

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
BOARD OF DIRECTORS MINUTES
October 4, 2019, 12:30 – 2:15 p.m.
Laukka Room
McNamara Alumni Center**

Board of Directors Members Attending

Clausman, Mike
Duncanson, Pat
Hasan, Nadia
Huebsch, Doug
Jessen, Mark
Kian, Mina
Lewis, Lisa
Martin, Peter
Moret, Laura
Nakamura, Akira
Ndely, Emilia
Rajkumar, Roshini
Reinert, Roger
Rohloff, Jason
Sheldon, Ann
Vohs, Betsy
Wagner, Tony
Wallace, Scott

UMAA Staff Attending

Garry, Dan
Huber, Lisa
Klein, Stephanie
Massaglia, Samantha
Ruzek, Jon
Yust, Adam

Chair Laura Moret welcomed Board members to both the first board meeting of FY20 and Homecoming weekend. She said it was an honor for her to be chair, and that she hopes she can fill the shoes of Past Chair Doug Huebsch.

Moret introduced the new Board members for FY20 - Mike Clausman, Josh Clancy, Nadia Hasan, Mina Kian, Roger Reinert and Betsy Vohs. She then asked all Board members and UMAA staff present to introduce themselves.

Consent Agenda

The following items were approved unanimously:

MOTION: Approval of the May 31, 2019, Executive Committee Minutes
 Approval of the FY20 Finance & Audit Committee Membership
 Approval of the FY20 Nominating & Board Development Committee Membership
 APPROVED UNANIMOUSLY

The June 30, 2019, Internal Financial Statements and Investment Report, the FY20 August Membership/Revenue Summary and the MN 201 Report were provided for the board's information.

Approval of Affinity Networks

Jon Ruzek, VP of Engagement, presented the requests of 3 groups to become new UMAA affinity networks - the Pride Alumni Network, Muslim Alumni Network and Student Government Alumni Network. He reminded the committee that affinity networks organize alumni around a shared experience. Ruzek noted that the above groups would join the 7 existing affinity networks - American Indian, Band, Black Alumni, Greek, International, Multicultural and YMCA.

Steve Davis, Director of Affinity Engagement, has helped the volunteer leaders of the new groups get organized and foster campus partnerships. The Pride Alumni Network is working with the Gender & Sexuality Center, the Muslim Alumni Network is working the Muslim Student Association and the Al-Madinah Cultural Center, and the Student Government Alumni Network is working with the Office of Student Affairs. All three groups are eager to become a part of the UMAA and its broader networks.

Several Board members wondered how affinity groups are formed. Ruzek said that these groups are formed through grassroots efforts, self-nominate and come to the UMAA for approval. Board member Emilia Ndely mentioned that the Black Alumni Network gets most of its members from those who were part of the student group; some alumni feel a greater connection to the student groups they were involved in than to their respective colleges. Board members were interested in thinking about ways to support affinity networks and current student groups, but were unsure how to do so when financial and staff resources are limited. Questions were asked regarding participation in affinity networks and overall alumni engagement scores; Ruzek acknowledged that would be a good topic to explore.

Secretary Roshini Rajkumar mentioned the conversation held at the Executive Committee meeting regarding criteria for the networks, capacity to manage them and the importance of cultivating a pipeline of future leaders. Board Member Peter Martin remembered a rejection of the Pride Alumni Network 5 years ago by the board. Neither Ruzek nor President & CEO Lisa Lewis recalled that happening, as the Pride Alumni Network never previously made a formal request of the board; they promised to look into it. Board Member Roger Reinert expressed his interest in forming a veterans affinity network.

MOTION: Approval of the Pride Alumni Network
 Approval of the Muslim Alumni Network
 Approval of the Student Government Alumni Network

APPROVED UNANIMOUSLY

CEO Report

President & CEO Lisa Lewis reminded the board that the UMAA is beginning year 2 of a 5-year strategic plan. All goals were met or exceeded in FY19, the first year of the plan. Lewis proceeded to give highlights of what has happened at the UMAA since July 1, 2019. In July, Lewis, Past Chair Doug Huebsch and Chair Laura Moret presented a UMAA update at the Board of Regents meeting; this presentation is given every year at the July meeting and is always well-received. The July 2019 presentation was of particular significance because it occurred at President Joan Gabel's first Board of Regents meeting.

