

UMAA EXECUTIVE COMMITTEE
Tuesday, September 10, 1996
7:30 a.m.
Campus Club, Coffman Memorial Union

Committee Members Attending

Bergstrom, John
Huntrods, Ann
Juni, Howard
Moe, Tom
Mona, Linda
Tennyson, Joe
Trammel, Marvin

UMAA Staff Attending

Anderson, Al
Burgett, Bob
Carlson, Margaret
Fisher, Diane
Garrison, Tom
Jones, Cheryl

Special Guests

Friswold, Fred
Laukka, Larry

University of Minnesota Alumni Association (UMAA) National President Marvin Trammel called the meeting to order at 7:35 a.m.

University of Minnesota Gateway

Larry Laukka, Gateway Steering Committee chair, reported that the architect is developing the second stage of concept. The committee would like to present schematics to the Board of Regents in November or December. University administrators have given the committee some license to work with developers on retail, housing, and parking on the corner property adjacent to the Gateway on the corner of Oak and University Avenues.

Fred Friswold, Gateway Finance Subcommittee chair, reported that he presented some broad understandings to the UMAA Finance Committee in April. After that meeting, investment bankers and lawyers were consulted who advised that the building could be financed most economically and flexibly with only one building and one credit arrangement. The proposed bylaws and articles of incorporation for Gateway Corporation have been drafted based on the "one building" assumption.

Friswold distributed the revised pro forma/financials (attached). The space assumptions remained the same as the prior pro forma, but the amount to be financed has increased from \$27,350,000 to \$30,000,000. This allows for a 10 percent increase on the construction price and includes monies for furnishings, fixtures, and equipment of \$10 per square foot for the owner space and \$15 per square foot for the public space.

Friswold noted that the owners will make the final determination on how much they are willing to spend on the building and its furnishings; the pro forma numbers are estimates only. Based on these new numbers the rent was increased from \$16.25 to \$20 per square foot. Friswold explained that this is a very competitive rate for new construction.

It is assumed that the owner tenants will sign 25-year lease commitments to cover the term of the debt. It appears from initial discussions with the University that they will be unwilling to give more than a ten-year commitment on their leased space. To compensate the UMF for the risk assumed on the remaining years, it has been proposed that the UMF retain \$1 per square foot from rent received from University tenants.

To obtain financing for a 230,000 square foot building, it will be necessary to get either a bank letter of credit or have the UMF do a master lease and guarantee the overall indebtedness. If the UMF covers the indebtedness, it is proposed that they be compensated at .5 percent per year. Under the scenario outlined above, the project would have a slightly positive cash flow.

Friswold noted that the key to lowering rent for the owners is tied to fund raising success. The pro formas include a table showing the impact of fund raising to buy down rent. Approximately \$12,025,000 will need to be raised to have debt-free space. (The University portion of the building does not get any benefit from the fund raising.)

There was discussion regarding the project viability and timeline. Laukka noted that, within the next two months, the building design and construction pricing should be completed. At that time, the financials will be re-figured, and the three owners will be asked to state their willingness to move forward.

Friswold noted that the project is now at the point that the owners need to resolve several issues including the reasonableness of the \$1 per square foot compensation to the UMF for University lease risk; the .5 percent credit enhancement fee to be paid to the UMF; the .5 percent loan origination fee to be paid to the UMF; the building fund reserves; and the furnishing allowances. Governance and fund raising issues include the number of board members and who elects them; the management of the building; how funds will be raised and distributed among the owners.

Following more discussion, a new executive committee meeting was scheduled to be held September 17, 1996, to discuss these issues in detail. Laukka concluded by reminding the committee members that he and Friswold are wearing multiple hats, and they want the project to move forward in the best interest of the UMAA, the UMF, and the MMF (Minnesota Medical Foundation).

Consent Agenda

The consent agenda included the June 13, 1996, Executive Committee meeting minutes, which were approved as mailed.

Financial Report

Diane Fisher, UMAA finance and operations director, presented the unaudited financials as of June 30, 1996, which were approved.

Long Range Financial Plan

John Bergstrom, Long Range Financial Planning Committee chair, reported that the five-year plan will be presented at the national board meeting on September 28, 1996. The committee began working approximately one year ago to develop a long range financial plan which integrates forecasts of continued current operations together with implementation of desired objectives from the UMAA strategic plan.

It was noted that the long range financial plan assumes that the UMAA reaches its membership goal of 50,000 by the year 2000. There was considerable discussion.

Margaret Carlson, UMAA executive director; Al Anderson, UMAA marketing and membership director; and Bergstrom spoke in support of the goal.

Prior to presenting the long-range financial plan to the national board, Bergstrom and Fisher will adjust the document to reflect the FY96 year-end figures, the Gateway pro forma, and membership revenue. The plan was approved as-to-be-amended.

Membership

Anderson reported that UMAA membership as of September 9, 1996, totals 34,488. The 1996-97 marketing plan was explained and discussed. The FY97 membership goal is 40,000 members.

Advocacy/University Issues

Ann Huntrods, chair of the Advocacy/University Issues Committee, reported that the UMAA is in the process of appointing a Citizen's Committee on University Governance and Regent Selection. The committee will be comprised of approximately 20 Minnesota community leaders who are representative of the state--but not designated to represent particular groups--and who share a strong appreciation for the University and its role/mission as the state's higher education flagship. John French, a past president of the UMAA, will co-chair the Citizen's Committee with Huntrods.

Huntrods explained that the document that explains the Citizen's Committee's mission and rationale is still in draft form. The committee will hold its first meeting on October 11 or 12, 1996.

Nominating Committee

Linda Mona, committee chair, reported that she is currently working to identify alumni to fill the two open positions on the committee. The committee will begin meeting in October.

Executive Director

Carlson reported that tenure is the pressing and controversial issue at the University. She described this complex debate involving the regents, University President Nils Hasselmo, and four different faculty groups. The University's Institutional Relations staff believe that it is crucial to find resolution to this issue very soon, and all the groups will have to work together to make this happen. It is not the time for a another highly-charged public controversy. Carlson recommends that the UMAA support this rationale to the University, but not take an official stand on tenure at this time.

Trammel adjourned the meeting at 9:10 a.m.

Submitted by,

Cheryl Jones, Executive Assistant

for

John Bergstrom, UMAA Secretary-Treasurer

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION

NATIONAL BOARD OF DIRECTORS

Saturday, September 28, 1996

8:30 a.m. to 12:00 noon

The Campus Club, Coffman Memorial Union

Board Members Attending

Bachman, Dale
Bergstrom, John
Bromberek, Bruce
Couture, Steve
Craig, Mary
Craig, Peggy
Erkkila, Dan
Flinn, Mary
Fountain, Jean
Gibilisco, Joe
Hawkinson, Bruce
Hayes, Ken
Huntrods, Ann
Johnson, Carol
Johnson, R. C.
Jones, David
Juni, Howard
Madson, David
Mona, Linda
Osberg, Brian
Olseth, Dale
Pletcher, Carol
Tennyson, Joe
Trammel, Marvin
Ventres, Judy Martin
Yapel, Tony

Board Members Unable to Attend

Beaulieu, David
Erickson, Roger
Garland, Ray
Green, Curt
Lindgren, Richard
Luehmann, Barb
Mendis, Patrick
Moe, Tom
Phin, Helen
Sasseville, Kati
Sharpe, Wendy
Todd, Patricia
Whitney, Dick

UMAA Staff Attending

Anderson, Al
Banker, Mark
Burgett, Bob
Cunningham, Elaine
Fisher, Diane
Garrison, Tom
Hayes, Angela
Heen, Les
Jones, Cheryl
Parker, Tara
Pierce, Angela
Raiche, Becky
Robertson, Frank
Stangret, Lanaya
Winters, Lori

UMAA Staff Unable to Attend

Allen, Mark
Coughlan-Smith, Chris
Kranz, Carmela
Ludke, Jay
Scalzo, Teresa
Tenquist, Clay

Other Staff Attending

Fischer, Jerry
Gray, Virginia

Special Guests

LaSalle, Tom

University of Minnesota Alumni Association (UMAA) President-elect Ann Huntrods called the meeting to order at 8:35 a.m.

Consent Agenda

The consent agenda included the June 20, 1996, national board meeting minutes and the UMAA financial statements dated June 30, 1996. Both were approved as mailed.

UMAA National President Marvin Trammel noted that new board member Roger Erickson will be unable to attend Saturday morning national board meetings because of his radio show. Erickson has agreed to emcee UMAA pepfests and events as well as do radio promotions for the UMAA during the coming year; for example, he talked about the UMAA on his radio show this morning, and he sent greetings to his fellow board members.

University of Minnesota History Project

Margaret Carlson, UMAA executive director, reported that the University has asked the UMAA to become a partner in the new history of the institution from 1951 to 2001, to coincide with the 150th anniversary of the University in 2001. In addition to in-kind assistance, such as marketing and promotion in *Minnesota* and *M*, etc., they have proposed a \$50,000 contribution to help defray the proposed cost. Depending upon the selection of the author, the design, and production style/format, the cost of this three-and-a-half year project will be in the range of \$250,000 to \$400,000.

The other partners would be the University of Minnesota Foundation (UMF), who will contribute up to one-fourth of the project cost, not to exceed \$75,000 over three years, and the University of Minnesota Press, who has agreed to contribute the overhead costs. The University and the UMF are pursuing other contributions from prospective donors.

The UMAA Executive and Finance Committees recommend contributing \$50,000 from the operating fund over a period of four years (\$12,500 per year). Following discussion, this recommendation was approved.

Gateway

Tom LaSalle, LaSalle Properties, reported for Larry Laukka, chair of the Gateway Steering Committee. LaSalle reviewed the history of the project for the benefit of the new board members. He said that the Gateway building has been expanded from 100,000 to 230,000 square feet to accommodate 125,000 square feet of leased space. Antoine Predock and Short Elliott Hendrickson will serve as the architectural team. M. A. Mortenson has been selected as the contractor. A Request for Proposal has been sent out to develop the space adjacent to the Gateway. University officials and Gateway Steering Committee members are working together on arranging financing and determining the building's University tenants. The project is proceeding in accordance with the specified timeline, and it is anticipated that construction will begin next summer.

Dale Olseth, chair of the Gateway Fund Raising Committee, reported that \$7.5 million needs to be raised to carry the project; the balance will be financed by debt. The Steering Committee wants to raise more than the \$7.5 million-dollar goal, however, to reduce the debt load and the cost per square foot to be paid by the partners. Fund raising will proceed in three phases; we are currently in the quiet stage of Phase I (contributions of \$100,000

and up). Some major commitments have already been secured. There are significant naming opportunities, including a \$5 million dollar opportunity to name the building.

Linda Mona, chair of the Gateway Communications Committee, reported that the committee will work on all three phases of the fund raising process. The donor brochure is currently being printed, and the committee is looking at a variety of donor recognition opportunities and options. The Gateway will receive more public exposure in early 1997, when the fund raising campaign moves out of the quiet phase.

In response to a question, Mona said that the controversy regarding the selection of a non-alumni architect appears to have died down. There was also discussion about the building design; Carlson reported that architect Antoine Predock is incorporating a variety of Minnesota-related aspects in the design.

Membership

Al Anderson, UMAA membership and marketing director, reported that membership totaled 34,831 as of September 27, 1996. Although the UMAA did not meet its goal of 36,000 members in FY96, Anderson is optimistic that the goal of 40,000 members by the end of FY97 will be met because he anticipates good response to a number of upcoming strategies and promotions. New membership benefits and products include University decorative checks, long-distance telephone service, and new sweatshirts.

Hardware for the new UMAA data base is currently being installed, and much staff effort is involved.

University Communications

Tom Garrison, UMAA communications director, reported that the Institutional Relations units are working together and involving the entire University community to identify opportunities to publicize the University in proactive and positive ways; i.e., University and UMAA anniversaries, the Gateway, new University signs and banners, etc. The University of Minnesota Foundation has contracted with Shandwick USA for the next 9-12 months to strengthen public relations at the university. In addition to advising President Hasselmo and other University officials, they are planning a paid media campaign in the first and second quarters of 1997.

Outreach

Bob Burgett, UMAA outreach director, reported that the UMAA is working in collaboration with University Relations and Men's Intercollegiate Athletics to offer pepfests before every home Gopher football game. Maroon and Gold Casual Fridays, sponsored by the UMAA, are a great success this year, expanding to the adjacent business communities. Leadership Day is tentatively scheduled to be held January 22, 1997, in conjunction with the Legislative Network Kickoff. The UMAA is partnering with several collegiate units--Agriculture, Education and Human Development, and Human Ecology--to hire Outreach program directors for those units.

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Advocacy

Joe Tennyson, chair of the University Issues Committee, reported that 1996-97 will be an active year for this committee, which exists to provide a forum for alumni to stay connected to issues at the University. Potential agenda items include the University presidential search (200 nominations were submitted and 50 dossiers received so far); collaborating with the Regent Candidate Advisory Council (RCAC); recommending regent candidates; and studying the tenure debate, tuition aid, and University autonomy and economics.

Ann Huntrods, co-chair of the UMA Citizens Committee on University Regent Selection, said that this committee was formed to take another look at the way that regents are selected at the University of Minnesota. The committee is concerned from a process perspective-- **many** good people are apparently unwilling to apply for regent. John French, past UMAA national president, will co-chair the committee, which will meet five times between now and mid-December.

Howard Juni, chair of the Legislative Network Advisory Committee, reported that the network has 2,300 members. This year is a budget year for the University, so the network agenda will be to support the University's biennial request. Juni encouraged the board members to get to know their legislators and tell them that they represent and support the University.

Nominating and Awards Committee

Linda Mona, chair of the Nominating and Awards Committee, presented the slate of candidates for the 1996-97 committee:

Linda Mona, Chair
Marvin Trammel
Ann Huntrods
Dan Erkkila
Peggy Craig
Jean Fountain
Ertugrul Tuzcu
Jim Campbell

This slate was approved.

Vice President for Institutional Relations

Tom Swain, University vice president for institutional relations, told the board members that he has numerous connections to the University. His family had a business in Dinkytown; he has held Gopher season football tickets for 70 years. He served as the University's first academic athletic advisor and was national president of the UMAA in 1976-77. He currently serves on the University of Minnesota Foundation (UMF) Board of Trustees.

Executive Director's Report

Margaret Carlson, UMAA executive director, referred the board members to University President Nils Hasselmo's letter explaining why he supports the faculty position on tenure. She reported that Hasselmo is returning to the Pacific Rim in mid-November to continue the fund raising and friend raising efforts that were begun last year. Carlson and Jerry Fischer, UMF president, are included on the trip this year. Carlson concluded her remarks by thanking the volunteers for their dedication and hard work, acknowledging their "spirit and substance; caring and courage; and relevance and reliability."

National President

Trammel encouraged the board members to actively participate on their committees, noting that the committee structure is very important to the effectiveness of the board. He thanked the board members who attended UMAA activities over the summer, including the summer social and reception for Marvin Marshak. Trammel announced that the next national board meeting is scheduled to be held on Saturday, November 23, 1996, at Coffman Union. He adjourned the meeting at 12:00 noon.

Submitted by,

Cheryl Jones
Executive Assistant

for

John Bergstrom
UMAA Secretary/Treasurer

University of Minnesota Alumni Association

**Long Range Financial
Plan: 1996-2001**

Submitted to the Board of Directors, September 1996

University of Minnesota Alumni Association

**Long Range Financial
Plan: 1996-2001**

Submitted to the Board of Directors, September 1996

Long Range Financial Planning Committee

John Bergstrom, Chair

Joan Berg

Fred Friswold

C. David Jones

Larry Laukka

Janie Mayeron

Linda Mona

James R. Stirratt

Marvin Trammel

University of Minnesota Alumni Association
Long Range Financial Plan: 1996-2001

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Overview Commentary

Description of Organization

The University of Minnesota Alumni Association (UMAA) is an independent, non-profit membership organization whose activities are dedicated to service to the University of Minnesota and to its members. The UMAA also functions as the University of Minnesota's department of alumni relations. Funding is primarily derived from university support, membership dues, ancillary service fees, and magazine advertising. Expenditures are focused on outreach, membership service, and communication activities.

Basis for Establishment of Long Range Financial Plan

Over the past two years, the UMAA has developed a strategic plan which includes the following goals to be achieved by the year 2000:

Build a campus alumni center at Oak and Washington

Grow a visible, vibrant organization, expanding to 50,000 members

- Implement a comprehensive, ongoing public relations campaign
- Expand programs and benefits to connect alumni to the University
- Invest in technology to identify and track alumni
- Continue developing and implementing targeted membership strategies, including to students

Enhance the student experience

- Expand the mentor program
- Expand student recruitment efforts
- Collaborate with the University of Minnesota Foundation and other units to fund scholarships and teaching awards
- Develop community-based programs

Continue the UMAA's advocacy efforts

- Work to influence the University to improve the student experience
- Continue to identify and address issues pertinent to the University and to alumni
- Continue legislative network efforts

Prepare for a possible capital campaign

- Work with U Relations to redesign and upgrade *Update*
- Begin weekly radio broadcast, "News from the U"
- Increase efforts to locate lost alumni
- Mobilize Twin Cities alumni through place of employment
- Expand United States chapter program
- Initiate international alumni program

In coordination with this strategic plan, the UMAA board of directors determined that it should develop and maintain a long range financial plan which integrates forecasts of continued current operations together with implementation of desired objectives from the strategic plan.

Long Range Financial Plan Development Process

The board of directors of the UMAA appointed a special task force to work on this long range financial plan. The task force has reported to the finance committee, operating as a subcommittee.

Responsibilities for fundamental research were divided into three groups -- outreach, membership, and communications. Volunteers in each group worked with UMAA management staff, using the strategic plan as the focus, to develop specific forecast information and projections.

The task force chairperson and the UMAA director of finance and operations worked to develop the overall projection worksheets, taking as input the functional group work. The overall task force met five times to comment on iterations of the spreadsheet and to hear reports from the functional groups.

Overview Outlook for the UMAA

The long term financial outlook of the organization is driven by a number of key assumptions about revenues and expenditures that are detailed in the spreadsheets and support materials in this document. The most important issues for consideration of the financial future of the organization include:

- Effort to increase membership to 50,000: When the strategic plan was adopted in FY94 membership was only 27,719. Increasing membership to 50,000 will result in a substantial rise in revenue and, in turn, costs for direct mail and other membership solicitation will also substantially increase over the five year plan period. The expenses included in this plan for increasing membership to 50,000 reflect historic costs. Should significant resistance to membership be encountered at any point, the cost to reach the goal will be evaluated.
- Offering Internet access to members: This has been an innovative way to reach a new population of alumni. The number of providers of access services has increased in the past three years and the price has dropped substantially. Through its partnership with the University, the UMAA is working to keep the UMAA offer competitive and the level of service high. In addition, the UMAA is talking with other access providers to offer this service to members outside the Twin Cities area. Due to technological changes, however, this member benefit and net revenue stream may be subject to significant changes during the plan period. To safeguard the member dues associated with this population group, the UMAA is working to establish services on the World Wide Web for members only.
- Base support from the University of Minnesota: The UMAA expected a modest increase from the institution over the plan period. As the other revenue sources are growing much more rapidly, the total percentage of revenues coming from the University will substantially decrease over the period covered by the plan. Special support from the University for assistance with a possible future capital campaign is providing temporarily higher funding from the University which cannot be depended on to continue beyond FY2001.

- Part -owner and tenant in the Gateway/Alumni Center: This \$30 million project is scheduled for completion in the fall of 1998. As a tenant, the UMAA will incur a long-term lease obligation at a substantial increase over current occupancy cost. This plan assumes fundraising for the building at a level sufficient to bring the occupancy cost down from the proposed \$20/sq.ft. to \$12/sq.ft. (\$7.4 million.) For every \$925,000 fundraising variance, occupancy cost will change by \$1/sq.ft.

Not included in this operating plan are costs associated with the move to the new facility. Discussions regarding funding for furniture and fixtures are currently taking place with the other building partners. Based on the outcome of discussions regarding the level of furnishings included in construction costs and the use of fundraising proceeds, there may be additional costs in FY99.

Summary Result of Financial Plan

Based on the input from the three functional groups, expense and revenue assumptions were independently derived. Once consolidated with other assumptions on operations and administration, the overall task force reviewed the outcome and made some changes to provide for organization-wide perspective. In total, the plan presented represents what the task force feels is an accurate reflection of the operational plans of the organization translated into financial terms.

UMAA Long Range Financial Plan

Confidential

| 1994-95 | 1995-96 |
|---------|---------|
| Actual | Actual |

| 1996-97 | 1997-98 | 1998-99 | 1999-00 | 2000-01 |
|---------|----------|----------|----------|----------|
| Budget | Forecast | Forecast | Forecast | Forecast |

Simplified Operating Statement

Revenue

| | | | | | | | |
|----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Membership | 774,616 | 886,502 | 1,026,560 | 1,125,520 | 1,384,620 | 1,487,000 | 1,560,000 |
| Advertising | 230,197 | 168,250 | 210,000 | 234,428 | 271,040 | 294,840 | 320,907 |
| Internet | 416,030 | 594,960 | 639,290 | 651,504 | 664,538 | 677,850 | 677,500 |
| Credit Card | 220,685 | 282,529 | 300,000 | 321,300 | 342,720 | 364,140 | 385,560 |
| General Endowment Transfer | 205,000 | 190,250 | 203,000 | 217,250 | 232,650 | 248,600 | 266,200 |
| Other Endowment Transfers | 175,605 | 77,196 | 193,000 | 54,000 | 55,000 | 56,000 | 57,000 |
| University Allocations | 1,273,525 | 1,447,100 | 1,519,340 | 1,558,574 | 1,599,538 | 1,641,251 | 1,684,733 |
| Tours/Special Events | 109,440 | 167,083 | 164,225 | 180,000 | 190,000 | 205,000 | 220,000 |
| Misc. Non-Operating | 96,487 | 102,304 | 31,920 | 75,000 | 80,000 | 95,000 | 115,000 |
| Total Revenue | 3,501,585 | 3,916,174 | 4,287,335 | 4,417,576 | 4,820,106 | 5,069,681 | 5,286,900 |

Expenses by Major Function:

Outreach

| | | | | | | | |
|--------------------------|----------------|----------------|------------------|------------------|------------------|------------------|------------------|
| Personnel | 517,754 | 530,934 | 687,510 | 752,394 | 843,345 | 903,861 | 943,067 |
| Professional Fees | 4,095 | 18,158 | 7,250 | 8,500 | 10,000 | 12,000 | 15,000 |
| Printing & Mail/Delivery | 54,570 | 61,953 | 84,550 | 89,000 | 94,000 | 98,000 | 103,000 |
| Travel & Entertainment | 55,246 | 71,804 | 149,105 | 150,000 | 160,000 | 170,000 | 180,000 |
| Society Allocations | 77,143 | 82,630 | 93,600 | 103,000 | 110,000 | 117,000 | 121,500 |
| Other | 50,937 | 47,711 | 93,710 | 100,000 | 107,000 | 114,500 | 122,500 |
| Total Outreach | 759,745 | 813,190 | 1,115,725 | 1,202,894 | 1,324,345 | 1,415,361 | 1,485,067 |

Membership/Services

| | | | | | | | |
|------------------------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Personnel | 216,385 | 237,847 | 236,680 | 264,095 | 272,018 | 280,179 | 310,783 |
| Professional Fees | 69,663 | 66,702 | 51,960 | 61,000 | 68,000 | 78,000 | 85,000 |
| Printing & Mail/Delivery | 190,032 | 300,793 | 299,855 | 339,034 | 359,196 | 392,583 | 414,440 |
| Internet Fees | 344,855 | 495,945 | 531,390 | 542,160 | 553,014 | 564,050 | 560,000 |
| Other | 45,593 | 50,763 | 44,310 | 55,000 | 65,000 | 75,000 | 85,000 |
| Total Membership/Svcs | 866,528 | 1,152,050 | 1,164,195 | 1,261,289 | 1,317,228 | 1,389,812 | 1,455,223 |

Communications/Advocacy

| | | | | | | | |
|----------------------------|----------------|----------------|------------------|------------------|------------------|------------------|------------------|
| Personnel | 206,411 | 264,667 | 363,750 | 374,663 | 385,902 | 397,479 | 409,404 |
| Professional Fees | 255,612 | 226,453 | 178,500 | 184,000 | 190,000 | 196,500 | 203,500 |
| Printing & Mail/Delivery | 375,062 | 351,097 | 362,445 | 371,250 | 385,000 | 416,000 | 435,000 |
| Co-Sponsorship of "M" | 0 | 91,600 | 120,000 | 120,000 | 120,000 | 120,000 | 120,000 |
| Other | 25,363 | 28,050 | 38,280 | 42,000 | 45,000 | 49,000 | 54,000 |
| Total Comm/Advocacy | 862,448 | 961,867 | 1,062,975 | 1,091,913 | 1,125,902 | 1,178,979 | 1,221,904 |

Operations/Administrative

| | | | | | | | |
|-------------------------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|
| Personnel | 430,377 | 456,303 | 507,460 | 522,684 | 538,364 | 554,515 | 571,151 |
| Professional Fees | 59,125 | 35,660 | 23,200 | 27,000 | 35,000 | 44,000 | 54,000 |
| DMS Fees | 64,499 | 72,176 | 34,450 | 20,000 | 20,000 | 20,000 | 20,000 |
| Travel & Entertainment | 39,382 | 37,331 | 35,600 | 37,000 | 39,000 | 41,000 | 43,000 |
| Occupancy | 55,526 | 71,712 | 72,000 | 72,000 | 225,672 | 225,672 | 225,672 |
| Awards & Scholarships | 57,968 | 57,496 | 56,250 | 58,000 | 59,500 | 61,000 | 62,500 |
| Supplies | 20,415 | 18,174 | 20,900 | 22,000 | 23,500 | 25,000 | 27,000 |
| Gateway | 0 | 0 | 140,000 | 0 | 0 | 0 | 0 |
| Other | 65,544 | 91,833 | 96,020 | 100,000 | 105,000 | 110,000 | 115,000 |
| Total Operations/Admin | 792,836 | 840,685 | 985,880 | 858,684 | 1,046,036 | 1,081,187 | 1,118,323 |

Total Expenses

| | | | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 3,281,557 | 3,767,792 | 4,328,775 | 4,414,779 | 4,813,512 | 5,065,339 | 5,280,517 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|

Net Surplus (Deficit)

| | | | | | | | |
|--|---------|---------|---------|-------|-------|-------|-------|
| | 220,028 | 148,382 | -41,440 | 2,796 | 6,594 | 4,342 | 6,383 |
|--|---------|---------|---------|-------|-------|-------|-------|

UMAA Long Range Financial Plan

Confidential

| 1994-95 | 1995-96 |
|---------|---------|
| Actual | Actual |

| 1996-97 | 1997-98 | 1998-99 | 1999-00 | 2000-01 |
|---------|----------|----------|----------|----------|
| Budget | Forecast | Forecast | Forecast | Forecast |

Assumptions

Income Assumptions

Membership Counts

| | | | | | | | |
|------------------------------|--------|--------|--------|--------|--------|--------|--------|
| Membership (Yr End) | 31,700 | 34,488 | 40,000 | 44,000 | 47,000 | 50,000 | 52,000 |
| Internet Members (Yr End) | 3,000 | 4,341 | 4,700 | 4,800 | 4,900 | 5,000 | 5,000 |
| Credit Card Holders (Yr End) | 15,800 | 25,000 | 28,000 | 30,000 | 32,000 | 34,000 | 36,000 |

Revenue By Member

| | | | | | | | |
|----------------------------|--------|--------|--------|--------|--------|--------|--------|
| Av. Membership Rev/Mmbr | 24.44 | 25.70 | 25.66 | 25.58 | 29.46 | 29.74 | 30.00 |
| Av. Internet Rev/Mmbr | 138.68 | 137.06 | 136.00 | 135.73 | 135.62 | 135.57 | 135.50 |
| Av. Credit Card Rev/Holder | 13.97 | 11.30 | 10.71 | 10.71 | 10.71 | 10.71 | 10.71 |

Advertising Revenue

| | | | | | | | |
|------------------------|------------|------------|------------|------------|------------|------------|------------|
| Advertising Pages/Year | 87 | 85 | 95 | 103 | 112 | 117 | 123 |
| Revenue/Ad Page | 2,646 | 1,977 | 2,210 | 2,276 | 2,420 | 2,520 | 2,609 |
| Advertising Revenue | \$ 230,197 | \$ 168,250 | \$ 210,000 | \$ 234,428 | \$ 271,040 | \$ 294,840 | \$ 320,907 |

General Endowment Transfer

| | | | | | | | |
|---------------------------------|------------|------------|------------|------------|------------|------------|------------|
| Fund Balance \$ M (Start of Yr) | | 3.452 | 3.693 | 3.950 | 4.230 | 4.520 | 4.840 |
| Allocation % | 6.0% | 5.5% | 5.5% | 5.5% | 5.5% | 5.5% | 5.5% |
| Allocation \$ | \$ 205,000 | \$ 190,250 | \$ 203,000 | \$ 217,250 | \$ 232,650 | \$ 248,600 | \$ 266,200 |

Other Endowment Transfer

| | | | | | | | |
|---------------------|---------|--------|---------|--------|--------|--------|--------|
| Scholarships/Awards | 52,000 | 52,500 | 53,000 | 54,000 | 55,000 | 56,000 | 57,000 |
| Other | 123,605 | 24,696 | 140,000 | 0 | 0 | 0 | 0 |

University Allocation

| | | | | | | | |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Base Allocation Growth Rate | | 3.6% | 0.3% | 2.5% | 2.5% | 2.5% | 2.5% |
| Base Allocation Amount | 1,125,525 | 1,172,100 | 1,169,340 | 1,198,574 | 1,228,538 | 1,259,251 | 1,290,733 |
| Special Allocation \$ | 148,000 | 275,000 | 350,000 | 360,000 | 371,000 | 382,000 | 394,000 |
| Total Allocation | \$1,273,525 | \$1,447,100 | \$1,519,340 | \$1,558,574 | \$1,599,538 | \$1,641,251 | \$1,684,733 |

Other Income Categories

| | | | | | | | |
|----------------------|---------|---------|---------|---------|---------|---------|---------|
| Tours/Special Events | 109,440 | 167,083 | 164,225 | 180,000 | 190,000 | 205,000 | 220,000 |
| Misc. Non-Operating | 96,487 | 102,304 | 31,920 | 75,000 | 80,000 | 95,000 | 115,000 |

UMAA Long Range Financial Plan

Confidential

Assumptions

| 1994-95 | 1995-96 |
|---------|---------|
| Actual | Actual |

| 1996-97 | 1997-98 | 1998-99 | 1999-00 | 2000-01 |
|---------|----------|----------|----------|----------|
| Budget | Forecast | Forecast | Forecast | Forecast |

Personnel & Professional Fees

FTE by Major Function

| | | | | | | | |
|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Outreach | 15.00 | 16.00 | 16.00 | 17.00 | 18.50 | 19.25 | 19.50 |
| Membership/Services | 5.00 | 6.00 | 6.00 | 6.50 | 6.50 | 6.50 | 7.00 |
| Communications/Advocacy | 5.00 | 5.50 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 |
| Operations/Admin | 8.00 | 8.00 | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 |
| Total FTE | 33.00 | 35.50 | 38.00 | 39.50 | 41.00 | 41.75 | 42.50 |

Personnel Cost by FTE

| | | | | | | | |
|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Outreach | 34,517 | 33,183 | 42,969 | 44,258 | 45,586 | 46,954 | 48,362 |
| Membership/Services | 43,277 | 39,641 | 39,447 | 40,630 | 41,849 | 43,104 | 44,398 |
| Communications/Advocacy | 41,282 | 48,121 | 51,964 | 53,523 | 55,129 | 56,783 | 58,486 |
| Operations/Admin | 53,797 | 57,038 | 56,384 | 58,076 | 59,818 | 61,613 | 63,461 |
| Average Cost by FTE | 41,543 | 41,965 | 47,247 | 48,452 | 49,747 | 51,162 | 52,574 |

Personnel Cost by Function

| | | | | | | | |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Outreach | 517,754 | 530,934 | 687,510 | 752,394 | 843,345 | 903,861 | 943,067 |
| Membership/Services | 216,385 | 237,847 | 236,680 | 264,095 | 272,018 | 280,179 | 310,783 |
| Communications/Advocacy | 206,411 | 264,667 | 363,750 | 374,663 | 385,902 | 397,479 | 409,404 |
| Operations/Admin | 430,377 | 456,303 | 507,460 | 522,684 | 538,364 | 554,515 | 571,151 |
| Total Personnel Cost | 1,370,927 | 1,489,751 | 1,795,400 | 1,913,835 | 2,039,630 | 2,136,034 | 2,234,405 |

Professional Fees By Area

| | | | | | | | |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Outreach | 4,095 | 18,158 | 7,250 | 8,500 | 10,000 | 12,000 | 15,000 |
| Membership/Services | 69,663 | 66,702 | 51,960 | 61,000 | 68,000 | 78,000 | 85,000 |
| Communications/Advocacy | 255,612 | 226,453 | 178,500 | 184,000 | 190,000 | 196,500 | 203,500 |
| Operations/Admin | 59,125 | 35,660 | 23,200 | 27,000 | 35,000 | 44,000 | 54,000 |
| Total Professional Fees | 388,495 | 346,973 | 260,910 | 280,500 | 303,000 | 330,500 | 357,500 |

Functional Expenses Driven by Unit Assumptions

Membership Printing/Mail Costs

| | | | | | | | |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| # Retained Members | 0 | 0 | 27,763 | 31,113 | 34,688 | 37,468 | 40,000 |
| # New Members | 0 | 0 | 12,256 | 12,931 | 12,496 | 12,566 | 12,000 |
| Printing/Mail Costs Per Retained | \$0.00 | \$0.00 | \$1.09 | \$1.24 | \$1.25 | \$1.25 | \$1.25 |
| Printing/Mail Costs Per New | \$0.00 | \$0.00 | \$14.24 | \$15.06 | \$16.06 | \$17.61 | \$19.37 |
| Other Membership Printing/Mail | | | 95,065 | 105,713 | 115,150 | 124,461 | 132,000 |
| Total Membership Printing/Mail | 190,032 | 300,793 | 299,855 | 339,034 | 359,196 | 392,583 | 414,440 |

Internet Costs

| | | | | | | | |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Internet Members (From Above) | 3,000 | 4,341 | 4,700 | 4,800 | 4,900 | 5,000 | 5,000 |
| Internet Costs/Internet Member | \$ 114.93 | \$ 114.25 | \$ 113.10 | \$ 112.95 | \$ 112.86 | \$ 112.81 | \$ 112.00 |
| Total Internet Costs | 344,855 | 495,945 | 531,390 | 542,160 | 553,014 | 564,050 | 560,000 |

UMAA Long Range Financial Plan

Confidential

| 1994-95 | 1995-96 |
|---------|---------|
| Actual | Actual |

| 1996-97 | 1997-98 | 1998-99 | 1999-00 | 2000-01 |
|---------|----------|----------|----------|----------|
| Budget | Forecast | Forecast | Forecast | Forecast |

Functional Expenses Driven by Unit Assumptions Continued

Magazine Costs

| | | | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| # Copies Printed | 325,000 | 325,000 | 325,000 | 325,000 | 325,000 | 325,000 | 325,000 | 325,000 |
| Printing/Mail Costs Per Copy | \$ 0.94 | \$ 0.98 | \$ 1.03 | \$ 1.05 | \$ 1.08 | \$ 1.16 | \$ 1.20 | \$ 1.20 |
| Other Comm Printing/Mailing | 68,455 | 32,900 | 27,695 | 30,000 | 34,000 | 39,000 | 45,000 | 45,000 |
| Total Comm Print & Mail/Delivery | 375,062 | 351,097 | 362,445 | 371,250 | 385,000 | 416,000 | 435,000 | 435,000 |

Occupancy Costs

| | | | | | | | | |
|------------------------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|
| Occupancy-Sq Ft Rented | 6,000 | 6,000 | 6,000 | 6,000 | 18,806 | 18,806 | 18,806 | 18,806 |
| Rent/Sq Foot | \$12.00 | \$12.00 | \$12.00 | \$12.00 | \$12.00 | \$12.00 | \$12.00 | \$12.00 |
| Total Occupancy Costs | 55,526 | 71,712 | 72,000 | 72,000 | 225,672 | 225,672 | 225,672 | 225,672 |

All Other Expenses

Other Outreach Expenses

| | | | | | | | | |
|--------------------------|--------|--------|---------|---------|---------|---------|---------|---------|
| Printing & Mail Delivery | 54,570 | 61,953 | 84,550 | 89,000 | 94,000 | 98,000 | 103,000 | 103,000 |
| Travel & Entertainment | 55,246 | 71,804 | 149,105 | 150,000 | 160,000 | 170,000 | 180,000 | 180,000 |
| Society Allocations | 77,143 | 82,630 | 93,600 | 103,000 | 110,000 | 117,000 | 121,500 | 121,500 |
| Other | 50,937 | 47,711 | 93,710 | 100,000 | 107,000 | 114,500 | 122,500 | 122,500 |

Other Membership/Svcs Expenses

| | | | | | | | | |
|-------|--------|--------|--------|--------|--------|--------|--------|--------|
| Other | 45,593 | 50,763 | 44,310 | 55,000 | 65,000 | 75,000 | 85,000 | 85,000 |
|-------|--------|--------|--------|--------|--------|--------|--------|--------|

Other Communications/Advocacy

| | | | | | | | | |
|-----------------------|--------|--------|---------|---------|---------|---------|---------|---------|
| Co-sponsorship of "M" | 0 | 91,600 | 120,000 | 120,000 | 120,000 | 120,000 | 120,000 | 120,000 |
| Other | 25,363 | 28,050 | 38,280 | 42,000 | 45,000 | 49,000 | 54,000 | 54,000 |

Other Operations/Admin Expenses

| | | | | | | | | |
|------------------------|--------|--------|---------|---------|---------|---------|---------|---------|
| DMS Fees | 64,499 | 72,176 | 34,450 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Travel & Entertainment | 39,382 | 37,331 | 35,600 | 37,000 | 39,000 | 41,000 | 43,000 | 43,000 |
| Awards & Scholarships | 57,968 | 57,496 | 56,250 | 58,000 | 59,500 | 61,000 | 62,500 | 62,500 |
| Supplies | 20,415 | 18,174 | 20,900 | 22,000 | 23,500 | 25,000 | 27,000 | 27,000 |
| Gateway | | | 140,000 | | | | | |
| Other | 65,544 | 91,833 | 96,020 | 100,000 | 105,000 | 110,000 | 115,000 | 115,000 |

**University of Minnesota Alumni Association
Long Range Financial Plan
Summary and Explanations**

Revenue

Membership - Revenue is based on the assumption that membership will grow to 52,000 members by the year 2001. This will be accomplished by steadily improving the renewal rate from the current 65% to 73% by the year 2000 and adding, on average, 12,500 new members each year. A dues increase is planned for fiscal year 1998.

Advertising - The increase in advertising revenue is based on increasing the number of pages of paid advertising from 85 in fiscal year 1996 to 123 in fiscal year 2001, and on improving the revenue received per ad page. This will be accomplished by raising rates 5% in FY97 and FY98 and 3% each year thereafter and by reducing the average rate discount from the current 17% to 10% by the year 2001.

Internet - Changes in technology are expected to result in a leveling off of subscribers with revenue per subscriber declining slightly each year due to a higher percentage of renewals to new subscribers -- renewing subscribers do not need to repurchase slip software.

Credit Card - The growth in the number of credit card holders is expected to level off as fewer promotional mailings are done by the credit card company. Fewer new card holders results in a decrease in revenue per card holder due to fewer transfer balances on which the UMAA earns a royalty.

General Endowment Transfer - The annual draw on the General Endowment Fund is equal to 5.5% of the prior three years' average balance. The growth in the endowment fund is strictly from interest, dividends and market gains and is assumed to average 7% per year.

Other Endowment Transfers - Draws from endowment funds for scholarships and awards include the Morse Alumni Teaching Awards, UMAA Student Leadership Awards, Zander Awards, Freshman Leadership Incentive Scholarships, and the August Wilson Scholarship. The increase is due to additional freshman scholarships being awarded as a result of growth of the principal used to support these scholarships. In prior years, the UMAA has spent accumulated earnings of non-scholarship/awards funds for special initiatives which included the legislative network, mentor program, and Gateway initiative. Such accumulated earnings are almost exhausted.

University Allocations - This revenue line includes the base allocation and Capital Campaign Readiness funds. All indications are that University funding will remain very tight and the 2.5% projected increase in base funding reflects this assumption. The special allocation in FY95 reflected funding for student recruitment and the legislative network. In all subsequent years it reflects capital campaign readiness funding.

Tours/Special Events - Commissions on alumni tours is expected to grow as the number and range of trips expands. Revenue from special events is also expected to increase due to the UMAA's new role in relation to joint UMAA/UMF events and partnering opportunities with Men's Athletics.

Miscellaneous Non-Operating - This revenue line includes earnings on invested operating cash balances and funds received from affinity relationships which have or will include: the group insurance program; the home mortgage program; Alumni Hotels and Avis car rental; Affinity Phone Service; and UMAA affinity checks. The growth in FY98 and beyond is expected to come from a full year of the Affinity Phone Service and new, yet to be identified programs.

Expenses

Personnel - Department personnel expenses were determined by projecting the number of staff needed for each function through fiscal year 2001. Then, using FY97 as the base, the average salary was calculated for each department. An annual salary increase of 3% was then applied to the average salaries in subsequent years.

Outreach - the projected staff growth is in the areas of international programs, Twin Cities business and community programs, and student relations.

Membership/Services - the projected staff growth is in the area of customer service.

Communication/Advocacy - the growth in staff in FY97 is the result of hiring a program director for the advocacy area and a student to work with the magazine.

Operation/Administration - the growth in staff for FY97 is the result of hiring a computer network administrator.

Outreach

Professional Fees - In the past, this expense line has included the cost of an organizational consultant to advise on restructuring the chapter and society areas, and photographers for events. With most of the restructuring underway, the on-going budget for management consulting has declined. The increase is expected to cover photographers at a large number of events.

Printing and Mail/Delivery - The majority of printing and mailing costs relate to the geographic outreach programs including chapter mailings and invitations to collaborative events with the UMF. Increases in the number of pieces mailed, paper costs and postal rates account for the annual increases.

Travel and Entertainment - Most of this budget line relates to the geographic outreach programs and special events. FY97 is significantly higher than prior years due to the assumption of responsibility for the collaborative events with the UMF, including the President's farewell tour. Travel and entertainment in FY98 is expected to remain flat with the FY97 Presidential tour funds being used to service new chapters. The growth in subsequent years is expected to cover new chapters and inflation.

Society Allocations - This expense is determined by a formula based on the number of members projected each year-end.

Other Expenses - This expense line includes supplies and equipment and space rental for events, co-sponsorship payments, and direct office expenses. Growth has been estimated at 7% and covers the projected increase in the number of events, and inflation.

Membership Services

Professional Fees - This budget line has historically included telemarketing, promotional design, and database consulting charges. With the database selected, on-going consulting costs associated with the new system will move to operations/administration. The budget for professional fees for FY97 and subsequent years is primarily for telemarketing charges and design of special promotions.

Printing and Mail/Delivery - These expenses were determined after looking at membership goals for each year and then projecting the types of appeals and associated costs. An inflation factor of 3% was used to cover increases in paper costs, postal rates, and other costs. Other membership/services printing and mail expense includes membership costs that aren't traceable to new or renewal appeals and expenses related to the Internet, tour and other programs.

Internet Fees - These fees include the amount the UMAA pays the University for subscribers' access and for slip software. The average cost per member is expected to decrease slightly as the percentage of new subscribers, needing slip software, to total subscribers declines.

Other Expenses - This category includes promotional premiums, miscellaneous host expenses related to the travel program, and direct office expenses. Future years have been estimated at inflation plus a small amount for program growth.

Communications/Advocacy

Professional Fees - This budget line has historically included writers, copy editor, designer, photographers, ad sales representatives, and ad sales consultants, associated with *Minnesota* and *U Connect.*, the video producer, public relations consultants, and the independent consultants who worked with the University Issues committee and Legislative Network. In FY97 a staff person was budgeted to assume responsibility for University Issues and the Legislative Network explaining the decline. The growth in future years is based on an assumed rate of inflation of 3% - 3.5%.

Printing and Mail/Delivery - Currently, the magazine produces overruns that are mailed to selected non-member constituencies. As membership grows, these extra magazines will be mailed to new members. The increase in per copy printing and mail/delivery costs is expected to cover projected postal increases in FY99 and paper increases of 2% in FY98, 4% in FY99, and 6% in the year 2000. Other Communication/Advocacy printing and mail/delivery costs include those associated with University Issues, Legislative Network and all other non-magazine communications department expenses. Growth is projected in University Issues and the Legislative Network.

Co-Sponsorship of "M" - This expense has been set at \$120,000 per year through 2001.

Other Expenses - This category primarily includes travel and catering expenses associated with University Issues and Legislative Network as well as direct office related expenses. Growth and inflation is projected at an average rate of 9% for both University Issues and Legislative Network.

Operations/Administration

Professional Fees - In the past, this expense line has included computer consultants, the annual audit and tax consulting, Gateway architect and development fees, and legal fees. In FY97 all Gateway expenses are to be paid by the new entity from funds contributed by the three owners. The UMAA's contribution to the Gateway pre-development costs is budgeted separately. The projected increase in future years is based on an assumed rate of inflation of 3% - 3.5% plus increases to cover additional computer support and legal fees.

DMS Fees - The full implementation of the new database is budgeted to be completed in the first quarter of FY97 at which time the DMS fees charged by the UMF will be reduced to \$5,000 per quarter. This charge is not expected to change during the years of the plan.

Travel and Entertainment - The majority of this expense is related to executive travel but also includes catering of board meetings, the holiday social and other executive director initiated events, and season tickets to various sporting events. The increases in future years are expected to cover inflation and minimal growth.

Occupancy - Rent in the current space is expected to remain at \$72,000 per year. Upon moving to the Gateway, the base rent is expected to be \$20/sq.ft. This will be reduced by the fundraising proceeds jointly raised by the University of Minnesota Foundation, the Minnesota Medical Foundation, and the UMAA. It is expected that fundraising will yield \$7.5 million in contributions which is projected to bring rent down to \$12/sq.ft.

Awards and Scholarships - This expense line includes the Morse Alumni Teaching Awards, UMAA Student Leadership Awards, Zander Awards, Freshman Leadership Incentive Scholarship, the August Wilson Scholarship, and several athletic awards. The increase in future years is for additional freshman scholarships which will be awarded as the principal balance increases.

Supplies - These costs are projected to increase as the number of staff increases and as a result of inflation.

Gateway - In FY97 the budget includes a one-time payment to cover the UMAA's portion of pre-construction costs associated with the project.

Other Expenses - The major expenses included in this category are bank service charges, insurance, equipment maintenance agreements, software license agreements, advertising for open staff positions, and telephone charges. Also included are printing, postage, and equipment and room rental. These expenses are projected to increase, on average, 5% per year.

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Prog. Dir. (new)*

Prog. Dir. (new)*

Prog. Dir. (new)*

Prog. Dir. (new)*

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Prog. Dir. Frank Robertson*

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Alumni Student Rel Prog.
Assoc. Tara Parker

Sp. Events Prog. Asso
Mark Banker

Prog. Assistant Heather Dorr

Stu. Supp.

Geo. Team Leader
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MN Field Rep
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Prog. Associate Angela Hayes

Prog. Assistant Karta Hoff

Public Policy/Legis. Network
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Acting Super Linda Molenda

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Prin. Cash. Jean Peterson

A/P Mem. Proc. Jenny Vassallo

Recp/ Sec. Claude Hawkins

FY97

*Funding is shared

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~~Prog. Dir. (new)*~~

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Sec new

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Sp. Events Prog. Asso Mark Banker

Career Network (new)*

Prog. Assistant Heather Dorr

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Prog. Dir. Mark Allen

Intl. Prog. Dir. (new)*

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Recp/ Sec. Claude Hawkins

UMAA Outreach Department

Future Directions

| | <u>FY96</u> | <u>FY97</u> | <u>FY01</u> |
|---|---|--|-----------------|
| Admin. | | | |
| <i>Staff</i> 1.5 FTE 1 Director .5 Clerical | 1.25 FTE 1 Director .25 Clerical | 2 FTE 1 Director 1 Clerical | |
| Societies | | | |
| <i>Staff</i> 5.5 FTE 3 UMAA PD's 2 @ .5 UMAA/College PD's 1 Clerical .5 Student | 5.25 FTE* 1 UMAA PD 6 @ .5 UMAA/College PD's 1 @.75 Clerical .5 Student | 5 FTE* 1 UMAA PD 6 @ .5 UMAA/College PD's 1 Clerical | |
| Chapters | | | |
| <i>Staff</i> 5.5 FTE 4 UMAA PD's 1 UMAA PA .5 Student | 5 FTE 2 UMAA Nat'l PD's 1 UMAA MN PD 1 UMAA Pr. Assoc. 1 UMAA Pr. Asst | 5.5 FTE 2 UMAA Nat'l PDs 1 UMAA MN PD 1 @ .5 UMAA Int'l PD 1 UMAA Pr. Assoc. 1 UMAA Pr. Asst. | |
| Twin Cities Business & Community | | | |
| <i>Staff</i> 1 FTE 1 UMAA PD | 2 FTE 1 UMAA PD .5 UMAA Pr. Asst. .5 Student | 3.0 FTE 2 UMAA PD's 1 UMAA Pr. Asst. | |
| Student Relations | | | |
| <i>Staff</i> 1.25 FTE 1 UMAA Coordinator .25 Clerical | 1.25 FTE 1 UMAA Coordinator .25 Pr. Asst. | 2.0 FTE 1 UMAA Mentor .5 UMAA Career .5 UMAA Pr. Asst. | |
| Special Events | | | |
| <i>Staff</i> 1.25 FTE 1 UMAA Coordinator .25 Clerical | 1.25 FTE 1 UMAA Coordinator .25 Pr. Asst. | 2 FTE 1 UMAA Coordinator .5 Pr. Asst. .5 Student | |
| TOTALS | 16.0 FTE | 16.0 FTE | 19.5 FTE |

* Represents positions in terms of the estimated "full time equivalent" paid by the UMAA. Actual alumni program director positions will be higher because intent is to initiate more partnerships with collegiate units to fund these positions.

UMAA Outreach Department

May 7, 1996

Long Range Programmatic Goals & Objectives

Goal I: Build a Campus Alumni Center

- Advocate and promote Gateway alumni center
- Educate key volunteers about Gateway project
- Assist in identification and training of Gateway volunteers
- Help identify potential gift prospects

Goal II: Grow Visible, Vibrant Organization of 50,000

- Promote school pride through Maroon and Gold Casual Friday activities
- Implement society re-alignment strategy to gain increased partnerships with collegiate units
- Undertake degree fulfillment initiative
- Maintain and increase effectiveness of geographic chapter program
- Begin international alumni chapter program and incorporate into geographic chapter program
- Maximize membership acquisition efforts through all outreach activities
- Increase and maximize special interest group affiliations
- Implement career services and lifelong learning programs for alumni
- Continue to promote alumni spirit-building through Homecoming, Holiday Social, athletic pep rallies, and other related activities
- Recognize and celebrate the University through alumni and student leadership awards, faculty awards
- Conduct leadership training for volunteers

Goal III: Enhance the Student Experience

- Continue provision of student leadership awards
- Expand mentor program
- Continue and maximize student recruitment efforts
- Develop new student relations activities to increase alumni-student involvement
- Increase alumni participation/role in parent and student orientation
- Investigate implementation of parent programming
- Increase scholarship fundraising efforts among chapters
- Begin student career services and job hunting services

Goal IV: Advocacy

- Continue to solicit alumni support for legislature network participation
- Assist in mobilization of alumni support for university issues
- Inform and educate alumni volunteers about university issues and positions

Goal V: Support of Possible Capital Campaign

- Implement comprehensive Twin Cities Business and Community involvement program
- Create comprehensive alumni involvement program for greater Minnesota and Upper Midwest through establishment of Minnesota Field Representative position
- Advocate support of campaign to alumni
- Collaborate with UMF staff to identify potential campaign donors

Administration

- Increase coordination and collaboration with other UMAA departments, University offices, department, and units, as well as other UMAA partners
- Continue staff/program evaluation and training
- Develop greater collaboration with Big 10 and other professional colleagues

University of Minnesota Alumni Association

**Outreach Department
Program Expansion**

| Fiscal Year 1991 | Fiscal Year 1996 | Fiscal Year 2001 |
|------------------------------|----------------------------------|--|
| Collegiate Societies | Collegiate Societies | Collegiate Societies |
| Geographic Chapters | Geographic Chapters | Geographic Chapters |
| Public Policy | Public Policy | Public Policy |
| Special Events | Special Events | Special Events |
| Leadership Training & Awards | Leadership Training & Awards | Leadership Training & Awards |
| Homecoming/Reunions | Homecoming/Reunions | Homecoming/Reunions |
| Annual Meeting | Annual Meeting | Annual Meeting |
| Pep Rallies | Pep Rallies | Pep Rallies |
| Student Leadership Awards | Student Leadership Awards | Student Leadership Awards |
| | Legislative Network | Legislative Network |
| | Mentor Program | Mentor Program |
| | Student Recruitment | Student Recruitment |
| | Membership Promotions Strategies | Membership Promotions Strategies |
| | Special Interest Groups | Special Interest Groups |
| | Affiliate Groups | Affiliate Groups |
| | Student Relations Programs | Student Relations Programs |
| | Parent/Student Orientation | Parent/Student Orientation |
| | Maroon & Gold Casual Fridays | Maroon & Gold Casual Fridays |
| | President's Visits | President's Visits |
| | Morse Alumni Awards | Morse Alumni Awards |
| | Scholarship Funding | Scholarship Funding |
| | | Gateway Fundraising |
| | | Student Residence Hall Programs |
| | | Twin Cities Business & Community Program |
| | | International Chapters |
| | | Alumni Career Services/Job Hunting |
| | | Degree Fulfillment Initiative |
| | | Student Career Services |

June 2, 1996

Memo to: Long Range Financial Planning Committee

From: Al Anderson

Re: Long Range Planning for Marketing/Membership

Attached is a projection of revenue from Marketing and Membership activities through FY2000. They are based on a review of plans conducted by the sub-committee consisting of Jim Stirratt, Janie Mayeron, Margaret Carlson, and Diane Fisher.

