

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
NATIONAL BOARD OF DIRECTORS**

Thursday, June 22, 2006

4:00 to 6:30 p.m.

500 McNamara Alumni Center

Board Members Attending

Alaniz, Karin
Bauer, Jean
Calmenson, Bob
Carthaus, Marcia
Cracraft, Ed
Cunningham, John
Dragseth, Ken
DuBois, Jim
Foster, Barbara
Givens, Archie
Hjelm, Andrea
Kuehnast, Doug
LaSalle, Tom
Litton, Steve
Lichty, Marshall
McCartney, Sandy
McLeod, Mary
Meyer, Jan
Mooty, Bruce
Muler, Jim
Newell, Rich
Osberg, Brian
Phillips, Jessica
Resch, Jim
Schulstad, Denny
Stein, Bob
Thacker, Kip
Thompson, Paul
Tuzcu, Ertugrul
Wangstad, Andy
Zhdanov, Dmitry

Board Members Unable to Attend

Casey, Lynn
Gruenberg, Karyn
Horsager, Kent
Maine, Lucinda
Mondale, Ted
Nash, Sara-Lynn
Norman, Ravi
Ollila, Gene
Phillips, Mark
Pohland, Darcy
Skadron, Stan
Thomas, Norrie

UMAA Staff Attending

Brown, Betsy
Carlson, Margaret
Fisher, Diane
Jones, Cheryl
Kono, Chad
Rader, Bruce

University Guests Attending

Bruininks, Robert; University President
Fischer, Jerry; Univ. of Minnesota Foundation
Heagle, Emily; Minnesota Medical Foundation
Thrane, Linda; University Relations

Incoming Board Members Attending

Stein, Robert; at-large representative
Wiese, Sander Ulsaker; at-large representative

Others Attending

Taylor, Paul; UMAA Advocacy Committee

University of Minnesota Alumni Association (UMAA) National President Bob Stein called the meeting to order at 4:00 p.m.

National President's Report

Stein welcomed the board members and guests, noting that 19 UMAA staff members have joined the first part of the meeting because he would like to introduce them to the board and thank them for all their efforts during this very successful year for the association. Each staff member was applauded as he/she was introduced. Margaret Carlson, UMAA chief executive officer, gave special thanks to Cheryl Jones, UMAA deputy administrator, who has provided administrative support to Carlson for twelve years and is now moving to a new position within the UMAA. Carlson introduced two new UMAA staff members: Betsy Brown, senior director of communications; and Ruth Isaak, executive assistant. Stein gave special thanks to Carlson for her strong leadership and hard work, noting that this past year was likely Carlson's "best ever." Carlson thanked Stein, acknowledging that the UMAA has enjoyed incredible partnerships this year and thanking University Relations, the University of Minnesota Foundation, the Minnesota Medical Foundation, Intercollegiate Athletics, and the McNamara Alumni Center for their assistance and collaboration.

Stein thanked the board members for their efforts this year, announcing that the gift that has been placed at each board member's seat (a UMAA travel thermos) symbolizes the association's "hot" year. He then welcomed several incoming board members whose terms begin on July 1: Marshall Lichty, Law School representative; Robert Stein, at-large representative; Sandra Ulsaker Wiese, at-large representative; and Dmitry Zhdanov, Graduate and Professional School Assembly representative.

Stein also gave a special welcome to the University staff members attending: Robert Bruininks, University of Minnesota President; Linda Thrane, University Relations Vice President; Jerry Fischer, University of Minnesota Foundation Chief Executive Officer; and Emily Heagle, Minnesota Medical Foundation Associate Vice President.

Stein announced that he presented the UMAA Annual Report to the University Board of Regents on June 9, 2006. He presented this same report to the board, describing the UMAA's accomplishments during the past fiscal year (list of 2005-2006 UMAA accomplishments attached). He concluded his report with a slide presentation depicting the "sights and sounds of the UMAA Annual Celebration featuring Justice Sandra Day O'Connor, one magical night that represents the year-round spirit, substance, and service of the University of Minnesota Alumni Association."

