To renegotiate the Alumni Club lease and maintain the club as a fiscally sound membership benefit.

1. Renegotiate lease.
2. Manage ongoing operation (separate staff and budget)

After running through the objectives, Mike Unger commented on the two areas for which he would like to see funding/staffing increased: the mentoring and legislative areas. He envisions that any proposal for funding in these areas will be very consistent with the recommendations of the Finance Committee regarding the use of endowment funds. In both areas, Unger believes that the UMAA has built an excellent base of activities but special attention is needed in those areas to achieve a higher level of effectiveness. If effective, the expectation is that the funding would be taken over by another source.

Janie Mayeron gave a preliminary report of the Finance Committee's discussion about the two new initiatives referred to by Mike Unger. The Finance Committee expressed the view that the UMAA look to other sources, rather than the endowment funds, for funding the additional staff that would be needed to implement these initiatives. For example, University State Relations might fund the legislative activity; corporations might fund mentoring.

Mike Unger responded that he understood the Finance Committee's concerns, but he thinks the UMAA needs to start the venture, then look for outside funding. Without the UMAA initiative, Unger believes that the efforts would either never happen or would occur very slowly. He said expansion in these two areas would fulfill the desire of many UMAA volunteers to do something *now*.

Margaret Carlson said that the staff is ready to set measurable objectives for this enhanced funding, e.g. a certain number of coffee parties, or a certain number of new mentoring matches. She reinforced that the current staff would not be able to take on new initiatives without cutting back existing agendas.

Larry Laukka said that the UMAA needs to let alumni, both members and nonmembers, know the value of belonging to the UMAA. The UMAA needs to use *Minnesota* to spread the message of what it is, what the UMAA does, and why alumni should belong to the UMAA.

John French addressed the issue of UMAA staffing. He said that the staff has been pushed to the limit, and beyond. French applauded Mike Unger's objectives, but stated that the board should be aware that by voting for them, they were implicitly saying that the volunteers would be doing more work to fill in what the staff can't, and that funding would be found for additional staff.

Janie Mayeron moved that an additional objective be added under University Issues. She proposed that the University issues committee be directed to determine, with input from University students and faculty, future initiatives. Unger replied that the issues committee already determines future initiatives in this manner.

The UMAA goals and objectives for 1992-93 were approved.

PRESENTATION OF GIFT FOR JOHN FRENCH

Mike Unger presented John French an engraved regent's watch as a token of appreciation from the UMAA volunteers. Unger thanked French for his work and dedication to the UMAA, and recognized his courageous contributions to *Minnesota* magazine in the president's column.

John French thanked Mike Unger and the volunteers for the gift, and for all of the time and help that they had given him throughout the year.

MINUTES APPROVED

The minutes of the UMAA National Board of Directors meeting held Wednesday April 29, 1992, were approved as mailed.

REPORTS

Membership

Larry Laukka reported that as of May 31, 1992, membership was at 27,687, down 16.5 percent from the June 30, 1992, year end of 33,154. The budget for the spring promotion was cut to less than \$40,000. The results of the spring promotion are in and they are "morbid."

• Results to date:

GROUP	MAILED	RESPONSES	%
\$100+ Donors	19,970	47	.24%
Past Expirations	15,015	124	.83%
Current Renewals	5,753	167	2.9%
TOTALS:	40,738	338	0.83%

Ron Johnson reported on the follow up telemarketing done to approximately 50 past members and

50 donors. Preliminary results indicate that half of those contacted remember receiving the mailing, while the other half did not. Of those who recall receiving the mailing, most did not think it needed a response because they get so much "junk mail" from the University. Most expired members were more likely to join at a later time, while most donors were not interested. Actual breakdowns and conclusions will be completed by June 25. The mailing did not invite people to open it up and look inside. The UMAA needs to do a better job of separating its message from others received in the mail. Larry Laukka said that the major problem is that people do not know what the UMAA does, or what the benefits of joining the UMAA are. Margaret Carlson said that if the UMAA had a visitor or alumni center, there would be less confusion about what the UMAA does. Ron Johnson said that people who were called were asked whether they would become a UMAA member. Once the people *understood* what the original mailing was about, more than 65 percent said that they would join at a later date.

The life membership appeal was sent to more than 7,000 full life members requesting an annual gift was a success. The goal was \$9,000. The response to date: 275 responses with a gift total of \$11,456.

New renewal materials are in place making the renewal process for the customer easier. The new process and materials also reduce UMAA's costs by approximately 60 percent. Time processing the statements is down to 6 hours from 38 hours, increasing overall proficiency.

BYLAW CHANGES

John French, in Sue Bennett's absence, presented the proposed changes in the bylaws. The recommended amendments were:

- Addition of Commitment to Diversity (Article III, page 1) as approved by the University Issues Committee on May 27, 1992.
- Increase in number of at-large board members from six (6) to nine (9) as approved by the national board on March 7, 1992 (Article VI, Section 1, page 4).
- Increase in number of voting members needed for a quorum from thirteen (13) to fourteen (14), due to increase in number of at-large board members (Article VI, Section 4, page 5).
- Renumbering of articles, per addition of Article III (throughout).

The amendment of bylaws was approved.

CHAPTER/SOCIETIES RECOMMENDATIONS

Kay MacKenzie presented the 1991-92 UMAA Chapter/Society Advisory Committee Recommendations. The proposed expectations are that societies:

- Support the mission and goals of the University of Minnesota Alumni Association (UMAA).
- Recruit and retain at least 15 percent of the collegiate unit's graduates as UMAA members.
- Have at least ten volunteers willing to work and take responsibility for the society's activities.
- Maintain a constitution and bylaws that are reviewed biannually.
- Elect a diverse board of directors.
- Provide new board members with information on the UMAA, the collegiate unit alumni society, and the role and responsibilities of alumni society board members.
- Elect a society representative to the UMAA national board in accordance with UMAA guidelines.
- Prepare an annual plan and budget obtaining input from the collegiate dean and other appropriate collegiate staff.
- Plan, promote, and implement at least one event that connects society membership to the University, the collegiate unit, and the UMAA.
- Plan and implement at least one project annually that supports a specific UMAA goal.
- With the collegiate unit dean, plan, promote, and implement at least one project annually that supports the collegiate unit.
- Encourage active outreach to society members outside of the Twin Cities metro area by planning and scheduling events and projects in non-Twin Cities metro-area communities.

- Require that all society board members attend at least one UMAA-organized leadership training session per year.
- Prepare a year-end report that evaluates the society's implementation of its annual plan and budget.

In addition to the specific expectations presented above, the Society and Chapter Advisory Committee developed and submitted recommendations to the national board regarding nominating committees for selecting society representatives to the national board. They reviewed the criteria for societies, chapters and affiliates, reviewed the format of the financial reports, and also attempted a multilevel volunteer training approach.

Margaret Carlson complimented the Chapter/Society Advisory Committee on its work and the way that the societies were challenging themselves and linking up with the UMAA.

The 1991-92 UMAA Chapter/Society Advisory Committee recommendations were approved.

EXTERNAL ISSUES QUESTIONNAIRE

Margaret Carlson introduced Rick Heydinger who asked for help from the UMAA national board members. Heydinger said that he had made a presentation to the University president's cabinet that asked them to "quit worrying about the alligators and crocodiles snapping at them for the next day, week, or month, and to begin looking down the pike five years." The purpose was to determine what big, broad developments were going on in society that might have an impact at the University in the future. Rick Heydinger asked UMAA national board members to evaluate issues that they think are going to occur in society within the next three to five years and their likely impact on the University of Minnesota. The president and his cabinet will use the survey results and to help determine what two to four issues are occurring in society over the next five years that the University is not paying enough attention to. Heydinger passed out the questionnaire and asked UMAA national board members fill it out and mail it to the office.

PRESENTATION OF GIFT TO RICK HEYDINGER

John French told the board that Rick Heydinger was leaving his position on June 30. He complimented Heydinger for his focus and service to the University, as typified by his survey request. Margaret Carlson presented Rick Heydinger with the gift of time; a multi-time-zone clock. Heydinger thanked Carlson and French for the gift.

MEMORIAL STADIUM BRICK SALE

Margaret Carlson reported that Memorial Stadium was scheduled for demolition in the middle of July. Carlson said that she and Marcia Fluer, head of University Relations, and Mark Dienhart from men's athletics had discussed the situation and men's athletics emotionally wanted no part of the demolition or the sale of the bricks from the stadium. University Relations offered to do the work if the UMAA used the general endowment fund to provide a loan to clean up the bricks and manufacture the plates to put on the bricks. Plans called for bricks to be purchased from a drive-up site near the stadium. The officers had approved the loan, subject to approval by the national board. The \$4,000 loan would be repaid to the UMAA from the proceeds of the sale of the bricks.

After some discussion about what should be done with the profits (if any), the resolution was approved.

THE GATEWAY

Larry Laukka reported that the professional fund-raiser has been employed; a second major lunch, sponsored by Governor Carlson, took place. Fifty or sixty people, potential major donors, attended. Governor Carlson, former Governor Elmer L. Andersen, and University President Nils Hasselmo made compelling speeches on behalf of the Gateway. The UMAA is working with the professional fund-raiser, organizing five or six teams in an attempt to go out and find the five or six major donors to initiate the project. Between now and the fall, the UMAA should know whether or not the effort will succeed.

EXECUTIVE REPORTS

National President

John French called for nominees for the National Volunteer of the Year Award. As a former award winner himself, he shared his feelings about the importance of the award. Then he called on the board members to make sure to nominate deserving volunteers for the award.

French told the board that with Rick Heydinger retiring and the search for a replacement temporarily suspended, there was a new, interim, reporting relationship within the University. Margaret Carlson, Jerry Fischer, and the other people who have functioned in External Relations will report to Kathleen O'Brien, President Hasselmo's administrative assistant.

Finally, French presented a handout of what the UMAA has done the past year. French said that all of the UMAA should be proud of the work it has done, especially the staff.

French concluded his remarks by thanking the board for not voting to make the president's term two years, when it was proposed several years ago.

Executive Director

Margaret Carlson thanked John French for his service.

Carlson then reported on several staff issues:

- **Space:** The UMAA is in the final stages of negotiations; several proposals are being considered.
- **Staff Diversity Plan:** Following advice from the University Issues Committee and the UMAA staff, the staff has come up with its own diversity plan that it will follow.
- **Minnesota recognition:** The UMAA has received three CASE awards for its magazine, including being named one of the top fourteen university magazines in the country. Of the other award winners, only two others represented public institutions and only a few were alumni association magazines. Carlson thanked Jean Marie Hamilton, Teresa Scalzo, Pat Aukema, and the rest of the UMAA staff for their contributions to the magazine.
- **New Admissions Director:** Wayne Siegler is the new admissions director for the University. Siegler will be planning and talking next year about what the UMAA and admissions can do to help the University.
- **Other Items:**
Former UMAA member Hampton Bell died last year and left the UMAA \$40,000 for the endowment fund.

Jane Whiteside has worked with Barbara Reed, chair of the Department of Theatre Arts and Dance, on the August Wilson Scholarship. The UMAA originally intended to draw \$500 per year from its endowments

for this scholarship, but with the help of Graduate School and Department of Theatre Arts and Dance, Reed and Whiteside have managed to cluster funds to create a \$10,000 per year scholarship. The scholarship is for up to three years. Once written confirmation has been received, there are plans to announce the scholarship at the National Black Theater Network Conference in Detroit, where August Wilson will be the keynote speaker.

FAREWELL RECOGNITION:

John French and Margaret Carlson presented gifts of engraved pencil holders to the departing volunteer members of the UMAA national board. John French thanked them for the service, time and talent that they have devoted to the board. First, French recognized those members who were unable to attend the meeting: Jennifer Alstad, Minnesota Student Association president; Bob Nyvall and Ralph Tillitt, geographical representatives; Laura Merriam, Hubert H. Humphrey Institute of Public Affairs representative; Don Swenson, Medical Society representative; and Sue Bennett, past national president. Those present who were recognized were: Frank Farrell, geographical representative; Lee Paulson, Institute of Technology representative; Paul Wilkus, Carlson School of Management representative; Kay MacKenzie, Nursing School representative; and Emily Ann Staples, vice president.

MEETING ADJOURNED

Minutes Respectfully submitted,

Ezell Jones
Secretary

by

Janet Moe
UMAA Staff

EXHIBIT 1

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION

Officers and Committee Chairs

WEDNESDAY, AUGUST 19, 1992

7:30 a.m.

Hvass, Weisman & King, Chartered
Minneapolis

Present:

John French
Carol Johnson
Ezell Jones
Billie Anne Juni
Larry Laukka
Dee McManus
Linda Mona
Mike Unger

Unable to Attend:

Janie Mayeron

Staff Present:

Margaret Carlson
Travelle Evans-Vann
Diane Fisher
Ron Johnson
Jean Marie Hamilton
Deanne Magnusson
Jane Whiteside

INTRODUCTIONS

UMAA National President Mike Unger called the meeting to order at 7:30 a.m. He welcomed everyone to the meeting and asked that they introduce themselves for the benefit of new members.

MINUTES

The minutes from the April 16, June 8, June 15, June 18, and July 9, 1992, meetings were approved as mailed.

BUDGET & FINANCIALS

Unger informed the officers and chairs that he and Margaret Carlson met with President Nils Hasselmo on July 30. When Rick Heydinger, vice president for external relations, left the position this summer, President Hasselmo decided, due to budgetary considerations, to leave the position vacant. He assigned special responsibility for the day-to-day coordination with units that had been overseen by Heydinger, including alumni relations, to his assistant Kathleen O'Brien.

President Hasselmo is meeting with all of the units that had been reporting to the vice president for external relations, in order to become more familiar with them. Unger and Carlson provided an overview of the background, history, organization, activities, and the evolution of the alumni association and alumni relations.

President Hasselmo emphasized the potential value of UMAA efforts in the legislative area. The University has made great strides in the area of private support, but there is concern over the eroding level of public support. The UMAA can potentially mobilize alumni and push for University support in the legislature and have a big impact. President Hasselmo is also interested in the UMAA developing some proposals for experiments with international chapters, and in the UMAA holding a leadership retreat with volunteer leaders from the University of Minnesota Foundation to discuss ways of improving efforts and cooperation.

ENHANCEMENT PROPOSAL

Unger introduced the "Enhancement" proposal by reminding the officers and chairs that at the last board meeting the proposal had been approved as part of the UMAA Goals and Objectives. The recommendations made by Margaret Carlson and Jane Whiteside were:

Mentoring: expansion to include a) programs in all 17 collegiate alumni societies; b) connection with the University's four "learning resource centers" serving students of color on campus, and c) a UMAA role of providing coordination and support to the mentoring "network."

Legislative: expansion to increase a) recruitment of and communication with legislative volunteers and b) effective volunteer contacts, both individual and group, with legislators.

The effort will require up to two full-time professional staff and up to \$95,000 a year for each of the two years.

Unger said that if the Alumni Legislative Network is a success and is seen as a value to the University, the University will be prepared to help continue the funding. He thinks it's also possible to get outside corporate support, once the program has been proven. In both cases, the idea is to view this effort as a start-up, not a long-term program funded by the UMAA.

There were questions about which endowment fund would be used to fund this proposal. The Finance Committee will review the proposal and make a recommendation. With that resolution, the "Enhancement" Proposal was approved.

SPACE

Margaret Carlson reported that after nearly two years of discussions and negotiations, President Hasselmo proposed that the UMAA assume the \$112,800 in renovation costs and he agreed to pay for the following costs associated with moving UMAA/AR to Coffman Memorial Union:

-fire and safety; building code compliance	\$50,000
-roof repair	10,000
-moving costs	19,550
-rent of \$50,000 per year for four years	200,000
Total	\$279,000

The UMAA will not have to draw matching funds from endowments to pay for these costs.

At Unger's encouragement, Carlson began working with facilities planning to make the University's September 1 deadline for vacating Morrill Hall. That gave us only six weeks to do all of the renovation and planning. Carlson said that she has the budget, but realizes that some of the costs will vary because there are not exact, hard bids. Carlson stated that the UMAA was going to try very hard to stay within budget. Carlson asked the officers and chairs to endorse the spending of \$112,800 for renovation of the UMAA/AR space on the fifth floor of the the Campus Club in Coffman Memorial Union. Ezell Jones recommended that ten percent be added to that amount for a contingency total of \$124,080. With that addition, the motion was approved.

UMAA VOLUNTEER AND STAFF ROLES

Unger reported that the survey conducted last year by the board, indicated that there was confusion about the roles of volunteers and staff within the UMAA. Unger said that it would be useful to develop a consensus on this matter. His own view is that the volunteer provides the policy and vision of the association, and the staff executes or carries out that vision. Unger stated that there is some overlap, but the important thing for volunteers to remember is that their role is advisory and that operationally, the staff has the final say. Unger said that volunteers bring a unique blend of expertise, outside influences, and even political clout to the UMAA, which becomes very helpful to the staff. Volunteers come from different communities and can give feedback about the University and the UMAA. They can also give advice on other considerations or tactics as the staff needs it.

Some questions were raised about the role of volunteers when staff is hired. Jane Whiteside explained the hiring process at the University. She said that a volunteer is often asked to be a member of a search committee for a position. Quite often, the chair of the committee would be directly interacting with the person chosen to fill the position. After much discussion and input from volunteers who had served on search committees, a consensus was reached. The consensus was that the chair(s) of the committee(s) most closely involved with the position, or their designate, would be asked to sit on the search committee, their input as to what they are looking for in a candidate would be asked for, and that the composition of the search committee would be sent to the board along with the notification of the open position.

JOINT PLANNING WITH UMF VOLUNTEERS

Unger reported that he has agreed to President Hasselmo's request that the UMAA put together a small committee of UMAA/AR and University of Minnesota Foundation (UMF) volunteers to plan a retreat this fall. The purpose of the retreat would be to brainstorm and share ideas about ways of better improving cooperation between UMAA/AR and UMF volunteer activities. The planning committee would define what the issues are, expectations, the agenda, the participants, how it will be conducted, and when it will happen.

COMMITTEES, OBJECTIVES, AND MEMBERS

Carlson discussed the handout that outlined each of the UMAA committees: members, chair responsibilities, history, expectations for 1992-93, the interaction with other committees; and the responsibilities of committee meetings. She described the handout as an effort to define each committee in a concise format (attached).

With respect to the Nominating/Awards Committee, the following people will be asked to serve: John D. French, Michael Unger, Janie Mayeron, Marvin Trammel, Billie Anne Juni, Jim Gilbert, president of YMCA Metropolitan Minneapolis, and Pam Nichols, vice president of Human Relations, ADC Telecommunications, Inc.

The proposed Nominating/Awards Committee was approved.

MEETING DATES

National board and officer/chairs meeting dates were finalized for 1992-93. Unger urged the group to attend as many society and chapter events and meetings as possible to get a view of the UMAA from the grassroots level.

ANNUAL MEETING FORMAT/SPEAKER

Deanne Magnusson said that the staff was looking for input from the volunteers on the format of and possible speakers for the annual meeting. After much discussion, it was decided that despite the disadvantages, the practice facility at Bierman Field Athletic Building would be the site for the 1993 annual meeting.

GATEWAY

Carlson reported on a trip that a group of volunteers recently took to Kansas and Texas to look at other alumni centers. She said everyone thought that the alumni center at Texas A & M University in College Station was phenomenal and the type of center that is needed.

Larry Laukka reported that fund-raising seems to be "stuck in second gear." A professional fund-raiser hired by the University of Minnesota Foundation is still working on the project, but Laukka said that he wanted the UMAA to bring in the first million dollars on its own. Laukka will be approaching the board members for contributions. He would like a 100 percent commitment from the board on this project. Carlson stated that once the space issue has been settled, she will be helping Laukka contact past presidents and other potential donors.

OTHER BUSINESS

Carlson reported two "good news" items:

- The UMAA finished the fiscal year in the black. The figures are unaudited. Diane Fisher stated that the UMAA is projected to be \$25,000 in the black, and the Alumni Club between \$10,000 and \$20,000.
- The positive publicity that the UMAA has received from the brick sale is amazing. Ron Johnson reported that 1,784 bricks have been sold, raising approximately \$50,000 in revenue. After the expenses have been paid, Johnson said that the UMAA will be contributing a minimum of \$30,000 to the general scholarship fund. Carlson said that the bricks will be sold through the fall.

Johnson reported that there was an increase of 600 new members in July. The renewal process has been streamlined, and the UMAA is responding to its members much quicker. Johnson hopes that this trend will continue.

Carlson told the meeting that the fall preview issue of *Minnesota* is the largest issue ever, 96 pages, with 34 pages of paid advertising.

A question was raised with respect to forming an independent data management system, due to the problems with the current system. Jane Whiteside said she had delivered a message to the operators of the data base, detailing the UMAA's needs. Whiteside also reported that Ron Johnson was working closely with the programmers to determine if the current program can deliver the information the UMAA needs.

Carlson stated that space was truly a major victory. Against all of the odds, the UMAA stayed on campus--and in a wonderful space!

Respectfully submitted by:

Travelle Evans-Vann
Executive Assistant

for

Larry Laukka
UMAA Secretary

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
National Board of Directors**

Saturday, September 19, 1992

8:30 a.m.

**Campus Club, 4th Floor, West Wing
Coffman Memorial Union
Minneapolis, Minnesota**

Board Members Present:

Dale Anderson
John Bergstrom
Marvin Borman
Molly Cerney for Ron Merckling
Rollin Dennistoun
Gordon Dunkley
Mary Flinn
John French
Curman Gaines
Michael Hart
Bruce Hawkinson
Stephen Huh for Leonard Parker
Ann Huntrods
Steve Jackelen
Ezell Jones
Jerry Fischer
Ron Jost
Billie Anne Juni
Laura Langer
Larry Laukka
Richard Lindgren
Janie Mayeron
Lynne Schuman
Dee McManus
Angela Pierce for Georgianne Errigo
Willard Powell
Katie Sasseville
Mary Ellen Spector
Marvin Trammel
Ted Tulashie
Mike Unger
Richard Whitney
Anthony Yapel

Board Members Unable to Attend:

Carol Johnson
Jay Kiedrowski
Linda Mona
Dee Peterson
Diane Seddon
Michael Sullivan
Betsy Thorson

Staff Present:

Sam Berens
Barbara Blackstone
Margaret Carlson
Travelle Evans-Vann
Diane Fisher
Jean Marie Hamilton
Jeanne Katz
Lucy Kragness
Carmela Kranz
Deanne Magnusson
Janet Moe
Jane Whiteside

Guests Present:

Nils Hasselmo
Emily Anne Staples

INTRODUCTIONS

University of Minnesota Alumni Association (UMAA) National President Michael Unger called the meeting to order. He said the meeting marked a very special occasion: After two years of negotiations, the office of the University of Minnesota Alumni Association/Department of Alumni Relations (UMAA/AR) was now in Coffman Memorial Union. He invited the board to help celebrate at the close of the meeting.

CONSENT AGENDA

Unger introduced the consent agenda, a new procedure that will allow the board to spend more time on discussion of major items of business. Routine items that need no discussion since they have been scrutinized by UMAA committees or officers will be presented to the board as the consent agenda and approved without discussion after a single motion. If a board member thinks there is need for discussion of any item on the consent agenda, he or she may request that the item be removed from the consent agenda prior to the vote for discussion later in the meeting. With that explanation, the following items were approved:

Minutes, June 24, 1992

1991-92 preliminary year-end financials

Authorization for check signing

Nominating committee members

Membership report

RENOVATION EXPENSES FOR UMAA/AR SPACE IN COFFMAN MEMORIAL UNION

Unger began discussion of the proposed use of UMAA endowment funds for renovation expenses related to the new UMAA/AR office space in Coffman Memorial Union. Unger recapped the situation for new board members attending their first board meeting by explaining that the UMAA/AR had been requested to move from its offices in Morrill Hall and Walter Library and that the UMAA has been working for almost two years with University President Nils Hasselmo to find an appropriate location.

At the March 7, 1992, national board meeting the board unanimously endorsed the expenditure of up to \$291,000 for space over a four-year period, proposing that the University assume all renovation and moving expenditures with the UMAA/AR spending a like amount of funds from their endowments for special projects, programs, and services to the University. President Nils Hasselmo considered the UMAA board proposal but instead proposed that the UMAA assume the general renovation costs, with the University paying for the following costs associated with a move to Coffman Memorial Union (the UMAA would not be asked to draw matching funds from its endowments to pay for them):

Fire and safety; building code compliance	\$50,000
Roof repair	10,000
Moving costs	19,550
Rent of \$50,000 per year for four years	200,000
Total	\$279,000

Since the UMAA/AR had been requested to move from Morrill Hall/Walter Library by September 1, 1992, Unger approved the move and gave the staff permission to begin spending the necessary funds, per review by the officers, committee chairs, and board.

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After review, the officers and chairs authorized spending \$125,600 for renovation. Margaret Carlson, UMAA executive director, presented the following expenditures based on estimates from facilities management as of July 7, 1992; she cautioned that they were estimates only:

Signage	\$1,800
Upgrading existing restroom	7,500
Carpet; 600 square yards installed	16,200
Director's office: wall/door/paint	2,800
Ceiling repair	700
Window repair	2,800
Air-conditioning	40,000
Removing wallpaper/paint library	3,500
New office panels/files	20,000
Building permit;consultant fees, contingency	17,600
Total	\$112,800

Other estimated expenses incurred/to be incurred since above figures were calculated:

Consulting services	\$1,800
Mini blinds	2,000
Spray paint metal files, furniture	3,000
New lighting	6,000
Total	\$12,800

Carlson told the board decisions had to be made on site during the renovation process (e.g., new lighting was needed in the Riverview Room, dark wood laminate wallpaper had to be removed because bubbles were discovered, etc). Due to the tight time schedule, installation of air-conditioning was delayed until competitive bids can be taken for the project.

Gordon Dunkley expressed concern that because the expenses were based on estimates, authorizing a dollar limit may prevent the renovation from proceeding. He told Margaret Carlson that he wanted the board to give her the authorization to do what was needed to be done without having to come back to the board for authorization.

Unger replied that if there was a consensus with Dunkley, Unger would entertain a friendly amendment to the proposal granting flexibility for reasonable expenditures if there is an overrun.

Margaret Carlson said that if there were overruns she would consult with Unger and Janie Mayeron, UMAA national first vice president.

A question was raised about the length of the lease: What would happen if the UMAA's move to the Gateway Center could not be made as planned in four years. Carlson replied that the lease is a four-year lease, with an option to renegotiate to stay longer.

Larry Laukka updated the board on the progress of the Gateway, to be located at Oak and Washington adjacent to the Radisson Metrodome Hotel and near the former Memorial Stadium site. Gateway planning and budgeting has been completed, and fund-raising is currently under way. It will cost \$15 million to build, and will be the permanent home of

the UMAA, the University of Minnesota Foundation, and serve as the University's front door, orientation center, and a place where alumni, donors, and friends can come when they visit campus.

The vote to use endowment funds for renovation of UMAA/AR office space on the fifth floor of Coffman Memorial Union, and to give the executive director discretion to spend an additional amount of reasonable funds as needed, was approved unanimously.

ENHANCEMENT OBJECTIVES/BUDGET FOR 1992-92

Unger introduced a proposal to fund two program enhancements for the coming year. He began the discussion by explaining that when the UMAA board approved its 1992-93 objectives, two things were acknowledged:

- that the UMAA needed to become even more active, and more visible, in providing meaningful opportunities for alumni service to the University; and
- that, given the association's and the University's expectations and available resources, the staff could not take on additional work without additional funding and help.

The staff had been requested to develop a proposal funded on a two-year pilot basis from endowment funds to increase staff support in two areas: 1) the enhancement of alumni effectiveness in mentoring, particularly with students of color; and 2) the enhancement of alumni effectiveness with the legislature. The cost for this proposal would be \$120,000 per year for two years. After two years, if the programs are successful, funding from other sources would be found to continue them.

The trend toward decreasing public support for the University is creating a real need for more effective communication with the state legislature, said Unger. Ten years ago 40 percent of the University's budget came from the state, today only 27 percent comes from the state. The University is trying to maintain its quality and its missions despite this decrease. The UMAA is in a good position to help reverse the trend of declining public support for University from the state legislature. The UMAA has already organized a strong network of alumni throughout the state who contact their state legislators, speaking out in support of University and its funding priorities, on the theory that legislators are most impressed when they hear from their constituents about issues that are not viewed as self serving. The University competes with many worthy projects for funding, and alumni can help the University maintain and build state support.

After much discussion, the motion was approved. Unger thanked board members and told them that their comments were greatly appreciated and their suggestions would be carefully considered.

UMAA LEGISLATIVE STRATEGY

Jane Whiteside, UMAA assistant executive director, and Emily Anne Staples, Alumni Legislative Network participant and former UMAA board member, outlined the University's legislative strategy. The state is projecting a shortfall of more than \$800 million for the year. Higher education is valued by the legislature, but legislators hear more about other high priority issues—health care, property taxes, the environment, K-12 education—from their constituencies because the issues have an immediacy that higher education lacks. All state-funded agencies except education agencies have been given instructions from the state finance department and the governor to prepare budgets that

reflect a 5 percent decrease. Education agencies were to come up with "flat" requests and not to ask for additional money for inflation. They could, however, ask for increases for "investment initiatives," a term that has not been clearly defined.

During the last two years, the University's funding from the state has decreased dramatically. In the coming biennium, the University will have to cover inflation and salaries; in addition, maintenance projects on older buildings have been deferred for many years but need to be taken care of at some point. There are only three ways the University can cover these costs: receive more money from the state, increase tuition, or eliminate more programs.