Here are several key points that developed out of this review:

1. Long Term Value by Membership Type - Preliminary steps included performing a Long Term Value Analysis by membership type which revealed that annual memberships do not generate significant net revenue over a long period of time because of drop off from year to year. It is a good entry point, but every effort should be made to convert annual memberships to life memberships or other long term memberships.
2. Renewal Analysis - Analysis of current renewal levels shows a 65% renewal rate. The goal is to increase this to 73% by FY2000. If the goal is met, more than 6,000 fewer new memberships need to be generated through the FY2000. Specific plans have been added to next year's budget and future budgets to achieve this higher renewal rate.
3. 50,000 in 2000 Goal - Two sets of revenue projections have been developed. The first is a projection based on meeting the goal of 50,000 members in FY2000. The second is based on a shortfall from this goal. It assumes over the FY97 to FY2000 time period goals for generation of new memberships will shortfall by 10% per year. The end result would be a 46,700 membership total at the end of FY2000
4. Expenses - FY97 expenses are based on the current budget. Following years are based on the number of mailings being decreased by using statistical analysis to better determine who to mail a particular type of promotion. This should increase response thus lowering the cost per new member. Target promotions to students, faculty and staff, and event attendees will also increase during this time.

New types of promotions have been added. These include using the Internet, Kiosks, and other types of advertising. Costs have been escalated at 3% per year on average to account for inflation and other price increases.

Attached are the following:

- a. Projections of memberships by year for both meeting the 50,000 in FY2000 goal and the 10% shortfall.
- b. Revenue for both levels of new memberships.
- c. Revenue/Expense summary by fiscal year in number and chart form.

Renewals

Membership by type FY96 - FY2000 - Renewal % gradually increase

| Membership Type | Memberships projected end of FY96 | Net End of FY97 | | | Net End of FY98 | | | FY99 | | | FY2000 | | | Increase from FY96 to FY2000 |
|--|-----------------------------------|-----------------|----------|----------|-----------------|----------|----------|-------------|----------|----------|-------------|------------|------------|------------------------------|
| | | without new | New FY97 | End FY97 | without new | New FY98 | End FY98 | without new | New FY99 | End FY99 | without new | New FY2000 | End FY2000 | |
| Renewal Rate | | 68.0% | | | 70.0% | | | 72.0% | | | 73.0% | | | |
| Single annual | 16,245 | 11,047 | 7,455 | 18,502 | 12,951 | 7,955 | 20,906 | 15,052 | 7,540 | 22,582 | 16,492 | 7,510 | 24,002 | 7,767 |
| Free grad (assume 35% renewal rate) | 1,450 | 508 | 1,500 | 2,008 | 779 | 1,500 | 2,279 | 914 | 1,500 | 2,414 | 982 | 1,500 | 2,482 | 1,032 |
| Complimentary | 47 | 45 | 6 | 51 | 48 | 6 | 54 | 51 | 6 | 57 | 55 | 6 | 61 | 14 |
| 3 year single | 1,947 | 1,741 | 700 | 2,441 | 2,200 | 700 | 2,900 | 2,632 | 700 | 3,332 | 3,035 | 700 | 3,735 | 1,708 |
| 5 year single | 640 | 640 | 300 | 940 | 884 | 300 | 1,184 | 1,117 | 300 | 1,417 | 1,341 | 300 | 1,641 | 1,001 |
| 10 year single | 31 | 31 | 35 | 66 | 66 | 35 | 101 | 101 | 35 | 136 | 136 | 35 | 171 | 140 |
| Joint annual | 4,954 | 3,369 | 1,600 | 4,969 | 3,478 | 1,700 | 5,178 | 3,728 | 1,600 | 5,328 | 3,890 | 1,600 | 5,490 | 536 |
| 3 year joint | 657 | 588 | 225 | 813 | 732 | 225 | 957 | 869 | 225 | 1,094 | 996 | 225 | 1,221 | 564 |
| 5 year joint | 207 | 207 | 120 | 327 | 307 | 120 | 427 | 403 | 120 | 523 | 495 | 120 | 615 | 408 |
| 10 year joint | 12 | 12 | 15 | 27 | 27 | 15 | 42 | 42 | 15 | 57 | 57 | 15 | 72 | 60 |
| Single life installment - 3% drop rate | 2,265 | 2,197 | 100 | 2,297 | 2,228 | 100 | 2,328 | 2,258 | 110 | 2,368 | 2,297 | 130 | 2,427 | 162 |
| Joint life installment - 3% drop rate | 1,500 | 1,455 | 50 | 1,505 | 1,460 | 50 | 1,510 | 1,465 | 55 | 1,520 | 1,474 | 65 | 1,539 | 39 |
| Full single life - 2% drop rate | 4,087 | 4,005 | 100 | 4,105 | 4,023 | 150 | 4,173 | 4,090 | 200 | 4,290 | 4,204 | 250 | 4,454 | 367 |
| Full joint life - 2% drop rate | 1,958 | 1,919 | 50 | 1,969 | 1,929 | 75 | 2,004 | 1,964 | 90 | 2,054 | 2,013 | 110 | 2,123 | 165 |
| Total | 36,000 | 27,763 | 12,256 | 40,019 | 31,113 | 12,931 | 44,044 | 34,688 | 12,496 | 47,184 | 37,468 | 12,566 | 50,033 | 14,033 |

Renewal rate is as stated except where noted, drop rate is decreased and/or non-payment of installment.

Membership by type FY96 - FY2000 - Renewal % gradually increase - 10% Less New Members Per Year

| Membership Type | Memberships projected end of FY96 | Net End of FY97 | | | Net End of FY98 | | | FY99 | | | FY2000 | | | Increase from FY96 to FY2000 |
|--|-----------------------------------|-----------------|----------|----------|-----------------|----------|----------|-------------|----------|----------|-------------|------------|------------|------------------------------|
| | | without new | New FY97 | End FY97 | without new | New FY98 | End FY98 | without new | New FY99 | End FY99 | without new | New FY2000 | End FY2000 | |
| Renewal Rate | | 68.0% | | | 70.0% | | | 72.0% | | | 73.0% | | | |
| Single annual | 16,245 | 11,047 | 6,710 | 17,756 | 12,429 | 7,160 | 19,589 | 14,104 | 6,788 | 20,890 | 15,250 | 6,759 | 22,009 | 5,784 |
| Free grad (assume 35% renewal rate) | 1,450 | 508 | 1,350 | 1,858 | 726 | 1,350 | 2,076 | 838 | 1,350 | 2,186 | 890 | 1,350 | 2,240 | 790 |
| Complimentary | 47 | 45 | 5 | 50 | 48 | 5 | 53 | 50 | 5 | 55 | 53 | 5 | 58 | 11 |
| 3 year single | 1,947 | 1,741 | 630 | 2,371 | 2,137 | 630 | 2,767 | 2,511 | 630 | 3,141 | 2,861 | 630 | 3,491 | 1,544 |
| 5 year single | 640 | 640 | 270 | 910 | 855 | 270 | 1,125 | 1,062 | 270 | 1,332 | 1,280 | 270 | 1,530 | 890 |
| 10 year single | 31 | 31 | 32 | 63 | 63 | 32 | 94 | 94 | 32 | 126 | 126 | 32 | 157 | 128 |
| Joint annual | 4,954 | 3,369 | 1,440 | 4,809 | 3,366 | 1,530 | 4,896 | 3,525 | 1,440 | 4,965 | 3,625 | 1,440 | 5,065 | 111 |
| 3 year joint | 657 | 588 | 203 | 790 | 712 | 203 | 914 | 830 | 203 | 1,032 | 940 | 203 | 1,143 | 486 |
| 5 year joint | 207 | 207 | 108 | 315 | 296 | 108 | 404 | 381 | 108 | 489 | 463 | 108 | 571 | 364 |
| 10 year joint | 12 | 12 | 14 | 26 | 26 | 14 | 39 | 39 | 14 | 53 | 53 | 14 | 66 | 54 |
| Single life installment - 3% drop rate | 2,265 | 2,197 | 90 | 2,287 | 2,218 | 90 | 2,308 | 2,239 | 99 | 2,338 | 2,268 | 117 | 2,385 | 120 |
| Joint life installment - 3% drop rate | 1,500 | 1,455 | 45 | 1,500 | 1,455 | 45 | 1,500 | 1,455 | 50 | 1,506 | 1,459 | 59 | 1,518 | 18 |
| Full single life - 2% drop rate | 4,087 | 4,005 | 90 | 4,095 | 4,013 | 135 | 4,148 | 4,065 | 180 | 4,245 | 4,160 | 225 | 4,385 | 296 |
| Full joint life - 2% drop rate | 1,958 | 1,919 | 45 | 1,964 | 1,925 | 68 | 1,992 | 1,952 | 81 | 2,033 | 1,993 | 99 | 2,092 | 134 |
| Total | 36,000 | 27,763 | 11,030 | 38,793 | 30,269 | 11,638 | 41,906 | 33,145 | 11,246 | 44,391 | 35,402 | 11,309 | 46,710 | 10,710 |

Renewal rate is as stated except where noted, drop rate is decreased and/or non-payment of installment.

Membership Revenues by type FY97 to FY2000

| Notes | Year | | | |
|-------|-------------------------|----------|-----------------|---------------|-------------------------|----------|-----------------|---------------|-------------------------|----------|-----------------|---------------|-------------------------|----------|-----------------|---------------|
| | FY97 | | | | FY98 | | | | FY99 | | | | FY2000 | | | |
| | Membership Type | Quantity | Individual dues | Total Revenue | Membership Type | Quantity | Individual dues | Total Revenue | Membership Type | Quantity | Individual dues | Total Revenue | Membership Type | Quantity | Individual dues | Total Revenue |
| A | Single annual | 18,502 | \$ 30.00 | \$ 536,546 | Single annual | 20,906 | \$ 30.00 | \$ 606,277 | Single annual | 22,592 | \$ 35.00 | \$ 768,142 | Single annual | 24,002 | \$ 35.00 | \$ 816,084 |
| B | Free grad | 2,008 | \$ 30.00 | \$ 15,225 | Free grad | 2,279 | \$ 30.00 | \$ 23,363 | Free grad | 2,414 | \$ 35.00 | \$ 32,003 | Free grad | 2,482 | \$ 35.00 | \$ 34,377 |
| C | Complimentary | 51 | \$ - | \$ - | Complimentary | 54 | \$ - | \$ - | Complimentary | 57 | \$ - | \$ - | Complimentary | 61 | \$ - | \$ - |
| D | 3 year single | 2,441 | \$ 25.00 | \$ 61,035 | 3 year single | 2,900 | \$ 25.00 | \$ 72,492 | 3 year single | 3,332 | \$ 30.00 | \$ 88,792 | 3 year single | 3,735 | \$ 30.00 | \$ 105,885 |
| E | 5 year single | 940 | \$ 23.00 | \$ 21,620 | 5 year single | 1,184 | \$ 23.00 | \$ 27,223 | 5 year single | 1,417 | \$ 28.00 | \$ 36,283 | 5 year single | 1,641 | \$ 28.00 | \$ 42,989 |
| F | 10 year single | 66 | \$ 19.50 | \$ 1,287 | 10 year single | 101 | \$ 19.50 | \$ 1,970 | 10 year single | 136 | \$ 25.00 | \$ 3,400 | 10 year single | 171 | \$ 25.00 | \$ 4,275 |
| G | Joint annual | 4,969 | \$ 20.00 | \$ 99,374 | Joint annual | 5,178 | \$ 20.00 | \$ 103,562 | Joint annual | 5,328 | \$ 25.00 | \$ 133,206 | Joint annual | 5,490 | \$ 25.00 | \$ 137,240 |
| H | 3 year joint | 813 | \$ 17.50 | \$ 14,221 | 3 year joint | 957 | \$ 17.50 | \$ 16,750 | 3 year joint | 1,094 | \$ 21.00 | \$ 25,899 | 3 year joint | 1,221 | \$ 21.00 | \$ 27,259 |
| I | 5 year joint | 327 | \$ 16.50 | \$ 5,396 | 5 year joint | 427 | \$ 16.50 | \$ 7,052 | 5 year joint | 523 | \$ 20.00 | \$ 12,563 | 5 year joint | 615 | \$ 20.00 | \$ 14,149 |
| J | 10 year joint | 27 | \$ 14.75 | \$ 398 | 10 year joint | 42 | \$ 14.75 | \$ 620 | 10 year joint | 57 | \$ 17.00 | \$ 1,379 | 10 year joint | 72 | \$ 17.00 | \$ 1,685 |
| K | Single life installment | 2,297 | \$ 28.12 | \$ 64,593 | Single life installment | 2,328 | \$ 29.24 | \$ 68,075 | Single life installment | 2,368 | \$ 30.41 | \$ 72,020 | Single life installment | 2,427 | \$ 31.63 | \$ 76,774 |
| L | Joint life installment | 1,505 | \$ 17.30 | \$ 26,037 | Joint life installment | 1,510 | \$ 17.99 | \$ 27,162 | Joint life installment | 1,520 | \$ 18.71 | \$ 28,431 | Joint life installment | 1,539 | \$ 19.46 | \$ 29,948 |
| M | Full single life | 4,105 | \$ 28.12 | \$ 115,440 | Full single life | 4,173 | \$ 29.24 | \$ 122,023 | Full single life | 4,290 | \$ 30.41 | \$ 130,450 | Full single life | 4,454 | \$ 31.63 | \$ 140,877 |
| N | Full joint life | 1,969 | \$ 17.30 | \$ 34,061 | Full joint life | 2,004 | \$ 17.99 | \$ 36,060 | Full joint life | 2,054 | \$ 18.71 | \$ 38,437 | Full joint life | 2,123 | \$ 19.46 | \$ 41,319 |
| | | 40,019 | | \$ 995,233 | | 44,044 | | \$ 1,112,629 | | 47,184 | | \$ 1,371,005 | | 50,033 | | \$ 1,472,859 |

- Notes:
- A Dues increase in FY1998 effective July 1, 1998, renewal rate increases to 73% by FY2000, 10 % of members are discounted by \$10 per member
 - B Dues increase in FY1998 effective July 1, 1998
 - C Memberships given in trade for other services/benefits
 - D Dues increase in FY1998 effective July 1, 1998, dues increase phased in over time
 - E Dues increase in FY1998 effective July 1, 1998, dues increase phased in over time
 - F Dues increase in FY1998 effective July 1, 1998, dues increase phased in over time
 - G Dues increase in FY1998 effective July 1, 1998, renewal rate increases to 73% by FY2000
 - H Dues increase in FY1998 effective July 1, 1998, dues increase phased in over time
 - I Dues increase in FY1998 effective July 1, 1998, dues increase phased in over time
 - J Dues increase in FY1998 effective July 1, 1998, dues increase phased in over time
 - K Dues based on actuarial formula, small life member dues increase effective July 1, 1998
 - L Dues based on actuarial formula, small life member dues increase effective July 1, 1998
 - M Dues based on actuarial formula, small life member dues increase effective July 1, 1998
 - N Dues based on actuarial formula, small life member dues increase effective July 1, 1998
- Membership affects of Gateway fundraising are not factor into these figures
 There will be a bump in membership activity at the time of the dues increase, following year will decrease by a similar amount
 Plan is to grow 3, 5, and 10 year memberships
 There is no plan to increase the cost of a life membership

Membership Revenues by type FY97 to FY2000

New Memberships are 10% below budget per year

| Notes | FY97 | | | | FY98 | | | | FY99 | | | | FY2000 | | | |
|-------|-------------------------|----------|-----------------|---------------|-------------------------|----------|-----------------|---------------|-------------------------|----------|-----------------|---------------|-------------------------|----------|-----------------|---------------|
| | Membership Type | Quantity | Individual dues | Total Revenue | Membership Type | Quantity | Individual dues | Total Revenue | Membership Type | Quantity | Individual dues | Total Revenue | Membership Type | Quantity | Individual dues | Total Revenue |
| A | Single annual | 17,756 | \$ 30.00 | \$ 514,927 | Single annual | 19,589 | \$ 30.00 | \$ 568,074 | Single annual | 20,890 | \$ 35.00 | \$ 710,257 | Single annual | 22,009 | \$ 35.00 | \$ 748,294 |
| B | Free grad | 1,858 | \$ 30.00 | \$ 10,725 | Free grad | 2,076 | \$ 30.00 | \$ 17,288 | Free grad | 2,186 | \$ 35.00 | \$ 23,997 | Free grad | 2,240 | \$ 35.00 | \$ 25,911 |
| C | Complimentary | 50 | \$ - | \$ - | Complimentary | 53 | \$ - | \$ - | Complimentary | 56 | \$ - | \$ - | Complimentary | 58 | \$ - | \$ - |
| D | 3 year single | 2,371 | \$ 25.00 | \$ 59,285 | 3 year single | 2,767 | \$ 25.00 | \$ 69,166 | 3 year single | 3,141 | \$ 30.00 | \$ 83,707 | 3 year single | 3,491 | \$ 30.00 | \$ 98,974 |
| E | 5 year single | 910 | \$ 23.00 | \$ 20,930 | 5 year single | 1,125 | \$ 23.00 | \$ 25,884 | 5 year single | 1,332 | \$ 28.00 | \$ 34,109 | 5 year single | 1,530 | \$ 28.00 | \$ 40,097 |
| F | 10 year single | 63 | \$ 19.50 | \$ 1,219 | 10 year single | 94 | \$ 19.50 | \$ 1,833 | 10 year single | 126 | \$ 25.00 | \$ 3,138 | 10 year single | 157 | \$ 25.00 | \$ 3,925 |
| G | Joint annual | 4,809 | \$ 20.00 | \$ 96,174 | Joint annual | 4,896 | \$ 20.00 | \$ 97,922 | Joint annual | 4,965 | \$ 25.00 | \$ 124,130 | Joint annual | 5,065 | \$ 25.00 | \$ 126,615 |
| H | 3 year joint | 790 | \$ 17.50 | \$ 13,827 | 3 year joint | 914 | \$ 17.50 | \$ 16,002 | 3 year joint | 1,032 | \$ 21.00 | \$ 24,447 | 3 year joint | 1,143 | \$ 21.00 | \$ 25,510 |
| I | 5 year joint | 315 | \$ 16.50 | \$ 5,198 | 5 year joint | 404 | \$ 16.50 | \$ 6,668 | 5 year joint | 489 | \$ 20.00 | \$ 11,747 | 5 year joint | 571 | \$ 20.00 | \$ 13,134 |
| J | 10 year joint | 26 | \$ 14.75 | \$ 376 | 10 year joint | 39 | \$ 14.75 | \$ 575 | 10 year joint | 53 | \$ 17.00 | \$ 1,271 | 10 year joint | 66 | \$ 17.00 | \$ 1,544 |
| K | Single life installment | 2,287 | \$ 28.12 | \$ 64,312 | Single life installment | 2,308 | \$ 29.24 | \$ 67,499 | Single life installment | 2,338 | \$ 30.41 | \$ 71,104 | Single life installment | 2,385 | \$ 31.63 | \$ 75,439 |
| L | Joint life installment | 1,500 | \$ 17.30 | \$ 25,950 | Joint life installment | 1,500 | \$ 17.99 | \$ 26,985 | Joint life installment | 1,505 | \$ 18.71 | \$ 28,149 | Joint life installment | 1,518 | \$ 19.46 | \$ 29,538 |
| M | Full single life | 4,095 | \$ 28.12 | \$ 115,159 | Full single life | 4,148 | \$ 29.24 | \$ 121,298 | Full single life | 4,245 | \$ 30.41 | \$ 129,102 | Full single life | 4,385 | \$ 31.63 | \$ 138,713 |
| N | Full joint life | 1,964 | \$ 17.30 | \$ 33,974 | Full joint life | 1,992 | \$ 17.99 | \$ 35,837 | Full joint life | 2,033 | \$ 18.71 | \$ 38,042 | Full joint life | 2,092 | \$ 19.46 | \$ 40,702 |
| | | 38,793 | | \$ 962,056 | | 41,906 | | \$ 1,055,031 | | 44,391 | | \$ 1,283,200 | | 46,710 | | \$ 1,368,394 |

- Notes:
- A Dues increase in FY1998 effective July 1, 1998, renewal rate increases to 73% by FY2000, 10 % of members are discounted by \$10 per member
 - B Dues increase in FY1998 effective July 1, 1998
 - C Memberships given in trade for other services/benefits
 - D Dues increase in FY1998 effective July 1, 1998, dues increase phased in over time
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 - K Dues based on actuarial formula, small life member dues increase effective July 1, 1998
 - L Dues based on actuarial formula, small life member dues increase effective July 1, 1998
 - M Dues based on actuarial formula, small life member dues increase effective July 1, 1998
 - N Dues based on actuarial formula, small life member dues increase effective July 1, 1998
- Membership affects of Gateway fundraising are not factor into these figures
 There will be a bump in membership activity at the time of the dues increase, following year will decrease by a similar amount

Membership Revenue/Expense Based on Reaching 50,000 Members

| | Fiscal Year | Membership Programs | Special Life Appeals | Sponsored Programs | Tours | E-Mail | Total |
|----------|-------------|---------------------|----------------------|--------------------|-----------|------------|--------------|
| | Notes | A | B | C | D | E | |
| Revenue | 97 | \$ 995,233 | \$ 12,375 | \$ 325,667 | \$ 90,000 | \$ 638,734 | \$ 2,062,008 |
| Expenses | | \$ 523,707 | \$ 4,172 | \$ 2,025 | \$ 52,440 | \$ 581,969 | \$ 1,164,313 |
| Net | | \$ 471,525 | \$ 8,204 | \$ 323,642 | \$ 37,560 | \$ 56,764 | \$ 897,695 |

| | | | | | | | |
|----------|----|--------------|-----------|------------|-----------|------------|--------------|
| Revenue | 98 | \$ 1,112,629 | \$ 12,994 | \$ 358,234 | \$ 99,000 | \$ 651,508 | \$ 2,234,365 |
| Expenses | | \$ 607,453 | \$ 4,297 | \$ 2,294 | \$ 54,013 | \$ 593,608 | \$ 1,261,665 |
| Net | | \$ 505,176 | \$ 8,697 | \$ 355,939 | \$ 44,987 | \$ 57,900 | \$ 972,699 |

| | | | | | | | |
|----------|----|--------------|-----------|------------|------------|------------|--------------|
| Revenue | 99 | \$ 1,371,005 | \$ 13,643 | \$ 394,057 | \$ 108,900 | \$ 664,538 | \$ 2,552,144 |
| Expenses | | \$ 649,738 | \$ 4,426 | \$ 2,524 | \$ 55,634 | \$ 605,481 | \$ 1,317,802 |
| Net | | \$ 721,267 | \$ 9,218 | \$ 391,533 | \$ 53,266 | \$ 59,058 | \$ 1,234,342 |

| | | | | | | | |
|----------|------|--------------|-----------|------------|------------|------------|--------------|
| Revenue | 2000 | \$ 1,472,859 | \$ 14,326 | \$ 433,463 | \$ 119,790 | \$ 677,829 | \$ 2,718,267 |
| Expenses | | \$ 707,158 | \$ 4,558 | \$ 3,250 | \$ 57,303 | \$ 617,590 | \$ 1,389,860 |
| Net | | \$ 765,701 | \$ 9,767 | \$ 430,213 | \$ 62,487 | \$ 60,239 | \$ 1,328,407 |

Membership Revenue/Expense Based on Reaching 46,700 Members

| | Fiscal Year | Membership Programs | Special Life Appeals | Sponsored Programs | Tours | E-Mail | Total |
|----------|-------------|---------------------|----------------------|--------------------|-----------|------------|--------------|
| Revenue | 97 | \$ 962,056 | \$ 12,375 | \$ 325,667 | \$ 90,000 | \$ 638,734 | \$ 2,028,831 |
| Expenses | | \$ 523,707 | \$ 4,172 | \$ 2,025 | \$ 52,440 | \$ 581,969 | \$ 1,164,313 |
| Net | | \$ 438,348 | \$ 8,204 | \$ 323,642 | \$ 37,560 | \$ 56,764 | \$ 864,518 |

| | | | | | | | |
|----------|----|--------------|-----------|------------|-----------|------------|--------------|
| Revenue | 98 | \$ 1,055,031 | \$ 12,994 | \$ 358,234 | \$ 99,000 | \$ 651,508 | \$ 2,176,766 |
| Expenses | | \$ 607,453 | \$ 4,297 | \$ 2,294 | \$ 54,013 | \$ 593,608 | \$ 1,261,665 |
| Net | | \$ 447,578 | \$ 8,697 | \$ 355,939 | \$ 44,987 | \$ 57,900 | \$ 915,101 |

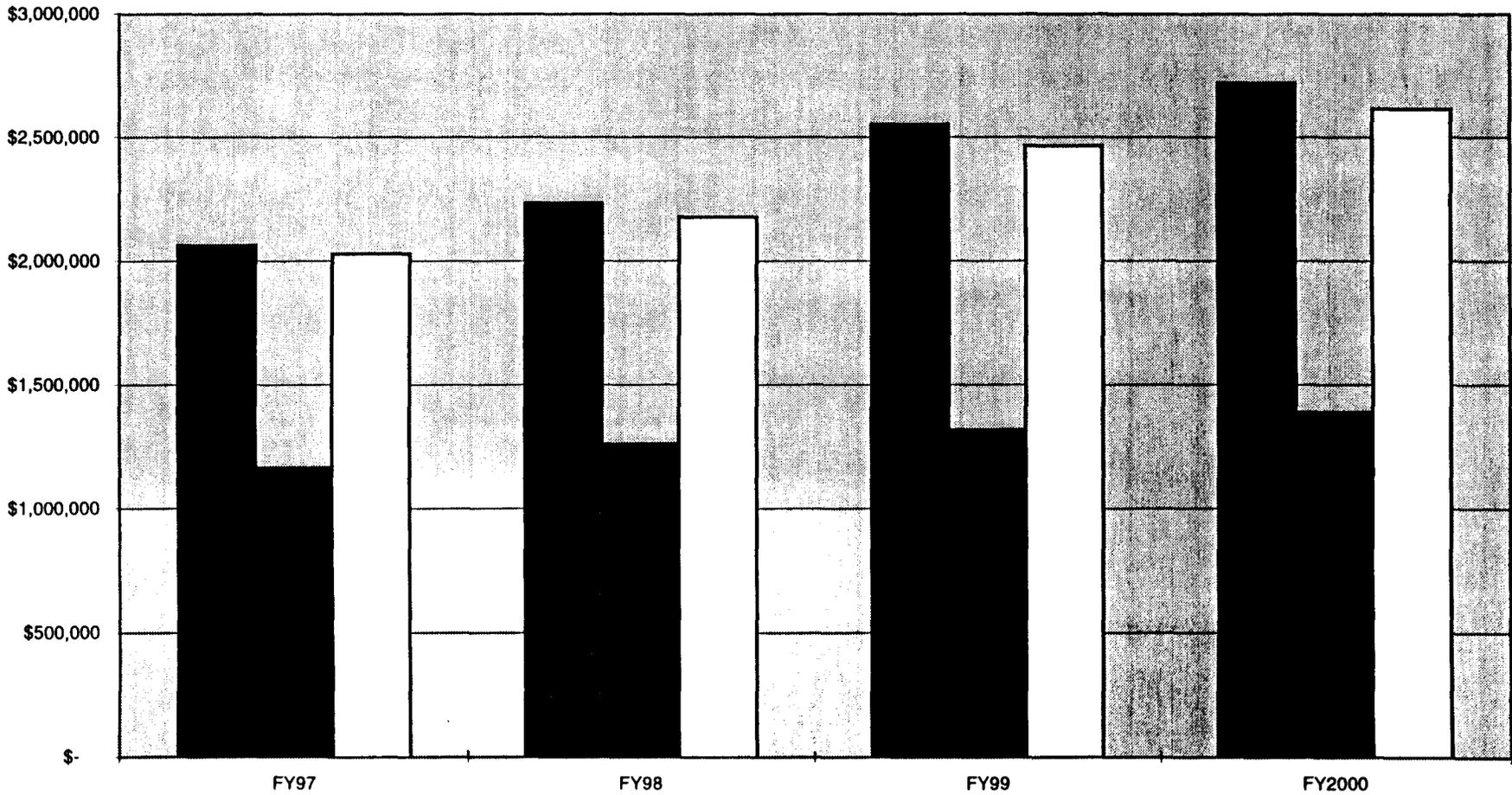
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|----------|----|--------------|-----------|------------|------------|------------|--------------|
| Revenue | 99 | \$ 1,283,200 | \$ 13,643 | \$ 394,057 | \$ 108,900 | \$ 664,538 | \$ 2,464,339 |
| Expenses | | \$ 649,738 | \$ 4,426 | \$ 2,524 | \$ 55,634 | \$ 605,481 | \$ 1,317,802 |
| Net | | \$ 633,462 | \$ 9,218 | \$ 391,533 | \$ 53,266 | \$ 59,058 | \$ 1,146,537 |

| | | | | | | | |
|----------|------|--------------|-----------|------------|------------|------------|--------------|
| Revenue | 2000 | \$ 1,368,394 | \$ 14,326 | \$ 433,463 | \$ 119,790 | \$ 677,829 | \$ 2,613,802 |
| Expenses | | \$ 707,158 | \$ 4,558 | \$ 3,250 | \$ 57,303 | \$ 617,590 | \$ 1,389,860 |
| Net | | \$ 661,236 | \$ 9,767 | \$ 430,213 | \$ 62,487 | \$ 60,239 | \$ 1,223,942 |

Notes: A Expenses based on projections with 3% cost factor increase per year
 B Revenue increase 5% per year, expenses based on 3% cost factor increase per year
 C Revenue increase 10% per year, expenses based on projections with 3% cost factor increase per year
 D Revenue increase 10% per year, expenses based on projections with 3% cost factor increase per year
 E Revenue increase 2% per year, expenses based on projections with 3% cost factor increase per year

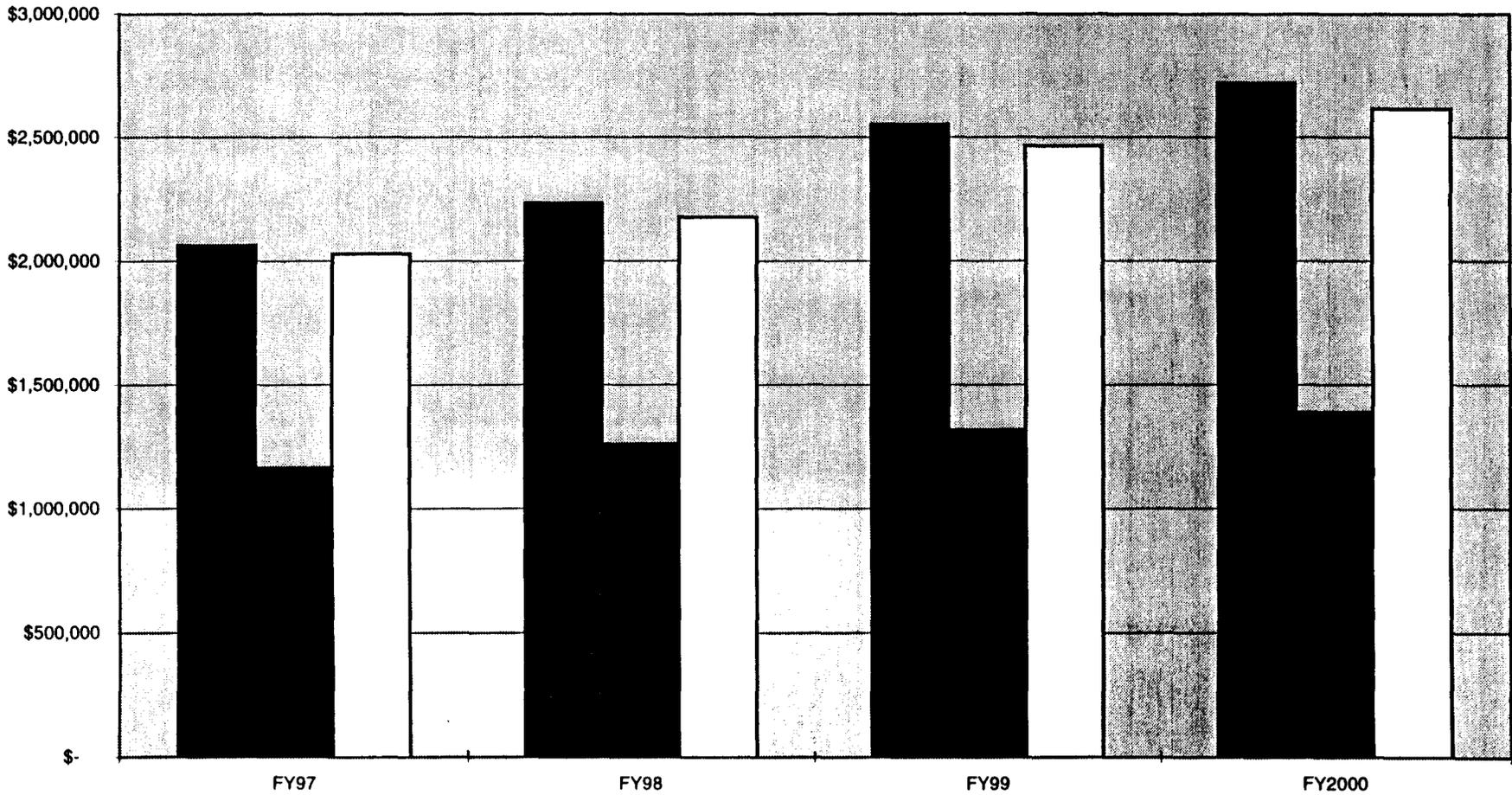
Membership FY97 - FY2000

■ Revenue ■ Expense □ Revenue - 10% new shortfall



Membership FY97 - FY2000

■ Revenue ■ Expense □ Revenue - 10% new shortfall



MEMO

TO: Long-Range Financial Planning Advisory Committee
FROM: Tom Garrison, Editor
RE: Answers to budget questions
DATE: May 22, 1996

There are two pages total in this memorandum

MESSAGE:

Minnesota magazine assembled some of the best experts in town in the areas of marketing and publishing to examine the alumni publication's financial history, prospects for growth and market positioning. Experts included John Cevette CEO of Cevette & Co., (a market research, strategic planning and media planning firm), longtime magazine professional Bill Dorn of Minnmedia, Inc. (and also the former publisher of Corporate Report), Thomas Kelly (the renowned publisher of the *Catholic Digest*), and two of our own UMAA board member/experts – Jim Stirratt and Roxann Goertz. Among the conclusions:

- *Minnesota* can certainly grow the level of advertising support in the magazine from current levels. In the group's professional judgment, however, the magazine should be viewed as a membership publication and not as a for-profit publication.
- It is appropriate to determine a level at which production expenses should be off-set.

Based on those key recommendations, I have forwarded a moderated realistic plan for the growth I believe we can achieve. It is not the most conservative nor aggressive scenario we could come up with, but I believe the most appropriate to our current situation.

Current Situation

- Advertising in the past five years (FY'92-FY'96) has averaged \$180,000. The all-time high was \$230,000 in FY'95, but when you factor out the unique status of one advertiser (\$21K) the five year average is more like \$177,000 and the all-time high is \$209,000.
- Current advertising is down from previous years and reflects a hefty percentage of advertisers that are university accounts receiving discounts. A renewed focus on commercial accounts and narrowing the gap on discounts off the rate card is called for.
- The committee of experts felt growth is possible by: 1) better understanding *Minnesota's* reader/member demographics, an ad rep can better market that audience to appropriate commercial advertisers; 2) identifying, targeting and building better relationships with select commercial accounts that have a stake in the "U," and then getting those select advertisers into the magazine on a multi-issue basis. In other words, fewer broad appeals, and more long-term select advertisers.

What's Being Done

- A list of past advertisers who have not renewed have been identified to select the best candidates for getting back in. An ad retreat will be held to select at least a dozen new target accounts.
- Utilizing a strategy of trying to hold more to our rate card, and increasing selling activity to five days a week (currently staffed for three) are the first objectives.
- The goal is to return to a base of \$210,000 in ad revenue and build from there.

Long-Term Strategies/Factors

- For FY '97 and FY'98 rates will be raised 5% each year. Rates are raised 3% thereafter. Advice we've received is that the magazine will begin to encounter some rate price resistance, and the rates reflect that.
- The key data to follow will be ad page growth, and continuing to bring the net revenue per ad page closer to the published rates. Bill Dorn has warned us not to expect to accomplish this overnight, especially with the base of university advertisers we have now (because educational entities traditionally receive a 25% discount.) You will notice, however, that the percentage off the rate card narrows from about 17% this past year to 12% in FY'97 and down to 10% by FY 2000.
- For purposes of the revenue/expenditure comparisons I have assumed a realistic growth scenario. Thus, even though total expenditures continue to go up, both revenue and net revenue become more favorable each year, until FY 2000, when we will have to print and mail more magazines than we do now. Expenses in that year, therefore will go up.

Other Notes

- With the new postal rate case for publications (most of which has been decided, except for non-profits) the Postmaster General hopes to have no new rate increases before the year 2000. This depends greatly on volume, however, and their projections were off at least 1 basis point this year. Analysts agree the earliest a new rate increase could come is 1998. We're taking a chance, but the long-range estimate I used takes a middle ground, assuming we won't make it until 2000 without an increase, but we will make it past 1998. A 3% increase has been factored in, then, for 1999. Year 2000 postage goes up because of membership increases.
- One of the other major cost-drivers is the price of paper. Paper costs are figured by demand and capacity. Whenever the shipments-to-capacity rates fall below 93% it is a buyer's market. Whenever those rates exceed 93% it is a seller's market. Right now we are in a limited buyer's market after 19 of the last 22 quarters being a seller's market. Because of that, experts say FY'97 paper costs should be flat, creeping up some in '98 (2%.) After that it gets a little hazy, but paper buyers say we're due for a correction sometime in FY'99 or 2000 that will significantly boost prices. I've included 4% for '99 and 6% for 2000, plus the cost of printing 3,000 more magazines in the year 2000. That brings the four-year average to about a 3% increase.
- Other assumptions....You will notice that even though UMAA membership will raise to 50,000 by the year 2000, that I have not increased total numbers of magazines being produced until FY' 2000. Right now, on a normal issue, we do selected overrun mailings of between 12,000-17,000 to selected past and never-members (for example: ag alumni for an ag issue.) By decreasing the number of never-members we send to through FY'99, we will not have to produce any more magazines than we do now. In FY'2000, if the UMAA hits its target, we will have to produce 3,000 more magazines than we do today.

HISTORICAL OVERVIEW

Minnesota Magazine Rates and Number of Pages of Advertising

TOTAL REVENUE

| | FY '91 | FY '92 | FY '93 | FY '94 | FY '95 |
|--|----------|-----------|-----------|-----------|-----------|
| | \$15,018 | \$148,124 | \$185,500 | \$173,209 | \$230,197 |

ADVERTISING RATES

| | FY '91 | FY '92 | FY '93 | FY '94 | FY '95 |
|--|----------------|----------------|----------------|---------------|---------------|
| # ad pages per year - paid | 44 | 100 | 94 | 91 | 87 |
| Black & White, full-page, one-time rate | \$1695 | \$1995 | \$2225 | \$2225 | \$2395 |
| Four-color, full page, one-time rate | \$2195 | \$2745 | \$2975 | \$2975 | \$3145 |
| Net revenue per ad page¹ | \$ 341* | \$1481* | \$1973* | \$1903 | \$2646 |

¹Net = total revenue + paid pages of advertising

*In FY 91-93 rates & page counts available only for calendar year/revenues are fiscal year

Minnesota Magazine
 Future Rates and Number of Pages of Advertising

Realistic Growth

TOTAL PROJECTED REVENUE

| | FY '96 | FY '97 | FY '98 | FY '99 | FY 2000 |
|--|-----------|-----------|-----------|-----------|-----------|
| | \$168,028 | \$210,000 | \$234,428 | \$271,040 | \$294,840 |

ADVERTISING RATES

| | FY '96 | FY '97 | FY '98 | FY '99 | FY 2000 |
|--|---------------|---------------|---------------|---------------|------------------|
| # ad pages per year - paid ¹ | 85 | 95 | 103 | 112 | 117 ² |
| Black & White, full-page, one-time rate ³ | \$2395 | \$2515 | \$2640 | \$2719 | \$2800 |
| Four-color, full page, one-time rate ³ | \$3145 | \$3300 | \$3470 | \$3570 | \$3680 |
| Net revenue per ad page⁴ | \$1977 | \$2210 | \$2320 | \$2420 | \$2520 |

Assumes adding an average 1.5 pages of advertising per issue.
 Assumes slower ad growth FY '99-FY 2000
 Assumes 5% growth in ad rates through FY '98 and 3% thereafter.
 Net = total revenue + paid pages of advertising

Minnesota
Magazine Advertising
Revenue/Expenditures
1991-1995

| | <u>FY 91</u> | <u>FY 92</u> | <u>FY 93</u> | <u>FY 94</u> | <u>FY 95</u> |
|----------------------------|--------------|--------------|--------------|--------------|--------------|
| <u>Revenue</u> | \$15,018 | \$148,124 | \$185,500 | \$173,209 | \$230,197 |
| <u>Expenditures</u> | | | | | |
| • Direct* | N/A | N/A | N/A | \$414,112 | \$454,820 |
| <u>Net</u> | N/A | N/A | N/A | <240,903> | <224,623> |

* Does not include personnel

Minnesota Magazine
Projected Revenue/Expenditures
1996-2000

| | <u>FY 96</u> | <u>FY 97</u> | <u>FY 98</u> | <u>FY 99</u> | <u>FY 2000</u> |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| <u>Revenue</u> | \$168,028 | \$210,000 | \$234,428 | \$271,040 | \$294,840 |
| <u>Expenditures</u> | | | | | |
| • Direct* | \$475,895 | \$489,350 ¹ | \$499,627 | \$513,618 | \$543,713 ² |
| • Postage | | \$ 62,620 | \$ 62,700 | \$ 64,581 | \$ 67,074 |
| • Printing | | \$174,250 | \$177,735 | \$184,844 | \$206,425 |
| • Mag. final film | | \$ 99,200 | \$101,192 | \$102,193 | \$103,214 |
| • Prof. fees (Writing, design, etc.) | | \$145,350 | \$150,000 | \$154,500 | \$160,000 |
| • Other | | \$ 7,930 | \$ 8,000 | \$ 7,500 | \$ 7,000 |
| <u>Net</u> | <307,867> | <279,350> | <265,199> | <242,578> | <248,873> |

¹Rebidding major expense areas (not done in 3 years) may lower projected expenses
²Reflects added cost of \$12,500 to mail to 3,000 new members and print 3,000 more magazines

UMAA Goals & Objectives

Communications Department Plans

Goal 1: Build a Campus Alumni Center

- Develop public relations materials and assist in developing public relations strategies for all aspects of Gateway including roll out, fund raising campaign, selection of architect, beginning of building, etc.
- Publicize these efforts in *Minnesota* magazine and elsewhere

Goal 2: Grow Visible, Vibrant Organization of 50,000 Members

- Increase UMAA visibility by improving look feel & value of *Minnesota* magazine
- Work more closely with departmental functions to make sure we are cross-promoting our mutual efforts
- Improve the successor to *Update*
- Help to improve overall look/feel of UMAA materials
- Build more University partnerships and make a conscious effort (by the Communications Director) to get out to chapters and societies
- Help to develop consistent, simple messages/themes which support and accomplish UMAA goals
- Assist efforts to enhance technology and outreach to members by getting alumni information on the University's home page in the most user-friendly way possible

Goal 3: Enhance the Student Experience

- Working to refine internship and special project needs and build university relationships to attract more quality interns capable of taking more responsibility and thereby creating for students more meaningful internships
- Have met with Journalism School faculty already and will continue to volunteer our time to bring more real world experience into the classroom
- Will work to publicize student/mentor relationships and create more of these partnerships
- Work to make parents aware of summer camp opportunities and/or resources for college-bound students

Goal 4: Continue UMAA Advocacy Efforts

- Continued vigilance about regent selection process, UMAA participation in selection of new president, participation in new Coca Cola deal with University, and behind-the-scenes efforts to provide communications materials in support of University initiatives and the Legislative Network

Goal 5: Support University Capital Campaign

- Participating in multi-layered long-term public relations strategies with other University partners to lay the foundation for the capital campaign and beyond
- Helping to revise *Update* to bring more immediate awareness of campus activities, including the capital campaign, to all alumni -- not just members

**University of Minnesota Alumni Association
Long Range Financial Plan**

**Background Material:
Gateway/Alumni Center Project**

September 17, 1996

Overview

The Gateway/Alumni Center is a proposed 230,000 square foot building planned for the vicinity of Oak Street and University Avenue. The building is proposed to be owned by a new nonprofit entity (University Gateway Corporation) owned in turn by the University of Minnesota Foundation (UMF), the University of Minnesota Alumni Association (UMAA), and the Minnesota Medical Foundation (MMF). The Gateway/Alumni Center will be a major center for external contact for the entire University, providing the UMAA and other tenants with an extremely promising base for efficient operations and substantially enhanced visibility. Each of the owners, including the UMAA, will relocate their operations to the building. A large share of the total space is expected to be leased to the University of Minnesota for a number of its operations.

Overall Building Entity Financial Projections

The preliminary proforma figures (version of 9/5/96 attached) show the total building cost to be in the range of \$30 million. Costs will be underwritten by a debt issue backed by a master lease and guarantees provided by the UMF. Based on lease payments at the rate of \$20 per square foot, debt service at current market rates, expected operating expenses, and appropriate reserves for future maintenance and renewal, the building corporation will generate a small positive annual cash flow.

Fund Raising Project

A major fund-raising effort will be conducted with a current objective of providing a minimum of \$7.5 million in contributions to the building corporation. Based on success of this fund raising effort, the building owners will receive a rent reduction estimated at \$1/square foot for each \$925,000 of funds raised (see point 11 in attached pro forma information).

Financial Implications to the UMAA

The UMAA will be a part owner (proposed at 10%) and tenant in the building (proposed at 19,000 square feet). The UMAA will sign a long-term lease for its 19,000 square feet at an estimated gross rent of \$20 per square foot or \$376,000 per year. Based on raising \$7.4 million, the owners' net per square foot rent would be reduced to approximately \$12 per square foot or \$226,000 for the UMAA. This \$226,000 figure is included in the long range financial plan, beginning with the 1998-99 year. Given higher or lower actual results of the fund raising project, the UMAA would be subject to fluctuation in its actual expected annual occupancy costs per the chart in point 11 of the attached materials.

University of Minnesota Gateway
Preliminary Proforma Summary
(Revised 9/6/96)

1. This model assumes that all space will rent for \$20 per square foot beginning with occupancy in September, 1998. Comparable new construction buildings currently exceed \$20 per square foot.

| | |
|---|----------|
| 2. Lease Terms: | |
| University of Minnesota | 10 years |
| University of Minnesota Alumni Association (UMAA) | 25 years |
| Minnesota Medical Foundation (MMF) | 25 years |
| University of Minnesota Foundation (UMF) | 25 years |

3. University of Minnesota Foundation receives an ongoing credit enhancement fee of .50% per year on the entire loan, paid semi-annually in arrears.

4. University of Minnesota Foundation receives a fee of \$1 per square foot per year for assuming the non-renewal risk on University space.

5. The operating stop will be set at \$4.50 per square foot per year.

Reserves will be established based on \$1 per square foot per year for refurbishing reserves, and \$1.50 per square foot per year for building replacement reserve.

6. The total of (5) is \$7 per square foot, leaving \$13 per square foot contribution to debt service on "Gateway/Alumni Center" space. Reflecting (4) above, the contribution to debt service of the University space will be \$12 per square foot.

| | |
|--|------------------------|
| 7. Space contributing to debt is as follows: | |
| UMAA | 18,806 sq. ft. |
| MMF | 13,864 sq. ft. |
| UMF | 34,965 sq. ft. |
| Prospective Student Outreach | 3,533 sq. ft. |
| Memorabilia Shop | <u>2,500 sq. ft.</u> |
| TOTAL | 73,668 sq. ft. |
| U of M General Office Space | <u>125,633 sq. ft.</u> |
| GRAND TOTAL | 199,301 sq. ft. |

8. Total Project Budget \$30,085,000 versus \$27,350,000 incorporates the following changes:

| | |
|--|----------------------|
| Tenant Allowance for Furnishings, Fixtures, and Equipment: | |
| UMAA, MMF, UMF | \$10 per square foot |
| Public Spaces | \$15 per square foot |
| Construction: \$22,400,000 versus \$20,000,000 | |

| | | |
|----|---|--------------------|
| 9. | Bond Structure: | |
| | Amortization Period: | 25 years |
| | Construction Period: | 1.5 years |
| | Total Term: | 26.5 years |
| | Average Coupon Rate: | 5.780% |
| | Bond Yield (Include C/E fee): | 6.237% |
| | Principal Amount: | \$30,085,000 |
| | Less Bond-Related Costs Paid at Closing: | (679,024) |
| | Capitalized Interest: | <u>(2,756,636)</u> |
| | Deposit for Construction: | \$26,649,340 |
| | Interest Earnings: | <u>1,330,188</u> |
| | Total Available for Other Development Costs: | \$27,979,528 |
| | Average Annual Debt Service (Include C/E fee) | 2,396,367 |
| | (Debt Service Constant: .0796532) | |

| | | |
|-----|------------------------------------|------------------|
| 10. | Income available for debt service: | |
| | U of M Space - 125,633 x 12.00 | 1,507,596 |
| | UMAA, MMF, UMF - 73,668 x 13.00 | <u>957,684</u> |
| | Total | \$2,465,280 |
| | Debt Service | <u>2,396,367</u> |
| | Cash Flow | \$68,913 |

11. Fund-raising Benefits: The following table shows the rent reduction for owners assuming that the benefits of fund-raising are allocated pro rata in relationship to space occupied by each owner. \$925,000 in contributions reduces rent for UMAA, MMF, UMF \$1 per square foot per year. (Actual allocation of funds raised beyond \$7.5 million to be determined.)

| <u>Aggregate & Contribution</u> | <u>Rent Reduction</u> | <u>Rent</u> |
|-------------------------------------|-----------------------|---------------------------------------|
| \$ 925,000 | \$ 1/sq.ft./year | \$19/sq.ft./year |
| \$ 1,850,000 | \$ 2/sq.ft./year | \$18/sq.ft./year |
| \$ 2,775,000 | \$ 3/sq.ft./year | \$17/sq.ft./year |
| \$ 3,700,000 | \$ 4/sq.ft./year | \$16/sq.ft./year |
| \$ 4,625,000 | \$ 5/sq.ft./year | \$15/sq.ft./year |
| \$ 5,550,000 | \$ 6/sq.ft./year | \$14/sq.ft./year |
| \$ 6,475,000 | \$ 7/sq.ft./year | \$13/sq.ft./year |
| \$ 7,400,000 | \$ 8/sq.ft./year | \$12/sq.ft./year |
| \$ 8,325,000 | \$ 9/sq.ft./year | \$11/sq.ft./year |
| \$ 9,250,000 | \$10/sq.ft./year | \$10/sq.ft./year |
| \$10,175,000 | \$11/sq.ft./year | \$ 9/sq.ft./year |
| \$11,100,000 | \$12/sq.ft./year | \$ 8/sq.ft./year |
| \$12,025,000 | \$13/sq.ft./year | \$ 7/sq.ft./year (operating expenses) |

There was discussion about the University's commitment to the Gateway; lease arrangements and rates; and construction costs, which are higher than initially planned. Friswold reported that the Gateway Construction/Design and Steering Committees will meet with Antoine Predock on November 13, 1996, to review his latest design, which has been downsized from \$30 million to \$25 million. Ann Huntrods, UMAA president-elect, expressed a concern about UMAA rent in light of increased construction costs.

In regard to sharing contributions over and above the \$7.5 million, Friswold said that Margaret Carlson, Jerry Fischer, and Brad Choate will need to meet to decide upon a policy and process. Judy Kirk, UMF vice president, stated that Fischer feels strongly that the three CEOs need to be flexible on this issue, and be willing to sit down amicably to discuss and divide the rent credits after the fund raising has been completed rather than working with a pre-set formula.

There was considerable discussion. Carlson said that what the UMAA had initially recommended that the UMAA and the UMF be seamless partners above the \$7.5 million goal. Kirk stated that what is important is the relationship of the donor to the University--it is Kirk's understanding that gifts above the \$7.5 million will be shared 50/30/20 among the UMF, UMAA, and MMF unless otherwise determined. The executive committee members requested that Kirk clarify and verify this important detail.

Trammel requested that Carlson, Fischer, and Choate work together as soon as possible to resolve two important issues: 1) allocation of gifts above \$7.5 million; and 2) the final fee structure.

Trammel thanked Friswold, Kirk, and Yuzer for their participation in this meeting. Following their departure, committee members agreed that it is very important that these issues be resolved as soon as possible; and that Friswold, Kirk, and Yuzer seemed to understand that the UMAA volunteers have concerns.

Advocacy

Joe Tennyson, chair of the University Issues Committee, updated committee members on the tenure dispute and the recent resignation of Regent Jean Keffeler. The UMAA submitted approximately 15 names to Governor Arne Carlson to consider to fill the vacancy created by Keffeler's resignation. There will be four regent positions to fill this year, and nominations are due in to the Regent Candidate Advisory Council (RCAC) by December 16, 1996. Trammel and Mary McLeod, chair of the RCAC, spoke on Minnesota Public Radio and WCCO-Radio about the regent nomination process.

Trammel asked whether or not the UMAA should go on record with a position on faculty unions. Committee members agreed with Tennyson that we should not, since we did not take an official position on tenure but rather encouraged the regents and the faculty to work together to find a resolution.

Trammel encouraged the volunteers to attend regents meetings, and he distributed the 1997 meeting schedule. Carlson noted that this year's 3 X 3 meeting has been canceled twice by the regents, due to emergencies that surfaced. She will contact the regents office to set a date for a 3 X 3 to be held as soon as possible, as well as requesting that the UMAA board meet with the regents for dinner in April.

Citizens Committee on Regent Selection

Ann Huntrods, committee chair, reported that the group has met three times, and that discussion has been wide-ranging and frank. The committee has hosted special guests Mary McLeod, Ken Dayton, Bob Gale, and several legislators. Emerging issues are a desire for more flexibility in the regent selection process and a willingness to have the UMAA more involved. Huntrods expects that the committee will have a report ready by the end of the year.

Presidential Search

Tom Moe, UMAA vice president and representative on the search committee for the University president, reported that search committee members have been sworn to secrecy regarding the names of the candidates. From a pool of more than 200, nine candidates were interviewed; two of the nine have withdrawn their names from consideration. The search committee meets again on November 12 to select the final candidates to recommend to Tom Reagan, chair of the Board of Regents. The Board of Regents will make the final decision.

There was discussion regarding the search committee process. Moe believes that a more targeted and individualized process might have worked better, but that the regents chose not to do it that way.

Legislative Advisory Committee

Les Heen, UMAA public policy/legislative network coordinator, reported on developments at the legislature. The Legislative Advisory Committee and the district captains will meet next month. The Legislative Kickoff is scheduled to be held on January 22, 1997.

Trammel adjourned the meeting at 4:00 p.m.