University of Minnesota President

Stein called upon University of Minnesota President Bob Bruininks to speak, stating that he believes that President Bruininks is one of the greatest presidents in the history of the University. President Bruininks thanked Stein and Carlson and congratulated them on a fantastic year. He also gave special thanks to Andrea Hjelm, immediate past president, for her many contributions over the years; and Denny Schulstad, president-elect.

President Bruininks announced that it has been a very good year for the University as well as for the UMAA. Obtaining legislative approval for the on-campus football stadium was a huge, visible achievement, he said, and an on-campus stadium will mean many good things for the University down the road. The outcome of the University's capital request was also very good, he said. The capital bonding bill authorizes nearly \$1 billion in state spending. The legislature authorized \$158.4 million for the University of Minnesota that includes \$115.7 million in state funding. The Carlson School of Management, the Labovitz School of Business and Economics (UMD) and the Medical Biosciences Building received full funding; HEAPR is funded at \$30 million; and of the regional centers and stations in the request, the Cedar Creek Natural History Area and the Cloquet Forestry Center each receive \$500,000.

The University has been focusing on access and affordability, said President Bruininks. The Founders Opportunity Scholarship program helps bridge the gap in funding that some low-income students face, with students who qualify to receive the Pell Grant will be able to receive full tuition and required fees support. This fall the program will be extended to transfer students, and 1,500 new students will have received these scholarships. More good news is that tuition has gone up only 5.9%. The new on-campus football stadium will provide an opportunity to raise funds for scholarships at the same time that "asks" are being made for stadium contributions, said Bruininks, and the stadium will help leverage even deeper and greater commitments to the University.

President Bruininks also reported on the University's strategic positioning. On July 1, the University will have 17 rather than 20 colleges. Three of these are newly created colleges—the College of Food, Agricultural and Natural Resources Sciences; the College of Design; and the College of Education and Human Development. Each new college brings together related disciplines within a single college, creating larger intellectual communities for students and faculty. Students will be exposed to new perspectives, and faculty will find it easier to collaborate on teaching and research. Thirty-five task forces involving more than 500 University staff members, students, and alumni developed the "wide and deep" recommendations that led to these changes, and additional recommendations and ideas will be distilled over the summer. "Exceptional students need to see the University as an unparalleled education provider," stated President Bruininks.

Over the summer the University will also be working on developing next year's budget request. The biosciences initiative will be an extremely important component of the request. The University will need to be very aggressive in lobbying for the 2007 request, said President Bruininks, and as we learned from lobbying for the football stadium, it will be important to build coalitions, present our case in reasonable terms, and stay focused on the long-term academic mission of the University of Minnesota.

President Bruininks concluded his report by thanking the board for their staunch support "through thick and thin." He stated, "I can think of nothing more important to a University president than a strong network of alumni supporters. I have felt your support constantly."

University Relations Vice President

Thrane thanked Denny Schulstad, UMAA president-elect, for his leadership in getting the veterans on board with the new football stadium that will carry the name of TCF Financial Corporation. A wonderful memorial to veterans will be designed as part of the new stadium.

Thrane reported on the all-University initiative to develop a plan to engage more alumni with the University, which University Relations, the UMAA, and the UMF are working on together. She announced that the University will roll out its new branding/marketing campaign, "Driven to Discover," at the Minnesota State Fair.

Consent Agenda

The consent agenda included the March 11, 2006, national board minutes; the financial statements as of April 30, 2006; a recommendation to grant approval authority of the 2005-2006 Audit Report to the Finance and Audit Committee; and the membership report indicating a total member count of 55,737 as of May 31, 2006 (the year-to-date high membership was 56,606 at the end of March 2006). These items were approved as mailed.

2006-2007 Goals and Objectives

Schulstad reminded the board members that they approved next year's goals and objectives at the last board meeting on March 11, 2006. These goals are the result of strategic planning that the association spent nearly a year-and-a-half to complete and which involved an enormous amount of stakeholder and alumni research that drove decision-making. "We were builders of physical spaces over the last decade, with the McNamara Alumni Center, the Alumni Wall of Honor, and Scholars Walk," said Schulstad, "and during the next five years we will build new and improved programs and partnerships."

