

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
EXECUTIVE COMMITTEE MINUTES
Thursday, June 4, 2015
Laukka Conference Room, 200 McNamara Alumni Center**

Executive Committee Members Attending

du Bois, Jim
Lewis, Lisa
McDonald, Dan
Page, Alison - phone
Phenix, Amy
Wiese, Sandy

Executive Committee Member Unable to Attend

Susan Adams Loyd

UMAA Staff Attending

Abrams, Jerry
Ambrosier, Gretchen
Coffer, Curtis
Gore, Dan
Isaak, Ruth

Chair du Bois called the meeting to order.

Consent Agenda

Chair du Bois directed committee members' attention to the consent agenda.

MOTION: Approve April 2, 2015 Executive Committee Minutes
 APPROVED UNANIMOUSLY

The April 30, 2015 Financial Statements, March 31, 2015 Investment Report and the April, 2015 Membership Report were provided for the committee's information.

CEO Report

Lewis noted that she had recently had her second anniversary as CEO and she is pleased with the new initiatives that are in place. She explained Gold Mind, an online collection of University resources for alumni to access. The association has curated over 90 pieces of content, creating a virtual 'minnecollege.' This product, along with the webinars that are produced, offer alumni the online resources that market research indicates they want.

The technology infrastructure upgrade is on schedule and going well. Board members and attendees will preview the new web site during the September 25 Alumni Leadership Summit reception. The board will receive a full preview at the December board meeting.

There will be a September launch of the association's new brand concept that will showcase the new products and services. She said that discussions continue on whether or not the association would change its signature M to align with the University's M. An agreement is being worked on but an important element to the Alumni Association is that it must be able to work independently with affinity partners.

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Discussions continue with the President, UMF CEO and others on the possibility of a changed business model for the association. Any changes would be addressed by a board task force.

Lewis presented the FY16 goals, noting that these five items were the 'rocks' and other programs and services continue. They are:

1. Expand international alumni engagement and explore new/unique travel offerings.
2. Implement new technology transition and begin utilizing the systems to better segment and communicate with alumni.
3. Launch new visual identity and key messages, introducing the new products, services and communications of the UMAA.
4. Continue conversations and decision-making for a business model that addresses long-term financial needs of the organization.
5. Track alumni engagement and UMAA impact.

The association's strategic plan was originally planned through 2016. It remains current and many elements are being executed. Committee members agree that the work should continue and the current strategic plan should remain in place for two more years.

Student Loan Consolidation Program

Jerry Abrams, Vice President, Marketing and Communications, explained a possible new program to committee members. It involves partnering with a vendor to offer student loan consolidation services to alumni. He provided the history of financial aid offices and alumni associations coming under scrutiny for possibly targeting students and profiting because of it in 2007. This resulted in the Truth in Lending Act in 2008 prohibiting offering loan services to students.

The alumni association is investigating this partnership both as a service to alumni and also a revenue source. UMAA proposes a sponsorship agreement in lieu of receiving royalty payments. Sponsorship would include marketing products through our current sponsorship communication channels and events.

Committee members asked about reaching professional graduates with the program, the potential acceptance rate and insuring that users did not pay additional fees for utilizing this service. Members asked what could be earned, what is the market size and risks and benefits.

MOTION: Executive Committee approves continuing the investigation and presenting information regarding the student loan consolidation program to the Board of Directors at the June 17 meeting.
APPROVED UNANIMOUSLY

Alumni Recognition

Gretchen Ambrosier, Vice President of Engagement, reviewed suggested changes to the Alumni Awards Celebration event. Fewer awards would be recognized. Those under discussion to be recognized are the Zander Award recipients which are student awards, a distinguished alumni award and a U40 (under forty) award. Alumni Service Award recipients would be recognized by their colleges. Chapter, society and program awards would be recognized at the Alumni Leadership Summit. These changes have been discussed by the Awards Committee.

FY16 Budget Presentation

Secretary/Treasurer Sandy Ulsaker Wiese and Curtis Coffey presented the proposed FY16 operating budget. The budget projects revenues and transfers equal to expenses, as does the FY15 budget. Budgeted

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FY16 operating revenues of \$2,645,430 million are \$59,211 (2.3%) higher than FY15 budget, due primarily to:

- membership revenues \$11,470 (2.0%) higher
- advertising sales \$31,640 (15.7%) higher
- royalty revenues \$33,000 (10.3%) higher
- events revenues \$26,500 (17.6%) lower

Budgeted FY16 transfers of \$1,933,944 are \$103,221 (5.6%) higher than FY15 budget. The Life Membership fund transfer is \$78,791 (11.1%) higher due to the updated actuarial study. Supplemental transfers, which represent the amount needed over and above revenues and sustainable transfers to fund operating expenses, are \$440,000 in both FY16 and FY15 budgets.

Budgeted FY16 operating expenses of \$4,579,374 are \$162,432 higher than FY15 budget, due primarily to:

- salary and fringe benefit expenses \$149,083 (6.1%) higher due to increasing the travel position from 30% to 100% time and a 2% merit pay increase pool.
- professional fees \$12,661 (3.3%) lower
- mail service and delivery expenses \$24,892 (14.3%) higher
- printing, copying and advertising expenses \$23,903 (14.4%) higher
- supplies and rentals expenses \$12,883 (12.6%) higher
- travel, catering, and entertainment expenses \$36,069 (13.7%) lower
- contingent expenses, which represent a contingency for new initiatives and unanticipated expenses in the other expense categories, \$13,221 (27.3%) lower

Coffer then presented the FY16 capital budget comprised of \$20,000 for computer hardware and software; \$15,000 for upgrading or changing accounting software; \$10,000 for office furniture and furnishings; and \$11,719 for prepaid building improvements. The capital budget is funded from the earnings portion of the Adrian Buttz fund as provided in the UMAA Policy on Use of Invested Funds.

MOTION: Approve FY16 Operating and Capital Budgets
APPROVED UNANIMOUSLY

The Finance and Audit Committee recommend to the Executive Committee that the Finance and Audit Committee be granted approval authority for the FY15 Audit Report. This delegation of approval authority has been granted annually for many years, both for expediency to meet reporting deadlines and reflecting the committee's charter and financial expertise.

MOTION: Recommend approval to delegate authority to approve the FY15 Audit Report to the Finance and Audit Committee
APPROVED UNANIMOUSLY

Chair du Bois closed the meeting by thanking the committee for their year's work. He applauded the accomplishments and said he is looking forward to the future of the alumni association. The meeting adjourned at 9:00 a.m.

Submitted by Ruth Isaak
For Sandy Wiese, Secretary-Treasurer