The regents completed a preliminary budget and are asking for additional state money to offset inflation. In addition they are requesting funding for the deferred building maintenance projects, and are proposing, as "investment initiatives," projects in the areas of environment, public health, and outreach and "distance learning."

The University is trying to tell the governor and legislature that the only way it can absorb more cuts is to raise tuition or cut more programs. And even if more cuts are made, it takes time for the cuts and changes to make a difference. For example, the Waseca campus may have been closed, but students must complete degrees and faculty and staff have contracts that could not be broken. The University also wants to show the legislature how University expertise can be put to use to solve problems that the state is facing in areas such as the environment, public health, outreach and "distance learning."

The University is developing a University-wide communications strategy so that alumni volunteers, University lobbyists, and volunteers from other parts of the University can give the legislature a clear and focused message. In the mean time, the UMAA is being advised to emphasize the importance of the University to this state, particularly the education provided, the economic development/jobs created, and the quality of life fostered by the University's presence. Personal stories illustrating these points are extremely effective when dealing with legislators because stories gives them something to relate to and to remember.

Whiteside explained the challenges before the UMAA's Alumni Legislative Network made up of more than 650 alumni volunteers. One of the major problems faced by the University is that legislators do not seem to want to claim the University as their own and support it and take care of it in the same what that, for example, a legislator from Bemidji claims Bemidji State University. Many legislators think that someone else is taking care of the University, so they do not need to be a proactive supporter. Alumni can get legislators, particularly those in the metro area, to think about the University as being "theirs." Board members should be ready to make contacts with their senators and representatives and build a bridge between the University and the legislature, giving information to and receiving information from the legislators.

Staples told the board that it was important that alumni be comfortable doing this. It is very easy to do, but it can be intimidating. The important thing is that alumni know what is important to them about the University; they do not need to know facts and figures, just to tell their own personal experiences.

Whiteside and Staples gave the board ideas about ways to contact their legislators and help make the legislative network work. UMAA pins were passed out to each member with the advice that they could be worn as a visual identifier when meeting with legislators, or given to legislators as a gift and reminder of the meeting.

The members broke into two-person groups to discuss what the University meant to them and how they could tell their stories to legislators. When the meeting was reconvened, several people commented that the best way to reach legislators was to make a contribution in time or money. Legislators are more likely to listen to people who support them, especially during an election year. Unger thanked Whiteside and Staples.

UNIVERSITY PRESIDENT NILS HASSELMO'S REMARKS

Unger introduced University of Minnesota President Nils Hasselmo, the person directly responsible for resolving the UMAA/AR office space dilemma. President Hasselmo thanked Unger and said that he was inspired by the dedication of the UMAA volunteers.

President Hasselmo had just come from Burton Hall, where he met with minority high school students who had participated in a summer program, working in University offices and laboratories. He said that the student who worked in his office enjoyed working with computers but found some of the work in the president's office very dull. President Hasselmo told the board how valuable and enjoyable it was to have the students on campus because the program helped pulled down visible and invisible barriers surrounding the University. Students came to realize that the University is not just "a big, impersonal institution looming large on the Twin Cities horizon," but that it is just a place where people work and do their best.

President Hasselmo thanked everyone for their patience in dealing with the space issue. He told the board that "there are lots of things that drive people's urges but probably the territorial instinct is still the strongest." He said he is pleased that the UMAA board is satisfied with its new location and said that the University wants the UMAA both symbolically and operationally "smack in the middle of what this University is."

President Hasselmo said that he understood that the board was discussing the legislative effort, and thanked everyone for their support. He had just returned from a retreat in Northfield where he, the vice presidents, deans, and the associate and assistant vice presidents had been discussing strategy, particularly how the University must adapt and change to meet the social and economic changes happening in the world today. President Hasselmo said the guest speaker at the retreat, Robert Zemski, head of the Institute for Higher Education at the University of Pennsylvania, had been expecting the group to resist change, but was amazed when the group had a very constructive discussion about how the University needed to change to meet the times.

Unger thanked President Hasselmo. Ron Johnson, UMAA membership/marketing director, then gave President Hasselmo a tour of the new office space before he left for another meeting.

CHAPTER AND SOCIETIES YEAR-END UPDATE

Deanne Magnusson, UMAA director of constituent programs, gave a brief presentation, highlighting programming for alumni societies and geographic chapters. UMAA 1991-92 goals for alumni societies included developing a functioning board structure, increasing board diversity, encouraging student faculty representation, and assisting the societies in reviewing and evaluating their events. Goals of the geographic outreach program were to increase alumni activity in targeted Minnesota communities and to strengthen Minnesota active chapters, while continuing to maintain alumni activity in the national chapters.

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Geographic outreach activities also included promoting alumni participation in Big Ten events and University presidential visits to Minnesota communities.

1991-92 Results:

Sixteen of the seventeen societies now have functioning board structures.

Events and projects are being evaluated by society board members.

The societies are gradually increasing board diversity.

Societies planned and implemented 57 events and 51 projects. Projects emphasized student recruitment, student mentoring, alumni and student career development, student, faculty, and friend recognition.

Six of the societies implemented membership recruitment campaigns.

One alumni society, natural resources, participated in a Cannon River cleanup community service project.

Alumni societies increased geographic outreach activities.

All of the societies ended the year with a balanced budget.

Magnusson gave some examples of events held by societies during the past year. "Getting to Know U" was a comprehensive outreach event in Willmar, Minnesota, implemented by the College of Agriculture Alumni Society and involving representatives from the College of Agriculture Dean's Office, Prospective Student Services, corporate representatives, and the local community. The Medical Alumni Society continues to emphasize life-long learning and continuing professional development with its annual New Horizons program. The Natural Resources Alumni Society holds a geographic outreach event each year for northern Minnesota alumni.

Geographic outreach efforts have resulted in increased alumni activity, particularly in Minnesota. In 1991 there were four Minnesota active alumni chapters. There are now eleven Minnesota chapters and twelve active national alumni chapters. The geographic outreach program also assisted with alumni activity in nine national contact areas and coordinated alumni activity for nine Big Ten events.

UMAA geographic outreach program directors arranged for 32 University representatives (including regents, faculty, and administrative staff) to "get the word out" to alumni groups throughout Minnesota and the United States.

TOUR OF TEXAS A & M ALUMNI CENTER

Due to time constraints, the slide tour of the Texas A & M Alumni Center was postponed.

EXECUTIVE DIRECTOR'S REPORT

Margaret Carlson prefaced her report by saying, "In the three months since our last board meeting on June 24, there has been much good news that I want to share with you."

- Originally, plans called for the demolition of Memorial Stadium at the end of August. When it was moved up to July 24, with little time to plan anything but calling in the press to mark the occasion, the UMAA/AR went into action. A small group of staff met with members of the University Relations staff and with eight days notice planned a commemoration ceremony to mark the passing of "this great facility."

The UMAA staff worked on the script and the program, and the University Relations staff worked on the logistics and press relations. The result was a touching commemorative

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ceremony that included remarks by University President Nils Hasselmo; Regent Stanley Sahlstrom; McKinley Boston, men's athletic director; Paul Giel, former men's athletic director and Gopher football player; Ezell Jones, UMAA national board representative and former Gopher football player; and Margaret Carlson, UMAA executive director.

The ceremony was well covered by the press, and gave the UMAA a good opportunity to highlight the important role alumni and the alumni association played in the life and times of Memorial Stadium, from leading the effort to raise funds for the stadium in the early 1920's to preserving its history.

- A time capsule was found in a Memorial Stadium cornerstone a few days after the ceremony, and a celebration to open the capsule was held on August 3. One of the articles found in the 1924 capsule was a copy of the *Minnesota Alumni Weekly*.
- The Memorial Stadium brick sale started on July 31 and continues through November. The UMAA took board members' advice from the June 24 board meeting: bricks were priced at \$10 for a plain brick and \$25 for a commemorative brick with a brass plate, and the money was dedicated to the University's general scholarship fund. To date, the UMAA has sold 2,300 bricks; notices about the sale will be included in 350,000 copies of *Update* and 100,000 copies of the Fall Preview Issue of *Minnesota*.

Carlson estimates that 5,000 bricks will be sold. If most of the bricks sold are of the commemorative variety, \$75,000 or more could be raised for scholarships.

Carlson reported to the Board of Regents on the brick sale and introduced the Bricks-R-Us sales team who have been responsible for its success: Ron Johnson and Teresa Scalzo from the UMAA/AR staff and Jeff Sturkey from University Relations. A commemorative brick was presented to each regent.

- University Relations is about to introduce a new media campaign for the University of Minnesota called "The Glory of This State," based on Garrison Keillor's remarks presented at the 1992 UMAA annual meeting. A series of public service announcements (PSAs) for radio and television, as well as advertisements for newspapers, is being produced. The PSAs will start playing throughout the fall. The University has asked the UMF to raise funds to pay for placement of the PSAs in prime time if time cannot be donated. Stanley Hubbard, owner of KSTP-TV and a University alumnus, has agreed to donate time on his station and has also offered to write other owners about donating time on their stations.

The PSAs and newspaper ads will explain that Keillor's remarks were prepared for the 1992 UMAA Annual Meeting. It is thrilling that our annual meeting has become the source of "The Glory of This State" campaign. The UMAA is selling Garrison Keillor video and audio tapes of the annual meeting presentation. Alumni can order the tapes through *Update* and *Minnesota* this fall.

- The September issue of *Update*, which is mailed to 350,000 households, will also include a two-page membership promotion inviting readers to join the UMAA. The captions read, "Making the Minnesota Connection," "Making a Difference," "Keeping the Spirit Alive," "Preserving History," and "Your Membership Is The Key."
- The second annual Fall Preview Issue of *Minnesota*, with 40 pages of advertising, will be mailed to 100,000 households in September. At 96 pages, this is the largest issue the UMAA has ever published.

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- To accommodate the 6:00 p.m. starting times of Gopher football games, the Alumni Club football buffets have been moved from the club to the Minneapolis Athletic Club (MAC) and are jointly sponsored by the Alumni Club, the MAC, and the M Club. The buffets will be held at Coffman Union next year.
- The audit has not been completed but it's projected that both the UMAA and the Alumni Club will end the fiscal year "in the black." The UMAA's excess revenue is estimated at approximately \$25,000, the Alumni Club's at \$23,000.
- The UMAA will hold a retreat with the UMF in January. A select group of volunteers from both organizations will do short-term and long-term strategic planning.
- Two program director staff positions are open: Deb Muller is pursuing a new career after six years with the UMAA. Francis Mims moved to Georgia. Diane Fisher is the UMAA's new fiscal officer, she is outstanding.
- Carlson referred board members to their committee assignments as outlined in the board materials. Volunteer chairs of the committee and UMAA staff committee liaisons will be contacting them to discuss committee objectives and meeting schedules.
- Carlson reminded board members of some important dates:
 - October 5: The President's "State of the University" message.
 - October 14: UMAA volunteer/student leadership award presentation.
 - October 17: Homecoming pepfest at the Metrodome
 - November 14: "Battle of the Border," Wisconsin vs. Minnesota hockey.
 - December 1: Holiday party and open house for our new facilities.

Margaret Carlson concluded by saying, "This was all done with the overlay of space and everything else. A great thanks to the staff because it has been grueling but wonderfully successful."

CELEBRATION OF MOVE TO COFFMAN UNION

Unger and Carlson ended the meeting by opening a bottle of champagne and toasting and thanking board members and staff for their patience and help during resolution of the space issue. Several board members and staff made speeches, thanking the staff, the volunteers, and particularly Margaret Carlson. She responded with a final toast "to all those who wrote and called in support of the move. This is a new day—on our way to the Gateway!"

Minutes respectfully submitted,

Larry Laukka, Secretary

by

Janet Moe, Recorder

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
National Board of Directors**

**Saturday, November 14, 1992
8:30 a.m.
West Wing, Campus Club
Fourth Floor, Coffman Memorial Union
Minneapolis, Minnesota**

EXHIBIT 4

Board Members Present:

Dale Anderson
Marvin Borman
Molly Cerny for Ron Merckling
Rollin Dennistoun
Georgiann Errigo
Mary Flinn
Curman Gaines
Lisa Grisky for Mary Ellen Spector
Michael Hart
Michael Huerth
Jay Kiedrowski
Laura Langer
Larry Laukka
Becky Malkerson
Janie Mayeron
Dee McManus
Linda Mona
Kathleen O'Brien
Leonard Parker
Willard Powell
Kati Sasseville
Wendy Sharpe
Michael Sullivan
Marvin Trammel
Ted Tulashie
Michael Unger
Anthony Yapel
Shirley Zimmerman

Board Members Unable to Attend:

Rick Broderius
Gordon Dunkley
John D. French
Nils Hasselmo
Ann Huntrods
Steve Jackelen
Ezell Jones
Richard Lindgren
Dee Peterson
Robert Potts
Diane Seddon
Bruce Thorpe
Betsy Thorson
Paul Vesterstein
Richard Whitney

UMAA Staff Present:

Sam Berens
Margaret Carlson
Beverly Driscoll
Travelle Evans-Vann
Diane Fisher
Jean Marie Hamilton
Karen Heine
Ron Johnson
Cheryl Jones
Reva Kaplan
Carmela Kranz
Angela Latino Pierce
Jane Whiteside
Lori Winters

Other Staff Present:

Jerry Fischer
Jeanne Katz
Lucy Kragness
Maddy Maxeiner
Dave Teslow

Guests Present:

Jim Infante
Judith Martin Ventres

INTRODUCTIONS

University of Minnesota Alumni Association (UMAA) National President Michael Unger called the meeting to order. He then thanked Marvin Borman, who had just completed his term as chair of the University of Minnesota Foundation (UMF), for his years of service to the University, as well as for being an excellent representative to the UMAA board.

DISCUSSION OF THE UNIVERSITY'S STRATEGIC PLANNING PROCESS

Mike Unger introduced Vice President for Academic Affairs Jim Infante. Unger welcomed Infante, telling him that the UMAA was eager to know about the University's strategic planning process and specifically how the organization can contribute and participate.

Infante explained that University President Hasselmo has said that planning must become an integral part of everything that is done at the University. Therefore, President Hasselmo has rejected the idea of a separate planning board or task force. Planning must be done by the University community as a whole; people who do the planning are the people responsible for carrying out those plans. If planning is separate from implementation, the "two gears don't match." As the chief academic officer of the University, many of the implementation plans have to go through Infante's office and the president holds Infante responsible for organizing the University community so as to develop the plans.

Major points in Vice President Infante's presentation were these:

- In the public sector, resources are very constrained while demands and expectations are very high. The University must use all of the resources at its disposal to maximize productivity in instruction, scholarship, and service. The University must continue to differentiate the role that it plays from the roles of the state universities, community colleges, and vocational-technical institutes in Minnesota.
- The University is a land-grant institution with certain obligations to the residents of the state, the nation, and the world. The relationship between the University and the citizens of Minnesota is radically different than that between Harvard and the people of Cambridge, Massachusetts. Also because the University of Minnesota is in an urban environment, it has the opportunity and obligation to redefine that meaning of land grant by working on social problems.
- In the next 10 to 12 years, the number of research institutions in the United States will decrease, while research institutions outside of the US are growing. In this context, the relationship with the University's neighboring research institutions, such as the University of Wisconsin, must be addressed to determine how to collaborate with them so that both institutions can remain highly competitive.

Mike Unger asked Infante what meaningful ways the UMAA will be involved in the planning process. Infante responded that the UMAA will be planning its own future within the University, and he hoped that the UMAA will give input on ways for the University to do things better. He also advised that alumni in the collegiate alumni societies to work with the colleges in their planning.

Unger told Infante that the UMAA cares about the future of the University and wants to contribute and help with the planning for that future.

REPORT FROM THE PRESIDENT'S OFFICE

Mike Unger introduced Kathleen O'Brien, the associate to University President Nils Hasselmo.

O'Brien explained that in addition to her role as the president's chief of staff, she is also the daily interface with the external relations units that are currently reporting to the president. After External Relations Vice President Rick Heydinger's departure, Hasselmo wanted to work more closely with external relations so he could understand what the functions of the units were before he made any restructuring decisions.

These were the major points of O'Brien's presentation:

- The campaign to build support for the University, titled "Campaign '93", is an effort to "develop a unique, consistent, direct, repeatable, repeated message" about the University by having many people spread the message, coordinate the efforts and report back about the effectiveness of the campaign. There is both an immediate and long-term program. The UMAA will be asked to help spread the message, which should be strengthened by the hiring of an Alumni Legislative Network coordinator.
- For the legislative biennial request, the University was asked to submit a budget that did not ask for an increase. The University is the future of the state of Minnesota, and with budget cuts by the state are making the University less capable, University President Hasselmo determined that the University would respond by asking for more money. The University has responded to the legislature's criticism and advice; the University is changing and deserves financial support. Alumni need to help carry this message to decision-makers.
- Among the strategic issues and questions facing the University, the most important issue, central to the mission of the University, are the proposed changes at Crookston, expanding it to a four-year institution. Other issues still on the table are the steam plant, faculty workload, and internal audits on the Minnesota Mineral Resource Center, MMRC, and Minnesota ALG. There will always be bad headlines, but the goal is for the institution to identify things that are wrong, or acknowledge them when they surface from other sources, and resolve these problems as efficiently as possible.

Mike Unger thanked Kathleen O'Brien for her presentation and for her service to the alumni association/alumni relations.

CONSENT AGENDA

The following items on the consent agenda were approved:

- Minutes, September 19, 1992;
- Association and Alumni Club FY '92 Audited Financial Statements
The Finance Committee recommended approval of the FY '92 audited financial statements for the UMAA and the Alumni Club -- Coopers and Lybrand gave unqualified opinions on the statements of both entities;
- Fund Transfers: Enhancements and Renovations
The Finance Committee recommended the use of the Adrian E. Buttz Fund to fund the Enhancement Programs and the University of Minnesota Alumni Fund to fund renovation costs;
- Financials, August 31, 1992, Association and Alumni Club
The Finance Committee recommended the approval of the August 31, 1992, internal financial statements for the Association and the Alumni Club;
- Association Budget Revision
The Finance Committee recommended approval of the budget revised to include the following: Renovations to Coffman Memorial Union space; rent for office space; the Enhancement Programs; AIS final installment of pay-back; adjustment to salary and fringe benefits to reflect actual projected expenses;
- Corporate Resolution for Stock Transfers
The Finance Committee recommended approval of the Corporate Resolution authorizing the sale of stock gifts on the UMAA's behalf by any two of the executive director, associate executive director, or director of finance and operations.

ASSOCIATION REPORTS

Mike Unger had to leave for a professional commitment and passed the gavel to Vice President Janie Mayeron for the remainder of the meeting. Janie Mayeron introduced Billie Anne Juni to give a report on a motion from the Alumni Society/Chapter Advisory Committee:

ALUMNI SOCIETY FUNDING

The 1992-93 UMAA Alumni Society/Chapter Advisory Committee recommends that collegiate unit alumni societies be permitted to carry over all of their unspent 1991-92 fund balances for use in the 1992-93 fiscal year. The Alumni Society/Chapter Advisory Committee will review the results of this recommendation during the 1992-93 fiscal year and will present any suggested revisions to this policy to the national board by June 1993.

Past board action over the years has resulted in the following policies related to "carry over" funding for alumni societies:

- no allowance for carry over of fund balances at year end (before 1987);
- carry over of funds included in the plans and budget for specific society projects (1987-1991);
- carry over of funds not to exceed ten percent of the society's allocation (since May 1991)

The ability to use both their 1992-93 allocation and any unspent fund balances from the 1991-92 year will assist societies in continuing to increase the scope and effectiveness of their activities.

After some discussion and questions the motion was passed.

ALUMNI CLUB

Janie Mayeron introduced Judith Martin Ventres to give the Alumni Club report. The Alumni Club is a private luncheon club on top of the IDS Center and is open to any alumnus or friend of the University, who is an association member. It provides a downtown University presence. In order for the Alumni Club to continue and thrive, renewals must be maintained, new members must be recruited, and members must eat there more frequently. Martin Ventres encouraged all members of the board to join the Alumni Club.

MEMBERSHIP

Janie Mayeron stated that she believes the membership drive is in the third stage. The first stage was analysis by database, the second was methodical research, and the third is implementing the strategies and concepts developed from the research. Mayeron then introduced Ron Johnson, UMAA Director of Membership & Marketing, to continue the report. Johnson reported that the fall mailings had been sent on October 22 (one to past members and one to people who donated money but were never members); already there were 233 responses. There were two different letters sent. In addition, there was a mailing sent in conjunction with the College of Education.

GATEWAY

Executive Director Margaret Carlson presented a slide show of a visit to two alumni centers, one at the University of Kansas at Lawrence and one at Texas A & M University at College Station. The volunteers and staff who participated in this "fly-away" were able to get many good ideas for the Gateway Center.

Larry Laukka told the board that the Gateway Center is designed to include a student orientation center, a heritage center, as well as office space for the UMAA/alumni relations (AR) and the foundation. The volunteer steering committee is attempting to raise \$15 to 20 million to build the center and contacts with major prospective donors continue. Laukka is hoping to raise \$250,000 from within the UMAA itself, and he will be in contact with each member of the board.

NOMINATING BOARD REPORT

In the absence of John French, Janie Mayeron told the board that there are three at-large positions on the national board that will need to be filled. She asked for suggested names of applicants to be sent to the UMAA office.

1993 ANNUAL MEETING SPEAKER

Janie Mayeron reported that the board is still looking for names of possible speakers for 1993 and 1994. The ideal person would have crowd appeal and would educate or provoke the listeners. Mayeron also requested that suggestions be submitted to the UMAA staff.

REGENT CANDIDATE SELECTION PROCESS

Dee McManus reported that there are four open positions on the Board of Regents. She asked the board's help in providing names to the Regent Candidate Advisory Council. Jane Whiteside reported that she is working on a list of possible candidates divided by congressional district, so that when there are openings, UMAA volunteers can contact good candidates and urge them to apply. The application deadline has been extended to January 8.

PERSONNEL UPDATE

Jane Whiteside reported on personnel changes among the staff. Lori Winters was hired to fill Deb Muller's position, which has been changed to working with geographical chapters. Reva Kaplan is working with the Institute of Technology and Angela Pierce with the College of Liberal Arts; both of these positions are partially funded by the colleges, so each of these positions will focus on only one collegiate society. Jill Jackson will start in December in a support position for constituent programs. Proposals have been taken for the Alumni Legislative Network coordinator contract. The job description for the new mentoring position is being written, and will be advertised soon.

EXECUTIVE DIRECTOR'S REPORT

Margaret Carlson reported on the following activities and events:

- Bob Kvavik, associate vice president of academic affairs, joined Governor Arne Carlson on a economic development trip to Taiwan and Korea. Included in the itinerary were alumni receptions in Taipei and Seoul, which were a joint effort among Academic Affairs, Gerald Fisher from the UMF, Margaret Carlson, and the Minnesota Trade Office. This partnership effort was successful. President Hasselmo wants the UMAA to continue international activities.
- The 1993 Fall Preview of *Minnesota* was a great success. Over 106,000 copies were printed, and only a few copies remain.

•Margaret Carlson is participating on a University task force to revitalize the Greek system. As a part of the data gathering, information is being sought on fraternity and sorority affiliation of the UMAA national board and past national presidents. Carlson urged the board members to complete the survey on this topic.

•There are 25 excellent applications for the Alumni Legislative Network coordinator position. Mike Unger, Janie Mayeron, Donna Peterson, Dick Hemmingsen, and Emily Anne Staples are on the committee reviewing the applications.

•The "Glory Campaign," based upon Garrison Keillor's remarks at the 1992 UMAA annual meeting, will be seen/heard during November and December on television, radio, and newspapers. A schedule was given to board members of the air/print schedule. These public service announcements have been developed by University Relations. The University of Minnesota Foundation has secured the funding for placement of the announcements.

Thanks to Marcia Fluer and Jerry Fischer for extending the reach of Keillor's message about the importance of higher education.

•There have been 3,100 bricks sold from Memorial Stadium; 400 need to be sold in one week to meet the goal of 3,500. In between the third and fourth quarter of the Gopher game, Mike Unger will present President Hasselmo with a check for more than \$50,000 for scholarships.

•The Border Battle hockey game between Wisconsin vs Minnesota: 17,000 tickets have been sold, 200 of them through the UMAA, who will host a pregame buffet.

•The UMAA Holiday Social and Open House will be December 1. The new office space will be finished; and many thanks to Linda Mona who helped the association with design advice and discounts.

•Thanks to Kathy O'Brien, who has been the liaison to the UMAA/AR since July 1. It has truly been a pleasure working with her.

Minutes respectfully submitted,

Larry Laukka
Secretary

by

Travelle Evans-Vann
Executive Assistant to the Executive Director

Budget Revisions
10/15/92

The FY 93 budget has been revised to include the following:

		Revenue -----	Expense -----
Item	Renovations to office space (one-time)*		
-----	-----		
8a	From Unnamed Endowment Fund	125,600	
10	Equipment		125,600
	Rent at 501 Coffman (9/1-6/30)		
-----	-----		
10	From President's office	42,000	
3	Office operations		42,000
	Enhancement Programs (12/1 - 6/30)		
-----	-----		
8b	From unnamed endowment	73,000	
1	Salaries		48,000
1	Fringe benefits		9,500
2	Training/recruitment		2,000
3	Office operations		3,000
4	Events/meetings		2,000
5	Travel/subsistence		2,000
6	Information services		500
8	Other promotion		2,000
10	Equipment		4,000
	AIS final installment on pay-back (last of 4 payments)		
-----	-----		
1	From Fringe benefits		(10,500)
1	From Telemarketing		(2,000)
3	From Office operations		(7,000)
4	From Events/meetings		(500)
8	From Membership promotion		(2,000)
12	From Society allocations		(3,000)
6	Information services		25,000
	Adjustment (to reflect salary & fringe expense)		
-----	-----		
1	From Fringe		(7,000)
1	Salaries		7,000

*9/19/92 National Board of Directors voted to approve expenditure of \$125,600 and gave Executive Director and Executive Committee flexibility to authorize additional reasonable expenditures to cover cost overruns necessary to do the job right.

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
Proposed 1992-93 Budget
October 15, 1992

	1992-93 Proposed Budget -----	1991-92 Actual -----	1991-92 Approved Budget -----
Revenues:			
Membership			
Annual *	\$ 477,500	\$ 388,270	\$ 527,000
Multiple year	24,000	14,952	
Life	147,000	140,137	140,000
Sustaining life	10,000	14,016	
	-----	-----	-----
	658,500	557,375	667,000
	-----	-----	-----
Events			
Reunion	10,000	10,172	10,000
Annual meeting	35,000	55,870	30,000
	-----	-----	-----
	45,000	66,042	40,000
	-----	-----	-----
Services			
Tours	35,000	27,918	44,000
Advertising sales	202,000	148,123	150,000
Affinity card		4,984	4,000
	-----	-----	-----
	237,000	181,025	198,000
	-----	-----	-----
Endowment support			
Gen endowment/regular	169,000	158,000	158,000
Gen endow/Fall Preview		34,900	34,900
Endowment Fund - renovations	125,600		
Endowment Fund - enhancements	73,000		
	-----	-----	-----
	367,600	192,900	192,900
	-----	-----	-----
Other			
Interest	1,000	1,435	1,000
Alumni Club **	6,000	12,000	
Other		4,665	
	-----	-----	-----
	7,000	18,100	1,000
	-----	-----	-----
Total UMAA Support	1,315,100	1,015,442	1,098,900
	-----	-----	-----
University allotments	1,000,000	1,035,896	1,035,896
Rajender distribution ***	26,056		
3% reallocation			(31,077)
President's office - rent	42,000		
	-----	-----	-----
Total University Support	1,068,056	1,035,896	1,004,819
	-----	-----	-----
TOTAL REVENUES	\$ 2,383,156	\$ 2,051,338	\$ 2,103,719
	=====	=====	=====

* Includes additional society memberships

** Subject to contract considerations, only projected through December

*** Extra funding for certain staff as a result of the Rajender settlement, handled centrally until Fiscal 1992-93

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
Proposed 1992-93 Budget
October 15, 1992

	1992-93 Proposed Budget -----	1991-92 Actual -----	1991-92 Approved Budget -----
Expenses:			
Personnel			
Salaries *	\$ 950,000	\$ 830,028	\$ 831,000
Fringes *	240,000	194,613	225,000
Telemarketing salaries	14,000	24,431	35,000
Training/recruitment	12,000	17,357	9,000
Awards/recognition	8,000	9,753	9,000
Office Operations	128,000	70,055	90,000
Events/meetings	89,000	89,666	90,000
Travel/subsistence	52,000	28,218	38,000
Information services	136,500	137,244	136,000
Publication/promotion			
Publication	370,000	377,876	352,000
Membership promotion	135,056	140,570	137,686
Other promotion	24,000	377	36,000
Insurance	12,000	12,501	14,000
Equipment	135,600		7,000
Professional fees	9,000	8,000	8,000
Society allocation	68,000	86,033	86,033
	-----	-----	-----
TOTAL EXPENSES	\$ 2,383,156 =====	\$ 2,026,722 =====	\$ 2,103,719 =====
Excess<Deficient>Revenues	\$ 0 =====	\$ 24,616 =====	\$ 0 =====

*1991-92 projected/approved budget does not include Rajender amount of \$19,052, nor the related fringes (which were administered centrally)

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
Proposed 1992-93 Budget - Constituent Programs
October 15, 1992

	Adminis- trative	Societies	Chapters	Special Events	Sub-Total
	-----	-----	-----	-----	-----
Revenues:					
Membership					
Annual					
Life					
	-----	-----	-----	-----	-----
Homecoming					
Reunion				10,000	10,000
Annual meeting				35,000	35,000
Tours					
Advertising sales					
Affinity card					
Interest					
Society add membership		2,500			2,500
General endowment					
	-----	-----	-----	-----	-----
Total UMAA support		2,500		45,000	47,500
Total University support					
	-----	-----	-----	-----	-----
Total revenues		2,500		45,000	47,500
	=====	=====	=====	=====	=====
Expenses:					
Personnel services	102,000	205,000	130,000	20,000	457,000
Telemarketing salaries					
Training/recruitment	1,000	3,000	1,000		5,000
Awards/recognition	1,000	1,000	1,000		3,000
Office operations	3,000	8,000	6,000	1,000	18,000
Events/meetings	1,000	4,500	5,000	37,000	47,500
Travel/subsistence	3,000	5,000	21,000	1,000	30,000
Information services		3,000			3,000
Publication/promotion		9,000	4,000	1,000	14,000
Insurance					
Equipment		2,000			2,000
Professional fees					
Society allocation		68,000			68,000
	-----	-----	-----	-----	-----
Total expenses	111,000	308,500	168,000	60,000	647,500
	=====	=====	=====	=====	=====
Excess<deficient>revenues	(111,000)	(306,000)	(168,000)	(15,000)	(600,000)
	=====	=====	=====	=====	=====

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
Notes to Proposed 1992-93 Budget
October 15, 1992

Revenues:

Item

- 1 - Annual and multiple year membership revenue is based on projections for the year using 8/31/92 actuals. It anticipates that new promotions and targeted marketing efforts will average a 1% response rate, and that new memberships from miscellaneous promotional opportunities (walk-ins, bricks, tapes, event display/booth, etc.) will continue to replace expirations.
- 2 - Life membership revenue is based on 8,292 full and installment life member units as of 7/1/92. The level of transfer from the Obligated Fund is based on a 1.5% spread between the investment rate of return and the rate of inflation.
- 2a- Sustaining life revenue consists of support from life members resulting from special appeals.
- 3 - Emeriti reunion revenue anticipates 150 guests.
- 4 - Annual meeting revenue assumes 1,000 guests attending.
- 5 - Tours revenue is based on 13 scheduled tours with an average of 12 attendees.
- 6 - MINNESOTA magazine advertising revenue is anticipated to increase with the hiring of an additional sales representative.
- 7 - Affinity card revenue is not anticipated at this time.
- 8 - Endowment support is calculated at 6% of the General Endowment Fund's average market value for the past three years.
- 8a- Transfer from an unnamed University or UMF held fund for renovation to new space as approved at September 19, 1992 Board meeting.
- 8b- Transfer from an unnamed University or UMF held fund to cover the pro-rata cost in FY93 of 2 years of program enhancements. The approved annual budget is \$120,000. The FY93 budget assumes programs starting 12/1/92.
- 9 - Other revenue consists of savings account interest and management services income from the Alumni Club.

