

Saint Mary's University of Minnesota
Winona, Minnesota

BOARD OF TRUSTEES

Meeting of
February 12, 2010

- 1. General Summary**
- 2. Official Resolutions**
(Executive Session)
- 3. Official Resolutions**
(General Session)

Minutes of the February meeting of the Saint Mary's University of Minnesota Board of Trustees, February 12, 2010.

1. General Summary

The meeting was called to order by Mr. James Coogan, Vice-Chair of the Board of Trustees.

1. The meeting began with an opening prayer.
2. The roll call was taken by Ms. Mary Becker, Administrative Assistant to the President. A quorum was declared.

Present: Brother Gustavo Ramirez Barba, FSC, Ms. Mary Burrichter, Brother Patrick Conway, FSC, Mr. James Coogan, Brother Konrad Diebold, FSC, Mr. Michael Dooley, Mr. Michael Dougherty, Mr. Thomas Dyer, Ms. Karen George, Mr. William Herzog, Mr. Mark Jacobs, Ms. Linda Kuczma, Brother William Mann, FSC, Brother Michael McKenery, FSC, Mr. Paul Meyer, Mr. Sal Polizzotto, Ms. Mary Ann Remick, Mr. Joseph Ross, Mr. Patrick Salvi, Mr. Loras Sieve (trustee emeritus), Mr. Walter Smithe, Brother Stan Sobczyk, FSC, Ms. Celeste Suchocki

Absent and Excused: Ms. Cynthia Calderon, Brother Francis Carr, FSC, Mr. Michael Gostomski (present at all committee meetings on Thursday and Friday but absent from the General Session), Mr. Michael Meagher, Brother Frederick Mueller, FSC, Ms. Rhoda Olsen, Mr. Richard Reedy, Ms. Mary Ann Smith, Mr. Robert Wheeler

Resource Persons and Guests: Ms. Mary Becker, Mr. James Bedtke, Mr. Robert Conover, Dr. John Domanico, Ms. Linka Holey, Mr. Lucas Kaplan, Mr. Chris Kendall, Dr. John Kerr, Ms. Ali Kremer, Ms. Tracy Lehnertz, Dr. Melissa Luedtke, Dr. Thomas Mans, Ms. Cynthia Marek, Mr. Anthony Piscitiello, Ms. Karina Rajtar, Ms. Meg Richtman, Sr. Judith Schaefer, Mr. Joe Sweeney

3. Mr. James Coogan, Vice Chair, in the absence of Mr. Mike Gostomski, Chair, called for comments from the public. There were none.
4. The minutes of the September 25, 2009, meeting of the Saint Mary's University of Minnesota Board of Trustees were approved as submitted. (Official Resolutions 3.1)
5. Mr. James Coogan, Vice Chair, called for the committee reports:
 - 5.1 **EXECUTIVE COMMITTEE** – reported by Mr. James Coogan & Brother William Mann, FSC

A motion was brought before the board requesting the awarding of an honorary doctorate degree to Carmelita Quebengnco during Founder's Day 2010, in Winona. (Official Resolutions 3.2) A second resolution was brought before the board honoring deceased

trustee, Oscar Straub. (Official Resolutions 3.3) A third resolution was brought before the board extending congratulations to the Saint Mary's University Womens' Volleyball team and their coach, Mike Lester, for qualifying for the NCAA Division II Central Region playoffs. (Official Resolutions 3.4)

5.2 **UNIVERSITY FINANCE AND FACILITIES COMMITTEE** – reported by Ms. Mary Burrichter

A resolution was brought before the board mandating the administration to complete the university's financial planning for the current fiscal year within the requirements of a balanced budget. (Official Resolutions 3.5) A second resolution was brought before the board concerning the refinancing of some of the university's bonds. (Official Resolutions 3.6) It was reported that the financial status of the university seems to be currently running in line with the present fiscal year's projected budget.

5.3 **UNIVERSITY MISSION AND TRUSTEES COMMITTEE** – reported by Mr. Sal Polizzotto

The committee met via telephone conference on January 27 because of the travel commitments of several members. A quorum was reached during the telephonic committee meeting. A motion was brought before the board requesting the appointment of Mr. Hamid Quraishi to a five-year term on the Board of Trustees. (Official Resolutions 3.7) A second resolution was brought forth requesting the appointment of Terrance Russell to a five-year term on the Board of Trustees. (Official Resolutions 3.8) Qualifications for board membership, the nomination process, and board orientation will be discussed at the May meeting. It is anticipated that a board evaluation will again be conducted. The slate of officers will be presented to the Executive Committee at the May meeting, and a process for bringing future candidates forward for board membership will also be discussed.