Schulstad reviewed the UMAA vision (to become the most influential organization in advancing the University's goal to be one of the top three public research universities in the world); mission (an independent membership organization dedicated to connecting alumni, students, and friends in lifelong support of the University of Minnesota and each other); and three major goals:

1. Build the prominence of the UMAA as a valuable advocate for the University;
2. Strengthen campus partnerships and create new traditions;
3. Ensure the association's financial stability.

Schulstad reported that, in regard to the first goal, the association has been seeking a topic or issue where alumni vision, voice, and vitality can help the University. Mary McLeod and Bruce Mooty, co-chairs of the UMAA Advocacy Committee, explained that the committee ranked four potential issues last month, which were then vetted with a number of key groups and individuals, including the UMAA officers, University President Bob Bruininks, and University Relations Vice President Linda Thrane.

These conversations culminated in an understanding that two issues are the most timely and fit best with the UMAA's mission: 1) learn what the University is doing to connect its research and expertise with state, community, and corporate leaders and determine how to help; and 2) learn about and advocate for the biosciences initiative. Following discussion, the board members endorsed this direction. There will be a meeting of the Advocacy Committee on July 13, 2006, to discuss how the UMAA will be involved in lobbying for the biosciences.

2006-2007 Operating and Capital Budgets

Ertugrul Tuzcu, UMAA secretary-treasurer and chair of the Finance and Audit Committee, reported that the committee has thoroughly reviewed the 2006-2007 operating and capital budgets and recommend that they be approved by the board. He explained that the UMAA's five-year strategic plan was used as the basis for this operating budget, and that the budget includes funding for all the initiatives outlined in the goals and objectives. Tuzcu reviewed the areas of significant change in the budget from the previous year and explained that the UMAA will draw on invested funds to finance some new initiatives included in the strategic plan. Tuzcu then presented the 2006-2007 capital budget, which is funded by the Adrian Buttz Fund. Following discussion, the 2006-2007 operating and capital budgets were approved as mailed and are attached.

Volunteer Recognition

Stein and Carlson thanked and presented a gift to the following board members whose terms are ending on June 30, 2006: Jean Bauer, Faculty Consultative Committee representative; Andrea Hjelm, immediate past president; and Andy Wangstad, geographic representative. Board members whose terms are ending but were not present at the meeting are John Foley, at-large; Ted Mondale, at-large; Sara-Lynn Nash, College of Human Ecology; Stan Skadron, Veterinary Medicine; and Norrie Thomas, Pharmacy.

On behalf of the board members, Schulstad thanked Stein for leadership and presented him with an engraved crystal gavel, stating that Stein "has set the bar very high" and that he "led us through a spectacular year." On behalf of the staff, Carlson presented Stein with a framed collage of photos of Stein in action during the year.

President-elect's Report

Schulstad thanked the board members that completed and returned the recent board survey to learn how the board members feel about their volunteer experience. Schulstad reviewed some of the findings and areas for improvement, including allowing more time for discussion at board meetings, providing more opportunities for socializing, distributing a photo directory of board members, and providing a more thorough orientation to the board. Schulstad distributed the 2006-2007 calendar of activities and said that he is looking forward to a productive, exciting year.

Stein adjourned the meeting at 6:30 p.m.

Submitted by Cheryl Jones, UMAA Deputy Administrator
for
Ertugrul Tuzcu, Secretary-Treasurer

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
2005-2006 Highlights

- √ Set a new vision to be the most influential advocacy organization in advancing the University's goal to become one of the top three public research universities in the world.
- √ Connected with 56,000 members and increased life and multi-year memberships by more than 19 percent.
- √ Formed a new partnership with the University of Minnesota Law Alumni Association (LAA), bringing nearly 5,000 members of the LAA into the ranks of the UMAA.
- √ Added four new Alumni Interest Groups: the St. Lawrence-Newman Center Alumni, University of Minnesota Black Alumni Association, Intercollegiate Sport Clubs and Rec Sports Network, and the Minnesota Daily Alumni Association.
- √ Launched a new alumni chapter in Guangzhou, one of six chapters on mainland China and 21 outside the United States.
- √ Launched Libraries Publications Online, a powerful online reference system that enables alumni to access the full text of thousands of magazines, business and academic journals, and trade publications.
- √ Welcomed 4,190 alumni and friends at the 102nd Annual Celebration featuring former Supreme Court Justice Sandra Day O'Connor.
- √ With our partners, the University of Minnesota Foundation and the Minnesota Medical Foundation, dedicated the Alumni Wall of Honor, a public monument that recognizes the current and future recipients of the University's Outstanding Achievement Award.
- √ Continued to champion a new on-campus football stadium through a media campaign and at rallies throughout Minnesota.