- 10 - University support is the amount to come from University Reserves. Included for the first time is allowance for the Rajender salary settlement distribution, which had previously been cross charged to Central Administration. Also included is the \$50,000 from the President's Office for rent on new office space. University support is budgeted at 45% in FY93. It reflected 50% of actual revenue in FY92.

Expenses:

Item

- 1 - Program staff salaries, civil service salaries, and AFSCME clerical salaries and related fringe benefits are stated at their actual Fiscal 1993 level with progression step increases at anniversary date included for AFSCME clerical staff. Personnel costs also include: the new enhancement positions (mentoring, legislative and support staff); .50% CLA alumni society staff position; .25% IAFHE secretary; .50% IT Alumni Society staff position; interns and 5 student workers.

Telemarketing salaries are based on an average student staff of 2 phoners.

- 2 - Training/recruitment and awards/recognition are costs within the operating budget. Expense for selected awards are paid from selected endowment funds and are not included in this line.
- 3 - Office operations budgeted amount allows for inflation and anticipates continued success in controlling other costs. It also includes rent beginning 9/1/92 at 4,167/mo.
- 4 - Events/meeting include projected expenses at close to breakeven level for programmatic events; Board and committee meeting expenditures are included at 1992 levels; with the continued effort to hold back on other event/meeting expenses.
- 5 - Travel/subsistence reflects a step up in geographical outreach travel by speakers and staff, and the new enhancement positions.

- 6 - Information services includes \$115,000 for UMAA's portion of the contract with Arthur Anderson and the \$25,000 pay-back to AIS (the final of four), as negotiated by the University Foundation; service bureau charges for financial data processing and AIS on-line charges. This amount is net of the \$12,000 share that Alumni Societies (\$6,000) and Alumni Club (\$6,000) will be expected to pay for services under the Arthur Andersen contract.
- 7 - Publication includes bid costs and magazine sales consultant commissions for 5 regular issues and the Fall Preview issue.
- 8 - Promotion expense allows for membership promotion at the 1992 level. Other promotion includes increased usage of brochures/newsletters and video-production.
- 9 - Insurance includes contents, equipment, and liability coverages.
- 10 - Equipment costs include 4 additional MAC computers (3 for new enhancement positions), allowance for possible equipment upgrades, and the costs related to renovating the new office space.
- 11 - Professional fees include the cost of the annual audit and tax return preparation.
- 12 - The amount available for Alumni Society allocation is based on the number of members as of 7/1/92.

REPORT OF INDEPENDENT ACCOUNTANTS

The Board of Directors

University of Minnesota Alumni Club:

We have audited the accompanying balance sheets of the University of Minnesota Alumni Club (the Club) as of June 30, 1992 and 1991, and the related statements of revenues, expenses and fund balance (accumulated deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Club's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the University of Minnesota Alumni Club as of June 30, 1992 and 1991, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Coopers & Lybrand

Minneapolis, Minnesota
August 21, 1992

UNIVERSITY OF MINNESOTA ALUMNI CLUB
BALANCE SHEETS, June 30, 1992 and 1991

ASSETS	<u>1992</u>	<u>1991</u>
Current assets:		
Cash	\$116,859	\$ 66,864
Accounts receivable		425
Prepaid expenses	<u>891</u>	<u>1,053</u>
Total assets	<u>\$117,750</u>	<u>\$ 68,342</u>
LIABILITIES AND FUND BALANCE (ACCUMULATED DEFICIT)		
Current liabilities:		
Accounts payable and accrued expenses	7,271	6,525
Deferred revenue	<u>98,666</u>	<u>72,801</u>
Total current liabilities	105,937	79,326
Fund balance (accumulated deficit)	<u>11,813</u>	<u>(10,984)</u>
Total liabilities and fund balance (accumulated deficit)	<u>\$117,750</u>	<u>\$ 68,342</u>

The accompanying notes are an integral
part of the financial statements.

UNIVERSITY OF MINNESOTA ALUMNI CLUB

STATEMENTS OF REVENUES, EXPENSES AND
FUND BALANCE (ACCUMULATED DEFICIT)

for the years ended June 30, 1992 and 1991

	<u>1992</u>	<u>1991</u>
Revenues:		
Membership and initiation fees	\$205,706	\$201,891
Interest income	<u>3,978</u>	<u>3,544</u>
Total revenues	<u>209,684</u>	<u>205,435</u>
Expenses:		
Salaries and employee benefits	72,333	69,514
Rent	60,000	60,000
Publication and promotion	20,634	19,957
Management and financial services	12,000	
Supplies and materials	7,627	7,248
Insurance	1,350	1,461
Data processing services	8,722	9,077
Travel and subsistence	639	929
Other	<u>3,582</u>	<u>2,743</u>
Total expenses	<u>186,887</u>	<u>170,929</u>
Excess of revenues over expenses	22,797	34,506
Fund balance (accumulated deficit):		
Beginning of year	<u>(10,984)</u>	<u>(45,490)</u>
End of year	<u>\$ 11,813</u>	<u>\$(10,984)</u>

The accompanying notes are an integral part of the financial statements.

UNIVERSITY OF MINNESOTA ALUMNI CLUB

STATEMENTS OF CASH FLOWS

Increase in Cash

for the years ended June 30, 1992 and 1991

	<u>1992</u>	<u>1991</u>
Cash flows from operating activities:		
Excess of revenues over expenses	\$ 22,797	\$34,506
Changes in assets and liabilities:		
Accounts receivable	425	(425)
Prepaid expenses	162	1,005
Accounts payable and accrued expenses	746	1,916
Deferred revenue	<u>25,865</u>	<u>(6,316)</u>
Net cash provided by operating activities	49,995	30,686
Cash, beginning of year	<u>66,864</u>	<u>36,178</u>
Cash, end of year	<u>\$116,859</u>	<u>\$66,864</u>

The accompanying notes are an integral part of the financial statements.

UNIVERSITY OF MINNESOTA ALUMNI CLUB

NOTES TO FINANCIAL STATEMENTS

1. Description of Organization:

The University of Minnesota Alumni Club (the Club) was incorporated as a nonprofit organization for the purpose of promoting the interests and objectives of the University of Minnesota in a social atmosphere and assisting the University of Minnesota Alumni Association (the Association). The Club is governed by a Council of Governors and managed by the Association's executive director. The president of the Club serves as a liason member of the Association's National Board.

The Club has an operating agreement with the owner of the building who, in turn, has an agreement with a restaurant management company that operates the restaurant facilities in the Club. The restaurant management company is not paid a separate management fee by the Club but is entitled to the profits and losses from operating the restaurant service of the Club. As such, the operations of the restaurant are not included in the accompanying financial statements.

2. Summary of Significant Accounting Policies:

The accompanying financial statements under the guidelines of the Audit and Accounting Guide for Audits of Certain Nonprofit Organizations have been prepared using the accrual method of accounting.

REVENUE RECOGNITION:

Membership and initiation fees are recorded as revenue in the period earned. Unearned membership fees are amortized over the term of the membership and are reflected as deferred revenue on the balance sheet.

3. Federal Income Taxes:

The Club is a tax-exempt organization under Section 501(c)(7) of the Internal Revenue Code and is only subject to federal income tax on its net unrelated business income, which was insignificant in 1992 and 1991.

Continued

UNIVERSITY OF MINNESOTA ALUMNI CLUB

NOTES TO FINANCIAL STATEMENTS, Continued

4. Leased Facilities:

The Club leases space under a 12-month lease agreement which expires on December 31, 1992. Monthly payments of \$5,000 are required under terms of the agreement.

5. Related Party:

The Club is provided financial and management services by the Association. Prior to fiscal year 1992, these services were provided without charge to the Club. However, during fiscal year 1992, the Club was charged \$12,000 for such services by the Association.

REPORT OF INDEPENDENT ACCOUNTANTS

The Board of Directors
University of Minnesota Alumni Association:

We have audited the accompanying balance sheet of the University of Minnesota Alumni Association as of June 30, 1992, and the related statements of revenues, expenses and changes in fund balances and cash flows for the year then ended. We previously audited and reported upon the financial statements of the University of Minnesota Alumni Association for the year ended June 30, 1991, totals of which are included for comparative purposes only. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the University of Minnesota Alumni Association as of June 30, 1992, and the results of its operations and changes in its cash flows for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 1 to the financial statements, the Association changed its method of recording its investments and related investment income in 1991.

Coopers & Lybrand

Minneapolis, Minnesota
August 25, 1992

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION

BALANCE SHEET, June 30, 1992
(with comparative totals for 1991)

ASSETS	Operating Fund
Current assets:	
Cash	\$ 71,209
Accounts receivable	35,785
Prepaid expenses	26,727
Due from endowment fund	2,324
Due from obligated fund	57,047
Foundation-held funds receivable	
Cash held for others	15,588
Total current assets	208,680
Investment securities, at fair value	
Prudential Insurance Company of America - advance premium account	
Equipment, at cost, less accumulated depreciation of \$75,886 in 1992 and \$50,821 in 1991	
	\$208,680
LIABILITIES AND FUND BALANCES	
Current liabilities:	
Accounts payable and accrued expenses	78,531
Foundation-held funds payable	
Payable to alumni society groups	53,320
Cash held for others	15,588
Due to operating fund	
Due to obligated fund	
Deferred revenue	36,868
Total current liabilities	184,307
Fund balances	24,373
	\$208,680

The accompanying notes are an integral
part of the financial statements.

1992

<u>Obligated Fund</u>	<u>General Endowment Fund</u>	<u>Total</u>	<u>1991 Total</u>
		\$ 71,209	\$ 35,627
		35,785	21,629
		26,727	18,235
		2,324	27,500
		57,047	
	\$ 19,720	19,720	24,954
		<u>15,588</u>	<u>9,300</u>
	19,720	228,400	137,245
\$3,139,216	3,089,947	6,229,163	5,540,652
	83,222	83,222	279,242
	<u>63,865</u>	<u>63,865</u>	<u>82,931</u>
<u>\$3,139,216</u>	<u>\$3,256,754</u>	<u>\$6,604,650</u>	<u>\$6,040,070</u>
		78,531	73,200
			8,462
		53,320	49,013
		15,588	9,300
57,047	2,324	59,371	25,000
			2,500
		<u>36,868</u>	<u>1,875</u>
57,047	2,324	243,678	169,350
<u>3,082,169</u>	<u>3,254,430</u>	<u>6,360,972</u>	<u>5,870,720</u>
<u>\$3,139,216</u>	<u>\$3,256,754</u>	<u>\$6,604,650</u>	<u>\$6,040,070</u>

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES

for the year ended June 30, 1992
(with comparative totals for 1991)

Revenues:

Membership fees:

One, three and five year
Life

Total memberships

Contributed support from the University of Minnesota
Interest and dividends
Net appreciation in the fair value of investment securities
Group insurance dividends contributed by members
Advertising
Tours
Endowment support
Other

Total revenues

Expenses:

Publications and promotions
Salaries and employee benefits
Office supplies and materials
Data processing service
Travel and subsistence
Contribution to alumni societies
Depreciation
Insurance
Scholarships and awards
Other

Total expenses

Excess (deficiency) of revenues over expenses before cumulative effect
of the change in accounting principle in 1991

Cumulative effect on prior years (to June 30, 1990) of change in accounting
method of valuing investment securities

Excess (deficiency) of revenues over expenses

Other changes in fund balances:

Transfer of prior fiscal year life membership fees
Transfer to finance current operations
Transfer of equipment to General Endowment Fund
Fund balances (deficit), beginning of year

Fund balances, end of year

The accompanying notes are an integral
part of the financial statements.

1992				
<u>Operating Fund</u>	<u>General Obligated Fund</u>	<u>Endowment Fund</u>	<u>Total</u>	<u>1991 Total</u>
\$ 403,222			\$ 403,222	\$ 494,970
	\$ 51,481		51,481	77,075
403,222	51,481		454,703	572,045
1,035,896			1,035,896	1,035,896
1,435	100,641	\$ 112,320	214,396	305,284
	275,995	265,295	541,290	21,463
		20,452	20,452	51,222
148,124			148,124	15,018
27,918			27,918	16,954
75,484			75,484	61,778
101,707		904	102,611	89,658
<u>1,793,786</u>	<u>428,117</u>	<u>398,971</u>	<u>2,620,874</u>	<u>2,169,318</u>
576,768			576,768	439,823
1,107,891			1,107,891	1,098,972
70,058			70,058	86,180
137,244			137,244	132,629
28,218			28,218	38,253
86,033			86,033	86,726
		25,749	25,749	24,983
12,500			12,500	13,532
30,000			30,000	30,000
51,161	2,500	2,500	56,161	95,361
<u>2,099,873</u>	<u>2,500</u>	<u>28,249</u>	<u>2,130,622</u>	<u>2,046,459</u>
(306,087)	425,617	370,722	490,252	122,859
				919,177
(306,087)	425,617	370,722	490,252	1,042,036
31,453	(31,453)			
333,037	(140,137)	(192,900)		
(6,683)		6,683		
(27,347)	2,828,142	3,069,925	5,870,720	4,828,684
<u>\$ 24,373</u>	<u>\$3,082,169</u>	<u>\$3,254,430</u>	<u>\$6,360,972</u>	<u>\$5,870,720</u>

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION

STATEMENT OF CASH FLOWS

Increase (Decrease) in Cash

for the year ended June 30, 1992
(with comparative totals for 1991)

Cash flows from operating activities:

Excess (deficiency) of revenues over expenses

Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided by operating activities:

Depreciation

Provision for bad debts

Loss on write-down of works of art

Investment income

Changes in assets and liabilities:

Accounts receivable and prepaid expenses

Due from endowment fund

Due from obligated fund

Foundation-held funds receivable

Accounts payable and accrued expenses

Foundation-held funds payable

Payable to alumni society groups

Due to operating fund

Due to obligated fund

Deferred revenue

Board-approved transfers:

Transfer of prior fiscal year life membership fees

Transfer to finance current operations

Transfer of equipment

Net cash provided (used) by operating activities

Cash flows used by investing activities:

Purchases of investment securities

Proceeds from sales of investment securities

Increase in advance premium account - Prudential Insurance Co. of America

Withdrawal from advance premium account - Prudential Insurance Co. of America

Net (increase) decrease in short-term investments - money market funds

Purchase of equipment

Net cash used by investing activities

Net increase (decrease) in cash

Cash at beginning of year

Cash at end of year

The accompanying notes are an integral part of the financial statements.

1992

<u>Operating Fund</u>	<u>General Obligated Fund</u>	<u>Endowment Fund</u>	<u>Total</u>	<u>1991 Total</u>
\$(306,087)	\$ 425,617	\$ 370,722	\$ 490,252	\$ 1,042,036
3,939		25,749	25,749 3,939	24,983
	(376,636)	(362,155)	(738,791)	39,628 (940,640)
(30,337)	1,875	1,875	(26,587)	63,325
22,676	2,500		25,176	42,500
(57,047)			(57,047)	32,783
		5,234	5,234	(24,954)
5,331			5,331	(47,584)
		(8,462)	(8,462)	8,462
4,307			4,307	6,726
	57,047	(22,676)	34,371	(45,000)
		(2,500)	(2,500)	2,500
34,993			34,993	(9,806)
31,453	(31,453)			
333,037	(140,137)	(192,900)		
(6,683)		6,683		
<u>35,582</u>	<u>(61,187)</u>	<u>(178,430)</u>	<u>(204,035)</u>	<u>194,959</u>
	(2,500)	(231,932)	(234,432)	(6,714,460)
	63,687	221,025	284,712	5,571,257
		(35,912)	(35,912)	(69,376)
		231,932	231,932	
		(6,683)	(6,683)	1,014,405 (1,254)
	<u>61,187</u>	<u>178,430</u>	<u>239,617</u>	<u>(199,428)</u>
35,582			35,582	(4,469)
<u>35,627</u>			<u>35,627</u>	<u>40,096</u>
<u>\$ 71,209</u>	<u>-</u>	<u>-</u>	<u>\$ 71,209</u>	<u>\$ 35,627</u>

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies:

ASSOCIATION DESCRIPTION:

The University of Minnesota Alumni Association (the Association) is organized to develop and encourage alumni interest in the University of Minnesota for the betterment of the University and its faculty, students, and graduates.

The Association also provides accounting and management support to the University of Minnesota Alumni Club.

FUND PURPOSES:

The funds of the Association do not carry restrictions by external parties. The Board of Directors, however, has designated funds for certain activities. The purpose of each fund, and Board designations on them, if any, are:

Operating Fund

Used to account for all revenues from one-, three- and five-year memberships, other sources of operation support, and expenses not designated for any other fund, which finance the principal activities and services of the Association.

Obligated Fund

Designed by the Board of Directors to account for all revenues received from life memberships that will be used in future years to finance the principal activities and services of the Association. Expenses for this purpose are paid out of the Operating Fund after an annual transfer of funds from the Obligated Fund.

General Endowment Fund

The General Endowment Fund was established to receive resources not used for operations to provide a general endowment for Association programs. Income of the General Endowment Fund may be transferred to the Operating Fund as determined by the Board of Directors.

Fund Transfers

The Board of Directors approves all transfers between funds. During 1992, transfers of \$192,900 were made from the General Endowment Fund and \$140,137 from the obligated fund to the Operating Fund to finance current operations.

Continued

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS, Continued

1. Summary of Significant Accounting Policies, continued:

BASIS OF PRESENTATION:

The financial statements of the Association have been prepared on the accrual basis of accounting under the guidelines of the Audit and Accounting Guide for Audits of Certain Non-profit Organizations. Significant accounting policies followed by the Association are:

Valuation of Investment Securities

During 1991, the Association changed its method of valuing investment securities from the cost method to the fair value method when it sold its existing investments and transferred the funds into a commingled investment fund managed by the University of Minnesota Foundation (the Foundation). The assets of this fund (equity and debt securities and fixed interest obligations) that are traded on a national securities exchange are valued at the last reported sales price on the last business day of the year; investment securities traded in the over-the-counter market are valued at the last reported bid price. The Association made the change because cost information pertaining to the assets held by the Foundation is not available. Had the effects of this change been applied retroactively, the excess of revenues over expenses would have decreased by \$919,177 in 1991.

The statement of revenues, expenses, and changes in fund balances includes the net appreciation in the fair value of investment securities. This consisted of both realized gains and losses and the change in unrealized appreciation/depreciation in the fair value of those investment securities held in 1992 and 1991.

Equipment

Equipment is recorded at cost and depreciated using the straight-line method of depreciation with a ten-year life for office equipment and a five-year life for computer equipment. The cost and related accumulated depreciation on asset disposals are removed from the accounts and any gain or loss thereon is included in operations.

Memberships

The Association records one-year and life memberships as revenues in the period received while three- and five- year membership revenues are deferred and amortized to income over three and five years, respectively, using the straight-line method. During 1992, the Association began recording life membership fees collected as revenue in the obligated fund. Prior to 1992, these revenues were recorded in the operating fund during the year they were collected and were subsequently transferred to the obligated fund in the following year. In

Continued

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS, Continued

1. Summary of Significant Accounting Policies, continued:

BASIS OF PRESENTATION, continued:

Memberships, continued:

addition, a transfer was made in 1992 from the obligated fund to the operating fund in the amount of \$31,453 representing the restoration of a portion of 1990 revenues which were previously transferred from the operating fund. In 1991, revenue of \$108,528 was transferred representing life membership fees collected and recorded in the operating fund during 1990. In addition, a transfer was made in 1991 from the obligated fund to the operating fund to finance Association activities for life members. This transfer amounted to \$113,957 in 1991 and was determined by an actuarial valuation performed for the Association.

Interest and Dividends

Interest income is recorded as earned on an accrual basis and dividend income is recorded on the ex dividend date.

Pension Plans

All employees of the Association who meet age and length-of-service requirements participate in either civil service or faculty pension plans. The plans require contributions by both employer and employees. Pension expense is included with salaries and employee benefits, as the amounts incurred are not separately identifiable, since employee benefits are all paid in aggregate. The Faculty Retirement plan is a defined contribution plan and is fully funded. The Civil Service Retirement plan is a defined benefit plan.

Income Taxes

The Association is classified as a tax-exempt organization by the Internal Revenue Service under the provisions of Section 501(c)(3) of the Internal Revenue Code and is only subject to federal income tax on its net unrelated business income.

2. Related Party Transactions:

Certain expenses relating to the Association's operations are funded by the University of Minnesota and such funding is included as revenues in the accompanying statement of revenues, expenses, and changes in fund balances. These funded expenses consisted of \$1,035,896 in 1992 and 1991 for a portion of the Association's salaries and employee benefits.

The Association is located in facilities on the University of Minnesota campus. These facilities are provided rent-free with no specified term.

Continued

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS, Continued

3. Investment Securities:

At June 30, 1992, investments with a fair value of \$6,229,163 have been made in the Foundation Management Agency Fund (the Fund) managed by the Foundation, the Association's investment manager. Investments in the Fund are primarily equity and debt securities and fixed income investments. The Association held approximately 2% of the total fair value of the Fund investments at June 30, 1992.

Net appreciation in the fair value of investment securities consisted of the following for the years ended June 30, 1992 and 1991:

	<u>1992</u>	<u>1991</u>
Net realized gain on the sale of investment securities	\$516,281	\$ 95,304
Net unrealized appreciation (depreciation) in the fair value of investment securities held	<u>25,008</u>	<u>(73,841)</u>
	<u>\$541,289</u>	<u>\$ 21,463</u>

In addition to the net realized gain on the sale of investment securities included above for 1991, the Association recognized net gains of \$919,177, which have been recorded as the cumulative effect on prior years of change in accounting method of valuing investment securities in the statement of revenues, expenses, and changes in fund balances.

4. Prudential Insurance Company of America - Advance Premium Account:

The Association has established a special reserve account with Prudential Insurance Company of America, its group life insurance carrier. This account accumulates policy dividends from the group life insurance plan in which some of the Association's members participate. Insured members voluntarily transfer all rights to interest and dividend earnings to the Association annually. Activity in the account during the two years ended June 30, was:

	<u>1992</u>	<u>1991</u>
Balance at beginning of year	\$ 279,242	\$209,866
Interest earned	15,460	18,154
Dividends earned	20,452	51,222
Withdrawal	<u>(231,932)</u>	<u> </u>
Balance at end of year	<u>\$ 83,222</u>	<u>\$279,242</u>

Continued

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS, Continued

5. Cash Held for Others:

The Association contributes approximately \$2.50 per member of annual membership dues to each alumni society group to which the paying member belongs. These funds and other miscellaneous alumni society monies that are received by the Association are maintained in a bank account on behalf of the various alumni society groups. Contributions of annual membership dues to alumni society groups amounted to \$86,033 in 1992 and \$86,726 in 1991.

Cash held for others of \$15,588 and \$9,300 at June 30, 1992 and 1991, respectively, represents contributions to alumni society groups that are available for their use. The total amount payable to alumni societies is \$53,320 and \$49,013 at June 30, 1992 and 1991, respectively, remaining from previously specified Association alumni society program funds.

6. Funds Held for the Association:

The University of Minnesota and the Foundation hold and control certain additional funds at market value that, subject to various restrictions, are available to the Association. At June 30, 1992, the Foundation held \$159,204 available to the Association and an additional \$634,277 for which the principal must remain intact (Endowment Funds) at the donor's request. Similarly, at June 30, 1992, the University of Minnesota held \$801,818 available for Association use and \$746,908 of Endowment Funds.

Making the Minnesota Connection

100 Morrill Hall
100 Church Street SE
Minneapolis, MN 55455-0110
Telephone (612) 624-2323

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION (UMAA)
Officers and Committee Chairs
Hvass, Weisman & King, Chartered
Minneapolis, Minnesota
February 17, 1993**

Present:

Michael W. Unger
Linda Mona
Billie Anne Juni

Staff Present:

Margaret Carlson
Jane Whiteside

There was discussion about the upcoming retreat involving the UMAA and the University of Minnesota Foundation. The retreat is scheduled for April 28-29, 1993 at the Riverwood Conference Center in Monticello, MN.

Minutes Respectfully Submitted,

Michael W. Unger
President

by

Travelle Evans-Vann
Executive Assistant

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
National Board of Directors**

**Saturday January 23, 1993
8:30 a.m.**

**Campus Club, Fourth Floor, West Wing
Coffman Memorial Union
Minneapolis, Minnesota**

Board Members Present:

Dale Anderson
Ann Barksdale
John Bergstrom
Rollin Dennistoun
Georgiann Errigo
Mary Flinn
John French
Curman Gaines
Nils Hasselmo
Ann Huntrods
Steve Jackelen
Carol Johnson
Ron Jost
Billie Anne Juni
Jay Kiedrowski
Larry Laukka
Richard Lindgren
Becky Malkerson
Janie Mayeron
Kathleen O'Brien
Leonard Parker
Willard Powell
Kati Sasseville
Judy Schell for Laura Langer
Wendy Sharpe
Mary Ellen Spector
Mike Sullivan

Bruce Thorpe
Marvin Trammel
Ted Tulashie
Mike Unger
Richard Whitney
Anthony Yapel
Shirley Zimmerman

Guests Present:

Scott Elton

Board Members Unable to Attend:

Rick Broderius
Gordon Dunkley
Michael Hart
Bruce Hawkinson
Michael Huerth
Lynn Hughes
Ezell Jones
Duane Kullberg
Dee McManus

Ron Merckling
Linda Mona
Dee Peterson
Dianne Seddon
Paul Vesterstein

UMAA Staff Present:

Sam Berens
Margaret Carlson
Travelle Evans-Vann

Diane Fisher
Molly Grove
Jean Marie Hamilton
Karen Heine
Cheryl Jones
Reva Kaplan
Carmela Kranz
Deanne Magnusson
Teresa Scalzo
Jane Whiteside
Lori Winters

Other Staff Present:

Jerry Fischer
Lucy Kragness
Maddy Maxeiner
Dave Teslow

INTRODUCTIONS

Mike Unger, national president of the University of Minnesota Alumni Association (UMAA), called the meeting to order at 8:30 a.m. and asked that members introduce themselves and relate their most vivid memory of the University of Minnesota. Unger made some introductory remarks about the UMAA and its purpose. "The UMAA mission is to speak up as alumni for the University," he said, "and one of the ways to achieve that mission is through the UMAA Alumni Legislative Network." Unger introduced the new legislative coordinator, Molly Grove, saying that having worked for the Minnesota House of Representatives as an assistant, she has a "wonderful combination of abilities" and understands the political process, especially regarding education. Unger then introduced University of Minnesota President Nils Hasselmo to report on legislative issues.

THE UNIVERSITY, THE LEGISLATURE, AND YOU

President Hasselmo prefaced his remarks by saying he appreciated the dedication of all UMAA national board members. Hasselmo was especially impressed by the histories he heard when members shared their most vivid impressions of the University. Hasselmo said he was pleased Molly Grove was joining the UMAA and that legislators have taken note of her appointment. He said legislators' reactions have reflected a mixture of pleasure and fear of what the Alumni Legislative Network will be doing.