The UMAA had a strong presence at its booth at the MN State Fair in August for several days. Lewis highlighted the work of Marissa Smith, the Director of Student & Recent Alumni, who led efforts to welcome the 8,300+ incoming freshmen and transfer students at Welcome Week. Among other activities, the incoming students made an "M" on the field at TCF Bank Stadium and received a rally towel. About 250 students participated in a Young Alumni Panel organized by Smith, where recent alumni talked to incoming students and answered questions. Kablia Thao, Director of National Engagement, hosted a 'Sota Social for approximately 125 alumni in Fresno as part of the Gophers vs. Fresno State football game. Jon Ruzek, VP Engagement, organized a well-attended Best Practices Breakfast for the corporate network leaders in August.

Lewis mentioned that the UMAA recently sent off its first email to alumni of all the system campuses; the email publicized public-facing inauguration events for President Joan Gabel taking place at each system campus. Lewis highlighted this communication as an example where it makes sense for all of the campuses to work together as a system. She hoped that over time a shift would take place and more institutional leaders would think about how alumni can relate to the entire system, especially from a global perspective. The email also helped to lay some groundwork for the systemwide strategic plan President Gabel is working on.

Thao organized this year's Day of Service, at which over 700 alumni and friends participated in service projects held in more than 60 cities around the world. Lewis noted that Day of Service is an example of coordinating a program centrally but making it available to all of the other system networks. Lewis announced a new tradition that the UMAA is starting - a Gopher Families Brunch. This multigenerational event will take place during Parents Weekend and will honor the special relationship that multiple generations have with the University. Chair-Elect Mark Jessen and his daughter Kelly will be featured speakers.

Lewis reported that the TCF credit card contract has been signed and the card will most likely launch in November 2019. Lewis announced that the UMAA reached 20,000 life members the week of September

30, 2019. She noted that the UMAA has seen an increase in 3-year and life memberships and a decrease in annual memberships.

Finally, Lewis announced the work that the UMAA is doing with Carlson Analytics Lab, an entity that is composed of current students and data analytic experts. For an investment of \$30K, the UMAA will receive detailed analysis on its engagement metric data - things like historic scores, demographic info and email engagement are all possible variables to measure. The Carlson Analytics Lab will work on the UMAA's request in Spring 2020 and hopefully present their findings at the April 2020 Board meeting.

Finance & Audit Committee Report

Dan Garry, VP Operations & CFO, reported that the Finance and Audit Committee approved the FY19 audit. The auditors from Baker Tilly gave the UMAA the highest standard opinion. Garry noted that the UMAA's investments have consistently stayed at the same level, although the net assets increased over FY18 because of a high rate of return. Garry said that the continued push to limit the UMAA's investment draw to 4.5% or below resulted in a 4.1% draw in FY19. Garry explained that FY19 expenses were well under budget, which was primarily due to leaving a staff position open and 5 maternity leaves taken over the course of the year. He noted that the biggest shortfall in budgeted revenue happened under annual memberships.

Garry said that in addition to the progress made on the UMAA's six strategic goals, increases were also seen in alumni engagement scores. He highlighted the rubric that is used to define annual and lifetime engagement. There are six categories of engagement, and alumni get both an annual and lifetime score in each category depending on their respective activity. In FY19, both annual and lifetime engagement increased across all engagement levels - occasionally engaged, moderately engaged and highly engaged. Garry noted that UMF made a concerted effort in FY18 to acquire email addresses; this effort helped grow the lifetime engagement numbers. The numbers of both alumni volunteers and donors increased in FY19.

Revenue Growth Task Force Update

Treasurer Scott Wallace noted that since June, the Revenue Growth Task Force (RGTF) has been focused on real estate development and growing the MN Alumni Market. A small group led by Johan Rosenberg has been meeting with potential real estate development partners and consultants to get a better understanding of the possible opportunities for the UMAA. They learned that a number of similar and successful alumni-affiliated housing developments exist around the country and that there is high interest from developers in working with the UMAA because of the number of alumni living in the Twin Cities area.