**UMAA 2006-2010 STRATEGIC PLAN
GOALS AND OBJECTIVES FY2006-2007 and FY2007-2008**

I. Build the Prominence of the UMAA as a Valuable Advocate for the University

• **Revitalize legislative initiatives**

2006-07

- * Analyze overall legislative program with UR/
hire UMAA legislative/advocacy staff person
- * Integrate legislative network with DMS/Get Active
- * Lead legislator recognition
- * Solicit alumni on network for membership

2007-08

- * Implement alumni group compacts including advocacy deliverables
- * Organize significant alumni/friends gathering in each of the 87
districts over a two-year period

• **Engage alumni in key issues that will help the University become a top three public research university**

2006-07

- * Track on and feature key University issues(s)
in magazine, website, and other communication
vehicles
- * Continue to work to diversify our volunteers
and staff
- * Identify “in-service” staff development opportunities

2007-08

- * Develop a strategy to utilize key volunteers as ambassadors for
the University (current and past members of the national, society,
and chapter boards)

• **Create clear and compelling messages that demonstrate how we support the University; consistently brand all print, electronic, and verbal communication**

2006-07

- * Determine our brand; narrow our
focus and articulate what makes us
valuable; begin to implement

2007-08

- * Fully implement new brand

• **Create a robust Web strategy to increase alumni engagement**

2006-07

- * Analyze content delivery on websites of other
alumni and nonprofit organizations and begin to
formulate a plan (process, technology, expertise,
and distribution) to bring quality University
information and programming to alumni

2007-08

- * Begin implementation of plan

II. Strengthen Campus Partnerships and Create New Traditions

- **Establish compacts with collegiate societies, chapters, and interest groups that focus on membership, integrated branding, advocacy, and mentoring**

2006-07

* Align values; develop compacts that tie financial allocations to quantitative deliverables (membership/advocacy/mentoring)

* Continue to assist with University collegiate restructuring ----->

2007-08

* Implement two-year compacts

- **Celebrate alumni achievement by creating a campus-wide awards plan, including an annual recognition event**

2006-07

* Work with key University units to create plan to recognize alumni achievement and service
* Work with UMF & MMF to dedicate Scholars Walk

2007-08

* Hold first all-University awards event
* Create permanent recognition for Alumni Service Award recipients

- **Continue to champion the on-campus football stadium**

2006-07

* Collaborate with the UMF to provide opportunities for alumni to donate to the stadium----->

* Publicize and promote the stadium in all communications to alumni ----->

2007-08

- **Work with our campus partners to develop an integrated alumni relations program**

2006-07

* Develop a plan in collaboration with University Relations and the UMF to:
- enhance communication and engagement with all alumni----->

- conduct ongoing alumni research and share findings ----->

2007-08

* Fully implement plan

III. Ensure the Association's Financial Stability

- **Grow a vibrant membership organization, focusing on life members (5% increase in life members per year)**

2006-07

2007-08

* Increase life membership to 15,200 in Fiscal Year 2010 ----->
(from 11,900)

* Increase total membership to xxxxx in Fiscal Year 2010 ----->
(from 55,500); number to be determined in compacts/
collaboration with collegiate societies/chapter/interest groups
and other campus partners

