

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

September 24, 2009, 7:30 to 9:00 a.m.
200 McNamara Alumni Center

Committee Members Attending

Carlson, Margaret
Givens, Archie
Himle, Karen
Horsager, Kent
Mooty, Bruce
Tuzcu, Ertugrul

UMAA Staff Attending

Coffer, Curtis
Isaak, Ruth
Rader, Bruce
Shortridge, Julie

Committee Members Absent

Loyd, Susan Adams
McLeod, Mary
Thacker, Kip

President's Report

University of Minnesota Alumni Association (UMAA) National President, Archie Givens, called the meeting to order at 7:30 a.m. Givens welcomed the Executive Committee members to the first meeting of the year, noting that new member, Susan Adams Loyd, was ill. Mary McLeod also rejoins the Executive Committee and board as a vice president.

He noted that it had been an extraordinary fall, saying it is such a privilege to represent the alumni association at the opening of the TCF Bank Stadium. Givens and Carlson represented the association at half-time of the first football game, as one of the Legends donors who contributed \$1 million or more. The organization has been recognized publicly not only for making a million dollar gift to the TCF Bank Stadium but also for being the first donor and setting the precedent of a gift to academics.

Search Committee Report

Search committee chairs, Bruce Mooty and Maureen Reed, explained that Spencer Stuart, the search firm retained by the committee, conducted interviews with all major stakeholders, including University administration, staff, past presidents, current board members and others to accurately describe the position and necessary requirements. The draft position and candidate specification is a synthesis of all interviews, information gathered and search committee input. When approved, the position will be posted and the search firm will publicly begin the search. Mooty 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.

Himle pointed out that the position specification does not reflect any reporting relationship regarding the CEO's role as associate vice president of Alumni Relations. Mooty reviewed the Memorandum of Understanding between the Alumni Association and University that states the CEO position reports to the UMAA National Board, and the position's review and compensation is overseen by the National Board's CEO Compensation Committee. The Vice President of University Relations is a member of this five-person committee.

It was decided that Mooty, Reed and Himle will meet with Vice President Kathy Brown and Greg Brown, general counsel, to clarify the reporting relationship so it is accurately described in the document before it is finalized.

MOTION: Approve the CEO Position and Candidate Specification description as presented with authority to search committee chairs to adjust language as necessary based on further discussion with the University.
APPROVED UNANIMOUSLY

Consent Agenda

Givens directed Executive Committee attention to the consent agenda which included the June 4, 2009 Executive Committee minutes, membership report and bi-monthly alumni survey results.

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. The audit opinion was unqualified or “clean.” There were no management letter comments, meaning that the auditors had not identified any areas of concern or requiring attention. The audit report will be issued when the Alumni Association’s auditors receive the final audit report for the University of Minnesota Foundation, because the Foundation manages the Association’s investments.

Total operating revenues were \$4.2 million in FY09 compared to \$4.3 million in FY08, total operating expenses were \$4.5 million versus \$4.7 million, and the change in operating 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.

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.

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 Coffey’s first audit for the association.

Horsager presented a resolution to approve an Interpretation of Relevant Law statement approved by the Finance and Audit 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) Executive Committee ratifies the “Interpretation of Relevant Law’ statement presented to the committee and attached as Exhibit A.

APPROVED UNANIMOUSLY

CEO Report

Transition – Margaret Carlson told committee members that she will be meeting a consultant that specializes in knowledge transfer. The pro bono consultant was arranged by Bonnie Welshons, through General Mills. Welshons, Carlson and Ertugrul Tuzcu have an initial meeting arranged after Homecoming. Carlson has also prepared three “white papers” on Special Events 101, Board Development 101, and Advocacy 101 to help in the transfer of knowledge. The reports will be presented to the alumni relations officers and alumni association staff.

Partnerships – University Vice President Kathy Brown had commended the alumni association and the McNamara Alumni Center staff for the game day parties. Opening game day party attendance was estimated at 6,000 for the 7 p.m. game start; the next game, which had an 11:00 a.m. kick-off, had 2,000 attendees.

All colleges have signed compacts with the alumni association. The colleges appreciated being able to buy Homecoming game tickets from the association, as well as the 2009 Homecoming schedule which consist of 8 days of festivities with the Alumni Association partnering with Student Affairs, Academic Affairs, Athletics and collegiate units.

Communications – Homecoming events have received pro bono ads in the *Delta Sky*, *Msp St. Paul*, and *Minnesota Monthly* magazines and the *Star Tribune*. The alumni association created public service announcements with Joel Maturi, Pam Borton and Margaret Carlson appearing as spokespeople for Homecoming and promoting maroon and gold.

The web site will be previewed at the October 9 board meeting. The latest issue of MINNESOTA magazine featuring the opening of TCF Bank Stadium has received high praise.

The alumni association will host the Alumni Awards Celebration on October 8 during Homecoming week. President Bruininks will present 13 alumni service awards and the association will present our annual awards.

Recognition Events

The committee excused staff and discussed ideas for the events being planned to recognize Carlsons’ contributions to the alumni association. It was suggested that a planning committee be formed with Mary McLeod as chair.

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

Submitted by,
Ruth Isaak
Senior Director, Board and Special Events

For Kent Horsager
Secretary-Treasurer

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.