

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION**  
**BOARD OF DIRECTORS MINUTES**  
**June 11, 2020, 4:00 – 6:00 p.m.**  
**Zoom Virtual Meeting**

Board of Directors Members Attending Remotely

Brotten, Eric  
Clausman, Mike  
Dean, Carol Johnson  
Duncanson, Pat  
Durkot, Andrew  
Haldeman, Bill  
Hasan, Nadia  
Huebsch, Doug  
Jessen, Mark  
Kostial, Maureen  
Lewis, Lisa  
Manchester, Colleen Flaherty  
Martin, Peter  
Moret, Laura  
Nakamura, Akira  
Ndely, Emilia  
Rajkumar, Roshini  
Reinert, Roger  
Rohloff, Jason  
Schmidlkofer, Kathy  
Sheldon, Ann  
Vohs, Betsy  
Wagner, Tony  
Wallace, Scott  
O'tool, Levi

UMAA Staff Attending

Garry, Dan  
Huber, Lisa  
Leaf, Cristy  
Massaglia, Samantha  
Ruzek, Jon  
Yust, Adam

Chair Laura Moret welcomed Board members to the last Board meeting of the year. She acknowledged this was a difficult time for our community and thanked the UMAA staff for creating the resources link on the UMAA website to help alumni support their communities.

## **Approval of Minutes**

The following item was approved unanimously:

MOTION: Approval of the April 25, 2020, Board of Directors Minutes  
*APPROVED UNANIMOUSLY*

The April 30, 2020, Internal Financial Statements and Investment Report, and the FY20 April Membership/Revenue Summary were provided for the Board's information.

## **University of Minnesota Foundation Update**

Moret introduced Kathy Schmidlkofer, President and CEO of the University of Minnesota Foundation. Schmidlkofer shared some updates on the Driven campaign, which is the largest campaign the University of Minnesota has done. The campaign started in 2011 and spans over 10 years. As of the end of May, the campaign has raised \$3.88 billion dollars and is at 97% of reaching its goal of \$4 billion.

Schmidlkofer gave an update on how gifts have helped various programs at the University of Minnesota. The Bentson Scholarship Challenge Program is a \$15 million dollar scholarship that is available across all five campuses. The Minnesota Masonic Charities has contributed the largest single donation to the University of \$65 million dollars. This donation helped launch the Masonic Cancer Center. Fundraising for COVID-19 rapid response at the Medical School raised \$8 million dollars in seven weeks to help raise money to purchase new equipment for researching and vaccinations for COVID-19. At the beginning of June, there was a call for universities across the country to create a \$50,00 scholarship in honor of George Floyd. The University of Minnesota has created this scholarship to help underrepresented students.

She continued her presentation by giving an update on the East Gateway District. The Stadium Village land was gifted to the University and over the last 7 years, there has been discussion on how this land could serve as a gateway to the University and advance its mission. The project would consist of mixed-use space that would include offices and innovation space, plus private residents, and a hotel with hospitality space. This project would connect the Biomedical Discovery District to the broader medical and health science areas. The project will take 20 years to complete with the hopes to have the groundbreaking ceremony in two months.

Rohloff asked the question of what the analysis was on alumni donating to the campaign and what is driving them to give to the University? Schmidlkofer replied that about 50% of the donations have come from alumni. There are also a large number of patients and families who have been treated on campus that have donated as well.

Ndely asked if student housing would be included in the East Gateway project? She was curious about the number of housing units lost for students and how many would be available after the project is completed. She was also concerned that the price of housing will increase for students living on campus with this project. Schmidkofer replied that the number of beds counted for in the project will decrease slightly and will take place during phase 3. She has been in close contact with the development plans and they are making sure that affordable housing is available for students. She also mentioned that they are working with the City of Minneapolis and following the city's plan on affordable housing for private residents.

### **CEO Report**

President & CEO Lisa Lewis provided some UMAA highlights since the beginning of the fiscal year. The year started with a lot of great fall events and homecoming. There was the Outback Bowl game in January and momentum continued into February with the premiere of "This Free North". The Minnesota Alumni Market and Alumni Housing Task Forces were formed. Over the last several months the UMAA has been working with the UMF to work on major gift fundraising possibilities for the UMAA. Lastly, there was a new relationship formed with Impact Alumni that will help the UMAA increase revenue through expanded advertising and sponsorship sales efforts.

