

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
EXECUTIVE COMMITTEE MINUTES
January 10, 2020, 8:00 – 9:20 a.m.
Friswold Room
McNamara Alumni Center

Executive Committee Members Attending

Haldeman, Bill
Huebsch, Doug
Jessen, Mark
Lewis, Lisa
Moret, Laura
Rajkumar, Roshini
Wallace, Scott

UMAA Staff Attending

Garry, Dan
Huber, Lisa
Massaglia, Samantha
Racchini, Matt
Ruzek, Jon

Welcome and Opening Remarks

Chair Laura Moret welcomed the group and congratulated the staff for its efforts with the Outback Bowl programming. Chair-Elect Mark Jessen stated that the positive experience for all fans was driven by a team effort. Moret noted the UMAA is on track with organizational goals. She stated her goal for the year is to improve the partnership with the University of Minnesota Foundation and expressed that opportunities exist and should be better-leveraged to the benefit of both organizations.

Moret described the UMAA Board of Directors/Board of Regents meeting in November and explained that the Board leadership raised the potential of inviting a regent to be a liaison with the UMAA, but the regents decided against the idea. The regents had concerns about a single regent speaking on the board's behalf. CEO Lisa Lewis stated that the goal of maintaining a strong relationship remains but given the decision there will need to be other ways to achieve it. She added that the UMAA can still keep the Regents engaged in its work.

Minutes Approval (action item)

The following items on the consent agenda were approved unanimously:

MOTION: Approval of the October 3, 2019, Executive Committee Minutes

APPROVED UNANIMOUSLY

Financial Report

CFO Dan Garry stated that there were financial benefits of the football team's success and that has been reflected in high revenue. The current forecast is to finish the year \$100,000 better than budgeted. Asked about the outlook for future years, Garry stated that the challenge in any given year is growing the subset of revenue streams we can control to cover the 2-3% in annual expense increases. Lisa Huber has been and will be working to develop new relationships with partners to help UMAA achieve that.

Treasurer Scott Wallace stated that the UMAA is operating at the level that is desired and that revenue is allowing for expanded programming. Past Chair Doug Huebsch acknowledged that spending targets are not being met. Secretary Roshini Rajkumar stated the University may support UMAA with more baseline funding in the future.

Nominating & Board Develop Committee Update (action item) - Bylaws Change

The following items on the agenda were approved unanimously:

MOTION: Approval to increase the number of At-Large Directors from seven to nine, evenly distributed among three-year terms.

APPROVED UNANIMOUSLY

MOTION: Approval to change bylaws so the two student board members are ex-officio directors of the Board rather than elected directors representing Board councils.

APPROVED UNANIMOUSLY

UMAA Networks Report

VP of Student Engagement Jon Ruzek gave his report on the function and structure of UMAA networks. He explained the ways networks are supported by staff, the expectations of networks, the means of communication, and yearly audits in July of networks. He also addressed the treatment of dormant networks.

Wallace asked if the UMAA has a policies and procedures document in which the "Affinity Networks Description" handout may be added in order to address sustainability. Lewis noted that there is. Wallace suggested the document be inserted in order to codify the practices. Huebsch asked about how proactive staff is in identifying holes in representation and then initiating networks. Ruzek responded that Geographic networks are an example of holes in representation being looked at, for example, the Mankato network is dormant now but given the size of the alumni population there his staff will be proactive in reactivating the network there.

Huebsch asked how current geographic networks, such as Dakota County, could be advertised for counties without networks. Ruzek suggested that volunteer leaders may talk to Director of Minnesota Engagement Brittany Jamison to evaluate this opportunity. Moret asked, of the 80 alumni networks, if

most are geographic. Ruzek responded that there are 7 corporate networks, 8-10 affinity networks, a few collegiate networks, and the remaining are geographic. Huebsch noted that the University may better support UMAA's networks if network members donated heavily to the UMF and asked if network alumni do give a lot. Lewis asked Dan Garry to look into this; the data exists for this analysis to be done.

In terms of the minimum number of alumni required to form a corporate network, Ruzek noted that most corporate networks have thousands of alumni. Lewis stated that resource scarcity prevented small numbers of alumni to form networks, unless the focus is very strategic.

UMAA Revenue Partnerships

Senior Director of Marketing Lisa Huber explained four major categories of external business relationships: advertising, sponsorship, affinity relationship, and member benefit partner. Huber stated that the various categories are defined by their obligations, how the UMAA engages with them, how the Board is involved in approval, etc. It is not a final document as the Finance Committee suggested it include when a contract is required and not required. The document can also be used to assess whether to change the UMAA mark or not in the future. Huber stated it will help UMAA focus on growing revenue.

Moret asked if the member benefit partner category provides a revenue stream to the UMAA. Huber responded that there may not necessarily be direct cash flow but there nonetheless is a ripple effect that stimulates revenue streams from other sources. Huber stated that these partnerships are frequently audited to ensure a relationship makes sense financially from the standpoint of the UMAA. Huber noted there are many agreements in which there is crossover in definition but nonetheless suggested the document should have informational value; the Executive Committee agreed that it was very helpful. Jessen noted that future partnerships can be better understood now having this understanding.