5.4 **UNIVERSITY RELATIONS COMMITTEE** – reported by Mr. Walter Smithe

On Thursday, February 11, 2010, Walter Smithe met with Brother William, Mike Gostomski, Jim Coogan, Bob Conover, Joe Sweeney, Tony Piscitiello and three members of the university's marketing faculty to discuss some strategic planning issues with regard to marketing and branding. Overall fundraising is approximately \$784,000 below our efforts of last year. It was reported that trustee giving is at 65%. John Domanico, outgoing President of the Alumni Board gave a report to the committee. It was noted that there have been some impressive initiatives accomplished during John's tenure, one of which was Cardinals Helping Cardinals. Bob Conover is currently working on producing videos showcasing Saint Mary's University on *You Tube* and is also working with focus groups in Winona, Chicago and the Twin Cities in planning for the 100th Anniversary celebration.

5.5 **UNIVERSITY STUDENTS AND ADMISSION COMMITTEE** – reported by Brother Michael McKenery, FSC

A very positive and encouraging report was given concerning enrollment in the Schools of Graduate and Professional Programs with enrollment being up between 200 and 300 students. The area of Student Development will be renamed Student Life effective school year 2010-2011. Chartwells will remain our food service provider next year with many new and positive changes to be incorporated. Student Development is planning a men's retreat with Fr. Paul Weirichs. Chapel improvements were reported on and Nikki Fennern gave a report on the external peer review for athletics. The decline of applications and confirmations for freshmen women for the 2009-2010 academic year were discussed along with the correlating strategies and tactics to be used in addressing this issue.

5.6 **UNIVERSITY AUDIT COMMITTEE** – reported by Mr. Joe Ross

The Audit Committee met via teleconference on February 9 and two resolutions concerning the engagement letter from our auditor and our 990 Form to be filed with the I.R.S. were brought before the board for approval. (Official Resolutions 3.9 and 3.10)

5.7 **UNIVERSITY FACULTIES AND ACADEMIC COMMITTEE** – reported by Ms. Mary Ann Remick

The Minnesota Board of Teaching approved our Teacher Licensure programs for both the undergraduate campus and the Schools of Graduate and Professional Programs for an additional seven years. The SGPP group is exploring the possibility of a fourth program site in western St. Paul. Brother Paulos Mesmer, Director of Christ the Teacher Institute in Nairobi, visited campus in mid-December and proposed our exploring the development of a Master of Education Program in Educational Leadership or Administration. The following resolution was presented to the board for approval. (Official Resolutions 3.11) The university will host a visit in mid-April with representatives from the University Council of Jamaica as part of the process to gain program accreditation for the M.Ed. program in Jamaica. The local accreditation center for project management has granted accreditation for the Master of Science in Project Management program at the SGPP through August of 2010.

5.8 **UNIVERSITY INVESTMENT SUB-COMMITTEE** – reported by Ms. Mary Burrichter

A revised investment policy for the university will be presented at the May meeting along with other investment issues.

6. **OLD BUSINESS** – none

7. **NEW BUSINESS:**

Condolences were extended to Rhoda Olsen for the loss of her father-in-law; to Brother Stan Sobczyk for the loss of his father and his mother; to Celeste Suchocki for the loss

of her mother, to Mary Jane and Steven Straub for the loss of Trustee Oscar Straub; and to Brother Konrad Diebold for the loss of his sister.

The Executive Committee of the Board has considered the need to adopt a Conflict of Interest Policy, and after considerable work by Michael Dougherty and Mary Burrichter, a policy was adopted. (Official Resolutions 3.12)

8. Meeting adjourned

2. Official Resolutions Approved (Executive Session)

1. **Be it resolved** that the Board of Trustees authorizes the awarding of the degree of Doctor of Humanities, *honoris causa*, to Archbishop Pietro Sambì, S.T.D. during academic year 2010-2011.
2. **Be it resolved** that the Board of Trustees authorized the President, at his discretion, to grant a bonus of up to \$500 each for all full-time employees and a pro-rated amount for part-time benefit eligible employees to be given for the year that begins on June 1, 2010.

The President will further consider faculty and staff compensation and present his findings and recommendations to the Board of Trustees in the fall of each year.