We are ending the second year of our Strategic Plan Goals and are on track with all our goals. With the uncertainty of the fiscal year 2021, we have looked closely at how we can continue to move the needle. For Life Members and Lifetime Engagement, we have already met last year's goals and have added a new stretch goal. The Minnesota 201 Members and Legislative Contacts continue to grow but we need to continue to stretch and meet our strategic goals. The investment the Board made with the Maroon & Gold Network has paid off. We are ahead of schedule on both the Alumni and Student goals.

Moret brought the motion to the Board to approve the Fiscal Year 2021 Goals which were included in the handouts.

MOTION:           Approval of the Fiscal Year 2021 Goals  
*APPROVED UNANIMOUSLY*

Lewis continued her report by giving an update on the Sunrise Plan. The Board of Regents is currently meeting to consider President Gabel's recommendation to bring students back in the fall. The final decision will be made tomorrow and the UMAA will look at how this will impact fall events. The College of Biological Sciences bought 464 five-year memberships for all their graduates. We are looking at how we can replicate this with other colleges going forward.

Over the last few weeks, the community has been responding to the death of George Floyd and the UMMA has created a resource page to help alumni support their communities. There has been a lot of support from alumni on the statement from the UMAA. We will continue to work on the UMAA website to make it more robust and are also working on programs with the University on racism and meeting with experts to lead these discussions. The next issue of the magazine will also bring voices from black alumni.

Ndely asked what the role of the Board would be to address systemic issues and how should the Board be engaged? Lewis replied that the UMAA has a strong partnership with the MSA but there is always an opportunity to understand what the campus climate is for our students. In 2018 the UMAA Board of Directors provided a statement to legislation asking for diversification on the BOR. There are currently four open positions on the Board of Regents, and we need to continue to follow-up with our legislators to make sure the Regents selected represent our students and state.

Dean commented that the partnerships we are forming with alumni allow us to have difficult conversations. The alumni need a space where their voices can be heard and they can feel part of the community. It's important to keep this in mind as if alumni don't feel like they belong, how can we affirm that their voices are being heard?

### **Finance & Audit Committee Report**

Moret introduced Dan Garry, CFO and VP of Operations, and Scott Wallace, Treasurer of the UMAA. Wallace stated that the Finance & Audit Committee met over a month ago to discuss the FY21 budget. Garry will present the different scenarios and the Committee is confident of what was decided upon and can forecast often to see if anything needs to be adjusted along the way.

Garry commented that three different sets of assumptions were looked at for the proposed budget. The proposed budget reflects the middle set of assumptions with events starting the second part of the year. The assumptions for revenue and expenses are assumed to move in the same direction with this scenario. The key measure is how much to rely on our investments. The fiscal year 2021 budget decreases the excess draw to \$75k or 5%. Garry shared historical revenue from over the past 20 years. Membership revenue has been increasing. The University support has declined over the years as well as credit card revenue.

The assumption included in the fiscal year 2021 budget is that in-person events would resume in January 2021, the University funding would stay the same, and the staff headcount would also stay the same. The UMAA is looking at ways to use our resources and realize we need to invest more in virtual technology to continue engaging with alumni. Revenue is down \$221K but there has also been a decrease in expenses due to no in-person events. The budget doesn't include the \$65k savings from furloughs. The biggest risk in the budget is that economic conditions reduce revenue more than budgeted. We will continue to review the revenue twice a month and assess our expenses.

In closing, Garry shared the Buttz balance as of March 31, 2020. The proposed fiscal year spend next year is \$75,000 which would be invested in new technology for the office and staff.

Moret brought the following two motions to the Board.

MOTION:        Approval of the Fiscal Year 2021 Budget  
                         *APPROVED UNANIMOUSLY*

MOTION: Approval to Delegate Fiscal Year 2020 Audit Approval to Finance and Audit Committee  
*APPROVED UNANIMOUSLY*

### **Revenue Partnerships**

Moret introduced Lisa Huber, Senior Director of Marketing & Partnerships, and Nadia Hasan, a Minnesota Alumni Market Task Force Representative. Huber provided an overview of the Minnesota Alumni Market Task Force and the charge by the Board to develop a comprehensive business plan for the Minnesota Alumni Market (Market) that is focused on its growth potential.