Submitted by,

Cheryl Jones
UMAA Executive Assistant

for

John Bergstrom
Secretary/Treasurer

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
NATIONAL BOARD OF DIRECTORS
Saturday, November 23, 1996
8:30 a.m.
Coffman Memorial Union**

Board Members Attending

Bachman, Dale
Bergstrom, John
Bromberek, Bruce
Craig, Mary
Fellows, Kay
Flinn, Mary
Fountain, Jean
Gray, Virginia
Hawkinson, Bruce
Hayes, Ken
Huntrods, Ann
Johnson, Carol
Johnson, R.C.
Jones, Dave
Laukka, Larry
Lindhahl, Nancy
Lindgren, Richard
Luehmann, Barb
Madson, David
Mona, Linda
Olseth, Dale
Reilly, Bill
Todd, Patricia
Trammel, Marvin
Whitney, Dick
Yapel, Tony

Board Members Unable to Attend

Beaulieu, David
Couture, Steve
Craig, Peggy
Erickson, Roger
Erkkila, Dan
Garland, Ray
Gibilisco, Joe
Green, Curt
Juni, Howard
Mendis, Patrick
Moe, Tom
Osberg, Brian
Pletcher, Carol
Sasseville, Kati
Ventres, Judy

UMAA Staff Members Attending

Allen, Mark
Anderson, Al
Buschette, Mary
Coughlan-Smith, Chris
Fisher, Diane
Garrison, Tom
Heen, Les
Jones, Cheryl
Kranz, Carmela
Ludke, Jay
Parker, Tara
Pierce, Angela
Robertson, Frank
Stangret, Lanaya
Tenquist, Clay
Winters, Lori

Other University Staff Attending

Peterson, Donna
Swain, Tom

Staff Unable to Attend

Banker, Mark
Burgett, Bob
Carlson, Margaret
Scalzo, Teresa

University of Minnesota Alumni Association (UMAA) National President Marvin Trammel called the meeting to order at 8:40 a.m. He welcomed the following new board members: Kay Fellows, School of Nursing; Barb Luehmann, College of Human Ecology; and Bill Reilly, College of Agriculture. Trammel noted that Margaret Carlson, UMAA executive director, is out of the country until December 4, 1996. Carlson and Jerry Fischer, president of the University of Minnesota Foundation, are traveling in the Pacific Rim along with University President Nils Hasselmo and other University officials.

Board members introduced themselves and shared their ideas on ways to increase UMAA membership. Popular ideas included: using current students to solicit; providing opportunities to make a difference, give back to the University, and gain an inside view of what's happening on campus; developing a phone bank to operate during basketball game halftimes; and calling upon an individual's sense of personal obligation to the University.

Consent Agenda

The consent agenda included the September 28, 1996, national board meeting minutes; financial statements for the association and the club as of September 30, 1996; and a recommendation by the UMAA Outreach Committee that the official criteria for UMAA special interest groups include obtaining endorsement from an on-campus department, program, organization, or unit. The consent agenda was approved as mailed.

Nominating Committee

Linda Mona, Nominating Committee chair, reported that the committee recommends Nancy Miller Lindahl, '68, be appointed to the UMAA vice president position which is open due to the resignation of Jim Stirratt. This recommendation was approved.

Mona and Trammel noted that the UMAA is in great need of volunteer leaders with marketing, communications, and public relations skills to meet its 50,000-member goal by the year 2000. Thus, the Nominating Committee recommends that David Mona, '65, be appointed to the UMAA president-elect position next year (beginning July 1, 1997). This recommendation was approved.

Student Experience

Jean Fountain, chair of the UMAA Outreach/Student Relations subcommittee; and Tara Parker, UMAA student relations program director; reported on the UMAA Mentor Connection program. This year's Mentor Connection involves nearly 2,400 participants in cooperative programs with 25 University colleges and departments. In addition, UMAA volunteers are participating in the First Year Experience Mentor Program, which involves 1,100 students living in two residence halls. Other University programs in which the UMAA participates are New Student Weekend, International Student Orientation, and Parents' Brunch.

Fountain stressed the importance of mentoring and encouraged all board members to participate in Mentor Connection programs.

Gateway

Larry Laukka, chair of the Gateway Steering committee, reported that the committee is currently negotiating with the University on several issues, including parking and University tenants. A new, nonprofit entity is being formed to own and finance the building. University administrators and Gateway volunteers are working to develop the space adjacent to the Gateway. Laukka displayed an image/drawing of the building, which he explained is not the final version--revisions are currently being made to reduce construction costs. Laukka anticipates that the final building design will be ready in February 1997.

Linda Mona, chair of the Gateway Communications subcommittee, distributed the brochure that will be provided to prospective major donors. A budget has been developed for all Gateway communications-related activity, including donor events, general campaign materials, stationary, etc.

Dale Olseth, chair of the Gateway Fund Raising subcommittee, commended Laukka on his efforts toward making the Gateway a reality. The fund raising goal is \$7.5 million dollars; \$3.5 million of which has already been contributed. The campaign will involve three phases/levels of gifts. When the building plans are finalized, Phase I will swing into full gear.

Membership

Al Anderson, UMAA membership and marketing director, reported that membership currently totals 35,367. Renewal rates continue to be problematic; the UMAA Marketing Committee is looking at new membership benefits. Upcoming promotions include soliciting UMAA event attendees; soliciting recent graduates along with diploma mailings; and promoting longer-term memberships. The sweatshirt promotion has been successful. Anderson requested that all board members work hard to recruit new members throughout the entire year.

Tenure

Virginia Gray, chair of the Faculty Consultative Committee, reported that the tenure situation is improving. The "Sullivan II" plan was approved by the Law School faculty; most faculty members believe that Sullivan II is a good compromise. Three faculty unionization proposals were voted down last week: in Morris, Crookston, and the Academic Health Center. A Twin Cities-wide vote will be held in January or February.

Presidential Search

Tom Swain, University vice president for institutional relations, reported for Tom Moe, alumni representative to the search committee. Two hundred names were initially submitted to the committee, and approximately 50 became active candidates. Ten candidates were interviewed, and the committee forwarded three final candidates to the Board of Regents. These three candidates will come to campus for rounds of interviews on December 9 and 10; UMAA board members will have the opportunity to participate. The regents will select the new president on December 13.

Citizens' Committee on Regent Selection

Ann Huntrods, committee co-chair, reported that the Citizens' Committee has met three times. Committee members are addressing several issues from both a big picture and near-future perspective. Taking a "best practices" approach, the committee has interviewed several legislators, the chair of the Regent Candidate Advisory Council, Ken Dayton, and a national expert on educational governance. The committee will hear testimony from Regent Patricia Spence, the president of the University of Wisconsin, and the chair of the Faculty Consultative Committee in upcoming meetings. The committee plans to complete its work in mid-December, before the 1997 legislative session begins.

The deadline for regent candidate nominations is 4:30 p.m. on December 16, 1996. Huntrods asked the board members to identify qualified candidates and encourage them to apply. The UMAA will again sponsor a regent candidate forum, which will be held early in 1997.

University of Minnesota Legislative Request

Donna Peterson, University of Minnesota director of state relations, presented the University's biennial budget request to the legislature. Currently, the University receives one-third of its total budget from the state.

Current issues and concerns related to the legislative request include access versus excellence; the trend of allocating more funding to health and human services than education (which may be reversing); and rising tuition. The University's primary "need areas" are technology, compensation, and facilities. For the first time, the University has prepared a four-year Programmatic and Financial Plan--a document designed to help legislators understand the University's contributions and accomplishments as well as its needs. The plan is actually a "shared responsibility proposal" in which the state and the University share funding for the next four years. Peterson distributed charts and documents which explain the 1997 Legislative Request and the four-year plan in detail. Peterson believes that these documents are helping legislators become more comfortable and focused in regard to the University's request.

Peterson noted that Governor Arne Carlson has appointed a nine-person "roundtable" to discuss the University's budget in advance of the legislative session. The group is comprised of three University administrators, three individuals from the private sector, and three members of the Governor's staff.

There was considerable discussion on several issues, including high tuition/high aid; the state surplus; the importance of private contributions to the University, especially undesignated gifts; and the Governor's proposed "superboard."

Legislative Network

Heen reported that the UMAA annual Legislative Kickoff/Briefing will be held on January 22, 1997, at 5:30 p.m. in Coffman Memorial Union.

Vice President for Institutional Relations

Swain commended Peterson on her presentation and her work on the legislative request. He encouraged the board members to join the legislative network and help convince Governor Carlson and legislators of the importance of sustaining and supporting the University. The University is a vibrant institution that is going through a lot of change at a very fast pace--there is very much to be proud of.

National President

Trammel reported that he recently accompanied President Hasselmo on a "flyaround" to northern Minnesota, where the University's legislative request was explained to a variety of audiences. This trip provided Trammel with a valuable understanding of the president in action with alumni and the community. In addition, he recently attended the "M" Club Hall of Fame banquet; an Institute of Technology Alumni Society board of directors meeting; and the Gophers versus Badgers football game in Wisconsin. Trammel was especially impressed by the energy and fun generated by these groups and gatherings.

Trammel thanked the board members and special guests for their efforts on behalf of the University. He adjourned the meeting at 11:55 a.m.

Submitted by,

Cheryl Jones
UMAA Executive Assistant

for

John Bergstrom
Secretary-Treasurer

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION

EXECUTIVE COMMITTEE MEETING

Wednesday, January 22, 1997

9:30 a.m.

East Wing, Campus Club

Committee Members Attending

Erkkila, Dan
Huntrods, Ann
Moe, Tom
Mona, Linda
Trammel, Marv

UMAA Staff Attending

Anderson, Al
Carlson, Margaret
Fisher, Diane
Jones, Cheryl

Marvin Trammel, University of Minnesota Alumni Association (UMAA) National President, explained that the purpose of this special meeting is to review the fiscal year 1996 UMAA audited financial statements so that they can be filed with the tax return in mid-February.

Diane Fisher, UMAA finance and operations director, reported that the UMAA Finance Committee met on December 17, 1996, to review the UMAA audit completed by Coopers & Lybrand, Inc. The Finance Committee recommends approval of the financial statements as mailed.

Fisher said that committee members should be aware that the UMAA adopted Statement of Financial Accounting Standards No. 116 and 117 as of June 30, 1996. This resulted in the addition of invested funds, previously reported only in the footnotes to the financial statements. She distributed a document showing the effect of adding invested funds to the financial statements.

Following discussion, the audited 1996 financial statements were approved.

Margaret Carlson, UMAA executive director, and the committee members commended Fisher on her exemplary work.

Trammel adjourned the meeting at 9:40 a.m.

Submitted by,

Cheryl Jones
UMAA Executive Assistant

for

John Bergstrom
Secretary/Treasurer

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION

NATIONAL BOARD OF DIRECTORS

Wednesday, January 22, 1997

7:30 a.m.

Campus Club, Coffman Memorial Union

Board Members Attending

Erkkila, Dan
Bromberek, Bruce
Fellows, Kay
Gray, Virginia
Green, Curt
Hawkinson, Bruce
Huntrods, Ann
Jones, Dave
Moe, Tom
Mona, Linda
Reilly, Bill
Trammel, Marv

UMAA Staff Attending

Allen, Mark
Anderson, Al
Banker, Mark
Burgett, Bob
Carlson, Margaret
Coughlan-Smith, Chris
Cunningham, Elaine
Fisher, Diane
Garrison, Tom
Heen, Les
Jones, Cheryl
Kranz, Carmela
Ludke, Jay

Special Guests Attending

Adams, John
Day, Jim
Erickson, Rondi
French, John
Laukka, Larry
Unger, Mike

Other Staff Attending

Swain, Tom

University of Minnesota Alumni Association (UMAA) National President Marvin Trammel called the meeting to order at 7:35 a.m. Trammel noted that the Citizens' Committee completed its work on January 8, 1997, and the UMAA University Issues Committee endorsed the report on January 15, 1997. He explained that this special meeting was called so that the board members could receive, discuss, and act upon the report of the Citizens' Committee on Regent Selection, which needs to be distributed as soon as possible.

Trammel thanked the members of the Citizens Committee present at this meeting: Ann Huntrods and John French, Citizens' Committee co-chairs; John Adams; Rondi Erickson; and consultant Jim Day.

Huntrods explained that the 21-member Citizens' Committee on Regent Selection was appointed by the UMAA to review how members of the University of Minnesota Board of Regents are selected. This review was intended as a follow up to a similar study the UMAA initiated ten years ago. That study resulted in the establishment of the Regent Candidate Advisory Council (RCAC), which currently identifies and screens regent candidates and makes nominations to the legislators who elect regents. The Citizens' Committee was asked to look at how governing boards are selected at other major public universities, identify the composition and characteristics common to effective governing boards, assess the process at the University of Minnesota, and, if needed, recommend changes.

In this "best practices" approach, the committee members studied governance practices and academic performance at a number of competitive peer universities. They also interviewed, conducted conversations with, and received written comments from national governance experts, university presidents and administrators, Minnesota legislators, current and former regents and regent candidates, and Minnesota community leaders.

Huntrods reviewed the key findings of the report as follows:

1. A board and its electors must recognize the essential difference between a governance role, which is what the Minnesota constitution requires of the Board of Regents, and political representation, which is the function of legislative bodies;
2. A board selection process must favor qualification over partisanship and demand significant governance experience;
3. A board should concentrate on policy development and reduce the time spent on administrative detail;
4. The electoral accountability for the quality of a governing board must be placed firmly with an elected official.

French noted that the findings and recommendations in this report will be very high-profile and will need the leadership of the UMAA board of directors to carry the initiative through the legislative process. He noted that there will be some controversial aspects of the report, such as the recommendation to abolish congressional district representation, but that "the timing is right" since most constituencies believe the process for regent selection needs to be improved. He noted that while committee members differed in opinion on a few of the recommendations, the overall report nicely addresses the current lack of accountability in the process.

Les Heen, UMAA public policy program director, reported on the University Issues Committee discussion for Howard Juni, chair. The members of the University Issues Committee strongly endorse and support the Citizens' Committee report and offer the following comments:

1. The genius of the report is that it makes someone accountable;
2. The recommended system will not exclude participation but also does not "save a seat" for any person or group;
3. The recommendations "de-politicize" the current process.

Following discussion about the perceived receptivity of legislators to the report, and clarification of differences between the current system and several report findings, Trammel reviewed the five major recommendations of the Citizens' Committee:

1. Create a Citizens' Advisory Council to search for, evaluate, and recommend to the Governor one candidate for each available regent seat;

2. Require the Governor to review and forward to the Legislature one candidate recommended by the Council for each available regent seat, or eject the candidate and ask the Council for another name;
3. Eliminate all constituency-based seats, placing responsibility for diversity on the Advisory Council and the Governor in nominating candidates;
4. Establish a process for joint confirmation that relies upon interviews with the House and Senate leadership and hearings before the joint education committee, resulting in a confirmation vote by the joint convention;
5. The Board of Regents should address a series of internal reforms.

There was considerable discussion about each recommendation. Mike Unger, UMAA past national president and former student representative to the Board of Regents, spoke against the recommendation to eliminate all constituency-based seats. Unger believes that the student/recent graduate regent position holds great symbolic as well as substantive value. French and Rondi Erickson, another member of the Citizens' Committee, believe that the best place for student--and faculty--influence is on the standing committees of the Board of Regents, not on the board itself. Bruce Bromberek, University of Minnesota Graduate and Professional School Assembly (GAPSA) representative to the UMAA national board, believes it is crucial that all twelve regents be the highest quality available, and that a regent seat should not be saved and/or sacrificed for symbolism.

Following further discussion, it was agreed that it is important that board members be aware of the potential "hot buttons" within the recommendations. It was also agreed that minor editorial changes will be made to recommendations 3 and 5.**

David Jones congratulated and commended the members of the Citizens' Committee. He moved, and Linda Mona seconded, that the board members strongly ratify and endorse the report and all five recommendations; further, that the UMAA immediately develop a plan of action to move the recommendations forward. This motion passed unanimously.

Tom Swain, University vice president for institutional relations, told the board members that the Citizens' Committee report is brilliant. He noted that organized and vigorous activity will be needed to "make it happen." He reviewed the communication plan for the report, which will be made public this weekend.

Trammel adjourned the meeting at 9:30 a.m.

Submitted by,

Cheryl Jones, Executive Assistant

for

John Bergstrom, UMAA Secretary/Treasurer

** Final Citizens' Committee Report and Recommendation Summary attached.

**University of Minnesota Alumni Association
Citizens' Committee on Regent Selection**

Report and Recommendation Summary

January 22, 1997

The Committee and its Work

At the request of the University of Minnesota Alumni Association (UMAA) Board of Directors, 21 Minnesota community leaders of diverse backgrounds formed a Citizens' Committee to review how members of the University of Minnesota Board of Regents are selected.

This review was intended as a follow up to a similar study the UMAA initiated ten years ago. That study resulted in the establishment of the Regent Candidate Advisory Council (RCAC), which currently identifies and screens regent candidates and makes nominations to the legislators who elect regents. The Citizens' Committee was asked to look at how governing boards are selected at other major public universities, identify the composition and characteristics common to effective governing boards, assess the process at the University of Minnesota, and, if needed, recommend changes.

In this "best practices" approach, the Committee members studied governance practices and academic performance at a number of competitive peer universities. They also interviewed, conducted conversations with, and received written comments from national governance experts, university presidents and administrators, Minnesota legislators, current and former regents and regent candidates, and Minnesota community leaders.

Findings:

The Committee identified obstacles in the current regent selection process at the University of Minnesota that discourage qualified candidates from applying, obscure accountability for the selection and performance of regents, and confuse the regents' role in governing. These obstacles reduce the opportunity to select outstanding regents. Further, these barriers diminish the pool of talent available to legislators, limiting efforts to increase the board's diversity and penalizing the University and the state in the long run. Eliminating these obstacles would improve the selection process and result in better governance for the University.

Based upon their research of other institutions and governance practices, the Committee concurred that there is no perfect board selection process to guarantee outstanding governance. However, the Committee did identify several factors, common to the successful governance structures studied, that could help contribute to good governance and selection.

Ingredients for Successful Governance and Board Selection

1. A board and its electors must recognize the essential difference between a governance role, which is what the Minnesota constitution requires of the board of regents, and political representation, which is the function of legislative bodies.

Governing boards of public institutions must put aside parochial interests to act independently as guardians of the entire university. At the University of Minnesota, the regents' role is too often perceived as one of representation, not governance.

By statute and tradition, a majority of regent seats are reserved for representatives of various constituencies. Currently, there are eight seats for congressional district representation, one for a student or recent graduate, and others informally reserved for labor, agriculture, and other groups. This often results in the expectation and understanding that a regent's role is to represent a constituent group rather than to govern, protect, and serve the University as a public trust for all Minnesotans.

Constituency representation over governance is reinforced by the current legislative election process. For many regent candidates, their first large scale meeting with legislators occurs in a district caucus. This may lead to the expectation that a regent's role is to represent a district. Moreover, caucus votes often split along partisan lines, emphasizing partisan representation. Thus, the legislative election process handicaps candidates who are not affiliated with a particular political group or party.

Constituency designation also limits the pool of qualified candidates from which to select regents. It hinders efforts to build the most qualified board possible with members who bring diverse and multi-cultural perspectives. The best qualified candidate for a regent seat may not be from the appropriate district or represent the right group.

2. A board selection process must favor qualification over partisanship and demand significant governance experience.

The role of the RCAC is to identify and recommend qualified candidates to the Legislature. From testimony, the Committee learned that the RCAC recruitment and selection process is viewed favorably. However, the ensuing process of legislative election is not. Former regent candidates described an unpredictable and time-consuming process on a scale only a professional lobbyist could appreciate. Testimony outlined a combination of committee meetings before the Joint House/Senate Education Committee and Joint Convention and caucus activities that were bewildering to non-politicians.

Time and again the Committee heard testimony that this legislative process allowed political partisanship to prevail over qualification. Many qualified regent candidates refused to be nominated or withdrew from the process because they were unfamiliar with lobbying or were unwilling to mount personal lobbying campaigns.

The Committee concurred that eliminating such lobbying from the process would improve the pool of regent candidates and eliminate partisanship that detracts from the regents' governing role.

3. A board should concentrate on policy development and reduce the time spent on administrative detail.

The Committee heard considerable testimony from former regents and regent candidates who perceive that the current board of regents is not sufficiently policy focused and that too much time is consumed with administrative detail. Currently, the work load for a regent is 20 to 80 hours per month. This burdensome time commitment discourages participation by qualified people, especially those with other significant job, family, or volunteer commitments.

The Committee believes that the board of regents could make its own work more manageable and effective by focusing its agenda and charging its staff and administration to frame policy choices. This would reduce the time commitment and make the regents' role more attractive to a wider group of qualified Minnesotans.

4. The electoral accountability for the quality of a governing board must be placed firmly with an elected official.

Electoral accountability for the quality of regent selection at the University of Minnesota is so diffused as to be non-existent. This message was echoed by witness after witness, including most of the legislators interviewed by the Committee. Because election is accomplished by the 201-member Legislature through a combination of committees, caucuses, and informal deliberations that are not visible or understood by the public, the public cannot hold an elected official accountable for the selection and performance of regents. It should.

Recommendations:

(Recommendations are in bold)

The position of University of Minnesota regent is the most important volunteer post in Minnesota. The selection process needs to forward the most qualified candidates possible to ensure good governance. Good governance is essential if the University of Minnesota is to compete successfully with the best public and private universities in the world. The University plays a unique role in Minnesota as both academic flagship and economic engine for the state. Thus, University stakeholders have come to include not only alumni, students, scholars, and funders, but all Minnesotans and others.

For these reasons, the Committee concluded that policy makers, those involved in regent selection, and major stakeholders such as the University of Minnesota Alumni Association and the University Foundation must work together to develop a common understanding about the role of governance. **Furthermore, the Committee recommends that this shared responsibility should start with an ongoing orientation and education process to inform regents, the governor, and legislators about the University's mission, best practices in higher education governance, and the roles each group of office holders must play for successful governance.**

To address the concerns outlined above, the Committee offers four recommendations for the Legislature to act upon and one recommendation for the board of regents to consider. All the recommendations envision an ongoing shared responsibility between policy makers and stakeholders to strengthen governance and were unanimously supported by the Committee.

The Committee's third recommendation, which addresses the issue of constituency-based seats, was unanimously supported with an important distinction. A minority view held that the student or recent graduate regent seat designation was not a constituency. That position is summarized in the Committee's full report.

For the Legislature

To fix accountability for the quality, diversity, and effectiveness of University of Minnesota regents, we recommend that the Legislature, by statute,

1. **create a Citizens' Advisory Council to search for, evaluate, and recommend to the Governor one candidate for each available regent seat.**

The Citizens' Advisory Council would function much like the present RCAC. Its membership would be appointed one-third each by:

- the Governor,
- the House and Senate leadership,
- the combined boards of the University of Minnesota Alumni Association and University of Minnesota Foundation

The Council would:

- have ample committee staffing through the Governor's office
- a budget for independent candidate review
- provide better preparation materials for the candidates
- make recruitment an ongoing activity based upon qualification criteria
- write clear job descriptions for regents including the skill sets necessary for effective policy making
- plan for regents' professional development
- have a thorough appreciation and understanding of the University's role, the tradition of shared governance, and the state's higher education enterprise

2. **require the Governor to review and forward to the Legislature one candidate recommended by the Council for each available regent seat, or reject the candidate and ask the Council for another name.**
3. **eliminate all constituency-based seats, placing responsibility for diversity on the Advisory Council and the Governor in nominating candidates.** In this context, diversity refers not just to age, race and gender, but also to geographical balance, governing skills and experience taken into account for an entire board as well as individual regents.
4. **establish a process for joint confirmation that relies upon interviews with the House and Senate leadership, hearings before the Joint Education Committee and results in a confirmation vote by the Joint Convention on the individual candidates recommended by the Joint Education Committee.**

Rationale: The Committee's recommendations envision collaboration between the Governor and the Legislature, the inclusion of a Citizens' Advisory Council, and several procedural changes to provide a set of checks and balances that will reduce the chance that partisanship will override qualification -- or fix accountability if it does. (If a candidate put forward by the governor is rejected, the governor would have to go back to the Advisory Council for another candidate.) If the proposed changes accomplish this objective, the Committee believes the University will have available the widest possible cross section of qualified Minnesotans to serve as regents.

Implicit in this recommendation is the recognition that a Governor, the Legislature, and a Citizens' Advisory group can each bring a particular set of strengths to regent selection,

making the entire process stronger. A collaboration of the executive and legislative branches of government provides the fullest possible representation of the people because governors are elected statewide and legislators are elected by district.

The Legislature's funding and policy development responsibilities are integral to the University's budget and help define the ways the University may seek to serve the state's long-term interests. For this reason, it is crucially important that regent nominees establish rapport and understanding with legislators from the outset of their service. The Committee's examination of other institutions indicates, however, that direct legislative election is both rare and potentially less reliable than a shared process.

For the Board of Regents

Service on the board of regents should offer a gratifying experience that will appeal to highly qualified candidates and assure that many such Minnesotans will always be willing and able to serve. To accomplish this the Committee recommends that,

5. the board of regents address a series of internal reforms to:

- define a governance role as distinguished from elective representation;
- increase attention to individual and board professional development;
- streamline management of the agenda and work load, purging administrative detail;
- reform the committee structure and meeting schedule, assuring the meaningful participation of faculty members and students.

Rationale: All of these recommendations relate to the board's ability to focus its work at a policy level and are drawn from discussions with national experts and the examination of existing best practices. While the post of regent is a volunteer position, the demands on members require a high degree of professionalism, no less than what the board should expect of its administration.

While the Committee recommends the abolition of constituency-based seats, it considers inclusion of student and faculty perspectives in policy development at the board of regents' committee level to be critical to the University's success.

Conclusion:

The Committee believes that adoption of these recommendations would improve the process by which Minnesota selects regents. Beyond this, the Committee believes that adoption of these recommendations would clarify and render more rewarding the respective roles of regents and legislators.

Individual Resources

To augment its extensive briefing materials, the Committee interviewed, held discussions with, or received written comment from the following individuals:

| | |
|--|---|
| Katharine Lyall Robert Gale | president, University of Wisconsin System former president, Association of Governing Boards of Colleges and Universities |
| Kenneth Dayton | Oakleaf Foundation, former RCAC chair |
| Patricia Spence | University of Minnesota regent |
| Stanley Sahlstrom | University of Minnesota regent |
| Rep. Lyndon Carlson (DFL) | chair, House Education Committee |
| Rep. Barbara Sykora (R) | House Education Committee |
| Sen. Larry Pogemiller (DFL) | co-chair, Senate Education Committee |
| Sen. Gen Olsen (R) | Senate Education Committee |
| Mary McLeod | chair, Regent Candidate Advisory Council |
| Mel George Tom Swain | first RCAC chair former RCAC member |
| Edson Spencer | chair of the Spencer Commission and member of the Governor's advisory group on higher education |
| Peter Gillette | member of the Governor's advisory group |
| Elizabeth Craig Michael Unger Lawrence Perlman | former regent former regent (first student/recent grad regent designation) former regent |
| Luella Goldberg Charles Denny John Finnegan Rondi Erickson Terry Hoffman | former regent candidate former regent candidate former regent candidate former regent candidate former regent candidate |

CITIZENS' COMMITTEE ON REGENT SELECTION

John Adams
Minneapolis
Professor of Geography, University of Minnesota

Russell M. Bennett
Excelsior
Principal, Gray, Plant, Mooty, Mooty & Bennett, P.A.

Duane Benson
Lanesboro
Executive Director, Minnesota Business Partnership

Charles Denny
Minneapolis
Retired CEO, ADC Telecommunications

Kent Eklund,
St. Paul
President, Cincinnatus, Inc.

Rondi Erickson
Minneapolis
Owner/President, American Science Corporation

John Finnegan
St. Paul
Retired Editor and Assistant Publisher, St. Paul Pioneer Press

John French
Minneapolis
Attorney, Faegre and Benson

Archie Givens
Minneapolis
CEO, Legacy Management and Development Corporation

Luella G. Goldberg
Minneapolis
Chair, University of Minnesota Foundation Board of Trustees

Vernae Hasbargen
Breckinridge
Executive Director, Minnesota Rural Education Association

Terry Hoffman
St. Paul
Former President, Citizens League

Ann Huntrods
St. Paul
Attorney, Briggs and Morgan

Carol Johnson
Golden Valley
Superintendent, St. Louis Park Schools

Running Horse Livingston
Minneapolis
Student, University of Minnesota

Janie Mayeron
Minneapolis
Attorney, Popham, Haik, Schnobrich & Kaufman

William Pearce
Long Lake
President and CEO, IDS Mutual Fund Group

Kati Sasseville
Fergus Falls
General Counsel, Otter Tail Power Company

John Simonett
St. Paul
Retired Associate Justice, Minnesota Supreme Court

Joe Tennyson
Shorewood
Principal, Michaud, Cooley & Erickson

Mike Unger
St. Paul
Attorney, Mackenzie and Hallberg
Former University of Minnesota Regent

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION

NATIONAL BOARD OF DIRECTORS

Saturday, February 22, 1997

8:30 a.m. to 12:00 noon

Mississippi Room, Coffman Memorial Union

Board Members Attending

Bergstrom, John
Couture, Steve
Craig, Peggy
Erkkila, Dan
Fellows, Kay
Flinn, Mary
Fountain, Jean
Garland, Ray
Gray, Virginia
Gibilisco, Joe
Goldberg, Luella
Hawkinson, Bruce
Hayes, Ken
Huntrods, Ann
Jones, David
Juni, Howard
Lindahl, Nancy
Lindgren, Richard
Luehmann, Barb
Mendis, Patrick
Moe, Tom
Mona, Linda
Olseth, Dale
Pletcher, Carol
Reilly, Bill
Todd, Patricia
Trammel, Marvin
Ventres, Judy Martin
Yapel, Tony

Board Members Unable to Attend

Bachman, Dale
Beaulieu, David
Erickson, Roger
Green, Curt
Johnson, Carol
Johnson, R.C.
Madson, Dvid
Osberg, Brian
Sasseville, Kati
Whitney, Dick

UMAA Staff Attending

Allen, Mark
Anderson, Al
Banker, Mark
Burgett, Bob
Coughlan-Smith, Chris
Cunningham, Elaine
Fisher, Diane
Garrison, Tom
Hayes, Angela
Heen, Les
Jones, Cheryl
Kranz, Carmela
Mollberg, Lori
Parker, Tara
Robertson, Frank
Stangret, Lanaya
Tenquist, Clay
Wilson, Elizabeth
Winters, Lori

Other Volunteers Attending

Chesney, Scott
Laukka, Larry
Mona, Dave

University Representatives Attending

Fischer, Jerry
Hasselmo, Nils
Rockvan, Roxanne
Swain, Tom
Yudof, Mark
Peterson, Donna

University of Minnesota Alumni Association (UMAA) National President Marvin Trammel called the meeting to order at 8:40 a.m. Trammel reported that University president-designee Mark Yudof will be Roger Erickson's guest on WCCO-Radio beginning at 8:45 a.m. this morning. Board members listened to the live radio broadcast on the radio and broke into applause when Yudof mentioned his support for the Gateway.

Consent Agenda

The consent agenda included the November 23, 1996, and January 22, 1997 national board meeting minutes; the Fiscal Year 1996 audited financial statements; and the current financial statements through December 1996. All were approved as mailed.

University President Nils Hasselmo and President-designee Mark Yudof

Hasselmo said he was pleased to introduce Yudof to the UMAA board of directors. Hasselmo and Yudof are working together to ensure a smooth transition of leadership when Yudof officially begins on July 1. Hasselmo said that he has been preparing "yellow slips" for Yudof, which are issues to be resolved. These issues include the tenure code; faculty compensation; tuition; the Academic Health Center; University College; the future of the Rochester Center; the College of Biological Sciences reorganization; deferred maintenance; and incentives for managed growth. Hasselmo said that the UMAA will be a tremendous asset to Yudof and the University. He called Yudof a "very good person and a very effective administrator."

Yudof gave brief remarks and answered questions. In regard to the tenure debate, he said that the University appears ready for "peace to break out." Other topics included distance learning; campus autonomy; delegation; ties with international universities; incentives for managed growth in the professional schools; and General College. Yudof complimented Professor Virginia Gray on her work as chair of the Faculty Consultative Committee. He concluded by stating, "faculty are the greatest asset of this University" and "nothing can be done at a university without the cooperation of the faculty."

Gateway

Larry Laukka, chair of the Gateway Steering Committee, noted that this is his 24th report to the UMAA board over the years. He reviewed the history of the Gateway project. He thanked President Hasselmo for helping to solve some major problems and pitfalls along the way; i.e., adequate parking and confirming University tenants to rent space in the building. The project will soon be back on track. A local architectural firm will be selected next week to replace Short-Elliott-Hendrickson in working with architect Antoine Predock. Laukka hopes to break ground before the end of the year and complete the building early in 1999. On behalf of the board members, Dick Lindgren thanked Laukka for his hard work and continuing commitment to the Gateway.

Legislative Tax Credit Proposal

Jerry Fischer, president of the University of Minnesota Foundation (UMF), reported on the proposed state tax credit for gifts to Minnesota colleges and universities. If passed, this legislation would allow individuals to claim a 50 percent tax credit for donations to one or more accredited institutions of higher education or related foundations in Minnesota, the objective being to encourage increased levels of private support to public and private colleges in Minnesota. Fischer asked the board members to contact their legislators and urge support for this proposal.

Capital Campaign

Fischer reported on the timeline for the capital campaign. The "nucleus fund phase" will begin in 1998, after the new University president has met and gained confidence with key prospects and constituencies. The "public phase" will begin in 1999 and continue through the University's 150th anniversary celebration in 2001. The campaign will end in 2002-2003. Fischer is confident that the campaign will be extremely successful.

Citizens' Committee on Regent Selection

Ann Huntrods, co-chair of the Citizens' Committee, thanked the board members who attended the special UMAA board meeting at which the board members unanimously endorsed the Citizens' Committee recommendations. Several key Citizens' Committee members, including Rondi Erickson, John French, Mike Unger, Chuck Denny, and Duane Benson, are currently working with legislators on a bill to advance the recommendations.

Les Heen, UMAA legislative coordinator, noted that there will likely be more than one bill introduced in the legislature that addresses regent selection. The initial response to the UMAA recommendations has been very positive, but Huntrods noted that "judgements will have to be made" on all of the related legislative proposals.

Legislative

Donna Peterson, University state relations director, reported that this year is showing signs of being the best year ever for the University at the legislature. Many legislators now appreciate that the University has experienced difficult times and that the institution is truly an economic engine for the state of Minnesota. Also, legislators want Hasselmo to leave the University presidency on a positive note as well as welcome the new president on a good foundation. Peterson commented that the current Gopher basketball success is the "frosting on the cake" at the legislature.

The current legislative gap in funding is about one-half of what the University is asking, but the University is working hard to continue the positive momentum at the Capitol. The University has requested \$230,000 million dollars in state funding, and \$116,000 million has been approved by the governor thus far. Peterson asked the board members for their help in contacting their legislators and friends with positive University messages as the University continues to lobby for increases in funding. A Legislative Network Alert is being sent on February 24. Tom Swain, University vice president for institutional relations, commented that success in receiving maximum funding will depend upon the University's ability to present its case; the process for setting priorities is very businesslike. He quoted former governor Elmer Andersen as follows: "In addition to managing a University, you have to nurture it." Swain reiterated Peterson's request that the board members contact their legislators to urge support for the University.

Communications

Elaine Cunningham, UMAA public relations program director, reported on recent communications projects and activities, as well as anticipated activity in connection with Gopher basketball. She thanked alumni Dave Mona, Steve Goldstein, and Ron Handberg for their generosity and contributions to the University radio advertising campaign, which was funded by the UMF. Mona's firm, Shandwick USA, helped develop and produce the campaign.

Communications (continued)

Cunningham showed the UMAA Fall video, "*U Connect*," which is the fourth in a series of videos designed to connect alumni located outside of the Twin Cities back to the University. These videos are continually increasing in popularity and demand. Trammel complimented Cunningham for her work on these high-quality videos.

1997 Annual Meeting

Bob Burgett, UMAA outreach director, announced that the 1997 Annual Meeting and Celebration will be held on June 4, 1997, at Northrop Auditorium. Alumnus Garrison Keillor will be the keynote entertainer. The event will also serve as a tribute to Nils and Pat Hasselmo.

Membership

Al Anderson, UMAA membership and marketing director, reported that membership is "stalled" at 35,400. Although the goals of new members and converting annual members to longer-term members have been met, renewals are problematic. It has been decided to move away from benefits-oriented membership solicitations; an industry expert was recently engaged to provide advice on future UMAA promotions. Anderson will convene a panel of experts in the next month to serve as a special "emergency task force" on membership. Anderson also feels confident that the new data base will be of great benefit to membership and marketing efforts. He reviewed several upcoming membership promotions. There was discussion regarding philosophical/philanthropical reasons vs. "what's in it for me" motivation for joining the association.

Tom Garrison, UMAA communications director, reported that the UMAA recently completed a readership survey for *Minnesota*, which is proving to be a great tool for meeting magazine advertising goals. The survey results point out that *Minnesota* has an unduplicated audience in the Twin Cities.

Student Relations

Roxanne Rockvan from the University Admissions Office reported on alumni volunteer involvement in the University's prospective student programs. She noted that alumni participation adds credibility to their programs and thanked the volunteers for their help.

Nominating Committee

Linda Mona, Nominating Committee chair, reported that the committee is working to put together the slate of candidates for FY 98 officers, at-large representatives, and geographic representatives. The committee will be recommending alumni with strengths and experience in marketing, membership, and fund raising to fill the officer positions, as these areas are extremely important to the organization's goals and objectives. The committee's slate of officer candidates will be presented to the board members on April 19, 1997.

National President

Trammel noted that he has participated in many UMAA activities since the last board meeting, including the regent candidate forum; a Citizens League meeting which featured John French, co-chair of the Citizens' Committee on Regent Selection; and a Gateway Steering Committee meeting.

Executive Director

Margaret Carlson encouraged the board members to read the "UMAA Mid-Year Highlights" document, which was distributed at the beginning of the meeting. She announced that a variety of efforts are underway to continue to raise membership and visibility. The UMAA managers have begun to meet regularly as a "Culture Club" to discuss ways to maximize publicity for the association and the University while continuing to increase membership and improve customer service. The Nominating Committee is working to identify alumni who are experienced and savvy in marketing and communications; these alumni will be asked to serve on the Marketing and Communications Committee.

Carlson also noted that she plans to meet with Mark Yudof, University of Minnesota president-designee, when she travels to Texas next month. She will also meet with staff members at the Texas Ex-Students Association to gain additional information that will be helpful to the association as it looks forward to the Yudof administration.

Adjournment

Trammel adjourned the meeting at 12:02 p.m.

Submitted by,

Cheryl M. Jones
Executive Assistant

for

John Bergstrom
UMAA Secretary-Treasurer

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
EXECUTIVE COMMITTEE MEETING

April 9, 1997

7:30 a.m.

Campus Club, Coffman Memorial Union

Committee Members Present

Bergstrom, John
Juni, Howard
Lindahl, Nancy
Moe, Tom
Mona, Linda
Trammel, Marvin

UMAA Staff Members Present

Anderson, Al
Burgett, Bob
Carlson, Margaret
Fisher, Diane
Garrison, Tom
Jones, Cheryl

Committee Members Unable to Attend

Erkkila, Dan
Gibilisco, Joe
Huntrods, Ann

University of Minnesota Alumni Association National President Marvin Trammel called the meeting to order at 7:35 a.m.

Consent Agenda

The consent agenda included the January 22, 1997, Executive Committee meeting minutes; the UMAA financial statements dated February 28, 1997; and the recommendation to approve McGladrey & Pullen, Inc. as the UMAA auditors. All items were approved as mailed.

Fiscal Year 1997 Budget Revision

Diane Fisher, UMAA finance and operations director, explained that the mid-year budget revision is an opportunity to adjust the 1996-97 budget to reflect changes in original assumptions. The revised FY97 budget shows an operating deficit of \$11,905. This compares with the original budgeted deficit of \$41,440. The improved projections are attributable to a decrease in expected expenses, which Fisher described in detail. The revised FY97 budget was approved.

Fiscal Year 1998 Budget

Margaret Carlson, UMAA executive director, reported that budgeting for Fiscal Year 1998 will present special challenges. Decreases in University support and increases in expenditures will result in the need to cut approximately \$250,000. Carlson distributed a memo which provided important background information; described the decreases in University support to the UMAA and increases in expenditures over the past year; and reported on the changes being considered by the managers to balance the budget.

There was considerable discussion. The following question was addressed: Should the UMAA take from its excess fund balance to soften the cuts for the next fiscal year? It was agreed that there may be a greater need in the future to do this, rather than now. There was also discussion on other potential ways to improve the budget, such as maximizing on affinity card revenue. Carlson said that the UMAA managers would continue to work together to find solutions to the budget situation. The FY98 draft plan and budget will be presented to the UMAA finance committee on May 29; the executive committee on June 3; and the national board on June 25, 1997.

Outreach Committee Recommendation

The recommendation to grant The Coffman Memorial Union Alumni Group UMAA special interest group status was approved.

Membership

Al Anderson, UMAA membership/marketing director, reported that membership is holding at 34,769; however, the recent "protect the value of your degree" promotion is expected to bring in 2,000 to 3,000 new members. In addition, a promotion to season ticket holders is planned.

There was discussion about member retention and potential new benefits and premiums, such as a photo of the Gopher Men's Basketball Big 10 Championship team.

Advocacy

Les Heen, UMAA legislative network coordinator, reported for Ann Huntrods, co-chair of the Citizen's Committee on Regent Selection. Five bills addressing regent selection have been introduced in the legislature, and it was decided that the various bills and viewpoints needed to be studied over the interim. Heen believes that this study will lead to the best possible bill. Senator LeRoy Stumpf has written a letter thanking the UMAA for sponsoring the Citizens' Committee and commending the committee's work. Stumpf also wrote that the Citizens' Committee report will prove very useful to the members of the joint committee that will review all of the regent selection reform options available to them.

In regard to the University's budget request, Heen reported that the University asked the legislature for a 19 percent increase in its base budget. The Senate and the House are currently deliberating on the request. Heen's "best guess" is that the University will receive a 10-12 percent increase.

NCAA Activity

Bob Burgett, UMAA outreach director, reported on the alumni association's involvement in the NCAA Basketball Tournament. Burgett stated that the UMAA has "hit a home run" in terms of visibility during the tournament. Carlson reported that the San Antonio pepfest and parade were like nothing that she has ever seen in terms of Gopher pride and support. The NCAA successes are a great public relations boon for the University of Minnesota.

Gateway

Carlson reported that all pieces are coming together to put the Gateway back on track. Korsunsky Krank Erickson Architects, Inc., will replace Short Elliott Hendrickson as the firm working with architect Antoine Predock and Lew Moran. The University has agreed to put up a parking ramp with skyways adjacent to the Gateway. The Board of Regents is now planning to move to the Gateway. University of Minnesota president-designee Mark Yudof comes from a campus with a great alumni center, and Yudof unequivocally supports the Gateway project. The May-June issue of *Minnesota* will contain an article on Predock.

Executive Director Report

Carlson reported on her meeting with Yudof in Austin, Texas, on March 17. She talked with him about ways that the alumni association might help him in his new role as University president, as well as ways that he might help the association, including continuing to support the Gateway.

Trammel adjourned the meeting at 9:25 a.m.

Submitted by,

Cheryl Jones
Executive Assistant

for

John Bergstrom
UMAA Secretary-Treasurer

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
NATIONAL BOARD OF DIRECTORS

Saturday, April 19, 1997

8:30 a.m. to 12:00 noon

Coffman Memorial Union

Board Members Attending

Bachman, Dale
Bergstrom, John
Couture, Steve
Erkkila, Dan
Fellows, Kay
Flinn, Mary
Fountain, Jean
Gibilisco, Joe
Hawkinson, Bruce
Huntrods, Ann
Johnson, Carol
Johnson, R. C.
Jones, David
Juni, Howard
Lindahl, Nancy
Madson, David
Moe, Tom
Mona, Linda
Osberg, Brian
Pletcher, Carol
Reilly, Bill
Trammel, Marvin
Yapel, Tony

Board Members Unable to Attend

Craig, Mary
Craig, Peggy
Erickson, Roger
Garland, Ray
Green, Curt
Hayes, Ken
Lindgren, Richard
Luehmann, Barb
Mendis, Patrick
Olseth, Dale
Sasseville, Katie
Todd, Patricia
Ventres, Judy Martin
Whitney, Dick

UMAA Staff Attending

Allen, Mark
Anderson, Al
Banker, Mark
Burgett, Bob
Buschette, Mary
Cunningham, Elaine
Fisher, Diane
Garrison, Tom
Hayes, Angela
Jones, Cheryl
Kranz, Carmela
Ludke, Jay
Parker, Tara
Robertson, Frank
Scalzo, Teresa
Stangret, Lanaya
Tenquist, Clay
Winters, Lori

UMAA Staff Unable to Attend

Coughlan-Smith, Chris
Heen, Les
Mollberg, Lori
Wilson, Elizabeth

Special Guests Attending

Laukka, Larry

Other Staff Attending

Fischer, Jerry
Hasselmo, Nils
Swain, Tom

University of Minnesota Alumni Association (UMAA) National President Marvin Trammel called the meeting to order at 8:35 a.m.

University of Minnesota President Nils Hasselmo

University President Nils Hasselmo noted that he will miss interacting with alumni after he retires on June 30, 1997. He is working closely with Mark Yudof, University of Minnesota president-designate, and a smooth leadership transition is anticipated.

During the past year, Hasselmo has traveled to nine cities as part of his "farewell tour." He has enjoyed these opportunities to meet with alumni and friends of the University and to thank them for their support during his presidency. He said the University is experiencing great success in many areas, including the undergraduate experience; sponsored research; and technological improvements.

Signs look good at the State Legislature; a significant improvement over recent biennial requests is indicated. Hasselmo thanked the board members for their support of the University's legislative request and urged them to stay in touch with their legislators throughout the session.

In response to questions, Hasselmo said that the best piece of advice that he can offer Mark Yudof is to "listen to your constituencies" and "keep the relationship with the network of alumni leaders strong." Throughout his presidency, his biggest challenge has been to make sure that every Minnesotan understands all that the University does--too often tremendous accomplishments are undermined by the problems.

Linda Mona and Marv Trammel thanked Hasselmo for his help over the years in furthering the alumni agenda. Trammel reminded the board members that there will be a formal tribute to Nils and Pat Hasselmo at the UMAA Annual Meeting on June 4, 1997.

Gateway

Larry Laukka, chair of the Gateway Steering Committee, thanked Hasselmo for his continuing support of the Gateway project over the years. He said, "Nils hung on and saw the vision." Laukka reviewed the history of the project, which is back on track now that problems have been resolved with parking, skyways, and University tenants. The Board of Regents will very likely be located in the Gateway. Conference and meeting room space will be shared among the regents, the UMAA, the University of Minnesota Foundation (UMF), and the Minnesota Medical Foundation (MMF). Laukka displayed a site drawing and photograph of a clay model of the 230,000 square foot building. He expects to break ground next November.

Capturing the Magic

Elaine Cunningham, UMAA public relations program director, presented a slide show on the media coverage that the association received during the Gopher's journey to the Final Four NCAA basketball tournament. The enthusiasm surrounding the tournament provided a variety of electronic and print opportunities for the UMAA to get out its messages. Association staff members have received many telephone calls and notes following the tournament, complimenting and thanking the association for enthusiastic support of the Gophers and the University.

UMAA Web Site

Tom Garrison, UMAA communications director, used interactive technology to demonstrate the association's new home page on the World Wide Web.

1997 Annual Meeting

Mark Banker, UMAA special events coordinator, announced that early next week the board members will receive a special "preferred seating" invitation to the annual meeting. This event will be held on Wednesday, June 4, 1997, beginning at 5:30 p.m. on Northrop Mall. The program, featuring entertainment by alumnus, author, and radio personality Garrison Keillor, will begin at 7:00 p.m. in Northrop Auditorium.

Membership

Al Anderson, UMAA marketing and membership director, reported that membership as of April 1, 1997, totals 34,769. Response to the new graduate promotion has been disappointing, and renewals have been problematic as well. A special promotion will be mailed very soon to 215,000 past and never-members which promotes the importance of protecting the value of a University of Minnesota degree. A T-shirt promotion to Gopher season ticket holders will be mailed later this spring, as well as several targeted collegiate promotions. On May 1, 1997, Anderson and Margaret Carlson, UMAA executive director, will convene a panel of experts who will provide ideas and advice on membership and marketing.

University Budget Request

Howard Juni, chair of the Legislative Advisory Committee, reported that alumni communication is making a big difference at the legislature this year--the 1997 session is looking to be the most successful one in a decade for the University. The House and Senate have passed their appropriations bills, which will go to conference committee early next week. Network volunteers have also been talking to legislators in support of the UMF's tax credit proposal. A legislative network action alert will be mailed next week.

Regent Selection

Ann Huntrods, co-chair of the Citizens' Committee on Regent Selection, reported that members of the committee have been working with legislators to get the committee's recommendations enacted into law, but that key legislative leaders have said that they plan to delay action until after the legislative session. A total of seven bills addressing regent selection were introduced this session, which clouded the issues for many legislators. There is widespread agreement at the legislature that change is needed, and a joint legislative committee will study the various bills and regent selection issues during the interim. Huntrods quoted from a letter that Senator Leroy Stumpf sent to Trammel, thanking the Citizens' Committee for its fine work and noting that the committee's report and recommendations will be very helpful to the joint committee.

Consent Agenda

The consent agenda included the UMAA Outreach Committee recommendation to approve the Coffman Memorial Union Alumni Group as a special interest group; a motion to approve McGladrey & Pullen as the UMAA auditors; the association financial statements as of February 1997; and the fiscal year 1997 budget revision. All were approved as mailed.

Nominating Committee

Linda Mona, chair of the UMAA Nominating Committee, presented the committee's recommendations for the Fiscal Year 1997-98 UMAA officers: Ann Huntrods, president; Dave Mona, president-elect; Tom Moe, vice president; Nancy Lindahl, vice president; Jean Fountain, vice president; John Bergstrom, secretary-treasurer; and Marvin Trammel, past president. This candidate slate was approved. Mona noted that the candidate slate for at-large and geographical representatives will be presented to the general membership at the annual meeting on June 4.

Fiscal Year 1998 Budget

Carlson reported that she is working with the UMAA managers to develop the Fiscal Year 1998 budget, working within the parameters of the UMAA five-year strategic plan and the long-range financial plan. She noted that the UMAA has historically been treated very well financially by the University.

This past year, the University provided 40% (\$1.169 million) of the association's \$3.5 million budget. This amount, however, will decrease to \$1,075,770 for FY98 (tentative amount). Although there have been dramatic increases in ancillary income, including magazine advertising, credit card royalties, and the travel program, the cut in University support--combined with anticipated increases in expenditures--means that the UMAA will need to cut its budget nearly \$250,000 for FY98.

Carlson noted that there are also long-term financial challenges, such as paying rent in the new Gateway. In addition, the association will need to reinforce the case for university support of association activities with President-designate Yudof. Carlson will put a plan in place to demonstrate to Yudof what the UMAA does for the University.

The UMAA staff will continue to work on the FY98 budget, taking a hard look at ways to cut expenses and increase revenue. The budget will be presented to the UMAA Finance Committee on May 29; the Executive Committee on June 3; and the National Board on June 25, 1997.

Executive Director

Carlson reported the following:

- She met with Mark Yudof in Austin, Texas, enroute from Kansas City to San Antonio for the NCAA tournament. She provided Yudof with an overview of the UMAA, and they discussed ways that the UMAA could provide help to him as well as ways that he could help the association;
- A summer social event will replace the dinner with the Board of Regents that was scheduled to be held on June 12;

- University Football Coach Glen Mason will be the guest speaker at the June 25 year-end national board meeting; Cheryl Littlejohn, the Gopher Women's basketball coach, will be invited to speak to the board next year;
- Carlson and Trammel will travel to the Big 10 Alumni Chief Volunteers and CEOs conference in Indianapolis in early May;
- The Morse-Alumni Awards celebration will be held on April 28 at 3:30 p.m. at the Ted Mann Concert Hall;
- Nils and Pat Hasselmo will host the UMAA past presidents for lunch at Eastcliff on April 29; and
- Lori Winters, UMAA chapter programs director, is leaving the UMAA to become alumni director at Bradley University, her alma mater.

Carlson concluded by thanking the UMAA staff members for their hard work and enthusiasm not only during the NCAA, but throughout the year.

Trammel adjourned the meeting at 11:25 a.m.

Submitted by,

Cheryl Jones
Executive Assistant

for

John Bergstrom
Secretary-Treasurer

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION/
DEPARTMENT OF ALUMNI RELATIONS**

**1996-97 MAJOR INITIATIVES
(In addition to all on-going activities)**

Goal I: Build the University Gateway

- Collaborated with architect Antoine Predock on building design; collaborated with University on precinct development, parking, and space/tenant issues
- Cohosted two events to introduce Predock to donors and University administrators
- Produced Phase I fund raising campaign brochure
- Worked with the University of Minnesota Foundation and Minnesota Medical Foundation on fund raising; \$4 million dollars raised to date

Goal II: Grow a Visible, Vibrant Organization of 50,000 Members by 2000
Membership

- Recruited and retained 35,265 members to date (goal: 40,000 by June 30, 1997)
- Signed up 6,500 Internet users since 1993 and 35,000 for the credit card since 1994
- Installed and implemented new data base/membership processing system

Connections

- Sponsored 274 events involving 13,200 alumni and friends
- Participated in University visit to the Pacific Rim
- Collaborated with the University of Minnesota Foundation on nine national farewell events for the Hasselmos; hosted the University farewell tribute at the UMAA Annual Meeting and Celebration
- Involved 272 University units/businesses in Maroon and Gold Fridays involving more than 3,900 people
- Hosted 5 NCAA basketball pepfests in 3 Final Four cities and 5 viewing parties at the Mall of America, involving 15,000 fans; participated with radio, television, and newspaper publicity; held pepfests at all Gopher home football games.