The UMAA sent out a survey to all alumni 55+ and received over 1,500 responses. 420 individuals noted a current interest in alumni housing and 735 individuals noted a future interest. Most survey respondents were interested in living either near the Minneapolis or St. Paul campuses. The neighborhood features deemed important were the walkability of the area, restaurants and parks. Wallace said the next step is to create a real estate task force to advise the UMAA on the selection of potential partners and assess risk. Since the next stage of research is beyond the expertise of the current members of the RGTF, the group is looking for alumni who have specific experience in construction,

development and real estate law. The RGTF is seeking approval to spend up to \$30K from the Strategic Investment Fund to create and manage the RFI process with potential developers. Wallace is confident that the UMAA will have multiple opportunities to express discomfort with any ideas or proposals set forth as a part of the RFI process.

Board members had questions about the type of housing that might be developed - condos, mixed development with retail, etc. Wallace said that the decision will depend on what the market is like and what developers think will sell. Board members also emphasized the need to be thoughtful about what baby boomers would like their housing to look like, as many baby boomers are more active than previous generations. Wallace replied that discussions regarding amenities will take place and get refined in the proposal stage. In response to a question about future costs above and beyond the requested \$30K, President & CEO Lisa Lewis said that the task force will work closely with developers to see what the range of possibilities are. The opportunities will include everything from low risk/low investment/low return to high risk/high investment/high return. She said the RFI process will help the task force flesh out what possibilities exist; it will ultimately be the board's choice as to how much risk/reward it wants to take. Lewis noted that one option is to partner with the University and make any development a joint venture, which would moderate some of the risk/reward.

MOTION: Approval to create a real estate task force
 Approval to spend up to \$30K from the Strategic Opportunity Fund
 APPROVED UNANIMOUSLY

A small group has also been meeting regarding the potential of growing the MN Alumni Market to \$1m in annual sales. Some ideas under consideration are to move the Market under the umbrella of the UMAA, to invest in marketing and new inventory for the Market and invest in a full-time employee that has retail/product and marketing experience. Sr. Director of Marketing & Partnerships Lisa Huber said that even if Market sales are removed from the equation, the UMAA feels that the Market is becoming one of its core functions; it grows membership, brings in new sponsors and fosters deeper relationships. She noted that it's a big push to move the Market's annual sales from \$90K/annually to \$1m/annually, but the Market has experienced steady growth. Board member Peter Martin suggested creating a small task force or staff initiative to dive deeper into possible growth opportunities. Wallace noted that if any additional investment is required, it will be brought before the Board as a formal request. He closed by thanking the Board members who have served on the RGTF - Mark Jessen, Tony Wagner, Eric Brotten and Maureen Kostial.

Intellectual Property Task Force Update

Chair Laura Moret reminded the Board that late last year the University asked the UMAA to change its mark, as the UMAA's "M" is slightly different from the University's "M". The University initially proposed that the discussion about the marks should be a consideration of the TCF credit card agreement, but eventually agreed to separate the issues. Moret noted that the UMAA agreed to form a task force to consider changing its mark. Dave Mona agreed to serve as co-chair with Moret, and the pair of them solicited stakeholder input from Past Chairs, Regents and the UMAA councils. After meeting with President Joan Gabel in July, the UMAA decided to move forward with the task force at the request of

the administration. Moret said that the task force is open to considering changing the UMAA's mark, and is hoping to have held its meetings in order to report its findings at the January 2020 Board meeting.

Board members asked if the administration wants to have a broader discussion of the issue, rather than retread the narrow framework of their initial ask. Moret replied that no decision will be made that doesn't take into account how changing the mark would impact the UMAA's opportunity to find sources of revenue and its ability to have an independent voice.

In close, Moret reminded Board members that they received a letter regarding their financial commitment to the UMAA; she invited them to join her in supporting the organization. She reminded the Board of the Alumni Leader Summit directly following the meeting, as well as the Pre-Parade Reception.

The meeting was adjourned at 2:32 p.m.

Submitted by Stephanie Klein
For Roshini Rajkumar, Secretary