3. **Be it resolved** that the President of the University is hereby authorized to appropriate each fiscal year for the needs of the university up to 5% of its endowment funds' aggregate fair market value, as reasonably determined by the President at the time of any such appropriation.

3. Official Resolutions Approved (General Session)

1. **Be it resolved** that the minutes from the September 25, 2009 Board of Trustees meeting be approved as previously submitted.
2. **Be it resolved** that the Board of Trustees authorizes the awarding of the degree of Doctor of Educational Leadership, honoris causa, to Carmelita Quebengnco, Ed.D. during Founder's Day, 2010, in Winona.
3. **WHEREAS**, Oscar J. Straub, alumnus and Trustee Emeritus, was an exemplary businessman, a person of deep faith, and a devoted husband and father; and
WHEREAS, Oscar J. Straub was a model for us in his care for his wife, Mary Jane, and son, Steven, and
WHEREAS, Oscar J. Straub always led by deed before word; and
WHEREAS, Oscar J. Straub inspired us with his dedication to this university, his commitment to service, and his philanthropic spirit; and
WHEREAS, Oscar J. Straub was an active and thoughtful member of this Board of Trustees for over twenty years, often braving wind, snow, and sleet to attend our meetings; and
WHEREAS, Oscar J. Straub through his words and actions continually evidenced his love for this university and his devotion to its Catholic Lasallian mission;
NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of Saint Mary's University of Minnesota acknowledges with a profound sense of loss the passing of its friend, colleague, and fellow trustee, Oscar Straub, a man of exceptional generosity and deep wisdom; and
BE IT FURTHER RESOLVED that the Board of Trustees extends its sincere, heartfelt sympathy to his wife, Mary Jane, and his child Steven, who both today and henceforth will remain in our thoughts and prayers.
4. **Be it resolved** that the Board of Trustees extends its sincere congratulations to the Saint Mary's University of Minnesota Women's Volleyball Team and Coach Mike Lester for qualifying for the NCAA Division II Central Region playoffs, for winning their first round game against Thomas More University, and playing a most competitive game against Washington University, the number one ranked team in the tournament.
Be it further resolved that the Board of Trustees congratulates the team on their athleticism, teamwork, sportsmanship and spirit. They brought honor to the university and the broader university community.
5. **Be it resolved** that the Board of Trustees continues to mandate the administration to complete the university's financial planning for next fiscal year within the requirements of a balanced budget.

6. **WHEREAS**, the President of Saint Mary's University has presented to this Board a proposal for the refunding of certain bonds outstanding in the approximate amount of \$4,005,000 issued in 2000 as Series 5E for twenty-five years at a rate of 6.67% for the Hillside Residence building.

WHEREAS, the 5E bonds have an initial call date of March 1, 2010 which provides an opportunity for a current refund and refinance that will realize the university of a substantial net present value savings.

WHEREAS, the university administration, due to a hesitancy to take on additional debt for renovations of non-additional revenue funding facilities will add no additional debt at this time to the current bond outstanding.

THEREFORE, BE IT RESOLVED:

1. That the Board of Trustees authorizes the chief financial officer to prepare and submit a financing application to the Minnesota Higher Education Facilities Authority with all necessary exhibits.
2. The President is authorized to give such approval as to the final terms and conditions of the borrowing on behalf of this Corporation as may be necessary or desirable, in lieu of the Board approval, provided that the approximate maximum principal amount of the bonds shall not exceed \$4.1 million (plus such additional principal amount necessary to provide for costs of issuance, original issue discount or premium, credit enhancement and any debt service reserve fund) and the maximum true interest cost on the bonds shall not exceed *6.00% per annum and the final maturity on the bonds shall be no later than December 31, 2026.

Adopted on February 12, 2010

*Note: Financial advisor feels new rate is likely to be approximately 4.5%

7. **Be it resolved** that the Board of Trustees appoints to a five-year term on the Board of Trustees Mr. Hamid Quraishi.
8. **Be it resolved** that the Board of Trustees appoints to a five-year term on the Board of Trustees Mr. Terrance K. Russell.
9. **Be it resolved** that the Board of Trustees accepts the engagement letter from Baker Tilly Virchow Krause, LLP as independent accountants for the audit of Saint Mary's University's financial statements for the year ending May 31, 2010.
10. **Be it resolved** that the Board of Trustees approves the Form 990 to be filed with the I.R.S. and prepared by Baker Tilly Virchow Krause, LLP for Saint Mary's University's fiscal year 2009.
11. **Be it resolved** that the Board of Trustees authorizes further investigation into the development of a master's program in education in Nairobi, Kenya in collaboration with Christ the Teacher Institute of Education.
12. **Be it resolved** that the Board of Trustees adopt the following Conflict of Interest Policy:

SAINT MARY'S UNIVERSITY OF MINNESOTA

CONFLICT OF INTEREST POLICY

PERSONS GOVERNED BY POLICY

This policy governs the activities of the Board of Trustees (Board) of Saint Mary's University of Minnesota (University) and Office Holders and Committee Members as defined herein.