Visibility

- Produced six issues of *Minnesota*; partnered with the University on three issues of *M*
- Completed *Minnesota* readership survey; produced advertising sales of \$184,662 to date; (goal: \$180,000 by June 30, 1997)
- Produced two video updates for geographic/society volunteers and University partners
- Developed UMAA World Wide Web site, including electronic membership form
- Provided information and/or editorials to internal and external audiences through *The Minnesota Daily*; *Kiosk*; *Star Tribune*; *Pioneer Press*; community newspapers; WCCO-Radio; MPR; WCCO-TV; and KARE-11 TVMPR
- Recognized for advocacy activities in the *Washington Post* and the *Star Tribune*

Goal III: Enhance the Student Experience

- Coordinated the Morse-Alumni Awards Celebration and funded eight awards
- Assisted University units in orienting 7,200 new freshmen and 4,000 parents; assisted with seven prospective student events; Campus Preview Days; an alumni letter writing campaign; and award celebrations for graduates in the cultural learning centers
- Involved 2,150 students and 1,615 alumni in mentor programs
- Awarded ten student leadership awards and 20 freshman scholarships

**Alumni Association/Alumni Relations
1996-1997 Major Initiatives
Page Two**

Goal IV: Expand Advocacy Efforts

- Sponsored 21-member Citizens' Committee to evaluate the regent selection process, with report being unanimously endorsed by the national board; worked with the media and legislators to promote the recommendations; report will prove useful to the House/Senate joint committee that will deliberate over the interim
- Held Regent Candidate Forum involving 110 participants, including 30 legislators, 12 regent candidates, and 70 alumni/friends
- Participated in the University presidential search
- Increased network to more than 2,500 members; increased district captain program to 58
- Held Legislative Kickoff/Briefing, involving more than 100 alumni and friends

Goal V: Prepare for Capital Campaign

- Continued to develop and refine alumni programming to connect alumni in the workplace and community
- Contributed \$100,000 to the Gateway in honor of the Hasselmos
- Contributed \$50,000 to the history book project in conjunction with the University's 150th anniversary

General Administrative/Operations

- Finalized and obtained board approval of the first UMAA Long-Range Financial Plan
- Hosted the Big 10 Programmers Conference

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

June 3, 1997

7:30 a.m.

Campus Club, Coffman Memorial Union

Committee Members Attending

Bergstrom, John
Erkkila, Dan
Gibilisco, Joe
Huntrods, Ann
Juni, Howard
Lindahl, Nancy
Moe, Tom
Trammel, Marvin

UMAA Staff Attending

Anderson, Al
Burgett, Bob
Carlson, Margaret
Fisher, Diane
Garrison, Tom
Jones, Cheryl

Guest

Mona, Dave

University of Minnesota Alumni Association (UMAA) National President Marvin Trammel called the meeting to order at 7:35 a.m. Trammel welcomed Dave Mona, who becomes UMAA president-elect on July 1, 1997.

Margaret Carlson, UMAA executive director, announced that Al Anderson, UMAA director of marketing and membership, has resigned his position and will leave the association at the end of August. Carlson thanked Anderson for his service, especially his contributions in the areas of member benefits and improvements and enhancements to the data base.

Consent Agenda

The consent agenda included the April 9, 1997, executive committee minutes; the association financial statements as of April 30, 1997; a recommendation to approve The Finnish Connection as a special interest group; and the Fiscal Year 1997 Major Initiatives Report. All were approved as mailed.

Gift to Honor Nils and Pat Hasselmo

Trammel explained that when he last met with Carlson and Ann Huntrods, president-elect, they discussed presenting Nils and Pat Hasselmo with a gift in honor of their retirement at the UMAA Annual Meeting on June 4, 1997. They agreed that the ideal gift would be a \$100,000 contribution to the Gateway in the name of the Hasselmos, with the money to be taken from the Alumni Fund at \$20,000 per year for five years. Since there were no scheduled board meetings before the annual meeting, Trammel, Carlson, and Huntrods decided to mail a ballot to the UMAA national board members requesting their approval of the \$100,000 gift.

Trammel reported that the outcome of the mail vote was 25 affirmative votes and 2 negative votes (14 constitutes a quorum). Neither of the negative votes was a reflection on the Hasselmos, nor the appropriateness of an end-of-service gift, but were reflections on the decision-making process. Trammel said that if the timeframe had not been so tight, the ideal procedure would have been to bring this recommendation to the UMAA Finance Committee for deliberation and approval and then to a national board meeting for discussion and endorsement.

John Bergstrom, UMAA secretary-treasurer, said that although the process and the communication to the board members was "a bit rough," the recommendation to contribute \$100,000 to the Gateway in honor of the Hasselmos is a good one. He clarified that the money is to come from an endowment and not the UMAA operating fund.

Fiscal Year 1998 Goals and Budget

Carlson reported that the UMAA has a very strong foundation for strategic planning because of our U2000 goals and the long-range financial plan. She encouraged the committee members to review the Fiscal Year 1997 Major Initiatives Report, which was included in the consent agenda (report attached in permanent file).

Carlson reviewed the five major initiatives for Fiscal Year 1998: 1) Begin constructing the Gateway and raise \$7.5 million; 2) reach 40,000 members; 3) renegotiate the credit card contract; 4) pilot the degree fulfillment program and jump-start the programming in Twin Cities businesses; and 5) continue to work on regent selection reform and develop strong alliances with President Yudof and his administrative team.

As reported at the April national board meeting, the UMAA now faces a decrease in University funding--for the first time in 14 years--as well as increased expenses. As the UMAA is a personnel-driven organization, the only way to bring the budget in line is to make changes in the staffing. The administrative structure will not be changed; there will continue to be an executive director, four department heads, and an executive assistant, but there will be a net reduction of three staff positions. The UMAA managers have taken a comprehensive look at their departmental objectives and are recommending changes that will enable the objectives to be accomplished with a different mix of fewer staff members.

Diane Fisher, UMAA finance and operations director, reviewed the Fiscal Year 1998 Proposed Budget. Bergstrom noted that the UMAA Finance Committee has reviewed and approved the budget. Following discussion about the importance of membership growth and retention to the UMAA financial position, the budget was approved. It will be presented to the national board of directors on June 25, 1997.

Membership

Anderson reported that membership is at 35,698. He expects to reach 36,000 by the end of the fiscal year. Several new promotions are planned, including a T-shirt promotion to 17,000 season ticket holders and a Gopher "beanie baby" fall promotion. An expert panel met in May to examine UMAA membership promotions and brainstorm new activity. Anderson summarized the expert panel discussion (report attached in permanent file). Many of this group's recommendations are already being incorporated. There was considerable discussion about several of the panel's ideas, including capitalizing on the excitement surrounding the new football coach. Carlson said that she is pleased to report that Dave Mona will chair the UMAA Marketing Committee next year.

Advocacy

Howard Juni, University Issues Committee chair, believes that the new University administration provides a real opportunity for this committee to be a leader in examining strategic higher education issues. Potential topics to study next year include tuition and financial aid; minority/diversity issues; roles of higher education; and the underprepared student. The overall guiding principle for the committee will be strengthening the UMAA relationship with President Yudof and his administrative team and educating them on the importance of the work of the association.

The committee will also play a role in advocating the recommendations of the Citizens' Committee on Regent Selection. A joint legislative committee will be appointed to study this issue between sessions. Juni recommended that two legislators be honored as Legislators of the Year at the Eastliff reception on June 4: Representative Gene Pelowski and Senator Deanna Wiener. As both recipients are Democrats, it was agreed that particular care should be taken next year to select a balanced group of honorees. Mona recommends that the legislative network members be asked to send a welcome postcard to President Yudof.

Gateway

Carlson reported that the draft Bylaws and Articles for the Gateway Corporation are being reviewed by the UMAA attorney, Huntrods, and Bergstrom. The UMAA has two seats among the six directors. Trammel recommended that Carlson and Linda Mona be appointed as the UMAA directors. This recommendation was approved.

The Gateway Steering Committee recently met with Antoine Predock, the Gateway architect. Predock redesigned the building to bring the project within budget while keeping the full-size Memorial Arch intact. The Gateway Steering Committee will present the entire Gateway package to the Board of Regents in July, 1997.

Annual Meeting

Bob Burgett, UMAA outreach director, expects that nearly 1,400 alumni and friends will attend this event on June 4, 1997. Burgett reviewed the meeting arrangements and program schedule in detail.

Nominating Committee

Cheryl Jones, UMAA executive assistant, reported that the Nominating Committee will present a slate of candidates for at-large and geographic representatives to the national board of directors to the general membership at the annual meeting on June 4, 1997. A pool of candidates for future board positions and committee service has also been developed.

National President

Trammel will present the annual UMAA Report to the Board of Regents on June 13, 1997. The year-end board meeting will be on June 25, 1997. New football coach Glen Mason will be the guest speaker.

Executive Director

Carlson will be working closely with Anderson as she prepares to hire a new membership director. She and Diane Fisher will oversee membership activities on an interim basis. Dave Mona will chair the membership/marketing director search committee. Carlson encouraged the committee members to actively recruit qualified candidates for this important position.

In addition, Carlson will be working hard to renegotiate the credit card, as these revenues are extremely important to the UMAA financial position. Carlson and Fisher will consult with the UMAA Finance Committee and officers about this issue on an ongoing basis.

Carlson concluded by thanking the volunteers and staff members for all of their contributions during the past year. Special recognition was given to Howard Juni, who stepped in to chair the University Issues Committee as well as the Legislative Advisory Committee.

Trammel adjourned the meeting at 9:15 a.m.

Submitted by,

Cheryl M. Jones
Executive Assistant

for

John Bergstrom
UMAA Secretary/Treasurer

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION/
DEPARTMENT OF ALUMNI RELATIONS**

**1996-97 MAJOR INITIATIVES
(In addition to all on-going activities)**

Goal I: Build the University Gateway

- Collaborated with architect Antoine Predock on building design; collaborated with University on precinct development, parking, and space/tenant issues
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- Recruited and retained 35,265 members to date (goal: 40,000 by June 30, 1997)
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- Recognized for advocacy activities in the *Washington Post* and the *Star Tribune*

Goal III: Enhance the Student Experience

- Coordinated the Morse-Alumni Awards Celebration and funded eight awards
- Assisted University units in orienting 7,200 new freshmen and 4,000 parents; assisted with seven prospective student events; Campus Preview Days; an alumni letter writing campaign; and award celebrations for graduates in the cultural learning centers
- Involved 2,150 students and 1,615 alumni in mentor programs
- Awarded ten student leadership awards and 20 freshman scholarships

Alumni Association/Alumni Relations
1996-1997 Major Initiatives
Page Two

Goal IV: Expand Advocacy Efforts

- Sponsored 21-member Citizens' Committee to evaluate the regent selection process, with report being unanimously endorsed by the national board; worked with the media and legislators to promote the recommendations; report will prove useful to the House/Senate joint committee that will deliberate over the interim
- Held Regent Candidate Forum involving 110 participants, including 30 legislators, 12 regent candidates, and 70 alumni/friends
- Participated in the University presidential search
- Increased network to more than 2,500 members; increased district captain program to 58
- Held Legislative Kickoff/Briefing, involving more than 100 alumni and friends

Goal V: Prepare for Capital Campaign

- Continued to develop and refine alumni programming to connect alumni in the workplace and community
- Contributed \$100,000 to the Gateway in honor of the Hasselmos
- Contributed \$50,000 to the history book project in conjunction with the University's 150th anniversary

General Administrative/Operations

- Finalized and obtained board approval of the first UMAA Long-Range Financial Plan
- Hosted the Big 10 Programmers Conference

June 2, 1997

Memo to: Expert Marketing Panel 

From: Al Anderson, University of Minnesota Alumni Association

Re: Meeting May 1, 1997

I want to apologize for the delay in getting this information to you. I was just about completed with the report when my hard disk crashed and I had to start over. First, thank you all for participating in the panel discussion. It provided a great deal of needed input to develop new ideas for the future marketing efforts at the UMAA.

At the end of the meeting we generated a list of key items to consider first in the marketing planning process. These were based on the impact that they would have on the membership generation process. Some of these were promotion ideas tied to specific events, so time will be a factor in deciding which ideas to implement first.

Here is a list of the top ten ideas based on impact and timing:

1. **New Football Coach** - Use the impact of significant happenings - a new football coach for generating memberships. Possible TV partner would be MSC. Premium for joining could be a "beanie" gopher.
2. **Focus on unique benefits** - Instead of expressing benefits in tangible form use words such as **connection** via the benefits and services. This makes people think of emotional vs. return on investment analysis of their membership. Should not try to sell all benefits to all people. Younger grads have different interests than older grads, grads outside the Twin Cities have different needs than those in the Twin Cities. Associate school themes in events such as a "Spring Break" promotion for recent grads. Let them know "What is in it for me?"
3. **Donors as Members** - Send one message to key audiences. Work with University of Minnesota Foundation (UMF) to make key donors members so that they get one message from the University rather than being pulled in several directions. The UMF's new giving clubs could relate to Platinum, Gold or Silver memberships based on giving. Use membership to increase current giving levels.
4. **Retention Premiums** - newer members may need an extra nudge to renew. Offer premiums for first time renewals or for longer term renewals.
5. **Positioning Strategies** - Use a randomly mailed survey to determine what alumni want from the UMAA for programs, benefits and services. Include a section on what their perceptions are of the UMAA and the University. Make sure that all segments are represented in the results so that the information is statistically significant.
6. **University Related Premiums** - When developing promotions use University related premiums - i.e. football tickets, premiums from grads like Mackay, Moliter, and Winfield. Offer career seminar events from continuing education.

7. **Continuous/Installment Billing** - Sell membership as life long commitment, but paid for annually, in affordable monthly installments - younger maybe 56 months, older 12 months, or in a lump sum. Make member feel committed.
8. **Use Personalized Techniques** - Hand signed targeted appeals, calling by students, recognition for past membership with life membership rate discounts. Letters should be short and sweet in these cases. Just make one or two points.
9. **Develop Promotion Partnerships** - join the AAA and the UMAA at one time. Come to a career seminar and get a UMAA membership.
10. **Continually Sell Membership Rewards/Benefits** - communicate to members what they get in return for being a member. Use *Minnesota* magazine, web, and *M* to communicate new, enhanced, or ongoing benefits. Don't expect members to know what they are getting without reselling them regularly.

Special Note About Increasing Membership Rates:

1. Allow a significant time period (six months) for members to renew at old rates.
2. Mail one final offer to members who have not renewed. This would be done immediately following the final increase deadline.
3. Start using new rates immediately on new promotions so that current members understand that new rates are in place.

Here is a summary of the other ideas that emerged from the meeting:

- a. **Premiums** - Famous alumni autographs, Gold Points Plus points for membership, beer steins, pilsner glasses, lottery for basketball set of four tickets, pen with mailing - Here is FREE pen, use it to JOIN. FREE newsletter from their college bound in their issue of the magazine. (This can be done with selective binding at new printer for magazine.)
- b. **Events** - Career related events, book, birdwatching and investment clubs, bring sports teams to a town to play locals, have a UMAA members only event where celebrity alumni and staff play the Saints baseball team, tent for members only at football games - network, tailgate, stay warm. Some events could happen on the Internet.
- c. **Discounts** - Twins, Timberwolves, Broadway show previews, Prairie Home Companion, U of M class fees (lifelong learning, check out the U - audit a class), members only after hours U parking pass, on campus event parking discounts for members.
- d. **Special Promotions** - membership contests - city vs. city, society vs. society, company vs. company. Target areas - i.e. Rochester with an event or special that is just for their area.
- e. **Membership for Service** - recruit an upper level high school senior for the U get a year FREE membership or if you are a member - NO FEE application for referred student, sign up five new members get your next year FREE.
- f. **Careers** - Online mentoring and career counseling (check with Tom DeRanitz for partnership potential), Online FREE Job Bank, Career seminars at companies and in communities, Career Fair in partnership with businesses. Salary guidelines by degree.
- g. **Rates** - Special rates for Senior Citizens, outside of Twin Cities, new grads, but beware of "discounting" rates.
- h. **Mission** - Make sure that alumni know that the UMAA is here to serve them. State this in all materials prepared both in print and electronically.

- i. **Promotion Techniques** - always offer to upgrade members immediately after they join. i.e. send a special savings certificate, add three years now and save 10%. Use lift letters from or images of famous alumni in promotions. Makes people feel in good company. Use bill stuffers - credit card, Northrop and athletic ticket envelopes.
- j. **Gateway** - use building to get higher level memberships. Get greater discounts if you are a life member or a platinum, gold, or silver member/donor. Have kiosks available for immediate sign-ups, records updates.
- k. **Internet** - Important tool for distributing information, additional membership benefits by providing areas that only can be accessed by members, use it for a place that alumni can gather, chat, get additional education or career advice. Post class notes, look for lost alumni, and get feedback from alumni.
- l. **Research** - Continually research to understand the needs and wants of alumni. It helps the organization evolve and determine who is our target customer for the future?

Summary -

This one session is already being reflected in the planning for next year. Discussions are beginning on what can be done to use the magic of Glen Mason's first year. Yes, there may be a gopher beanie baby - hatched by none other than Paul Giel. Plans for the fall mailing are focusing on targeted messages of the UMAA **connecting** alumni back to the U - nationwide Internet access for alumni outside Minneapolis/St. Paul, Twin Cities business, campus, and community programs for local alumni, and a special rate with a special premium for recent grads.

Minnesota magazine may have a wrap that promotes alumni events, new benefits, and solicits new or renewed/upgraded memberships. Other discussions taking place include a cooperative career fair with a local radio station.

As things progress we will be sure to keep you updated.

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
93rd Annual Meeting**

June 4, 1997
Northrop Mall and Auditorium

The 93rd annual meeting of the University of Minnesota Alumni Association (UMAA) began with a reception and dinner buffet on Northrop Mall. The meeting was called to order in Northrop Auditorium at 7:00 p.m. by UMAA National President Marvin Trammel, who welcomed the 1,800 attendees.

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION YEAR-IN-REVIEW

Trammel reported briefly on alumni association activities during 1996-97, including the Gateway Center, the Citizen's Committee on Regent Selection, the Morse-Alumni Awards Celebration, and NCAA events.

ELECTION OF 1997-98 OFFICERS AND DIRECTORS

Trammel announced the 1997-98 slate of officers forwarded by the UMAA Nominating Committee and elected by the national board of directors on April 25:

| | |
|---------------------|----------------|
| President | Ann Huntrods |
| President-elect | Dave Mona |
| Vice President | Jean Fountain |
| Vice President | Nancy Lindahl |
| Vice President | Tom Moe |
| Secretary-Treasurer | John Bergstrom |
| Past President | Marvin Trammel |

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

| | |
|-----------------------------|-------------------------------|
| At-Large Member | Steve Couture (reappointment) |
| At-Large Member | Dale Olseth (reappointment) |
| At-Large Member | Rondi Erickson |
| At-Large Member | Deborah Hopp |
| At-Large Member | Andre Lewis |
| At-Large Member | Bruce Nelson |
| Geographical Representative | Ronald Harder |
| Geographical Representative | Jonnie Hurd |
| Geographical Representative | Sheila Kihne |

PASSING OF THE GAVEL

Trammel introduced Ann Huntrods, who will take office as UMAA national president on July 1, 1997. Huntrods thanked Trammel for his outstanding leadership of the UMAA during 1996-97, praising his vision and inclusionary style. She said that she is looking forward to an exciting and productive year. She introduced University of Minnesota President Nils Hasselmo, who will retire from his position at the end of this month. Huntrods noted that she is very honored to have the opportunity to salute Nils and Pat Hasselmo during this annual meeting of the UMAA.

ALUMNI SERVICE AWARD PRESENTATION

University of Minnesota President Nils Hasselmo presented the University of Minnesota Alumni Service Award to Linda Mona, 1995-96 UMAA national president.

UNIVERSITY VICE PRESIDENT FOR INSTITUTIONAL RELATIONS

Trammel introduced Tom Swain, University of Minnesota acting vice president for institutional relations. Trammel explained that Swain has been connected to the University of Minnesota in some way or another for his entire life. Swain's family owned a business in Dinkytown while he was growing up. He graduated from the University's business school in 1942; he is a past president of the alumni association; a trustee of the University of Minnesota Foundation; and is currently serving the University as acting vice president for institutional relations and trusted advisor to Nils Hasselmo.

Swain introduced incoming University of Minnesota President Mark Yudof, who will take office on July 1, 1997. Swain also welcomed Yudof's wife, Judy Yudof.

PRESIDENT-DESIGNEE MARK YUDOF

Yudof explained that this week he began his stint as "President-Designate-in-Residence." Yudof said that the "Hasselmo legacy" brings new meaning to "tough act to follow." The Hasselmo legacy to Minnesota is a stronger, higher quality University, stronger and better because of an incredibly comprehensive agenda of institutional change. The Hasselmo legacy especially features improved undergraduate education--a national imperative, but especially to the University of Minnesota. Yudof believes that the University has a moral obligation to provide first-class educational programs to the sons and daughters of taxpayers and parents. Yudof praised Hasselmo for having the courage to successfully deal with a daunting agenda of problems and issues, and thanked him for working magnanimously to clear the plate for the Yudof administration.

Yudof's own priorities, beyond protecting the gains already made, are:

- To reinforce the sense of community on our campuses, to bring us closer together in pursuit of common objectives, and to embrace a quality-of-services mentality;
- To provide each freshman with a quality writing experience in a small group setting;
- To develop our students' digital technologies skills for the new workplace;
- To enter into partnerships with industry to advance digital science, particularly computer modeling and simulations and communications;
- To advance medical research, including molecular biology and medical devices;
- To speed up the University's campaign to fix up facilities that have not been adequately maintained;
- To streamline and decentralize administration;

- To reinforce the University's historic ties to its alumni and supporters.

Yudof concluded by stating that he is grateful to have the opportunity to lead the University of Minnesota into the future as well as to join alumni this evening in honoring Nils and Pat Hasselmo.

TRIBUTE TO NILS AND PAT HASSELMO

Swain thanked Yudof for his remarks and said that the goals that he enumerated have also been a strong hallmark of the Hasselmo almost-nine-year presidency. He commended President Hasselmo for his strong commitment to alumni relations, noting that Hasselmo recently carried the University's message to alumni in the Far East: Taiwan, China, Korea, and Japan.

Swain said that he has observed many leaders during his business and community careers, but none have exceeded Hasselmo's zeal to make this University a better place for students. Swain praised Hasselmo's calm, collected personality, which belies his firmness of purpose and fortitude. Swain described several situations and provided anecdotes which illustrated Hasselmo's concern for students, special communication style, and some eccentricities. Swain also thanked and praised Pat Hasselmo, noting that she has been a constant partner to Nils, a most gracious hostess, and a marvelous booster and spokesperson for the University. Swain concluded by stating, "Nils, good friend, it's been a great journey. We thank you and Pat. We wish you well, and we are especially pleased that you will be rejoining our faculty next year."

UNIVERSITY OF MINNESOTA PRESIDENT NILS HASSELMO

Hasselmo thanked and praised alumni and friends of the University for their incredible support over the past nine years. He welcomed Mark and Judy Yudof to the University and wished them well. He reflected on his years as University president; on the quarter century that he and Pat have spent at the University; on life; and on the future. Topics that Hasselmo addressed included the example set for him by his father; his early memories of the University of Minnesota; special memories and stories from his years as president; connections with alumni and donors; tough budget decisions and hard choices; and many moments of pride.

Hasselmo said that he shared these "glimpses from my office" with alumni and friends because it is so important that we remind ourselves of the fact that universities like the University of Minnesota are not "givens." They are not just there. They are the result of generations of effort. They are there because thousands of men and women have made the decision that opportunities for learning are central to our civilization. They are there because they have made a decision that our future depends on our ability to provide such learning opportunities. We must celebrate the enormous opportunities provided by the University of Minnesota and universities across the nation and the world.

Hasselmo said that he is very thankful for the many opportunities that the University of Minnesota has provided to him, both as a faculty member and president. He has formed relationships with visionary and dedicated colleagues; he has worked with governors, legislators, corporate leaders, labor leaders, and community leaders. He has traveled throughout the state, Europe, and the Pacific Rim, meeting countless alumni who once sat

here in Northrop Auditorium at their commencements, who remember this University community with great fondness and sing the "Rouser" with many accents. Hasselmo thanked alumni and asked them to continue to stand by the University of Minnesota.

PRESENTATION OF FAREWELL GIFTS TO NILS AND PAT HASSELMO

The University of Minnesota Foundation (UMF) and the University of Minnesota Alumni Association presented checks for \$100,000, payable to the University of Minnesota in honor of Nils and Pat Hasselmo. The UMF contribution will endow a Hasselmo Scholarship Fund and the UMAA contribution will go to the Gateway project.

SPECIAL TRIBUTE TO NILS AND PAT HASSELMO BY GARRISON KEILLOR

Trammel thanked everyone for participating in tonight's annual meeting. He offered best wishes to incoming alumni association president Ann Huntrods and University president-designee Mark Yudof. Finally, on behalf of the 300,000 University of Minnesota alumni worldwide, he offered heartfelt thanks and good wishes to Nils and Pat Hasselmo as they embark on this new chapter in their lives.

Trammel adjourned this portion of the meeting. In accordance with Garrison Keillor's wishes, Trammel announced Keillor's performance by saying only, "And now: the show." Keillor's performance was written and developed especially to honor Nils and Pat Hasselmo (see attached clipping from the June 6, 1997, *Star Tribune*).

TO: MSC
FR: EDC

Oh, wow! How now? Nils takes a bow and names a cow

A certain dairy air wafted through Northrop Auditorium Wednesday as the University of Minnesota Alumni Association bade farewell to President Nils Hasselmo and his wife, Pat.

Near the end of the program, a large Holstein from the university's St. Paul campus was led through a side door and up a ramp to the stage, utterly surprising the presidential couple and the audience. Entertainer Garrison Keillor then asked Hasselmo to name the bovine — which had previously been known only by a number — perhaps by recalling a beautiful creature from his past. With little hesitation, Hasselmo, who has Swedish roots and linguistic training, summoned the name Ödhumla. He explained later that the name, pronounced eurd-HUM-luh, refers to a mythological Scandinavian cow that licked a salty rock, helping to create the first man.

Earlier, the University of Minnesota Foundation presented a check for \$100,000 to an undergraduate scholarship fund in Hasselmo's name, and the Alumni Association contributed \$100,000 in his name for space in a planned alumni center on the Minneapolis campus.

The cow-naming was among the most light-hearted of Hasselmo's final duties as university president. He will be succeeded July 1 by Mark Yudof.

— Dan Wassoe Jr.,
Staff Writer

FYI



Photo courtesy of Dan Kieffer.
Nils Hasselmo shared the stage with a dairy cow at a Northrop Auditorium ceremony.

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
NATIONAL BOARD OF DIRECTORS

June 25, 1997
4:30 to 7:30 p.m.
Coffman Memorial Union

Board Members Attending

Bachman, Dale
Bergstrom, John
Erickson, Roger
Fellows, Kaye
Flinn, Mary
Fountain, Jean
Garland, Ray
Gibilisco, Joe
Hawkinson, Bruce
Huntrods, Ann
Jones, Dave
Lindahl, Nancy
Mona, Linda
Olseth, Dale
Reilly, Bill
Sasseville, Katie
Trammel, Marvin
Ventres, Judy
Yapel, Tony

Board Members Unable to Attend

Couture, Steve
Craig, Peggy
Craig, Mary
Erkkila, Dan
Green, Curt
Hayes, Ken
Johnson, Carol
Johnson, R.C.
Juni, Howard
Lindgren, Richard
Luehmann, Barb
Madson, David
Mendis, Patrick
Moe, Tom
Osberg, Brian
Pletcher, Carol
Todd, Patricia
Whitney, Dick

Incoming Board Members Attending

Eelkema, Marilyn
Ericson, Carol
Harder, Ron
Mona, Dave
Nelson, Bruce

UMAA Staff Attending

Allen, Mark
Anderson, Al
Burgett, Bob
Buschette, Mary
Coughlan-Smith, Chris
Garrison, Tom
Hayes, Angela
Heen, Les
Jones, Cheryl
Kranz, Carmela
Ludke, Jay
Mollberg, Lori
Parker, Tara
Robertson, Frank
Scalzo, Teresa
Stangret, Lanaya
Tenquist, Clay

UMAA Staff Unable to Attend

Banker, Mark
Cunningham, Elaine
Fisher, Diane
Wilson, Elizabeth

Special Guests Attending

Mason, Glen

Other Staff Attending

Fischer, Jerry

University of Minnesota Alumni Association (UMAA) National President Marvin Trammel called the meeting to order at 4:30 p.m.

Consent Agenda

The consent agenda included the February 22 and April 19, 1997, national board meeting minutes; the association financial statements as of April 30, 1997; the Finnish Connection as a UMAA special interest group; and the UMAA representatives to the Gateway Corporation. All were approved as mailed.

University of Minnesota Football Coach Glen Mason

Trammel introduced Glen Mason, new head football coach at the University of Minnesota. Mason believes that intercollegiate athletics provides a "rallying point" for alumni--both young and old. There is a renewed commitment to the sport of football at the University, and his own enthusiasm is building every day. He stated that there are no "quick fixes or shortcuts," but the Gophers do need to be as competitive as they can be. After answering several questions, Mason thanked the board members for their continuing support and was presented with welcome gifts by Trammel.

1996-97 Year-end Highlights

Tom Garrison, UMAA communications director, presented the UMAA Year-in-Review video. In addition to producing two update videos, Communications Department highlights include starting up a UMAA home page on the World Wide Web and obtaining very successful publicity during the NCAA Final Four Tournament.

Bob Burgett, UMAA outreach director, reported on several connection/visibility initiatives that were highlights this year, including pre-football game rallies; NCAA Final Four activities; presidential tribute events in cooperation with the University of Minnesota Foundation (UMF); and the annual meeting which featured a special tribute to President and Mrs. Hasselmo by Garrison Keillor. Burgett shared several notes of congratulations on the exceptional annual meeting.

Jean Fountain, chair of the Student Relations Committee, reported on the student relations initiatives. These activities included the mentor connection programs; scholarships and awards; parent orientation; and cultural center graduation ceremonies.

Linda Mona, chair of the Gateway Communications Committee, reported that all of the major hurdles in developing the Gateway building have been overcome, including issues involving parking and the Memorial Arch. Gateway architect Antoine Predock will attend the July 10, 1997, Summer Social, to unveil the revised drawings. It is anticipated that groundbreaking will occur on November 7, 1997, during Homecoming. Dale Olseth reported that fund raising, which is moving along well, is currently concentrating in the naming opportunities/major gifts area.

Al Anderson, UMAA membership director, reported that membership as of June 25, 1997, totals 36,298. Retention/renewals continue to be problematic. A panel of local marketing experts met last month to brainstorm membership ideas. Anderson reviewed the panel's top ten recommendations. The fall promotion will feature a bean bag Gopher premium that is being developed by Paul Giel, Jr. Other new benefits are also implemented, including a free trial membership to the University Club in St. Paul.

Ann Huntrods, co-chair of the Citizens' Committee on Regent Selection, reported for Howard Juni, University Issues Committee chair. This year, UMAA advocacy initiatives included the Citizen's Committee on Regent Selection; recruiting candidates for the Regent Candidate Advisory Council and sponsoring the regent candidate forum; and assisting with the University's presidential search. Regent selection legislation will continue to be an important advocacy initiative for the UMAA--a legislative task force will be studying this issue between sessions. Other potential issues to work with next year include faculty salaries; tuition; and the role of the University in higher education in Minnesota.

Les Heen, UMAA legislative network coordinator, reported that the University experienced great success at the legislature this year, realizing a 16.4 percent budget increase. Heen distributed the 1997 Legislative Summary document, prepared by the University's Office of State Relations. The legislative network has grown to 2,600 members. Senator Gene Pelowski and Representative Deanna Wiener were selected as 1997 UMAA Legislators of the Year. Heen thanked the board members for supporting the budget request and encouraged them to send a "welcome postcard" to new University of Minnesota president Mark Yudof.

Jerry Fischer, president and CEO of the University of Minnesota Foundation (UMF), reported on the upcoming capital campaign. 1996-97 was an extremely good year for the UMF, with new gifts surpassing all records. Fischer believes that "much love and affection flowed to the University and the Hasselmos this year." The tax credit proposal for gifts to higher education was not successful, but the UMF will try again next year because Fischer believes such a credit will encourage many non-donor alumni to begin giving. Fischer thanked the UMAA for collaborating and assisting with several fund raising initiatives, including the Hasselmo Farewell Tour.

1997-98 Goals and Budget

Margaret Carlson, UMAA executive director, noted that Diane Fisher, UMAA finance and operations director, is out of the country hosting an alumni tour. The 1996-97 goals, objectives, and budget were presented to and approved by the UMAA Finance Committee on May 29, 1997, and the Executive Committee on June 3, 1997.

The UMAA continues to make progress on its five goals, which were developed and approved in 1994 as part of the five-year strategic plan. The UMAA long-range financial plan, completed in 1996, links vision with financial realities that will most likely be faced by the association through the year 2001. Carlson said that the volunteers can take pride in the association's achievements as reflected in the year-end video and reports; she also complimented the staff members who have spent extra hours and effort bringing the new computer system and data base on line.

This is the fourth year within a six-year plan. The five most important 1997-98 initiatives are the Gateway; membership; renegotiating the affinity credit card; piloting a degree-fulfillment program and jump-starting the Twin Cities business and community initiative; and advocacy (1997-98 UMAA Goals and Objectives attached to permanent record).

As reported at the April national board meeting, the UMAA has not taken a cut from the University in 14 years, but our 1997-98 budget has been cut \$94,000. We are not able to take money from endowments at this time due to new expenses that will occur in the near future; i.e., paying rent in the Gateway. Because we are a personnel-driven organization, the only way to address these financial constraints was to take a comprehensive look at our objectives and make staff changes that will enable us to accomplish them with a different mix of fewer people. There will be a net reduction of three staff members and a restructuring of several other positions. All staff members continuing with the association will need to accept new tasks, adapt to new technologies, and assume new work behaviors and goals. We have worked closely with the University personnel department in making these changes, but it has of course been a difficult process for those who are leaving our organization as well as for those who are staying.

Carlson reviewed the proposed 1997-98 budget in detail. The UMAA Finance and Executive Committees have reviewed and approved this budget. Following discussion, the 1997-98 budget was approved by the board members (attached to permanent record).

Recognition of Outgoing Board Members

Trammel presented a farewell gift to the following board members, whose terms expire on June 30, 1997: Mary Flinn, Ray Garland, Virginia Gray, Linda Mona, and Kati Sasseville. He also thanked the following departing board members who were not able to attend today's meeting: Carol Johnson, R.C. Johnson, Howard Juni, Dick Lindgren, and Patricia Todd. Congratulations were shared with Carol Johnson, who was named superintendent of the Minneapolis Public Schools District on September 24, 1997.

National President

Trammel said that he has experienced a wonderful year of challenges and opportunities, and he believes that the association enjoyed considerable success and major involvement in important issues and goals, such as the tenure debate, regent selection, the Gateway, and alumni connection. He thanked Linda Mona, past president; Ann Huntrods, president-elect; Carlson; and all of the UMAA staff members for their leadership and assistance to him during the year.

President-elect

Huntrods reported that Trammel gave a very effective "UMAA Report" to the Board of Regents on June 13, 1997, and Regent Bill Hogan gave a moving tribute to Trammel. Huntrods said that Trammel's hallmark was his quiet passion and shared vision for the UMAA and the University, as well as his enjoyment of bringing others into the limelight.

Huntrods will take over as UMAA national president on July 1, 1997. She has a personal interest in the UMAA goals of advocacy and improving the student experience. Board members will have the opportunity to sign up for a national board committee later this summer. Huntrods encouraged the board members to attend the summer social on July 10, 1997. She adjourned the meeting at 7:10 p.m.

Submitted by,

Cheryl Jones, Executive Assistant for John Bergstrom, UMAA Secretary/Treasurer

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION/
DEPARTMENT OF ALUMNI RELATIONS**

1997-1998 Goals and Major Objectives
(In addition to on-going programming)

Goal I: Build the University Gateway

- Assist in fund raising from major gifts through “retail” solicitation
- Work with architect and developer on planning, groundbreaking, and construction

Goal II: Grow a Visible, Vibrant Organization of 50,000 Members

Membership

- Develop and implement strategies to reach 40,000 members (from 36,000 in FY97)
- Renegotiate the affinity credit card

Programs and Benefits

- Link alumni through 65 geographical chapters and contact areas, 17 collegiate alumni societies; special interest/affiliate groups, and key UMAA programs and events
- Begin new programming in 7 Twin Cities businesses and 4 communities

Visibility

- Produce six issues of *Minnesota* ; meet advertising goal of \$214,000 (increase of \$29,000)
- Expand alumni news in *M* and expand UMAA Home Page on the Worldwide Web
- Expand use of radio, public service announcements, and association videos

Goal III: Enhance the Student Experience

- Expand the mentor program to involve 1,500 alumni and 2,500+ students
- Award 20 Freshmen Leadership Incentive Scholarships and 10 Student Leadership Awards; collaborate with Academic Affairs on the Morse-Alumni Teaching Awards
- Pilot a degree fulfillment program

Goal IV: Expand the UMAA's Advocacy Efforts

- Continue to work with legislative leaders to change the regent selection process; mobilize volunteers to attend the Board of Regents meetings
- Study at least one new issue (to be determined following conversations with key volunteers, central administrators, and the Board of Regents)
- Expand network membership to 3,000 (increase of 700 from FY97); expand district captain program to all 67 legislative districts

Goal V: Prepare for a Possible Future Capital Campaign

- Continue to expand communication, events, and activities with alumni and friends, in collaboration with the University of Minnesota Foundation
- Participate in the volunteer and staff committees to prepare for the campaign

General Administrative/Operations

- Continue to refine new computer system

Approved by National Board:

University of Minnesota Alumni Association
FY98 Proposed Budget
Prepared for Presentation to UMAA National Board

| | FY98 Proposed Budget | FY97 Approved Budget | Proposed Increase (Decrease) | Actual Revenue Thru 4/30/97 |
|--|----------------------------|----------------------------|------------------------------------|-----------------------------------|
| Revenue | | | | |
| Membership | | | | |
| Annual/3yr/5yr/10yr | 697,325 | 702,735 | (5,410) | 571,240 |
| Life Membership Support | 252,000 | 240,000 | 12,000 | 200,000 |
| Contributions | 17,700 | 23,825 | (6,125) | 17,845 |
| | | | - | |
| Tours | 110,000 | 90,000 | 20,000 | 76,180 |
| Ad Sales | 214,000 | 180,000 | 34,000 | 142,733 |
| Royalty Income | 200 | 250 | (50) | 1,215 |
| Internet (net of access & software fees) | 118,125 | 101,145 | 16,980 | 84,275 |
| Affinity Credit Card | 300,000 | 300,000 | - | 216,361 |
| | | | - | |
| Special Events | 74,350 | 81,070 | (6,720) | 26,878 |
| | | | - | |
| Transfers to Finance Current Operations: | | | - | |
| General Endowment - Operations | 225,000 | 203,000 | 22,000 | 169,167 |
| UMF Held Endowment Support - Awards | 31,000 | 31,000 | - | 29,000 |
| U Held Endowment Support - Special Initiatives | 20,000 | 140,000 | (120,000) | |
| Net Assets Released From Restrictions | 22,500 | 22,500 | - | |
| | | | - | |
| University Support: | | | - | |
| Base | 1,109,934 | 1,203,505 | (93,571) | 1,002,920 |
| Capital Campaign Readiness | 360,000 | 350,000 | 10,000 | 291,667 |
| Investment Income | 7,300 | 10,800 | (3,500) | 7,753 |
| Investment Gain | | | - | 6,418 |
| Miscellaneous | 16,000 | 42,575 | (26,575) | 41,893 |
| | <u>3,575,434</u> | <u>3,722,405</u> | <u>(146,971)</u> | <u>2,885,545</u> |
| Total Revenues | <u>3,575,434</u> | <u>3,722,405</u> | <u>(146,971)</u> | <u>2,885,545</u> |

**University of Minnesota Alumni Association
 FY98 Proposed Budget
 Prepared for Presentation to UMAA National Board**

| | FY98 Proposed Budget | FY97 Approved Budget | Proposed Increase (Decrease) | Actual Expenses Thru 4/30/97 |
|--------------------------|----------------------------|----------------------------|------------------------------------|------------------------------------|
| Expenses | | | | |
| Personnel | 1,715,477 | 1,736,530 | (21,053) | 1,382,367 |
| Staff Development | 20,575 | 24,960 | (4,385) | 12,873 |
| Professional Fees | 331,695 | 313,430 | 18,265 | 256,928 |
| DMS Fees | 20,415 | 50,340 | (29,925) | 46,134 |
| Advertising | 15,100 | 12,015 | 3,085 | 5,351 |
| Telephone | 44,125 | 39,285 | 4,840 | 34,695 |
| Mail Service/Delivery | 248,190 | 229,500 | 18,690 | 193,716 |
| Printing/Copying | 396,990 | 433,260 | (36,270) | 338,117 |
| Supplies | 80,435 | 69,505 | 10,930 | 58,070 |
| Rentals | 35,775 | 37,315 | (1,540) | 13,647 |
| Office Expenses | 100,750 | 101,275 | (525) | 83,007 |
| Travel/Entertainment | 171,595 | 173,560 | (1,965) | 135,793 |
| Society Allocations | 96,500 | 92,825 | 3,675 | 77,355 |
| Awards/Scholarships | 60,420 | 58,075 | 2,345 | 29,178 |
| Co-Sponsorships | 175,790 | 299,280 | (123,490) | 170,973 |
| Other | 56,835 | 63,155 | (6,320) | 44,464 |
| | <u>3,570,667</u> | <u>3,734,310</u> | <u>(163,643)</u> | <u>2,882,668</u> |
| Total Expenses | | | | |
| | <u>4,767</u> | <u>(11,905)</u> | <u>16,672</u> | <u>2,877</u> |
| Surplus/(Deficit) | | | | |

University of Minnesota Alumni Association
1997-1998 Proposed Budget
Summary and Explanations

Revenues

Annual/3yr/5yr/10yr Membership - Membership goals for the number of members, renewal rates, and revenue have fallen far below expectations in FY97. The strong membership growth experienced in prior years as a result of direct mail and telemarketing appeals stagnated in FY97. The FY98 membership revenue budget has been developed recognizing that there will be a period of transition as the director of membership position turns over and new approaches to move the numbers are initiated. Revenue is based on reaching 40,000 members by June 30, 1998. It assumes a 60% renewal rate and 11,000 new members. Some of the new members will result from converting lapsed installment life members to fully paid life members through economical payment offerings.

Life Membership Support - The transfer from the Obligated Fund is actuarially determined based on an assumed investment rate of return of 9% and an assumed inflation rate of 4%. For purposes of this budget, the 9,975 full and installment life members as of April 30, 1997 were used in calculating the amount of the transfer.

Contributions - Sustaining life contributions are budgeted at \$13,750. This is expected to be raised from approximately 250 life members donating an average of \$55. The remaining contributions are expected from unsolicited donors. The FY97 budget included corporate contributions in support of the Big 10 Programmers Conference which was hosted by the UMAA last summer.

Tours - \$103,000 is expected to be earned from commissions on the 30 trips scheduled in FY98. The remaining \$7,000 will be received as a commission from travel insurance sales.

Advertising Sales - Minnesota magazine revenue has been budgeted at \$214,000. This is a 19% increase over FY97 budgeted revenue. Although this represents a significant increase, it is a level of advertising that has been obtained in the past. A readership survey was conducted in the third quarter of FY97 which will be used in advertising sales calls to differentiate Minnesota from other Twin Cities publications, highlighting the strong demographic case for advertising in the magazine.

Internet - Access to the Internet system became a member benefit in FY94. Approximately 5,000 members currently subscribe, paying the \$130 annual subscription fee. It is projected that 70% will renew in FY98 and that another 1,750 members will be added paying the \$130 annual fee plus the one-time set-up fee of \$45. In addition, it is projected that 875 subscribers will pay \$25 to upgrade their software. The revenue from the internet program is shown net of the access fees (\$110) and software charges (\$40 - new, \$20 - upgrade) paid to the University.

Expenses

Personnel - The relatively small decrease in the personnel budget is the net result of many significant changes in the area of personnel. If the FY97 staffing structure had remained unchanged, the FY98 personnel budget would have increased significantly from FY97 due to:

- A restructuring of the society staffing in FY97 which resulted in a four joint positions with collegiate units. All these positions were filled after the start of the year.
- Three new positions in FY97 which were filled in September
- Staff turnover in two positions which left positions vacant for periods of time in FY97.

For FY98 the organization has realigned the staffing to meet the organization's goals while taking advantage of changing opportunities and meeting the challenges of reduced funding.

Staff Development - This expense line includes the cost of memberships in professional associations, subscriptions to periodicals, the cost of reference materials, including software updates, registration fees for conferences and other training costs. The FY97 budget included training in software programs needed to operate the new membership database.

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; and police/security for events. The net increase in professional fees is primarily due to the following:

- Inclusion of space planner and legal fees associated with the Gateway.
- Inclusion of a management consultant to work with the Executive Director and managers
- Inclusion of consulting services to set up statistical analysis for on-going evaluation of membership mailings, with the goal being reduced mailing expense and higher levels of response.

These increases are partially offset by the reduction of consulting fees associated with the University Issues committee's work on regent candidate selection which was performed in FY97.

DMS Fees - These fees, which are paid to the UMF for services related to the university database, were structured to be reduced once the UMAA's database was operational. The UMAA converted to its new database on 1/1/97 and the lower fees have been applied since that time.

Advertising - This line reflects the budgeted cost of announcing job openings and program events in various publications. The budget increase relates to student programming and special events.

Telephone - This includes line charges, long distance, and fax charges. The increase is attributable to a planned 2.5% increase in charges and additional costs associated with wiring for phones and computers.

Mail Service/Delivery - This line includes postage, delivery and mail house charges. The increase is primarily due to an increase in membership promotional mailings and an annual mailing to all members highlighting the year's accomplishments and thanking the members for their support.

Printing/Copying - This line includes the cost of using University and outside printers; the cost of the UMAA copier; artwork and photography costs. The decrease is primarily the result of rebidding the pre-press work and printing of the magazine.

Supplies - This line includes both office supplies and consumable event supplies. The increase is attributable to the planned purchases of certain non-capitalized computer related items and the greater use of promotional items at special events.

Rentals - This line includes the cost to rent meeting rooms as well as equipment. The budget primarily relates to the annual meeting and other special events.

Office Expenses - This line includes the rental of office space, insurance, bank charges and equipment maintenance. Office rent has been budgeted at \$70,000. Other costs remain fairly constant.

Travel/Entertainment - This line includes airfare, automobile rental, taxis, mileage reimbursement, business meals, catering of events, entertainment for events, and tickets to events for staff and guests. The chapter program, including collaborative events with the UMF, account for most of the budget.

Society Allocations - The amount budgeted for the alumni society allocation is based on the number of society members as of April 30, 1997. The actual payments will be based on membership numbers as of June 30, 1997.

Awards/Scholarships - These awards and scholarships are primarily funded by UMAA investments held by the UMF and an equal amount has been included as revenue (UMF Held Endowment Support and Net Assets Released From Restrictions) to reflect the transfer of funds to cover these expenses.

Co-Sponsorships - This budget line includes \$120,000 which will be sent to University Relations for the alumni publication "M", \$28,500 related to collaborative agreements with certain collegiate units for the provision of services to alumni, \$12,500 for the University History Project (a four year commitment) in recognition of the university's 150th anniversary, \$7,000 for a radio PSA collaboration with University Relations, and the balance of \$7,790 for co-sponsorship agreements related to special events and outreach.

Other - This line includes amounts budgeted for gifts, unrelated business income tax, sales tax payable on internet software sales, and other minor and unusual expenses.

Affinity Credit Card - In FY94 the UMAA entered into a 5-year agreement with First USA for a UMAA credit card. The UMAA receives royalty payments for the use of its name over the life of the agreement. During FY97 Men's Athletics began to investigate the potential of a second University card, but was asked by university officials to work with the UMAA to explore the possibility of negotiating an agreement for one card which would yield royalties to both groups. These discussions have just begun. The budgeted revenue is a best estimate of FY98 royalties at this time.

Special Events - Budgeted revenue has been based on 1400 annual meeting attendees paying an average ticket price of \$35, registration fees from 9 collaborative events with the UMF in various geographic areas, and other smaller events.

General Endowment - Endowment support is calculated at 5.5% of the General Endowment Fund's average market value for the past three years. This is consistent with the UMAA's board resolution passed on January 14, 1995.

UMF Held Endowments:

Awards - The sources of this revenue are UMF held funds. The amount is equal to the scholarship and award commitments budgeted for FY98 coming from these invested funds and include the 8 Student Leadership, 2 Donald Zander, and the Morse-Alumni Teaching Awards.

University Held Endowments:

Special Initiative - The board has been asked to approve a \$100,000 gift to the Gateway in honor of President Hasselmo's retirement. It is proposed that the gift be paid out equally over 5 years and that the funds to cover this expense be drawn from the quasi-endowment portion of the U of M Alumni Fund.

University Support - The University base allocation has been reduced as part of the University's central reallocation to administrative units and for a rescission within the department of institutional relations.

The Office of the VP of Institutional Relations has made available, beginning in FY96, funds to prepare for the University Capital Campaign. Because the campaign is expected to heavily target alumni the UMAA has been given funds to locate lost alumni; collaborate with University Relations to redesign Update; mobilize Twin Cities' alumni; expand the U.S. Chapter program; and collaborate with the Office of International Programs which will provide staffing for international alumni programs. These funds are expected to increase 3% per year through FY2001.

Investment Income - The investment income is expected to be earned primarily on cash balances and the remaining credit card advance funds which are invested with the University of Minnesota Foundation.

Miscellaneous - The miscellaneous revenue projections reflect amounts expected to be received from affinity agreements with A. H. Wohlers for the group insurance program and Affinity for a long distance phone service.

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

September 10, 1997

7:30 a.m.

Campus Club, Coffman Memorial Union

Committee Members Attending

Bergstrom, John
Couture, Steve
Erickson, Rondi
Fountain, Jean
Huntrods, Ann
Lindhahl, Nancy
Mona, Dave

UMAA Staff Attending

Burgett, Bob
Carlson, Margaret
Fisher, Diane
Garrison, Tom
Jones, Cheryl

Committee Members Unable to Attend

Erkkila, Dan
Moe, Tom
Trammel, Marvin

Guests

Friswold, Fred
LaSalle, Tom
Laukka, Larry

University of Minnesota Alumni Association (UMAA) National President Ann Huntrods called the meeting to order at 7:35 a.m.

Consent Agenda

The June 3, 1997, executive committee meeting minutes were approved as mailed.

1997-98 Nominating Committee

Margaret Carlson, UMAA executive director, reported for Marv Trammel, Nominating Committee chair. Trammel is currently recruiting two to three high-profile alumni to fill the non-board member positions. As required by the UMAA Bylaws, the 1997-98 Nominating Committee membership will be presented to the national board for approval on September 27, 1997.

November Board Meeting Date

Huntrods reported that David Madson, geographical representative to the national board, requested that the November 15, 1997, board meeting date be changed to November 8, 1997, to coincide with Homecoming. Following discussion, it was agreed that there is an extremely high volume of activity during Homecoming this year, and it would be difficult for many volunteers and staff members to participate in a board meeting. However, consideration will be given to coordinating a board meeting in conjunction with Homecoming next year, particularly if it occurs in November. Carlson will follow up with Madson.

UMAA Personnel Committee

Huntrods reported that during the course of the recent search for the UMAA Marketing and Membership Director, a question was raised regarding the titles currently assigned to the UMAA staff manager positions. A UMAA Personnel Committee will be formed to address this question. The Personnel Committee will be comprised of the immediate past president, the current president, and the president-elect. This committee will meet on an ad-hoc basis when appropriate issues arise in the future.

Financial Report

Diane Fisher, UMAA Finance and Operations director, reported that the audit of the 1996-97 UMAA financials began on September 8. Preliminary indications are that the UMAA achieved 99% of both its revenue and expense projections for 1996-97, ending the fiscal year with a small deficit of approximately \$8,000 on a total budget of \$3.7 million. Yet to be resolved is how to handle expenses for Gateway pre-construction costs; the auditors will make a recommendation on this issue.

Gateway

Huntrods introduced Larry Laukka, chief executive officer of the Gateway Corporation; Fred Friswold, chair of the Gateway corporation; and Tom LaSalle, Gateway developer.

Laukka reported that the project is ready for bidding and pricing. The University will build a 300 to 400-space below-grade parking facility adjacent to the Gateway, which will provide space for a plaza adjacent to the Gateway. The groundbreaking ceremony will occur on November 7, 1997.

Friswold explained that the economics of the University's space in the building have changed significantly because the University is taking a 15-year lease in the Gateway, rather than a 10-year lease. In addition, much progress has been made in resolving other issues with the University. Due to these new developments, the project's risk profile is significantly reduced. Friswold explained that the current ownership structure does not reflect a true partnership of the three organizations in light of the revised financial projections (currently the UMAA is a 10 percent owner). The University of Minnesota Foundation (UMF) proposes that the ownership structure of the University Gateway Corporation (UGC) be revised to approximate the relative lease commitments of the three owners, as follows:

| | |
|--|-----|
| University of Minnesota Foundation | 57% |
| University of Minnesota Alumni Association | 24% |
| Minnesota Medical Foundation | 19% |

LaSalle presented rent and cash flow analyses to illustrate the revised revenue projections. Following discussion about construction costs, rent, fund raising implications, real estate considerations, and square footage assignments, the proposal to change UMAA ownership of the Gateway from 10 to 24 percent was approved (see attachment to permanent record). Carlson thanked the UMF for making this magnanimous proposal and also thanked Laukka, Friswold, and LaSalle for their work on the Gateway.

Nancy Lindahl, chair of the Gateway Communications Committee, discussed plans for the groundbreaking on Friday, November 7, 1997. The lunch at the Radisson Metrodome Hotel will provide an opportunity for the owners, members of the Steering Committee, key University administrators, and donors to celebrate together. The public groundbreaking ceremony will take place on the Gateway site at 2:00 p.m. Lindahl encouraged the executive committee members to participate in both the luncheon and groundbreaking ceremony.

Advocacy/Public Policy

Rondi Erickson, chair of the University Issues Committee and the Task Force on Regent Selection, reported that these groups will meet on September 16 and 17, respectively. The first meeting of the legislative joint subcommittee on regent selection will be October 8. Erickson encouraged the executive committee members to attend and show support for the recommendations of the Citizens' Committee on Regent Selection. The UMAA is developing a strategic/communications plan to promote these recommendations. Erickson announced the names of the senators and representatives that are serving on the legislative subcommittee. She requested that the volunteers contact those legislators with whom they have relationships to urge support for the UMAA recommendations.

Les Heen, UMAA legislative network coordinator, reported for Dan Erkkila, chair of the Legislative Network Advisory Committee. This committee will first meet in October, when the University has its supplemental budget request ready. The 1998 Legislative Briefing will be held on January 27, 1998; University of Minnesota President Mark Yudof will explain his legislative agenda. Donna Peterson, University state relations director, was featured in a recent issue of the *Chronicle of Higher Education* which discussed the University's legislative success last year. *Currents*, the publication of the Council for the Advancement and Support of Education (CASE), will also be interviewing Peterson.

Membership

Dave Mona, chair of the Marketing Committee, reported that the UMAA has hired Elise Schadauer as director of marketing and membership. Currently the director of marketing and client services at Doherty, Rumble & Butler, Elise is a 1984 alumnus of the University; she and her husband are loyal Gopher basketball fans.

As of September 9, 1997, membership is at 36,798. This year much attention will be paid to improving renewal rates. The Bean Bag Gopher fall promotion, which was mailed to 190,000 households, is expected to be quite successful. Telemarketing is also currently being used to contact never-members and past members. Mona thanked Fisher and the UMAA membership staff members for their work in getting the fall promotion mailing out and implementing the telemarketing efforts.

