

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION  
NATIONAL BOARD OF DIRECTORS MINUTES  
Friday, October 9, 2009  
Noon – 2:30 p.m.  
A.I. Johnson Room, McNamara Alumni Center**

Board Members Attending

Anderson, Jan McKenzie  
Beniak, Judy  
Carlson, Margaret  
Cunningham, John  
du Bois, Jim  
Finsness, Lisa  
Givens, Archie  
Hallin, Gayle  
Himle, Karen  
Horsager, Kent  
Johnson, Susan  
Kremers, Kristi  
Lahammer, Mary  
Lanphere, Jane Wildung  
Loyd, Susan Adams  
Lichty, Marshall  
McDonald, Daniel  
McLeod, Mary  
Meyer, Janice  
Mooty, Bruce  
Mulder, Jim  
Newell, Rich  
Oakes, J. Michael  
Omlie, Jo Ann  
Osberg, Brian  
Page, Alison  
Peterson, Debra  
Pinkney, Beth  
Reed, Maureen  
Reichl, Lorna  
Schott, Patrick  
Strain, Paul  
Thacker, Kip  
Thompson, Paul  
Tuzcu, Ertugrul  
Wiese, Sandra Ulsaker  
Welshons, Bonnie  
Williams, Todd

Board Members Unable to Attend

Blissenbach, Hank  
Carthaus, Marcia  
Joselyn, Bernadine  
Lucas, Peggy  
Schultz, Martin  
Stein, Robert  
Zwieg, Ted

UMAA Staff Attending

Coffer, Curtis  
Coughlan-Smith, Chris  
Isaak, Ruth  
Rader, Bruce  
Shortridge, Julie

### University Guests

Julie Pelzl, Vice President, Human Resources, University of Minnesota Foundation  
Katrina Roth, Assistant Director, Alumni Relations, Minnesota Medical Foundation

### **Presidents Report**

University of Minnesota Alumni Association (UMAA) President Archie Givens welcomed board members to campus during Homecoming week. He said the Alumni Awards Celebration awards celebration held the previous evening was a wonderful event with 232 guests. Nine alumni association awards and 13 Alumni Service Awards were presented to alumni. He thanked Vice President Kip Thacker and the program committee for their work in selecting the award recipients (see attached list of award recipients.)

The 8-day Ultimate Homecoming began October 4 with a university open house and stadium tours for 20,000. Activities continued through the week. Givens encouraged board members to participate in the Friday festivities, the Maroon and Gold pre-parade party, parade and pep fest and the Homecoming Game on Saturday against Purdue.

Noting that this was the first board meeting of the year, Givens introduced the following new board members - Judy Beniak – School of Public Health collegiate representative; Leah Brus - Biological Sciences collegiate representative; Lisa Finsness – Education and Human Development collegiate representative; Jane Wildung Lanphere – SE Minnesota representative; and at-large representatives Mary Lahammer, Beth Pinkney and Todd Williams. Givens welcomed Mary McLeod who is returning to the board as a vice president after serving on the board from 1999-2007.

Givens announced that the Alumni Association is beginning to plan farewell events for Margaret Carlson and asked board members to mark their calendars for an open house on January 26, 2:00 – 4:30 p.m. and a dinner and program on Thursday, January 28, 6:00 p.m.

Kristi Kremers, Graduate and Professional Student Association (GAPSA) president and board representative, presented Carlson with a framed, limited edition poster representing GAPSA. She said that 25,000 graduate students now have their ‘own field of dreams’ in the stadium and thanked Carlson for everything she had done to make that happen.

### **Consent Agenda**

Givens directed board attention to the consent agenda which included the June 17, 2009 National Board minutes, membership report, bi-monthly alumni survey results and Advocacy and Program Committee reports.

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

### **FY09 Audit Review**

Secretary/Treasurer Kent Horsager informed the board that the FY09 audited financial statements were approved by the Finance and Audit Committee at their September 23 meeting. He said that the audit opinion was unqualified or “clean.” He added that there were no management letter comments, meaning that the auditors had not identified any areas of concern or requiring attention. He then asked Curtis Coffey, CFO and Senior Director of Operations, to provide an overview of the financial results.

Coffer stated that although the audit was completed, the report had not yet been issued. He explained that the Alumni Association's auditors were still waiting to receive the final audit report for the University of Minnesota Foundation, because the foundation manages the Associations' investments.

Coffer presented a slide showing the Statement of Financial Position as of June 30, 2009 and 2008. Cash and Investments were \$20.5 million for 2009 compared to \$27 million for 2008. This \$6.5 million decrease consisted of \$5 million of investment losses, \$2 million drawn to support operations, and \$0.5 million added to investments. Total assets were \$21.1 million versus \$27.7, total liabilities were \$3.7 million compared to \$3.6 million, and net assets were \$17.4 million versus \$24.0 million for 2009 and 2008, respectively.