President Hasselmo said the University's most important priority right now is presenting to the state's political leadership, in a "very comprehensive, challenging, creative way," what the University means to the State of Minnesota. He said this has been a watershed year for the University. It has been through trials and tribulations, it is still going through trials and tribulations, and it has adopted a very aggressive agenda of change. This agenda has caused pain and suffering, but it has cleared the road for a better University in the future. These are the messages that must be delivered, however difficult. This legislative request is not an ordinary request. It places before the state the agenda for the University. The UMAA legislative effort could not have come at a better time.

The legislative request for this year has six key messages:

1. The University of Minnesota takes the need for change seriously:

- The five-year \$60 million reallocation plan, begun in 1991, is on target.
- Undergraduate enrollment on the Twin Cities campus has been reduced by 6,000 full-year-equivalent students, the legislative target.
- The School of Management and the College of Education have been downsized.
- The Waseca campus was closed.
- The largest course section in 1992 was 684 compared to 1,069 in 1986.
- In fall 1992, only two sections exceeded 400, compared to 13 in 1986.
- 80 percent of all sections had fewer than 30 students, compared to 75 percent in 1986.
- 81 percent of first-year students return--a 14 percent increase.
- 39 percent of students graduate in five years--an 18 percent increase.
- A new liberal arts curriculum on the Twin Cities campus has been implemented to improve undergraduate education.

2. The University of Minnesota did its part during the last biennium (1991-93).

- No increased funding was asked for, only protection from further cuts.
- The biennial budget was cut by \$43 million, and no state funds were provided for salary, utility, or inflation increases.
- The \$43 million base cut, plus an inflation/salary adjustment for the second year of the biennium, was handled by:

- freezing salaries the first year
 - increasing tuition
 - eliminating, curtailing, consolidating programs
 - eliminating more than 1,000 positions.
- In spite of these, the 1991 reallocation plan was kept on schedule.

3. The University of Minnesota is accountable.

- Accountability is identifying problems and correcting them.
- Accountability is explaining why the University does what it does.
- Accountability is informing citizens about what they get for their tax dollars.

4. The University of Minnesota is one of the most productive universities in the country.

- 11,000 degrees were awarded last year.
- More than 250,000 living Minnesota citizens are University graduates.
- The graduates of just one college, the Institute of Technology, started 550 companies--half of them in the last 15 years.
 - Two-thirds of these companies are in Minnesota.
 - They employ 52,000 Minnesotans.
 - They indirectly create 26,000 more jobs.
- \$273 million in research funds was attracted to the University last year—seventh highest in the nation.
 - Research funds, not state tax dollars, created 6,000 jobs in the University and 4,000 more in the community.
- Two-thirds of University employees are supported by nonstate funds, a 48 percent increase over the last 16 years.
- The number of state-funded employees increased by only 0.4 percent over 16 years.
- The state appropriation makes up 28 percent of the University's total revenue, down from 39 percent in 1953.

5. The University of Minnesota has been, and will continue to be, a good partner as the state tackles its financial problems.

The University will continue to rely on internal reallocation—not new tax dollars—for program quality improvements. However, the reallocation commitments and the successive years of budget cuts and tuition increases mean that the University cannot absorb a reduced or flat budget without harming the quality of the work we do or reducing access for students or citizens.

- To protect the state's 100-plus-year investment, the top priority for the next biennium is a 3.5 percent inflation adjustment each year.
- The second priority is to keep \$6.5 million a year that comes in with research grants to cover indirect costs. That money would address the deferred maintenance problems that now total \$200 million.
- The third priority is the three "Investment Initiatives" proposed to the governor and the Department of Finance for the next biennium:
 - \$1.2 million for the Consortium on Children, Youth, and Families
 - \$2.01 million for distance learning
 - \$0.8 million for water research/Lake Superior

6. The University is of fundamental importance to the state's long-term future.

- The state invests \$435 million in the University.
- Other sources invest \$1.14 billion.
- Combined, these create another \$523 million in indirect economic impact and another 13,413 jobs.
- \$125 million is immediately returned through taxes paid to the state.
- More important, this investment keeps giving in terms of new knowledge and a better educated citizenry, leading to a better quality of life.
- Investment in the University is investment in Minnesota's future.

Regarding tuition increases, President Hasselmo told the board that the Higher Education Coordinating Board (HECB) is recommending an increase in state-funded financial aid of \$33 million to help undergraduate students with financial needs. The money would come from the state's general fund, but, if there is not enough money in the general fund, the HECB recommends that the state reduce its allocation for public higher education to free up the necessary funds. This would have the effect of forcing the University to increase tuition, possibly as much as 10 percent. President Hasselmo reported that the Board of Regents is opposed to this and has drafted a resolution asking the HECB to seek alternative sources of state and federal support for financial aid.

President Hasselmo was asked, if in effect, students in private colleges could get state subsidies greater than the cost of those same programs at the University. President Hasselmo replied that while it hasn't happened yet, there is a possibility that it could at the University. Mike Unger explained that financial aid is determined by a student's need, and since tuitions are higher at private institutions, the level of need is higher if the student decides to go to that institution. Unger also stated that this is a very important public policy issue.

Another concern was raised about the perceptions of the University's accountability in the corporate world. Many CEOs find it hard to understand how the University works, and why President Hasselmo, as "CEO," can't just change things. It was also noted that there was no funding in the budget for plant and equipment. President Hasselmo was asked if there was any way to convince the legislature to maintain the University's equipment and plant because "if a society can't maintain what it has, it's on the way down."

President Hasselmo replied that the University is changing things and is not afraid of taking action when it discovers malfeasance or incompetence, even among tenured faculty. The faculty leadership has adopted new workload principles that give the University a foundation on which to base future evaluations. In addition, grievance procedures are being revised with the help of the faculty. President Hasselmo said it is most important to operate in ways appropriate to a University and preserve academic freedoms. On the question of the budget request, President Hasselmo reported that the legislature invites the University to concentrate on physical facilities and on programs in alternate years. This year is a program year. Regarding deferred maintenance, President Hasselmo said that in some ways it is the University's responsibility, as the deferred maintenance problem has not been aggressively pursued in the past. The University has tried to invest in programs not buildings, but in historical retrospect those decisions may not have been entirely wise.

It was stated that in times of tight finances there seems to be those who seek to find things to discredit the University. For example, the issue of a University professor's work week has been raised in the media. Is there a way to respond quickly to these issues and is it a job the UMAA could do? President Hasselmo replied that materials are available that board members could use to help defuse those critics. Cited were profiles of faculty that illustrate what it means to teach, do research, and reach out. Kathy O'Brien directed the board to a fact sheet on faculty workloads and

personal profiles included in their packets. President Hasselmo reported that new faculty workload principles are in place that will give the University a "vehicle to describe more succinctly what faculty do." In addition, those principles are being used to set workload requirements that are appropriate to the activities of each particular college. The current workload data shows that most faculty work 57 hours a week and that 33 of those hours involve teaching and teaching-related activities, which is close to the national average. It was suggested that this type of positive data needs to get to ordinary people.

It was suggested that the University immediately respond using the appropriate media when something appears in the news that could be detrimental to the University. President Hasselmo said it is "certainly something we should do" and that he had tried to do that regarding the public/private partnership issue.

It was pointed out that the University might want to define the faculty workload not only in terms of what happens on campus, but also in terms of contributions to the community as a whole. President Hasselmo replied that a task force called the Outreach Council is charged with taking a comprehensive look at all of the outreach activities of the University of Minnesota. Hasselmo said he had started to count all of the University projects involving K-12 education and when the count reached three dozen, he gave the job to someone else. The final count was 142 projects.

A board member with a master's degree from Harvard said that he "had been asked to make a contribution to that poor institution in Cambridge," but had never been approached to contribute to the University. President Hasselmo replied that the University's fund-raising record is outstanding; the University ranks third in the country among public universities. He said alumni are a potential source of funds and plans have been made to reach out to them.

After several more questions, President Hasselmo thanked the board for its help and attention. Mike Unger thanked President Hasselmo for coming and introduced the UMAA's new legislative network coordinator, Molly Grove.

REPORT FROM ALUMNI LEGISLATIVE NETWORK COORDINATOR

Grove told the board that unlike herself who "apparently strikes fear into the hearts of legislators," President Hasselmo does a wonderful job for the University at the legislature. President Hasselmo is considered very accurate, honest, and truthful, and legislators have expressed a great deal of appreciation for the tough decisions that he has been faced with and made.

Grove explained that she had worked for the House of Representative for six years, helping to write the funding bills that pay for higher education; she also worked with the constituents of committee chair Lyndon Carlson and learned firsthand that constituents make a big impact and that their input really does make a difference. Grove was also the campaign director for the House DFL Caucus for five years and worked with candidates and volunteers, writing plans, carrying out plans, and trying to get people elected. Her experiences have all helped give her a good understanding of how things work at the legislature and how slow things sometimes move. Grove said that nothing ever really happens on its own at the legislature, it takes a lot of people and a lot of work. It is, said Grove, a "fragile process that falls apart quickly, but also comes together very quickly and somehow gets done. The thing to remember is that legislators are basically just average people who don't usually think great thoughts or have wonderful ideas; they get them from you."

Higher education and the University are no longer sacred cows at the legislature, said Grove. The University needs to change the bad impressions that have been made in the press over the past years. Grove's goal is to create an organized group, with a strong but subtle message to send to the legislature. The UMAA will be able to make its presence known at the legislature through sheer numbers of involved alumni.

The goal for the University of Minnesota Alumni Association Alumni Legislative Network is to increase support of the University of Minnesota's legislative requests by:

- building on and strengthening the existing Alumni Legislative Network through training and education on the legislative process and the University's needs;
- explaining the role the University serves in Minnesota in order to develop a greater sense of "ownership" of the University by both alumni and nonalumni; and
- increasing the level and intensity of alumni participation in the legislative process.

The effort will focus on attainable objectives and measurable outcomes; by June 30, 1993, the plans include:

- 20 coffee parties
- 17 alumni society legislative briefings
- 20 alumni chapter legislative briefings
- 5 legislative hearings attended by network volunteers.

Grove directed the board to the packet of information which, in addition to the goals, contained several handouts (diagrams of how the UMAA Alumni Legislative Network relates to the University's legislative lobbying efforts, priority contacts in the legislature, a volunteer involvement checklist, a list of training session dates for alumni societies, a diagram of "How a bill gets passed" in the legislature, a legislative time line, and a sheet of guidelines for contacting legislators). Grove requested that during any contact with legislators, UMAA members wear something identifying them with the University.

It was suggested that alumni be encouraged to contact legislators by sending a postcard saying simply that the University is only asking for a cost of living raise and that the University has done its part in the 1991-1993 biennium. The message is short and simple. Another board member pointed out that it was people calling their congresspersons that affected the attorney general nominations and changed people's minds in Washington, D.C.

REPORT FROM CENTRAL ADMINISTRATION

Mike Unger introduced Kathleen O'Brien, associate to University President Nils Hasselmo. O'Brien told the board that hearing Molly Grove outline her plans was "invigorating" and that the commitment the board has shown by hiring her is very important to the University at this time. It is critical to the University to build a support base, to strengthen it, and to build a sense of ownership of the institution, she said.

Polling by the University shows that Minnesotans generally have a positive attitude toward the University in Minnesota. More than 80 percent of those surveyed recently said they felt either excellent or good about the University, but the largest percentage, about 60 percent, said they "feel pretty good" about the University. What that means, according to O'Brien, is that "they support the

University but maybe don't have the kind of understanding of the programs and products of the institution, and they don't have the ownership and passion that we'd like them to have." Building ownership is important for the University and will be aided by the legislative efforts of Molly Grove and the UMAA.

O'Brien reported that Jim Lewis has been temporarily assigned to a position similar to that of UMAA alumni legislative coordinator. Lewis, executive director of the 4-H Foundation, has been employed by the University for twenty years, is a graduate of the University of Minnesota, Morris,

and is very knowledgeable about the political process at the University. Lewis will be working with the deans and student and employee leaders helping to disseminate information and coordinate legislative efforts. This summer, O'Brien hopes to evaluate all of the University's efforts and decide which efforts were successful. She said she, Grove, and Lewis understand the importance of coordinating and collaborating and will work hard to work together.

O'Brien reported that the University's efforts to build support for the University through the "Glory Campaign" featuring alumnus Garrison Keillor have been very successful. Buttons, T-shirts and mugs are now available, and there are plans to begin the second part of the campaign in March before legislators get into their busy April and May schedules.

Asked if it was known how the campaign is being perceived, O'Brien said a few negative letters have been received, but most reactions have been positive. Margaret Carlson reported that one response that had not been predicted was the positive response within the University itself. O'Brien commented that some of the letters reacting negatively were from news media where the ads were not placed. Laukka commented that since the reaction to the ads was positive, there may be a use for them in the future and this may be a job that the UMAA could do for the University.

O'Brien said that the UMAA can become the eyes and ears of the University by reporting back what is being said about the University and bringing important questions back to the University to be addressed. O'Brien asked UMAA members to tell her or Carlson if they encounter legislators who are very angry and they feel that the University needs to know about it right away. Answering questions is important. As issues mature and actions are taken, information will be given to the UMAA in a timely fashion.

UMAA CUSTOMIZED LICENSE PLATES

Mike Unger introduced Scott Elton from University Relations who outlined the Collegiate License Plate Program, authorized by the legislature in 1992. License plates are being customized for state colleges and universities. They will cost an additional \$25 per year, with the money designated for student scholarships at the particular school chosen. Each campus of the University will have separate plate designs. All of the plate numbers will start with U, and include another letter, then three numbers. There are 999 plates with the prefix UM, and they have been assigned to the Twin Cities campus and will be available for an additional one-time fee of \$100, the other prefix assigned to the campus is UN. The plates may be ordered wherever license plates are renewed. Forms also will be available at the University.

ANNUAL MEETING

Karen Heine reported that the speaker for the 1993 annual meeting will be Pat Schroeder, a University of Minnesota alumnus and the senior congressional representative from Colorado. The meeting date is Monday, May 10, 1993. Ticket sales to the board will be coordinated by Becky Malkerson; Wendy Sharpe will coordinate the sales to alumni societies. Business executive Harvey Mackay, a past national president of the UMAA and best-selling author, will be the speaker for the 1994 annual meeting. Unger reminded the board that the May 10 national board meeting is the same day as the annual meeting.

FINAL RENOVATION COSTS FOR COFFMAN UNION SPACE

At the request of Finance Committee chair Ezell Jones, this item was tabled pending further review by the Finance Committee.

CONSENT ITEMS

All of the items on the consent agenda except the Communication Committee report were approved. There was discussion about the Communications Committee goal to provide input and consultation on a UMAA communications plan. It was stated that the Membership and Marketing Committee and the staff person assigned to that committee should be involved in developing that

plan. Carol Johnson, chair of the Communications Committee, said it's also a goal of the committee to work closely with other committees. After the discussion, the Communications Committee report was approved.

EXECUTIVE DIRECTOR'S REPORT

Margaret Carlson reported on a variety of items:

- Legislative briefings and alumni society meetings. Carlson wants to attend as many societies meetings as is possible, doing legislative briefings and working with alumni society boards.
- As part of the UMAA move to the Campus Club, the UMAA has agreed to help the Campus Club with basic renovations. Linda Mona and Carlson will be working with key design firms in the Twin Cities. Anyone knowing of people with goods and services to offer should contact Mona or Carlson. The UMAA will not subsidize the renovations, but will act as a broker.
- The Alumni Club lease is currently being renegotiated.
- In February, University President Nils Hasselmo will be calling on a key donor for the Gateway Center with whom Larry Laukka has been working with for the past year.
- A student recruitment ad, sponsored by IBM, was in the March/April issue of *Minnesota*. If members know of any other companies that would be willing to sponsor a student recruitment ad, contact Margaret Carlson.
- Personnel:
 - Finalists for the mentoring position have been interviewed and an offer will be made in a week or so.
 - Ron Johnson, the UMAA membership/marketing director, has returned to his former company, which offered him a promotion. The job description for the director of marketing and membership has been revised and the deadline for applications is February 17.
- Events:
 - Men's basketball, January 23, 3:00 p.m.
 - Women's basketball is trying to set a record attendance for its game on January 24
 - Volunteers are needed for the Big Ten Director's meeting on May 17 and 18 to pick up the national presidents and the executive directors of various alumni associations from the airport, take them on individual tours of the Twin Cities, and drive them back to the airport on May 18.
- The UMAA has been playing a five-minute segment of Garrison Keillor's Annual Meeting speech at the end of events. Carlson requested that, if possible, every society event end with the tape for the next year.

Carlson concluded the report by saying that in spite of the struggles with space and so many things, it's been a great year.

ADJOURNED

Mike Unger adjourned the meeting at 11:35 a.m.

Minutes Respectfully Submitted
Larry Laukka, Secretary

by

Travelle Evans-Vann,
Executive Assistant

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION

Officers and Committee Chairs

THURSDAY, DECEMBER 10, 1992

7:30 a.m.

Hvass, Weisman & King, Chartered
Minneapolis

Present:

Carol Johnson
Billie Anne Juni
Larry Laukka
Dee McManus
Linda Mona
Mike Unger

Unable to Attend:

John French
Ezell Jones
Janie Mayeron

Staff Present:

Margaret Carlson
Travelle Evans-Vann
Diane Fisher
Ron Johnson
Jeanne Marie Hamilton
Deanne Magnusson
Jane Whiteside

UMAA President Mike Unger called the meeting to order at 7:42 a.m.

MINUTES

The minutes of October 22 and October 27, 1992, were approved as mailed.

UMAA/UMF RETREAT

Margaret Carlson, Mike Unger, Janie Mayeron, Linda Mona, Larry Laukka, and Ezell Jones will be attending a retreat April 28-29 with representatives from the University of Minnesota Foundation (UMF). Carlson asked the officers and chairs to do strategic planning for the retreat, specifically what the UMAA would like to achieve from the retreat. Carlson and Jerry Fischer will be meeting with the retreat coordinator, Dick Byrd, in late January. After that meeting, Carlson would like the officers and chairs to meet and define the issues that should be addressed at the retreat.

GATEWAY

Larry Laukka reported that a second Minnesota delegation was flown to the Texas A & M Alumni Center with Laukka and Carlson. They were Harvey Mackay, UMAA past national president and author / executive; Yvonne Grosulak, vice president of Dinnaken Properties and assistant to Jim Cargill; Gordon Starr, who as a University of Minnesota student participated in the campaign that solicited funds to build Coffman Memorial Union and is now affiliated with the American Legion/VFW; Linda Mona, owner and lead designer, Creative Environments, and UMAA second vice president; Ken Jantzen, representing the Board of Regents; and Robert V. Hanle, UMF director of development.

The delegation was impressed by the Texas facility and all a Gateway Center could offer the University. Laukka will continue to meet with these potential major donors. Laukka stated that it was surprising to him that the Texas A& M Alumni Center was built with funds from only one major donor, the rest of the monies came from approximately 8,000 donors. The fund-raising was solicited on a mail order/direct appeal approach after a major donor made a commitment. The UMAA may be heading in this direction. The University/UMAA now has a good relationship with Texas A & M, and the trip was well worth the effort.

ANNUAL MEETING

Margaret Carlson stated that she had written to former U.S. President Jimmy Carter, enclosing a cover letter from Vice President Walter Mondale, and had received no reply. When Carlson called Carter's office, she was told there was no record of her original request. Carlson called Mondale and asked if he would call Carter's office and have someone contact her. Carter's office did call and Carlson made the request over the phone. Carter's representative stated that Carter receives thousands of requests to speak and informed Carlson that Mondale was working with the Minnesota Meeting to get Carter to come to Minnesota to speak. Carter's office had received 30 letters from Minnesotans promoting that event. It was discovered that Carter's office staff thought that the UMAA request was one of those letters supporting the Minnesota Meeting and all requests had been declined. Carlson explained that the annual meeting was not the Minnesota Meeting and sent two tapes of past annual meetings and *Minnesota* magazines to give them an idea of what the annual meeting is about. On November 19, Carlson received a letter from Carter's office by facsimile, politely declining the invitation. Carlson said that she would continue to work with Carter's office in the hopes that he would reconsider, if not for this year's meeting, hopefully for next year's meeting. She asked the officers and committee chairs to give her back-up names for potential speakers if Carter still declined. After much discussion about the sort of message the UMAA would like the guest speaker to give to the membership and who would be good draws for ticket sales, it was decided that former UMAA National President Harvey Mackay and Congresswoman Pat Schroeder from Colorado would be the choices.

SPACE

Margaret Carlson reported on the final accounting for the renovation of the new UMAA/Alumni Relations space. The UMAA was \$26,128.22 over budget, the President's office was \$36,657.34 over budget, for a total overage of \$62,785.56. This was not surprising, Carlson stated, given the limited time allowed for getting estimates. In addition, some items were not taken into consideration, such as new draperies, or the cost to cover worn chairs for the small conference rooms, or the women's restroom facilities. Carlson followed the board's direction and made on-site decisions (e.g. removing the wood veneer wallcovering that was severely cracked and bubbled). Linda Mona helped the UMAA obtain many items at wholesale, and the UMAA negotiated to get some bills reduced. Carlson stated that she is still negotiating with General Office

Products over the bill for office panels, as the service provided was inadequate and materials ordered were delivered after the promised date. At this time, it is still uncertain if the University is going to totally air-condition Coffman Memorial Union, so the cost/need for air-conditioning is still uncertain. The officers and committee chairs then approved a motion to send a recommendation to the board of directors approving the overrun.

UPDATE ON COMMITTEES

COMMUNICATIONS

Carol Johnson reported that the committee met on December 1, 1992, and that the next two meetings had been set. The goal is also to hold two to three Editorial Board meetings. This year the Communications Committee will be trying to come up with clear and concise messages for the UMAA. The committee reviewed the history of the Communications Committee, which has made committee members realize the importance of working with all of the other committees.

FINANCE

Diane Fisher directed the meeting's attention to the financial handouts. On December 3, 1992, Roger Paschke, director of asset management at the University, and Judy Kirk, UMF vice president and director of operation, spoke about the investment policy and objectives that govern their investment decisions. Following the speakers, the Finance Committee discussed two issues.

- 1) Developing guidelines for the use of invested funds. The funds of concern to the Finance Committee are the Adrian E. Buttz and University of Minnesota Alumni Funds. In the past, the Buttz fund had been used to fund the August Wilson Scholarship and to fund the UMAA enhancement position. The Alumni Fund has been used to fund the Coffman Memorial Union renovations, to match the Class of '42 Gateway contributions, to fund architectural plans and promotional brochures for the Gateway, and to fund an organizational audit in 1990. Since neither of these funds is restricted by designated purpose, it would be prudent to set some policy guidelines as to an appropriate spending rate.
- 2) Maximizing the return on invested funds. Both the UMAA and UMF divide funds into a principal and an available balance. In UMF-held endowment and quasi-endowment funds, both the principal and available funds are invested in long-term markets and earn the maximum rate of return. Therefore, the principal/available distinction in relation to these funds' earnings is of no consequence.

For University-held funds, however, this distinction is important. Only principal balances are invested in long-term markets. The current available balance is invested in short-term markets and for FY 93 the University has stated that it will pay 3 percent on these balances. It would be prudent to transfer from the current available balance to principal any amount that would not be needed within the next one to two years. This would entail some market risk, which is why only funds not needed in the next one to two years would be transferred.

After much discussion, it was determined that Diane Fisher should find out whether, in order to earn interest, new funds must be added at the beginning of the quarter. If so, Fisher would contact the rest of the Finance Committee and make arrangements to transfer some funds. If not, the matter would be brought before the Finance Committee on January 22, 1993, to determine amounts to transfer.

MEMBERSHIP

Ron Johnson reported that the committee continues to improve renewal and retention efforts. Members are working hard to find out why people are leaving the UMAA, but are first making an effort to convince them to renew. These efforts include:

- modification and improvement of benefit materials to fit with the new membership application
- implementing a past-due billing with a personal letter that also asks why the person is letting his or her membership expire. (Johnson said many have simply forgotten that the renewal was due)
- future implementation of a past due letter to those who have not made their life membership payment
- future telemarketing efforts to reach and enlist people who received the fall promotion but who didn't respond, as well as those with past-due renewal packages.

Johnson said that the UMAA has been able to retain a flat membership total and has a 63 to 66 percent retention rate.

The fall campaign brought in 413 memberships and approximately \$20,000.

The bricks were oversold by 150, and the UMAA is making arrangements to dig up more bricks, which had been buried. The campaign will end in January 1993 with a letter of thanks. Of people buying bricks, 90 percent were not members.

SOCIETIES AND CHAPTERS

Billie Anne Juni reported that the committee met after the last two national board meetings and has scheduled meetings after all of the remaining national board meetings. At the last meeting the committee reviewed the existing criteria for geographic chapters. This is number one on the committee's list of objectives. In addition, the committee will be seeking input from other Big Ten school associations to see what kind of criteria and/or if they have criteria for geographic chapters. The committee will also seek input from existing geographic chapter presidents, or steering committees, or chair type positions and will talk with the program directors to get input. The committee also has formed a small work group, meeting independently of the scheduled committee meetings, to address financial objectives. Juni said that the committee is chipping away at their other objectives, which are:

- developing a statement of rationale for belonging to the UMAA
- talking about how to recognize new chapters when they do join the UMAA
- talking about volunteer training.

UNIVERSITY ISSUES

Dee McManus said the University Issues Committee is in the unique position of being able to move on a lot of recommendations. The committee has chosen four recommendations from the 1991 University Issues Committee. These are:

- reviewing the regents selection process and working with the University and the selection committee to come up with more candidates
- reviewing the Morse-Alumni Awards. In 1987, when the UMAA decided to support the awards, the UMF made a commitment to endow the awards. The UMAA needs to find out where the UMF is in this process, and get that commitment from them.

- look at scholarships, reviewing and activating endowment funds for scholarships.
- continue planning with Kathleen O'Brien.
- look at the student experience and diversity issues in terms of where the University is and where it is going.

The meeting was adjourned at 9:10.

Respectfully submitted by:

Travelle Evans-Vann

for

Larry Laukka
UMAA Secretary

EXHIBIT 2

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION

Officers and Committee Chairs

THURSDAY, APRIL 15, 1993

7:30 a.m.

Hvass, Weisman & King, Chartered
Minneapolis, MN

Present:

Billie Anne Juni
Larry Laukka
Janie Mayeron
Dee McManus
Mike Unger

Unable to Attend:

John French
Carol Johnson
Ezell Jones
Linda Mona

Staff Present:

Margaret Carlson
Travelle Evans-Vann
Diane Fisher
Jean Marie Hamilton
Deanne Magnusson
Jane Whiteside

UMAA National President Mike Unger called the meeting to order at 7:30 a.m.

MINUTES

Approval of the December 10, 1992, and February 17, 1993, was postponed until the next meeting.

UMAA/UMF RETREAT UPDATE

Margaret Carlson reported that the consultant for the retreat, Dick Byrd, had met with all of the groups involved. Byrd will be meeting with Carlson and Jerry Fischer to brief them on expectations. Byrd had already shared some of the UMF volunteers' concerns with Carlson. These include:

- time and energy that UMAA volunteers put into advocacy instead of fellowship and membership recruitment,
- the decline in UMAA membership in recent years,
- recognition that the size of the staff and the budget of the UMAA/Alumni Relations is very small compared to that of Development (Carlson said that no one in the UMF had been aware of that fact until the preretreat materials had been sent to the participants),
- the assumption that neither Development nor the UMAA had any volunteers in contact with the other group.

Mike Unger expressed his concern with the UMF's questions about the UMAA's advocacy role. Carlson explained that the UMF believes that if the UMAA were not engaged in advocacy activities, it would be doing more reunions, homecoming activities, and other special events that would pave the way for Development fund-raising. Carlson stated that when she had shared this thinking with University President Nils Hasselmo, his first question was "what do they mean by advocacy?" Carlson answered that the UMAA had three programs that benefited the University and were designated as "advocacy": the Alumni Legislative Network, the mentoring program, and the commitment to diversity, but that she was unsure of what the UMF meant by advocacy.

Larry Laukka indicated that advocacy was the underlying reason the the UMAA was formed. The UMAA provides a scorecard of alumni support of the University of Minnesota.

Janie Mayeron commented that while the UMF has a defined mission, to raise money, the UMAA's mission is not as easily defined. When the mission is defined and communicated, the UMAA will be able to recruit new members. Mayeron sees the UMAA as both advocate and change agents for the University, advocating for what it sees and acting to improve on what it has.

Mike Unger also had concerns regarding the seeming lack of recognition of actual problems between the UMAA and the UMF specifically the data management problems and the lack of UMF support for joint projects. Carlson replied that Dick Byrd does not like to deal with specific instances, rather he looks for the underlying problems. If these problems are not included in the agenda of the retreat, the UMAA can bring them to the floor for discussion during the retreat.

REGENT DINNER

Mike Unger reminded everyone about the regent dinner this evening. Unger said that he would also be giving the annual report of UMAA activities to the Board of Regents on April 16. Larry Laukka requested that Unger bring up the issue of the Memorial Arch from Memorial Stadium and the plans for its use.

COMMITTEE REPORTS

COMMUNICATIONS

Jean Marie Hamilton and Jane Whiteside went over the draft of UMAA themes and messages the committee had been working on:

Who we are: University of Minnesota Alumni Association.

What we do: Making the University of Minnesota Connection.