Outreach

Jean Fountain, chair of the Outreach Committee, and Bob Burgett, UMAA outreach director, reported on the committee's objectives for the coming year. New initiatives include evaluating and/or recommending programs in the areas of volunteer training and recognition, reunions, degree fulfillment, community service, career services, and other programs designed to foster visibility and alumni connection.

Student Relations

Huntrods noted that the Student Relations Committee has been upgraded from a subcommittee to a standing national board committee. Steve Couture, chair of the Student Relations Committee, and Burgett reported that the committee will focus on mentoring, student scholarships and awards, and alumni involvement in admissions, new student programs, and parent orientation.

National President

Huntrods noted that the orientation session for new national board members was held on September 8, 1997. The national board meeting will be held on Saturday, September 27 1997, at Argyle House. Huntrods distributed the 1997-98 calendar of executive and national board meetings and key events.

Executive Director

Carlson reported that she is working to renegotiate the UMAA affinity card contract. This contract has great financial implications for the UMAA.

Huntrods adjourned the meeting at 9:05 a.m.

Submitted by,

Cheryl Jones
Executive Assistant

for

John Bergstrom
UMAA Secretary/Treasurer

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
NATIONAL BOARD OF DIRECTORS

September 27, 1997

8:30 to 11:30 a.m.

Argyle House

Board Members Attending

Bachman, Dale
Barry, Anne
Bergstrom, John
Bloomfield, Vic
Dumke, Bruce
Eelkema, Marilyn
Erickson, Rondi
Ericson, Carol
Erkkila, Dan
Fellows, Kay
Fountain, Jean
Gibilisco, Joe
Hawkinson, Bruce
Hayes, Ken
Hopp, Deborah
Huntrods, Ann
Jones, Dave
Kihne, Sheila
Lindahl, Nancy
Madia, Jigar
Madson, David
Maier, J. P.
Mona, Dave
Nelson, Bruce
Pletcher, Carol
Reilly, Bill
Trammel, Marvin
Ventres, Judy Martin
Whitney, Dick
Yapel, Tony

Board Members Unable to Attend

Couture, Steve
Craig, Mary
Craig, Peggy
Erickson, Roger
Harder, Ron
Hurd, Jocelyn
Lewis, Andre
Luehmann, Barb
Mendis, Patrick
Moe, Tom
Olseth, Dale
Osberg, Brian

UMAA Staff Attending

Allen, Mark
Banker, Mark
Burgett, Bob
Buschette, Mary
Carlson, Margaret
Fisher, Diane
Garrison, Tom
Hayes, Angela
Heen, Les
Jones, Cheryl
Kranz, Carmela
Lee, Mike
Mollberg, Lori
Parker, Tara
Robertson, Frank
Schadauer, Elise
Stangret, Lanaya
Tenquist, Clay
Wilson, Elizabeth

Other Staff Attending

Fischer, Jerry
Swain, Tom
Yudof, Mark

Guests Attending

Grosuluk, Yvonne
Marshak, Marvin
Sigler, Wayne

University of Minnesota Alumni Association (UMAA) National President Ann Huntrods called the meeting to order at 8:35 a.m. Following introductions, Huntrods welcomed University of Minnesota President Mark Yudof, who took office on July 1, 1997.

University of Minnesota President Mark Yudof

President Yudof presented his goals for the University, which include revitalizing the campus and preserving historical buildings; nurturing future hallmark programs, including molecular, cell, and digital technology; and creating a University-friendly community. Yudof believes that these are significant, almost revolutionary objectives, which emphasize the comfort of students and a great investment in science and technology.

The University's 1998 State Capital Request is actually a four-year, \$700-plus million dollar proposal to partner with the state to accomplish these objectives. Yudof will ask the legislature for \$249 million dollars in 1998, in addition to bonding authority. He predicts that the governor will accept at least some version of this capital plan.

There were questions and discussion regarding the above goals and priorities, as well as the University's relationship to MnSCU and corporate partnerships. Yudof said that he is looking forward to doing some good during the "honeymoon" phase of his presidency.

Consent Agenda

The consent agenda included the June 25, 1997, national board meeting minutes and the association financials as of June 30, 1997. These were approved as mailed.

1997-98 Nominating Committee

Marvin Trammel, Nominating Committee chair, recommended that the following individuals serve on the 1997-98 Nominating Committee: Marvin Trammel, Chair; Ann Huntrods, President; Dave Mona, President-elect; Jean Fountain, Outreach Committee Chair; Peggy Craig (UMAA Board Member); Dale Olseth (UMAA Board Member); Kathy O'Brien, City Coordinator, City of Minneapolis; and at least one additional non-board member. This recommendation was approved.

Gateway

John Bergstrom, UMAA secretary-treasurer, reported that the economics of the Gateway project have changed significantly because the University is taking a 15-year lease in the building, rather than a 10-year lease. The financial risk to the owners is now considerably less. Leaders of the University of Minnesota Foundation (UMF) have magnanimously proposed that the ownership package be restructured so that the three owner organizations can more equally benefit from the increased revenue (currently the UMAA is a 10 percent owner). The UMF proposes that the ownership structure of the University Gateway Corporation (UGC) be revised to approximate the relative lease commitments of the three owners as follows:

| | |
|--|-----|
| University of Minnesota Foundation | 57% |
| University of Minnesota Alumni Association | 24% |
| Minnesota Medical Foundation | 19% |

Bergstrom noted that the UMAA Executive and Finance Committees have reviewed this proposal in detail and recommend that it be approved by the board members. Following questions regarding the footprint and volumetrics of the building, the recommendation to increase UMAA ownership in the University Gateway Corporation from 10 percent to 24 percent was approved.

Tom LaSalle, Gateway developer, reported that the Gateway will be an exciting building, architecturally. Thanks to the perseverance of Larry Laukka, Gateway Steering Committee CEO, the University will build and operate a 300-car underground parking ramp with direct access to the Gateway. A pedestrian plaza will be built on top of the ramp, which will complement the design and landscaping of the building. The project received Internal Revenue Service 501C3 approval on September 26, 1997, and a meeting will be held next week to organize the issuance of tax-exempt revenue bonds.

Jerry Fischer, president of the UMF, reported that \$4.8 million dollars has been raised thus far. Although the public fund raising goal is \$7.5 million dollars, the stretch goal is \$9 million dollars to enable the owners to better afford the rent. Fischer stressed that donors are being asked to consider a Gateway gift as something over and above their traditional donation(s) to the University, so that the Gateway will be not be viewed as competitive with other facets of the University.

Nancy Lindahl, chair of the Gateway Communications Committee, announced that the groundbreaking ceremony will be held during Homecoming on Friday, November 7, 1997. Groundbreaking activities include a luncheon for the governing board of the three organizations as well as members of the Board of Regents, University administrators, and the key vendors. The groundbreaking ceremony will immediately follow the lunch. Lindahl encouraged the board members to attend both events.

Bergstrom thanked the UMF on behalf of the UMAA board members for their generosity and work on the ownership restructuring.

Advocacy

Rondi Erickson, chair of the University Issues Committee, reported that the committee met on September 17, 1997. This year the committee will monitor and provide input on issues relating to regent selection; the University's legislative request; and the University's role in the community, especially in regard to K-12 initiatives.

The UMAA Regent Selection Task Force met on September 16, 1997, to discuss the six regent selection bills that will be studied by a joint legislative subcommittee during the next several months. Task force members agree that the UMAA should hold firm to the recommendations of the Citizen's Committee on Regent Selection. University Issues Committee members also want the UMAA to hold firm on the original recommendations and avoid "fallback positions" whenever possible. The legislative subcommittee will meet on October 8, 1997. Erickson encouraged the board members to attend this hearing to show their support for the UMAA recommendations, and to contact her or Les Heen, UMAA legislative network coordinator, if they would be willing to contact their legislators.

Dan Erkkila, chair of the Legislative Advisory Committee, reported that this committee will meet early in November. The legislative network currently has 2,600 members. This year, members will be asked to support the University's capital budget request; the supplemental budget request; and other developing initiatives. Erkkila believes that the capital budget request is a cohesive package which will "sell" to legislators. The committee will discuss new opportunities for the network, including forming a type of speakers bureau to promote the University in the community. The UMAA Legislative Briefing will be held on Tuesday, January 27, 1998.

Vice President for Institutional Relations

Tom Swain, University of Minnesota vice president for institutional relations, spoke in support of President Yudof and his goals. He stated that President Yudof is a brilliant scholar, with extraordinary management capabilities and great perception, perseverance, and political sensitivity. Swain believes that the University simply could not have found a better person than Yudof to move forward the Hasselmo legacy. Yudof has already visited 20 Minnesota communities, and he will continue to work very hard to win common support. In regard to the capital bonding and supplemental requests, Swain said that it is always a challenge for the University to get its fair share, but that the governor appears very supportive of these requests. Swain will ask for great support from the alumni association and the legislative network this year. He announced that the UMF has committed money for an "all-out public relations initiative" for the University, to be directed by alumnus Lee Lynch.

Membership

Dave Mona, chair of the Marketing Committee, introduced Elise Schadauer, new UMAA membership and marketing director. Mona chaired the search committee which forwarded Schadauer as a finalist. Currently the director of marketing and client services at Doherty, Rumble and Butler, she is a 1984 alumnus of the University and a loyal Gopher basketball fan.

As of September 25, 1997, membership is at 37,686. This is the highest membership total that the association has ever achieved. Renewals are a continuing challenge, however, and the Marketing Committee will address this issue as a high priority. Membership efforts this year included the bean bag Gopher promotion to past and never members (to date we have received 441 responses), and telemarketing to past and never members. Mona thanked Diane Fisher, UMAA director of finance and operations, and the membership staff members for their hard work on these promotions.

Schadauer told the board members about her background and her early thoughts on membership and promotional strategies.

Connection and Visibility

Jean Fountain, chair of the Outreach Committee, reported on the alumni association's involvement in Gopher football pre-game activity, Inaugural Week, and Homecoming. Inaugural Week begins on Monday, October 13, which is "Take Pride in 'U' Day." The Inauguration will be on Friday, October 17, in Northrop Auditorium. UMAA board members are invited to the Inauguration and the all-campus reception. The Volunteer Awards Program will be held on Friday, November 7, in conjunction with Homecoming.

Student Relations

Kay Fellows, Student Relations Committee member, reported for Steve Couture, chair. The UMAA interacted with nearly 4,000 incoming students and 2,000 parents this fall at a variety of events. The Mentor Connection Program currently involves 1,600 mentors; the committee hopes to triple this number due to the College of Liberal Arts "10,000 Gophers" mentoring program.

Executive Director

Margaret Carlson, UMAA executive director, introduced Mike Lee, new UMAA Web Coordinator; and re-introduced Schadauer. She announced that Chad Kono has been hired as Geographic Programs Director. Teresa Scalzo, editor of *Minnesota*, is leaving her position to become the editor of the Carleton College magazine. Carlson called the board members' attention to the September-October issue of *Minnesota*, which features President Yudof on the cover and contains great writing, photography, and advertising.

Carlson reported that she is renegotiating the UMAA credit card contract. She thanked Swain and Marvin Marshak, former University vice president and provost, for their support during this process. She concluded her remarks by stating that she is excited about partnering with the UMF and the Minnesota Medical Foundation on the Gateway, as well as all of the other initiatives at the University.

National President

Huntrods also complimented the September-October issue of *Minnesota*, calling attention to the fascinating profile of President Yudof.

Huntrods introduced Wayne Sigler, University admissions director; Marvin Marshak, Residential College director; and Yvonne Grosuluk, president of Dinnaken Properties, as special guests.

Special Guests

Sigler reported on the University's recruiting efforts and said that this year's freshman class may very well be the best-prepared in the history of the University. The University is focusing hard on academic preparedness to enhance retention and graduation. Sigler and his staff members always try to work with prospective students in as personal a way as possible, stressing the University's outstanding faculty. Sigler said that alumni assistance with recruiting has been very valuable. He thanked the volunteers for their involvement, and complimented the Rochester area and Institute of Technology alumni for their efforts. Sigler would like every alumnus to adapt a high school and inform the Admissions Office about high-quality prospective students. Sigler's goal is to keep Minnesota students in Minnesota.

Alternative housing is now very popular on campus. Dinnaken Properties currently houses approximately 800 University students in Dinnaken, Tairrie, and Argyle Houses in Residential College programs. These facilities are private/public partnerships between Dinnaken Properties and the University. Sigler thanked Marshak and Grosuluk for working together to provide this special housing opportunity for University students.

Page 6
UMAA National Board Meeting
September 27, 1997

Huntrods adjourned the meeting at 11:20 a.m., at which time Marshak and Grosuluk led the board members on a tour of Argyle House.

Submitted by,

Cheryl Jones, Executive Assistant

for

John Bergstrom, UMAA Secretary/Treasurer

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
EXECUTIVE COMMITTEE MEETING

October 22, 1997

7:30 a.m.

Campus Club, Coffman Memorial Union

Committee Members Attending

Bergstrom, John
Couture, Steve
Erickson, Rondi
Huntrods, Ann
Lindahl, Nancy
Mona, Dave

UMAA Staff Attending

Burgett, Bob
Carlson, Margaret
Fisher, Diane
Garrison, Tom
Heen, Les
Jones, Cheryl

Committee Members Unable to Attend

Erkkila, Dan
Fountain, Jean
Moe, Tom
Trammel, Marvin

University Staff Attending

Fischer, Jerry
Swain, Tom

University of Minnesota Alumni Association (UMAA) National President Ann Huntrods called the meeting to order at 7:40 a.m.

Consent Agenda

The September 10, 1997, Executive Committee meeting minutes and the August 31, 1997, association and club financials were approved as mailed.

Gateway

Margaret Carlson, UMAA executive director, reported that the Gateway schematics will be presented to the Board of Regents on November 6, 1997. She encouraged the volunteers to attend this meeting to show their support for the building. Some regents have expressed concerns about the site and design. Carlson reminded the executive committee members that the Gateway steering committee delayed the project for more than a year to cooperate with the University Master Planning group, which shifted the location from the corner of Washington Avenue and Oak Street to University Avenue and Oak Street. The Gateway owners group will meet with Antoine Predock today to preview the schematics and materials. The groundbreaking celebration will occur on November 7, 1997. Construction will officially begin in January, and it is anticipated that the Gateway will be completed in August of 1999.

Jerry Fischer, University of Minnesota Foundation (UMF) president, reported that the owners are in the final stages of preparing the paperwork to issue the bonds to finance the Gateway. The official fund raising goal is \$7.5 million dollars; \$5.4 million dollars in pledges and firm oral commitments have been received to date.

Fischer presented information on fund raising, including why people make gifts and how to make effective Gateway solicitations. Fischer has made a commitment to chancellors and deans that Gateway contributions will be solicited as gifts "over and above other established giving patterns," as he does not want the Gateway to be perceived as competition for donations.

There were questions and discussion related to "positioning the ask;" post-construction fund raising; the relationship of contributions to payable rent; deferred gifts; and the importance of quality fund raising materials. Carlson distributed pledge forms and information on the process for soliciting UMAA national board members.

Membership

Dave Mona, UMAA president-elect, introduced Elise Schadauer, the new UMAA membership/marketing director. Schadauer reported that membership is at 38,230 as of October 21, 1997. Schadauer has researched UMAA membership trends and has set goals to assess the customer service that the UMAA provides as well as to improve member benefits and communication.

Mona and Schadauer believe that the high profile and favorable image of new University of Minnesota president Mark Yudof has already proven beneficial to membership and will continue to do so. Tom Swain, University vice president for Institutional Relations, inquired about membership renewal rates. Schadauer said that member retention is also very important and needs her increased attention. Swain urged Mona and Schadauer to take advantage of the "good feelings for the University that are out there now." Mona said that the UMAA Marketing Committee will address this item when it meets next week. Mona also plans to get the "marketing and membership brain trust" group back together.

Advocacy

Rondi Erickson, University Issues Committee chair, reported that the legislative joint committee on regent selection met on October 8, 1997, and will meet again tonight. On October 23, 1997, Bob Gale, retired head of the national Association of Governing Boards, will meet with several legislators to discuss the importance of good university governance. On October 31, 1997, Huntrods and Luella Goldberg, chair of the UMF Board of Trustees, will testify before the Regent Candidate Advisory Council. Erickson also reported that University faculty have been extremely supportive of the UMAA recommendations to improve regent selection.

Les Heen, UMAA legislative network coordinator, reported for Dan Erkkila, chair of the Legislative Advisory Committee. This year, legislative network members will be asked to support both the bonding and supplemental budget requests. The Legislative Kickoff event will be held on January 27, 1998. University of Minnesota president Mark Yudof and Robert Elde, dean of the College of Biological Sciences, will make presentations at the event.

Swain reported that Governor Arne Carlson recommended that the University develop a phone bank to increase the show of support for the University, especially since the University is asking for more than usual. Institutional Relations staff members are talking with consultants to obtain advice on how to step up legislative initiatives.

Connection and Visibility

Steve Couture, chair of the UMAA Student Relations Committee, reported on plans to involve alumni in the "America Reads" initiative. UMAA volunteers would "adopt" a school to participate in this project; the University has connections to 37 sites in Minneapolis and St. Paul.

Bob Burgett, UMAA outreach director, reported for Jean Fountain, chair of the Outreach Committee. Homecoming activities will be held on November 7-8, 1997, including the Gateway groundbreaking and UMAA Volunteer Awards Celebration on Friday and the pep rally and football game on Saturday.

National President

Huntrods reported that Inaugural Week at the University was incredible--celebratory, positive, and inspiring. Huntrods thanked Linda Mona, alumni volunteer on the Inaugural Committee, for her participation. She also thanked the staff members for assisting her as she represented the UMAA at the inauguration ceremony.

Executive Director

Carlson said that the UMAA plans to thank many people for their work on inauguration activities, including Jeff Sturkey and all of the staff members at University Relations; Tom Swain; John Adams; and Linda Mona, who played pivotal roles on the planning committee. She also thanked UMAA staff members Mark Banker, Carmela Kranz, and Burgett, who were the primary UMAA liaisons to the Inaugural Committee.

Carlson reported that President Yudof mentioned plans to implement a student convocation and expanded teaching awards during his inaugural address. Carlson and Huntrods will write a letter to President Yudof requesting that the UMAA be involved in these initiatives as they are developed.

Carlson concluded by announcing that Nils Hasselmo has been named president of the Association of American Universities in Washington, D.C.

Adjournment

Huntrods adjourned the meeting at 9:00 a.m.

Submitted by,

Cheryl Jones
Executive Assistant

for

John Bergstrom
UMAA Secretary-Treasurer

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
NATIONAL BOARD OF DIRECTORS
November 15, 1997
Mississippi Room, Coffman Memorial Union**

Board Members Attending

Bergstrom, John
Couture, Steve
Craig, Mary
Dumke, Buce
Eelkema, Marilyn
Erickson, Rondi
Ericson, Carol
Fellows, Kay
Fountain, Jean
Gibilisco, Joe
Harder, Ron
Hawkinson, Bruce
Huntrods, Ann
Jones, Dave
Kihne, Sheila
Lindahl, Nancy
Luehmann, Barb
Maier, J.P.
Moe, Tom
Hurd, Jocelyn
Mona, Dave
Nelson, Bruce
Olseth, Dale
Reilly, Bill
Schilling, Michael (for Madson)
Trammel, Marvin
Yapel, Tony

Board Members Unable to Attend

Bachman, Dale
Barry, Anne
Bloomfield, Vic
Craig, Peggy
Erkkila, Dan
Goldberg, Luella
Hayes, Ken
Hopp, Deborah
Lewis, Andre
Madia, Jigar
Mendis, Patrick
Osbeg, Brian
Pletcher, Carol
Ventres, Judy
Whitney, Dick

UMAA Staff Attending

Allen, Mark
Banker, Mark
Burgett, Bob
Carlson, Margaret
Coughlan-Smith, Chris
Fisher, Diane
Garrison, Tom
Hayes, Angela
Heen, Les
Jones, Cheryl
Kranz, Carmela
Lee, Mike
Mollberg, Lori
Parker, Tara
Stangret, Lanaya
Schadauer, Elise
Tenquist, Clay

Staff Unable to Attend

Buschette, Mary
Robertson, Frank
Wilson, Elizabeth

Guests Attending

Hogan, William
Voelz, Chris

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

University of Minnesota Women's Intercollegiate Athletics Director

Chris Voelz, University of Minnesota Women's Athletic Director, reported that it is a very active year for Women's Athletics. During Homecoming, 15 women's events were held. New coaches include Mike Hebert, volleyball coach; and Laura Halvorsen, hockey coach. More than 6,800 people attended the inaugural women's hockey game, and attendance at all women's athletic events is steadily increasing. Voelz anticipates a Top 10 finish in several sports this year. She asked the board members to support Gopher Women's Athletics in several ways, including attending at least one event this year. Voelz thanked Joe Gibilisco and the Rochester area alumni for their ongoing enthusiasm and support. Following discussion, UMAA vice president Tom Moe commended and thanked Voelz for her hard work and enthusiasm.

Consent Agenda

The consent agenda included the September 27, 1997, national board meeting minutes and association and club financials dated September 31, 1997. Both were approved as mailed.

Gateway

The groundbreaking luncheon and ceremony were held on November 7, 1997. Huntrods thanked the volunteers and staff members who worked on these events, and also thanked Nancy Lindahl, UMAA vice president, for her remarks on behalf of donors at the luncheon; and Margaret Carlson, UMAA executive director, for her long-term efforts on this project.

Carlson thanked Tom Garrison, UMAA communications director; Linda Berg, University of Minnesota Foundation (UMF) communications vice president; and Dan Saftig, Minnesota Medical Foundation communications vice president, for working together in such a seamless fashion on the groundbreaking. Carlson said that she is looking forward to working even more closely with the UMF and the MMF when all three organizations are located together in the Gateway.

Carlson showed the Gateway video that premiered at the groundbreaking luncheon. Dale Olseth, Gateway fund raising chair, said the Gateway may very well be the most spectacular alumni center in the nation. He reported that nearly \$6 million dollars has been raised to date, so we are at approximately 80% of the total fund raising goal as we move into Phase II of the campaign. Recognition opportunities are planned at the \$2, \$5, \$10, and \$25,000 levels, and pledges will be counted in the University's upcoming capital campaign.

Carlson distributed the new Gateway brochures containing pledge envelopes. She said that UMAA executive committee members will contact the board members about their gifts during December. Carlson also reported that signs have been erected on the Gateway site and construction will begin in January. The regents have approved the building schematics and the lease with the University will be ready to sign very soon. The financing news is good, as the stock market is doing very well and bond rates have never been lower. Planning for the Heritage Gallery is also underway.

Chair of the University Board of Regents

Huntrods introduced William Hogan, chair of the Board of Regents. Hogan reported that the Board of Regents is now “on the right train *and* the right track.” He is trying to build a very cohesive and policy-focused board, taking a different approach to committee operations and asking several regents to take on independent work assignments.

The issues that Hogan plans to have the board address include:

- The long-term vision of the University;
- How best to support the University president;
- Student housing options;
- Rebuilding faculty and staff trust in the administration;
- Expanding connections to greater Minnesota, including implementing “fireside chats;”
- Expanding public relations and lobbying efforts;
- Balancing access and excellence;
- The University’s physical plant;
- Identifying new ways to fund the University; and
- Making vast improvements in technology areas.

Hogan asked alumni to help take the University’s message to legislators, especially the need to preserve historic buildings and areas. Both Hogan and President Yudof are working to develop productive relationships with Governor Arne Carlson. Hogan also asked alumni to think about how they might assist and interact with University faculty.

There was considerable discussion regarding differences in governing corporate and academic institutions; recruiting and retaining outstanding faculty; the new technological culture; and the timetable for addressing affirmative action issues.

Regent Selection

Rondi Erickson, chair of the University Issues Committee, reported that the association’s recommendations framed and even dominated the discussion at the meetings of the joint legislative subcommittee on regent selection. The UMAA recommendations were endorsed by both the Citizens League and the University Faculty Consultative Committee. There is growing support for the elimination of congressional seats and reducing the size of the Regent Candidate Advisory Council (RCAC). All discussion speaks to the desire to increase accountability, which is the primary theme of the UMAA recommendations. Erickson anticipates that the joint committee will meet at least once more before the legislative session begins.

Legislative Network

Les Heen, UMAA legislative network coordinator, reported for Dan Erkkila, chair of the Legislative Advisory Committee. Governor Carlson is supporting the University’s entire \$249 million dollar capital request. The University is also asking for an additional \$41 million dollars, \$13 million dollars of which is earmarked for faculty salaries. A huge lobbying campaign will be needed to foster support from legislators. Heen encouraged the board members to attend the UMAA Legislative Briefing on January 27.

Carlson noted that preserving the historic North and South Malls is President Yudof's highest priority. Governor Carlson has asked the University to mobilize the broadest possible network to garner support for this initiative from all 201 legislators. Tom Swain, University vice president for Institutional Relations, has asked the association to hire a consultant to expand and broaden current legislative efforts. In actuality, funding will come from the UMF in the scope of increased campaign preparedness monies to the UMAA. The motion to hire a legislative consultant was approved by the board members.

Membership

Dave Mona, chair of the Marketing Committee, reported that the membership goal continues to be to reach 40,000 members by fiscal year-end and 50,000 members by the millenium. The Marketing Committee is discussing ways to build loyalty, retain members, improve customer service, enhance the association's Web page, increase community outreach, make donors members, develop a Student Alumni Association, and utilize the Gateway project.

Elise Schadauer, new UMAA membership/marketing director, reported that membership is at 36,898 as of November 13, 1997. Membership surpassed 37,000 last month, but dropped at month-end. Schadauer has been analyzing data and trying to identify membership trends, but has found no real patterns to the fluctuating numbers. Her goals are to analyze customer service, address data base accuracy problems, develop a "pledge toward life membership" system, and identify ways to promote loyalty rather than premiums.

Connection and Visibility

Steve Couture, chair of the Student Relations Committee, reported on the "America Reads Challenge." The Student Relations Committee will develop a process to involve alumni volunteers with this program.

Jean Fountain, chair of the Outreach Committee, said that Homecoming 1997 was a huge success. Fountain reported on a variety of events that were held during Homecoming, including the Gateway groundbreaking, the UMAA volunteer awards celebration, twelve collegiate reunions, the St. Paul campus Farmers Share Breakfast, a 1940's-style dance at Coffman Memorial Union, and the Homecoming Parade, which nearly 10,000 people attended.

UMAA Executive Director

Carlson said that she was invigorated by many Homecoming activities, particularly the Coffman Union dance, which illustrated that many campus units are working to build community and spirit. She is looking forward to completion of the Gateway, which will do so much to increase campus community.

Carlson announced that Chad Kono has been hired as the UMAA chapter programs director. Since he began at the UMAA, Kono has visited Rochester three times; Carlson complimented and thanked the Rochester area alumni volunteers on a wonderful event earlier this week which featured the University band and attracted 5,000 attendees. She also thanked all of the UMAA staff members for their hard work during an extremely busy fall season.

National President

Huntrods said that she was honored to participate in the Volunteer Awards celebration during Homecoming. She acknowledged all of the program and individual award recipients, and said that Howard Juni's remarks in acceptance of the National Volunteer of the Year Award were heartfelt and very moving. Huntrods thanked Marvin Trammel, UMAA past president, for serving as chair of the Nominating and Awards Committee.

Huntrods reminded the board members to think about a gift, even a "stretch gift," to the Gateway. She adjourned the meeting at 11:25 a.m.

Submitted by,

Cheryl Jones
Executive Assistant

for

John Bergstrom
Secretary-Treasurer

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
Executive Committee Meeting
Wednesday, February 4, 1998
7:30 to 9:00 a.m.
Campus Club, Coffman Memorial Union

Committee Members Attending

Bergstrom, John
Couture, Steve
Erickson, Rondi
Erkkila, Dan
Huntrods, Ann
Lindahl, Nancy
Moe, Tom
Trammel, Marv

UMAA Staff Members Attending

Burgett, Bob
Carlson, Margaret
Fisher, Diane
Garrison, Tom
Jones, Cheryl
Schadauer, Elise

Committee Members Unable to Attend

Fountain, Jean
Mona, Dave

University Staff Attending

Swain, Tom

University of Minnesota Alumni Association (UMAA) Past President Marvin Trammel called the meeting to order at 7:40 a.m.

Consent Agenda

The consent agenda included the October 22, 1997, Executive Committee meeting minutes; the audited Fiscal Year 1997 Financial Report; the Fiscal Year 1997-98 Revised Budget; and the motion to retain McGladrey & Pullen as auditors. All were approved as mailed.

UMAA National President Ann Huntrods arrived to chair the meeting.

Regent Selection

Rondi Erickson, University Issues Committee chair, reported that the House Education Committee passed the regent selection bill last week. The bill will be heard in the Senate this week. Erickson noted that the major UMAA recommendation--to eliminate constituency-based seats--remains in the current bill. Several other UMAA recommendations, however, have been revised or eliminated. The St. Paul *Pioneer Press* will run an editorial on regent selection later this week.

Legislative Network

Dan Erkkila, chair of the Legislative Network Advisory Committee, reported that University of Minnesota President Mark Yudof has asked the UMAA and other groups to muster the greatest show of support possible for the University's legislative request. More than 160 alumni and friends attended the UMAA legislative briefing on January 27, 1998. Plans are in place to send Action Alerts; organize alumni society calling nights; distribute special post cards; and more.

Tom Swain, University vice president for Institutional Relations, said that President Yudof does not want to break down/prioritize the \$249,000,000 request, as has been requested by the legislators. President Yudof has been featured at many recent community and organizational events, such as the Minneapolis Chamber of Commerce, requesting formal support for the University's request.

Swain strongly encouraged the association to “keep up the energy.” He said that a long-range goal must be to find more legislators to advocate for the University.

Student Relations

Steve Couture, chair of the Student Relations Committee, reported that January through May is an extremely busy time for Mentor Connection programs. The College of Liberal Arts has kicked off its “10,000 Gophers” program. The School of Architecture currently has 125 mentoring matches. In regard to the “America Reads” program, Couture expects that 40 alumni volunteers will be involved this year. A proposal to form a Student Alumni Association (SAA) is being developed; an SAA would have great potential to bring in new members. The University plans to hold a convocation for all new students on September 23, 1998; the UMAA is helping to plan the convocation, including a spirit-building event.

Membership

Elise Schadauer, UMAA membership and marketing director, reported that membership is holding steady at 36,229. The goal is to have 40,000 members by June 30, 1998. A variety of initiatives are currently being planned and implemented, including expanding Internet service across the country; working with the University of Minnesota Foundation and the Minnesota Medical Foundation to make donors at select giving levels members of the association; a coordinated spring mailing and telemarketing campaign; targeted mailings; and a special campaign to be personalized by Nancy Lindahl, UMAA vice president. Schadauer told several membership success stories, including the sustaining life appeal of 5 percent above the goal and the very favorable response to the survey to assess Internet program customer satisfaction.

There was discussion regarding a pilot donor/member program; taking advantage of President Yudof’s popularity to promote membership; and a possible collaboration with “M” Club.

Annual Meeting and Celebration

Bob Burgett, UMAA Outreach Director, announced that the 1998 Annual Meeting and Celebration will be held on Tuesday, June 2, 1998. Burgett thanked Dave Mona, UMAA president-elect, for helping to secure Ken Dychtwald, world-renowned expert on aging, as keynote speaker. Andre Lewis, at-large national board member, has arranged for the Honeywell Foundation to contribute \$15,000 to the annual meeting; one more corporate sponsor is needed to contribute an additional \$15,000.

RSVP

Burgett distributed information on the “Retaining Students with Volunteer Power” program (RSVP), in which volunteers provide information about outstanding high school students to the University Office of Admissions. The Office of Admissions is looking for additional volunteers in the Twin Cities metropolitan area.

Gateway

Margaret Carlson, UMAA Executive Director, reported that construction has been postponed until mid-February. As the project is \$500,000 over budget, the key volunteers are engaging in value engineering with the architect and contractor. Gateway volunteers are working closely with the University on the parking ramp deck and plaza, and a request for proposal has been sent out to find a consultant to design the Heritage Gallery.

Phase I fund raising is going very well--\$6.9 million in pledges and donations have been raised to date. Executive committee members will be asked to solicit other board members for gifts as soon as the Gateway Fund Raising Committee identifies incentives for gifts less than \$2,000. Joining the Presidents Club currently involves a \$10,000 gift, but will increase to \$25,000 on July 1, 1998.

Capital Campaign

Carlson called the executive committee members' attention to Exhibit 8 of the mailing. This memo from Carlson to Jerry Fischer, UMF president, provides an update on UMAA initiatives to support the capital campaign.

Executive Director's Report

Carlson reported that the association sent an update on UMAA activities and initiatives, including an "M" lapel pin and a "249" button, to approximately 400 University deans, directors, and department heads. Carlson is a member of President Yudof's External Strategic Issues Group, which meets biweekly. Regarding the credit card negotiations, Carlson and Fisher anticipate receiving a firm offer from First USA next week.

National President's Report

Huntrods reported that she participated in President Yudof's visit to Albert Lea and Austin, MN, last month. This trip involved meetings with community leaders, elected officials, educators, students, media representatives, industry employees, and alumni. Huntrods said that she was very impressed with how President Yudof relates to a wide variety of people. She has a new appreciation for Yudof's tremendous outreach effort.

Huntrods announced that she and Dave Mona are serving on the search committee for the new vice president for institutional relations. Steve Rosenstone, dean of CLA, is chairing this committee. The committee will become more active when the legislative session concludes.

Huntrods reminded the executive committee members that the next national board meeting will be held on Saturday, February 28, 1998. She adjourned the meeting at 8:55 a.m.

Submitted by,

Cheryl Jones
UMAA Executive Assistant

for

John Bergstrom
Secretary/Treasurer

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
NATIONAL BOARD OF DIRECTORS
Saturday, February 28, 1998
8:30 to 11:30 a.m.
Coffman Memorial Union**

Board Members Attending

Barry, Anne
Bergstrom, John
Bloomfield, Vic
Couture, Steve
Craig, Peggy
Eelkema, Marilyn
Erickson, Rondi
Erkkila, Dan
Fellows, Kay
Fountain, Jean
Gibilisco, Joe
Harder, Ron
Hayes, Ken
Huntrods, Ann
Jones, David
Luehmann, Barb
Moe, Tom
Nelson, Bruce
Osberg, Brian
Trammel, Marvin
Yapel, Tony

Board Members Unable to Attend

Bachman, Dale
Craig, Mary
Dumke, Bruce
Erickson, Roger
Ericson, Carol
Hawkinson, Bruce
Hopp, Deborah
Hurd, Jocelyn
Kihne, Sheila
Lewis, Andre
Lindahl, Nancy
Madson, David
Mendis, Patrick
Mona, Dave
Olseth, Dale
Pletcher, Carol
Reilly, Bill
Ventres, Judy

UMAA Staff Members Attending

Allen, Mark
Banker, Mark
Burgett, Bob
Buschette, Mary
Carlson, Margaret
Coughlan-Smith, Chris
Fisher, Diane
Fling, Shelley
Garrison, Tom
Hayes, Angela
Heen, Les
Huff, Libya
Jones, Cheryl
Kong, Chad
Kranz, Carmela
Lee, Mike
Parker, Tara
Stangret, Lanaya
Schadauer, Elise
Wilson, Elizabeth

Other University Staff Attending

Kvavik, Robert
Swain, Tom

Guests

Luis, Nita

University of Minnesota Alumni Association (UMAA) President Ann Huntrods called the meeting to order at 8:35 a.m.

University Guest

Huntrods introduced Robert Kvavik, University of Minnesota Associate Vice President and Executive Officer. Kvavik was the chief architect of the University's *Initiative for Excellence in Undergraduate Education* as well as *University 2000*, its long-term planning document.

Kvavik reported on four University planning initiatives. Strategic bets focus on digital technology in the biological sciences, an area which the University needs to jump-start. Compact Planning involves setting up partnerships and contracts between central administration and each collegiate unit. The compacts emphasize measures and outcomes. Incentives for Managed Growth is an initiative which changes the current incentive system, emphasizing the need to pay better attention to revenue streams.

The fourth initiative, Enterprise Systems, involves changing the way the University accomplishes transactions. Kvavik explained that currently, transactions cannot be done centrally. The University is working on a system to link all transactions and accomplish them automatically. The new student services Web-based delivery system is currently performing very well. The University worked with IBM to build this new "distributive environment," which allows students to electronically plan their curriculum and financial aid; register for classes; and receive a customized document complete with maps and other graphics. The University is now the national leader with this student service system, which has won an innovation award. Kvavik emphasized that this type of electronic system can be applied to any University transaction.

Vic Bloomfield, chair of the Faculty Consultative Committee, said that for the most part the University faculty view these initiatives positively, but that they do have some concerns; for example; impact on course scheduling and classroom availability. Following discussion, Kvavik said that "the jury is still out" and that the University needs to "market a package of options."

National President's Report

Huntrods updated the board members on several occurrences: the deaths of UMAA national board member Dick Whitney and past national president George Pennock; and the birth of a baby girl to the wife of Bruce Dumke, School of Dentistry board representative. Huntrods also reported that she recently accompanied University President Mark Yudof and Tom Swain, vice president for institutional relations, on an outreach visit to Austin and Albert Lea, Minnesota. Huntrods said that President Yudof is "a master" at communicating with alumni and friends.

Consent Agenda

The consent agenda included the 1997-98 Mid-Year Highlights; the November 15, 1997, board meeting minutes; the Fiscal Year 1997-98 Revised Budget; the Audited FY97 Financial Report; and a motion to retain McGladrey and Pullen as auditors. All were approved as mailed.

Legislative Network

Dan Erkkila, chair of the Legislative Network Advisory Committee, reported that the University is currently involved in the largest campaign that it has ever waged at the legislature. The University is requesting \$249 million dollars for capital improvements and \$41.5 million dollars for supplemental initiatives such as faculty and staff compensation. Erkkila reviewed the components of the request and reported on where the House and Senate currently stand on the request.

Erkkila described the many activities that the UMAA has accomplished in support of the request, such as sending several action alerts, distributing buttons, organizing calling nights, sponsoring a telephone patch-through program, placing publicity in community newspapers to coincide with visits by President Yudof, and more. Erkkila urged the board members to contact their legislators, even if they have already done so. He distributed a list of the members of the House Capital Investment Committee and asked the board members to contact any of them to whom they have a personal connection. Erkkila concluded by thanking the board members and the UMAA staff members who have worked on this campaign, especially Les Heen, legislative network coordinator.

Swain told the board members that is absolutely critical for alumni to continue lobbying legislators. He suggested that the UMAA pass a formal resolution supporting the University's \$249 million dollar request. A motion to this effect was approved; a formal letter of endorsement will be delivered to President Yudof on Monday.

Regent Selection

Rondi Erickson, chair of the University Issues Committee, reviewed the components of the regent selection bill and noted where they differ from the recommendations put forth by the UMAA Citizens Committee on Regent Selection. She reported that the bill made it though the House but was "gutted" by a Senate committee. Erickson and other members of the UMAA Regent Selection Task Force believe that it might be better to pull the bill and continue to work on educating legislators following the session, rather than allow unacceptable legislation to pass. She said that the board members could help at this point by calling their senators to ask them to support the Leighton bill. The board members applauded Erickson for her perseverance and hard work.

Membership

Elise Schadauer reported that membership is holding steady at 36,422, but that the "membership train" is gaining momentum toward the association's goal to reach 40,000 members by the end of this fiscal year. Several solicitations will soon be implemented, including a major spring mailing/telemarketing effort; a premium program for first renewals; public service announcements; and targeted mailings. Schadauer is looking into additional initiatives such as expanding Internet service nationwide and moving University donors of a certain level to member status.

Outreach Initiatives

Jean Fountain, chair of the Outreach Committee, announced that Ken Dychtwald, world-renowned expert on aging, will be the keynote speaker at the UMAA Annual Meeting on June 2, 1998. Each board member will be asked to sell at least ten tickets. Fountain thanked board members Andre Lewis and Bruce Nelson for their help in arranging for their corporations to sponsor the event.

Fountain also reported on the Twin Cities Business and Community Program. The UMAA is working with several companies, including Faegre Benson, Cenex, and CyberOptics, to hold events on-site for their employees who are alumni of the University.

Student Relations

Steve Couture, chair of the Student Relations Committee, reported that volunteers have been trained to participate in the "America Reads" program. He also distributed a form for the board members to sign up for the Mentor Connection program. Currently there are 1952 student-alumni matches.

Vice President for Institutional Relations

Swain reiterated that President Yudof and Governor Arne Carlson want the legislative grass roots effort to intensify. The Senate has come in with a figure much lower than \$249 million dollars. Swain urged the board members to pressure the members of the House Capital Investment Committee. President Yudof has a huge investment in this request and needs continuing grass roots support. Swain emphasized that the University has been under-funded by the legislature in the past.

Coordinate Campus Representatives

Huntrods reported that the presidents of the three coordinate campus alumni associations received a special invitation to participate in this board meeting. Each coordinate campus association president has an ex-officio seat on the UMAA board. She introduced Ed Caillier, president of the University of Minnesota-Morris Alumni Association (MAA). Caillier reported on the activities of the Morris Alumni Association, including redesigning the alumni publication and updating their Web page. The MAA sponsors a variety of alumni networking and social events, which are held primarily in the Twin Cities metropolitan area. The MAA also provides financial assistance to students and faculty projects, and recently implemented a faculty award. Morris alumni are also involved in legislative lobbying, as a portion of the University's request is earmarked for renovation of the Morris campus science building. Morris alumni are also serving on the search committee for Chancellor David Johnson's successor.

Huntrods reported that Tom Hagen, president of the University of Minnesota-Duluth (UMD) Alumni Association, could not attend this meeting but sent a written update. Huntrods read Hagen's letter to the board members, noting that UMD Alumni Association volunteers are working on a strategic plan for the association; creating a new student scholarship; participating in a mentoring program; and orienting several new board members.

Gateway

Margaret Carlson, UMAA executive director, reported that \$6.5 million dollars has been raised to date. The Gateway Fund Raising Committee is still working with the architect to identify naming opportunities at the \$2,000; \$5,000; and \$10,000 giving levels. Construction will begin on March 2. Carlson and Tom Garrison, UMAA communications director, showed the UMAA winter video, which focused on the Gateway.

Executive Director's Report

Carlson introduced several new UMAA staff members: Shelly Fling, editor of *Minnesota*; Libya Huff, geographical outreach program director; and Kris Kosek, Institute of Technology alumni relations coordinator.

Carlson thanked all of the board members for the huge amount of time and effort that they have invested this year. She also thanked all of the staff members, who received a round of applause from the board members. Carlson concluded by giving special thanks to Huntrods. She presented her with a handsome gold "M" sweater, on which a "249" button was affixed.

Huntrods in turn thanked Carlson for all of her efforts this year. She encouraged the board members to attend the upcoming luncheon with the regents on April 9, and adjourned the meeting at 11:35 a.m.

Submitted by,

Cheryl Jones
UMAA Executive Assistant

for

John Bergstrom
Secretary/Treasurer

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
Executive Committee Meeting
April 1, 1998
7:30 a.m.
Dale Shepherd Room, Campus Club

Committee Members Attending

Bergstrom, John
Couture, Steve
Erickson, Rondi
Erkkila, Dan
Fountain, Jean
Huntrods, Ann
Lindahl, Nancy
Trammel, Marv

UMAA Staff Members Attending

Burgett, Bob
Carlson, Margaret
Garrison, Tom
Heen, Les
Jones, Cheryl
Schadauer, Elise

Ex-Officio Members Attending

Swain, Tom

Guests Attending

Friswold, Fred

Committee Members Unable to Attend

Moe, Tom
Mona, Dave

UMAA Staff Unable to Attend

Diane Fisher

University of Minnesota Alumni Association (UMAA) National President Ann Huntrods called the meeting to order at 7:30 a.m.

Consent Agenda

The consent agenda included the February 4, 1998, Executive Committee meeting minutes and the February, 1998, association financial statements. Both were approved as mailed.

UMAA Nominating Committee

Marv Trammel, Nominating Committee chair, reported that the committee recommends that the UMAA bylaws be amended to add a ninth regional seat on the National Board to represent Central/Non-Metro area Minnesota. This recommendation was approved. Trammel will present the recommendation to the National Board on April 25, 1998.

In addition, Trammel reported that the Nominating Committee recommends the following persons to serve as officers for the 1998-99 fiscal year:

| | |
|---------------------|----------------|
| President | Dave Mona |
| President-elect | Nancy Lindahl |
| Vice President | John Bergstrom |
| Vice President | Jean Fountain |
| Vice President | Dan Erkkila |
| Secretary-Treasurer | Bruce Nelson |
| Past President | Ann Huntrods |

This recommendation was approved. Trammel will present this recommendation to the National Board on April 25.

Gateway

Fred Friswold, chair of the University Gateway Corporation, updated the executive committee members on the financial status of the project. Friswold stated that every critical piece of the financial structure to date has been successfully implemented, and that "no stone in the financial structure foundation has been left unturned." However, there are significant risks inherent in any custom-designed construction project, and the Gateway is no exception. Friswold noted that there are many "unknowns;" for example, construction delays; cost overruns, and design features currently under consideration such as the parking plaza and technology initiatives--that have not yet been funded. In addition, some of the largest contributions by donors are in the form of pledges rather than "cash in hand." Jerry Fischer, president of the University of Minnesota Foundation (UMF), plans to speak to some of the major donors about this.

Friswold summarized his remarks by reiterating that there is very little room for error in the first four years of Gateway operations. He believes that the economics of the building are sound, and the long-term economics are very good, but that the first few years will be tight. He would like the executive committee members to be aware that "rough spots" such as those mentioned above could result in a capital call on the owner-tenant partners; additional borrowings; and/or an increase in monthly funding to support cash flow deficits. The UMAA needs to plan accordingly and continue to monitor the project carefully.

There was discussion regarding the limited response to the Request for Proposal for a Gateway restaurant/caterer. Dan Erkkila suggested that he, Nancy Lindahl, and Margaret Carlson make suggestions of other possible vendors to Tom LaSalle, our Gateway developer, as it will be very important to have a successful restaurant in the building.

There was additional discussion regarding fund raising. Huntrods restated the need for the UMAA to carefully monitor the Gateway's financial picture and to plan for contingencies.

1998-99 Goals and Objectives

Margaret Carlson, UMAA executive director, noted that the UMAA five-year strategic plan serves as the road map each year in planning objectives and tactics, which are constantly discussed and refined throughout the year by key volunteers and staff. Carlson distributed an updated draft of the 1998-99 goals and objectives, explaining that feedback from Dave Mona, UMAA president-elect, and other volunteers was incorporated into the document following the initial mailing to committee members. Following today's discussion, a revised draft will be presented to the national board members on April 25, 1998. The 1998-99 budget and final goals/objectives document will then be presented to the UMAA Finance Committee; Executive Committee; and National Board in May and June.

Carlson reviewed the draft goals and objectives. Carlson noted that the Gateway will demand the time and energy of nearly every UMAA staff member until the fall of 1999. The volunteers recommended that the energies of the organization be focused on the Gateway and membership; in addition, it was agreed that the UMAA must continue to enhance its legislative program. Given the demand on human resources, both staff and volunteers, no major new advocacy/University issues will be addressed next year, and the student experience objective will not be ramped up until after the Gateway is completed. Lindahl suggested that the goals and objectives be prioritized when they are redrafted to present to the national board on April 25, 1998.

Membership

Elise Schadauer, UMAA membership and marketing director, reported that membership totals 36,567 as of March 24, 1998. A new partnership with University Bookstores is being finalized; all members will receive a ten percent discount throughout the year and new/renewing members will receive a 30 percent discount. The UMAA web site will be linked to the Bookstores, also. Complimentary memberships will be offered to University graduating senior who choose to sign up at Gradfest later this month. Renewal rates are climbing, and a variety of membership appeals and telemarketing is happening; however, the realistic projection for year-end membership is 38,000, rather than 40,000.

Visibility and Connection

Jean Fountain, UMAA vice president, reported on several outreach initiatives. A grants program for startup groups has been implemented. Twin Cities Business and Community events will be held this spring at Cargill, Andersen Consulting, CyberOptics, and Honeywell. Regent Chair William Hogan is traveling for the association, speaking to alumni in Tampa and Naples, Florida. Invitations for the UMAA Annual Meeting will be mailed later this month; Fountain reminded the executive committee members to mark Tuesday, June 2, 1998, on their calendars for this event.

Bob Burgett, UMAA outreach director, added that the UMAA sponsored very successful basketball game-watching gatherings at the Mall of America during the recent men's basketball National Invitational Tournament. This type of activity is a good way for the association to connect with younger alumni.

Student Experience

Steve Couture, chair of the Student Relations Committee, reported that 3,958 alumni and students are participating in mentor programs this year. Again this year the UMAA will award \$1,000 to each of the University's Donald R. Zander Student Leadership Award winners; these awards will be presented at the President's Student Leadership and Service Award banquet on May 27, 1998. Eight additional student leaders will be recognized at a UMAA event next fall.

Advocacy/Legislative

Huntrods thanked Rondi Erickson, chair of the University Issues committee, and Les Heen, UMAA legislative network coordinator, for their work on the regent selection legislation. The association was successful at educating legislators and changing many opinions, but due to firm opposition by Senate Majority Leader Roger Moe, the bill was not enacted. We will not proceed with legislation in the next session unless we believe Moe will change his mind.

Dan Erkkila, chair of the Legislative Advisory Committee, reported that "249" remains the key message, as the University's budget request is being considered by the conference committee. He encouraged the volunteers to keep up the pressure on their legislators. Alumni in areas where conference committee members live, such as Rochester and Grand Rapids, have agreed to ask their legislators to assume a leadership role in regard to supporting the University's request. An Action Alert has been mailed to members of the network, providing them with telephone numbers for the members of the conference committee.

National President

Huntrods reported that she, Mona, and Carlson are discussing the association's financial allocation from the University with Tom Swain, vice president for institutional relations, and University of Minnesota President Mark Yudof. President Yudof wants the UMAA to be more financially self-reliant over time. The UMAA is willing to take our "fair share cut," but nothing more drastic or immediate in terms of our allocation.

The members of the UMAA board of directors are invited to have lunch with the members of the Board of Regents on April 9, 1998. Huntrods encouraged the executive committee members to attend.

Executive Director

Carlson reported that the credit card contract is very close to being signed. In regard to Gateway fund raising, the executive committee members will receive information on soliciting the board members in a few weeks, as naming opportunities at the two, five, and ten thousand dollar levels are still being finalized.

Huntrods adjourned the meeting at 9:00 a.m.

Submitted by,

Cheryl Jones
UMAA Executive Assistant

for

John Bergstrom
Secretary-Treasurer

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
NATIONAL BOARD OF DIRECTORS
Saturday, April 25, 1998
8:30 to 11:30 a.m.
Campus Club, Coffman Memorial Union**

Board Members Attending

Bachman, Dale
Bergstrom, John
Bloomfield, Vic
Couture, Steve
Dumke, Bruce
Eelkema, Marilyn
Erickson, Rondi
Ericson, Carol
Erkkila, Dan
Fellows, Kay
Fischer, Jerry
Harder, Ron
Hawkinson, Bruce
Hayes, Ken
Hopp, Deborah
Huntrods, Ann
Jones, David
Kihne, Sheila
Lindahl, Nancy
Luehmann, Barb
Maier, J. P.
Moe, Tom
Mona, Dave
Swain, Tom
Trammel, Marvin
Ventres, Judy Martin
Whitney, Nann

Board Members Unable to Attend

Barry, Ann
Craig, Peggy
Craig, Mary
Erickson, Roger
Fountain, Jean
Gibilisco, Joe
Goldberg, Luella
Hurd, Jocelyn
Lewis, Andre
Madson, David
Mendis, Patrick
Nelson, Bruce
Olseth, Dale
Osberg, Brian
Pletcher, Carol
Reilly, Bill
Yapel, Tony

UMAA Staff Members Attending

Allen, Mark
Banker, Mark
Burgett, Bob
Buschette, Mary
Carlson, Margaret
Coughlan-Smith, Chris
Fisher, Diane
Fling, Shelley
Garrison, Tom
Hayes, Angela
Heen, Les
Hupf, Libby
Huynh, Cau
Jones, Cheryl
Kong, Chad
Kosek, Kris
Lee, Mike
Mollberg, Lori
Patty, Elizabeth
Schadauer, Elise

Staff Members Unable to Attend

Kranz, Carmela
Stangret, Lanaya
Tenquist, Clay

University of Minnesota Alumni Association (UMAA) National President Ann Huntrods called the meeting to order at 8:35 a.m. Huntrods introduced Nann Whitney, spouse of recently deceased board member Richard Whitney, who will attend the last two board meetings of this year. Huntrods presented a farewell gift to board member Sheila Kihne, who is moving out of state.

President's Report

Huntrods thanked the board members for attending the April 9, 1998, luncheon with the members of the University Board of Regents. She was extremely pleased by the goodwill and camaraderie of the event, and said that all the alumni association volunteers and staff members deserve kudos for helping the UMAA to become so effective at both substance and spirit.

Consent Agenda

The consent agenda included the February 28, 1998, national board meeting minutes and the February, 1998, association financial statements. Both were approved as mailed.

Composition of the National Board of Directors

Marvin Trammel, chair of the Nominating and Awards Committee, presented the committee's recommendation to add a ninth regional seat on the national board to represent central/non-metro area Minnesota. The reason for this recommendation is that the population of the center of Minnesota is growing rapidly along the north/south band from Brainerd through St. Cloud to Albert Lea. This recommendation was approved.

FY1998-99 Officers

Trammel reported that the Nominating and Awards Committee recommends the following individuals to serve as association officers for the 1998-99 fiscal year:

| | |
|---------------------|----------------|
| President: | Dave Mona |
| President-elect: | Nancy Lindahl |
| Vice President: | John Bergstrom |
| Vice President: | Jean Fountain |
| Vice President: | Dan Erkkila |
| Secretary-Treasurer | Bruce Nelson |
| Past President | Ann Huntrods |

This recommendation was approved.

1998-99 Goals and Objectives

Margaret Carlson, UMAA executive director, called the board members' attention to the 1998-99 Goals and Objectives. She noted that the association has two years remaining to reach the goals that were envisioned in 1994 when the five-year strategic plan was developed. The 1998-99 objectives were discussed in detail by the UMAA Executive Committee members on April 1, 1998. Following the approval of the objectives today, the staff management team will define the tactics needed to operationalize these plans and determine the budget for the next fiscal year. The budget will be reviewed by the Finance Committee in late May, the Executive Committee on June 10, and the full board at its last meeting of the fiscal year on June 24, 1998.