* Audit benefits for relevancy; review membership pricing annually

- **Maximize non-dues revenue opportunities**

2006-07

2007-08

* Begin to renegotiate the credit card
contract, which expires in October '08

* Determine objectives for business
development on a go-forward

* Renegotiate the insurance program contract

* Broaden scope of sponsorship program

IV. Analyze current programming and target for redesign, growth, or reconsideration

GROW

- Information system infrastructure
- Maroon & Gold Fridays

REDESIGN

- Volunteer awards
- UMAA presence in *M*, other publications
- State Fair

RECONSIDER

- SAA
- Homecoming Breakfast

**University of Minnesota Alumni Association
FY07 Proposed Budget**

	FY07 Proposed Budget	FY06 Revised Budget	Proposed Increase (Decrease)	FY06 Revenue Thru 4/06
Revenue				
Membership				
Annual/3yr/5yr/10yr	876,490	864,505	11,985	668,679
Life Membership Support	560,495	528,515	31,980	440,429
Contributions	147,800	129,320	18,480	133,841
University Support:				
Base	765,000	873,330	(108,330)	727,774
Services				
Tours	87,585	106,100	(18,515)	70,424
Advertising Sales	209,000	199,940	9,060	158,832
Royalty Income	172,000	163,700	8,300	97,551
Internet (net of access & software fees)	30,350	34,990	(4,640)	29,760
Owner's Management Fee	93,625	93,625	-	78,021
Special Events	101,745	119,135	(17,390)	27,552
Net Assets Released From Restrictions	29,500	29,500	-	
Sublease Rental Income	49,460	47,600	1,860	39,590
Interest/Dividends	375	270	105	434
Investment Gain/(Loss)	-	-	-	7,138
Other	-	2,565	(2,565)	2,182
Total Revenues	3,123,425	3,193,095	(69,670)	2,482,207
Transfers to Finance Current Operations:				
Strategic Opportunity Fund	1,178,200	870,030	308,170	724,420
Operating Support Fund	279,210	270,170	9,040	225,142
UMF Held Fund Support - Awards	56,000	56,000	-	50,000
Total Transfers	1,513,410	1,196,200	317,210	999,562
Total Revenues and Transfers	4,636,835	4,389,295	247,540	3,481,769

**University of Minnesota Alumni Association
FY07 Proposed Budget**

	FY07 Proposed Budget	FY06 Revised Budget	Proposed Increase (Decrease)	FY06 Expenses Thru 4/06
Expenses				
Personnel	2,497,545	2,228,935	268,610	1,798,804
Professional fees	374,565	382,940	(8,375)	309,780
Conferences/subscriptions/data processing	51,385	46,675	4,710	41,339
Telephone	38,285	35,840	2,445	26,644
Mail service and delivery	256,590	200,900	55,690	150,033
Printing, copying, design and advertising	322,895	257,415	65,480	203,242
Supplies and rentals	103,505	139,445	(35,940)	70,152
Office expenses (rent \$446,955)	501,485	487,695	13,790	397,357
Travel, catering and entertainment	169,045	166,075	2,970	97,387
Society allocations	130,315	130,315	-	108,593
Awards and scholarships	88,460	88,660	(200)	52,999
Contributions and co-sponsorships	92,750	194,700	(101,950)	162,169
Other	10,010	8,795	1,215	5,659
Total Expenses	4,636,835	4,368,390	268,445	3,424,158
 Excess of Revenues over Expenses	 -	 20,905	 (20,905)	 57,611

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
FY07 CAPITAL BUDGET**

Computer Hardware:

1 Dell PowerEdge 2850 rack server	\$ 4,200
1 Netscreen Firewall	\$ 4,800
1 Exabyte Magnum Backup Tape Drive	\$ 5,450
1 Dell UltraSharp 19" Flat Panel LCD Monitor	\$ 300
4 Dell Workstations	<u>\$ 6,200</u>

Subtotal **\$ 20,950**

Computer Software:

Database Modification Support	\$ 20,000
Symantec Backup Exec	\$ 2,745
Web Analysis Tool	<u>\$ 2,000</u>

Subtotal **\$ 24,745**

Office Equipment:

Server Room Upgrade Cooling	\$ 6,000
Fax Machine	\$ 1,500
Paper Shredder	\$ 500
Paper Folder	<u>\$ 1,300</u>

Subtotal **\$ 9,300**

Other

Goldy Gopher Costume	\$ 1,500
Office Desk Chair Repairs	\$ 500
4 post rack for server room	<u>\$ 2,000</u>

Subtotal **\$ 4,000**

Estimated Costs:

\$ 58,995

Source of Funds: Adrian Buttz Earnings Fund