Why we do it: To support the tradition of excellence in education and to enhance spirit and community.

How we do it: Through alumni service, advocacy, and fellowship.

What is the key to our success: Your membership makes the difference.

The UMAA makes the University of Minnesota connection by connecting the University to alumni and alumni to the University by:

- Sharing and renewing the tradition of excellence in education between generations of students
- Creating new generations of committed alumni to serve the University
- Linking alumni to students—and students to alumni
- Linking alumni to their colleges and schools—and colleges and schools to their alumni
- Linking alumni to each other and to their professional colleagues
- Representing and communicating alumni concerns to the University—and University concerns to alumni
- Bringing the services of the University to alumni—and alumni services to the University
- Celebrating the achievements of the University with alumni—and alumni achievements with the University
- Building community and spirit at the University—and throughout the state, nation and world

The UMAA supports the tradition of excellence in education:

Through alumni service

- Mentoring programs
- Student scholarships
- Student leadership awards

Through alumni advocacy

- Alumni Legislative Network
- Making diversity a priority
- Morse-Alumni Award

Through alumni fellowship

- Seventeen collegiate alumni societies

The UMAA enhances spirit and community:

Through alumni service

- Memorial Stadium brick sale

Through alumni advocacy

- Supported on-campus intercollegiate athletic facilities
- Working to build a new alumni and visitor's center on campus

Through alumni fellowship

- More than 1,000 society and chapter activities and programs annually
- UMAA Annual Meeting
- Emeriti Reunion
- Homecoming
- *Minnesota* magazine

Membership makes the difference

- Because of its committed members, the University of Minnesota Alumni Association is the University's oldest and strongest advocate
- Because it is an independent, volunteer-driven organization, the UMAA is highly effective in serving the best interests of alumni *and* the University, especially in times of crisis
- Because members help maintain funding for the University, the University continues to be the state's most important resource
- Because alumni have unique University experience and perspective, their commitment comes from the heart and people listen
- The UMAA is the alumni voice to those who determine the University's destiny and direction
- The UMAA serves in the unique role as the keeper of University history, spirit, and tradition
- The value of a University of Minnesota education is measured by the quality of the University today and in years to come
- There is strength in numbers and diversity

UMAA Benefits

Educational Opportunities

- Twin Cities campus library privileges
- Continuing Education and Extension (CEE) discounts
- University of Minnesota Press discounts
- University of Minnesota Theatre discounts
- Travel program

Fellowship Opportunities

- Athletic event discounts
- University of Minnesota golf course discounts

Services for Alumni

- Outdoor Store discounts
- Group-rate life insurance
- *Minnesota* magazine
- University of Minnesota Federal Credit Union
- University of Minnesota Alumni Club

Mayeron also asked for clarification of "alumni service." Jean Marie Hamilton replied that the committee meant activities such as the mentoring and scholarship programs. Mayeron pointed out that a lot of University alumni donate their professional services, and perhaps that should be added to the document. Larry Laukka suggested adding that the UMAA supports the UMF in their fund-raising. Janie Mayeron suggested that the UMAA share this working document with the UMF at the retreat.

FINANCE

Jane Whiteside reported that recent Finance Committee meetings have included a detailed review of move-related expenses and preliminary discussions of air-conditioning alternatives. Subjects that are still on the schedule for future meetings include developing a recommendation to go to the national board regarding an air-conditioning plan; approval of an auditor selection process for years after fiscal 1993; and developing a recommendation for the use of scholarship funds that have been under used in the past. The last subject is on hold until the University Issues Committee completes an analysis of the funds.

GATEWAY

Larry Laukka reported that the committee continues its pursuit for a primary donor. Laukka, UMAA National Past President Fred Friswold, and UMF President and CEO Jerry Fischer, will be having a phone conference advancing the Gateway Center concept to the donor's representative. Laukka noted that the concept has been somewhat altered with more emphasis on admissions and housing, because those are areas of interest to the donor. The UMAA will be seeking funding from a single donor, then would buy its interest in the building over time. Laukka answered questions on specific design features of the Gateway Center plan.

MEMBERSHIP

Janie Mayeron told the meeting that the committee will be reviewing the UMAA themes and messages at its next meeting. Mayeron then requested that Jane Whiteside report on the search for a new membership director.

Whiteside reported that targeting members is a priority. Current projects include contacting lapsed installment life members, people who bought bricks, and people who attended the NIT pepfest in New York City. In addition, letters are being sent to life members to solicit additional donations.

Jean Marie Hamilton reported that the new manager for the University Bookstores is interested in working with the UMAA to offer discounts on select merchandise for members.

NOMINATING COMMITTEE

Mike Unger reported that the Nominating Committee had completed its business. All persons selected have been contacted, and all have agreed to serve. A formal report will be presented to the national board in May. The officer slate to be presented will be: president, Janie Mayeron; first vice president, Larry Laukka; second vice president, Ezell Jones; treasurer, Linda Mona; secretary, Bruce Thorpe; and past president, Mike Unger. Reappointed to at-large positions will be Jay Kiedrowski and Marvin Trammel. Appointed to a new at-large position will be Roxann Goertz, vice president of CME-KLBB (formerly Campbell -Mithun). New geographical representatives will be Joe Gibilisco from Rochester, Audrey Kuempel McGregor from Sun City West, Arizona, and Keith Krueger from Washington, D.C. Unger said that the societies have not yet submitted the names of their new representatives.

SOCIETIES AND CHAPTERS

Billie Anne Juni reported that the committee has been working on the issue of carry-over funds, and is working with Diane Fisher to come up with a financial report format that is both timely and accurate. In addition, there will be training for society treasurers to read and use this report. The committee will have a proposal ready for the June 9, 1993, national board meeting, that recommends unlimited carry-over of funds by the societies with some oversight.

On the issue of criteria for geographical chapters, the committee has reviewed the existing criteria, looked at the criteria for other Big 10 alumni associations, and conducted a phone survey of chapter leaders. The phone survey showed that there was awareness about the criteria and the issue of recognizing new chapters. The committee is continuing to survey chapter leaders, Juni said, adding that program directors also made some very good suggestions.

Juni said that the committee is working on a rationale statement about the connection between the societies and chapters and the UMAA. This statement will be used for the volunteer handbook and other promotional uses and will be reviewed by several other groups before it is finalized.

Juni finished by saying that the committee will be getting recommendations from the program directors about volunteer training.

UNIVERSITY ISSUES

Dee McManus reported that the committee met with the staff in student financial aid, and it was obvious that the issue of scholarships on campus is extremely complex. The University gives approximately \$22 million for scholarships each year. The committee is still trying to put together a proposal to present to the Finance Committee for the two available UMAA scholarship funds. However, the committee first wants to get a handle on what scholarships are already in existence, and how to maximize the money available. The University Issues Committee also needs to determine what type of student to target for the scholarship money. McManus added that the University Issues Committee needs to meet with the Admissions Office, which administers the presidential and minority scholarship programs.

McManus then asked Mike Unger what happened to the national board's statement to the Higher Education Coordinating Board, which was approved at the March meeting. Unger replied that the statement was held up, and by the time it was ready, the legislative decisions had been made. However, the issue was resolved as the board had wanted. Margaret Carlson added that the UMAA had learned the lesson that it was good to do committee work, but when dealing with the legislature, or other time-sensitive issues, it may be better to put together a small group to examine an issue, formulate a proposal, and lobby for the issue as soon as possible -- rather than the current committee approach.

Unger added that the issue of timing is one that the UMAA has to address if it is going to be effective with the Alumni Legislative Network. One positive outcome of the board's recommendation is that Mike Unger and Janie Mayeron will be meeting with several members of the legislature to air the UMAA's views on the issue on April 16.

McManus finished by stating that the pool of candidates for this year's Morse-Alumni Awards was the strongest ever. The fact that the candidates were much stronger than those in the past, indicates the noteworthiness of the award.

ANNUAL MEETING UPDATE

Deanne Magnusson reported that 786 tickets had been sold. Karen Heine has tabulated a list of tickets purchased last year and anticipates that if everyone on that list purchases tickets this year, the goal of 1,100 would be met. Becky Malkerson and Wendy Sharpe are actively calling these people now. Because Pat Schroeder is the speaker, economics, political science, and international journalism majors were targeted, as well as those graduates from the Humphrey Institute.

1993-94 OBJECTIVES/BUDGET: PLANNING, PROCESS, AND TIMETABLE

Jane Whiteside reviewed the process for 1993-94 UMAA objectives and budget.

Circumstances Affecting Revenue: Circumstances beyond UMAA control make it difficult to go through a textbook planning and budgeting process, where planning (involving all relevant parties in an appropriate order in a timely manner) is completed and reflected in a final budget before the new year begins. The circumstances that make this difficult now including:

- the University's state funding has not yet been determined by the legislature
- related to this, the University has not completed its own process for setting priorities and allocating the cuts that are expected as a result of the legislature's action
- the UMAA's challenge in stabilizing its membership numbers (and revenue)

The delayed timing of the UMF/UMAA retreat, which may well have implications for the UMAA's work objectives and/or budget, is another factor that makes it difficult to plan earlier in the year.

Commitments: With the uncertainty of revenue, there are also some significant commitments including:

- mentoring and Alumni Legislative Network enhancement projects
- the UMAA's commitment to diversity
- need to continue/enhance UMAA communications and membership activities
- need to continue/enhance support of collegiate alumni societies and geographical outreach in service to the University

Efficiency Improvements: Over the last few years as University funding has become more limited, many efficiency improvements have been made and less important projects have been streamlined or eliminated (one support staff position was cut), so that there is relatively little that can be gained through improved efficiency--other than what could be accomplished over a longer period of time if the DMS data base were more responsive to UMAA needs (e.g. allowing the UMAA to use bar-coding on membership renewals).

Initiatives: Nothing can be added unless something else is taken away. Since the UMAA has a small staff covering a large number of objectives and activities, it may not be a good time to have a wide-ranging discussion of new initiatives.

Suggested Process:

Assumption: With the constraints of funding and timing, it does not seem useful to try and engage all board committees in the objective setting and budget development process. The following schedule is proposed.

1. Managers review projected 1992-93 year-end budget/results - March 1993
2. Managers discuss response to University request for feedback on possible University funding cuts - April 1993
3. Officers and committee chairs (OCC) review process, possible retreat issues - April 1993
4. Department managers discuss process, possible savings/efficiencies with staff - April 1993
5. OCC discuss retreat outcomes with UMAA board - May 1993
6. OCC discuss retreat implications for objectives and budget - May 1993
7. Managers draft objectives and budget, including objectives and budget for enhancement projects based on University allocation, retreat implications, staff input - May 1993
8. OCC, Finance Committee review objectives and budget draft - June 1993
9. UMAA National Board reviews and adopts 1993-94 objectives and budget - June 1993

OTHER BUSINESS

Margaret Carlson told the officers and committee chairs that there were openings on fifteen state agency boards and commissions seeking volunteer service. Appointment to a state board or commission may be another way of bringing knowledge of the skills and resources of the University to state government. Carlson asked the committee members to consider applying for one of the vacancies.

The meeting was adjourned at 9:00 a.m.

Respectfully submitted by:

Travelle Evans-Vann

for

Larry Laukka
UMAA Secretary

EXHIBIT 1

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
National Board of Directors**

**Saturday, March 13, 1993
8:30 A.M.**

**Campus Club, Fourth Floor, East Wing
Coffman Memorial Union
Minneapolis, Minnesota**

Board Members Present:

Mary Askelson for Ron Merckling
Ann Barksdale
John Bergstrom
David Brings for Bruce Thorpe
Rick Broderius
John French
Michael Huerth
Ann Huntrods
Steve Jackelen
Carol Johnson
Billie Anne Juni
Laura Langer
Janie Mayeron
Dee McManus
Linda Mona
Leonard Parker
Willard Powell
Fred Rengel for Bruce Hawkinson
Kati Sasseville
Wendy Shape
Mary Ellen Spector
Michael Torp for Georgiann Errigo
Marvin Trammel
Ted Tulashie
Anthony Yapel
Shirley Zimmerman

Board Members Unable to Attend:

Michael W. Unger
Ezell Jones
Larry Laukka
Duane Kullberg
Nils Hasselmo
Ron Jost
Paul Vesterstein
Dave Dufault
Curman Gaines
Jay Kiedrowski
Becky Malkerson
Michael Sullivan
Lynn Hughes
Mary Flinn
Richard Lindgren
Richard Whitney
Dee Peterson
Gordon Dunkley
Rollin Dennistoun
Dale Anderson
Michael Hart

UMAA Staff Present:

Margaret Carlson
Jane Whiteside
Deanne Magnusson
Jean Marie Hamilton
Diane Fisher
Sam Berens
Jayne Caldwell
Cheryl Jones
Carmela Kranz
Teresa Scalzo
Lori Winters

Other Staff Present:

Jerry Fischer
Dave Teslow
Kathleen O'Brien

INTRODUCTIONS

Janie Mayeron, UMAA first vice president, called the meeting to order. She explained that Michael Unger, the board president was absent because he was attending the University of Minnesota president's round table discussions on higher education. The participants include professors, students, and administrators. Mayeron said that to her knowledge, Unger was the only volunteer asked to attend, and it was quite an honor for both himself and the UMAA that he was invited. Mayeron then asked the board members to introduce themselves and to explain how they financed their education. She explained that answering this question would help in later discussions about higher education financing.

CONSENT AGENDA

The board approved all items on the Consent Agenda. These items were the minutes for the January 23, 1993, UMAA National Board Meeting; the January 1993 Statements of Revenues and Expenses for the Association and the Alumni Club; and the approval of the use of the University of Minnesota Alumni Fund to cover up to \$35,000 in additional cost overruns related to the move to Coffman Memorial Union.

MAJOR DISCUSSION ITEM

Mayeron opened discussion on the Higher Education Coordinating Board (HECB) and Governor Arne Carlson's student financial aid proposals, which the University Issues Committee has been studying because it ultimately would impact student tuition at the University. Mayeron explained that the University of Minnesota, and other public institutions of higher education in the state, are supported by public funding in two ways (1) appropriations made directly to the institution, which cover a percentage of student instructional costs, and (2) financial aid, including grants, loans, and scholarships, made directly to students (including those who choose to attend private schools) based on personal financial need. In the past, the state has appropriated money to cover approximately two-thirds of instructional costs at public institutions, but the amount has been declining over the years as the state faced budget shortfalls. This has forced the University to cut programs and raise student tuition to cover its rising costs and declining appropriations. At the same time, there has not been adequate financial aid to support students who are less fortunate.

The governor proposes to increase funding for student financial aid in the state budget. If new money is not available, however, the proposal calls for taking the money from the direct appropriations made to the University and other public institutions of higher education. The ultimate question raised by the proposals, said Mayeron, is how are we going to pay for higher education?

The University Issues Committee developed a Position Statement on Student Financing explaining the University Issues Committee's position. Mayeron further explained that the statement did not reflect a consensus of the entire committee, as only four or five of the members were present at the three meetings held to discuss the issue. She invited board members to discuss the proposal and help decide what the association's position would be on this issue.

Dee McManus, chair of the University Issues Committee, gave a verbal summary of the position statement and the problem of rising tuition costs in the state. McManus pointed out that direct funding to the University via state appropriations has declined, forcing the University to raise tuition 9 percent in 1991 and 14 percent in 1992.

If the governor's proposal is implemented, said McManus, it could in effect take money from state appropriations for public institutions like the University and reallocate it to students attending both public and private institutions. Under such a proposal, students at private institutions could benefit, to the detriment of those attending public institutions. Since student financial aid is based on need, a student choosing to attend a costlier institution receives more funding. On the average, a student choosing to attend a private institution receives \$2,816 in financial aid, a student attending the University receives \$1,176. According to statistics, 58 percent of all student financial aid goes to students attending private institutions, who represent at the most only 30 percent of the student population.

University of Minnesota students cannot afford another tuition increase. However, the committee supports increased funding for needy students, but believes it should be equitable for all students, regardless of whether they go to public or private schools. If funding from direct appropriations to the state institutions is necessary to fund increases in student aid, the committee recommends it be reallocated to students at public institutions of higher education, not private institutions, because it is taxpayers' money.

McManus said that a second part of the governor's proposal recommends preventing any state subsidies for a number of master's "practitioner" programs at the University. Among the programs affected would be those in the Carlson School of Management, School of Nursing, Humphrey Institute of Public Affairs, and others. If the proposal is adopted, the University would be forced to raise tuition in the affected programs dramatically, as much as 439 percent in one case. The proposal assumes, said McManus, that if the funding is dropped, employers of students in those programs would pick up the costs of tuition, but the committee does not believe this would happen; in fact, only some of the students are employed.

Before opening the discussion to the board members, Mayeron briefly summarized the two items on the table:

- 1) Student aid funding: where do the dollars come from if we want to increase aid to students and at whose expense?
- 2) The governor's proposal regarding withdrawal of support for eight masters practitioner programs if public funding for these programs was dropped, could students pick up costs and/or would their employers be willing to pick up costs?

Board members discussed the proposal in an open forum and requested clarification on several points. During the general discussion, it was stated that the most immediate and important task was to address this year's appropriations and the impact the proposal would have on public versus private institutions. Several modifications were suggested in the Position Statement. The board then entertained a motion to adopt the position statement with the changes incorporated (Exhibit 1A) and directed the UMAA volunteers to carry the message to the legislative leadership and governor, as outlined below:

The University of Minnesota Alumni Association National Board, which represents our nearly 30,000 members, recently adopted a position concerning Governor Arne Carlson's proposal that higher education financial aid increases be financed at the expense of support for public institutions of higher education. We strongly object to this approach to change in higher education financing because it is both poor public policy and has needlessly created divisive issues between the public and private sectors of higher education while diverting attention from the true issues that we need to be addressing.

To highlight a few of the points of concern:

- Increased financial aid for needy students should not be financed by taking from an existing higher education system's appropriations. If, however, this method of financing is employed, then the monies taken from the public institution should be allocated for financial aid to be used for the students attending that institution.
- We agree that more money does need to go to needy students to enable them to benefit from higher education, but we also feel that there should be parity in the way funds are made available to support student choice. A student should not be given a larger grant if he or she chooses a higher cost private institution.
- If the State's commitment to support of the public higher education system is to be reduced, then it should do so only after directly addressing the question of how the State's public system should be reorganized and funding for those institutions prioritized.
- The facts do not support the Governor's assumption that students pursuing practitioner-oriented graduate degrees are subsidized by their employers. We urge that the proposal to drop State support of these programs be rejected. The effect of these proposals on tuition rates would be the death sentence for the programs involved.

We believe it is important to recognize that this State has a long historic investment in the University of Minnesota. The quality and reputation of this institution have been built up over many years. This historic investment is placed at risk if the State fails to support the University adequately in any given year. Before the state considers funding schemes that divert large amounts of money to the private sectors of education, it must first assure itself that it has adequately protected and perpetuated its investment in the University. We strongly believe that the request now before the Legislature fails to meet that test.

LEGISLATIVE UPDATE

Margaret Carlson, UMAA executive director, gave a brief legislative report because Molly Grove, Alumni Legislative Network coordinator, was facilitating a coffee party outside of Saint Peter, Minnesota. Grove requested that Carlson tell board members to write letter to their state legislators and address one or more of these issues: a) when the budget "pie" for the state is divided, state your support that higher education should be funded fairly and adequately; b) support for continued funding for the master's practitioners program; and c) (faculty workload at the University has been under attack from WCCO television) and Grove suggests writing a letter to legislators about a faculty member or a teacher assistant (TA) who helped with research or writing. Carlson stated that if every person at the board meeting wrote a letter to their legislators regarding a University issue, it would have a great impact. Writing letters to the editor of your local newspaper was also suggested as a course of action.

ANNUAL MEETING UPDATE

Background information on U.S. Representative Patricia Schroeder was given to the board. Wendy Sharpe, this year's ticket sales co-chair, stated that the goal for this year's attendance is 1,500. Tickets are \$35 and tables will be set up for ten people.

MENTORING PROGRAMS

Deanne Magnusson, UMAA director of constituent programs, recapped the current alumni society mentoring programs. Currently, 12 alumni societies are involved in mentoring programs and there are 250 mentors mentoring students. Mentoring goals include: providing advice, role models, and insight into the work world. Cheryl Jones, UMAA program director, spoke about the role of program directors in the design and implementation of mentoring programs. Jones stated that orientation and training are the most important things that program directors can do. Christine Pattine, the past president of the College of Biology Alumni Society, gave an example of the college's mentoring project. Mary Ellen Spector, board representative from the Hubert H. Humphrey Institute of Public Affairs, commented on being a mentor and stated that it has been a wonderful experience and mutually beneficial for her and Nancy Murphy, the student she mentored. Jayne Caldwell, UMAA program director, was introduced. Caldwell was previously the associate director of multicultural programs at the College of Saint Catherine in St. Paul. Magnusson closed with a positive letter received by a mentor from a student.

PRESIDENT'S OFFICE REPORT

Kathy O'Brien, associate to the president, reported that there are positive happenings and issues at the University. In April, a proposal to initiate a strategic planning process will be brought to the board. O'Brien stressed that the alumni board will be a very important participant in the process. Gene Allen, vice president of the Institute of Agriculture, Forestry, and Human Ecology, has been chairing the outreach council, which is working to define what outreach is and how we fulfill what our land-grant mission in the 21st century. Vice President Allen and Dean Patrick Borich are nationally recognized as leaders in this area. On March 12, President Hasselmo awarded the Truman Scholarship to Rachel Paulose, the chair of the student representatives to the Board of Regents.

The University has been invited to participate in a national round table discussion/study of higher education. The University was one of six research institutions asked to participate. President Hasselmo is viewed as a leader in higher education reform aimed at strengthening management and undergraduate education, examining outreach and service, and implementing total quality management.

On March 18, the expansion of the curriculum at the Crookston campus will go before the Higher Education Coordinating Board for its approval of its four-year degree plan. In January, President Hasselmo, Chancellor Jerry Evan, and Chancellor Carol Johnson announced the "Twin Cities Partnership," an effort of all three systems to offer four-year degrees.

The ALG investigation is proceeding aggressively O'Brien stated. Dr. John Najarian has resigned as head of the surgery department and the ALG program. President Hasselmo tried to prepare constituencies explaining that the University is also under a very thorough federal investigation. On December 14, 1992, the University was served with a dozen subpoenas, and the FBI and other regulatory agencies are in the middle of an investigation of the ALG program. The federal investigation has limited what President Hasselmo can say about the action he has taken. Information on the president's actions was disseminated to more than 600 people within a couple hours of action.

O'Brien stated that President Hasselmo also decided that there should be a review of management within the Medical School. On March 12, the Board of Regents awarded a \$400,000 contract to DeLoitte Touche to conduct a management review in twelve weeks. Concurrently, Bob Erickson, senior vice president for finance and operations, will try to determine if the ALG program should stay at the University. Business consultants have been retained to help make that decision.

O'Brien also addressed the WCCO television report on the faculty workload issue and stated that some of the teacher assistants were offended at the report's accusations that TAs were not qualified to teach. She explained that being a graduate student does not preclude one from being qualified to teach a course and stated that other Big Ten universities have twice the faculty that the University has. This is the reason for the high numbers of TAs. Hiring more faculty would be a major budgetary factor, and the TA can be of benefit to the students because of their ability to work closer with students than many of the professors.

EXECUTIVE DIRECTOR'S REPORT

Carlson commends President Hasselmo and Kathy O'Brien on their efforts in handling recent issues. Compliments to the University Issues committee on its research and time spent on the HECB governor's financial aid proposals. Carlson informed the board members that the national board meeting will be on May 10 from 12 noon to 2:00 p.m., in conjunction with our annual meeting featuring Congresswoman Patricia Schroeder.

The meeting was adjourned at 11:30 a.m.

Minutes Respectfully Submitted,

Larry Laukka
Secretary

by

Travelle Evans-Vann
Executive Assistant

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
NATIONAL BOARD MEETING**

**Monday, May 10, 1993
12 Noon - 2:00 p.m.**

**Radisson Hotel Metrodome
Hubert H. Humphrey Room
615 Washington Avenue SE
Minneapolis, Minnesota**

Board Members Present:

John Bergstrom
Doris Caranicas for Mary Ellen Spector
Georgiann Errigo
John French
Curman Gaines
Joe Gibilisco
Michael Hart
Nils Hasselmo
Steve Huh for Leonard Parker
Ann Huntrods
Billie Anne Juni
Jay Kiedrowski
Laura Langer
Larry Laukka
Janie Mayeron
Dee McManus
Linda Mona
Kathleen O'Brien
Willard Powell
Wendy Sharpe
Bruce Thorpe
Marvin Trammel
Ted Tulashie
Michael Unger
Paul Vesterstein
Richard Whitney
Anthony Yapel

Board Members Unable to Attend:

Dale Anderson
Ann Barksdale
Rick Broderius
Rollin Dennistoun
Dave Dufault
Gordon Dunkley
Mary Flinn
Bruce Hawkinson
Michael Huerth
Steve Jackelen
Carol Johnson
Ezell Jones
Ron Jost
Duane Kullberg
Richard Lindgren
Becky Malkerson
Ron Merckling
Leonard Parker
Dee Peterson
Kati Sasseville
Michael Sullivan
Shirley Zimmerman

UMAA Staff Present:

Al Anderson
Margaret Carlson
Travelle Evans-Vann
Diane Fisher
Jane Whiteside

Other Staff Present:

Molly Grove
Bob Hanle for Jerry Fischer
Dave Teslow

INTRODUCTIONS

UMAA National President Michael Unger called the meeting to order at noon. He introduced himself, then asked that each board member introduce themselves and tell the college(s) from which they graduated.

CONSENT AGENDA

The items on the consent agenda were approved by the board. These items were the minutes from March 13, 1993, the financial statements for the UMAA and the Alumni Club, and a report on UMAA membership.

NOMINATING COMMITTEE REPORT

John French, past national president and chair of the committee, reported that the committee met several times and has recommended the National Board of Directors elect the following slate of officers for 1993-94:

President	Janie Mayeron, partner at Popham Haik Schnobrich & Kaufmann
First Vice President	Larry Laukka, president, Laukka Development
Second Vice President	Ezell Jones, CEO, Premier Risk Tech Services
Secretary	Bruce Thorpe, project manager, John Ryan Company
Treasurer	Linda Mona, owner, Creative Environments
Past President	Michael Unger, partner, Hvass, Weisman & King, Chartered

The committee also recommended the following slate of board members to be voted upon by the general membership at the annual meeting on the evening of May 10, 1993:

At-Large 1993-96 Jay Kiedrowski, senior vice president, Norwest Bank
Marvin Trammel, senior vice president, Minneapolis YMCA
Roxann Goertz, senior vice president, CME-KHBB

Geographical, Minnesota

1993-96 Steve Jackelen, director, Beltrami Department of Social Services,
Bemidji, Minnesota
1993-95 Joe Gibilisco, retired dentist, Mayo Clinic
Rochester, Minnesota

Geographical, USA

1993-96 Keith Krueger, president, Non-Profit Management Association,
Washington, D.C.
Audrey Kuempel McGregor, past president, Kuempel China & Clockworks,
and president of Sun Cities Alumni Chapter,
Sun Cities West, Arizona

The slate of officers to be elected and directors to be recommended to the general membership were approved.

UMF/UMAA/AR/UNIVERSITY RETREAT, APRIL 28-29, 1993

Michael Unger reported on the retreat of the University of Minnesota Foundation (UMF), University of Minnesota Alumni Association/Alumni Relations (UMAA/AR), and the University of Minnesota administration (U). It was suggested by the UMF board as a way to discuss the future ways for the UMAA and UMF to support one another and improve alumni and donor support.

Unger outlined the purposes of the retreat from the UMAA/AR perspective:

- Identify areas where the UMAA/AR could increase collaboration and cooperation with both the UMF and the U.
- Identify strategies to enhance the number of dues-paying members for the UMAA and improve the number of alumni making financial gifts to support the U.
- Gain a better appreciation of alumni contributions to the University in terms of time, expertise, and financial support.

Participants from the UMAA/AR were Michael Unger, Janie Mayeron, Larry Laukka, Ezell Jones, Linda Mona, and Margaret Carlson. From the UMF were Duane Kullberg, Russ Bennett, Marvin Borman, Jim Campbell, Kathleen Ridder, and Jerry Fischer. From the U administration were President Nils Hasselmo, Jim Infante, Kathleen O'Brien, Bob Erickson, plus Fred Friswold and Bob Odegard (who have served both organizations). The facilitator for the retreat was Richard E. Byrd, a professional facilitator for more than 25 years who has written numerous books, journal articles, and tapes.

Preplanning included defining the general direction of the retreat and choosing the facilitator. Then Margaret Carlson and Jerry Fischer met with Dick Byrd to establish the direction, participants, and to determine how to gather the information in preparation for the retreat. An orientation package of information was sent to all of the participants, and gave an impressive overview of the activities of the UMAA/AR and the UMF, including their histories, missions, goals, objectives, volunteer and staff structures, programs, and budgets. Michael Unger commented that many differences between the organizations were immediately noticed. More differences were brought up when Byrd met with small "break-out" groups of participants in an effort to get a sense of what these participants saw as important issues that needed to be discussed. After meeting with the small groups, Byrd met with Carlson and Fischer again to continue the planning for the retreat.

At the retreat, Byrd presented each participant with a discussion guide that had been prepared in advance, consisting of:

- A diagram analyzing each organization and how it related within the greater structure of the U as well as to each other
- A list of goals shared by the organizations, and
- Three areas for discussion -- strategies, structure, and staffing.