Carlson reviewed the association's proposed 1998-99 vision and objectives, and these were the key points and outcomes of the discussion:

- The UMAA will focus the majority of its resources on the Gateway, membership and the legislative initiative. This is essential if we are to complete Gateway construction, fund raising, interior office spaces, etc. by the fall of 1999, and if we are to meet our membership goal of 50,000 members by the year 2000. We will not undertake any new advocacy issues in the coming year.
- It is expected that each alumni group--collegiate societies, geographical chapters, special interest groups, and community/business groups--will develop a "compact" with the association to customize objectives for the Gateway, membership, and legislative initiatives.
- The current UMAA long-range financial plan needs to be revisited, because the association made the decision to increase its ownership in the Gateway from 10 to 24 percent. In addition, the current strategic plan will need to be updated and a corresponding financial plan developed.
- High performance and measurable outcomes will be expected; excellent member services will be the expected hallmark.

Carlson stated that when the history of the alumni association is written in conjunction with its 100th anniversary in 2004, an entire chapter should be devoted to the year 1994. This was the year that the association undertook its edge-of-the-millennium planning, when Dennis McGrath and Dave Mona of Shandwick USA advised the association to make the Gateway the premier goal of the association through the year 2000, because a highly visible presence on campus and the opportunity to showcase the University's heritage would better position the UMAA to achieve its other goals. Carlson believes that this is already proving true as the Gateway rises out of the ground.

Carlson concluded her presentation by thanking all of the board members for their work this year and for all that they will do in the future to help the association accomplish its goals.

The 1998-99 goals and objectives were approved (as attached).

Membership, Visibility, Connection

Elise Schadauer, UMAA membership and marketing director, showed a video of the three new public service announcements, which will soon begin airing on the Midwest Sports Channel.

Tom Garrison, UMAA communications director, presented a video tour of the Gateway section of the UMAA web site, which contains artist renderings of the building, construction updates, information on the architect, maps, and live action photography. Time-lapse photographs are being recorded onto video so that there is a permanent record of the entire construction process through completion.

Bob Burgett, UMAA outreach director, presented updates on the UMAA collegiate alumni society and geographical alumni chapter programs. He also reported on association spirit-building activities such as participation in the recent National Invitational Tournament; campus Maroon and Gold Fridays; and the Twin Cities Business and Community initiative. Burgett announced that the 1998 Annual Meeting and Celebration will be held on June 2, 1998, and will feature Ken Dychtwald, author of *Age Wave*, as the keynote speaker.

Dave Mona, chair of the Marketing Committee, reported that membership as of April 24, 1998, is 38,162, which includes 1,457 new complimentary memberships to graduating seniors. Mona said that he is encouraged that renewal rates continue to climb. A variety of spring appeals will drop in May.

Steve Couture, chair of the Student Relations Committee, announced that the number of students and alumni participating in the various mentoring programs continues to increase. The UMAA is helping to plan the University's New Student Convocation, which will be held next September. The University is restructuring the "America Reads" program.

Gateway

John Bergstrom, Finance Committee chair, provided an update on construction and potential plans for a plaza on top of the parking garage. Larry Laukka, chair of the Gateway Corporation, is working with the chair of University Master Planning to determine whether an "urban park" might be possible adjacent to the Gateway. Such a concept would need to be approved by the Board of Regents. Laukka will seek advice from University of Minnesota President Mark Yudof before the Gateway Corporation advances this concept. Because it would be a once-in-a-century opportunity to have a beautiful park next to the building, the Gateway Corporation board members voted to adopt the addition of a park to the Gateway project if University approval is received--subject to a recommendation from the Finance Committee on the cost and fund raising opportunities and challenges.

Carlson reported for Dale Olseth, chair of the Gateway Fund Raising Committee. The fund raising goal has been revised from \$7.5 million dollars to \$9 million dollars. Carlson noted that cash "in hand" lowers the amount of rent that the owners will need to pay. Olseth is currently talking with several potential major donors. Carlson encouraged the board members to consider making a \$2,500 gift to the Gateway to be paid over a five-year period.

Advocacy and Legislative

Rondi Erickson, University Issues Committee chair, reported that "pretty close to total success" was experienced in the area of regent selection. Although the regent selection law was not changed due to late opposition from the Senate Majority Leader Roger Moe, many other legislators were persuaded to understand and accept the UMAA recommendations. Erickson thanked the board members and the UMAA staff members who were involved in this effort. She said that Senator David Ten Eyck and Representative Rob Leighton deserve special recognition for their support. Huntrods thanked Erickson profusely and reiterated the importance of the UMAA remaining active in the area of regent selection and University governance.

Dan Erkkila, Legislative Advisory Committee chair, exclaimed: "We done good!" He reported that the legislative session ended two weeks ago with the University receiving record funding: \$206.8 million dollars for building projects and \$36 million dollars in supplemental funding. Erkkila urged the board members to send notes of thanks to the Governor and legislators, and to continue building relationships with candidates and/or legislators of their choice as this year's legislative campaign involved only the first part of a four-year building plan. Erkkila urged the UMAA continue to enhance its legislative activity in future years.

Huntrods recommended that the board members pass a resolution thanking the policy makers and decision makers for their visionary and statesmanlike support of the University of Minnesota during the 1998 legislation session. This resolution was enthusiastically and unanimously endorsed (attached). Huntrods then called Erkkila; Les Heen, UMAA legislative network coordinator; and Tom Swain, University vice president for institutional relations; to the podium to receive applause and special army helmets for their contributions in leading the alumni army in supporting the University's legislative success. Huntrods noted that the UMAA will also present Donna Peterson, University state relations director, with her special helmet next week, since she could not attend the meeting.

Swain commended President Mark Yudof for being a superb politician and a visionary leader. President Yudof's commitment to hold steady to the entire, unprioritized, \$249,000,000 legislative request proved masterful. Swain thanked the legislative network members and several other groups, including the University of Minnesota Foundation Trustees, for their support and hard work during the session. He gave thanks to several UMAA staff members and special thanks to Huntrods, Erkkila, and Joe Gibilisco for their volunteer leadership. Swain hopes that the University has "turned the corner" with legislators to establish itself as a great institution. He said that there will certainly be challenges in the future, but that there is momentum right now.

Mona announced that Swain is retiring from his University position next week. He commended Swain for the great work that he has done for the University and noted that Swain's connection to the University has been life-long. Swain has been involved with many, many projects and groups that have been extremely important to the University and the state. Mona called Swain, "a man for all seasons." Swain replied, "It's been a great trip." He stated that he has real reverence for the University and that governance is very, very important. Keeping the University excellent is going to necessitate continued private giving, he said. Huntrods and Carlson presented Swain with a University baseball cap; a University jacket; and a Goldy Gopher statuette in honor of his retirement.

Huntrods adjourned the meeting at 11:25 a.m. by asking the volunteers to join the UMAA staff members in singing a special "salute to volunteers" version of "The Minnesota Rouser." The board members were presented with a small gift and were invited to share a special cake decorated with "\$242.8!" in honor of the University's legislative success.

Submitted by,

Cheryl Jones
UMAA Executive Assistant

for

John Bergstrom
Secretary/Treasurer

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
94th Annual Meeting

June 2, 1998
Northrop Mall and Auditorium

The 94th annual meeting of the University of Minnesota Alumni Association (UMAA) began with a reception and dinner buffet on Northrop Mall. The meeting was called to order in Northrop Auditorium at 7:30 p.m. by UMAA National President Ann Huntrods, who welcomed the 1,400 attendees.

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION YEAR-IN-REVIEW

Huntrods reported on alumni association activities during 1997-98, including the University's success at the legislature, which appropriated \$206.8 million for bonding and \$36 million in supplemental support to the University. Huntrods presented a video of the UMAA's accomplishments during 1997-98.

UNIVERSITY OF MINNESOTA PRESIDENT MARK YUDOF

University of Minnesota President Mark Yudof presented his annual message to alumni and friends. Said Yudof, "I have emerged victorious from both a Minnesota winter and a legislative session." Yudof explained what the legislative appropriation will mean for the University and described his priorities for the coming year, including improving the undergraduate student experience and enhancing the sense of community and user-friendliness on campus. Yudof thanked alumni for their help in advancing the University's cause at the legislature.

ELECTION OF 1998-99 OFFICERS AND DIRECTORS

Huntrods announced the 1998-99 slate of officers forwarded by the UMAA Nominating Committee and elected by the national board of directors on April 25, 1998:

| | |
|---------------------|----------------|
| President | Dave Mona |
| President-elect | Nancy Lindahl |
| Vice President | Jean Fountain |
| Vice President | John Bergstrom |
| Vice President | Dan Erkkila |
| Secretary-Treasurer | Bruce Nelson |
| Past President | Ann Huntrods |

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

| | |
|-----------------------------|------------------|
| At-Large Member | Dick Engebretson |
| At-Large Member | Andre Lewis |
| At-Large Member | Dennis Schulstad |
| At-Large Member | Andrea Hjelm |
| Geographical Representative | Karen Ahles |
| Geographical Representative | Bryan Baudler |
| Geographical Representative | Gerald Mitchell |
| Geographical Representative | Michael Quinn |
| Geographical Representative | Terrance Weber |

PASSING OF THE GAVEL

Huntrods introduced Dave Mona, who will take office as UMAA national president on July 1, 1998.

Mona thanked Huntrods for her outstanding leadership during 1997-98, praising her commitment to advocacy and the strong leadership that she provided to crucial initiatives in the governance and legislative arenas.

KEYNOTE SPEAKER

Huntrods introduced Ken Dychtwald, Ph.D., founder and chairman of Age Wave Communications Corporation, the nation's leading marketing firm providing a network of solutions to corporations targeting the maturing market. Dychtwald, a psychologist, gerontologist, and author of eight books, spoke on the "new image" of aging and presented an inspiring variety of predictions about the aging of America.

CLOSING

Huntrods thanked Dychtwald, stating that he provided alumni and friends of the University new ways to think about and new tools to manage the future. Huntrods thanked the audience members for attending the 94th UMAA Annual Meeting, and the audience joined Jim Mitchell and the University of Minnesota Band Alumni in singing *Hail Minnesota*. Huntrods adjourned the meeting at 9:15 p.m.

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
EXECUTIVE COMMITTEE MEETING

June 10, 1998
7:30 to 9:00 a.m.

Campus Club, Coffman Memorial Union

Committee Members Attending

Bergstrom, John
Erickson, Rondi
Fountain, Jean
Huntrods, Ann
Lindahl, Nancy
Mona, Dave

UMAA Staff Members Attending

Burgett, Bob
Carlson, Margaret
Fisher, Diane
Garrison, Tom
Jones, Cheryl
Schadauer, Elise

Committee Members Unable to Attend

Couture, Steve
Erkkila, Dan
Moe, Tom
Trammel, Marvin

University of Minnesota Alumni Association (UMAA) National President Ann Huntrods called the meeting to order at 7:30 a.m.

National President's Report

Huntrods said that this has been a thrilling year for her as national president, noting that the association has enjoyed success in many areas including the Gateway, the Annual Meeting, and the credit card. She thanked all of the volunteers and staff members for the help that they provided her throughout the year. She noted that she has received numerous complimentary calls about her opinion piece in yesterday's *Minneapolis Tribune*.

Consent Agenda

The consent agenda included the April 1, 1998, executive committee meeting minutes and the April, 1998 association financial statements. Both were approved as mailed.

Credit Card

Margaret Carlson, UMAA executive director, explained that due to a confidentiality clause included in the ten-year contract, she cannot share the dollar amount. This information was provided to the members of the UMAA Finance Committee, all of whom signed confidentiality agreements.

John Bergstrom, UMAA secretary-treasurer, presented the recommendation of the Finance Committee to invest the royalties from the credit card program with the University of Minnesota Foundation; also, that in Fiscal Year 1999 only those funds equivalent to current credit earnings be used to fund general operations. Once the UMAA begins to pay rent in the Gateway, it is recommended that the difference between the current rent of \$70,000 and the net Gateway rent (rent less any Gateway investment returns) also be funded from the credit card royalties. Any other use of the credit card royalties would require a board action.

Huntrods said that she is very pleased with these terms, which help to ensure the long-term financial stability of the association. Nancy Lindahl, UMAA vice president, said that it will be important to pursue entrepreneurial opportunities in addition to the credit card; Carlson agreed with Lindahl and noted that UMAA staff members are currently looking at some "cutting edge" alumni benefits/revenue opportunities.

The recommendation was approved.

1998-99 Proposed Budget

Diane Fisher, UMAA finance and operations director, presented the Fiscal Year 1999 Proposed Budget, explaining revenue and expense items in detail. The budget was reviewed carefully and approved by the Finance Committee on June 5, 1998. Fisher said that she is confident that the budget is realistic and that the UMAA is a financially stable organization.

There was discussion regarding travel program royalties, Internal Revenue Service considerations regarding unrelated business income, and future support from the University to the UMAA in the future. Fisher said that the association's base allocation from the University has been permanently reduced by \$125,000, and that discussions regarding the Fiscal Year 1999-2000 allocation have begun.

The executive committee members approved the 1998-99 Proposed Budget, which will be presented to the national board on June 24, 1998.

Gateway

Bergstrom asked the committee members to read the minutes of the May 13, 1998, meeting of the University Gateway Corporation board of directors, which would bring them up to date on the Gateway. Bergstrom noted that \$6.4 million dollars has been received in pledges, and there are some seven-figure gifts "in the works." UMAA board members are currently being solicited by the UMAA officers. Phase II of the fund raising campaign is in the planning stages; Dave and Linda Mona and Nancy and John Lindahl have agreed to serve as Phase II co-chairs if the University of Minnesota Foundation (UMF) leads and provides staff support to this initiative.

Bergstrom also reported that Gateway architect Antoine Predock and KKE architect Lew Moran have worked with a special design task force appointed by President Yudof to design a Gateway plaza at the corner of Oak Steet and Washington Avenue. The plan to develop the full block next to the Gateway for an alumni plaza is a once-in-a-lifetime opportunity to enhance the building design, said Bergstrom. The concept has been endorsed by the Gateway Corporation Board of Directors and will be presented to the Board of Regents. The cost of design, construction, and maintenance of the enhancement to the plaza will be the responsibility of the Gateway Corporation; the costs will be managed through additional fund raising or a financing vehicle that does not impact the owner's rent.

Advocacy

Huntrods distributed copies of her editorial which appeared in the June 9, 1998, *Minneapolis Tribune*, commending the University regents for their teamwork and collaboration this year. Carlson thanked Dave Mona, UMAA president-elect, for his advice and assistance in producing the editorial.

The recommendation of the UMAA Legislative Advisory Committee to name the following four individuals "UMAA Legislators of the Year" was presented and approved:

Senator Gary Laidig (R-Stillwater)
Senator Keith Langseth (DFL-Glyndon)
Representative Phil Carruthers (DFL-Brooklyn Center)
Representative Peg Leppik (R-Golden Valley)

Membership

Elise Schadauer, UMAA marketing and membership director, reported that membership totals 37,698 as of June 9, 1998.

Connection and Visibility

Bob Burgett, UMAA outreach director, thanked Mona for his assistance in securing Ken Dychtwald, the excellent keynote speaker at last week's UMAA Annual Meeting. Burgett reported that he has received much positive feedback on this year's event. Mona announced that he is working on securing Doris Kearns Goodwin to speak at next year's Annual Meeting.

Burgett announced that Tara Parker, UMAA student relations coordinator, is leaving the UMAA to take a position at Metro State University. The UMAA will begin searching for a replacement for Parker immediately. Burgett distributed information on the association's 1997-98 achievements in the area of student relations and enhancing the student experience.

Year-End National Board Meeting

Huntrods reminded the executive committee members that President Yudof will speak at the board meeting on June 24, 1998. The board meeting will be followed by a tour of the Gateway site.

Huntrods adjourned the meeting at 8:55 a.m.

Submitted by,

Cheryl M. Jones
UMAA Executive Assistant

for

John Bergstrom
Secretary-Treasurer

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
NATIONAL BOARD OF DIRECTORS**

Wednesday, June 24, 1998

4:30 to 7:30 p.m.

Radisson Hotel Metrodome

Board Members Attending

Bergstrom, John
Craig, Peggy
Dumke, Bruce
Erickson, Rondi
Ericson, Carol
Fellows, Kay
Gibilisco, Joe
Goldberg, Luella
Harder, Ron
Hawkinson, Bruce
Hayes, Ken
Huntrods, Ann
Jones, Dave
Luehmann, Barb
Maier, J. P.
Mona, Dave
Nelson, Bruce
Taylor, Mike (for Lewis, Andre)
Ventres, Judy
Whitney, Nann
Yapel, Tony

UMAA Staff Attending

Allen, Mark
Burgett, Bob
Buschette, Mary
Carlson, Margaret
Coughlan-Smith, Chris
Fisher, Diane
Fling, Shelly
Garrison, Tom
Heen, Les
Jones, Cheryl
Kranz, Carmela
Kosek, Kris
Hayes, Angela
Banker, Mark
Kono, Chad
Patty, Elizabeth
Schadauer, Elise
Tenquist, Clay

Incoming Board Members Attending

Ahles, Karen
Hjelm, Andrea
Lehman, Tom
Hauschild, Beverly
Quinn, Mike

Guests Attending

LaSalle, Tom
Moran, Lew

University of Minnesota Alumni Association (UMAA) National President Ann Huntrods called the meeting to order at 4:35 p.m.

Consent Agenda

The consent agenda included the April 25, 1998 National Board meeting minutes; the April, 1998 financial statements; the 1997-98 UMAA Highlights (attached); and the recommendation to approve the 1998 UMAA Legislators of the Year. All were approved as mailed.

Use of Credit Card Proceeds

John Bergstrom, UMAA Secretary-Treasurer, explained that the UMAA Finance and Executive Committees have recommended that the royalties from the credit card be invested. The size of the contract is confidential; the amount was disclosed to the Finance Committee members after each signed a confidentiality agreement.

Diane Fisher, UMAA director of finance and operations, explained the history of the UMAA credit card, which has earned in excess of one and a quarter million dollars in royalties since its inception in April, 1994. The original contract expires on October 31, 1998, and the UMAA has recently signed a new contract with First USA which will continue the program for another 10 years. Under the new contract, royalties are earned on the same basis as the current contract but First USA has included a guarantee on royalty earnings, which greatly exceeds what can be reasonably earned. This means that the association's annual income from the credit contract will increase significantly.

The UMAA obtained advice from banking industry experts, lawyers, auditors, and tax accountants in working on the re-negotiation of this contract. Based on this advice, the Finance Committee recommends a plan for the controlled use of these royalties which will strengthen the organization financially by providing for the future should a contract of this magnitude not be available 10 years from now and give the association flexibility to face numerous knowns and unknowns related to University funding, capital campaign support, and the Gateway. The plan calls for royalties to be invested with the University of Minnesota Foundation (UMF). The operating budget would continue to include as a revenue source the amount earned based on the earnings formula included in the contract allowing UMAA activities funded by these royalties to continue at current levels. Once the UMAA moves into the Gateway, the plan allows for these royalties to also be used to fund the increase in net rent. Any other use of the credit card royalties would require board action.

Following brief discussion, the recommended plan for the controlled use of credit card royalties was approved.

1998-99 Proposed Budget

Fisher reviewed the association's financial controls, including the annual year-end audit, the Finance Committee, the Executive Committee, and internal reporting. She presented information on the association's growth in net assets. She explained the association's budgeting process, noting that the proposed 1998-99 budget is actually the summation of 28 separate budgets since budgeting is done at the program level to allow those responsible for the revenues and expenses to establish their budget.

Fisher then presented the Fiscal Year 1999 budget revenue sources and budget expenses by program type. This budget has been reviewed in depth and approved by the UMAA Finance and Executive Committees. Fisher said that if all the assumptions that have been laid out come true, the UMAA will end the next fiscal year with a \$20,000 surplus.

Following brief discussion, the UMAA Fiscal Year 1999 Budget was approved as attached. Dave Mona, UMAA president-elect, complimented Fisher and Margaret Carlson, UMAA executive director, on their work on the budget and the credit card re-negotiation.

Membership

Mona reported that UMAA membership totaled 38,348 as of June 23, 1998. He thanked Elise Schadauer, UMAA membership and marketing director, for the fine work that she and her staff members have done this year. Next year's membership goal is 45,000, and the millenium goal is 50,000.

Gateway

Bergstrom reported that as of May 30, 1998, the UMF has documented \$6.4 million dollars in Gateway pledges and gifts. The UMAA has been told that the UMF has several other major gifts pending, and the association is working with the UMF and the Minnesota Medical Foundation to plan Phase II of the fund raising campaign.

Tom LaSalle, LaSalle Group, Inc.; and Lew Moran, KKE; updated the board members on the Gateway construction, which is proceeding on schedule and on budget. A University Plaza Design Committee has recommended that a butterfly-shaped hard surface plaza be developed adjacent to the Gateway to provide numerous opportunities for gathering and recreation.

Bergstrom explained that gaining the full block next to the Gateway for an alumni plaza is a "once in a lifetime opportunity;" the plaza will enhance the building design and programming. The UMAA Executive Committee approved the plaza concept on June 10, and the plan was formally approved by the Gateway Corporation on June 17, 1998. The concept will be presented to the University of Minnesota Board of Regents in July, stipulating that the cost of plaza design, construction, and maintenance will be the responsibility of the Gateway Corporation.

Bergstrom recommended that the board members endorse the Gateway plaza as a part of the Gateway project if the construction and operating costs can be managed through additional fund raising or a financing vehicle that does not impact the owners' rent. This recommendation was amended as follows: "..... that does not impact the owners' expected profits."

There was considerable discussion, including the likelihood of the plaza costs being covered by additional fund raising. Carlson said that she and Jerry Fischer, president of the UMF, are currently talking to a major donor who is interested in funding the plaza. Following discussion, the amended recommendation to endorse the Gateway plaza was approved.

University of Minnesota President Mark Yudof

University President Mark Yudof thanked the UMAA and UMF volunteers for their support of the University's legislative request this year. He said that alumni support was absolutely critical to the University's legislative success. A lot of people have bestowed trust in the University, and the University now needs to justify that trust--\$4 million dollars worth of buildings need to be built on time and on budget (the 'U' will hire a project manager to ensure that this is accomplished.)

Yudof reported that he and his steering committee plan to have the "initial packaging" together for the 1999 legislative proposal by September 14. Key goals for the next year include organizing the building projects; developing coherent programs that "hang together;" recruiting and hiring top professors; and continuing the current record of retaining our best and brightest faculty members. Additional goals include enhancing the undergraduate and graduate student experiences; simultaneously strengthening the humanities, social sciences, and arts curriculums; strengthening health education and

determining its future funding; expanding technology; improving outreach; improving building maintenance and operations; and continuing to be strategic about communication and reaching out to the communities.

There was considerable discussion and questions from the board members for President Yudof, including regarding ties with industry and business leaders; building a relationship with a new governor; developing compacts with the collegiate units; and recruiting and retaining minority faculty and administrators.

National President's Report

Huntrods said that she is ending her year as UMAA national president with a "profound sense of privilege." She thanked the volunteers and staff members for their hard work and contributions toward the Gateway; the legislative initiative; communications; outreach; financial successes; and everything else that has resulted in this year's success. Huntrods encouraged the board members to continue to advocate for the University in as many settings as possible.

Huntrods, Mona, and Carlson distributed maroon baseball caps with "Team Renaissance" embroidered upon them as a year-end thank you gift to the board members. The following board members were presented with special gifts to recognize the completion of their board terms: Peggy Craig, Joe Gibilisco, J. P. Maier, Judy Ventres, Nann Whitney, and Tony Yapel. Board members whose terms are ending but could not be present are Vic Bloomfield, Steve Couture, Mary Craig, Jigar Madia, Patrick Mendis, and Tom Moe.

President-elect's Remarks

Mona said that Huntrods has done a wonderful job and that she has been a model president. Said Mona, "Ann has been a delight to work with: smart, tough, and dedicated. Mona presented Huntrods with an engraved University of Minnesota Regent's Seal watch. Carlson presented her with a personalized helmet and photograph which commemorate the 1998 legislative success story.

Mona said that he is looking forward to serving as president beginning on July 1. He encouraged the board members to join the tour of the Gateway construction site immediately following the board meeting.

Submitted by,

Cheryl Jones
UMAA Executive Assistant

for

John Bergstrom
Secretary-Treasurer

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION

97-98 Highlights (in addition to ongoing activities)

Goal I: Build the University Gateway

In collaboration with our partners, the University of Minnesota Foundation and the Minnesota Medical Foundation:

- ◆ raised \$6.5 million to date
- ◆ held groundbreaking festivities
- ◆ finalized building design; Gateway plaza proposed
- ◆ selected Heritage Gallery designer and advisory committee
- ◆ featured architect and Gateway in *Minnesota*, *M*, and a special video

Goal II: Grow Visible Organization of 50,000 Members

Membership

- ◆ raised 38,152 members as of 6/17/98 (goal: 40,000 by June 30, 1998)
- ◆ collaborated with University Bookstores on a new membership benefit
- ◆ negotiated ten-year affinity card contract

Connections

- ◆ 50 geographical chapters and contact areas in Minnesota and the U.S., seven international chapters and alumni contacts in 30 other countries
- ◆ 17 collegiate and two affiliate alumni societies, three special interest groups, and 10 Twin Cities business and community groups
- ◆ assisted with 16 of President Yudof's trips to Greater Minnesota and the U.S.
- ◆ 188 University units participating in Maroon and Gold Fridays
- ◆ pepfests at NIT men's basketball, NCAA women's hockey, Big Ten men's basketball tournament

Visibility

- ◆ produced six issues of *Minnesota*; met advertising goal
- ◆ produced three issues of *M* in collaboration with University Relations
- ◆ developed UMAA web site; more than 360,000 hits since March 1997
- ◆ produced three "What's New at the U" videos
- ◆ developed three UMAA public service announcements with Midwest Sports Channel
- ◆ developed "Minnesota Minute" radio ads on 61 greater Minnesota radio stations

Goal III: Enhance the Student Experience

- ◆ mentor program for 4,105 students and nearly 2,000 alumni
- ◆ RSVP (Recruiting Minnesota Students with Volunteer Power) links to 32 Minnesota communities
- ◆ sponsored faculty teaching awards, student scholarships, and student leadership awards
- ◆ assisted University units in orienting 7,000 new freshmen and 4,000 parents; assisted with Campus Preview Days and Campus Kick-Off Days

Goal IV: Expand Alumni Advocacy

Legislative

- ◆ mobilized the 2,600-person legislative network; held legislative briefing and celebration
- ◆ coordinated the "249" button campaign; included appeal from President Yudof in *Minnesota*
- ◆ developed "You Can't Imagine Minnesota Without the U" custom ads for select newspapers
- ◆ organized collegiate unit calling nights, telephone patch-through program, e-mail alerts to 5,000 UMAA Internet subscribers, 700 personalized postcards to state legislators, and thank you cards to the governor

Public Policy

- ◆ worked with the state legislature on recommendations to improve the process by which regents are selected
- ◆ placed editorials and op-ed pieces in metropolitan newspapers



UMAA GOALS AND OBJECTIVES 1998-99

(In Addition to On-going Activities)

Approved by the UMAA National Board of Directors on 4/25/98

(Numbers to be filled in based upon year-end results and/or consultation with other units)

Vision:

- **integrated programs/services, within UMAA and across the U, focusing on the Gateway and membership**
- **high performance and measurable outcomes**
- **excellent member service**
- **financial viability**

Goal I: GATEWAY

- Coordinate with the UMF and MMF on these initiatives:
 - vigilant oversight of financial commitments
 - phase II and phase III fund raising
 - vendors for the memorabilia shop, food service, conference center, etc.
 - consultant for the heritage gallery, common spaces, and partner spaces
 - grand opening to be held in the fall of 1999
 - management issues such as tenant space, shared receptionist, tours, etc.
- Design UMAA space; identify discount and pro-bono vendors for furniture, dividers

Goal II: 50,000 MEMBERS BY 2000; VISIBILITY/CONNECTIONS

- Increase membership to 45,000 (from xxxx at June 30, 1998) through these initiatives:
 - focus on increasing renewal rates to 80 percent (from 68 percent last year) and multi-year and life memberships
 - implement donor/member program
 - tie Phase II and III Gateway gifts to a life membership promotion*
 - add new benefits including a "members only" UMAA web site
 - analyze the cost-benefits of membership recruitment strategies
- Continue to enhance communications efforts through these initiatives:
 - focus on the Gateway and membership in *Minnesota, M*, the world wide web, update videos, metro and greater Minnesota media, as well as new e-mail updates to key constituents
 - accelerate presence on WCCO-AM radio and MNN radio
 - produce seven public service announcements for MSC-TV
 - accomplish advertising sales of \$247,500 (from \$217,212 last year)
- Enhance and expand connections to alumni, friends, and students through these activities and programs:
 - establish Gateway and membership compacts with societies, chapters/contact areas, and special interest groups
 - hold at least 10 Twin Cities Business and Community events and 3-5 geographical events in collaboration with the UMF
 - develop and implement a new career services program
 - continue to provide an alumni volunteer corps for the Dept. of Admissions "RSVP" program and other University programs; evaluate programs at year-end

Goal III: ADVOCACY

- Enhance the legislative network:
 - mobilize alumni to build relationships with gubernatorial and legislative candidates
 - increase legislative network membership from 2600 to 3000; identify captains for all districts (67); expand the network of business leaders, friends, and parents in key legislative districts (those with legislative committee members and smaller alumni populations)
- Continue to play an active role in regent selection:
 - recruit candidates for the Regent Candidate Advisory Council (RCAC)
 - assist the RCAC in recruiting candidates for open regent seats
 - host regent candidate forum(s)

Goal IV: STUDENT EXPERIENCE

- Expand the visibility of the mentor program; engage 2500 alumni and 4500 students (from 6105 last year); evaluate effectiveness of the Mentor Connection
- Assist in planning and executing a new convocation for entering students in fall 1998

Goal V: CAPITAL CAMPAIGN (Integrated in Goals I-IV)

ADMINISTRATIVE/OPERATIONS

- Develop UMAA Strategic Plan FY01 and beyond, with corresponding long-range financial plan to be developed at the completion of the Gateway (in FY00)
- Modify current long-range financial plan through FY01
- Recommend changes to the association volunteer recognition program
- Introduce expanded features of the UMAA data base to better track alumni information and participation
- Identify corporate sponsors for major events including the Gateway grand opening

* *In collaboration with the University of Minnesota Foundation and the Minnesota Medical Foundation*

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION

I. AGENDA ITEM: National Board
Wednesday, June 24, 1998

II. TITLE: University of Minnesota Alumni Association Fiscal Year 1999 Budget

Discussion **Information** **Recommendation to National Board
for Ratification**

III. RECOMMENDED RESOLUTION OR PROPOSED ACTION:

The Finance and Executive Committees of the National Board have reviewed and recommend approval of the fiscal year 1999 budget (see attached.)

IV. BACKGROUND INFORMATION:

The fiscal year 1999 University of Minnesota Alumni Association budget was reviewed by the Finance Committee at their June 5, 1998 meeting and by the Executive Committee at their June 10, 1998 meeting. Both groups have recommended approval.

V. PRESENTED BY: John Bergstrom

VI. ACTION:

University of Minnesota Alumni Association
FY99 Proposed Budget Revision
Prepared for Presentation to UMAA National Board

| | FY99 Proposed Budget | FY98 Revised Budget | Budget Increase (Decrease) | FY98 Revenue Thru 4/98 |
|---|----------------------------|---------------------------|----------------------------------|------------------------------|
| Revenue | | | | |
| Membership | | | | |
| Annual/3yr/5yr/10yr | 776,445 | 697,325 | 79,120 | 577,697 |
| Life Membership Support | 265,200 | 252,000 | 13,200 | 210,000 |
| Contributions | 17,750 | 53,950 | (36,200) | 38,831 |
| | | | | |
| Special Events | 55,000 | 58,325 | (3,325) | 11,521 |
| | | | | |
| Tours | 110,000 | 110,000 | - | 99,943 |
| Ad Sales | 247,500 | 204,000 | 43,500 | 175,985 |
| Royalty Income | 200 | 200 | - | 28 |
| Internet (net of access & software fees) | 112,810 | 116,250 | (3,440) | 93,695 |
| Affinity Credit Card | 100,000 | 300,000 | (200,000) | 250,687 |
| | | | | |
| Transfers to Finance Current Operations: | | | | |
| Credit Card Advance Funds - | | | | |
| Operations | 240,000 | - | 240,000 | - |
| General Endowment - Operations | 255,000 | 225,000 | 30,000 | 187,500 |
| UMF Held Endowment Support - | | | | |
| Awards | 31,000 | 31,000 | - | 25,000 |
| U Held Endowment Support - | | | | |
| Special Initiatives | - | 20,000 | (20,000) | 20,000 |
| | | | | |
| Net Assets Released From Restrictions | 22,500 | 22,500 | - | - |
| | | | | |
| University Support: | | | | |
| Base | 1,018,280 | 1,109,934 | (91,654) | 926,019 |
| Capital Campaign Readiness | 371,000 | 360,000 | 11,000 | 300,000 |
| Investment Income | 10,300 | 7,900 | 2,400 | 8,486 |
| Investment Gain | - | - | - | 23,686 |
| Gateway Return of Investment | - | - | - | 135,234 |
| Miscellaneous | 13,300 | 50,000 | (36,700) | 44,617 |
| | | | | |
| Total Revenues | <u>3,646,285</u> | <u>3,618,384</u> | <u>27,901</u> | <u>3,128,929</u> |

University of Minnesota Alumni Association
FY99 Proposed Budget Revision
Prepared for Presentation to UMAA National Board

| | FY99 Proposed Budget | FY98 Revised Budget | Budget Increase (Decrease) | FY98 Expenses Thru 4/98 |
|-------------------------------|----------------------------|---------------------------|----------------------------------|-------------------------------|
| Expenses | | | | |
| Personnel | 1,784,960 | 1,633,645 | 151,315 | 1,282,224 |
| Staff Development | 25,030 | 19,025 | 6,005 | 8,652 |
| Professional Fees | 343,415 | 426,085 | (82,670) | 293,755 |
| DMS Fees | 20,480 | 20,390 | 90 | 16,980 |
| Advertising | 16,220 | 17,830 | (1,610) | 10,884 |
| Telephone | 29,250 | 37,705 | (8,455) | 29,433 |
| Mail Service/Delivery | 243,395 | 242,855 | 540 | 156,411 |
| Printing/Copying | 392,250 | 411,915 | (19,665) | 297,092 |
| Supplies | 74,185 | 86,700 | (12,515) | 63,194 |
| Rentals | 31,245 | 31,400 | (155) | 7,695 |
| Office Expenses | 102,500 | 104,500 | (2,000) | 89,361 |
| Travel/Catering/Entertainment | 172,520 | 140,075 | 32,445 | 107,595 |
| Society Allocations | 100,170 | 99,840 | 330 | 83,200 |
| Awards/Scholarships | 59,670 | 60,420 | (750) | 26,716 |
| Co-Sponsorships | 194,955 | 211,650 | (16,695) | 161,622 |
| Gateway Draw - Repayment | - | - | - | 98,025 |
| Other | 35,545 | 50,670 | (15,125) | 106,394 |
| Total Expenses | <u>3,625,790</u> | <u>3,594,705</u> | <u>31,085</u> | <u>2,839,233</u> |
| | | | | |
| Surplus/(Deficit) | <u>20,495</u> | <u>23,679</u> | <u>(3,184)</u> | <u>289,696</u> |

University of Minnesota Alumni Association
1998-1999 Proposed Budget
Summary and Explanations

Revenues

Annual/3yr/5yr/10yr Membership - FY99 revenue projections are based on reaching 45,000 members by June 30, 1999. It assumes a 70% renewal rate for the 21,850 members up for renewal in FY99, a 40% renewal rate for the 2,220 free graduate memberships extended in FY98 and 13,375 new members. The new members will be generated through: fall and spring direct mail appeals to past and never members with a companion telemarketing appeal; a specially designed mail appeal to a select group of past members; GradFest and a mailing to new graduates offering a one-year free membership; a special promotion to recent graduates offering them an introductory rate membership; and numerous targeted appeals aimed at program attendees, *Minnesota* magazine recipients who are not members, and parents of new students. Also included in the projected number of new members are those raised from combined efforts with other organizations. The Minnesota Medical Foundation has agreed to include UMAA memberships as part of its next telemarketing appeal, and there have been preliminary talks regarding offering association memberships to those pledging over a certain amount to the Gateway. Revenue associated with these collaborative appeals has not been included in the budget since the extent of such programs and the per member transfer to the UMAA is unknown at this time.

Life Membership Support - The transfer from the Obligated Fund is actuarially determined based on an assumed investment rate of return of 9% and an assumed inflation rate of 4%. For purposes of this budget, the 10,065 full life members as of April 30, 1998 were used in calculating the amount of the transfer.

Contributions - Sustaining life contributions are expected to be raised from approximately 260 life members donating an average of \$65. The remaining contributions are expected from unsolicited donors. The FY98 budget included corporate contributions in the amount of \$30,000 to underwrite the Annual Meeting speaker. Neither revenue from corporate underwriting nor any honorarium associated with the FY99 Annual Meeting speaker has been budgeted.

Special Events - Budgeted revenue has been based on 1000 annual meeting attendees paying an average ticket price of \$35, registration fees from 4 collaborative events with the UMF in various geographic areas, and other smaller events.

Tours - \$105,000 is expected to be earned from commissions on the 26 trips scheduled in FY99. The remaining \$5,000 will be received as a commission from travel insurance sales.

Advertising Sales - Minnesota magazine revenue has been budgeted at \$247,500. This is an 11.5% increase over FY98 actual revenue. Although this represents a significant increase, a new ad sales representative was hired who has demonstrated, over the last two issues of FY98, that he can deliver advertising sales at this level.

Internet - Low-cost access to the Internet system became a member benefit in FY94. Approximately 4,850 members currently subscribe, paying the \$130 annual subscription fee. It is projected that 75% will renew in FY99 and that another 1,500 members will be added paying the \$130 annual fee plus the one-time set-up fee of \$45. In addition, it is projected that 500 subscribers will pay \$25 to upgrade their software. The revenue from the Internet program is shown net of the access fees (\$110) and software charges (\$40 - new, \$20 - upgrade) paid to the University.

Affinity Credit Card - In FY94 the UMAA entered into an agreement with First USA for a UMAA credit card. The UMAA receives royalty payments for the use of its name over the life of the agreement. Revenue included reflects what is projected to be earned under this agreement which expires 10/31/98. (See Transfers to Finance Current Operations: Credit Card Advance Funds - Operations below.)

Transfers to Finance Current Operations:

Credit Card Advance Funds - Operations - The current credit card agreement expires on 10/31/98 (see Affinity Credit Card above.) Approximately one year ago staff began working on the re-negotiation of this agreement. The new agreement has now been signed and is significantly different from the original. Both agreements include identical language on how royalties are "earned" based on a formula having to do with the number of cards issued and the charges made on issued cards. The difference between the agreements is that under the original, the guaranteed royalties, which were advanced upon signing of the agreement, were "earned" within the first two years. After the advance was "earned" FUSA made quarterly payments to the UMAA for amounts "earned". The current agreement includes a guarantee which is so high the program will not "earn" the guarantee within the ten years of the agreement. The auditors have agreed that the proper way to recognize the revenue is to record 1/10 of the guarantee each year. This will be recognized in the unrestricted General Investment Fund, which is where the advance will also be recorded. For budgeting purposes, only the amount actually expected to be "earned" under the contract will be transferred from the General Investment Fund to the Operating Fund. In FY99, the new agreement will be in effect 8 months and it is expected that \$240,000 in royalties will be earned based on the number of cards issued and the charges made on issued cards.

General Endowment - Operations - Endowment support is calculated at 5.5% of the General Endowment Fund's average market value for the past three years. This is consistent with the UMAA board resolution passed on January 14, 1995.

UMF Held Endowments - Awards - The sources of this revenue are UMF held funds recorded in the unrestricted General Investment Fund. The amount is equal to the scholarship and award commitments budgeted for FY99 coming from these invested funds and include the 8 Student Leadership, 2 Donald Zander, and the Morse-Alumni Teaching Awards.

University Held Endowments - Special Initiative - In FY97 the board approved a \$100,000 gift to the Gateway in honor of President Hasselmo's retirement, to be paid out equally over 5 years, with the funds to cover this expense to be drawn from the U of M Alumni Fund. This gift was not accrued at 6/30/97 because of uncertainties which existed at that time related to the Gateway. Those uncertainties were cleared in FY98 and the full commitment and the related draw from the U of M Alumni Fund were accrued. Consequently, the only impact in future years of the payment to Gateway Corp. and the draw from the U of M Alumni Fund will be balance sheet related.

Net Assets Released from Restrictions - The sources of this revenue are UMF held funds recorded in the temporarily restricted fund. The amount is equal to the scholarship commitments for the Freshman Leadership Incentive Scholarships - Need Based (5) and Merit Based (15).

University Support - The University base allocation has been permanently reduced by \$125,000 in light of the University's emphasis on shifting funds to priority academic programs and faculty salaries. The UMAA received a \$33,310 increase to fund the portion of mandated salary increases paid from University funds.

The Office of the VP of Institutional Relations has made available, beginning in FY96, **Capital Campaign Readiness** funds to prepare for the University Capital Campaign. Because the campaign is expected to heavily target alumni the UMAA has been given funds to locate lost alumni; collaborate with University Relations on "M"; mobilize Twin Cities' alumni; expand the U.S. Chapter program; and collaborate with the Office of International Programs which will provide staffing for international alumni programs. These funds are expected to increase 3% per year through FY2001.

Investment Income - The investment income is expected to be earned primarily on cash balances and the remaining credit card advance funds (from the original agreement) which are invested with the University of Minnesota Foundation.

Gateway Return of Investment - FY98 revenue reflected the return of pre-construction costs paid by the UMAA for the Gateway.

Miscellaneous - The miscellaneous revenue projections reflect amounts expected to be received from affinity agreements with A. H. Wohlers for the group insurance program, Affinity for a long distance phone service, and other small affinity relationships.

Expenses

Personnel - The 9.3% increase in budgeted personnel expense is the result of the following:

- Inclusion of the following positions for the full year in FY99 (positions were unfilled for some portion of FY98 either because of staff turnover or because they were new positions.)
 - Editor of *Minnesota*
 - Accounting manager
 - Geographic chapter team leader
 - Geographic chapter program director - MN
 - Institute of Technology program director
 - Director of marketing and membership
 - Customer service/Internet coordinator
 - Graphic designer/WEB designer
- Restructuring within the marketing and membership department resulting from the retirement of the tour program coordinator and the creation of a new database administrator position
- Inclusion of a part-time advertising sales coordinator
- University mandated and optional departmental salary increases

Staff Development - This expense line includes the cost of memberships in professional associations, subscriptions to periodicals, the cost of reference materials, including software updates, registration fees for conferences and other training costs. The FY99 increase is primarily due to the 1st license renewal payment on the membership database and training for the new database administrator.

Professional Fees - This line item includes commissions paid to sales reps; payments to consultants and independent contractors, including magazine writers, photographers, and designers; program consultants; telemarketing services; lawyers; and auditors. The net decrease in professional fees is primarily due to the following:

- FY98 legal fees associated with forming the Gateway Corporation and re-negotiating the credit card contract.
- Consulting fees associated with strategic planning have been included in the FY99 budget but offset FY98 management training fees.
- An Annual Meeting speaker honorarium is not budgeted in FY99. If such a cost is incurred, corporate underwriting will be obtained.
- A program consultant was hired in FY98 to cover the program director responsibilities when the Institute of Technology position turned over. This was an unusual situation which is not expected to be repeated.
- The legislative consulting firm which was hired at the request of the University has not been budgeted in FY99.
- The telemarketing budget has been reduced to what will actually be spent in FY99.
- Sales commissions and other professional fees associated with generating advertising sales have increased in relation to the increase in advertising sales revenue.

DMS Fees - These fees are paid to the UMF for services related to the university database

Advertising - This line reflects the budgeted cost of announcing job openings and program events in various publications. The budget decrease relates to the expectation of less job turnover and thus fewer positions to fill in FY99. This decline is partially offset by increased advertising related to ad sales generation and general UMAA visibility.

Telephone - This includes line charges, long distance, and fax charges. The decrease is attributable to a restructuring of university telecommunication charges. This restructuring was necessary to comply with Federal OMB Circular A-21 and Federal Cost Accounting Standards for Educational Institutions. The result was a decrease in the cost of most telecommunication services used by the UMAA.

Mail Service/Delivery - This line includes postage, delivery and mail house charges. The insignificant change between the FY98 and FY99 budgets mask real changes in budget assumptions. In FY99 there will be a greater reliance on broadcast faxes and e-mail in relation to the legislative network and more postage expense to mail *Minnesota* to the new members. Postal rate increases have not been budgeted since the amount and timing are unknown at this time. This has historically been a budget line which has ended the year with a surplus.

Printing/Copying - This line includes the cost of using University and outside printers, the cost of the UMAA copier, artwork, and photography costs. The decrease from the FY98 budget is primarily the result of planning new member appeals which are less costly to print. These savings are partially offset by increased paper costs for the magazine, stripping costs associated with the printing of *Minnesota* which were waived in year one of the contract, and the printing of ad generating promotional materials.

Supplies - This line includes both office supplies and consumable event supplies. The decrease is attributable to the FY98 purchases of certain non-capitalized computer related items and over budgeting in FY98. These decreases are partially offset by new promotional items for the proposed student convocation, mentor program, and career services program.

Rentals - This line includes the cost to rent meeting rooms as well as equipment. The budget primarily relates to the annual meeting and other special events.

Office Expenses - This line includes the rental of office space, insurance, bank charges and equipment maintenance. Office rent has been budgeted at \$70,000. Other costs remain fairly constant.

Travel/Catering/Entertainment - This line includes airfare, automobile rental, taxis, mileage reimbursement, business meals, catering of events, entertainment for events, and tickets to events for staff and guests. The chapter program, including collaborative events with the UMF, account for most of the budget. In FY98 two of the three positions which travel extensively were vacant for a number of months. In addition, there were only 2 collaborative events and 4 are budgeted in FY99.

Society Allocations - The amount budgeted for the alumni society allocation is based on the number of society members as of April 30, 1998. The actual payments will be based on membership numbers as of June 30, 1998.

Awards/Scholarships - These awards and scholarships are primarily funded by UMAA investments held by the UMF and an equal amount has been included as revenue (UMF Held Endowment Support - Awards and Net Assets Released From Restrictions) to reflect the transfer of funds to cover these expenses.

Co-Sponsorships - This budget line includes \$120,000 which will be sent to University Relations for the alumni publication "M", \$65,250 related to collaborative agreements with certain collegiate units for the provision of services to alumni, \$3,400 for a radio PSA collaboration with University Relations, and the balance of \$6,305 for co-sponsorship agreements related to special events and outreach.

Other - This line includes amounts budgeted for gifts, unrelated business income tax, sales tax payable on Internet software sales, and other minor and unusual expenses. The decrease is due to the recognition in FY98 of the entire commitment to the Gateway for President Hasselmo's retirement gift. (\$20,000 was included in the FY98 budget.) This is offset by an expected increase in unrelated business income tax.

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McGLADREY & PULLEN, LLP

Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
University of Minnesota Alumni Association
Minneapolis, Minnesota

We have audited the accompanying statement of financial position of the University of Minnesota Alumni Association as of June 30, 1998, and the related statements of activities and changes in net assets and cash flows 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.

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, 1998, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 8 to the financial statements, the University of Minnesota Alumni Association changed its method of accounting for lifetime membership revenue.

McGladrey & Pullen, LLP

Minneapolis, Minnesota
September 15, 1998

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION

STATEMENT OF FINANCIAL POSITION

June 30, 1998

| | Unrestricted Funds | | | | | |
|--|---------------------|------------------------|-------------------------|----------------------|------------------------|------------------------|
| | Operating Fund | General Obligated Fund | General Investment Fund | Total Unrestricted | Temporarily Restricted | Permanently Restricted |
| ASSETS | | | | | | |
| Current Assets | | | | | | |
| Cash | \$ 407,867 | \$ - | \$ - | \$ 407,867 | \$ - | \$ - |
| Accounts receivable | 185,660 | - | - | 185,660 | - | - |
| Prepaid expenses | 87,183 | - | - | 87,183 | - | - |
| University of Minnesota-held funds (Note 2) | 240,000 | - | 225,332 | 465,332 | - | - |
| Interfund receivable | 116,152 | - | - | 116,152 | - | - |
| Total current assets | 1,036,862 | - | 225,332 | 1,262,194 | - | - |
| Investments (Note 3) | 245,289 | 5,133,204 | 5,772,414 | 11,150,907 | 134,042 | 455,489 |
| Equipment and Leasehold Improvements, less accumulated depreciation of \$415,537 | - | - | 322,974 | 322,974 | - | - |
| Total assets | \$ 1,282,151 | \$ 5,133,204 | \$ 6,320,720 | \$ 12,736,075 | \$ 134,042 | \$ 455,489 |
| LIABILITIES AND NET ASSETS | | | | | | |
| Current Liabilities | | | | | | |
| Accounts payable | \$ 28,223 | \$ - | \$ - | \$ 28,223 | \$ - | \$ - |
| Accrued expenses | 159,736 | - | - | 159,736 | - | - |
| Contributions payable (Note 6) | 107,298 | - | - | 107,298 | - | - |
| Interfund payable | - | 19,164 | 96,988 | 116,152 | - | - |
| Deferred membership revenue (Note 8) | 238,811 | 1,306,190 | - | 1,545,001 | - | - |
| Total current liabilities | 534,068 | 1,325,354 | 96,988 | 1,956,410 | - | - |
| Commitments (Note 5) | | | | | | |
| Net Assets | 748,083 | 3,807,850 | 6,223,732 | 10,779,665 | 134,042 | 455,489 |
| Total liabilities and net assets | \$ 1,282,151 | \$ 5,133,204 | \$ 6,320,720 | \$ 12,736,075 | \$ 134,042 | \$ 455,489 |

See Notes to Financial Statements.

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended June 30, 1998

| | Unrestricted Funds | | | Total Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|--|--------------------|------------------------------|-------------------------------|-----------------------|---------------------------|---------------------------|------------------|
| | Operating Fund | General Obligated Fund | General Investment Fund | | | | |
| Revenues: | | | | | | | |
| Membership fees: | | | | | | | |
| One-, three-, five-, and ten-year Life (Note 8) | \$ 687,761 | \$ - | \$ - | \$ 687,761 | \$ - | \$ - | \$ 687,761 |
| Contributions | 54,391 | - | 2,500 | 56,891 | - | - | 56,891 |
| Total membership fees and contributions | 742,152 | 44,891 | 2,500 | 789,543 | - | - | 789,543 |
| Contributed support from the University (Note 2) | 1,471,014 | - | - | 1,471,014 | - | - | 1,471,014 |
| Interest and dividends | 11,252 | 105,663 | 118,688 | 235,603 | 7,453 | - | 243,056 |
| Net appreciation in the fair value of investments (Note 3) | 21,381 | 460,525 | 532,498 | 1,014,404 | 17,626 | 37,894 | 1,069,924 |
| Endowment support (Note 2) | - | - | 87,513 | 87,513 | - | - | 87,513 |
| Royalty income | 355,413 | - | 34,485 | 389,898 | - | - | 389,898 |
| Advertising | 222,063 | - | - | 222,063 | - | - | 222,063 |
| Internet revenue, net of expenses of \$614,700 | 107,640 | - | - | 107,640 | - | - | 107,640 |
| Tours | 115,677 | - | - | 115,677 | - | - | 115,677 |
| Special events | 36,879 | - | - | 36,879 | - | - | 36,879 |
| Net assets released from restrictions | 22,500 | - | - | 22,500 | (22,500) | - | - |
| Gateway draw repayment (Note 4) | 135,234 | - | - | 135,234 | - | - | 135,234 |
| Other | 40,170 | - | - | 40,170 | - | - | 40,170 |
| Total revenues | 3,281,375 | 611,079 | 775,684 | 4,668,138 | 2,579 | 37,894 | 4,708,611 |
| Transfers to finance current operations | 528,000 | (252,000) | (276,000) | - | - | - | - |
| Transfer of equipment to General Investment Fund | 39,669 | - | (39,669) | - | - | - | - |
| Total revenues and transfers | 3,849,044 | 359,079 | 460,015 | 4,668,138 | 2,579 | 37,894 | 4,708,611 |

(Continued)

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (Continued) Year Ended June 30, 1998

| | Unrestricted Funds | | | Total Unrestricted | Temporarily Restricted | Permanently Restricted |
|--|--------------------|------------------------------|-------------------------------|-----------------------|---------------------------|---------------------------|
| | Operating Fund | General Obligated Fund | General Investment Fund | | | |
| Expenses: | | | | | | |
| Personnel: | | | | | | |
| Salary | 1,287,104 | - | - | 1,287,104 | - | - |
| Fringe benefits | 308,661 | - | - | 308,661 | - | - |
| Temporary workers | 21,375 | - | - | 21,375 | - | - |
| Total personnel expenses | 1,617,140 | - | - | 1,617,140 | - | - |
| Operating: | | | | | | |
| Training and subscriptions | 9,206 | - | - | 9,206 | - | - |
| Professional fees | 382,178 | - | - | 382,178 | - | - |
| Data processing | 20,423 | - | - | 20,423 | - | - |
| Advertising | 21,371 | - | - | 21,371 | - | - |
| Telephone | 35,147 | - | - | 35,147 | - | - |
| Mail service and delivery | 206,860 | - | - | 206,860 | - | - |
| Printing, copying, and design | 353,790 | - | - | 353,790 | - | - |
| Supplies | 72,857 | - | - | 72,857 | - | - |
| Rentals | 26,762 | - | - | 26,762 | - | - |
| Office expenses | 106,317 | 2,500 | 2,500 | 111,317 | - | - |
| Travel, catering, and entertainment | 134,848 | - | - | 134,848 | - | - |
| Support to affiliated alumni groups (Note 6) | 99,840 | - | - | 99,840 | - | - |
| Awards and scholarships | 56,910 | - | - | 56,910 | - | - |
| Contributions and cosponsorships (Note 6) | 286,861 | - | - | 286,861 | - | - |
| Gateway draw repayment (Note 4) | 98,025 | - | - | 98,025 | - | - |
| Depreciation | - | - | 99,558 | 99,558 | - | - |
| Other | 42,069 | - | 226 | 42,295 | - | - |
| Total operating expenses | 1,953,464 | 2,500 | 102,284 | 2,058,248 | - | - |
| Total expenses | 3,570,604 | 2,500 | 102,284 | 3,675,388 | - | - |
| Change in net assets | 278,440 | 356,579 | 357,731 | 992,750 | 2,579 | 37,894 |
| Net assets: | | | | | | |
| Beginning of year | 469,643 | 4,761,622 | 5,866,001 | 11,097,266 | 131,463 | 417,595 |
| Less adjustment applicable to prior years resulting from the retroactive change to the deferred method of recognizing lifetime membership revenue (Note 8) | - | (1,310,351) | - | (1,310,351) | - | - |
| End of year | \$ 748,083 | \$ 3,807,850 | \$ 6,223,732 | \$ 10,779,665 | \$ 134,042 | \$ 455,489 |

See Notes to Financial Statements.