The next slide presented the Statement of Activities for the Operation Fund for FY09 and FY08. Total revenues were \$4.2 million in FY09 compared to \$4.3 million in FY08, total expenses were \$4.5 million versus \$4.7 million, and the change in net assets was (\$298,000) compared to (\$348,000). The FY09 operating deficit was \$144,000 smaller than the budgeted deficit of (\$442,000). The reduction was the result of mid-year cuts in staff and programs.

The third slide presented the Statement of Activities – Total for FY09 and FY08. Total Revenues were (\$1.9 million) in FY09 compared to \$3.1 million in FY08, total expenses were \$4.7 million versus \$4.9 million, and the change in net assets was (\$6.6 million) compared to (\$1.8 million).

The final slide reported the Association's total expenses by function:

- Programs and Activities 26%
- Membership 24%
- Publications and Communication 27%
- Advocacy and Service 9%
- Management and Administration 12%
- Fundraising 2%

After taking questions, Horsager made the following motion:

**MOTION:** Ratify the Finance and Audit Committee action that approved FY09 audited financial statements  
*APPROVED UNANIMOUSLY*

Horsager thanked staff for excellent work, noting that it was Carlson's last audit and Coffer's first audit for the association.

Coffer presented a resolution to approve an Interpretation of Relevant Law statement approved by the Finance and Audit Committee and the Executive Committee. This statement of interpretation explains how the Alumni Association will comply with the Uniform Prudent Management of Institutional Funds Act (UPMIFA). This is a state law governing the investment and management of donor-restricted endowment funds by non-profit corporations.

**MOTION:** University of Minnesota Alumni Association (UMAA) National Board ratifies the "Interpretation of Relevant Law" statement presented to the board and attached as Exhibit A.  
*APPROVED UNANIMOUSLY*

### **Board Development Committee**

Bruce Mooty explained that bylaws require that the Board Development Committee include a minimum of one board member and two non-board members in addition to the Past President, President and President-Elect. Mooty, who chairs the Board Development Committee, suggested the following committee roster:

Bruce Mooty, Immediate Past President and Chair  
Archie Givens, President  
Ertugrul Tuzcu, President-elect  
Beth Pinkney, Board Member  
Bob Stein, Board Member  
John Foley, MINNESOTA magazine advisory committee  
Linda Mona, past UMAA President

### **CEO Report**

Margaret Carlson welcomed J. Michael Oakes, Vice Chair of the Faculty Consultative Committee, and Paul Strain, Minnesota Student Association president, joining the board representing the University. She introduced Julie Pelzl, VP of Human Resources, representing the University of Minnesota Foundation and Katrina Roth, Assistant Director of Alumni Relations, for the Minnesota Medical Foundation.

Transition: Carlson told the board she had begun working on a successful transition to a new CEO. Board member Bonnie Welshons has arranged a pro bono consultation with a General Mills consultant who specializes in knowledge transfer. Carlson has prepared tutorials on Special Events 101, Advocacy 101 and Board Development 101 for the association staff and alumni relations officers. She has begun to move more responsibilities to managers.

Partnerships: Carlson noted that it had been an honor to partner with the College of Food, Agricultural and Natural Resources Sciences in planning the Norman Borlaug Memorial held on October 8. Borlaug, a three-time alumnus, is one of our most acclaimed graduates as the “Father of the Green Revolution,” winner of the Nobel Prize, Congressional Gold Medal, and the Presidential Medal of Freedom. Carlson arranged for pro bono contributions of space, floral décor and bouquets in the McNamara Alumni Center and in five locations on Scholars Walk where Borlaug was recognized. Carlson was also the family liaison and gave concluding remarks before introducing Jeanie Borlaug Laube, Borlaug’s daughter. Borlaug had hoped to serve as a Homecoming Grand Marshal before his death on September 12 at 95 years of age. He will be represented by his daughter.

Carlson told board members that Givens and she had attended a Legends dinner at TCF Bank Stadium in recognition of the Alumni Association’s million dollar contribution to the stadium. She reported Game Day parties at the McNamara Alumni Center were very successful places for alumni and game attendees to gather; noting President Bruininks and Athletic Director Joel Maturi welcome the attendees before the ‘Victory Walk’ of coaches and players parade through the plaza. She thanked Bruce Rader, Senior Director of Marketing and Outreach, for contributing to the organization of the McNamara Alumni Center Game Day parties on behalf of the Alumni Association.