The goals shared by UMAA/AR and UMF, or the "superordinate" goals, were these:

1. Recognition of a deep commitment to and an overriding interest in the University's success;
2. A common vision of the importance of the University's External Relations department as a focus for collaboration, coordination, and measuring success;
3. Desire by some in both groups to simplify roles--UMAA/AR "raises friends" and UMF "raises funds";
4. Recognition of areas of overlap:
 - vast pool of alumni

- communication devices
- technical support
- raising funds and recruiting members.

Unger then asked Janie Mayeron to report on the issues that were discussed. Mayeron reiterated to the board that Byrd divided the participants into three groups to discuss strategy, structure, and staffing issues.

The strategy team was given these issues:

- Areas for collaboration and synergism versus areas for autonomy;
- Feasibility of numerous major objectives by UMAA/AR given the number of staff;
- Cultivation of new members and social activities (UMF's priorities for the UMAA/AR) versus advocacy (one of the top priorities of the UMAA/AR);
- Coordination and leverage of University, UMAA, UMF publications;
- Ownership, control, and service of the DMS by the UMF.

The structure team was given these issues:

- Underlying concern about combining UMF and UMAA/AR;
- Decentralized fund-raising structure versus centralized alumni association structure;
- Standing between the UMAA and UMF -- differences in titles, reporting lines, resources, staff, dollars;
- Guidance to the UMAA/AR on University priorities from administrators/deans (UMF has President's Development Council);
- Structure/forum for UMAA/AR and UMF boards to align expectations, opportunities, and trust.

The staffing team was given these issues:

- UMAA/AR staff and budget inadequate to accomplish expanding objectives;
- UMF central development efforts versus decentralized collegiate development staff;
- Approaches/identities of organizations as related to operational issues -- DMS, space, funding for the Gateway Center;
- Different work cultures of UMAA/AR and UMF related to trust and cooperation;
- Vacant external relations vice president position.

Mayeron shared the major findings of the retreat:

1. All participants share a deep commitment to the University's well being and its crucial role for individuals and society.
2. UMAA/AR and UMF have shared values, some commonalities, and a few points of difference and tension.
3. UMAA/AR and UMF have distinct missions and should remain separate as organizations, but areas of overlap and opportunities for mutual strategic gains should be identified and collaborative approaches utilized.
4. Some desire exists to simplify roles to "friend raising" (UMAA/AR) and "fund-raising" (UMF) but the UMAA/AR believes the role in assisting the University in enhancing the student experience (e.g., student recruitment, mentoring, legislative network) should not be subordinate to recruiting members and sponsoring social events.
5. The size of the UMAA/AR staff and budget are less than one-fourth the UMF staff and budget; as a result the alumni organization is highly centralized in serving the collegiate units versus the decentralized structure of the UMF. As a result:
 - the UMAA/AR is unable to meet all the demands of the U, the UMAA board, and the collegiate units; and

- collegiate development officers are being used increasingly for alumni relations activities.
- 6. Present resources are inadequate to realize the enormous potential from tapping into 290,000 living graduate alumni that are neither UMAA members nor donors.
- 7. UMF receives guidance from the University in setting priorities (through the President's Development Council). No mechanism exists for the UMAA/AR to obtain input regarding preferred forms of alumni involvement -- i.e. lobbying, recruiting students, orientations, mentoring.
- 8. The UMF Board has continuous membership, low turnover in leadership, and some regents as members; the UMAA has more frequent changes in membership and leadership, and staff must take a stronger role to provide continuity.
- 9. Effectiveness/success is more easily measured and appreciated for the UMF (i.e. dollars raised) than for UMAA/AR (i.e. time volunteered, qualitative impact on legislature, or level of participation of alumni, etc.). Both organizations benefit from increased membership and increased alumni giving and should work together toward those goals.
- 10. There should be better ways of utilizing staff talents across units; providing staff training; and recognizing staff and organizational accomplishments.
- 11. The number/diversity of publications and multiplicity of communication themes throughout the University results in dilution of the University's message and causes some confusion in the public.

The major recommendations coming out of the retreat are:

1. The U, UMAA/AR, and UMF should emphasize strategies to enhance the quality of the student experience; this is crucial to long-term success of alumni and development functions.
2. The vice president for external relations position should be filled with emphasis on competencies in strategic marketing and public relations or provision should be made for a suitable alternative.
- 3a. A structure should be created to help communicate priorities and need for alumni support from the University administration -- such as a President's Alumni Council.
- 3b. Alumni representation should be added to the President's Development Council, which should be refocused to provide more emphasis on fund-raising strategies versus academic strategies.
- 3c. Cross-representation on each board should be continued with representatives having stronger input at board meetings.
4. A joint task force of UMAA/UMF volunteers should be formed to discuss and resolve key issues of mutual interest, conflict, and opportunity such as:
 - Alignment of goals and objectives;
 - Fund-raising strategies among alumni;
 - Donors as Members and Members as Donors;
 - Gateway Center Project;
 - Communication strategies;
 - Morse-Alumni Award.
5. A total quality management process should be implemented immediately to assess and improve the effectiveness of the DMS in meeting the needs of the UMAA/AR and collegiate units.
6. The U administration should provide more direction and support in guiding UMF and UMAA/AR relationships with central administration and collegiate units.
7. To maximize existing resources:
 - priorities need to be set according to available budget and resources, skills of staff assessed to meet the goals, and then accountability can be expected;
 - there should be cross-utilization of staff in external relations on select projects.
8. The U should increase budget and staff allocations for the UMAA/AR in order to realize substantial long-term potential for increasing the active participation and giving of alumni

Michael Unger then gave the board some questions to discuss with regard to the retreat:

- Even with a President's Alumni Council to help align the UMAA/AR's priorities with the U how will the UMAA/AR be able to curtail the "new initiative-a-year" pattern of recent years?
- How important are the service efforts (e.g. legislative network, mentoring, student recruiting, Morse-Alumni Award, etc.) to the board and the general alumni? Should these be cut back, maintained, enhanced?
- Should alumni activities be more focused on fellowship activities, which better complement the UMF's challenge to increase the number of alumni donors? If so, what activities should be emphasized and what activities should be curtailed?

John Bergstrom commented that the Carlson School of Management Alumni Society has extensive activities. Bergstrom sees the service efforts of the UMAA as appropriate as the alumni societies provide fellowship activities. The UMAA should help the societies and chapters with their fellowship activities when needed and coordinate the service efforts. Bergstrom said that efforts like the legislative network are done much more efficiently by the UMAA rather than the societies.

Janie Mayeron stated that the alumni association's key volunteers saw the UMAA's primary role as advocacy and service. The UMF seemed to believe that the UMAA should be of more help with fellowship and spirit-raising activities. Mayeron commented that many UMAA volunteers are not as interested in the fellowship and spirit-raising activities and joined because of the service aspect of the UMAA.

Margaret Carlson added that the UMF made it clear that if the UMAA/AR did only two things well, raise members and have fellowship activities, we would be a good alumni association. She acknowledged that the UMAA has not put the greatest value on those things in the past few years as we have geared up our advocacy initiatives. As the UMAA goes forward, the challenge will be to balance fellowship and advocacy/service.

Laura Langer commented that if the University wants the UMAA to do more University-wide fellowship activities, the UMAA would have to increase staff by three to four people.

Anthony Yapel asked Margaret Carlson to estimate what percentage of time is devoted to fellowship versus service. Carlson replied that it was very difficult to estimate. If the UMAA staffing of collegiate units *were counted only as service*, there are thirteen full-time program staff working on service, and one full-time staff person working only on fellowship activities. Jane Whiteside added that the percentage was approximately 5 percent, if defined in the narrowest sense of the terms fellowship and service.

Billie Anne Juni told the board that the Allied Health Alumni Society, as much as it wanted to do service, was finding out that it needed to do fellowship events first, in hopes that they will eventually get alumni members to do the service. Carlson asked if there was need for more staff to help the societies. Juni replied that a new society does need staff support to get ideas and get the volunteers ready to go, but at some point they need to be able to run it themselves. Laura Langer commented that it just appeared that way, that the staff provides the continuity to the older, established societies as well.

Dee McManus told the board that service was her reason for joining the UMAA. She commented that the strongest alumni response in the College of Biological Sciences Alumni Society had been

from service activities. McManus also commented that perhaps the collegiate society liaison person should be used to link the groups to the main organization, with less reliance on the staff person.

Larry Laukka commented that the UMAA/AR does more fellowship than it realizes. Laukka said it is difficult to determine what is fellowship and what is service. The question posed by of the retreat was: Can the UMAA be a more effective entity for the U? Laukka sees service as providing that component. Carlson commented that service and fellowship are often blended, difficult to dissect, and stood corrected on the 5 percent fellowship figure.

Marvin Trammel agreed that the primary effort of the UMAA should stay the same. Trammel commented that the UMAA should try to increase fellowship to increase the potential donors to the UMF.

Linda Mona reported that one issue that kept coming up in the retreat was that the groups were not talking to each other, and that the UMAA/AR is not getting direction from the University. Mona drew a corollary to the situation between the UMAA and the societies and chapters. Mona asked if the societies and chapters were held accountable for issues they were told to focus on by the UMAA.

Georgiann Errigo told the board that she was trying to make some sense of the retreat from a student's point of view. If Errigo were a student, she would want the UMAA to be involved in recruiting her and providing a mentor for her college years. Then, as an alumnus, she would be interested in fellowship/service. Errigo also said that alumni should be visible at all fellowship events at the University.

Dick Whitney said that getting the DMS working correctly would help the geographic chapters find their potential members. In addition, coordinating publications might help potential members keep in contact with the University.

John French commented that the retreat sounded very stimulating. French said that the most valuable feature of the retreat was that it got the UMAA and UMF aligned in pursuit of the best interests of the U. French took issue with the emphasis on strategic marketing or public relations for the vice president of external affairs. What is needed, French said, is "a wise person with energy and dynamism who understands the state and is sensitive to the issues."

Michael Unger thanked everyone for their input. Unger said that the themes of the retreat were not far off the expected outcomes. The UMAA has challenges, but should continue its emphasis on service and improving the student experience. Unger stated that it is while doing service events that fellowship opportunities arise.

UNIVERSITY PRESIDENT'S UPDATE

Michael Unger introduced University of Minnesota President Nils Hasselmo, who would be giving the board his impressions of the retreat and an update on the changes at the U that have recently caught the media's attention.

President Hasselmo thanked Michael Unger, and then thanked the board for being at the meeting and showing its support and commitment to the U. Hasselmo stated that the retreat crystalized, again, the importance of UMAA activities and how they related to the U. Hasselmo was impressed when, in the subgroup he was a part of during the retreat, thanks to Janie Mayeron, the group got down to the heart of the matter, the student experience. Everything the University does has something to do with student experience, with creating the kind of student experience that will further strengthen the worldwide network of U alumni. Strengthening the student experience is the

energizing, imagination-inspiring kind of objective that Hasselmo thinks alumni would like to rally around. It was interesting, said Hasselmo, to see what kind of ideas flowed from the basic concept of the student experience.

Hasselmo told the board that he is supportive of the idea of a President's Alumni Relations Council, bringing people together on a more regular basis to do strategic planning on the role of the UMAA/AR in the life of the U. The retreat pointed out the importance of that linkage between the U and UMAA/AR.

President Hasselmo told the board that there were a couple of really joyful events involving the student experience during the past week. One of those was having more than eight thousand fourth through ninth graders at the University building a "new world" geodesic globe in front of Northrop Auditorium. Having these young people involved in a project that included geometry, mechanical engineering, and geography, as well as teamwork was a wonderful experience that will be fixed in the minds of all of those prospective alumni. Another event that brought forth the talent of University students was the opening of the Ted Mann Concert Hall. The University now has a wonderful hall to exhibit the talents of University students, develop it further, and share it with 1,250 people at the same time. The Frederick R. Weisman Art Museum is also attracting attention, though there are divergent views on its merits.

As far as the other U agendas:

- The U is moving ahead with strategic planning and putting those elements in place. The most recent element is a forum on teaching that will focus on the many creative efforts going on at the U in improving teaching, as well as the central student experience.
- The University is also wrestling with tuition rates, and whether or not there will be salary increases this year. All of this is happening without knowledge of what the state appropriation will be. The U is laying down guidelines trying to keep tuition low so that access will be provided to everyone. At the same time the U is trying to have enough funds to undertake quality improvements in the basic educational experience.
- This week the Board of Regents will be presented with a six-year comprehensive capital development plan for facilities, including deferred maintenance, remodeling, and some new construction. Many facilities, were constructed 75 - 100 years ago. The U needs a continually renew those buildings. Fortunately, private funding has paid for some of that.
- There was a set back with the steam plant. The U did not receive the federal grant for clean coal technology that it had applied for. This will make the enterprise much more expensive, possibly \$80 million to \$90 million dollars over the lifetime of the project. It is uncertain whether the University can reapply later.

The Health Sciences Department and the Medical School have been in the news lately. Although it is distressing when problems are discovered, it is through the efforts of University people in the Health Sciences Department itself that some of the problems have been identified and are being corrected.

One of the current projects involves reviewing and coming up with a new Medical Practice Plan. It will document a set of policies that are more adequate in meeting today's need for accountability. At the same time, it will maintain a productive relationship between the U and faculty members who, in order to fulfill their research and teaching obligations and in order to provide a patient base for the U's teaching hospital, must be involved in clinical activities. This set of policies will be

presented to the Board of Regents in June for adoption in July. Also being presented to the regents is a set of recommendations on public/private partnerships in general.

A group, co-chaired by Anne Peterson, dean of the graduate school and vice president of research and Win Wallin, former CEO of Pillsbury and Medtronic, has made a set of recommendations after reviewing all of the University's policies and practices regarding public/private partnerships.

President Hasselmo reported that he was also looking for interim leadership in the Health Sciences Department, someone in the community who has the qualifications to fill the position. President Hasselmo then asked if there were any questions.

Steve Huh asked what percentage of foreign students were currently attending the University. President Hasselmo replied that there were currently about 3,500 foreign students from 114 different countries, approximately 7 to 8 percent of the total student body.

There were no further questions. Mike Unger thanked President Hasselmo for meeting with the board members.

REPORTS

Alumni Legislative Network

Michael Unger asked Molly Grove, alumni legislative network coordinator, to give a legislative update. Grove said that there had been good feedback from legislators about alumni contact. Grove requested that everyone in the meeting call one of the members of the Higher Education Conference Committee within the next few days to show support for the U. Each member was given a card with the committee members listed on one side, the issues to stress with the committee members on the other side, and a quarter to call one of the legislators before leaving the hotel. Grove requested that if people were unable to directly talk to these members, a message in support of the U and quality education, as well as support of higher education funding for the U should be left with their staff person(s). The buzzword to remember when talking about the U is quality. In addition, the U has been reminding the House and Senate that maintenance to the older buildings is necessary, and the U must pay one-third of the costs.

Michael Hart commented that it might be wise for the UMAA to support U alumni in their bids for state office, as they would be better able to understand the need to support the University in the legislature.

EXECUTIVE DIRECTORS REPORT

Margaret Carlson called the board members attention to the UMAA's year-end report that was detailed in the exhibit materials and the highlights were recapped in Mike Unger's printed report that would be distributed at the annual meeting in the evening. She encouraged the members to enjoy what the UMAA is and what it has been, as the UMAA looks at what it wants to be in the future and what it knows it can be.

Carlson then introduced Al Anderson, the new UMAA/AR marketing and membership director as being a part of that future, and asked him to tell the board about himself and his general plans for increase and retaining members.

Anderson explained that his background is in business, specifically direct marketing. The last job Anderson had was related to building relationships with consumers while marketing books and collectibles.

Anderson thanked the board for the opportunity to serve the UMAA. Anderson told the board that during the interviews for the position it became apparent that the UMAA staff was a team, and that he was looking forward to becoming a part of that team.

He told the board that the UMAA needs to appeal to the graduates, and part of his job will be to establish benefits graduates will respond to. Additionally, Anderson will be looking at ways to keep the current members and create messages that might bring in new members. In addition to our graduates, many people with significant relationships to the University are not official graduates (e.g., those taking continuing education classes). There might be a way to get those people to join the UMAA.

Anderson's plans for the UMAA include coordinating efforts between different departments trying to reach the same people, working on the effectiveness of the data base, and reviewing ways to expand the data base.

Mike Unger commented that there were usually more staff present at board meetings, but due to the annual meeting this evening, many staff were not present. Unger thanked the staff and acknowledged their work and support of the UMAA.

Janie Mayeron reminded everyone of the June 9 national board meeting and encouraged members to attend.

Mike Unger adjourned the meeting at 2:12 p.m.

Minutes Respectfully Submitted,

Larry Laukka
Secretary

by

Travelle Evans-Vann
Executive Assistant

Enclosure with Official Record of Minutes: 1992-93 UMAA/AR Year-End Results

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION/
DEPARTMENT OF ALUMNI RELATIONS

1992-93 OBJECTIVES AND RESULT HIGHLIGHTS

(Note: President Hasselmo's Policy Agenda areas noted in parentheses)

COMMUNICATIONS

Minnesota Magazine (1 B; 1C; 1D; 2B; 6A; 7A; 9B)

- six issues of *Minnesota* were published that included stories about President Nils Hasselmo's progress in meeting the University's goals; gender equity; Morse Alumni Award winners; former University president Ken Keller's perspective on events leading to his resignation; Memorial Stadium's last days; text of Garrison Keillor's 1992 UMAA annual meeting speech
- the magazine received a CASE Bronze Medal for 1992, one of eleven University magazines to receive a medal, and a Silver Medal for writing
- *Minnesota's* Fall Preview Issue, which featured six new building projects and their supporters and a story on the proposed Gateway Center, was sent to more than 100,000 alumni, including 60,000 alumni who were not members of the association to acquaint them with the UMAA and what's new at the "U" for the coming year; this issue was also sent by the UMF to 3,500 donors thanking them for their support and encouraging them to join the association
- a special four-page section highlighting the UMF's 30th anniversary was included in the January/February 1992 issue, which was sent to an additional 10,000 donors who were not members of the UMAA
- advertisement support included two ads for the Glories of the State campaign; an ad soliciting regent candidates for the Regents Candidate Advisory Council; a student recruitment ad sponsored by IBM
- *Minnesota* advertising revenues increased from \$150,000 to \$196,000

Memorial Stadium commemorative ceremony and brick sale (3E; 8B)

- had a key role in organizing the commemoration ceremony that marked the demolition of the stadium
- assisted the *Minnesota Daily* with its special edition on Memorial Stadium, by providing historical information from the *Alumni Weekly* and UMAA board meeting files
- sponsored a sales of bricks from the stadium that raised \$52,000 for student scholarships

Other communication (1C)

- two-page UMAA advertorial was prepared and published in *Update*, with the help and cooperation of University Relations
- UMAA "Themes and Messages" were drafted that communicate what the UMAA is and does, why the UMAA's work is important, what the UMAA has accomplished, and why alumni membership is important; by presenting a consistent message to the public and establishing an image for the UMAA, it is hoped that alumni will be inspired to join the UMAA in its efforts to support the University of Minnesota

OUTREACH PROGRAMS

Geographical outreach within the state (1B; 1C; 2B; 3D; 5A; 7A)

- active chapters increased from 11 to 13; new chapters in Austin/Albert Lea, and Brainerd
- alumni activity strengthened in Red Wing, Rochester, St. Cloud, Brainerd, and New Ulm
- 24 events planned and implemented in active chapter and developmental areas, including 12 events with collaborative partners such as the University Art Museum, School of Music, and community groups
- alumni support for four President's trips in active chapter and/or targeted developmental areas
- 4 active chapters held student recruitment events (Martin County, Red Wing, Redwood Falls, Lincoln-Lyon Counties)
- supported Men's Athletics Tradition Tours with phone calls and mailings to alumni in 6 cities
- generated alumni attendance at ten Big 10 events

Geographical outreach nationally and internationally (1B; 1C; 2B; 3D; 7A; 9D)

- active chapters increased from 13 to 14; expanded alumni activity in 4 active chapters (Atlanta, Georgia, Phoenix and Sun Cities, Arizona, and Austin, Texas); initiated alumni activity in Chicago, Los Angeles, and St. Louis
- coordinated with UMF and the Minnesota Trade Office to plan Associate Vice President Robert Kvavik's trip to Taiwan and Korea, as an official member of the governor's party; alumni awards presented to key volunteers in these areas
- UMAA reception for 100 Beijing alumni in conjunction with UMAA travel program

Collegiate alumni societies (1B; 1C; 2B; 3D; 8B)

- 17 collegiate alumni societies held approximately 250 board and committee meetings; 72 events planned and implemented (at least 10 collaborative events with other societies, chapters, and/or University units); approximately 5,000 participants
- other society projects include student/alumni career development, collegiate unit curriculum planning and review, dean's focus groups, collegiate unit/alumni newsletters, graduation ceremonies, and community service projects

Alumni mentoring, particularly students of color (5B; 8B)

- mentoring activities in 13 of 17 collegiate alumni societies linking approximately 225 alumni with 225 students
- UMAA board approved funding for Mentoring Program Director, who joined the staff in January 1993
- director will expand the mentoring efforts and is currently working with Learning Resource Centers to develop pilot mentoring program for 1993 Summer Institute students; existing University mentoring programs have also been reviewed; mentoring program training materials are also being developed

Recognition and spirit activities (8B)

- sponsored homecoming pepfest at the Metrodome for 1,000 alumni and fans
- cosponsored the 1942 Class Reunion with the UMF; 150 attended
- UMAA annual meeting featured alumnus Pat Schroeder as keynote speaker; 1,200 in attendance
- UMAA alumni and student leadership recognition combined into a single event with 8 alumni and 10 student awards presented
- sponsored pregame pepfests for NIT tournament, in collaboration with University Relations
- cosponsored Hockey Border Battle Pepfest with alumni societies

UNIVERSITY ISSUES

Diversity and pluralism (4D; 5B; 8B)

- mentoring program director is making contacts with minority learning resource centers and other relevant organizations to develop mentoring opportunities for students of color is expected to be established
- at least one new scholarship to assist students of color before the end of the fiscal year
- second annual report on University and the UMAA's progress in meeting diversity goals was featured in the May/June 1993 issue of *Minnesota*; two feature stories and fourteen column or department stories included or were about people of color throughout the year
- increased the number of minority staff from zero to three and number of minorities on national board from three to seven

Student scholarships and Morse-Alumni Awards (5E; 6A; 8C)

- student financial aid and scholarships, as well as long-term funding for the Morse-Alumni Award, were the subject of discussion at nine University Issues Committee meetings (and will continue to be priority areas for future committee activity); resource people consulted included staff from Student Financial Aid and Admissions, as well as representatives from the University Foundation and SCEP
- UMAA volunteer participation on Morse-Alumni Awards screening committee and involvement in awards ceremony continued

Legislative recommendations on student financial aid (1D; 2B; 3D; 5E)

- UMAA national board discussed the governor's recommendations on student financial aid, based upon the work and recommendations of the University Issues Committee, and passed a resolution that was shared with the governor and key legislative leaders
- Mike Unger and Janie Mayeron, UMAA president and vice president, met personally with 6 key legislators and staff to discuss the higher education bill and support of the University

Alumni Legislative Network (1B; 1C; 3D; 5E)

- UMAA board approved the hiring of an Alumni Legislative Network Coordinator, who joined the staff in January 1993
- coffee parties hosted by 21 alumni before the end of the fiscal year
- collegiate alumni society briefings held in 16 of the 17 alumni societies; geographical chapter briefings held in 6 Minnesota communities
- network volunteers represented the UMAA at 5 legislative committee hearings and two Citizen's League Speak Up Forum on the state budget
- four Action Alerts sent to 700 members of the Alumni Legislative Network members encouraging them to contact their legislators on important policy and funding issues; there was a net increase of 40 members in the network
- UMAA national board members asked to call conference committee members to urge support for the House recommendation

Student recruitment/student relations (5A; 8B)

- new admissions director met with University Issues committee to explore an expanded future role the alumni association in student recruiting
- staff serve on Greek Planning Advisory Committee and the University Community Building Project
- financial support to the College Bowl team and the Siggelkow Student Leadership Retreat
- sponsorship of 10 UMAA Student Leadership Awards; collegiate alumni societies sponsor 40 awards and scholarships for students, 7 awards recognizing outstanding teaching, and 11 awards recognizing outstanding alumni contributions

Regent candidates recruitment (1D; 2B)

- Tom Swain, Regent Candidate Advisory Council, met with University Issues Committee to discuss alumni involvement
- UMAA board and alumni society and chapter boards received mailings requesting their assistance in finding candidates; a full-page ad was included in the November/December *Minnesota*
- master lists of possible candidates were prepared for all eight congressional districts for future use in soliciting candidates; and personalized letters were sent to individuals suggested to the UMAA during this process

MEMBERSHIP

Marketing and Membership Director

- a marketing/membership director with considerable experience in direct marketing was offered the job; but before making a decision, he wanted to test what could be done to raise memberships through telemarketing; the test was successful (see results below), and he will join the staff on May 18, 1993

Pilot telemarketing test

- as of April 23, these were the results:
 - 12 people joined during the phone call by giving a credit card number
 - 361 people agreed to join but asked to be billed
 - 7 people did not commit over the phone but asked for information to be sent
- personalized follow-up letter and membership packet were sent to these 380 alumni

Membership renewal activities and targeted appeals

- UMAA's total membership count according to the DMS system was 25,338, as of March 1993
- fall promotion was designed to emphasize UMAA "look" and alumni service to the University (e.g., mentoring, legislative support, etc.); response rate to the fall appeal was .8% overall; the fall promotion included a targeted appeal to education alumni; the response rate for this group was .9%; other targeted collegiate alumni society membership appeals were slowed when the UMAA membership director left in January but should resume once the new director begins work in May
- some joint membership/donation solicitations were done by the Minnesota Medical Foundation
- cover wrap on *Minnesota* for members reminding soon-to-be expires to renew their membership (started with January/February issue)
- special mailing to the following target markets:
 - 1,000 lapsed installment life members (in the DMS system, these people never get into the computer-billing process again, once their expiration date has passed)
 - 2916 people who bought bricks (as part of the demolition of Memorial Stadium), thanking those who are already members and soliciting those who are not members (the majority of buyers were not members)
 - 255 people who attended the NIT pepfest in New York (the majority were not members)

New and continuing membership benefits (IC)

- partnership arrangements have continued with all University units as before (Library, CEE, U Press, U Theatre, Men's and Women's Athletics, Golf Course, Credit Union, Outdoor Store)
- University Bookstore will offer a 10% discount on "soft lines" (e.g., clothing) and souvenirs, and possibly the creation of a select line of alumni merchandise at even greater discounts (specific details to be determined)
- Campus Club membership opened to all UMAA members (specific details of the membership package to be determined)
- special one-time benefit for current members: a copy of Harvey Mackay's new book *Sharkproof* to the first 1,000 members who respond to an ad in the July/August issue of *Minnesota*

Data Management System (9A)

- an outline of the UMAA's needs from the DMS system and a study of alternative systems were completed
- customer service problems have declined in frequency, but UMAA has not yet been able to take advantage of newer DMS technologies

FUNDRAISING

Gateway (3E)

- organized three fly-aways to the Texas A & M Alumni Center so that key volunteers and staff could tour an outstanding alumni center
- served in key volunteer and staff roles on the Gateway Steering Committee; made numerous calls on potential donors
- highlighted the Gateway project in the September/October issue of *Minnesota*
- coordinated with the UMF to assist the Class of 1942 in raising \$200,000 for the Gateway project, with the gift targeted to the preservation of Memorial Stadium Arch in the center or adjoining grounds

Other fund-raising (3E)

- provided assistance with the Eastcliff Society fundraiser to be held in Fall 1993
- facilitate the designation of the Elbreth Grant Trust monies to the Institute of Technology (\$ 4 million estate to five designated recipients, including the University of Minnesota)

MANAGEMENT AND OPERATIONS

Volunteer ownership and training (1C)

- exceeded 25% increase in the number of active volunteers involved in society activities such as committees, projects, and events; society board operations have been strengthened; currently 1,000 volunteers provide leadership to the societies, chapters, and the general association
- twelve alumni societies planned and implemented membership campaigns
- one volunteer training session for society board members; program directors have held individual board training sessions; chapter officer training will occur during summer 1993

Relationships with the UMF and University (1A; 2E)

- cosponsored a retreat with the UMF with the goal to improve the coordination and collaboration among the UMAA, UMF, and the University

Alumni Club (1C)

- renegotiating the lease with Heitman Properties
- membership and renewals remain constant

UMAA/AR space (1C)

- moved office from Morrill Hall to Coffman Memorial Union, with approximately 35 days for project design, renovations, and the move
- became partner with the Campus Club and the University Women's Club, as an aspect of the lease

Staff training (2C, 4E)

- held staff training on diversity and disability awareness, with programming being provided by the Equal Opportunity and Disability Services Offices

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION 89TH ANNUAL MEETING

Monday, May 10, 1993
Bierman Field Athletic Building
Football Complex
University of Minnesota
5:30 p.m.
Minneapolis, Minnesota

WELCOME

The 89th annual meeting of the University of Minnesota Alumni Association (UMAA) began with a reception for alumni, friends, and staff of the University. Following dinner, 1992-93 national president Mike Unger called the meeting to order at 7:30 p.m.; he welcomed more than 1,200 attendees.

INTRODUCTIONS

Unger introduced the 1992-93 UMAA national officers and the guests at the head table: Linda Mona, second vice president; Nils Hasselmo, University of Minnesota president; Pat Schroeder, nationally acclaimed politician, senior congresswoman from the State of Colorado, University of Minnesota alumnus, and featured speaker; Janie Mayeron, first vice president; Larry Laukka, secretary; John French, past president; and Margaret Carlson, UMAA executive director.

