

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
EXECUTIVE COMMITTEE MINUTES
Thursday, September 12, 2013, 7:30 – 9:30 a.m.
Cornia Conference Room, 300 McNamara Alumni Center

Executive Committee Members Attending

du Bois, Jim
Horsager, Kent
Lewis, Lisa
Loyd, Susan Adams
McDonald, Dan
Page, Alison

Executive Committee Member Unable to Attend

Phenix, Amy

UMAA Staff Attending

Coffer, Curtis
Gore, Dan
Isaak, Ruth
Korman, Caryn Schultz

Consent Agenda

Chair Loyd called the meeting to order. She extended a special welcome to Dan McDonald, thanking him for his new role as secretary-treasurer and new member of the executive committee. She noted that Amy Phenix was unable to attend today because of Regent committee meetings. Chair Loyd thanked staff for the September 10 Eastcliff board social that included past presidents/chairs, noting that the new format was a great way of maintaining relationships with past leaders.

She directed committee members' attention to the June 6, 2013 Executive Committee Minutes.

MOTION: Approve June 6, 2013 Executive Committee minutes
APPROVED UNANIMOUSLY

The June 30, 2013 Investment Report, August, 2013 Membership Report and the September Outreach Calendar were provided for committee information. Chair Loyd reminded committee members of the upcoming Homecoming activities including the Alumni Awards Celebration and the September 27 board meeting.

FY13 Finance Review and Audit Update

Dan McDonald, Secretary-Treasurer, reported that the Finance and Audit Committee had met with the auditors and reviewed the audit reports. No issues arose from the audit. The UMAA audit reports will be issued after the UM Foundation audit reports are issued. The committee delayed action on approval until the audit reports are final, and will approve either by email or conference call.

Curtis Coffer, Vice President and CFO, presented the financial review of FY13. He summarized the Association's financial position at year-end and the composition of the investment funds. Next he reviewed the operating results, showing revenues \$24,000 higher than budget, transfers \$439,000 less than budget, and expenses \$415,000 less than budget. Within revenues, membership dues of \$142,000 or

20% below budget were offset by tours of \$78,900 or 63% above budget, advertising sales of \$20,800 or 10% above budget, and royalties of \$51,700 or 19% above budget. Within expenses, personnel were \$465,000 or 17% below budget due to vacancies in the CEO and VP of Communications positions for most of the year while professional fees were \$52,400 or 11% above budget.

Coffer reviewed the FY14 operating budget, with revenues of \$2.7 million or 60% and transfers from invested funds of \$1.8 million or 40%. Transfers at the level considered sustainable over the long term provide only \$1.36 million or 30%, requiring a supplemental transfer of \$440,000 or 10% to balance the FY14 operating budget.

Extensive discussion followed, with concerns about declining membership dues and unsustainable levels of transfers from investments. Lewis responded that the business model of alumni relations is being discussed and evaluated across the country, as well as at UMAA. Staff has conducted an activity audit and effort analysis to evaluate the current mode. Lewis will begin conversations with campus partners this year on alternative business models.

Board Development Committee

Kent Horsager chairs the Nominating Board Development Committee in his role as past chair. The bylaws also state that the current chair and chair-elect serve plus at least one additional board member and two non-board members in addition to the President and CEO. The role of the Nominating Board Development Committee is to recommend FY15 officers to the board for approval and recommend board member candidates for open positions to the membership at the Annual Meeting. The committee will also create the process for receiving recommendations from the councils for open council board member positions.

He recommended the following committee members:

Kent Horsager, committee chair

Susan Adams Loyd, board chair

Jim du Bois, chair-elect

Natasha Freimark, current board member

Dallas Bohnsack, former Regent and lifetime association member

Archie Givens, past board member and chair

Lisa Lewis, President and CEO

MOTION: Approve the FY14 Nominating/Board Development Committee
APPROVED UNANIMOUSLY

CEO Report

With just over 100 days into her position, Lewis presented the following update; a draft of goals for the committee's feedback, an update on staff changes and physical space changes.

She presented her draft FY14 goals. The committee noted it was a great framework but suggested that the list be narrowed to the most critical priorities. Staff changes will be made to accommodate the priorities.

UMAA office space will be remodeled to add a small conference room and allow space for Curtis Coffer and Diane Steinhoff to relocate from temporary space to the main office area. New carpet and paint is also part of the project. It is being funded by the University Gateway Corporation tenant reserve fund with no alumni association general operating fund dollars.

Lewis has completed individual visits with all deans, board members, and many past board members and chairs.

Council Update

Jim du Bois and Caryn Korman updated the committee on the status of the councils. The three councils, Affinity (now called Collegiate), the Geographic and Young Alumni/Student Council will all have their first meeting shortly. Korman's outreach staff has worked with council board representatives to define council objectives, composition and charters.

It was suggested that each council report to the full board at some time during the board year.

Closing Comments

Chair Loyd brought up that the term 'national' should be dropped from references to the board. It is no longer accurate and served a purpose at one time but is no longer needed. It is not the board's official title so no action or bylaw change is needed. The committee agreed.

The meeting adjourned at 9:30 a.m.

Submitted by Ruth Isaak
For Dan McDonald, Secretary-Treasurer