CEO Report

In her report CEO Lewis credited the staff with its efforts in positively leveraging the football team's success during the Outback Bowl and throughout the season. The UMAA's default stance of leading with academics gave way to prioritizing athletics in light of the historic success of the football team; the balance will likely revert to past form in the next fiscal year unless the football team has a momentous season even compared to this year's new standard. Lewis stated that the UMAA is on track with its goals and a specific focus has been legislative advocacy. She and Moret have a plan to co-write a letter to the editor in the Star Tribune that will follow President Gabel's lead and will give a lift for advocating for full funding of the University's legislative request.

Lewis noted that the Intellectual Property Task Force will continue its work as will the Real Estate and Alumni Housing Task Forces. The UMAA will soon finish the MN 201 Charter after contracting with Ann Wiesner, who helped to create Adam Yust's position four years ago. A business plan is being developed to analyze whether it is in the UMAA's interest to take control of the Alumni Market. Lewis noted

January and February events specifically the legislative kickoff breakfast and the TPT U of MN Black History month movie showing. Lewis and engagement staff will travel with President Gabel and the UMF in the coming months. Lewis is conducting her 1:1 meetings with Board members. Lastly, Cristy Leaf will become the new executive assistant to the CEO and director of board relations as Matt Racchini finishes.

Alumni Housing Task Force

Treasurer Scott Wallace shared positive developments with the Alumni Housing Task Force. Wallace stated that Betsy Vohs and Tony Wagner of the task force have contacts with large developers who may be alumni. He stated that two more firms were added to the RFI; Johan Rosenberg is a strong partner but having multiple was desired. Moret noted that alumni housing is an important issue nationally, as indicated by articles from sources such as the Wall Street Journal.

Lewis discussed Fred Friswold's proposal that Gateway manages the first phase of alumni housing exploration. Friswold suggested that Mike Dwyer could lead the task force and the UMAA could have one or two spots on the committee. The UMAA could benefit financially in the future from ticket sales/commissions. Gateway (25% UMAA ownership) would pay for all of the costs of the initial exploration but be reimbursed by the project as it develops. Friswold would then leverage the UMAA to be part of East Gateway. Sarah Harris had been in charge and Fred took over on an interim basis, but he now is stepping down from the position due to health concerns. Given that Gateway recently terminated its relationship with Cushman Wakefield, it will now administer itself, so the role of the board of Gateway becomes much more important.

Moret stated that the UMAA will be part of East Gateway but it will not give the project to them. Huebsch noted that revenue flows should be done the way it was designed and in doing so the UMAA would be more apt to enter into deals with Gateway corporation.

Lewis stated that mapping out the roles for potential UMAA partners like the University is important to determine. Addressing Bill Haldeman, Lewis stated he could help in determining the University's relationship to the project.

Intellectual Property Task Force Update

Chair Moret described the progress and composition of the Intellectual Property Task Force. In the first meeting, the Chairs provided information to members, explained the University's request, and gave background information on the current mark and on other University marks. Participants considered outcomes that may benefit both the Alumni Association and the University. The next meeting will take place at the end of January, and will include Doug Peterson and President's Designee Bill Haldeman, who will be present to clarify the University's request of the UMAA.

Lewis stated she credits President Gabel and Bill Haldeman in resetting the tone of the conversation. The tenor has become one of mutual respect and collegiality. This has given the conversation momentum.

University Gateway Follow-Up

Dan Garry stated that Dan McDonald brought up operation and distribution issues with University Gateway (the owners of the McNamara building) recently. Garry explained the UMAA's desire to have the total annual amount distributed to the two owners of Gateway (the UMF and UMAA) be increased to \$1 million (from \$500,000), instead of those resources going towards University capital projects. Additionally, the bylaws' language defines earnings distributions based on equity (100%), but the UGC has operated using the method of distributing earnings based off of square footage (90%) and equity (10%). The method of calculating the earnings distribution described by the bylaws increases the UMAA's share. Garry stated his desire for Board advice on operation and distribution issues with UGC.

Jessen noted the Foundation, which maintains control of the UGC board, benefits from the current interpretation at the UMAA's expense. Lewis noted Gateway's opaqueness and the risky implications of its operations for the University. The risk only grows with Gateway's separation from Cushman Wakefield. Lewis stated that with the shift in management, an option is to see if the University wants a representative on the Gateway board. President's Designate Haldeman asked about the board's composition. Moret answered that there are 3 representatives from the Foundation and two representatives from the UMAA.

Lewis also stated that Fred Friswold recommended Tom LaSalle to take over as the chair of the Gateway board. Tom has a financial relationship with Gateway and is on retainer for them; this could create a large conflict of interest and should be addressed. The Executive Committee agreed.

Moret asked the Executive Committee if they supported McDonald and Garry's asks of Gateway (as the two members of the Gateway board): 1) revising the distribution of profits to be consistent with the bylaws, and 2) An increased allocation of earnings to the UMAA/UMF of \$1 million. The Executive Committee unanimously agreed.

Moret adjourned the meeting. The next Executive Committee meeting will take place on April 9, 2020.

Submitted by Matthew Racchini and Cristy Leaf
For Roshini Rajkumar, Secretary