UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION
BOARD OF DIRECTORS MINUTES
April 27, 2019, 9:00 – 11:20 a.m.
Gross Family Board Room
McNamara Alumni Center

Board of Directors Members Attending
Brotten, Eric
Chen, Sean
Dean, Carol Johnson
Duncanson, Pat
Haldeman, Chad
Huebsch, Doug
Jessen, Mark
Kostial, Maureen
Lewis, Lisa
Martin, Peter
Mishra, Simran
Moret, Laura
Rohloff, Jason
Schmidlkofer, Kathy
Sheldon, Ann
Wagner, Tony
Walker, Myah
Wallace, Scott
Wiese, Sandra Ulsaker

Board of Directors Members Attending Remotely
Ndely, Emilia
Rajkumar, Roshini

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

Board Chair Doug Huebsch welcomed board members. Emilia Ndely and Roshini Rajkumar attended the meeting remotely. Huebsch noted that Board of Regents Chair David McMillan was not in attendance because of a health issue. Huebsch also said that the previous evening's Annual Celebration was a great success and he thanked President & CEO Lisa Lewis and the rest of the UMAA staff for a job well done.

Consent Agenda

The following items on the consent agenda were approved unanimously:

MOTION: Approval of the February 9, 2019, Board of Directors Meeting Minutes
APPROVED UNANIMOUSLY

The December 31, 2018, Internal Financial Statements and Investment Report and the FY19 March Membership/Revenue Summary were provided for the Board's information.

Nominating & Board Development Committee Report

Sandy Wiese, Chair of the Nominating & Board Development (NBD) Committee, thanked committee members for their work to find experienced and powerful candidates for the UMAA Board of Directors. She noted that the NBD Committee is recommending the following individuals to serve in officer roles for FY20 -

Chair-Elect - Mark Jessen, Secretary - Roshini Rajkumar, Treasurer - Scott Wallace

Wiese reminded the Board that the Chair and Chair-Elect positions have automatic succession. Next year, Doug Huebsch will be Past Chair and Laura Moret will be Chair. All five of the above officers serve on the Executive Committee, and the official start date for these positions is July 1, 2019.

MOTION: Approval of FY20 Board of Directors Officers
APPROVED UNANIMOUSLY

Wiese also said that there are 6 candidates to be voted on as a slate by UMAA membership to fill open Board positions for the FY20-22 term, and asked Board members to vote via digital ballot in May.

At-Large Directors - Carol Johnson Dean, Scott Wallace
Collegiate Council Directors - Ann Sheldon, Betsy Vohs
Geographic Council Director - Akira Nakamura
Student & Recent Alumni Council Director - Eric Brotten

Wiese noted that the NBD Committee will make some recommendations at the June Board meeting for positions being vacated by individuals moving into officer roles. She said that names for possible Board candidates can be submitted at any time and will be held for next year.

Finance & Audit Committee Report

Treasurer Scott Wallace noted that the Finance & Audit Committee (FAC) is bringing two action items to the Board. According to the FAC charter, every 5 years the FAC has to put out a request for proposals from audit/tax firms. A subcommittee headed by Sherry Meyer and Tim Huebsch received 4 different proposals. Two of the four firms were brought in for interviews prior to the FAC meeting in March 2019. Wallace said the committee chose to stay with the incumbent, Baker Tilly Virchow Krause LLP, after negotiations to reduce their fees. There will also be a new partner at Baker Tilly who will oversee the UMAA's audit and taxes.

MOTION: Approval to appoint Baker Tilly Virchow Krause LLP to provide audit and tax services for fiscal year 2019
APPROVED UNANIMOUSLY

Wallace said the UMAA is required to annually file the federal Form 990 Return of Organization Exempt from Income Tax, the federal Form 990T Exempt Organization Business Income Tax Return, the Minnesota Form M4NP Unrelated Business Income Tax Return and the Minnesota Charitable Organization Annual Report. He noted that the numbers were very similar to past years and the FAC felt comfortable with a modest change that a different tax partner suggested.

MOTION: Approval of the FY18 Federal and State Tax Returns and Charitable Organization Annual Report
APPROVED UNANIMOUSLY

Dan Garry, VP of Operations and CFO, said that as of the end of March 2019, non-transfer revenue was $44K better than budget. Part of that reason is because contributions, sponsorships and advertising are up 20% from last year. Expenses continue to be well under budget, helped by the decision to not currently fill the prior role held by Jon Ruzek before he moved up into the VP of Engagement position. Garry said there's a possibility the open role could be filled in some capacity pending the recommendations of the Revenue Growth Task Force. Garry is forecasting that the investment transfers in FY19 will be a little over 5%, which would continue the trend of reducing the UMAA's investment draws to the recommended 4.5%.