Carlson reviewed the events that were part of the 8-day Ultimate Homecoming. Carlson and co-chair Maggie Towle, Students Unions and Activities, began work three years prior to organize a university-wide schedule of events that emphasized athletics, academics and research in addition to celebrating football back on campus. The week opened with an open house and tour event that hosted over 20,000 guests. A Student Scholar and Public Engagement Showcase was held Wednesday at TCF Bank Stadium. The Alumni Awards Celebration was truly a celebratory evening on Thursday with a great crowd and

many Regents attending. The events continue on Friday with a Maroon and Gold Pre-Parade party, evening parade and pep fest in the TCF Bank Stadium. The pep fest will crown the homecoming royalty in addition to other student competitions. Carlson will introduce Honorary Grand Marshal Jeanne Borlaug and the five Grand Marshals—Bob Bell, Deb Hopp, Garrison Keillor, Walter Mondale, and Lindsay Whalen. Keillor will speak on behalf of the grand marshals.

Carlson and the Homecoming Committee worked on getting pro bono ad placements in local media publications including *Minnesota Monthly*, *Mpls St. Paul* and the *Star Tribune* to promote all the additional Homecoming activities. Ads also ran in the *Delta Sky* magazine, and she thanked President-elect Ertugrul Tuzcu for purchasing an ad in *Delta Sky* that co-branded Lifetouch, his company, and the Alumni Association.

Carlson contributed historical information about the associations' contributions to the stadium in a half-hour minute documentary, "The Road to TCF Bank Stadium." The program was sponsored by the President's Office and University Relations and will air on the Big Ten Network.

Advocacy – The Statewide Speakers Tour is off to a very productive start with 14 programs held to date and more scheduled. This year the Alumni Association is partnering with the Minnesota Medical Foundation to coordinate speakers on children's health issues.

The Advocacy Committee will focus on actively recruiting and promoting candidates for the seven to nine openings expected on the Regent Candidate Advisory Council. This group carefully reviews and interviews candidates for open Regent positions and forwards a list to the state legislature.

Finances – The construction on the McNamara Alumni Center has begun. The west wing of UMAA's space will be rented by other offices displaced by the construction.

*Minnesota* magazine has added five new advertisers.

### **Web Site Update**

Julie Shortridge, Senior Director of Communications, and Chris Coughlan-Smith, Electronic Communications Director, reviewed the new UMAA web site that launched on August 18, [www.MinnesotaAlumni.org](http://www.MinnesotaAlumni.org)

They demonstrated interactive and networking functions of the site, noting that member updates and activities can now be captured. The site is much more user-friendly and attractive. The new content management system allows for the easy addition of multi-media features and is much more functional and efficient. The site was tested by the University's usability lab before launch and will be reviewed periodically for constant improvements.

Smith will continue to educate staff and volunteers on the available features of the site. The site is being promoted by *Minnesota* magazine ads, in monthly member E-blasts, and in Facebook and Twitter updates. A faculty and staff e-promotion is planned.

### **LRT Update**

Karen Himle, Vice President, University Relations, was asked to provide the latest update on the Central Corridor Light Rail Transit (CCLRT) project. The University filed a suit against the Metropolitan Council in Hennepin County District Court on September 22, seeking protection from the adverse effects of construction and operation of the CCLRT project on the University's East Bank Campus. The suit's timing was largely dictated by Minnesota law that requires filing of environmental claims within 30 days

of the Metropolitan Council's final decision on the adequacy of its environmental review of the project in August.

Himle explained that with only 30 days to respond, it was necessary to provide notice that resolution on the project's impact on research facilities near Washington Avenue was not sufficient. She said that the University and the project office continue to work on solutions and hope that they will be able to resolve the problems.

She also applauded Carlson's contribution to this exceptional Homecoming week, commending her for her knowledge, spirit and excellent ability to execute very large initiatives. Himle said that Carlson's history and involvement with TCF Bank Stadium had been invaluable in the making of the documentary, "The Road to TCF Bank Stadium."

### **Search Committee Report**

Maureen Reed, Reed told board members that the Search Committee had begun work immediately after the June 17 board meeting approval of the nine-member search committee. The committee is staffed by Ruth Isaak and hired the search firm, Spencer Stuart, to conduct the search.

The first step was to have multiple interviews with key stakeholders so that the position specification would accurately reflect the needs of the position. Meetings were held with President Bruininks, Provost Tom Sullivan and others to clarify the reporting relationship of the position to the university.

She explained that the mission of the UMAA is to support the University. While the UMAA would not exist without the University, it is an independent organization with an independent board, which was clarified in a Memorandum of Understanding (MOU) between the UMAA and the University two years ago.

The MOU explains that the CEO reports to the UMAA Board of Directors and the oversight and supervision of the CEO is provided by the CEO Compensation Committee. The CEO Compensation Committee carefully considers input from the University President or the Vice President delegated by the President to serve on the CEO Compensation Committee, on the CEO's performance. All UMAA employees are employed through the University and the CEO holds an Associate Vice President appointment with the University.