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION

STATEMENT OF CASH FLOWS

Year Ended June 30, 1998

| | |
|---|-------------------|
| Cash Flows From Operating Activities | |
| Change in net assets | \$ 1,033,223 |
| Adjustments to reconcile change in net assets to net cash used in operating activities: | |
| Depreciation and amortization | 99,558 |
| Investment gain | (1,301,410) |
| Investment income restricted for long-term investment | (37,894) |
| Loss on sale of equipment | 228 |
| Changes in assets and liabilities: | |
| Accounts receivable | 30,131 |
| Prepaid expenses | (12,277) |
| University of Minnesota-held funds | (320,870) |
| Accounts payable, accrued expenses, and contributions payable | (25,141) |
| Deferred membership revenue | 22,408 |
| Net cash used in operating activities | <u>(512,044)</u> |
| Cash Flows From Investing Activities | |
| Purchase of investments | (78,163) |
| Proceeds from the sale of investments | 726,728 |
| Purchase of equipment and leasehold improvements | (78,280) |
| Net cash provided by investing activities | <u>570,285</u> |
| Cash Flows From Financing Activities | |
| Investment income restricted for long-term investment | <u>37,894</u> |
| Net increase in cash | 96,135 |
| Cash | |
| Beginning of year | <u>311,732</u> |
| End of year | <u>\$ 407,867</u> |

See Notes to Financial Statements.

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Nature of business: The University of Minnesota Alumni Association (the Association) serves alumni and the University of Minnesota as both an independent nonprofit association, governed by a volunteer Board of Directors, and as the University of Minnesota's department of alumni relations. The Association and the department are served by a central staff and are organized to develop and encourage alumni interest in the University of Minnesota (the University) for the betterment of the University and its faculty, students, and alumni.

A summary of significant accounting policies follows:

Cash and cash equivalents: For cash flow statement reporting purposes, the Association considers all cash and savings accounts to be cash equivalents. The Association maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Association has not experienced any losses in such accounts.

Investments: Investments are recorded at fair market value.

Equipment and leasehold improvements: Assets acquired by purchase are stated at cost. Donated property and equipment are capitalized at fair value on the date of receipt. Depreciation is provided over estimated useful lives on the straight-line method as follows:

| | Years |
|------------------------|---------------|
| Computer equipment | 5 |
| Office equipment | 10 |
| Leasehold improvements | Life of lease |

Income tax status: The Association is a non-profit organization exempt from federal income tax under Internal Revenue Code Section 501(c)(3) and is only subject to federal income tax on its net unrelated business income.

Unrestricted net assets: Within the unrestricted net asset category, the Association segregated its assets into various funds according to their uses as follows:

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

General Obligated Fund: Used to account for all revenues 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. An annual transfer of funds from the General Obligated Fund to the Operating Fund covers these expenses.

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

General Investment Fund: Established to receive resources not used for operations, to provide a quasi-endowment for Association programs, and to hold property and equipment. Income of the General Investment Fund may be transferred to the Operating Fund as determined by the Board of Directors.

Temporarily restricted net assets: Donations that have donor-imposed stipulations that can be fulfilled by certain actions of the Association. As restrictions are fulfilled, amounts are released, on the statement of activity, from temporarily restricted net assets into unrestricted net assets. However, if a restriction is fulfilled in the same period in which the contribution is received, the Association reports the contribution as unrestricted.

Permanently restricted net assets: Donations that have permanent donor restrictions on the resources. Investment earnings restricted by the donor to maintain the contribution's purchasing power are recorded in permanently restricted net assets. All other investment earnings are recorded in accordance with the donor's specified intent.

Contributions and donations: The Association records contributions when it has been determined that there is a legal right to the contribution and the amount is subject to reasonable estimation.

Memberships: The Association records 1-year memberships as revenues in the period received, while 3-, 5-, 10-year, and lifetime membership revenues are deferred and amortized to income over 3, 5, 10, and 43 years, respectively, using the straight-line method.

Interest and dividends: Interest income is recorded as earned on an accrual basis, and dividend income is recorded on the dividend date.

Royalty income: Royalty income is comprised of amounts earned as a result of the affinity agreements and the granting of permission to use the Association's copyrighted materials.

Internet: During 1994, the Association entered into an agreement with the University to provide certain of its members with access to the University's Internet system. The Association collects fees from its members and remits a part of the fees collected to the University to cover access charges. Any fees collected in excess of University access charges are retained by the Association to defray the administrative cost of providing the service.

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

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Estimates: The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2. Related-Party Transactions

Certain expenses relating to the Association's operations are funded by the University. In 1998 \$1,111,014 was received from the University to fund the Association's operations, including salaries and employee benefits, and rental of office space. The additional \$360,000 was received for alumni relationship-building programs, of which \$240,000 was still held by the University for the Association as of June 30, 1998.

In addition, the University holds certain endowment investments of approximately \$2.2 million to which the Association has been given spending authority by the University's Board of Regents. These investments are not recorded in the Association's financial statements since the Association does not have legal title to these investments or to the income earned thereon. For the year ended June 30, 1998 \$87,513 in investment earnings was made available to the Association. Funds available to the Association, but not yet drawn, are held by the University for the Association. University of Minnesota-held funds as of June 30, 1998, were \$225,332.

The Association also entered into transactions with University Gateway Corporation, which are described in further detail in Notes 4 through 6.

Note 3. Investments

At June 30, 1998, investments with a fair value of \$11,740,438 were held by the University of Minnesota Foundation, the Association's primary investment manager. The Association's portion of the total fair value of the investments held by the Foundation was approximately 1.9 percent at June 30, 1998. Investment earnings of \$1,069,924 for the year ended June 30, 1998, includes realized and unrealized gains of \$523,193 and \$546,731, respectively.

Note 4. Joint Venture

The Association is participating in a joint venture with two other nonprofit corporations affiliated with the University of Minnesota. University Gateway Corporation (Gateway), a nonprofit organization incorporated in June 1997, was formed to own and operate a facility to support the member organizations. The Association has a 24 percent financial interest in Gateway. During prior years, the Association advanced \$135,234, with no assurance of repayment, to support Gateway, of which the Association received a draw on University-held investments in the amount of \$98,025. During the year ended June 30, 1998, however, all advances made by the Association were repaid to the Association by Gateway, and as a result, the amounts advanced by the University were returned to the University by the Association.

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Note 5. Leased Facilities

The Association subleases space from the Campus Club of the University of Minnesota under an agreement which expired on June 30, 1997. Monthly base payments of \$5,833 were required under terms of the agreement. The Association continues to lease under an extension of the expired lease on a month-to-month basis. Monthly payments of \$5,833 are required under terms of the extension of the agreement. In total, lease payments were \$70,000 in 1998 and included certain operating costs.

The Association has entered into a 25-year lease agreement, beginning during the year ended June 30, 2000, with Gateway to lease office space. In addition to annual lease payments of \$315,520, the lease requires payment of the Association's share of utility services and actual operating expenses.

Note 6. Contributions

The Association contributes a portion of annual membership dues to each alumni society group to which the paying member belongs. Contributions of annual membership dues to alumni society groups totaled \$99,840 in 1998.

The Association contributed \$100,000 to Gateway in honor of the former President of the University. This contribution is payable over five years in \$20,000 installments. The Association also contributed \$50,000 for a history project, payable over four years in \$12,500 installments.

At June 30, 1998, contributions payable were due in future years as follows:

| | | |
|--|----|----------------------|
| 1999 | \$ | 32,500 |
| 2000 | | 32,500 |
| 2001 | | 32,500 |
| 2002 | | 20,000 |
| | | <hr/> |
| | | 117,500 |
| Less discount | | (10,202) |
| Present value of contributions payable | \$ | <hr/> <u>107,298</u> |

Note 7. Temporarily Restricted and Permanently Restricted Net Assets

Temporarily restricted net assets and permanently restricted net assets as of June 30, 1998, are restricted as follows:

| | Temporarily Restricted Net Assets | Permanently Restricted Net Assets |
|---|---|---|
| Freshman Leadership Incentive Scholarship—Merit based | \$ 71,945 | \$ 309,437 |
| Freshman Leadership Incentive Scholarship—Need based | 20,335 | 70,463 |
| Alumni Scholarship for Student Leaders | 38,524 | 60,615 |
| August Wilson Scholarship | 3,238 | 14,974 |
| | <hr/> | <hr/> |
| | \$ 134,042 | \$ 455,489 |

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Note 8. Retroactive Change in the Method of Recognizing Lifetime Membership Revenue

In prior years, the Association recognized revenue from lifetime memberships as cash was received. This method was not in accordance with generally accepted accounting principles.

During the year ended June 30, 1998, the Association retroactively changed its method of accounting for lifetime membership revenue to recognize revenue over time, based on the average duration of membership. This method is in accordance with generally accepted accounting principles.

The financial statements for the year ended June 30, 1997, have been retroactively restated for this change, and the portion of the adjustment applicable to the year ended June 30, 1997, and prior years is the amount of \$1,310,351 has been treated as a retroactive restatement of the June 30, 1997, net asset balance.

Changes in the deferred membership revenue for lifetime memberships for 1998 were:

| | Year Ended June 30, 1998 |
|--|-----------------------------|
| Beginning deferred lifetime membership revenue | \$ 1,310,351 |
| Lifetime membership receipts | 40,730 |
| Recognition of lifetime revenue | (44,891) |
| Ending deferred lifetime membership revenue | <u>\$ 1,306,190</u> |

Note 9. Functional Expenses

Expenses of the Association presented on a functional basis are as follows:

| | Building University Connections | | | | Total Program Services | Support Services | | | Total |
|--|------------------------------------|------------|---------------------------------------|----------------------------|------------------------------|-------------------------------------|-----------|--------------|-------|
| | Programs and Activities | | Publications and Communications | Advocacy and Service | | Management and Administration | | Fundraising | |
| | Membership | | | | | | | | |
| Personnel | \$ 699,207 | \$ 378,042 | \$ 266,466 | \$ 112,394 | \$ 1,456,109 | \$ 145,325 | \$ 15,706 | \$ 1,617,140 | |
| Training and subscriptions | 3,199 | 3,598 | 951 | 265 | 8,013 | 1,057 | 136 | 9,206 | |
| Professional fees | 53,927 | 91,769 | 166,578 | 37,988 | 350,262 | 21,708 | 10,208 | 382,178 | |
| Data processing | 1,401 | 18,244 | 200 | - | 19,845 | 178 | 400 | 20,423 | |
| Advertising | 4,562 | 2,175 | 10,972 | 737 | 18,446 | 2,925 | - | 21,371 | |
| Telephone | 13,610 | 7,209 | 5,884 | 2,890 | 29,593 | 5,402 | 152 | 35,147 | |
| Mail service and delivery | 36,268 | 98,354 | 60,859 | 4,832 | 200,313 | 1,726 | 4,821 | 206,860 | |
| Printing, copying, and design | 25,761 | 135,570 | 182,260 | 5,691 | 349,282 | 1,644 | 2,864 | 353,790 | |
| Supplies | 32,407 | 24,781 | 3,931 | 4,961 | 66,080 | 6,692 | 85 | 72,857 | |
| Rentals | 20,816 | 782 | 552 | 846 | 22,996 | 3,766 | - | 26,762 | |
| Office expenses | 36,675 | 25,265 | 11,722 | 5,024 | 78,686 | 32,631 | - | 111,317 | |
| Travel, catering, and entertainment | 100,800 | 4,424 | 4,706 | 8,194 | 118,124 | 14,040 | 2,684 | 134,848 | |
| Support to affiliated alumni groups | 99,840 | - | - | - | 99,840 | - | - | 99,840 | |
| Awards and scholarships | 3,410 | - | - | 53,500 | 56,910 | - | - | 56,910 | |
| Contributions and cosponsorships | 158,498 | - | 121,726 | 1,090 | 281,314 | 5,547 | - | 286,861 | |
| Gateway draw repayment | 98,025 | - | - | - | 98,025 | - | - | 98,025 | |
| Depreciation | 35,841 | 10,951 | 13,938 | 5,973 | 66,703 | 32,855 | - | 99,558 | |
| Other | 2,423 | 4,770 | 568 | 426 | 8,187 | 26,777 | 7,331 | 42,295 | |
| Total | \$ 1,426,670 | \$ 805,934 | \$ 851,313 | \$ 244,811 | \$ 3,328,728 | \$ 302,273 | \$ 44,387 | \$ 3,675,388 | |

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
EXECUTIVE COMMITTEE MEETING
September 9, 1998
7:30 to 9:00 a.m.
Campus Club, Coffman Memorial Union**

Committee Members Attending

Erickson, Rondi
Erkkila, Dan
Fountain, Jean
Huntrods, Ann
Lindahl, Nancy
Mona, Dave
Nelson, Bruce

UMAA Staff Attending

Burgett, Bob
Carlson, Margaret
Fisher, Diane
Garrison, Tom
Heen, Les
Jones, Cheryl
Schadauer, Elise

Committee Members Unable to Attend

Bergstrom, John
Hopp, Deb

University of Minnesota Alumni Association (UMAA) National President Dave Mona called the meeting to order at 7:35 a.m.

National President's Report

Mona is anticipating an exciting year for the UMAA. He encouraged the committee members to drive by the Gateway construction site so that they can see for themselves how quickly the building is taking shape.

Throughout the year, the UMAA will share the association's good news with key decision makers at the University. Lunches will be scheduled with new central administrators to tell them about our service to both the University and our members. Key officials are calling on the UMAA as well: President Mark Yudof and Judy Yudof hosted Dave and Linda Mona, Ann and Terry Huntrods, and Margaret Carlson for an informal dinner last week. Huntrods met with Sandra Gardebring, the new University Vice President for Institutional Relations.

Consent Agenda

The consent agenda included the June 10, 1998, executive committee meeting minutes and the June 30, 1998, association financial statements. Both were approved as mailed.

Gateway

Mona reported that a construction update will be provided at the September national board meeting. He reviewed the fund raising, reminding the committee members that Phase I involves gifts of \$100,000+; Phase II involves gifts of \$10,000 to \$100,000; and Phase III gifts of \$2,500 to \$10,000. These three giving levels will result in the donor being recognized in the building or the plaza. Selling pavers and/or bricks was an idea that was considered but dropped from a feasibility standpoint.

The Phase I goal is \$9.1 million dollars, which was increased from the original goal of \$7.5 million dollars. To date, \$6.5 million dollars has been raised in documented pledges and an additional \$6 million dollars is being actively solicited. No fund raising goal has been set for the plaza to date.

Phases II and III are important since they provide a new opportunity for many more people to give back to the University. UMAA volunteers and staff members have met with University of Minnesota Foundation (UMF) staff members Judy Kirk and Tom Yuzer to plan Phase II.

Dave and Linda Mona, and Nancy and John Lindahl, will co-chair Phase II. Lindahl reported that there will be a kickoff event this fall; 25 volunteer couples and individuals will form a steering committee; each couple/individual will be asked to make a gift and then solicit 10 additional people. This group will be comprised of select UMAA national board members; past national board members; friends of the Monas and Lindahls; and staff liaisons from the UMAA, the UMF, and the Minnesota Medical Foundation (MMF). The Phase II goal will be set when this group gets together.

Mona believes that both Phases II and III will be extraordinarily successful. The UMAA and the UMF are working together to provide opportunities to link Gateway contributions to UMAA membership. For example, donors contributing \$2,500 and above will have the option to receive a complimentary life membership.

Phase III will kick off in January, 1999 and continue through the building's grand opening. These solicitations will be accomplished via direct mail, publications, and events.

There was discussion regarding the fund raising. Carlson clarified that the Gateway Corporation has not yet decided how to divide up the Phase II contributions. There was additional discussion about construction and design components, as well as priorities for booking space.

Membership

Elise Schadauer, UMAA director of marketing and membership, reported for Deb Hopp, chair of the Membership and Marketing Committee. Membership reached 38,074 by fiscal year-end. Renewal rates have been steadily improving; the FY98 goal of 80% renewals was very nearly reached. Many membership appeals and activities were very successful this year, including Parent Orientation, which brought in 300 new memberships. Schadauer reported that University administrators have agreed that the UMAA can offer the Internet opportunity to parents. Other successful ventures include the cooperative membership program with the University Raptor Center and telemarketing to past members. The MMF is promoting UMAA membership with their current donor solicitations, and the UMAA is working with the UMF as noted above to link membership to Gateway contributions.

There was discussion and several ideas were suggested, including the need to identify membership benefits for younger alumni. Dan Erkkila, UMAA vice president, noted that the new connection to parents will be beneficial to the Legislative Network; he also suggested that University faculty and staff members be solicited for membership. Rondi Erickson, co-chair of the University Issues/Legislative Committee, said that it was important to note that the University Issues Committee plans to address an issue left over from last year's committee agenda: advocating for a more organized faculty voice on the Board of Regents committees. It was agreed that it would be a good idea to talk to Sara Evans, chair of the Faculty Consultative Committee, about this issue.

Executive Director's Report

Margaret Carlson reported the following:

- The External Relations Cabinet--those persons reporting directly to Sandra Gardebring--met for the first time on September 8. Gardebring will speak to the national board on September 18.
- Discussion has resumed with Men's Intercollegiate Athletics on the credit card. The UMAA is working with First USA and Athletics to develop a new contract in which Men's and Women's Athletics will use the existing UMAA credit card and receive royalties for three years.
- University faculty members have been meeting with all the candidates for governor and asking good questions.
- Maroon and Gold Day in Edina is September 17; the national board meeting and volunteer awards celebration will be held on September 18; and volunteer leadership training is on September 19.
- UMAA public service announcements are currently running on the Midwest Sports Channel (MSC).
- Kimberly Elise, the daughter of Marv Trammel, past UMAA national president, is a featured actress in Oprah Winfrey's new movie, *Beloved*, which will premier at the Minneapolis Walker Art Center on October 10. Elise, who is a University of Minnesota graduate, will also be featured in upcoming issues of *Vogue* and *Vanity Fair*.

Following Carlson's report, the committee members discussed several upcoming University activities and issues.

Mona adjourned the meeting at 8:55 a.m.

Submitted by,

Cheryl Jones
UMAA Administrative Manager

for

Bruce Nelson
Secretary/Treasurer

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
NATIONAL BOARD MEETING
Humphrey Center Dining Room
Friday, September 18, 1998
4:00 to 6:00 p.m.**

Board Members Attending

Baudler, Bryan
Bergstrom, John
Dumke, Bruce
Eelkema, Marilyn
Engebretson, Dick
Erkkila, Dan
Evans, Sara
Fellows, Kay
Fountain, Jean
Gardebring, Sandra
Hagford, David
Harder, Ron
Hauschild-Baron, Beverly
Hawkinson, Bruce
Hopp, Deb
Huntrods, Ann
Hurd, Jocelyn
Hjelm, Andrea
Lehman, Thomas
Liebhard, Wayne
Lindahl, Nancy
Luehmann, Barb
Madson, David
Mitchell, Gerald
Mona, David
Reilly, William
Quinn, Mike
Schulstad, Dennis

University Staff Attending

Fischer, Jerry

UMAA Staff Members Attending

Allen, Mark
Burgett, Bob
Carlson, Margaret
Fisher, Diane
Garrison, Tom
Heen, Les
Schadauer, Elise

Staff members unable to attend

Jones, Cheryl

Guests

Benson, Al*
Chesney, Scott*
Hurd, Dick*
Hutchins, Bruce
Laukka, Larry
Wangstad, Andy*

Board Members Unable to Attend

Ahles, Karen
Bachman, Dale
Barry, Anne
Ericson, Carol
Erickson, Rondi
Goldberg, Luella
Hayes, Ken
Jones, C. David
Kubista, Nikki
Lewis, Andre
Maier, J. P.
Nelson, Bruce
Olseth, Dale
Olson, Carolyn
Osberg, Brian
Perman, Victor
Pletcher, Carol
Weber, Terrance

* Attending due to Leadership Weekend activities

University of Minnesota Alumni Association (UMAA) National President Dave Mona called the meeting to order at 4:05 p.m. Mona asked the board members to introduce themselves and answer the following question: "If you could ask University of Minnesota President Yudof one question, what would that question be?" These questions will help begin a new *Minnesota* magazine column: "Ask Yudof."

President's Report

Mona reported that President Yudof has stated many times that he very much appreciated the UMAA's grass roots work in support of the 1998 legislative request. Mona said that this type of energy should be applied again to the association's three major priorities for the coming year: the Gateway, membership, and legislative advocacy. Mona hopes that the board members will support these initiatives by becoming active on their committee of choice. He also announced that he and his wife, Linda, will host a social for board members at their home on Friday evening, December 11.

Consent Agenda

The consent agenda included the UMAA financial statements as of 6/30/98 and the nominating committee recommendation to appoint Bruce Hutchins as an at-large board member (Hutchins will complete the term of Roger Erickson, who has resigned from the board.) Both consent agenda items were approved as mailed.

Vice-president for Institutional Relations Sandra Gardebring

Mona introduced Sandra Gardebring, the University's new vice president for institutional relations, noting that he had the privilege of serving on the search committee that brought Gardebring from the Supreme Court to the University. Gardebring told the board members that her job as a State Supreme Court Justice was rewarding, but did not provide the connection with the broader public community that she enjoys.

Gardebring told the board that President Yudof deeply appreciates the work of the alumni association on behalf of the University's 1998 legislative request. She noted that the results of that work will soon be evident on campus as renovation work begins on many buildings. Gardebring also offered a "heads up" that alumni pressure on legislators will be essential to the next legislative request. The key points of that request will be:

1. Improving the undergraduate experience
2. Improving health professional education
3. Knowledge and technology transfer
4. Competitive compensation for faculty and staff
5. Providing a better service climate

In response to a question about the University's goal for faculty compensation, Gardebring said that she believes the University needs to move higher in the rankings of peer institutions, but that a specific ranking is not targeted. When asked about a replacement for College of Agricultural, Food, and Environmental Sciences Dean Mike Martin, she said that Philip Larsen, senior associate dean of the college, has been appointed to serve as interim dean.

Membership

Deb Hopp informed the board that UMAA membership recently reached an all-time high: 38, 504. Reasons for the increase include improved use of direct mail marketing and premiums with renewal appeals. Several new membership appeals are planned, and additional ideas will come from the Marketing/Membership committee. Hopp requested that board members submit ideas and help recruit new members.

Gateway

The Monas, along with Nancy and John Lindahl, will co-chair fund raising during Phase II of the Gateway campaign, which involves gifts of \$10,000-\$100,000. Phase I, which targeted gifts above \$100,000, had a goal of \$7.5 million, which was later raised to \$9.1 million due to features added to the building. To date, \$6.5 million has been raised, and there are verbal pledges amounting to an additional \$6 million.

In Phase II, donors will be contacted on a one-to one basis. The goal for this phase will not be set until late October, when a steering committee of 25 volunteer couples and individuals will meet. The committee will include current and past UMAA board members, society and chapter board members, friends of the Monas and Lindahls, past regents, and University of Minnesota Foundation (UMF) and UMAA liaisons. Phase II will run from October 1998 to March 1999. Phase III, targeting gifts of \$2,500 to \$10,000, will begin in January 1999 and continue through the opening of the building.

Larry Laukka, chair of the Gateway Corporation, reported that construction is on schedule. The fifth story steel frames are completed. The geode framing will be completed in January. The Memorial Arch is being framed for inclusion in the Memorial Hall.

A New York firm, Vincent Cuilla Design, is developing the 3,000-square foot Heritage Gallery. This gallery will include displays of all sizes and types, including photographs, books written by faculty and alumni, and an interactive computer system.

John Bergstrom, UMAA vice president, reported that the Gateway Corporation will be asking the owners to make decisions on several issues over the next 12 months. These will include plaza financing and fundraising, among others. Bergstrom noted that the fundraising will allow enhancements to the project, supplement the bonds, and lower the rent.

Executive Director's Report

Margaret Carlson reported that President Yudof has asked the UMAA to work on establishing an Academy of Distinguished Teachers for outstanding graduate teaching. This would be in addition to the Morse-Alumni Awards for undergraduate teaching which are funded by the association. Carlson told Craig Swan, University associate vice provost, that the UMAA will consider this \$25,000 request, which will need to proceed through the UMAA's committee process; a recommendation will be made to the board members at the next national board meeting on November 21.

Maroon and Gold Day in Edina on September 17 was a great success, with performances by the Physics Force and the University Marching Band. Edina was chosen for this event because 5,000 of the city's 45,000 residents are alumni. Carlson thanked the UMF for making this "magic" event possible through their support of new initiatives to prepare for the capital campaign.

Minnesota magazine has won an award for printing excellence.

The UMAA legislative network's 1998 success is getting national attention. Carlson presented a report on the "249" campaign at the CASE national conference in July and to various university representatives from the University of Wisconsin, the University of Oregon, and Washington University.

Sound Bites

Mona announced that at the end of national board meetings, he will ask for what he is calling "sound bites:" short announcements of interest from board members. The first sound bite came from Dan Erkkila, who announced that the Regent Candidate Advisory Council (RCAC) is seeking help in publicizing applications for the board of regents. Terms for four regents (Bleyhl, Hogan, Reagan, and Peterson) expire next year. Anyone wishing to receive an application or recommend candidates should call the RCAC at 296-9002.

David Madson, geographical representative, announced that the Bay Area Chapter will hold its annual potluck picnic at Presidio National Park in San Francisco on October 4.

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UMAA National Board Meeting
September 18, 1998

Scott Chesney, a special guest attending the board meeting due to Leadership Weekend activities, announced that the Madison Chapter is starting the Paul Bunyan Lecture Series in cooperation with University of Wisconsin Alumni. The first lecture, by Architecture Dean Tom Fisher, will be in Madison on the eve of the Minnesota vs. Wisconsin football game.

Barb Luehmann, College of Human Ecology representative, reported that a new UMAA chapter, the St. Croix Valley Chapter, is becoming very active in the Stillwater area.

Mona announced that all board members are invited to attend the volunteer awards reception and program immediately following this meeting in the Humphrey Center Atrium and Auditorium. Mona adjourned the meeting at 6:00 p.m.

Submitted by,

Les Heen
UMAA Legislative Network Coordinator

for

Bruce Nelson
Secretary-Treasurer

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
EXECUTIVE COMMITTEE MEETING
November 11, 1998
7:30 to 9:00 a.m.
Shandwick USA**

Committee Members Attending

Bergstrom, John
Erickson, Rondi
Hopp, Deb
Huntrods, Ann
Lindahl, Nancy
Mona, Dave
Nelson, Bruce

UMAA Staff Attending

Burgett, Bob
Carlson, Margaret
Fisher, Diane
Garrison, Tom
Heen, Les
Jones, Cheryl
Schadauer, Elise

Committee Members Unable to Attend

Erkkila, Dan
Fountain, Jean

University of Minnesota Alumni Association (UMAA) National President Dave Mona called the meeting order at 7:35 a.m.

National President's Report

Mona reported that he has participated in a variety of UMAA activities and events during the past two months, including spirit-building programs in Alexandria and Red Wing, Minnesota; a pre-football game gathering in Madison, Wisconsin; and two collegiate alumni society meetings. Mona was impressed with the quality, attendance, and enthusiasm of all events. "Many good things are happening," he said.

Consent Agenda

The consent agenda included the September 9, 1998, Executive Committee minutes; the September, 1998, internal financial statements; and the Fiscal Year 1998 audited financial statements. All were approved as mailed.

Graduate and Professional Teaching Award

Rondi Erickson, co-chair of the UMAA University Issues/Legislative Affairs Committee, presented a recommendation to approve a request from University administrators to fund \$25,000 for awards for outstanding contributions to graduate and professional education, the same level of support as currently provided by the UMAA to the Morse-Alumni award. The source of this funding would be the Alumni Association's U of M Recognition Fund. Funding beyond this initial year would be approved by the board as part of the annual budget approval process.

Following discussion, this recommendation was approved.

Strategic Planning

Margaret Carlson, UMAA Executive Director, explained that the current UMAA Strategic Plan is dated through the year 2001. Carlson is seeking names of facilitators who would be good candidates to lead the process to update the plan; she plans to send out a Request for Proposal to the recommended facilitators. A committee of UMAA volunteers, University representatives, outside contacts, and UMAA managers will meet during the

winter to draft a strategic plan, which will be presented to the Executive Committee and National Board members in April and June, 1999.

Mona stated that it is critical that the association's future volunteer leadership participate in the strategic planning. It was agreed that the Nominating Committee should meet before the Strategic Planning committee is formulated.

Gateway

Carlson called the committee members' attention to the new, three-dimensional model of the Gateway Heritage Gallery. She explained that the gallery has a new, interactive feel, complete with electronic touch story-telling; artifacts; and icons that represent categories of people, such as teachers, researchers, community leaders, etc. The model demonstrates that the Heritage Gallery will be a truly dynamic space for people to connect and reconnect with the University. The UMAA is extremely vested in the Heritage Gallery.

Carlson reviewed a number of global issues that were discussed at the last Gateway Corporation meeting: construction timing and funding of the plaza; University involvement in the visitor center; actual cost of the proposed heritage gallery (\$1.7 million dollars rather than \$1 million dollars); hiring vendors to handle the restaurant/catering functions and the gift store; and hiring personnel to manage the building and coordinate events.

In addition, Carlson explained that the UMAA will be renting more space than it actually needs at the current time. Two factors drove the decision to contract for extra space: 1) additional space would not be possible to obtain for 15 years; and 2) in talking to other alumni associations who have built new space, Carlson heard from every representative that their organization ran out of space immediately upon moving in to their new buildings. Carlson recommended that the UMAA sub-lease approximately 1500 square feet of its space in the Gateway to another nonprofit organization.

There was considerable discussion. Ann Huntrods, past national president, asked about the total financial impact of the above issues. Rondi Erickson cautioned that, although wonderful incrementally, new expenses such as the plaza and the heritage gallery might mean taking on too large a financial commitment in total. Carlson said that fund raising is above goal, but that the three owner organizations need to decide how the contributions will be shared. She said that a revised financial picture will be presented to the Gateway Corporation officers in December, and that the revised financials should also be presented to the UMAA Executive Committee members so that all future Gateway issues that will affect volunteers and staff can be put on the table.

Following discussions, committee members agreed that the UMAA should:

- Lease space to another nonprofit organization for 5-7 years;
- Help shape programmatic aspects of the heritage gallery and the visitor/reception center because they complement the UMAA mission, but assume minimal financial risk;
- Pass up the opportunity to run or be a partner in running the gift store as an ancillary business but help ensure that a discount to association members is a part of the vendor's lease agreement; and

- Work with the University of Minnesota Foundation (UMF) and the Minnesota Medical Foundation (MMF) to resolve remaining issues of donor recognition and Phase III fund raising.

Nancy Lindahl, UMAA president-elect, reported that the Phase II fund raising campaign kicked off on October 27. Approximately 20 couples will attend training sessions and each will solicit ten contributions; the campaign will proceed through March.

Membership

Deb Hopp, Marketing Committee chair, reported that membership reached 40,000 for the first time on October 1 and surpassed 40,000 on November 10, 1998. She distributed travel mugs on which "50,000 by 2000" was printed. *The Minnesota Daily* recently featured an article on UMAA membership. A variety of appeals are out, and more will drop soon. The Marketing Committee has recommended that the UMAA develop very targeted promotions; promote the installment plan for life membership; and pursue Gateway-related, athletics, collegiate/geographic; and faculty/staff appeals. She reminded the committee members that a complimentary life membership is available to all individuals contributing \$2,500 to the Gateway.

Connections/Visibility

Bob Burgett, UMAA Outreach Director, reported for Jean Fountain, Outreach Committee chair. Burgett said that there has been a true renaissance in UMAA outreach activity. Activities and events such as the Class of 1948 Reunion and the Red Wing/Alexandria programs have made a lot of impact and enjoyed record attendance, as have many other events. Burgett credits the dedicated volunteers, the dynamic staff members, and the compacts with alumni societies for the increased visibility and connection.

Advocacy/Legislative

Erickson reported that, due to the changed political scene with a Reform Party governor, the legislative team at the University has had to step back and rethink what will work this year. Erickson expects that grass roots support for the University's biennial request will again be extremely important and that the legislative network will be expected to play a key role again this year.

There are five primary components to this year's legislative request: competitive compensation, enriching the undergraduate experience, financing health professional education, connecting the University to the community at large (including the commercialization of technology), and building a customer service climate. Erickson believes that these issues are very important, but that they may be difficult for the legislative network members to "sell."

Executive Director's Report

Carlson noted that the University is beginning to plan for Fiscal Year 1999-2000; units have been asked to submit their goals by the end of this week. The Institutional Relations units worked together under Sandra Gardebring, vice president, to prepare a total plan; UMAA membership is one of the Institutional Relations goals.

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UMAA Executive Committee
November 11, 1998

The UMAA accomplished 100% staff participation in the University's Community Campaign this year. Carlson is pleased with the staff spirit that this participation represents.

UMAA update letters were sent to members of the Board of Regents and key University administrators; lapel pins were enclosed to promote UMAA visibility and campus spirit.

Carlson thanked the volunteers and staff members for their hard work and dedication.

Mona adjourned the meeting at 9:00 a.m.

Submitted by,

Cheryl Jones
UMAA Administrative Director

for

Bruce Nelson
Secretary-Treasurer

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
NATIONAL BOARD OF DIRECTORS
Saturday, November 21, 1998
8:30 to 11:30 a.m.
Mississippi Room, Coffman Memorial Union**

Board Members Attending

Ahles, Karen
Bachman, Dale
Baudler, Bryan
Bergstrom, John
Eelkema, Marilyn
Ericson, Carol
Erkkila, Dan
Evans, Sara
Fellows, Kay
Fountain, Jean
Hagford, Dave
Harder, Ron
Hawkinson, Bruce
Hjelm, Andrea
Hopp, Deb
Huntrods, Ann
Hutchins, Bruce
Jones, Dave
Jorgensen, Cheryl
Lehman, Tom
Lindahl, Nancy
Luehmann, Barb
Mitchell, Jerry
Mona, Dave
Nelson, Bruce
Quinn, Mike
Reilly, Bill
Schulstad, Dennis

UMAA Staff Members Attending

Burgett, Bob
Carlson, Margaret
Fisher, Diane
Garrison, Tom
Heen, Les
Jones, Cheryl
Schadauer, Elise

University Staff Members Attending

Fischer, Jerry
Gardebring, Sandra
Peterson, Donna

Board Members Unable to Attend

Barry, Anne
Dumke, Bruce
Engebretson, Dick
Erickson, Rondi
Hauschld-Baron, Beverly
Hayes, Ken
Hurd, Johnnie
Lewis, Andre

University of Minnesota Alumni Association (UMAA) National President Dave Mona called the meeting to order at 8:30 a.m. He announced that the holiday social for national board members would be held on Friday, December 11, at the Mona residence.

1999 University Legislative Request

Donna Peterson, University state relations director, presented the University's FY2000-2001 Biennial Budget Proposal. She said that the University had a legislative game plan prepared for this year, but the results of the November 3 gubernatorial election changed the players significantly. The University needs to build new relationships with Reform Party Governor-elect Jesse Ventura and others at the Capitol.

The University is requesting \$198.8 million dollars, plus an additional \$17.2 million dollars for renovating Nicholson Hall and for plant genetics planning and design. University administrators are working to develop an overall theme for this year's budget request, which has five components: competitive compensation, enriching the undergraduate experience, financing health professional education, connecting the University to the community, and promoting a climate of quality service. Peterson explained each component of the request in detail. Peterson believes that grass roots activity will be even more important this year than last year, as legislators will be in very close communication with their districts.

There was considerable discussion. The board members agreed that it will be challenging to "package" this divergent request, as there are many stories to tell, but that it will be important to do so.

Dan Erkkila, co-chair of the University Issues/Legislative Affairs Committee, announced that the Legislative Briefing will be held on January 13, 1999. He advised the board members that it is not too early to connect with legislators, especially in greater Minnesota.

University Vice President for Institutional Relations

Sandee Gardebring, University vice president for institutional relations, reported that her unit is focusing primarily on getting ready for the legislative session. She agrees with Donna Peterson that grassroots support from alumni and friends will be extremely important this year. She said that when University of Minnesota President Mark Yudof visited Buffalo, Minnesota, he learned that alumni and friends view the undergraduate experience and health care components as a very important piece of this year's request.

Gardebring also commented on several current issues at the University, including the ALG settlement. She believes that the University made the right decision to settle and that it is time to move on with President Yudof's agenda. The University will continue to look at potential locations for the women's soccer stadium.

On behalf of President Yudof, Gardebring concluded by thanking the alumni association for its continuing support and assistance.

Consent Agenda

The following consent agenda items were approved: the September 18, 1998, national board meeting minutes; the September 1998 internal financial statements; and the Fiscal Year 1998 Audited Financial Statements.

1998-99 Nominating Committee

Ann Huntrods, Nominating Committee chair, reported that a non-board member candidate to serve on the 1998-99 Nominating Committee has not yet been selected. Bruce Hawkinson suggested that the full board approve this additional person. Huntrods will send the candidate's resume and a ballot to the board members as soon as he/she is identified. The following candidates were approved: Ann Huntrods, Dave Mona, Nancy Lindahl, Jean Fountain, Dick Engebretson, Tom Lehman, and Jeanne Unger.

Graduate and Professional School Teaching Awards

Erkkila reported that a proposal for the UMAA to fund the graduate and professional teaching awards has been reviewed and approved by the UMAA University Issues/Legislative Affairs Committee; the Finance Committee; and the Executive Committee. The Alumni Association has been asked by the University to provide the same level of support for this new award as it currently provides for the Morse-Alumni Undergraduate Teaching Award (\$25,000/year). The source of funding will be the Alumni Association's U of M Recognition Fund. Funding beyond this initial year would be approved by the board as part of the annual budget approval process. Following discussion, the board members approved this recommendation.

Strategic Planning

UMAA Executive Director Margaret Carlson reported that it is time to update the current strategic plan. A consultant will be hired to facilitate this process. In consultation with Dave Mona, Carlson expects to hire the facilitator by mid-December and appoint committee members the following week. The new strategic plan will be presented to the executive committee and national board in April and June, and the plan will take effect on July 1, 2000.

Gateway

Carlson reported that a model of the Heritage Gallery was available earlier in November; the UMAA executive committee and the University of Minnesota Foundation (UMF) and Minnesota Medical Foundation (MMF) volunteers had the opportunity to see it. Carlson presented transparencies of the model and described the gallery in detail.

Jerry Fischer, chief executive officer of the UMF, reported that donations to the Gateway currently total \$9.3 million dollars, and oral commitments have been received for an additional \$2 million dollars. Fischer expects that approximately \$6 million dollars will be "in hand" at the time that the Gateway opens, which is the amount that relates to the rent paid. The Gateway Finance Committee will meet on November 24 to prepare a revised financial model.

Carlson reviewed the issues that were discussed at the last Gateway Corporation and UMAA executive committee meetings. The executive committee members decided that the UMAA should lease some of its space to another nonprofit organization for 5-7 years; assist in shaping the programmatic aspects of the heritage gallery and the visitor/reception center; pass up the opportunity to run or be a partner in running the gift store as an ancillary business but help ensure that a discount to association members is a part of the vendor's

lease agreement; and work with the UMF and the MMF to resolve remaining issues of donor recognition and Phase III fund raising. The UMAA is also working on its space and interior design plan, and the finances associated with the plan will be presented to the UMAA finance committee, executive committee, and national board this spring.

Nancy Lindahl, UMAA president-elect, reported that Gateway Phase II fund raising kicked off on October 27. Approximately 25 volunteers will each solicit five to ten potential donors for a \$10,000+ gift. Phase III, which involves gifts of \$2,500 to \$10,000, will run through December 29. Persons donating \$2,500 or more will have an option to receive a life membership in the alumni association.

Membership

Deb Hopp, chair of the UMAA marketing/membership committee, reported that membership has reached 40,000. To celebrate, she distributed "50,000 by 2,000" T-shirts and travel mugs to all of the board members in attendance. Hopp reviewed the successful promotions that have helped us to reach 40,000 members, including fall telemarketing; complimentary memberships to new graduates; and offering Internet service to parents. Hopp believes that the opportunity to receive a life membership when contributing \$2,500 or more to the Gateway will have an exciting effect on future membership. Other Gateway-related connections to membership are being explored.

Connections and Visibility

Jean Fountain, chair of the UMAA Outreach Committee, reported on a variety of programs and events that the UMAA has held this year, including University Band concerts in Alexandria, Red Wing, and Hibbing, all of which enjoyed great attendance and spirit. Fountain presented a display of pictures from outreach events and showed the update video.

Executive Director

Carlson reported that this is a time of unprecedented spirit and optimism at the University. During the past week, Carlson participated in a number of alumni and University activities, including trips to Fairmont and Buffalo, Minnesota, and the "M" Club Hall of Fame banquet. In addition, Carlson is auditing a freshman seminar taught by President Yudof; she will write on the freshman seminars program in an upcoming column in *Minnesota*.

Following a number of brief announcements from board members, Mona adjourned the meeting at 11:00 a.m.

Submitted by,

Cheryl Jones
UMAA Administrative Manager

for

Bruce Nelson
Secretary/Treasurer

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
EXECUTIVE COMMITTEE MEETING
Thursday, February 10, 1999
9:15 a.m.
4-101 Basic Sciences Building**

Committee Members Attending

Bergstrom, John
Fountain, Jean
Huntrods, Ann
Lindahl, Nancy
Mona, Dave

UMAA Staff Members Attending

Carlson, Margaret
Fisher, Diane
Garrison, Tom
Schadauer, Elise

Committee Members Unable to Attend

Erkkila, Dan
Erickson, Rondi
Hopp, Deb
Nelson, Bruce

UMAA Staff Unable to Attend

Burgett, Bob

University of Minnesota Alumni Association National President (UMAA) Dave Mona called the meeting to order at 9:15 a.m.

Mona explained that this special meeting of the Executive Committee was called to obtain approval of the computer purchase proposal. This proposal was approved by the UMAA Finance Committee at their January 29, 1999 meeting; and they recommended that the UMAA place an order for the new computers immediately.

Diane Fisher, UMAA finance and operations director, explained that the members of the UMAA Finance Committee learned from a University systems expert that computer equipment may become increasingly difficult to obtain as the year progresses and the business community addresses Year 2000 concerns. The Finance Committee thus recommends that the UMAA order equipment as soon as possible.

The UMAA currently maintains a dual platform computer environment (Macintosh and PC). Beginning in the year 2000 the makers of the UMAA database product, Advanced Solutions International, will no longer offer support for their product on Macintosh computers. Software upgrades will also need to be purchased. The UMAA plans to convert to a PC system this spring so that installation and staff training can be complete before the move to the Gateway next fall.

Following discussion, the recommendation to use up to \$100,000 from the earnings balance of the Adrian Buttz Fund to finance the computer purchase proposal as attached was approved. The equipment will be immediately ordered, and the proposal will be submitted to the national board of directors for ratification on April 10, 1999.

Submitted by,

Cheryl Jones, UMAA Administrative Manager

for

Bruce Nelson, Secretary/Treasurer

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION

I. AGENDA ITEM: Executive Committee (Special Strategic Planning Session)
Thursday, February 11, 1999

II. TITLE: University of Minnesota Alumni Association Computer Purchase

Discussion **Information** **Recommendation to National Board
for Ratification**

III. RECOMMENDED RESOLUTION OR PROPOSED ACTION:

Recommend to the University of Minnesota Alumni Association National Board the use of up to \$100,000 from the earnings balance of the Adrian Buttz Fund to finance the attached computer purchase proposal.

IV. BACKGROUND INFORMATION:

This proposal includes four components. These are:

Conversion of Macintosh to PC computers and associated software upgrades and training

The University of Minnesota Alumni Association currently maintains a dual platform computer environment (Macintosh and PC). Beginning in the year 2000 the makers of our database product, Advanced Solutions International, will no longer offer support for their product on Macintosh computers.

The decision to convert to PCs this spring relates to the Gateway move in the fall. It was felt that with the planned events and the office move, this fall would be too stressful a time to introduce the new computers. Converting this spring will allow adequate time for instillation of the machines and for staff to learn the new operating system.

The specifics of the proposal include the retirement of 19 Macs and 5 PCs and the purchase of 24 new machines. All but two of the computers to be retired were purchased in 1993. We are proposing to retain 8 Macs for use by the staff in the Communication Department who work on the magazine and graphic design; reception for outgoing faxes; membership for transmitting mail merges to other university departments; and the Information System Manager to administer the Mac network.

The budget also includes software upgrades. The new machines will come with Office 97 and the retained machines (both Mac and PC) will need to have their software upgraded so that all office machines are on the same software versions. Also included are software upgrades of programs which currently reside on the Mac server. With the switch to PC, the PC versions need to be purchased and installed.

The University's Office of Information Technology will design a class tailored to the needs of our staff who are computer literate on a Mac but are switching to a PC. The 4 hour class will give staff the fundamentals of the PC environment.

Upgrade of the Web server

The proposed Web server will replace the donated machine currently used to run the UMAA's Web site. The new machine will allow the Web site to move to the next level of interactive functionality.

Upgrade of the membership database server

As part of the routine process of upgrading the database software we were advised by the software vendor to upgrade our hardware to optimize the features of the software upgrade. Due to the size of our database, speed is major issue. The existing machine which was purchased in 1996.

The two file servers that are being replaced will be put to new uses as primary domain controllers. In effect, each will become the administrative manager for its domain (Web and Membership database) allowing the file server to concentrate its energy on the primary task, further improving speed and freeing up more space.

Purchase of printers

The printers which are included in the proposal will replace two old Macintosh printers purchased in 1989, add a color printer for general office use, and add an additional network printer needed in the Gateway due to the office's configuration.

Funding

Historically, the accumulated earnings from the Adrian Buttz fund has been used for computer related purchases. As of December 31, 1998 the Buttz fund had accumulated earnings of \$131,314. This proposal requests that up to \$100,000 be made available for the computer needs outlined in this proposal.

V. PRESENTED BY: Bruce Nelson

VI. ACTION:

COMPUTER BUDGET

A. Hardware:

| | | |
|--|------------------|-----------------|
| - 2 Micron ClientPro 450Mhz/128mb/10.0g/backup drive (see Select 1) | \$2,200 x 2 = | \$ 4,400 |
| - 22 Micron Millennia 450Mhz/128m/8.4g (see Select 2) | \$1,920 x 22 = | \$42,240 |
| - 1 Micron NetFrame 6200 (450Mhz/128mb/2-9g/2mP) | | \$ 9,130 |
| - 1 Dell PowerEdge 6300 (400Mhz/512mb/5-9g/2mP) | | \$18,430 |
| - 3 HP LaserJet 4000TN printer | \$1,500 x 3 = | \$ 4,500 |
| - 1 HP LaserJet 4500N color printer | | <u>\$ 2,950</u> |
| | Subtotal: | \$81,650 |

B. Software:

| | | |
|---|------------------|-----------------|
| - 12 Office 97 Professional Edition for PC (\$50x12) + CD (\$15x1) | | \$ 615 |
| - 7 Office 98 for Mac - compatible with PC Office 97 (\$37x7) + CD (\$15x1) | | \$ 274 |
| - 15 FileMaker Pro 4.1 (Windows/Mac) upgrade (\$59x15) + 2 CD (\$15x2)+ 5 Documentation (\$20x5) | | \$ 1,015 |
| - Meeting Maker 5.52 server (Windows/Mac)upgrade (\$375) + 10 user upgrade (\$399.50x4) | | <u>\$ 1,973</u> |
| | Subtotal: | \$ 3,877 |

C. Training:

| | | |
|--|------------------|------------------------|
| Introduction to PC and Windows (\$95x17) | Subtotal: | <u>\$ 1,615</u> |
|--|------------------|------------------------|

Total: \$87,142

Computer Hardware Upgrade

| Location | Current | | Re-use | | Discard | | Upgrade & Switching | |
|------------------------|---------|-----------|--------|-----------|---------|-----------|---------------------|----------------|
| | Mac | PC/Laptop | Mac | PC/Laptop | Mac | PC/Laptop | Used Mac | Used PC/Laptop |
| Outreach (14) | 14 | 0 | 1 | 0 | 13 (*1) | 0 | 0 | 7 |
| Executive (2) | 2 | 0 | 0 | 0 | 2 (*1) | 0 | 0 | 2 |
| Reception (2) | 1 | 1 | 0 | 0 | 1 (*1) | 1 (*2) | 1 | 0 |
| Legislation (2) | 0 | 2 | 0 | 0 | 0 | 2 (*2) | 0 | 1 |
| Cmmnctn. (6) | 6 | 0 | 4 | 0 | 2 (*3) | 0 | 4 | 0/1 |
| Finance/Op (7) | 1 | 6 | 1 | 6 | 0 | 0 | 2 | 0 |
| Membership(11) | 3 | 7/1 | 2 | 5/1 | 1 (*1) | 2 (*2) | 1 | 1 |
| Total (49) | 27 | 17 | 8 | 12 | 19 | 5 | 8 | 12 |

| | | | | | | | | |
|--------------------------|---|---|---|---|---|---|---|---|
| Printers (6) (*5) | 3 | 3 | 1 | 3 | 2 | 0 | 1 | 3 |
| File Servers (5) | 1 | 3 | 1 | 3 | 0 | 0 | 1 | 3 |

- Note:
- (*1): Outdated Mac model. old operating system 7.0, low memory, very slow and sluggish performance. frequent program freeze, non-scaleable hardware upgrade, worse monitors, phase-out keyboard.
 - (*2): 486 PC. low memory, less space boot hard drive, very slow performance, bad monitor.
 - (*3): 1 outdated Mac model. old OS, low memory, low capacity, slow performance, worse monitor and 1 poorly functioning laptop.
 - (*4): 450 Mhz Pentium II PC , keep up Web technology design and use MS Office professional programs
 - (*5): Replace Apple LaserWriter printer that is non-networkable in Novell print service, add additional printers due to new physical office partition in Gateway building, and add color printer for department use, especially for magazine. graphic design and presentation
 - (*6) 1 new file server for the UMAA Web site which will allow site to move to the next level of interactive functionality and 1 new file server needed for UMAA database to optimize performance of software upgrade.

Software Upgrade

- Upgrade FileMaker Pro V2.1 (Mac and Windows) to Version 4.1 and apply to work group environment, avoid client-server use over current Mac server (Quadra 6100/AppleShare 3.0) that will be phasing out in the near future.
- Upgrade Meeting Maker old version 1.3 to 5.52 (Windows/Mac cross platform), implement into Windows NT network, again avoid Mac server use.
- Upgrade Microsoft Office 95 on computers which will be reused to Office 97 so all software in the office will be at the same version.

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
EXECUTIVE COMMITTEE MEETING
March 24, 1999
7:30 to 9:00 a.m.
Campus Club, Coffman Memorial Union**

Committee Members Attending

Bergstrom, John
Erickson, Rondi
Fountain, Jean
Hopp, Deb
Huntrods, Ann
Mona, Dave
Nelson, Bruce

UMAA Staff Attending

Burgett, Bob
Carlson, Margaret
Fisher, Diane
Garrison, Tom
Heen, Les
Jones, Cheryl
Schadauer, Elise

Committee Members Unable to Attend

Erkkila, Dan
Lindahl, Nancy

University of Minnesota Alumni Association (UMAA) National President Dave Mona called the meeting to order at 7:30 a.m.

Consent Agenda

The consent agenda included the November 11, 1998, executive committee minutes; the January, 1999 financial statements; and the FY99 mid-year budget revision. All items were approved as mailed.

Nominating Committee

Ann Huntrods, Nominating Committee chair, presented the recommendation of the Outreach and Nominating Committees to add two awards to the existing UMAA volunteer awards program: the Faculty/Staff Outstanding Volunteer Awards and the Rising Star Award. This recommendation was approved.

Huntrods also presented the 1999-2000 slate of officers, which the committee members approved as follows:

| | |
|---------------------|----------------|
| President | Nancy Lindahl |
| President-elect | Jean Fountain |
| Vice President | John Bergstrom |
| Vice President | Dan Erkkila |
| Vice President | Deborah Hopp |
| Secretary/Treasurer | Bruce Nelson |
| Past President | Dave Mona |

Huntrods also presented the Nominating Committee's recommendation to add one additional Vice President position on the national board of directors (an increase from three to four vice presidents). This recommendation was also approved.

University Men's Athletics/Basketball Issue

Mona reviewed the situation involving allegations of misconduct in the Gopher Men's Basketball program. Mona believes that University of Minnesota President Mark Yudof is handling the situation very well. The President's Office will be sending a letter to a large group of friends of the University, including UMAA board members and other key volunteers, providing information about the allegations and the University's handling of the situation. The UMAA has submitted a "short list" of names of alumni who might serve on an external task force, if the University decides to appoint this type of group. It was decided that the executive committee should send a note to President Yudof, congratulating him on the way that he is dealing with this issue and reinforcing that open communication is critical.

UMAA Strategic Planning

Margaret Carlson, UMAA executive director, reported that strategic planning is on schedule. The draft plan will be presented to the national board of directors in April and will be finalized by the executive committee and national board in June.

UMAA 1999-2000 Goals and Objectives

Carlson reported that the next fiscal year's goals will focus on maximizing the potential of the Gateway and increasing membership, and will not involve major new initiatives. The FY00 Goals and Budget will be presented to the executive committee and national board in June.

Gateway

Carlson encouraged the committee members to attend the lecture and panel presentation on the Gateway, featuring architect Antoine Predock, on April 8. This program is sponsored by the University College of Architecture and Landscape Architecture and the Gateway Corporation.

Construction is on schedule, with October 1 as the move-in date. The dates for the grand opening celebrations will be set in the very near future; the UMAA is checking calendars with President Yudof, Predock, etc. Parking and plaza discussions continue. \$11.2 million dollars has been raised to date, with another \$1 million dollar gift in the works. Phases II and III of the fund raising are proceeding on schedule. The catering and gift store vendors are being finalized.

In regard to upcoming furniture, fixtures, and technology expenses for the UMAA space in the Gateway, it was agreed that the national board will be asked to give the UMAA finance and executive committees authorization to review and approve these expenses, as the full board does not meet again until late June. Carlson explained that the source of funds for these expenditures will be the association's endowment funds.

Membership

Deb Hopp, chair of the Marketing Committee, reported that membership to date is 40,755. A variety of spring appeals are planned, including special promotions at University Gradfest and commencements. A \$1,000 incentive is being offered to collegiate alumni groups who bring in the most members. Two new benefits, Branch Out (an on-line professional and social network) and discounts on a career assessment package, are being implemented. A new member retention initiative involves sending a "thank-you" card to all members which features original photography by alumnus Judy Oleson.

Rondi Erickson, chair of the Advocacy/Legislative Committee, noted that there are seven-and-a-half weeks remaining in the legislative session. The University has requested \$198 million dollars; the Governor has recommended giving the University 80% of this request; the House and the Senate are expected to come in lower than the Governor. The Academic Health Center piece (\$37 million dollars) may be problematic. The approach of the legislative network this year has been to work with key legislators; the primary messages are to support the use of tobacco money for the Academic Health Center, to support the overall University request, and to support the Governor's recommendation.