Student Update

Board Member Simran Mishra, President of the Minnesota Student Association, and Board Member Sean Chen, President of the Council of Graduate Students, presented the key initiatives their student groups have been working on over the past year. They both stated their support for the joint convention to be called before May 20, 2019, as some of the student candidates for the open Regent position will no longer be students after the spring semester. The student government groups have met with President-elect Joan Gabel both before and after her appointment to communicate student priorities.

Mishra and Chen noted that preventing sexual misconduct has been one of the focuses of their work this past year. The student groups are particularly aware of the intrinsic power imbalance that exists between tenured faculty and students. During the March 2019 all-campus election for student group leadership, a referendum question was added that asked if tenured faculty should be held to the same standard as non-tenured faculty when it comes to sexual misconduct; this referendum was approved by the students.

Mishra highlighted the campaign that the Minnesota Student Association launched two years ago called

“It Ends Here”, which seeks to spread awareness of all types of sexual misconduct and call for an end to them. The campaign was so well-received that President Kaler made it a system-wide initiative. Mishra said the campaign will be relaunched with a focus on how to support those who have been victims of sexual misconduct. A video discussing the initiative was sent to all Twin Cities campus students in April 2019 and has been very well-received by not only the students, but also the faculty.

Chen noted another initiative the student groups have worked on to destigmatize mental health called “Listen”. Working in partnership with other college boards, they organized a wellness week full of events to create awareness of the mental health epidemic on campus.

The Minnesota Student Association has a dedicated team working on legislative advocacy. In October 2018, they organized VoterPalooza, which encouraged people to register to vote. Mishra noted that they are pushing for two pieces of legislation at the State Capitol this year - medical amnesty and lease reform. Many students have formed relationships with key figures at the legislature and have seen their advocacy make a difference.

Board Chair Doug Huebsch noted that Mishra recently received national recognition by *Poets & Quants for Undergrads* as one of 2019’s Best & Brightest Business Majors, and Chen is headed to Massachusetts for a job with Dupont after graduating with a doctoral degree in Chemistry. He wished them well and complimented them on their hard work as student leaders and Board members.

CEO Report

President & CEO Lisa Lewis thanked the Board members who attended or bought tables at Annual Celebration. She felt that the evening accomplished the goal of honoring the Kalers in a meaningful and fun way. Lewis particularly thanked the UMAA staff for their hard work in executing the event.

Lewis reminded the Board of the visits she made to the system campuses in August 2018 and her conversations with the respective chancellors regarding system-wide collaboration. The Rochester campus, headed by Chancellor Lori Carrell, was most interested in collaborating because they are a young campus with a small number of alumni. They are unable to duplicate some of the services the UMAA provides and therefore want to form a partnership that will enhance the campus’s alumni engagement.

Lewis said that the best way to enter into partnership with the Rochester campus is to have the University of Minnesota Rochester Alumni Network be an official affinity network under the UMAA. Carrell will buy 3-year memberships for their 500 alumni at a discounted rate; during that period, the UMAA will foster a relationship with those alumni and demonstrate value for them. The Rochester network would become a segment in the UMAA’s current communications and receive Rochester-specific event news.

MOTION: Approval of the University of Minnesota Rochester Alumni Network as an official network under UMAA
APPROVED UNANIMOUSLY

Lewis mentioned that the three new alumni affinity networks the Board approved at the February 2019 Board meeting have already hosted various events and are planning grad receptions.

Lewis offered the Board a quick update on the UMAA's six goals being tracked through FY19 - lifetime engagement, life members, MN 201 members, quality legislative contacts, Maroon & Gold Network alumni and Maroon & Gold Network students. Four out of the six categories have exceeded their goals for the year, with the exception of MN 201 members and quality legislative contacts. The goals for the Maroon & Gold Network have been surpassed primarily because the network was new and the set goals were just estimates.

Board members were particularly interested in the strong growth rate of the Maroon & Gold Network and wondered if the goals could be reevaluated. Questions were also raised regarding active vs. inactive users, metrics from other schools using a similar platform and the capacity of the UMAA staff to focus on meeting substantially revised goals. With multiple questions received, Lewis noted that the UMAA can do a deeper dive on the metrics and present the findings at the June 2019 Board meeting.

Lewis explained that the UMAA has been tracking alumni engagement metrics for 4 years, so the organization has a solid track record of good data. Two of the measures being tracked are lifetime and annual engagement, which have been steadily growing. Lewis said that 83% of alumni who have engaged with the University in their lifetime had direct involvement with the UMAA; however, most alumni are engaged in multiple ways on campus via athletics, UMF, the various schools and colleges, etc.