Reed emphasized that the CEO position specification must be clear and understood by all so that candidates do not receive conflicting messages. The position specification is now complete, available on the alumni association's web site and the University web site, and the search is underway. There is further work to be done to assure that the verbal explanation to interviewees is consistent. The timeline is tight but the search committee is committed to staying on task and bringing one to two candidates to the board for final approval. She urged board members to spread the word to all interested candidates.

Co-chair Bruce Mooty underscored Reed's report and recounted that in the many meetings with the President, Provost and other members of the University management team it was always noted that our CEO interfaces with all University entities and is a valuable partner on many projects. Mooty said it was heartwarming to hear that the hiring of our next CEO is very important to the President and Provost and that they wanted to assist in the hiring, orientation, and inclusion of our new CEO as a valuable member of the University management team.

Reed introduced Susan Boren, a search consultant for Spencer Stuart and manager of the Minneapolis office. Susan is one of two team leads on the Alumni Association search. She specializes in governance issues and advises CEOs and boards of directors in the areas of leadership and governance.

### **Role of the Board in the CEO Transition**

Susan Boren explained that boards become dependent on experienced CEO's with longevity. It is necessary to reset the board's calibration before a change in leadership occurs. While the search committee is working very hard to identify an excellent candidate, the board's work has just begun when someone is hired for the position.

She encouraged the board to talk pro-actively about necessary changes and assist the new CEO to build and understand relationships. Each board member is responsible to contribute to the success of a new CEO.

Boren recommended that a transition team be formed to start thinking about transition now and create a roadmap for the new CEO. The process should involve the management team and a full board discussion on what role the board will play when the CEO arrives. She also noted that annual evaluation and feedback to the CEO is critical.

### **Advocacy**

Advocacy Committee chair Mary McLeod asked that the entire board ratify the motion approved by the Advocacy Committee to actively recruit candidates to apply for the Regents Candidate Advisory Committee (RCAC) and Board of Regents openings. There will be seven to nine openings on the RCAC in 2010. This committee is responsible for interviewing Regent candidates and forwarding names to the legislature.

**MOTION:** UMAA board members will actively recruit qualified candidates to apply for the Regents Candidate Advisory Committee openings and eventually Board of Regents openings.

*APPROVED UNANIMOUSLY*

Submitted by Ruth Isaak  
Senior Director, Board and Special Events

*for*

Kent Horsager, Secretary-Treasurer

### **2009 Alumni Association Award Recipients**

**Institute of Technology** - Outstanding Alumni Society

**Northern Dakota County Chapter** - Outstanding Alumni Chapter

**College of Biological Sciences Alumni Society *Biology House Dinner*** - Program Extraordinaire

**School of Dentistry Alumni Society *Student Membership Recruitment at the ASDA Vendor Fair*** - Program Extraordinaire

**College of Design *Dirty Laundry*** - Program Extraordinaire

**College of Food, Agricultural and Natural Resource Sciences *Food Industry Networking Social*** - Program Extraordinaire

**School of Nursing *Nursing Centennial Speed Mentoring Program*** - Program Extraordinaire

**Marie Baudek, School of Dentistry** - Faculty/Staff Volunteer of the Year

**Amanda Lange, College of Design** - Student Volunteer of the Year

### **2009 University of Minnesota Alumni Service Award Recipients**

Donna Anderson, School of Public Health

Ronald Christenson, Institute of Technology

Donna Dvorak, Mortuary Science Program

Duane Engebretson, College of Pharmacy

Glenn Engebretson, College of Pharmacy

Constance Kozlak, Humphrey Institute

Thomas W. LaSalle, University of Minnesota Alumni Association

Janice Linster, College of Design

Dr. Stephen Litton, School of Dentistry

Daniel Mallin, Carlson School of Management

Paul Meierant, College of Liberal Arts

Robert Roesler, College of Food, Agricultural and Natural Resource Sciences

Barbara Stephens Foster, College of Education and Human Development

## **Exhibit A**

### **Interpretation of Relevant Law**

The Uniform Prudent Management of Institutional Funds Act as enacted in Minnesota (UPMIFA) does not establish a level below which an endowment fund may not fall. Instead, UPMIFA requires that endowment fund investment and spending policies be designed with the aim of preserving that amount of each endowment fund which is prudent for the uses, benefits, purposes and duration for which each endowment fund was established. For accounting purposes only and without any implication for the Association's legal obligations for administering its endowment funds, the Association has classified as permanently restricted net assets the following: (a) the original value of gifts donated to its endowment funds, (b) the original value of subsequent gifts to such endowment funds and (c) accumulations to such endowment funds made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of a donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Association in a manner consistent with the standard of prudence prescribed by UPMIFA.