After extensive research and examination, the Task Force recommends that the UMAA take sole ownership of the Market and hire Jessen Media to manage inventory, fulfillment, and customer service. The UMAA would hire a full-time manager that would focus on achieving the Market's goals and objectives. The Market would expand to include services offered by alumni which would increase the number of alumni businesses represented in the Market. The UMAA would provide an initial investment of up to \$100,000 from the Strategic Opportunity Fund to buy products that would be repaid over time in future sales.

The assumptions built into the financial model are that the overall sales growth year-over-year would continue to rise and a modest proportion of face mask customers would return and patronize the Market. Huber pointed out that the focus has been on the cost associated with the Market specifically and that there would be some dependencies on other parts of the UMAA related to staff resources.

Wagner asked if the UMAA was comfortable with the risk associated with taking over ownership of the Market based on the financial report presented earlier? Huber replied that the fiscal year 2021 budget does not include the Market in it. Garry also commented that the person hired to manage the Market would start as a consultant and would lead the overall strategy and execution to achieve sales revenue and profit growth success. The use of a consultant would give more flexibility if the revenue targets projected aren't met. Garry also confirmed that the transition of managing the Market introduces greater financial risk to the UMAA and the Board should be aware of and comfortable with this risk.

Moret brought the following motion to the Board.

MOTION: Approval of the Minnesota Alumni Market Task Force Recommendations  
*APPROVED UNANIMOUSLY*

Huber continued her report on providing an update on the Freedom Financial Affinity Partnership. Huber thanked Board members that participated in the Freedom Financial discussions and shared that Freedom Financial had the opportunity to speak to these members and provided them with a background of their company and answered questions. The Freedom Financial Task Force members evaluated the request and are recommending that the partnership moves from sponsorship and advertising to an affinity partnership, with the assumption that the contract can be negotiated.

Moret brought the following motion to the Board.

MOTION: Approval to Change Freedom Financial to an Affinity Partnership  
*APPROVED UNANIMOUSLY*

### **Minnesota 201 Charter**

Moret introduced Adam Yust to give an update on the Minnesota 201 Charter. Yust shared the history with the Board on the Charter and thanked members of the Board for their contributions. After the launch of Minnesota 201, the UMAA recognized the need to have an operating guide and worked with Ann Wiesner, a consultant and grassroots advocacy expert, to create the Minnesota 201 Charter.

Moret brought the motion to the Board to approve the final Minnesota 201 Charter, which was included in the handouts.

MOTION: Approval of Minnesota 201 Charter  
*APPROVED UNANIMOUSLY*

### **Masks and U Branding**

Moret shared the success of the facemasks for sale on the Minnesota Alumni Market. As of June 9, the UMAA has sold 11,200 masks and donated just as many. Jessen walked through the steps the UMAA took in approaching University Relations and Licensing regarding using the Block M on the facemask. Due to the pandemic, University Relations did not give us the approval to use the Block M on facemasks for sale and the UMAA inturn came up with an alternative design. A short time later, Athletics came out with facemasks which included the Block M and started selling them on the Goldy's Locker Room website in May.

The Intellectual Property Task Force will use this example as they continue their process in identifying a consultant and will bring the recommendation to the Board at the Fall Board meeting.

### **Recognition of Outgoing Board Members**

Board Chair Laura Moret recognized the following outgoing board members and thanked them for their services. Jael Kerandi, Student Representative for the Minnesota Student Association, served part of the year on the Board. Andrew Durkot, Student Representative for the Professional Student Government, served one year on the Board. Roshini Rajkumar served 6 years on the Board and recently served as Secretary on the Executive Committee.

Moret acknowledged Past Chair Doug Huebsch and noted this was his last Board meeting. She said that Huebsch has been on the Board for 6 years; in that time he has Chaired the Finance & Audit Committee, Nominating & Board Development Committee, and Past Chairs Advisory Group. He also led the initial UMAA Revenue Growth Task Force and is an active member of the Minnesota 201 Alumni Advocacy. Moret thanked Huebsch for his outstanding services over the past 6 years.

Lewis recognized Moret for her service this past year. Moret thanked everyone for being wonderful to work with during this past year as Board Chair and introduced Chair-Elect Mark Jessen as the incoming Chair.

The meeting was adjourned at 6:05 p.m.

Submitted by Cristy Leaf

For Roshini Rajkumar, Secretary