GUIDING PRINCIPLES

Saint Mary's University is dedicated to sound stewardship in all of its endeavors. The Board and officers of the University are committed to conducting the University's business with the highest standards of integrity and personal conduct. This policy shall be interpreted and applied to best serve the interests of the University.

DEFINITIONS

Committee Member – Any person appointed to a committee or sub-committee of the Board.

Conflict of Interest – The possibility of direct financial gain resulting from a contract or business transaction between the University and a Trustee, Office Holder or Committee Member or their Family Member or the possibility of direct financial gain resulting from a contract or business transaction between the University and an organization or entity in which the Trustee, Officer or Committee Member or their Family Member has a material financial interest.

Executive Committee – The standing committee of the Board.

Material Financial Interest – An interest in an organization, corporation, partnership or other entity if the person: (a) receives compensation in excess of \$25,000.00; (b) serves as an officer, director, general partner or employee; (c) holds or otherwise controls more than 10% of the voting interest in a closely-held entity or (d) holds or otherwise controls more than 5% of a publicly traded entity.

Family Member – A spouse, parent, child, spouse of a child, brother, sister or spouse of a brother or sister, or any person residing in the household of a Trustee, Office Holder, or Committee Member.

Office Holder – The President of the University, any person serving as a Vice President of the University, and any person who reports directly to a Vice President of the University.

Trustee – Any person elected to and currently serving as a member of the Board of Trustees.

STANDARD OF CONDUCT

Trustees, Officer Holders and Committee Members have an obligation to be objective and impartial in making decisions on behalf of the University. They are expected to (1) disclose potential conflicts of interest and (2) ensure personal relationships do not interfere with objective judgment.

PARTICIPATION IN MEETING

A Trustee, Office Holder or Committee Member may not vote or participate in decision making activities on behalf of the University about a contract or business transaction in which the Trustee, Office Holder or Committee Member or a Family Member has a conflict of interest. The minutes of a meeting at which either a discussion occurs or a decision is made that involves a conflict of interest must describe whether the Trustee, Office Holder or Committee Member with the conflict was present and abstained from voting. The Trustee, Office Holder or Committee Member who has a conflict of interest may not be counted to establish a quorum for a meeting in which a decision is made.

REPORTING CONFLICT OF INTEREST

A Trustee, Office Holder or Committee Member who has a conflict of interest must report the possibility of a conflict to the General Counsel with a copy to the Chair of the Board. The General Counsel shall review the report and then present a report to the Executive Committee with the details of the conflict of interest and recommendations.

ACTIONS OF THE EXECUTIVE COMMITTEE

Upon receipt of the report from the General Counsel, the Executive Committee shall meet to determine whether a conflict of interest exists or appears to exist. The Executive Committee shall record a summary of the interest, the determinations made and actions taken by the committee regarding the possible conflict.

The Executive Committee may take any action it deems appropriate including:

- Finding that the potential conflict of interest is not direct or material and that the University's interests are best served by the Trustee's, Office Holder's or Committee Member's participation
- Restricting the Trustee, Office Holder or Committee Member from attending any meeting or gathering at any time at which the matter in question is discussed; and
- Upon determining that the contract or business transaction is in the University's best interests and is fair and reasonable, approve the proposed contract or business transaction.

ANNUAL DISCLOSURE OF CONTRACT OR TRANSACTIONS

In June of each year, Trustees, Office Holders and Committee Members shall disclose in writing: (1) all contracts or business transactions between the University and the Trustee, Office Holder

or Committee Member; (2) all contracts or business transactions between the University and a Family Member; and (3) all contracts or business transactions between the University and an organization in which the Trustee, Office Holder or Committee Member or their Family Member has a material financial interest. The disclosures shall cover the period from the last annual disclosure. All disclosures shall be maintained by the General Counsel of the University.

*Approved by the Board of Trustees 2/12/2010