Unger thanked the many organizations and individuals who helped plan and make the annual meeting a success. Special thanks were extended to Bill and Christine Maddux from the Radisson Metrodome, for serving as corporate sponsors and providing the dinner; Wendy Sharpe and Becky Malkerson, cochairs of ticket sales for the annual meeting; Karen Heine, UMAA director of special events; Hope Thill, UMAA staff; and Jean Marie Hamilton, UMAA director of communications.

BUSINESS MEETING AND PERSONAL REMARKS BY UNGER

Unger shared some personal observations with the attendees. He related how having served on the Board of Regents for six years as the first student representative, and on the alumni association board for eight years he is often asked "what value is there in my activities in support of the University of Minnesota?" Unger stated that the same question could be asked of everyone present. Unger said that "sometimes the question makes me a little tired and surprised." He sometimes wonders how anyone who lives in Minnesota can fail to see the importance of supporting the University of Minnesota, then realizes that its value is not always self-evident or widely appreciated by others.

Unger told of a report entitled "The University of Minnesota as an Engine of Economic Growth," which analyzed the significant impact of the University on the local economy. It employs 36,000 people, has a multibillion dollar budget -- with only about 28 percent of the revenue coming from state tax support, and has produced approximately 340,000 living alumni, most of whom remained in the state and many of whom started thousands of business both large and small. The report reminds us, Unger continued, of the spin-offs from University research that have started the local biomedical industry, the large number of high-tech businesses, the development of the taconite process that extended the economic life of northern Minnesota, and the development of new and hardier crops both as food and to fuel the agricultural industry of the state. Unger stated that the true value of the University is not measurable in dollar amounts.

Unger continued by saying that "the University is not primarily an 'engine.' Nor is it anything mechanical. The University is about people. About finding and living up to our potential. The real value of the University is not the economic productivity of its graduates, but in the service they provide — most often services for our fellow human beings." He told the attendees to "consider the University-trained physician who saves a human life. Consider the teacher who opens a child's eyes to his own possibilities. Consider the politician seeking to promote better understanding and full appreciation of the equality of her gender. Consider the artist whose creation inspires others to find beauty. Or the social worker whose compassion gives hope where it was missing." These are the real contributions made by the University of Minnesota.

Unger stated that even now, one out of every five students at the University of Minnesota is a pioneer: the first person in their families to obtain a college education. This, Unger stated, is the "true value of the University of Minnesota: helping people to improve themselves, their lives and the lives of others."

Unger quoted from a commencement address by a writer named Frederick Beuchner. "The word "educate (ex + ducere) means to lead or bring forth, and the whole point of education is to bring forth all the wisdom and courage and humanity that are part of who you are. What you learn from books ultimately is not the riches of the past—of history, science, literature and all that—but your own riches. The absolutely fundamental purpose of education is to show you that what's most important of all is to be the one thing nobody else in the world can be except you—and that is your own unique and precious self. Whatever you do with your life—whatever you end up achieving or not achieving—the great gift you have to give the world is the gift of who you alone are—your way of seeing things, and saying things, and feeling things that is like nobody else's."

Unger concluded by stating that there is "no other educational institution in Minnesota that delivers this value with the University's special combination of impact, size, diversity, and accessibility. When we support this institution we are saying something about the respect we have for one another's human potential."

ELECTION OF 1993-94 OFFICERS

Unger reviewed the 1993-94 slate of officers forwarded by the UMAA Nominating and Awards Committee and approved by the UMAA board earlier in the day:

President	Janie Mayeron, partner, Popham Haik
Vice President	Larry Laukka, president, Laukka Development
Second Vice President	Ezell Jones, chair and CEO, Premier Risk Tech Services
Secretary	Bruce Thorpe, project manager, John Ryan Company
Treasurer	Linda Mona, owner, Creative Environments

The slate of new board members was introduced, voted upon, and approved by those present.

At-Large Member	Jay Kiedrowski, senior vice president, Norwest Bank
At-Large Member	Marvin Trammel, senior vice president, Minneapolis YMCA
At-Large Member	Roxann Goertz, senior vice president, CME-KHBB
Geographical Rep.	Joe Gibilisco, retired dentist, Rochester, MN
Geographical Rep.	Keith Krueger, president, Non-Profit Management Association, Washington, District of Columbia.
Geographical Rep.	Audrey Kuempel McGregor, past president, Kuempel China & Clock Works, and president of Sun Cities Alumni Chapter, Sun Cities West, Arizona

PASSING OF THE GAVEL

Mike Unger introduced Janie Mayeron who will take over as the 1993-94 national president on July 1.

REMARKS BY PRESIDENT-ELECT JANIE MAYERON

Janie Mayeron thanked Mike Unger for his service to the UMAA and for providing leadership to the volunteers, inspiration to the staff, and a sense of partnership with the University administration. As a symbol of the time Unger has given to the University, from regent to alumni president, Mayeron presented him with a gold regent seal watch as a token of appreciation.

Mayeron said that as she was preparing the speech she was about to give she found herself asking "How the heck did I get here?" and "Why am I here now?" As Mayeron reflected on those questions, it came to her that the answers to both questions were the same: the University of Minnesota.

While Mayeron was preparing to attend the University, someone had the foresight to understand that if she were to make it at this big University she would have to make a connection. Mayeron recounted that she attended freshman camp, where she developed her friendship with UMAA past president Steve Goldstein. Eight years ago, Goldstein asked Mayeron if she wanted to get involved with the UMAA and she said yes. That friendship is also why she is still involved with the UMAA. Like so many of the other friendships made at the University, Mayeron said it taught her that education is not just what is learned in textbooks or classrooms. Education is also about making connections and feeling a sense of community with fellow students.

"Those of us who have made a commitment to the University of Minnesota Alumni Association have done so because we believe that we, in partnership with the University, can help educate students both inside and outside the classroom," Mayeron said. This can be by acting as a mentor, a tutor, a recruiter, a lobbyist, or a catalyst for change, but also by always assisting students to feel a connection to each other and the University.

Mayeron said that "the days when this organization was nothing more than a social group – when the annual meeting attracted 100 people – are gone. I am here because this association has truly become a service group of substance – a group of individuals who believe that they can make a difference in the education our students receive." Mayeron finished by asking those present who were not members to consider joining and those who were members to give their time to make the UMAA's mission a reality: "to make the student experience the very best it can be." Mayeron then thanked alumni for the honor of being elected president.

UNIVERSITY PRESIDENT'S REPORT

University President Nils Hasselmo said that as he looked at all of the people attending, he saw how successful the University of Minnesota has been. He praised the commitment shown by former students who took the University experience and built a wonderful future. Hasselmo said that he had seen the future from his office window earlier in the week when 10,000 youngsters came to the University from all over Minnesota to "Build a New World." These young people, Hasselmo continued, "learned, because of University outreach from the Institute of Technology, that math is fun. That science is fun. That engineering is fun." Hasselmo said that families came all week to see the four-story globe that these young people had created. The word most often used to describe the globe was "awesome" Hasselmo told the meeting.

"There are many things that are awesome about the University of Minnesota," Hasselmo said, but you'd never know it from reading what is being printed about this University in recent months. I'd like to wake up one morning and read the headline: "University of Minnesota continues saving lives; invigorates the economy; is worth every penny of it." Hasselmo said that he never will see that headline because it is not news. News is about the unusual, the extra ordinary, not the usual. Hasselmo stated that "we must remind ourselves every day what we are accomplishing."

Answering the question, "What are we accomplishing?" Hasselmo gave examples.

Highlights about faculty:

- Two University of Minnesota faculty members were inducted into the National Academy of Science: Avner Friedman, director of the Institute of Mathematics and its Applications; and John Chipman, Regents' Professor of Economics.
- Ecologist Margaret Davis won the Nevada Medal, joining other luminaries like James Van Allen, who discovered the radiation belts encircling the earth.

Highlights about students:

- Many students have participated in building the solar car Aurora that will participate in Sunrayce '93 from Texas to the Minnesota Zoo in June.
- Karen Schlangen, a double major in psychology and mechanical engineering won national award for designing a cellular phone for use with a wheelchair. She also designed a better umbrella and was named one of *USA Today's* Academic All-Americans this year.
- Six graduate students won prestigious Fulbright Scholarships to study abroad, four more are finalists.
- One student won a \$30,000 Truman Scholarship, another a \$7,000 Goldwater scholarship, two won Mellon Fellowships, one received a Ford Foundation Predoctoral Minority Fellowship, and another won a James Madison memorial fellowship, and those are only students from CLA who won honors.

Cultural events include:

- The School of Music is taking opera to the farm this June: staging Aaron Copland's *The Tender Land* on working farms in Minnesota, and North and South Dakota.
- The new Ted Mann Concert Hall is open for "trial" runs and next fall the doors of the Frederick R. Weisman Museum will "disclose what is behind that intriguing aluminum facade."
- CLA started FLIP (Foreign Language Immersion Program) in Spanish this year. Next year French will be added, then German.
- General College is sponsoring WHIZKIDS to make math and science more appealing to minorities and young girls. The video that was made to promote the program won a "Telly" award and features minority scientists such as University of Minnesota agronomist Robert Jones and has been shown to 8,000 young people in 100 Minnesota and Wisconsin schools.

Hasselmo continued by saying that it is exhausting trying to list all of the things that are not news at the University of Minnesota. Hasselmo concluded by saying, "The University is the third or fourth largest "city" in Minnesota. "There will be problems. And where problems are the result of flawed policies, we will work to fix them. I'd simply like you to remember that the University has a wonderful story to tell, and I invite you to help us tell it."

INTRODUCTION OF KEYNOTE SPEAKER PAT SCHROEDER

Mike Unger commented that because there had been such an outpouring of goodwill after the last annual meeting, because the UMAA had brought "one of our own home," the UMAA sought out another alum to continue the legacy of "Making the University of Minnesota Connection."

Unger stated that Congresswoman Pat Schroeder was the first choice due to the "spotlight on the national political scene and the world attention on women and politics." Schroeder has served in the United States House of Representatives for 21 years, and is the unofficial dean of women on Capitol Hill. She serves on the Armed Services Committee, the Judiciary Committee, the Post Office and Civil Service Committee, and chairs the Select Committee on Children, Youth, and Families.

Unger related that a recent Gallup Poll rated Schroeder as one of the six most respected women in America. Had she been able to afford it, Radcliffe was Schroeder's first choice. However, her father insisted that his children pay their own tuition, and she could afford the \$600 out-of-state tuition at the University of Minnesota. Schroeder graduated magna cum laude in 1961 and was a member of the Phi Beta Kappa honor society and credits the seminars with Hubert H. Humphrey as helping shape her liberal instincts and affecting her success in political life.

KEYNOTE SPEECH

Pat Schroeder told the audience that had she been able to afford Radcliffe she would not have had the "terrific menu of choices" she got at the University of Minnesota. Schroeder said that she and her new women colleagues in the Congress -- women now make up 10 percent of Congress, double the 5 percent of a year ago -- will be taking on a number of important issues. Many of the new women members come from California, Oregon, and Washington -- and even from more conservative western states like Arizona and Utah. Among these issues are:

- Women's health. There's "a huge black hole" in medicine, Schroeder said, noting that most government-funded medical studies -- including those of breast cancer -- have focused on men.
- Violence, which Schroeder defines as "a public health and safety issue." She noted that on the opening day of the new Denver General Hospital emergency room, which could be entered only through a controversial metal detector, 52 guns were confiscated. In watching the international arms race, "we forgot to look at the domestic arms race," she said.

Schroeder told the audience that she had spent the day in Minnesota visiting Teltech Resource Network Incorporated, a company that offers businesses access to scientific and technical data bases and experts. The joint state and University of Minnesota project made it possible for small business to gain access to University knowledge, research, and people, which otherwise would be prohibitively expensive.

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89th Annual Meeting
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"President Hasselmo talked about this great University being the engine that drives this economy. Now let me tell you about something very innovative that it has done that may be the engine of our entire national economy," said Schroeder, referring to the Teltech program. Continued Schroeder, who chairs a subcommittee of the Armed Services Committee that is looking at ways to convert the \$40 billion defense research budget to civilian use. "We've done a great job on research. But other countries are doing a better job of taking research and applying it." Teltech is "the first information system I've seen that really works."

The University's ability to transfer research to the private sector is "how our economy will become competitive again," Schroeder said. "The biggest challenge is getting back into the global market. If we don't, we won't know where our kids' jobs are going to come from in the future. "We have to get our ship going in the right direction or we'll wake up in the 21st century and find out we're not players anymore."

Schroeder finished by praising Minnesota, saying that it has the "get going" spirit.

UNGER THANKS SCHROEDER

Following the keynote speech, Mike Unger told Schroeder that as a symbol of thanks, the UMAA is sending contributions in her name to M. Casa Resource Center for Women and Seniors Incorporated, two groups in Colorado. As a more personal thanks to her, Unger then presented Schroeder with an ensemble of Gopher gear because "we want everyone to know that you are an illustrious graduate of the University of Minnesota.

ADJOURNMENT

Mike Unger invited everyone present to come to the 90th UMAA annual meeting on May 10, 1994, when alumnus and best selling author Harvey Mackay will be the keynote speaker. The annual meeting then closed with the singing of "Minnesota Hail to Thee."

Respectfully submitted,

Larry Laukka,
Secretary

by

Travelle Evans-Vann
Executive Assistant

EXHIBIT 3

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION

OFFICERS AND COMMITTEE CHAIRS

THURSDAY, MAY 27, 1993

7:30 a.m.

**Hvass, Weisman & King, Chartered
Minneapolis, Minnesota**

Present:

Ezell Jones
Billie Anne Juni
Janie Mayeron
Dee McManus
Bruce Thorpe

Unable to Attend:

John French
Carol Johnson
Larry Laukka
Linda Mona
Mike Unger

Staff Present:

Al Anderson
Penny Bader
Margaret Carlson
Diane Fisher
Jean Marie Hamilton
Deanne Magnusson
Jane Whiteside

UMAA Vice President Janie Mayeron called the meeting to order at 7:30 a.m.

MINUTES

The minutes of December 10, 1992, and February 17, 1993 were approved as mailed.

ASSOCIATE DIRECTOR POSITION

Margaret Carlson reported that Jane Whiteside has accepted a position within the University and will be leaving the University of Minnesota Alumni Association (UMAA) on May 28, 1993. Whiteside will be working with Jim Infante, the senior vice president for academic affairs, and will be a key staff person in the strategic planning process for the University. Carlson stated that she would be meeting with Dick Byrd, who facilitated the UMAA/UMF/U retreat, to evaluate the different ways that the associate executive director position might be filled. Carlson stated that she would like the position filled this summer, and asked everyone to look for qualified candidates. Janie Mayeron congratulated Jane Whiteside on her new position.

OBJECTIVES FOR 1993-94

Jane Whiteside told the group that when the budget and objectives were formulated, a status quo budget and objectives were used due to the timing of the UMAA/UMF/U retreat. Any additional monies and objectives coming as a result of the retreat will be addressed separately.

Mayeron guided the staff and volunteers through the first draft of the 1993-94 UMAA objectives. Questions were raised and changes were suggested; the revised objectives will be presented to the national board at their upcoming meeting (see June 9 board meeting minutes for the finalized objectives).

Diane Fisher, fiscal officer, reviewed the proposed budget needed to carry out the objectives. There were questions about the increased expenses for membership solicitations and suggested changes on the format of the budget (the inclusion of a detailed executive summary). This budget will be presented to the national board at its June 9 meeting (see June 9 board meeting minutes for finalized budget).

Fisher noted that a fund needs to be started for capital equipment purchases that are not part of the operating budget. Fisher suggested spending surplus/reserves on computer equipment or additional staff. Al Anderson, director of membership and marketing, stated that the UMAA may want to wait until this fall before making a decision on spending the reserves.

ENHANCEMENT BUDGET/OBJECTIVES

Per the outcomes of the UMAA/UMF/U retreat, the UMAA may receive more funding from the University for enhanced programming. University President Nils Hasselmo asked the staff to make recommendations to him on programming initiatives if the organization were to receive \$50,000 to \$100,000 new dollars per year. A matrix was prepared that illustrated new programming to improve the student experience and to improve alumni connection to the University (see attached EXHIBIT 7). The total number of new positions/initiatives exceeded the anticipated levels of funding (\$314,000 if all initiatives funded), however the staff believes that it is important to be comprehensive in articulating needs. There was agreement among the volunteers on the setting of priorities for the new monies, with increased support for collegiate societies and chapters as the number one initiative followed by student recruitment. After discussion and recommendations by the board on June 9, Mayeron and Carlson will meet with President Hasselmo to discuss this request.

ESTABLISHMENT OF THE UMAA FRESHMAN LEADERSHIP INCENTIVE SCHOLARSHIP

Dee McManus presented the University Issues Committee's recommendation per the establishment of the UMAA Freshman Leadership Incentive Scholarship Funds, which was approved by the Finance Committee. The officers/chairs discussed and endorsed merit-based scholarships that focus on leadership potential. The scholarships would be funded from the Alumni Freshman Scholarship Fund held by the UMF. The number of \$1000 scholarships to be given each year would be based on the available balance in the fund. The available balance is calculated at 5.5 percent of the three year average balance of the fund. This fund could currently support twelve scholarships per year.

The recommendation to provide five need-based scholarships, to be funded from the Northern California Freshman Scholarship Fund, also held by the UMF, would necessitate additional fund-raising or designation of other UMAA endowment funds to build an adequate dedicated endowment for this scholarship.

Mayeron expressed concern about this recommendation because the UMAA is not a fund-raising organization and should not commit the University of Minnesota Foundation (UMF) to such a fund-raising effort without their consultation. Additionally, the UMAA has been making large draws on its endowments in recent years (e.g. 1992-93 enhancements and space renovations). Mayeron agreed to consult with Ezell Jones, Finance Committee chair who had to leave the meeting before this report was given, and Fred Friswold, Finance Committee member and UMF trustee. There was agreement that based upon the advice provided by Jones and Friswold, the recommendation would be amended and presented to the national board on June 9.

The meeting was adjourned at 9:50 a.m.

Respectfully submitted by:

Travelle Evans-Vann

for

Larry Laukka
UMAA Secretary

EXHIBIT 7

June 1, 1993

To: Nils Hasselmo, President
Kathleen O'Brien, Associate to the President

Fr: Janie Mayeron, 1993-94 UMAA National President
Margaret Carlson, Executive Director

RE: **NEW PROGRAMMING AT THREE LEVELS OF INCREASED
FUNDING: \$50,000, \$75,000, \$100,000**

Per your memo of May 20, 1993, the officers and the staff managers have considered the outcomes of the recent retreat and outlined new programming that would be needed in the near future to improve the student experience and to increase/improve alumni connection to the University. As you will note, the total number of new positions/initiatives exceeds the anticipated levels of funding, but we believed that it was important to be comprehensive in articulating our needs.

These programming enhancements are in order of priority, with increased staffing for alumni societies and geographical chapters our top priority; this would mean \$118,000 for funding these initiatives as outlined under #1. Our second area of emphasis would be student recruitment, and the third and fourth areas of emphasis would be international chapters and reunions, respectively.

We would appreciate an opportunity to discuss this proposal with you before our national board meeting on June 9, if possible.

Thank you for your consideration of our request.

UMAA PROGRAMMING ENHANCEMENTS

Purpose: To apply alumni resources to support the student experience (the University's educational mission/product) and to improve alumni connection to the University

Objective/Purpose/Activities	U Partners	Existing Resources	New Resources	Cost
1. Increase staffing for alumni societies and geographical chapters:				
<ul style="list-style-type: none"> • <u>Increase society staffing</u> to allow for 1/3 to 1/2 of a staff position to support each of the 13 UMAA staffed societies, with the objective of focusing more effort on improving the student experience; e.g.: <ul style="list-style-type: none"> • mentoring* • networking • career development • participation in campus community-building events and activities • <u>Increase chapter staffing</u> to allow for continued development of new Minnesota chapters & adequate support of new and existing national chapters, with the objective of improving connection and supporting the student experience, e.g., <ul style="list-style-type: none"> • use technology (videos, distance education, etc.) to get U info and messages out to/connect alumni • scholarship fundraising and recruitment focus for MN, nat'l chapters 	<p>Student Affairs (e.g., community building project), Learning Resource Centers, student organizations</p> <p>UMF, MMF, colleges, U Relations, CEE</p>	<p><u>Alumni society volunteers</u> to assist with mentoring and other student activities (as well as with legislative and recruitment activities); <u>Existing staff:</u> 3.5 FTE program staff and 1 1/2 sec'y Mentoring project staff: 1 program director and 1/2 sec'y</p> <p><u>Chapter volunteers</u> (to raise \$, assist with recruitment, legislative network); <u>Existing staff:</u> 2.25 FTE program staff and 1 1/3 sec'y</p>	<p>Two recent U grads as staff to work in teams with existing society staff;** 2/3 time sec'y; related costs (except travel, catering, etc.)</p> <p>One additional staff to "be on the road;" 1/3 time sec'y; related costs; additional funds for travel of new and existing chapter staff</p>	<p>\$75,000 (\$37,500 if add only one)</p> <p>\$37,500 for staff; \$5,500 for travel</p>

* Mentoring is part of what all society staff do with their groups; the special mentoring project funded in 1992 supports this activity (e.g., with training) as well as develops relationships and opportunities for students of color and other special need groups (e.g., disabled students).

**Possibly to do events, allowing more experienced staff to concentrate on projects, e.g., mentoring, networking, etc.

2. Increase student recruitment by alumni	Admissions, colleges	Alumni society volunteers Chapter volunteers UMAA scholarships Society scholarships Chapter scholarships	One staff with recruitment experience to work with other UMAA staff, volunteers, admissions (mentoring model); 1/3 time sec'y; related costs; additional funding for travel	\$53,000 for staff and related costs \$4,500 for travel
3. Develop international chapters	Office of Int'l Education UMF, MMF, colleges	UMAA travel program?	One more experienced staff; 1/3 time sec'y; related costs; additional funding for travel	\$53,000 for staff \$10,500 for travel
4. Reunions/"reconnection" activities for younger alumni (reunions for older alumni might be a fundraising/development focus)	UMF, MMF, colleges	Alumni societies	One recent grad to do these events as part of a team with other society staff; related costs; 1/3 time sec'y	\$37,500

Additional Concept: In addition to simply increasing the amount of alumni involvement in recruitment and retention, we could work with a class (e.g., the class of 2000--who will be recruited in 1993, 1994, and 1995 and enter the U in 1996), from recruitment through graduation; each society and even chapters could focus on "their" students; the objective would be to work with other University units to pilot a comprehensive approach to enhancing the student experience, and to make "the whole" more than the sum of the parts.

(Amended Section: UMAA Freshmen Leadership Incentive Scholarship Funds;
paragraphs three and five)

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION

NATIONAL BOARD MEETING

**Wednesday, June 9, 1993
4:30 p.m.**

**The Campus Club, West Wing
Fourth Floor, Coffman Memorial Union
Minneapolis, MN
Amended Minutes**

Board Members Present:

John Bergstrom
Chris Brown for Tony Wagner
Rosalie Carlson for Wendy Sharpe
Georgiann Errigo
John French
Joe Gibilisco
Steve Jackelen
Ron Jost
Billie Anne Juni
Jay Kiedrowski
Janie Mayeron
Linda Mona
Kathleen O'Brien
Leonard Parker
Willard Powell
Fred Rengel for Bruce Hawkinson
Mary Ellen Spector
Bruce Thorpe
Marvin Trammel
Ted Tulashie
Michael Unger
Paul Vesterstein
Anthony Yapel

UMAA Staff Present:

Mark Allen
Al Anderson
Margaret Carlson
Travelle Evans-Vann
Diane Fisher
Molly Grove
Cheryl Jones
Carmela Kranz
Jane Whiteside

Board Members Unable to Attend:

Dale Anderson
Rick Broderius
Ann Barksdale
Rollin Dennistoun
Dave Dufault
Gordon Dunkley
Mary Flinn
Curman Gaines
Michael Hart
Nils Hasselmo
Bruce Hawkinson
Michael Huerth
Ann Huntrods
Carol Johnson
Ezell Jones
Ron Jost
Duane Kullberg
Laura Langer
Larry Laukka
Richard Lindgren
Becky Malkerson
Dee McManus
Dee Peterson
Kati Sasseville
Wendy Sharpe
Michael Sullivan
Richard Whitney
Shirley Zimmerman

Other Staff Present

Gerald Fischer
Dave Teslow

INTRODUCTIONS

UMAA National President Mike Unger called the meeting to order at 4:30 p.m. He introduced himself, then requested that each board member present introduce themselves.

CONSENT AGENDA

The board approved the items on the consent agenda: minutes from May 10, 1993 and the financial statements for the University of Minnesota Alumni Association/Department of Alumni Relations (UMAA/AR) and the Alumni Club.

OBJECTIVES FOR 1993-94

Unger introduced Janie Mayeron and asked her to review the UMAA/AR objectives for 1993-94. Mayeron directed attention to EXHIBIT 4 (see attachment), explaining that many of the objectives were on-going and would be continued from 1992-93. Other items resulted from the UMAA/Alumni Relations-University of Minnesota Foundation retreat (responding to University funding and support changes, managing use of data base Total Quality Management, and implementing the President's Alumni Council and Joint UMAA/UMF task force). Student recruitment may take on more significance depending upon the results of meetings with University President Nils Hasselmo regarding UMAA/AR enhancement initiatives.

The majority of the discussion centered on membership objectives. Mayeron introduced Al Anderson, UMAA marketing and membership director, who explained the many new activities planned. Mayeron explained that this section has a direct impact on the budget, as the UMAA is proposing to spend more money on membership than was spent in the past couple of years.

Anderson reviewed the membership objective (EXHIBIT 4, section E) with the board and then discussed long-term membership. Anderson told the board that the new margin for 1993-94 is projected to be lower than for 1992-93, but in following years, the net margin will increase. These concerns were raised during the discussion:

- Had similar plans worked in other situations?
- Was the UMAA telemarketing being coordinated with UMF telemarketing to avoid duplicity and/or annoyance of potential members and donors?
- Would the creation of a special club for life members, who make additional donations, be perceived as elitist?
- Would a special club cost more than it should? Contributors want their dollars to go to programs not personal gifts/parties.
- Why limit requests for additional donations to life members?

Anderson responded to the concerns raised. He said that in his experience, similar marketing plans and expenditures had been very successful. Discussions were under way to coordinate telemarketing efforts with the UMF; telemarketing would be conducted by a professional Minnesota corporation. Margaret Carlson told the board that the telemarketing test that had been done by the said company before Anderson accepted his position with the UMAA had been a phenomenal success, and that many of the people employed by the company to call were University students. "The creation of a special group would allow recognition of people who give beyond what was asked," Anderson said. "The intent is not to create a special club. There would only be nominal recognition, such as a pin or certificate." Carlson said that additional donations from life members might overlap with the duties of the UMF.

Mayeron said the four objectives (EXHIBIT 4), sections F (Communications), G (Events), H (The Gateway Center), and I (Alumni Club), were the same as the past year's, with the exception of a Communications objective (section F, number 4), which is a plan to introduce UMAA communications themes and messages to the board for approval and begin implementation.

Mayeron asked Carlson to briefly update the board on the Gateway Center. Carlson said that a presentation had been made to a potential major donor. Someone asked Carlson how long the Gateway Center project had been an issue. Four to five years for the Gateway Center specifically, but for over 50 years for an alumni center in general. If the Gateway Center is not funded, Carlson told the board, there are other options for a UMAA home.

Mayeron also asked Carlson to comment on the Alumni Club. Carlson reported that the Alumni Club is trying to keep its lease at the IDS Center, however, the food vendor will change. The results of the negotiations will be presented at the September 18 board meeting.

Mike Unger suggested that the board consider approving the objectives subject to board actions on later items. The objectives were so approved.

BUDGET FOR 1993-1994 FISCAL YEAR

Mike Unger introduced Diane Fisher, UMAA fiscal officer, to discuss the budget. Fisher reported that the FY budget projects revenue and expenses of \$2,784,260 or a \$366,104 increase of the previous year's budget. The major increases in revenues and expenses are in the membership and marketing area. These increases reflect the commitment that the UMAA has made to itself and the University in relation to membership. Fisher explained that recovery from the drop in membership requires a real investment in time and money to membership recruitment and retention.

The projected increase in membership revenue is offset this first year by an equal commitment of resources that will be required to bring in those memberships. This increase in expenses is primarily in telemarketing, printing, and postage. Money has also been budgeted to hire an additional staff person in the membership and marketing department.

Fisher told the board that there were not comparative expense numbers under the FY93 Approved Budget column in EXHIBIT 5. This is due to a change in the chart of accounts (method for accumulating revenues and expenses in the accounting system) for FY 94. The new chart of accounts will provide more detailed and meaningful financial information than has been available in the past. These benefits will outweigh the disadvantage of not having historical numbers for comparison in this year of transition.

Not included in the budget is an amount for equipment. Because capital equipment benefits more than one period, Fisher said it should not be included in the operating budget. However, it is common to budget in operations some surplus that will flow to the organization's accumulated fund balance, which is where eventual equipment replacements are funded. The management staff of the UMAA has just begun preliminary discussions regarding the long-term capital needs of the organization (these are primarily computer needs).

Due to the size of the FY93 projected surplus and the needed investment in membership recruitment and retention efforts in FY94, the 1993-94 budget assumes that the addition to fund balance for a capital replacement reserve will not take place in FY94. Fisher then directed the meeting to the yellow sheets in EXHIBIT 5 for an explanation and summary of the 1993-94 proposed budget. Janie Mayeron asked what would be the anticipated surplus for FY93. Fisher replied that there will be approximately \$75,000 in surplus; \$26,000 will be carried over to FY94 for membership expenses, the rest will go to the capital needs.