The UMAA also wanted to know the impact of alumni engagement on giving, and found that highly-engaged alumni are 35 more times likely to give and give an average gift of $6,000 more than non-engaged alumni. Eight percent of University of Minnesota alumni give, which is average compared to other Big Ten schools. In regards to a question on how highly-engaged alumni are categorized, Lewis said that the UMAA assigns a score ranging from 0-5 in each of the following categories - staying connected, contributions, membership, participation in events and attending other University events. Those alumni that score 9 and above are considered highly-engaged, although each category is weighted differently. Lewis noted that she meets with each of the deans annually and gives them their college's engagement scores in comparison to the Twin Cities campus engagement scores.

Lewis highlighted some of the results from the Council of Alumni Association Executives 2018 survey. Lewis noted that on average, other Big Ten alumni associations have budgets double the size of the UMAA's. The UMAA relies more heavily on membership revenue and royalties, while our peers benefit from more University support, philanthropic support and program revenue. There were questions raised about the possibility of more institutional funding with the incoming tenure of President-elect Joan Gabel. Lewis said that the UMAA would certainly have a conversation with Gabel, but Gabel will also be experiencing other financial requests from the University. Lewis noted that there's the possibility of raising the price point of some of the UMAA's programs to raise more revenue.

The University has agreed to let the UMAA use the Block M on its credit card deal with TCF. The UMAA and TCF have verbal terms and have drafted a contract. It has been reviewed by the UMAA's lawyer and is currently being reviewed by University Relations and the Office of the General Counsel. Lewis mentioned how much she has appreciated Laura Moret's help in the process. The goal is for the contract to be signed and the partnership to begin in June 2019.

Lewis highlighted a few other things happening at the UMAA. The Behind the Scenes events that are hosted at alumni-owned businesses continue to be a big success. Recent career-focused events have also drawn lots of participation. Director of National Engagement Kablia Thao has been working with the Admissions Office on a pilot outreach effort to offer three new opportunities for alumni in key geographic markets to help recruit students. Alumni can become event hosts, event ambassadors or card writers. Ninety-five alums have been recruited to write letters to accepted students in 12 out-of-state regions and encourage them to attend.

Lewis reminded the Board that given the current delay in scheduling a joint convention, the UMAA sent a letter this week to legislative leaders, sharing input on the need for the Board of Regents to have a long-term, strategic focus, a Board leadership pipeline and an eye on future talent. There are current conversations to improve the Regent election process that may result in future changes. Lewis said the UMAA will continue to monitor and advise on legislation that supports the Board's values on the Regent election process.

Lewis attended the special Board of Regents meeting called on April 26, 2019, to discuss the Building Names & Institutional History Task Force recommendations. The Regents voted to recognize the faculty's work, but ultimately rejected the recommended building renamings and instead called for larger campus conversations to take place. Lewis noted that the next steps are unclear at this point, as there are many constituent groups involved - administration, Regents, staff, faculty and students.

On a final note, Lewis mentioned that Kablia Thao has been recognized as a CEHD Rising Alum.

Intellectual Property Task Force Report

Laura Moret, Chair of the Intellectual Property Task Force (IPTF) mentioned President's Designate Matt Kramer's presentation on the University's mark at the previous Board meeting. She said that the UMAA is moving forward with creating the IPTF and hopes to finish identifying its members this month. Dave Mona has accepted the invitation to serve as co-chair. Mona served as Board Chair in the 1990s, was on the Presidential Search Committee and used to be chairman of Weber Shandwick. Moret doesn't expect the IPTF's process to be a long one, and will be wrapped up within several months. She said she will continue to provide updates at the Board meetings.

Revenue Growth Task Force Report

Scott Wallace, Chair of the Revenue Growth Task Force (RGTF), said that the group has met several times. He's pleased with the makeup of the group; the 12 members include 3 UMAA staff, 4 Board members and 4 outside entrepreneurs. Each person brings a unique career/business background and has ideas about revenue generation, brand positioning and member engagement. The RGTF is past the brainstorming phase and is now fleshing out proposed ideas from the following focus areas - real estate development, licensing/partnership, talent/job placement and alumni business services. Wallace noted that any ideas the RGTF comes up with will also include a proposed business model regarding its financing and implementation. The goal is to have 2-3 revenue-generating recommendations to bring to the Board for consideration.

Board Chair Doug Huebsch ended the meeting with an invitation to attend the U of M Twins Day on May 10, 2019. He also noted the next Board meeting will be at the Bell Museum on June 20, 2019; a social will follow the meeting.

The meeting was adjourned at 11:13 a.m.

Submitted by Stephanie Klein
For Mark Jessen, Secretary