Erickson reported that current regents William Hogan and William Peterson have been re-elected; the two new regents are Dallas Bohnsack and Anthony Baraga. Bills have been drafted which recommend automatic pass-through of sitting regents; Erickson and Huntrods will be working quietly behind the scenes on behalf of the University Issues/Legislative Committee to ensure that this bill is not put into law. In general, this year's regent selection/elections received good press and made a positive impression among the RCAC, legislators, and the regents.

There was discussion about next steps to encourage support of the University's legislative request. Carlson advised that quick response may be required on as-of-yet unanticipated issues, so the network must be prepared to move quickly.

Connections/Student Experience

Jean Fountain, chair of the Outreach Committee, reported that the committee has been organized into four work groups: awards/recognition, reunions, student experience, and annual meeting. Fountain encouraged the committee members to each sell ten tickets to the 1999 Annual Meeting, to be held on June 2, 1999, featuring Doris Kearns-Goodwin as keynote speaker. The new Student Alumni Leaders group will be appointed in the next several weeks; 30 students will be selected. Fountain anticipates that a potential new affiliate group, the School of Social Work Alumni Society, will be presented to the board for approval next month. The UMAA sponsored Maroon & Gold Day in Stillwater, where a new alumni chapter kicked off.

There was discussion regarding communities that the University and the UMAA might visit in the future, including some on the fringe of the Twin Cities such as Forest Lake, Chaska, and Hastings. It was agreed that these type of community events have great potential for increasing membership and are wonderful opportunities to showcase the University.

Page 4
UMAA Executive Committee
March 24, 1999

Reports

Carlson announced that new public service announcements (PSA's) have been produced which feature Dave and Linda Mona; and Elise Schadauer's, UMAA membership and marketing director, family.

The PSA's will be shown to the national board in April. There was discussion about possible ways to increase membership, including how best to utilize the Gateway, and the potential impact of the basketball situation upon membership.

Mona adjourned the meeting at 8:55 a.m.

Submitted by:

Cheryl Jones
UMAA Administrative Manager

for

Bruce Nelson
Secretary-Treasurer

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
National Board of Directors
Saturday, April 10, 1999
8:30 to 11:30 a.m.
Radisson Metrodome Hotel

Board Members Attending

Ahles, Karen
Bachman, Dale
Barry, Anne
Baudler, Bryan
Bergstrom, John
Eelkema, Marilyn
Ericson, Carol
Erkkila, Dan
Evans, Sara
Fellows, Kay
Fountain, Jean
Gardebring, Sandra
Hagford, Dave
Harder, Ron
Hauschild-Baron, Beverly
Hawkinson, Bruce
Hjelm, Andrea
Hopp, Deborah
Huntrods, Ann
Jones, Dave
Lehman, Tom
Liebhard, Wayne
Lindahl, Nancy
Luehmann, Barb
Mitchell, Jerry
Mona, Dave
Osberg, Brian
Perman, Victor
Pletcher, Carol
Quinn, Mike
Reilly, Bill

Board Members Unable to Attend

Dumke, Bruce
Engebretson, Dick
Erickson, Rondi
Hayes, Ken
Hurd, Johnnie
Hutchins, Bruce
Lewis, Andre
Madson, David
Nelson, Bruce
Olseth, Dale
Schulstad, Denny
Weber, Terry

UMAA Staff Members Attending

Burgett, Bob
Carlson, Margaret
Garrison, Tom
Heen, Les
Jones, Cheryl
Schadauer, Elise

UMAA Staff Unable to Attend

Fisher, Diane

Guests

Eklund, Kent (Cincinnati, Inc.)
Gustafson, Cathy (Cincinnati, Inc.)
Klingel, Todd (Strategic Planning)

University of Minnesota Alumni Association (UMAA) National President Dave Mona called the meeting to order at 8:35 a.m.

Public Service Announcements

Elise Schadauer showed the five UMAA public service announcements that are running on MSC-TV. Two additional announcements featuring John Roethlisberger and Jennifer Alstad are in production.

Consent Agenda

The consent agenda included the November 21, 1998, board meeting minutes; the motion to purchase new computers; financial statements as of February, 1999; and the fiscal year 1999 mid-year budget revision. All were approved as mailed.

Nominating Committee

Ann Huntrods, Nominating Committee chair, presented the recommendation of the Outreach and Nominating Committees to add two awards to the existing UMAA volunteer awards program: the Faculty/Staff Outstanding Volunteer Award and the Rising Star Award. This recommendation was approved.

Huntrods presented the 1999-2000 officer slate, which was also approved by the board:

| | |
|---------------------|----------------|
| President | Nancy Lindahl |
| President-elect | Jean Fountain |
| Vice President | John Bergstrom |
| Vice President | Dan Erkkila |
| Vice President | Deborah Hopp |
| Secretary/Treasurer | Bruce Nelson |
| Past President | Dave Mona |

Huntrods also presented the recommendation to add one Vice President position to the national board of directors, an increase from three to four vice presidents. The fourth position will not be filled until the association has completed updating its strategic plan. This recommendation was approved.

Strategic Planning

Jean Fountain, UMAA vice president, introduced Kent Eklund and Cathy Gustafson of Cincinnatus, Inc., the consulting firm that the UMAA hired to guide the strategic planning process. Eklund explained that the board members now have the opportunity to react to the draft plan developed by the Strategic Planning Committee.

The board members reviewed and discussed the draft plan at length, including major overall issues to address over the next five years as well as organizational strengths, weaknesses, opportunities, and threats. There was considerable discussion about each of the five current UMAA goals (membership, Gateway, advocacy, student experience, and the capital campaign) and their potential roles in the new strategic plan. The following key points were made:

Membership

- Increasing the number of life members would balance the member retention challenge
- A window of opportunity exists in regard to the life membership/\$2500 Gateway contribution link

The Gateway

- Treat this as a new product; first impressions are extremely important
- Explore both programming and financial asset opportunities
- Leverage the visibility and credibility opportunities

Advocacy

- Advocacy equals credibility; this is the most important thing that the UMAA does
- In some cases, advocacy can be accomplished effectively behind the scenes
- The end result is to build a better University
- We need to be strategically wise in this area

Student Experience

- Students are our future members; quality connections are needed
- Connecting with parents is very important
- Mentoring programs are an effective way to involve both alumni and students

Capital Campaign

- UMAA needs to reinforce that the University of Minnesota Foundation and the Minnesota Medical Foundation are the development arms of the University, not the alumni association
- When the case statement is completed, there will most likely be a piece within the overall campaign that will closely relate to one or more of the association's goals

Eklund thanked the board members for their feedback. The revised, final draft of the strategic plan will be presented to the board on June 23, 1999.

Gateway

Margaret Carlson, UMAA executive director, reported that construction of the Gateway is on budget and on schedule. The grand opening celebration will be during the week of February 12-18, 2000.

Carlson explained that the association is working to finalize the selection of furniture, fixtures, and technology for their new office space in the Gateway. It is anticipated that final price quotes will be available by the end of April. The UMAA Finance and Executive Committees will review the selection and funding proposal early in May so that orders can be placed in a timely fashion; these committees request authorization from the national board to review and approve these proposals on their behalf. Following discussion, this request was approved.

Nancy Lindahl, Phase II Fund Raising co-chair, reported that donors contributing \$2500 or more will have the opportunity to receive a life membership in the association. She urged 100% participation from the board members.

Tom Garrison, UMAA communications director, presented the new Gateway update video.

Membership

Deb Hopp, chair of the Marketing Committee, announced that Gradfest brought in 2,189 new members this year. A variety of spring appeals are planned, including University commencements. A \$1,000 incentive is being offered to the collegiate alumni group that brings in the most members. Two new benefits, Branch Out (an on-line professional and social network) and discounts on a career assessment package, are being implemented. A new retention initiative involved sending a "thank-you for your membership" card which featured original photography by alumnus Judy Oleson. Membership to date is 40,543.

Hopp also announced that *Minnesota* is experiencing great growth in advertising sales: \$288,000 this year (\$59,000 more than last year).

Connections/Student Experience

Jean Fountain, chair of the Outreach Committee, announced that the Student Alumni Leaders group is now official, with 30 energetic and enthusiastic students on board.

Fountain presented the Outreach Committee's recommendation to approve the Social Work Alumni Society as a UMAA affiliate alumni group. This group will be affiliated with the College of Human Ecology Alumni Society. The recommendation was approved.

Mike Quinn announced that the 1999 Annual Meeting and Celebration will be held on Wednesday, June 2, 1999, with Doris Kearns Goodwin as the keynote speaker. He encouraged each board member to sell at least ten tickets to this event.

Advocacy/Legislative

Les Heen, UMAA legislative network coordinator, reported that board members Rondi Erickson and Ann Huntrods are working quietly behind the scenes on behalf of the University Issues/Legislative Committee to ensure that a bill which recommends automatic pass-through of sitting regents is not enacted.

Dan Erkkila, University Issues/Legislative Committee co-chair, reported that the House and the Senate will name conferees in the next several weeks. The legislative network has been communicating with targeted key legislators and helping to get alumni out to recent town meetings and pancake breakfasts featuring University of Minnesota President Mark Yudof. Erkkila distributed postcards to the board members and urged them to write to their legislators immediately to encourage support of the University's request.

Vice President for Institutional Relations

Sandee Gardebring, University vice president for institutional relations, said that again this year President Yudof will not prioritize the five initiatives in the legislative request; they are all extremely important goals for the University. Gardebring urged the legislative network members to continue to push during the important last weeks of the legislative session, and she thanked the board members for their hard work and support.

In regard to the investigation surrounding allegations of misconduct within the Men's Basketball program, Gardebring said that she believes that while people in Minnesota are concerned, they are comfortable that President Yudof is handling the situation very well. Gardebring and President Yudof are asking that people remain patient until the official investigation is completed, because only then can the University make decisions. There was discussion regarding basketball player graduation rates; new University initiatives to provide better academic support to students; and statistics which indicate much improved retention rates for African-American students and improved overall student satisfaction. The board members requested that Gardebring thank President Yudof for his hard work and strong leadership on behalf of the full board of directors.

Gardebring announced that Andrea Turner has been named executive director of the University Board of Regents.

Executive Director

Carlson thanked Gardebring for the wisdom and skill that she has brought to the University. She also thanked the board members for their work on behalf of the University and distributed alumni association umbrellas in recognition of National Volunteer Week.

Mona adjourned the meeting at 11:40 a.m.

Submitted by,

Cheryl Jones
UMAA Administrative Manager

for

Bruce Nelson
Secretary-Treasurer

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
95th Annual Meeting

June 2, 1999
Northrop Mall and Auditorium

The 95th annual meeting of the University of Minnesota Alumni Association began at 5:00 p.m. with a reception and dinner buffet on Northrop Mall. The meeting was called to order in Northrop Auditorium at 7:30 p.m. by UMAA National President David Mona, who welcomed the 1,800 attendees.

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION YEAR-IN-REVIEW

Mona reported on alumni association activities during the 1998-1999 fiscal year, including reaching an all-time high of 42,500 members; holding nearly 200 events involving more than 17,000 alumni and friends; implementing the new Student Alumni Leaders program; and seeing the Gateway rise from the ground. He presented a video describing the Gateway from conception to construction, and he encouraged alumni and friends to consider making a donation to this exciting new University icon. He also announced that the UMAA is sponsoring a drive to collect 5,000 books authored by or about University alumni, faculty, and staff. These volumes will comprise the Great Wall of Books in the Gateway Heritage Gallery, and will be a one-of-a-kind monument to the University's history of achievement.

UNIVERSITY OF MINNESOTA PRESIDENT MARK YUDOF

University of Minnesota President Mark Yudof presented his annual message to alumni and friends. President Yudof recounted the many alumni activities in which he had participated during the year, including Maroon & Gold Day in Edina and visits to Stillwater, Hibbing, and Fargo. President Yudof said that he has been extremely pleased to see the great alumni support in these locations. He reported that it was a good year for the University at the legislature, and that he was pleased with the legislative response to the University's biennial request.

President Yudof described his goals for the University in the upcoming year, including adding 30 new professors; bolstering undergraduate initiatives; continuing to make progress on 21 campus renovation projects; and financially restructuring the Academic Health Center. President Yudof thanked the alumni association for everything that it does to help the University, including enhancing campus tradition and recognizing outstanding teaching.

ELECTION OF 1999-2000 OFFICERS AND DIRECTORS

Mona announced the 1999-2000 slate of officers forwarded by the UMAA Nominating Committee and elected by the national board of directors on April 10, 1999:

| | |
|---------------------|----------------|
| President | Nancy Lindahl |
| President-elect | Jean Fountain |
| Vice President | John Bergstrom |
| Vice President | Dan Erkkila |
| Vice President | Deborah Hopp |
| Secretary-Treasurer | Bruce Nelson |
| Past President | Dave Mona |

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

| | |
|-----------------------------|-------------------|
| At-Large Member | Walter Bowser |
| At-Large Member | Thomas Bredeson |
| At-Large Member | Bruce Hutchins |
| At-Large Member | Todd Klingel |
| At-Large Member | Mary McLeod |
| Geographical Representative | James Bymark |
| Geographical Representative | Marilyn Chelstrom |
| Geographical Representative | David Madson |

PASSING OF THE GAVEL

Mona introduced Nancy Lindahl, who will take office as UMAA national president on July 1, 1999. Lindahl is associated with Creative Strategies Plus, Inc., where she serves as a consultant to the non-profit sector.

Lindahl thanked Mona for his strong leadership during the past year, noting that Mona's superb public relations and people skills helped the UMAA to have a smooth and productive year. She said, "Dave, you brought great wisdom and incredible political savvy to our operations, helping us handle challenges in new ways and get from 'here to there' quickly and efficiently. Congratulations and thank you for a very exciting and successful year."

KEYNOTE SPEAKER

Mona introduced Doris Kearns Goodwin, Pulitzer Prize-winning author of biographies of presidents Lyndon Johnson, John F. Kennedy, and Franklin Roosevelt. Kearns Goodwin received the Pulitzer Prize in 1995 for her book, *No Ordinary Time*. Her works have been on the *New York Times* bestseller list four times, and she is currently writing a biography of Abraham Lincoln. She is also a great baseball fan, and was the first woman journalist to appear in the Boston Red Sox locker room.

Kearns Goodwin spoke for an hour, weaving together stories about the Brooklyn Dodgers, her family, and late 1950's American culture. She spoke of her intertwined loves of history and baseball and how they shaped her career. She believes that it is vitally important to tell and re-tell people's life stories, as in this way people can live on and on. She said that sports can provide a bond among generations.

Kearns Goodwin also told fascinating political stories, including anecdotes and tales related to Lyndon Johnson's presidency; the Kennedy family; and Eleanor and Franklin Roosevelt's partnership. She said that, in the past, the private lives of our public figures stayed private unless they affected leadership. Kearns Goodwin believes that the essence of leadership is the ability to communicate confidence. Her presentation was followed by extremely enthusiastic applause from the audience.

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University of Minnesota Alumni Association Annual Meeting

June 2, 1999

CLOSING

Mona thanked Kearns Goodwin for her unique and thought-provoking presentation. Mona said that Kearns Goodwin gave the audience new insights into both leadership and American culture and history.

Mona thanked the audience members for attending the 95th UMAA Annual Meeting, and they joined Lindahl, Linda Mona, and University of Minnesota Band Alumni in singing *Hail Minnesota*.

Mona adjourned the meeting at 9:20 p.m.

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
EXECUTIVE COMMITTEE MEETING
Wednesday, June 9, 1999
7:30 to 9:00 a.m.
Campus Club, Coffman Memorial Union**

Committee Members Attending

Bergstrom, John
Erkkila, Dan
Fountain, Jean
Hopp, Deb
Huntrods, Ann
Lindahl, Nancy
Mona, Dave
Nelson, Bruce

UMAA Staff Attending

Burgett, Bob
Carlson, Margaret
Fisher, Diane
Garrison, Tom
Heen, Les
Jones, Cheryl
Schadauer, Elise

Committee Members Unable to Attend

Erickson, Rondi

University of Minnesota Alumni Association (UMAA) National President Dave Mona called the meeting to order at 7:35 a.m. Mona reported that he recently had the opportunity to meet with Sandra Gardebring, University vice president for institutional relations. Gardebring told Mona that she is very pleased with the association's work and that she appreciates everything that the association does to advance the cause of the University.

Consent Agenda

The consent agenda included the March 24, 1999, executive committee meeting minutes; the April 1999 financial statements; and the association's 1998-99 highlights. All were approved as mailed.

Legislators of the Year

Dan Erkkila, co-chair of the University Issues Committee, presented the committee's recommendation to award the 1999 UMAA Legislators of the Year awards to Representative Peggy Leppik (R-Golden Valley), Representative Lyndon Carlson (DFL-Crystal), Senator Sam Solon (DFL-Duluth), and Senator Roy Terwilliger (R-Edina). This recommendation was approved.

Strategic Planning

Jean Fountain, UMAA vice president, presented the final draft of the UMAA 2000-2005 Strategic Plan. Following discussion, the plan was approved. Fountain noted that the plan will be presented to the national board of directors on June 23, 1999, and that, following endorsement by the national board members, the plan will take effect on July 1, 2000. Fountain thanked the Executive Committee members, most of whom served on the Strategic Planning Committee.

1999-2000 UMAA Goals and Budget

Margaret Carlson, UMAA executive director, reviewed the association's goals and objectives for the 1999-2000 fiscal year, which begins on July 1. Carlson noted that the plan will give the UMAA a quantum leap in visibility, especially the goals related to the opening of the Gateway; membership growth; long-term radio presence; the Student Alumni Leaders; and the anticipated trip to a football bowl game.

Diane Fisher, UMAA finance and operations manager, presented the association's Fiscal Year 2000 Budget. She explained that the UMAA Finance Committee approved the budget on June 7, 1999, but identified three areas that will be closely monitored during the year: membership revenue, tour program revenue, and revenue from the credit card program.

Bruce Nelson, Finance Committee chair, noted that the Finance Committee members are pleased that the UMAA has demonstrated in past years that it can deliver on the budget. He also noted that although this is a break-even budget, actual year-end results traditionally result in a significant surplus. In addition, Nelson said that although the UMAA's FY00 allocation from the University continues the past level of this funding, the amount is uncertain for the future as University of Minnesota President Mark Yudof has stated that he would like the association to become more self-sufficient.

Following discussion, the FY00 budget was approved.

Gateway Move Budget

Fisher presented the budget of costs associated with the move to the Gateway, which was prepared by UMAA staff and was reviewed and approved by the Finance Committee on June 7, 1999. The recommended source of funding is the U of M Alumni Fund, which has been used in the past to fund the association's move to Coffman Union in 1992 and to fund preliminary work on the Gateway concept. Fisher noted that this budget reflects the best estimates of costs known at this time; however, contingencies have been included where the possibility of additional expenses exists. She also noted, however, that the UMAA is working to lower the budgeted costs of such items as the disposal of the UMAA's current furniture and the non-systems furniture.

There was discussion related to the space that the UMAA will sub-lease to the University of Minnesota Foundation's Investment Management Group; this rent will be a revenue item for the UMAA. Carlson noted that the Investment Management Group will have a five-year, then a rolling, lease, which will allow for future expansion space for the UMAA.

Following discussion, the committee members approved the budget of \$452,425 for expenses related to the move to the Gateway.

Membership

Deb Hopp, chair of the Marketing and Membership Committee, reported that UMAA membership is at 41,774 as of June 3, 1999. This number includes 2300 new graduates which have joined this spring. Mona congratulated Hopp; Elise Schadauer; and the members of the Marketing and Membership Committee for putting together such a coordinated and cohesive member solicitation process this year.

Advocacy/Legislative

Erkkila reported that the University received \$104 million dollars from the legislature this year, or 63% of its request. The University is already working on its legislative strategy for next year. In regard to regent selection, Erkkila commended Rondi Erickson and Ann Huntrods for their behind-the-scenes work to ensure that the regent incumbent "pass through" legislation was not forwarded. There are two vacancies on the Regent Candidate Advisory Council; Erickson has been nominated.

Connections

Fountain reported that more than 1500 people attended the UMAA Annual Meeting and Celebration on June 2, 1999. The UMAA has received a lot of very positive feedback about the event; Fountain quoted accolades that have been received from President Yudof, Minnesota Medical Foundation CEO Brad Choate, UMAA board members, and others. Fountain also reported that the new Student Alumni Leaders group is already extremely active. She thanked the members of the Outreach Committee and the UMAA staff members for their work this year.

Tom Garrison, UMAA Communications Director, reported that the association has been featured extensively on the radio recently, including new Public Service Announcements by the Monas and John Roethlisberger, as well as tag lines on Minnesota Public Radio's *Writer's Almanac*. In addition, Doris Kearns Goodwin was interviewed on WCCO-Radio and her speech at the UMAA Annual Celebration will be broadcast twice on Minnesota Public Radio later this month.

Executive Director

Carlson noted that the fiscal year-end national board meeting on June 23, 1999, will feature President Mark Yudof as well as recognition of the outgoing board members and a tour of the outdoor Gateway site. She noted that the UMAA plans to move into the Gateway during the first two weeks of October. The Gateway grand opening celebration will be Saturday, February 12, 2000. UMAA staff members are working to collect 5,000 books by the end of June for the Gateway Wall of Books. An additional \$2 million dollars needs to be raised to complete the plaza.

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UMAA Executive Committee

June 9, 1999

President-Elect

Nancy Lindahl, UMAA president-elect, distributed the calendar of meetings and activities for FY00. She thanked Mona for his strong leadership and hard work on behalf of the association and the University this year, and said that he will be a very difficult act to follow. Lindahl is looking forward to an exciting year.

Mona adjourned the meeting at 9:00 a.m.

Submitted by,

Cheryl Jones

UMAA Administrative Manager

For

Bruce Nelson

Secretary-Treasurer

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
NATIONAL BOARD MEETING
Wednesday, June 23, 1999
Radisson Metrodome Hotel**

Board Members Attending

Ahles, Karen
Barry, Anne
Baudler, Bryan
Bergstrom, John
Dumke, Bruce
Eelkema, Marilyn
Engbretsen, Dick
Fellows, Kay
Fountain, Jean
Hagford, David
Harder, Ronald
Hauschild-Baron, Beverly
Hawkinson, Bruce
Hjelm, Andrea
Hutchins, Bruce
Jones, Dave
Lindahl, Nancy
Luehmann, Barb
Mitchell, Jerry
Mona, Dave
Olseth, Dale
Quinn, Mike
Reilly, Bill

Board Members Unable to Attend

Bachman, Dale
Erickson, Rondi
Ericson, Carol
Erkkila, Dan
Evans, Dara
Hayes, Ken
Hopp, Deborah
Huntrods, Ann
Hurd, Johnnie
Lehman, Tom
Lewis, Andre
Liebhard, Wayne
Madson, Dvid
Nelson, Bruce
Osberg, Brian
Perman, Victor
Pletcher, Carol
Schulstad, Denny
Weber, Terry

UMAA Staff Attending

Burgett, Bob
Carlson, Margaret
Fisher, Diane
Garrison, Tom
Heen, Les
Jones, Cheryl
Schadauer, Elise

University Staff Attending

Fischer, Jerry

Guests Attending

Eklund, Kent (Cincinnati, Inc.)
Gustafson, Cathy (Cincinnati, Inc.)

Incoming Board Members Attending

Bowser, Walter
Klingel, Todd
Luis, Juanita

University of Minnesota Alumni Association (UMAA) National President Dave Mona called the meeting to order at 4:05 p.m. Mona introduced University of Minnesota President Mark Yudof.

University of Minnesota President Mark Yudof

President Yudof reported on progress at the University during the past year, including designing the \$80 million dollar Institute for Molecular and Cellular Biology; planning the \$4 million dollar changeover of the Gortner/Snyder complex into a Center for Plant and Microbial Genomics; reorganizing Biological Sciences into four new departments; and beginning the \$54 million dollar Walter Library renovation. Yudof said that, by historical perspective, the University did very well at the legislature this year; 30 new professors will be hired; campus rebuilding will continue in full swing; additional progress will be made on the service front at the University; improvements will be made in technology transfer; and new student-friendly software systems will be installed.

President Yudof described the alumni activities in which he participated this year, including Maroon & Gold Day in Edina; inaugurating a new chapter in St. Croix Valley; and gatherings in Hibbing, Fargo, Moose Lake, and Northfield. He thanked the board members for speaking up for the University's budget proposal during the legislative session, stating that the loyalty and positive attitude of alumni was overwhelming and very much appreciated.

There was a question and discussion regarding the investigation into the Gopher Men's Basketball program. President Yudof reported that the full report will most likely not be ready until September, but that the University will probably self-impose some sanctions. Changes have already been made in regulations involving University sports booster clubs, and changes in how the University handles allegations of sexual misconduct against athletes will be implemented on July 1.

President Yudof thanked Mona for his leadership of the UMMA during the past year, proclaiming this day to be "David L. Mona Day" at the University of Minnesota.

Consent Agenda

The consent agenda included the April 10, 1999 national board meeting minutes; the April 1999 financial statements; the UMMA 1998-99 highlights; and the Legislator of the Year awards. All were approved as mailed.

Strategic Plan

Kent Eklund of Cincinnatus, Inc., presented findings from the primary market research that Cincinnatus conducted while guiding the development of the new UMMA strategic plan. The research focused on member retention, and resulting data indicates very high levels of member satisfaction and feelings that UMMA membership is a good way to demonstrate ongoing loyalty to the University. Eklund said that this research will prove helpful to the association in the future, especially in regarding to identifying and packaging new member benefits; and will also provide valuable information to other units of the University.

Jean Fountain, UMAA vice president, reviewed the strategic plan's guiding principles; the UMAA mission statement; and the five overall goals. Following discussion, the board members approved the 2000-2005 UMAA Strategic Plan (as attached). Fountain thanked Eklund and Cathy Gustafson of Cincinnatus for leading the development of the plan, presenting each of them with a three-year association membership.

1999-2000 Goals and Budget

Margaret Carlson, UMAA executive director, provided an overview of the UMAA's goals and objectives for the coming year. Carlson said that FY99-00 will be a unique opportunity to position the association for good news on a regular basis. It will also be a year to plan for and allow time for unexpected opportunities and necessities. Carlson noted a variety of upcoming activities and projects, including preparing to move into the Gateway; finalizing the Gateway store and the Heritage Gallery; working on the Gateway grand opening; working with the University of Minnesota Foundation (UMF) on a Magid and Associates alumni giving research project and kicking off the capital campaign; and working on membership. Carlson noted that she is hopeful that the current allegations involving Gopher Men's Basketball will not have a negative effect on membership. She concluded by assuring the board members that the association has a good plan, a successful track record in achieving plans, and effective volunteer and staff teams.

Diane Fisher, UMAA finance and operations director, reported on the FY99-00 budget for Bruce Nelson, secretary-treasurer, who is out of town. Fisher explained that the budget was reviewed in detail and approved by the UMAA Finance and Executive committees earlier in June. She provided an overview of the budget, noting that aggressive revenue growth is projected for membership, the tour program, and the credit card program. President Yudof and Vice President for Institutional Relations Sandra Gardebring understand that the move to the Gateway will present the UMAA with unknown challenges and opportunities; thus the level of University support to the association will remain the same as last year. Fisher said that the Finance Committee members asked her to let the national board members know that the UMAA continually demonstrates that it can live within its budget, and that even though the association budgets at break-even, the year-end actual results traditionally represent a significant surplus of revenues over expenses. This, along with the mid-year budget revision process, provides security that the UMAA will continue to preserve its financial health.

Following discussion, the UMAA FY00 Goals and Budget were approved (as attached).

Membership

Elise Schadauer, UMAA membership and marketing director, reported that membership totals 43,141 as of June 23, 1999 (addendum: the year-end count at June 30, 1999, was 43,668). The new graduate promotions were extremely effective, bringing in 3,345 new members. Member retention continues to improve, currently standing at approximately 80%. Mona congratulated Schadauer and the members of the Membership and Marketing Committee on achieving this year's membership goal.

Connections/Visibility

Jean Fountain, UMAA Outreach Committee chair, reported that the association hit a home run with the Annual Celebration this year. Approximately 1500 people attended the event. Doris Kearns Goodwin's address was broadcast twice yesterday on Minnesota Public Radio (MPR). Fountain said that many people have been very complimentary about the event, including President Yudof.

Tom Garrison, UMAA Communications Director, reported that the UMAA has been featured extensively on the radio recently, including new Public Service Announcements by the Monas and John Roethlisberger, as well as tag lines on MPR's *Writer's Almanac*. He played the announcements to the board members.

Gateway

Tom LaSalle, Gateway owner's representative, reported that construction is on schedule. The targeted move-in date is October 1, 1999, although the geode will not be completed until November or December. A 400 to 500-car parking ramp will be constructed on University Avenue; a temporary parking lot will open adjacent to the Gateway until the ramp is completed. The plaza will not be completed for two years, as the design has been enhanced to allow for maximum green space. LaSalle believes that the plaza will be a truly beautiful corner and gateway to the University.

Nancy Lindahl, UMAA president-elect, reminded the board members that contributions of \$2500 or more to the Gateway will provide the donor with a life membership in the alumni association as well as a permanent listing on a donor wall in the building. Lindahl thanked the board members for supporting and contributing to the Gateway.

Garrison announced that the association is nearly halfway toward its goal of receiving 5000 books for the Gateway Heritage Gallery Great Wall of Books. The first book dropoff generated very positive publicity in the *Minneapolis Tribune*. The 5000 books must be collected by August 6, 1999, and Garrison asked the board members to help spread the word.

Fisher reminded the board members that at the last national board meeting, they gave the UMAA Finance and Executive Committees authority to approve the expenses associated with the association's move to the Gateway. She called attention to the budget which has been approved by these committees, noting that it allows for up to \$452,425 to be drawn from the U of M Alumni Fund. This budget includes all known and anticipated expenses associated with the move. The UMAA has negotiated some very significant discounts on the system furniture, as well as a \$25,000 contribution from the owner of the company. The association is also pursuing a \$100,000 corporate contribution for the non-system furniture, and is working with a number of vendors to dispose of its current furniture.

Advocacy/Legislative

Les Heen, UMAA legislative network coordinator, referred to President Yudof's earlier report on the University's funding. Heen said that about \$104 million dollars of the \$120 million dollar allocation will come from the state's general fund, and \$16 million dollars will come from an endowment based on the tobacco lawsuit money. The University will dedicate the \$16 million dollar portion to health professional education and research at the Academic Health Center. The University is already planning the campaign for next year's legislative session, which will start on February 1, 2000.

Heen thanked the board members for their support of the University's legislative request. He also recognized Rondi Erickson, University Issues Committee co-chair; and Ann Huntrods, past president, for the work that they did regarding the legislative proposal to allow University of Minnesota regents seeking a second term automatic pass-through rather than screening by the Regent Candidate Advisory Council. Erickson and Huntrods talked extensively with the legislator who authored this proposal to relay the alumni association's concerns, and the bill was eventually dropped in conference committee.

Volunteer Recognition

Mona thanked the following board members for their service: Dale Bachman, Ann Huntrods, Ken Hayes, Andre Lewis, Dale Olseth, Brian Osberg, and Terry Weber. He recognized Olseth for his leadership of the Gateway fund raising campaign.

Lindhahl and Carlson thanked and praised Mona for his outstanding service as UMAA national president. Lindhahl called Mona a servant leader, citing his integrity, listening skills, optimism, energy, and love for the University. Carlson said that Mona is a master orator, a superb strategist, and a knight in shining armor who staunchly supports and actively promotes the association every day of the year. She presented Mona with an engraved University of Minnesota class ring.

Mona thanked Carlson, Lindhahl, and the board members. He said that it has been a true pleasure to work with such great volunteers and staff members. He also praised President Yudof and thanked him for his outstanding leadership. He welcomed Lindhahl as the incoming national president.

President-Elect

Lindhahl spoke of her father, Ralph Miller Lindhahl, who served as a professor at the University for 42 years and taught his children to give back to the institution. Lindhahl will be working to get to know all of the board members and to get out to as many committees and alumni meetings as possible. She is especially excited about the UMAA's goals to achieve 50,000 members and designing a career continuum program which will be implemented in the 2000-2005 timeline. She encouraged the board members to attend the summer social at her home on August 12, 1999.

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UMAA National Board Meeting
June 23, 1999

Mona presented the year-end gift—a granite coaster engraved with the Gateway logo—to all board members. He adjourned the meeting at 6:25 p.m.

Submitted by,

Cheryl Jones
UMAA Administrative Manager

for

Bruce Nelson
Secretary-Treasurer

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
1998-99 HIGHLIGHTS (in addition to ongoing activities)

Goal I: Build the University Gateway

In collaboration with our partners, the University of Minnesota Foundation and the Minnesota Medical Foundation:

- assisted with fund raising campaign; implemented plan to offer a UMAA life membership to contributors of \$2500 or more
- with designer, finalized plans for the Heritage Gallery; planned and implemented “5000 Books” campaign
- worked on specialized issues, including the gift store, food service, reception area, leasing policies, and grand opening; hired building manager
- produced printed updates, campus e-mails, and videos; featured Gateway in *Minnesota*, *M*, and the *Minnesota Daily*

Goal II: Grow Visible Organization of 50,000 Members

Membership

- raised 43,668 members
- added new benefits: BranchOut, an online professional and social network; University career assessment package discounts; and Raptor Center membership discounts

Connections

- held 190 events across the country, involving more than 17,500 alumni and friends, including 8 national events in collaboration with UMF and 9 Twin Cities business and community events
- involved nearly 200 University units in Maroon and Gold Fridays

Visibility

- produced six issues of *Minnesota*; accomplished advertising sales of \$282,000, surpassing goal by 15%
- produced three issues of *M* in collaboration with University Relations
- added new features to UMAA Web site, including developing new career networking page and links to benefit partners
- produced three update videos
- produced seven PSAs for Midwest Sports Channel
- contracted for seven weeks of “Writer’s Almanac” on Minnesota Public Radio
- presented radio partnership proposal to WCCO

Goal III: Enhance the Student Experience

- involved approximately 1,200 students and 1,200 alumni in 17 one-to-one mentoring programs
- implemented Student Alumni Leaders program
- collaborated with the Admissions Office on RSVP (Recruiting Minnesota Students with Volunteer Power), connecting with 40 communities
- sponsored undergraduate and professional/graduate faculty teaching awards, student scholarships, and student leadership awards
- assisted University units in orienting 5,200 freshmen and 3,100 parents; assisted with Campus Preview Days and Campus Kick-off Days

Goal IV: Expand Alumni Advocacy

- mobilized 2,925-person legislative network; achieved record attendance at legislative briefing and thank-you celebration
- monitored and responded to governance and policy issues at the University

Other

- worked with a consultant and volunteer committee to develop UMAA 2000-2005 Strategic Plan

UMAA GOALS AND OBJECTIVES 1999-00
(In Addition to On-going Activities)

Vision:

- **integrated programs/services, within UMAA and across the U, focusing on the Gateway and membership**
- **high performance and measurable outcomes**
- **excellent member service**
- **financial viability**

Goal I: GATEWAY

- Plan and implement office move
- Coordinate with the UMF and MMF on these initiatives:
 - financial commitments and oversight
 - Phase III fund raising
 - grand opening week: February 12-19, 2000
 - plaza development
 - immediate and long-term plans to operate and showcase/promote the building

Goal II: 50,000 MEMBERS BY 2000; VISIBILITY/CONNECTIONS

- Increase membership to 48,000 (from 43,668 at June 30, 1999) through these initiatives:
 - increase renewal rates to 80 percent (from 70 percent last year) and multi- year and life memberships
 - determine feasibility of donor/member program
 - tie Gateway solicitations to a life membership promotion
 - add new benefits related to career services and the Gateway
 - segment target audiences and analyze the cost-benefits of membership recruitment strategies
- Continue to enhance communications efforts through these initiatives:
 - focus on the Gateway and membership in *Minnesota, M*, update videos, metro and greater Minnesota media, e-mail updates to key constituents, and the web, with expanded resources directed to the web component
 - implement long-term strategy for radio presence
 - accomplish advertising sales of \$294,000; complete new market demographic study
- Enhance and expand connections to alumni, friends, and students through these activities and programs:
 - provide alumni volunteer corps for prospective student recruitment, advocacy, community service, and other key University program areas
 - maximize participation in NCAA post-season activities; i.e., football bowl
 - assist with State Fair, Sesquicentennial, and other University activities
 - implement society and chapter recognition program changes

Goal III: ADVOCACY

- Enhance the legislative network:
 - increase network membership to 3,100, targeting key business, media, and civic leaders; identify captains for all 67 Senate districts and co-captains where needed in key House districts; coordinate grassroots improvements and continuity with Office of State Relations, including summary/analysis of 1999 feedback
- Track University issues, including K-12 and metro higher education initiatives, responding as appropriate

Goal IV: STUDENT EXPERIENCE

- Expand visibility and efficiency of mentor programs, including expanded materials and training; adopt new recruitment and service strategies, including an on-line resource directory
- implement new Student Alumni Leaders program

Goal V: CAPITAL CAMPAIGN (Integrated in Goals I-IV)

ADMINISTRATIVE/OPERATIONS

- Develop long-range financial plan to correspond to the UMAA Strategic Plan FY01 and beyond
- Introduce expanded features of the UMAA data base to better track alumni information and participation

University of Minnesota Alumni Association
FY00 Proposed Budget
Prepared for Presentation to UMAA National Board

| | FY00 Proposed Budget | FY99 Revised Budget | Budget Increase (Decrease) | FY99 Revenue Thru 4/99 |
|---|----------------------------|---------------------------|----------------------------------|------------------------------|
| Revenue | | | | |
| Membership | | | | |
| Annual/3yr/5yr/10yr | 842,455 | 764,245 | 78,210 | 613,756 |
| Life Membership Support | 270,000 | 265,200 | 4,800 | 221,000 |
| Contributions | 19,350 | 17,790 | 1,560 | 17,804 |
| Services | | | | |
| Tours | 105,000 | 81,600 | 23,400 | 51,263 |
| Advertising Sales | 294,000 | 247,500 | 46,500 | 224,156 |
| Royalty Income | 15,150 | 31,700 | (16,550) | 32,483 |
| Internet (net of access & software fees) | 100,860 | 103,415 | (2,555) | 84,395 |
| Affinity Credit Card | - | 115,380 | (115,380) | 115,380 |
| Special Events | 57,300 | 65,645 | (8,345) | 27,565 |
| Transfers to Finance Current Operations: | | | | |
| Credit Card Advance Funds - | | | | |
| Program Earnings | 360,000 | 265,300 | 94,700 | 143,386 |
| Excess Rent | 267,660 | - | 267,660 | - |
| General Endowment - Operations | 267,750 | 255,000 | 12,750 | 212,500 |
| UMF Held Endowment Support - | | | | |
| Awards | 56,000 | 56,000 | - | - |
| Net Assets Released From Restrictions | 26,500 | 25,500 | 1,000 | - |
| University Support: | | | | |
| Base | 1,023,011 | 1,018,280 | 4,731 | 848,567 |
| Capital Campaign Readiness | 382,000 | 371,000 | 11,000 | 309,186 |
| Interest/Dividends | 9,950 | 13,710 | (3,760) | 13,468 |
| Investment Gain/(Loss) | - | - | - | 8,189 |
| Other | 1,700 | 1,650 | 50 | 909 |
| Total Revenues | <u>4,098,686</u> | <u>3,698,915</u> | <u>399,771</u> | <u>2,924,007</u> |

University of Minnesota Alumni Association
FY00 Proposed Budget
Prepared for Presentation to UMAA National Board

| | FY00 Proposed Budget | FY99 Revised Budget | Budget Increase (Decrease) | FY99 Expenses Thru 4/98 |
|-----------------------------------|----------------------------|---------------------------|----------------------------------|-------------------------------|
| Expenses | | | | |
| Personnel | 1,887,136 | 1,786,755 | 100,381 | 1,450,262 |
| Training and subscriptions | 24,670 | 22,225 | 2,445 | 18,764 |
| Professional fees | 352,725 | 397,770 | (45,045) | 292,680 |
| Data processing | 20,320 | 20,440 | (120) | 17,050 |
| Advertising | 26,130 | 22,655 | 3,475 | 6,418 |
| Telephone | 33,345 | 29,765 | 3,580 | 23,897 |
| Mail service, delivery | 275,350 | 255,700 | 19,650 | 161,234 |
| Printing, copying and design | 414,925 | 366,390 | 48,535 | 268,784 |
| Supplies | 72,410 | 77,175 | (4,765) | 73,960 |
| Rentals | 31,385 | 31,210 | 175 | 12,172 |
| Office expenses | 371,220 | 102,970 | 268,250 | 83,477 |
| Travel, catering, entertainment | 170,000 | 181,450 | (11,450) | 133,961 |
| Society allocations | 106,500 | 100,000 | 6,500 | 83,335 |
| Awards and scholarships | 87,450 | 88,020 | (570) | 2,003 |
| Contributions and co-sponsorships | 204,705 | 194,460 | 10,245 | 157,118 |
| Other | 20,415 | 19,635 | 780 | 14,179 |
| | <u>4,098,686</u> | <u>3,696,620</u> | <u>402,066</u> | <u>2,799,294</u> |
| Total Expenses | | | | |
| | <u>4,098,686</u> | <u>3,696,620</u> | <u>402,066</u> | <u>2,799,294</u> |
| Surplus/(Deficit) | <u>-</u> | <u>2,295</u> | <u>(2,295)</u> | <u>124,713</u> |

University of Minnesota Alumni Association
1999-2000 Proposed Budget
Summary and Explanations

Revenues

Annual/3yr/5yr/10yr Membership – FY00 revenue projections are based on reaching 48,000 members by June 30, 2000. It assumes a 75% renewal rate for the 29,100 members up for renewal in FY00, a 25% renewal rate for the 3,290 free graduate and student memberships extended in FY99 and 12,800 new members. The new members will be generated through: fall and spring direct mail appeals to past and never members with a companion telemarketing appeal; a specially designed mail appeal to a select group of past members; GradFest and a mailing to new graduates offering a one-year free membership; a special promotion to older graduates offering them a discounted membership; and numerous targeted appeals aimed at program attendees, *Minnesota* magazine recipients who are not members, and parents of new students. Also included in the projected number of new members are those raised from combined efforts with other organizations. The Department of Athletics, FirstUSA, and one of our insurance providers have agreed to include membership brochures with their mailings. A new member-get-a-member promotion is also being planned.

Life Membership Support - The transfer from the Obligated Fund is actuarially determined based on an assumed investment rate of return of 9% and an assumed inflation rate of 4%. For purposes of this budget, the 9,900 life members as of March 31, 1999 were used in calculating the amount of the transfer.

Contributions - Sustaining life contributions are expected to be raised from approximately 260 life members donating an average of \$65. The remaining contributions are expected from unsolicited donors. There was no sustaining life appeal in FY99 and two unusually large unsolicited gifts accounted for most of the reported revenue. Neither revenue from corporate underwriting nor any honorarium associated with the FY00 Annual Meeting speaker has been budgeted.

Tours – Twenty-six trips are scheduled for FY00. Commissions from these trips is expected to earn \$89,500, travel insurance commission is budgeted at \$7,500, and the remaining \$8,000 will be received from a fee charged tour operators for inclusion in the new travel newsletter.

Advertising Sales - Minnesota magazine revenue has been budgeted at \$294,000. This is a 5% increase over FY99 actual revenue. The ad sales representative hired a year ago has demonstrated that he can consistently deliver advertising sales at this level.

Royalty Income – The royalty revenue earned in FY99 included a one-time dividend from the group insurance program. It was decided that any dividends earned in the near future would be retained within the program to reduce member premiums, thereby maintaining competitive rates and growing the program.

Internet - Low-cost access to the Internet system became a member benefit in FY94. Approximately 5,050 members currently subscribe, paying the \$130 annual subscription fee. It is projected that 85% will renew in FY00 and that another 520 members will be added paying the \$130 annual fee plus the one-time set-up fee of \$45. In addition, it is projected that 400 subscribers will pay \$25 to upgrade their software. The revenue from the Internet program is shown net of the access fees (\$110) and software charges (\$40 - new, \$20 - upgrade) paid to the University. Significant changes in the market for Internet access have resulted in slow growth in FY99. This is expected to continue in FY00.

Affinity Credit Card - In FY94 the UMAA entered into an agreement with First USA for a UMAA credit card. The UMAA received royalty payments for the use of its name over the life of the agreement. The FY99 budget included amounts earned under this agreement which expired 10/31/98. (See Transfers to Finance Current Operations: Credit Card Advance Funds – Program Earnings below.)

Special Events - Budgeted revenue has been based on 1000 annual meeting attendees paying an average ticket price of \$32.50, registration fees from 3 UMAA sponsored geographic events and other smaller events.

Transfers to Finance Current Operations:

Credit Card Advance Funds – Program Earnings - The new credit card agreement is significantly different from the original. Both agreements include identical language on how royalties are “earned” based on a formula having to do with the number of cards issued and the charges made on issued cards. The difference between the agreements is that under the original, the guaranteed royalties that were advanced upon signing of the agreement were “earned” within the first two years. After the advance was “earned” FUSA made quarterly payments to the UMAA. The current agreement includes a guarantee that is so high the program will not “earn” the guarantee within the ten years of the agreement. The auditors have agreed that the proper way to recognize the revenue is to record 1/10 of the guarantee each year. This is being recognized in the unrestricted General Investment Fund, which is where the advance has been recorded. For budgeting purposes, only the amount actually expected to be “earned” under the contract will be transferred from the General Investment Fund to the Operating Fund. In FY00 it is expected that \$360,000 in royalties will be earned based on the number of cards issued and the charges made on issued cards.

Credit Card Advance Funds – Excess Rent – Recognizing that the rent in the Gateway will be significantly higher than the rent paid for Coffman space, the Board approved the transfer of credit card advance funds to fund the additional expense. It is expected that in future years the Gateway will generate funds back to the building owners, thus reducing the amount of this transfer. The FY00 amount was calculated assuming three months in Coffman and nine months in the Gateway.

General Endowment - Operations - Endowment support is calculated at 5.5% of the General Endowment Fund's average market value for the past three years. This is consistent with the UMAA board resolution passed on January 14, 1995.

UMF Held Endowment Support - Awards - The sources of this revenue are UMF held funds recorded in the unrestricted General Investment Fund. The amount is equal to the scholarship and award commitments budgeted for FY00 coming from these invested funds and include the 8 Student Leadership, 2 Donald Zander, and the Distinguished Graduate and Under-Graduate Teaching Awards.

Net Assets Released from Restrictions - The sources of this revenue are UMF held funds recorded in the temporarily restricted fund. The amount is equal to the scholarship commitments for the Freshman Leadership Incentive Scholarships - Need Based (5) and Merit Based (19).

University Support - Base - The University base allocation includes a slight reduction that is offset by the funds to pay for a mandated 3% salary increase.

The Office of the VP of Institutional Relations has made available, beginning in FY96, **Capital Campaign Readiness** funds to prepare for the University Capital Campaign. Because the campaign is expected to heavily target alumni the UMAA has been given funds to locate lost alumni; collaborate with University Relations on "M"; mobilize Twin Cities' alumni; expand the U.S. Chapter program; and collaborate with the Office of International Programs which will provide staffing for international alumni programs. These funds are expected to increase 3% per year through FY2001.

Interest/Dividends - The investment income is expected to be earned primarily on cash balances.

Other - The miscellaneous revenue projections reflect amounts expected to be received from small affinity relationships.

Expenses

Personnel - The 5.6% increase in budgeted personnel expense is the result of including all positions for the full year in FY00 (several positions were unfilled for some portion of FY99 because of unbudgeted staff turnover) and University mandated salary increases of 3%.

Training and Subscriptions - This expense line includes the cost of memberships in professional associations, subscriptions to periodicals, the cost of reference materials, including software licensing, registration fees for conferences and other training costs. The FY00 increase is primarily due to software license renewals.

Professional Fees - This line item includes commissions paid to sales reps; payments to consultants and independent contractors, including magazine writers, photographers, and designers; program consultants; telemarketing services; lawyers; and auditors. The decreases in professional fees are due to:

- The inclusion in FY99 of unusually high legal fees associated with the Gateway sub-lease, trademark registration, and negotiating the credit card supplement with athletics.
- Consulting fees associated with strategic planning which were included in the FY99 budget.
- The inclusion of an Annual Meeting speaker honorarium in FY99 that is not budgeted in FY00. If such a cost is incurred, corporate underwriting will be obtained.
- The legislative consulting firm, which was hired at the request of the University and paid, in part, by the UMAA, has not been budgeted in FY00.

The decreases in professional fees are partially offset by increases, which include:

- Increased use of telemarketing to past and never members.
- Sales commissions and other professional fees associated with generating advertising sales that increased in relation to the increase in advertising sales revenue.
- An actuarial analysis of the life membership fund which is performed every five years.

Data Processing - These fees are paid to the UMF for services related to the database.

Advertising - This line reflects the budgeted cost of announcing job openings and program events in various publications. The budget increase relates to the increased use of the Daily to advertise programs and membership benefits of interest to students as well as increased funding for radio.

Telephone - This includes line charges, long distance, and fax charges. The increase is attributable to the continued restructuring of university telecommunication charges. This restructuring was necessary to comply with Federal OMB Circular A-21 and Federal Cost Accounting Standards for Educational Institutions. The result was an increase in the cost of most telecommunication services used by the UMAA.

Mail Service, Delivery - This line includes postage, delivery and mail house charges. The FY00 increase is primarily due to the desire to have increased communication to members. A postcard with a picture of the Gateway is planned to be sent to all members, a travel newsletter will be sent to past travelers, life members will receive a benefits booklet along with their sustaining life appeal, and key alumni will regularly receive President Yudof's letters. The increase in the number of members also creates increased postage expense for mailing renewals and MINNESOTA.

Printing, Copying, and Design - This line includes the cost of using University and outside printers, the cost of the UMAA copier, artwork, and photography costs. The increase from the FY99 budget is primarily due to the inclusion of a fall direct mail membership appeal. In FY99 the fall appeal utilized telemarketing. New initiatives that will involve printing include the Gateway postcard to all members, the sustaining life appeal, the reader survey for ad sales demographics, the travel newsletter and travel insert for inclusion in MINNESOTA.

Supplies - This line includes both office supplies and consumable event supplies. The FY99 budget included pens in the first membership renewal notices. In FY00 the enticement to renew will be a University Bookstore coupon that has no cost to the UMAA, other than printing. This is the primary reason for the budget decrease.

Rentals - This line includes the cost to rent meeting rooms as well as equipment. The budget primarily relates to the annual meeting and other special events.

Office Expenses - This line includes the rental of office space, insurance, bank charges and equipment maintenance. Office rent has been budgeted at \$17,500 for the first three months in Coffman and \$320,160 for the last nine months in the Gateway. Other costs remain fairly constant.

Travel, Catering, Entertainment - This line includes airfare, automobile rental, taxis, mileage reimbursement, business meals, catering of events, entertainment for events, and tickets to events for staff and guests. Outreach programs account for most of the budget. This is a budget line that has been historically under spent.

Society Allocations - The amount budgeted for the alumni society allocation is based on the number of society members as of March 31, 1999. The actual payments will be based on membership numbers as of June 30, 1999.

Awards and Scholarships - These awards and scholarships are primarily funded by UMAA investments held by the UMF and an equal amount has been included as revenue (UMF Held Endowment Support - Awards and Net Assets Released From Restrictions) to reflect the transfer of funds to cover these expenses.

Contributions and Co-Sponsorships - This budget line includes \$120,000 that will be sent to University Relations for the alumni publication "M"; \$65,250 related to collaborative agreements with certain collegiate units for the provision of services to alumni; \$12,000 for scholarships as part of a proposed new member campaign; and the balance of \$7,455 for co-sponsorship agreements related to special events and outreach.

Other - This line includes amounts budgeted for gifts, unrelated business income tax, sales tax payable on Internet software sales, and other minor and unusual expenses.

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
COSTS OF GATEWAY MOVE**

| | RETAIL | DISCOUNT | IN-KIND DONATION | BUILDING ALLOWANCE | FINAL |
|--|---------|----------|------------------|--------------------|---------|
| CONSTRUCTION | | | | | |
| General Requirements/Permits | 51,444 | | | | |
| Wood & Plastics | 32,754 | | | | |
| Therm/Moist Protection | 52,701 | | | | |
| Doors & Windows | 25,745 | | | | |
| Finishes | 77,186 | | | | |
| Specialties | 2,904 | | | | |
| Equipment | 4,669 | | | | |
| Mechanical | 71,515 | | | | |
| Electrical | 140,495 | | | | |
| Labor Insurance & Taxes | 6,033 | | | | |
| Performance Bond & Builders Risk Insurance | 2,873 | | | | |
| Contractor's Fee | 10,058 | | | | |
| Contingency @ 5% | 23,919 | | | | |
| Total | 502,296 | | | 467,459 | 34,837 |
| ELECTRONICS | | | | | |
| Connections | 600 | | | | |
| Audio microphones and loudspeaker system | 2,125 | | | | |
| Video and audio system sources | 600 | | | | |
| Total | 3,325 | | | | 3,325 |
| MEDIA SERVICES | | | | | |
| Estimate of UMAA portion of building cost | 10,000 | | | | 10,000 |
| NETWORKING & TELECOMMUNICATIONS | | | | | |
| Materials | 12,120 | | | | |
| Labor | 8,393 | | | | |
| Contingency @ 5% | 1,026 | | | | |
| Total | 21,539 | | | | 21,539 |
| SYSTEM FURNITURE | | | | | |
| Materials | 710,119 | 489,797 | 25,000 | | |
| Installation | 19,525 | | | | |
| Contingency @ 5% | 36,482 | | | | |
| Total | 766,126 | 489,797 | 25,000 | | 251,328 |
| NON-SYSTEM FURNITURE | | | | | |
| Conference Rooms, Executive, Reception | 89,175 | | ** | | |
| Contingency @ 10% | 9,000 | | | | |
| Total | 98,175 | | | | 98,175 |

** The UMAA is working with a vendor to get this furniture donated

GALLERY INSTALLATION

| | | |
|----------------|--------|--------|
| Labor estimate | 15,000 | 15,000 |
|----------------|--------|--------|

SIGNAGE

| | | |
|-------------------------------------|-------|-------|
| Materials and installation estimate | 3,000 | 3,000 |
|-------------------------------------|-------|-------|

MOVERS

| | | |
|--------------------------|-------|-------|
| Bester Brothers estimate | 6,526 | |
| Contingency @ 5% | 326 | |
| Total | 6,852 | 6,852 |

DISPOSAL OF CURRENT FURNITURE

| | | |
|------------------------------------|--------------|--------------|
| Bester Brothers estimate | 4,608 | |
| University Disposal fee (\$.05/lb) | 3,000 | |
| Contingency @ 10% | 761 | |
| Total | <u>8,369</u> | <u>8,369</u> |

TOTAL COST

452,425