The budget for the 1993-94 Fiscal Year was approved.
(The long-term membership analysis was discussed under the Objectives section.)

ENHANCEMENT BUDGET/OBJECTIVES

Mike Unger asked Janie Mayeron to discuss the Enhancement Budget/Objectives. Mayeron told the board that University President Hasselmo had said that there would be no reduction in University funding for the UMAA/AR this year. In addition, in response to one of the UMAA/AR/UMF/U retreat concerns that the UMAA is underfunded and understaffed, President Hasselmo asked the UMAA to prepare three different proposals for additional monies of \$50,000, \$75,000 and \$100,000. Mayeron directed the meeting to EXHIBIT 7 (see attachment). Mayeron reported that because of the urgency of President Hasselmo's request, there was no time to come before the board to set priorities, so a small group had to determine those that were presented to President Hasselmo.

President Hasselmo indicated that he preferred that the additional money be allocated for student recruitment and international chapters. Mayeron asked the board for their input and recommendations for the next step. Margaret Carlson reported that there is room for negotiation with President Hasselmo, who is committed to at least \$50,000 of additional money. John French asked about using the money to fund the Alumni Legislative Network coordinator position. Carlson replied that the position was still in the pilot program stage, and that funding may be forthcoming if the pilot is successful. Unger added that the Alumni Legislative Network coordinator objectives are status quo and the current funding will take the position through the next year, at which time the program will be evaluated. French wondered if there were a reason that President Hasselmo chose the two particular items. Carlson replied that student recruitment is an important new issue for the University, and that the international chapters is in response to President Hasselmo's own experiences. There was discussion regarding Hasselmo's preferences for use of additional monies.

John French moved that the UMAA approve President Hasselmo's proposals. Mayeron said the UMAA should discuss the impact of the proposals on the societies and chapters. It was suggested that the UMAA/AR ask President Hasselmo what his expectations were. Unger said that adoption of the items did not preclude future discussion with President Hasselmo or Kathleen O'Brien. Unger called for a vote on French's motion. The motion was approved.

ESTABLISHMENT OF THE UMAA FRESHMEN LEADERSHIP INCENTIVE SCHOLARSHIP FUNDS

Jane Whiteside presented a motion to establish the UMAA Leadership Incentive Scholarship Funds. Whiteside told the board that this recommendation actually came from two committees, Finance and University Issues. Whiteside gave some of the background behind the recommendation. The University Issues Committee in 1990-91 worked on diversity issues and recommended that the UMAA/AR consider using some of its funds for scholarship for students of color. The Finance Committee in looking at the endowments, discovered that there were two unused endowments earmarked for freshman scholarships, one designated for merit, the other undesignated. The committees recommend that these two existing (but unused) UMAA scholarship funds be used for students being recruited for admission in the fall of 1994:

- The two funds would both be focused on leadership potential and share the name "UMAA Freshman Leadership Incentive Scholarship." The scholarships would not be exclusively for students of color, but would have "primary emphasis" on students of color; they would be available to "adult" students as well as to recent high school graduates.
- Scholarships funded by one scholarship fund would be merit-based and would focus on leadership potential (and not take into account any financial need); this scholarship would provide \$1,000 per student. Currently this fund could support 12 scholarships a year. (Since it is too late to give scholarships for 1993-94, 24 awards will be given in 1994-95, and thereafter, as many as the spending rate for the fund will support.)
- The scholarship funded by the other scholarship fund would also focus on leadership potential but would be awarded based on financial need; this scholarship would provide \$1,500 per student. Ideally this fund would provide 5 scholarships a year; however it is currently able to support only two per year, assuming that an old \$38,000 UMAA liability account is folded into the scholarship fund.
- To facilitate timely use of the funds in the University's recruitment process, these scholarships would be awarded, with UMAA representation, through an existing process connected to the admissions office and/or the financial aid office beginning in 1993-94 for the 1994-95 school year.
- The UMAA should support scholarship recipients in a variety of additional ways, including contacting them to encourage their acceptance of the scholarship, participating in the awards ceremonies at their high schools, and staying involved with them after they are enrolled (e.g. mentoring).

Whiteside added that both committees wanted to emphasize that the focus is on freshman scholarships, because that's how the two funds were designated by their donors. Retention is a major problem for the University and need-based financial support is critical for many students to successfully complete their studies; need-based scholarships, in particular, should be available to UMAA scholarship recipients beyond the freshman year. Recommendations on retention scholarships will be developed during the next year.

Whiteside said that Wayne Sigler, director of admissions, had told the UMAA that admissions would include the UMAA scholarships in the scholarship brochure sent out to students.

The discussion raised these concerns:

- If both scholarships had not been designated for freshman, the University Issues Committee would have suggested using one for retention.
- Should the association collaborate in some way with the College of Architecture/Landscape Architecture Alumni Society, which may fund full six-year scholarships for qualified minority students, which currently can afford to fund only one scholarship.
- Is it better to serve more students who would receive small scholarships; fewer students with larger scholarships? Is there a critical level of scholarship support?

Mike Unger called for a motion. There was a motion to approve the recommendation as it stands, which was approved.

EXECUTIVE DIRECTOR'S REPORT

Margaret Carlson thanked all of the people who attended the chapter and society training session the evening of June 8. Carlson also thanked Cheryl Jones and Deanne Magnusson for planning the session. Carlson said that the deadline is July 30 for nominations for the Volunteer of the Year awards. Carlson told the board that it was good news for the University that Jane Whiteside had accepted the position in the Department of Strategic Planning. However, the UMAA/AR will miss her skills as associate executive director--a position she has held since 1986. Carlson will be working with Dick Byrd to look at the organization's management team and revise the associate director job description.

REPORT FROM KATHY O'BRIEN

Kathy O'Brien said that the President's cabinet hopes to develop a closer collaboration for UMAA/AR and University objectives. O'Brien commented that President Hasselmo chose the two priorities from the enhancement budget/objectives (student recruitment and international alumni activities) because they most closely match his own priorities. O'Brien suggested that Josie Johnson, associate provost for minority affairs, speak to the board regarding the breadth of the diversity agenda to help put the UMAA/AR actions on scholarships into context.

O'Brien discussed a press release on the status of the Medical School that President Hasselmo had issued on June 8. O'Brien stated that the reform agenda in Health Sciences is very similar to that of other departments in the University. The only difference is in terms of the scale of dollars and research that are amassed within that area of the University, but that is what makes reform more critical. O'Brien reported that the president is very pleased that Winston "Win" Wallin is coming on board as a special adviser to assist with the analysis of the management system and practices within the Medical School, the revision of the Medical Practice Plan and its implementation, and in defining the roles of the Medical School and the teaching hospital in the rapidly changing medical marketplace. President Hasselmo is also very pleased that Richard Elzay will continue as dean of the School of Dentistry while, at the same time, serving as a deputy vice president for Health Sciences, which includes responsibility for the day-to-day management of Health Sciences, with the exception of the Medical School.

President Hasselmo has initiated an expedited search to fill Medical School dean position, held by David Brown who resigned effective June 30. President Hasselmo expects to fill this position internally as he needs someone who understands both the institution and the reform agenda facing the Medical School. At the press conference, President Hasselmo was confident that there is this kind of talent within the Medical School and expects to make the appointment before Dean Brown leaves.

Finally, O'Brien reported that in July Deloitte Touche will present its report to the Board of Regents. Deloitte Touche has been conducting a very aggressive evaluation of management and governance within the Medical School, with the assistance of O'Brien, Vice President Infante, Vice President Erickson, General Counsel Mark Rotenberg, and the faculty and staff of the Medical School. The report will present a clear blueprint for management reform within the Medical School and also at the collegiate and department level throughout the institution. It is President Hasselmo's hope that with the report and the appointments, a strong team will be in place to help the University proceed into the coming years with greater strength in the Medical School and Health Sciences.

Mike Unger thanked Kathy O'Brien for her report.

FAREWELL TO RETIRING BOARD MEMBERS AND ASSOCIATE EXECUTIVE DIRECTOR JANE WHITESIDE

Mike Unger expressed his thanks and appreciation to all of the board members who are retiring after this meeting. Gifts were given to Billie Anne Juni, Leonard Parker, and John French, who were in attendance. Gifts and letters will be sent to Dee Peterson, Gordon Dunkley, Rollin Dennistoun, Dee McManus, and Dale Anderson, who were not able to attend. Unger stated that it was a pleasure getting to know and work with these alumni and that they would be missed.

Unger said that Jane Whiteside was one of the most perfect staff persons that a volunteer could hope to work with. Unger told Whiteside that it had been a great privilege to work with her and said that Whiteside brought to the UMAA/AR a very special array of talents, and that her commitment to quality has been exceptional. Unger said that it gives the UMAA "some small measure of comfort to know that, just maybe, in planning for the years ahead people will remember that the alumni might have a part in what this University should be in the future." Unger then presented Whiteside with a representation of the gift being given to her, a director's chair that will display her name, title, and years of service to the UMAA/AR.

Whiteside thanked Unger and the UMAA/AR for the gift. She said that she had learned much about the University, the way things work, and the inside and outside aspects of the University that have to be dealt with to accomplish anything. Whiteside said that accepting the new position was both like going backward and forward. Much of her experience prior to joining the UMAA/AR was with the Metropolitan Council as a planner, so the new position is somewhat of a look backward, but the ability to affect change, both socially and organizationally, was one of the reasons she originally took the UMAA/AR associate executive director position. Whiteside told the board that one of the challenges of the new position will be to do something with the much larger change process at the University, and she said she hopes to come back before the board to discuss the strategic planning process. Whiteside said that there were a lot of people she would miss and thanked Mike Unger for his kind words.

Unger, who was ending his term as national president also acknowledge his work with Margaret Carlson. Unger presented Carlson with a custom hard-hat, stating that he really got to know more about Carlson while working to resolve the space issue. Unger told the board that Carlson's efforts and willingness to take on the opposition so the UMAA/AR could remain on campus, and her willingness to look for other solutions, ultimately coming up with the current solution (Coffman Memorial Union) was most appreciated. The hard-hat had the official UMAA "M" as well as "Margaret S. Carlson, 501 Coffman" on the front. On the back it had the quotation "Space, the final frontier."

Carlson thanked Unger, saying he had been a "phenomenal president" who understood most of the UMAA/AR problems, and was willing to learn more about those he did not understand. He helped the staff and volunteers move forward in so many initiatives, so it was a very good year for all concerned. As a token of appreciation, Carlson presented Unger with the promise of a director's chair similar to the one that Jane Whiteside will receive.

Janie Mayeron reminded the board that the next meeting was on Saturday, September 18.

John French moved for adjournment. The movement was seconded and passed.

Mike Unger adjourned the meeting at 7:00 p.m.

Minutes Respectfully Submitted,

Larry Laukka
Secretary

by

Travelle Evans-Vann
Executive Assistant

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION/
DEPARTMENT OF ALUMNI RELATIONS (UMAA)

1993-1994 OBJECTIVES

Presented to the UMAA National Board of Directors, June 9, 1993

A. Organizational Effectiveness Objective: To maintain and increase the organizational effectiveness of the UMAA volunteer and staff structures.

1. Continue to strengthen UMAA volunteer structure with respect to board member recruitment, orientation, and recognition:
 - a) Hold two orientation/training sessions for alumni volunteer leaders from the national board, alumni societies, and geographical chapters.
2. Respond to University funding and support changes, including reviewing staffing patterns and program effectiveness.
3. Manage use of data base (e.g., bar-coding) and participate in TQM as related to data base.
4. Implement results/recommendations from the 1993 UMAA/UMF/U retreat:
 - a) President's Alumni Council.
 - b) Joint UMAA/UMF task force.

B. University Issues Objective: To convey alumni opinion on University issues, focusing on implementation of studies and recommendations from previous years.

1. Review 1988 U Issues recommendations on advising and progress achieved; determine any follow-up needed.
2. Continue to implement and review diversity/pluralism recommendations:
 - a) Report on UMAA and U progress in achieving diversity/pluralism results in May/June issue and in every issue of *Minnesota*.
3. Monitor University issues for future committee activity as appropriate.
4. Implement recommendations on the two "leadership incentive" freshman scholarships and develop recommendations on retention scholarships (identified as a need but not included in the 1992-93 scholarship recommendations).
 - a) Assist in selection process, including alumni contacts with students.
 - b) Implement mentoring component with scholarship recipients, working with existing UMAA/society mentoring programs.
5. Continue funding and support of the Morse-Alumni Award; monitor and, if appropriate, consider assistance in fund-raising for the permanent endowment.
6. Participate in high level University searches (volunteer activity) and University planning through use of UMAA's existing volunteer structure.
7. Explore future partnerships with the University's admissions office for increased alumni involvement in student recruitment.

C. Constituent Program Objective: To connect alumni to the University through increased volunteer ownership, University-focused activities, and expanded outreach.

1. Strengthen geographic outreach within the state of Minnesota:
 - a) Continue development in the 20 communities identified in the 1990 outreach plan; increase the number of active chapters from 10 to 14.
 - b) Establish 4 collaborative events between targeted alumni chapters and alumni societies and/or other University departments/offices.
 - c) Increase event attendance by 25 percent.
 - d) Establish student recruitment, legislative and/or UMAA membership projects in at least 10 active chapters.
 - e) Continue to participate in U in the community, presidential and development office trips within the state.
2. Maintain 14 existing national chapters and continue development of the three new chapters in Los Angeles, St. Louis, and Chicago; wherever possible, coordinate events with other University units with national outreach activities (e.g., UMF, MMF, colleges).
3. Continue to develop volunteer ownership for alumni society activities:
 - a) Review existing events and projects in 17 alumni societies and recommend changes for increased alumni participation, emphasizing society events/projects that meet the mentoring, networking, career development, legislative, and membership objectives.
 - b) Increase number of alumni involved in society events and projects by 25 percent.
 - c) With UMAA Membership and Communications directors and collegiate unit staffs, develop collaborative strategies to improve the connection of alumni societies to the University and UMAA, including UMAA officers attending one society board meeting and/or one society event.
4. Strengthen society board operations by developing written board strategies and committee recruitment for all collegiate unit alumni societies.
5. Improve planning effectiveness of society and chapter boards/steering committees by having all alumni societies and chapters complete and annual plan and budget within specified timelines.

C. Constituent Program Objective (continued):

6. In building on the "mentoring models" report and successful mentoring programs developed by collegiate alumni societies, expand mentoring activities to 15 societies:
 - a) Work with the 4 societies without mentoring programs and assist them in identifying potential mentoring program models.
 - b) Continue to develop ways to share information and experience among the programs, including facilitating at least three discussion groups.
 - c) Work with each of the four learning resource centers, Student Affairs, and other appropriate groups to determine the types of mentoring needed/desired by students of color, cultural differences that "majority" mentors need to understand to effectively mentor students of color, and ways to recruit alumni of color to assist with mentoring when requested by students.
 - d) Work with the LRCs to recruit alumni of color as mentors and to effectively tie the alumni society mentoring network into the LRCs.
 - e) Work with other offices serving special student groups, such as the Office for Students with Disabilities, to offer UMAA assistance as appropriate.
 - f) Prepare student and mentor recruitment and training materials.
 - g) Set up alumni mentor recruitment and tracking systems to provide an ongoing source of volunteer mentors, to evaluate results from both the students' and the alumni volunteers' perspectives, and to improve the programs as needed.
 - h) Develop an effective way of sharing information between individual alumni mentors, the collegiate societies, and the LRCs.
 - i) Develop appropriate ways to recognize and support alumni mentors.

D. Alumni Legislative Network Objective: To support and expand a network of alumni around the state to facilitate the University's legislative requests.

1. Continue/strengthen contacts with legislators:
 - a) Expand alumni legislative network from 700 to 1,000 active volunteers.
 - b) Create and utilize another tier of 134 key legislative contacts by House district.
 - c) Organize 10-20 "person-to-person" small group interactions between alumni and legislators (e.g., coffee parties, lunches, etc.), work collaboratively with faculty and student lobbyists where possible.
 - d) Continue to prepare network mailings and to use *Minnesota* to call for action by the network and other interested alumni.
2. Continue to enlist and train society and chapter volunteers, including continuing alumni society and chapter briefings and suggesting ways to include legislative activities in their '93-94 plans of work:
 - a) Repeat alumni society briefings, conducting briefings for all 17 societies; assist them in planning and executing legislative projects as needed.
 - b) Develop an appropriate and effective method for briefing all active Minnesota chapters and as many exploratory/targeted areas as possible (briefings, local focus groups, etc.).
 - c) Include legislative training in all UMAA board and volunteer training sessions, and ask board members to recruit others and host legislative coffees as needed.
3. Coordinate alumni legislative efforts with the University's State Relations office and with other internal legislative staff.
4. Establish a small volunteer advisory group to assist with legislative network development, including one UMAA officer.

E. Membership Objective: To increase UMAA membership by implementing the following activities:

1. Increase membership to 35,000 by:
 - a) Telemarketing to past members and select never members - 7,200 memberships.
 - b) Direct mail to 200,000 alumni and University friends at a 1.5% response rate - 3,000 memberships.
 - c) *Minnesota* magazine Fall Preview insert to 100,000 at a .5% response rate - 500 memberships.
 - d) *Update* publication insert to 250,000 at a .5% response rate - 1,250 memberships.
 - e) Society and geographic meeting handouts 40,000 at a 1% response rate - 400 memberships.
2. Increase renewal percentage to 80%:
 - a) Mail renewals in a timely manner.
 - b) Add a "What the Alumni Association has accomplished in the last year" insert to all renewal notices.
3. Add 1,025 3-year and 5-year memberships and 225 new life installment or single pay life members:
 - a) Mail special promotion two times per year to all active members who have renewed at least one time.
 - b) Add a premium for each membership that equals about 5% of the first payment.
4. Generate \$60,000 in revenue from travel programs:
 - a) Promote 10 trips similar to past programs.
 - b) Promote 2 trips which will appeal to a different group of members.
5. Generate \$70,000 in sustaining life contributions:
 - a) Mail all paid up life members twice per year (1,400 response at \$50 each).
 - b) Create a special club for all contributors.
6. Review other revenue generating programs, with the objective of measuring whether they could increase membership, generate a reasonable revenue stream for the association, and represent a "good" value to members.
7. Develop a long range marketing/membership plan for increasing both the number of members and membership revenue.
8. Continue to foster relationships with units offering benefits to association members (CEE, U Press, MICA, WICA, Credit Union) and establish new partnership arrangements with the U Bookstore and Computer and Information Services (E-mail).

F. Communications Objective: To effectively communicate alumni, UMAA, and University issues and activities to alumni through *Minnesota* magazine and other means.

1. Publish six issues of *Minnesota* magazine each year.
2. Implement a Fall Preview issue of *Minnesota* and send with membership response cards to 100,000 people.
3. Generate advertising revenues of \$202,000; move toward a longer-term objective of generating enough ad revenue to cover costs of magazine production and advertising expenditures.
4. Introduce UMAA communications themes and messages to the UMAA board for approval; develop implementation plan; begin implementation.

G. Events Objective: To foster recognition, pride, and school spirit by planning and carrying out selected alumni activities and events.

1. Sponsor a homecoming pepfest at the Metrodome.
2. Continue the emeriti (50+ year) reunion in 1993 in coordination with the University Foundation and collegiate units; clarify responsibility for reunions in subsequent years.
3. Continue the UMAA annual meeting.
4. Continue student leadership and alumni volunteer awards, and hold a single awards event.

H. "The Gateway" Objective: To facilitate the eventual completion of the alumni/visitor center project.

1. Actively assist with planning, promotion, fundraising.

I. Alumni Club Objective: To renegotiate the Alumni Club lease and maintain the club as a fiscally-sound membership benefit.

1. Renegotiate lease.
2. Manage ongoing operation (separate staff and budget).

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION

I. AGENDA ITEM: NATIONAL BOARD

Wednesday, June 9, 1993

II. TITLE: 1993-1994 University of Minnesota Alumni Association
Operating Budget

() Discussion () Information (X) Recommendation
to National Board
for Ratification

III. RECOMMENDED RESOLUTION OR PROPOSED ACTION:

The University of Minnesota Alumni Association National Board officers and committee chairs recommend approval of proposed 1993-1994 University of Minnesota Alumni Association operating budget.

IV. BACKGROUND INFORMATION:

The proposed 1993-1994 budget was presented to the University of Minnesota National Board officers and committee chairs at their May 27, 1993 meeting. The attached executive summary and the yellow summary and explanations sheets provide the details to the budget figures.

V. PRESENTED BY: Janie Mayeron

VI. ACTION:

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
1993-1994 Proposed Budget
Executive Summary

The FY94 budget projects revenue and expenses of \$2,784,260 or a \$366,104 increase over the previous year's budget. The major increases in revenues and expenses are in the membership area. These increases reflect the commitment that we have made to ourselves and the University in relation to membership. To recover from the drop in membership requires a real investment in time and money to membership recruitment and retention. The projected increase in membership revenue is offset in this first year by an equal commitment of resources that will be required to bring in those memberships. This increase in expenses is primarily in telemarketing, printing, and postage. An additional staff person in the marketing/membership department has also been budgeted.

You will notice that there are not comparative expense numbers under the FY93 Approved Budget column. This is due to a change in the chart of accounts (method for accumulating revenues and expenses in the accounting system) for FY94. The new chart of accounts will provide more detailed and meaningful financial information than has been available in the past. It is felt that these benefits outweigh the disadvantage of not having historical numbers for comparison in this year of transition.

Not included in this budget is an amount for equipment. Because capital equipment benefits more than one period, it should not be included in an operating budget. However, it is common to budget in operations some surplus that will flow to the organization's accumulated fund balance which is where eventual equipment replacements are funded. The management staff of the UMAA has just begun the preliminary discussions regarding the long term capital needs of the organization (these are primarily computer needs). Due to the size of the FY93 projected surplus and the needed investment in membership recruitment and retention efforts in FY94 this budget assumes that the addition to fund balance for a capital replacement reserve will not take place in FY94.

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
 FY94 PROPOSED BUDGET
 Presented to UMAA National Board June 9, 1993

** SEE YELLOW SUMMARY AND EXPLANATIONS SHEET **

	FY94 PROPOSED BUDGET	FY93 APPROVED BUDGET
REVENUE		
Membership		
Annual	668,938	477,500
Multiple Year	72,954	24,000
Life	156,000	147,000
Contributions	71,000	10,000
	-----	-----
	968,892	658,500
	-----	-----
Services		
Tours	74,500	35,000
Advertising Sales	202,000	202,000
Royalty Income	200	
	-----	-----
	276,700	237,000
	-----	-----
Events		
Reunion	22,000	10,000
Annual Meeting	40,250	35,000
Homecoming	3,500	
Border Battle	3,200	
Theater Event	2,500	
	-----	-----
	71,450	45,000
	-----	-----
Endowment Support		
General Endowment - Operations	186,000	169,000
UMF Held Endowment Support - Awards	44,500	
U Held Endowment Support - Renovations		160,600
U Held Endowments - Mentoring and Legislative Programs	126,815	73,000
	-----	-----
	357,315	402,600
	-----	-----
University Support		
Base Allotments	1,026,056	1,026,056
Rent Support	50,000	42,000
	-----	-----
	1,076,056	1,068,056
	-----	-----
Other		
Interest	4,200	1,000
Alumni Club Service Fee	3,000	6,000
FY93 Surplus Carryforward	26,647	
	-----	-----
	33,847	7,000
	-----	-----
TOTAL REVENUE	2,784,260	2,418,156
	=====	=====

	FY94 PROPOSED BUDGET	FY93 APPROVED BUDGET *
EXPENSES		
Personnel		
Salaries	982,900	950,000
Fringe Benefits	254,100	240,000
Temporary Workers	3,600	
	<u>1,240,600</u>	<u>1,190,000</u>
Staff Development	12,205	
Telemarketing	140,000	
DMS Fees	109,772	
Professional Fees	234,090	
Advertising	14,850	
Telephone	15,720	
Mail Service/Delivery	198,045	
Printing/Copying/Artwork	413,855	
Supplies	40,865	
Rentals	22,370	
Office Expenses	74,295	
Travel/Entertainment	140,288	
Society Allocations	65,000	
Awards/Scholarships	43,500	
Other	18,805	
TOTAL EXPENSES	<u>2,784,260</u>	<u>2,418,156</u>

* Comparative budget amounts are not available for FY93 due to a change in the FY94 chart of accounts and the fact that budgets were prepared in accordance with it. This new system allows for the accumulation of more detailed and meaningful financial information. The benefits of the new system are thought to outweigh the loss of historical comparisons in this year of transition.

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
1993-1994 Proposed Budget
Summary and Explanations

Revenues

Annual Membership - Revenue is based on an 80% renewal rate and 12,350 new members. See Exhibit 4, Objective E, for more details.

Multiple Year Membership - This will be the second full year of the multiple year membership option. It is anticipated that an additional 900 persons will join as three-year members and 125 as five-year members.

Life Membership Support - The Obligated Fund is based on a rate of return and the inflation membership statistics were used to determine the amount of the transfer. 8,130 full and installment memberships were used. This revenue number is available for June 30, 1993.

transfer from the
fund between the investment
In the past, June 30 life
membership calculation to determine
purposes of this budget, the
statistics as of April 30, 1993 were
used once the numbers are

Contributions - Sustaining contributions are budgeted at \$70,000. This is expected to be raised from approximately 1,750 life members donating an average of \$40. The other \$1,000 is expected from unsolicited contributions.

Tours - \$60,000 is expected to be earned from commissions from the 12 trips scheduled in FY94. The remaining \$14,500 will be received as fees for services provided by the UMAA to the tour operators.

Advertising Sales - Minnesota magazine revenue has been budgeted at the same level as FY93.

Reunion - Revenue has been based on 200 reunion attendees from the class of '43 each paying \$110.

Annual Meeting - Revenue has been based on 1,150 attendees paying \$35.

Homecoming - Revenue has been based on 100 attendees paying \$35 each.

Border Battle - Revenue is based on 100 attendees paying \$32 each.

Theater Event - Revenue is based on 100 attendees paying \$25 each.

General Endowment - Operations - Endowment support is calculated at 6% of the General Endowment Fund's average market value for the past three years. This is consistent with prior years.

UMF Held Endowment Support - Awards - The sources of this revenue are UMF held funds and are equal to the scholarship and award commitments which have been budgeted for FY94.

University Held Endowments - Mentoring and Legislative Programs - The source of this revenue is the Adrian E. Buttz Fund which is held by the University. Revenue is equal to budgeted expenses for the two programs.

University Support - At the time that the budget was prepared, the actual amount of University support was not known. For the purposes of this budget, it was assumed that the amount would be equal to that received from the University in FY93, plus a full year for rent support versus 10 months in FY93. University support currently reflects 39% of total FY94 revenues as compared to 44% in FY93. This budget line will be adjusted when the actual University revenue is known.

Alumni Club Service Fee - This revenue has only been budgeted for the first quarter due to the uncertainty surrounding the continuation of the Alumni Club, per the lease agreement with Heitman which expires September 30, 1993.

FY93 Surplus Carryforward - Membership statistics suffered as a result of the vacancy in the Marketing/Membership Director position in FY93. Funds which had been budgeted for renewal and new member appeals remained unspent. Because of the lack of a membership campaign in the second half of the year, a significant investment will be required in FY94. The surplus carryforward in effect is a shifting of FY93 membership expenses into FY94.

Expenses

Personnel - In keeping with the latest word at the University, the budget does not include any money for salary increases. The increase in FY94 personnel costs reflects the addition of one new position in the Marketing and Membership Department and the inclusion of temporary workers needed for the annual meeting.

Staff Development - This expense line includes the cost of memberships in professional associations, subscriptions to periodicals, the cost of reference materials, registration fees for conferences and other training costs.

Telemarketing - Telemarketing services will be purchased from a professional telemarketing firm. This budget is based on 5,000 hours of telemarketing services at a cost of \$28 per hour.

DMS Fees - The UMAA's portion of the contract with Arthur Andersen for access to the data base is \$115,000. This is reduced by the amount charged back to the constituent societies (\$6,000) and the Alumni Club (one quarter of \$6,000). In addition, there is a small per person access fee included.

Professional Fees - This line item includes commissions paid to sales reps and ad agencies; payments to consultants and independent contractors, including magazine writers, photographers, and designers; auditors; the accounting service bureau; police/security for events.

Advertising - This line reflects the budgeted cost of announcing job openings and program events in various publications.

Telephone - This includes line charges, long distance, and fax charges.

Mail Service/Delivery - This line includes postage, delivery and mail house charges.

Printing/Copying/Artwork - This line includes the cost of using University and outside printers; the cost of the UMAA copier; artwork and photography costs.

Supplies - This line includes both office supplies and consumable event supplies.

Rentals - This line includes the cost to rent meeting rooms as well as equipment.

Office Expenses - This line includes the rental of office space, insurance, bank charges and equipment maintenance.

Travel/Entertainment - This line includes airfare, automobile rental, taxis, mileage reimbursement, business meals, catering of events, entertainment for events, tickets to events for staff and guests.

Society Allocations - The amount budgeted for the Alumni Society allocation is based on number of society members as of April 30, 1993. This will be recalculated based on membership as of June 30, 1993.

Awards/Scholarships - These awards and scholarships are funded by UMF Held Funds. An equal amount of revenue has been budgeted to reflect the transfer of funds to cover these expenses.

Other - This line includes amounts budgeted for gifts, co-sponsorship arrangements and other unidentified expenses.