

Saint Mary's University of Minnesota

Winona, Minnesota

BOARD OF TRUSTEES

**Meeting of
February 13, 2015**

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

Minutes of the February meeting of the Saint Mary's University of Minnesota Board of Trustees,
February 13, 2015.

1. General Summary

The meeting was called to order by Mr. Michael Gostomski, Chair of the Board of Trustees.

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

Present: Ms. Mary Burrichter, Brother William Clarey, FSC, Brother Kevin Convey, FSC, Dr. John Domanico, Mr. Michael Dougherty, Dr. Marilyn Frost, Mr. Michael Gostomski, Mr. James Horan, Mr. Mark Jacobs (by teleconference), Ms. Betty Kabara, Ms. Linda Kuczma, Brother William Mann, FSC, Brother Michael McGinniss, FSC, Mr. Paul Meyer, Brother Frederick Mueller, FSC, Ms. Kaye O'Leary (by teleconference), Mr. Peter Pearson, Brother David Poos, FSC, Mr. Rich Reedy (by teleconference), Mr. Joseph Ross, Mr. Terrance Russell, Brother Larry Schatz, FSC, Ms. Sandra Simon, Dr. John Smarrelli, Mr. Walter Smithe, Ms. Celeste Suchocki, Ms. Mary Pat Wlazik

Absent and Excused: Mr. James Coogan, Ms. Karen George, Mr. Hamid Quraishi, Brother Gustavo Ramirez Barba, FSC, Mr. Patrick Salvi, Mr. Michael Slaggie

Trustee Emeriti also present: Mr. Lyle Delwiche & Mr. Loras Sieve

Resource Persons and Guests: Dr. Donna Aronson, Ms. Mary Becker, Mr. James Bedtke, Ms. Gena Bilden, Mr. Tim Gossen, Ms. Genelle Groh Beck, Mr. Chris Kendall, Ms. Audrey Kintzi, Ms. Ann Merchlewitz, Mr. Ben Murray, Dr. John Pyle, Brother Robert Smith, FSC

Faculty Council Chair: Dr. David Sokolowski

Students: Mr. Conner Ellinghuysen & Mr. Ricky Palermo

3. Mr. Michael Gostomski, Chair, called for comments from the public. There were none.
4. The minutes of the meeting of October 10, 2014, Saint Mary's University of Minnesota Board of Trustees were approved as submitted. (Official Resolutions 2.1)
5. Mr. Gostomski called for the reports from the committees.

5.1 **EXECUTIVE COMMITTEE** – reported by Brother William Mann, FSC

Executive Vice President and General Counsel Ann Merchlewitz gave a legal update to the committee. There were no problematic issues to report. There was a discussion covering a number of areas including: Higher Learning Commission, Reposition, Reshape, Resize, Reinvest initiative, Master Plan, ERP initiative, fundraising issues, strategy of deeper engagement in Rochester, enrollment, budget, etc. It was proposed that the bylaws be changed when in October 2012 the Strategic Plan was approved and there was a slight modification of the wording of the Mission Statement of the university, and that wording change was never reflected in an amendment of the bylaws. Therefore legal counsel brought that to the attention of the Executive Committee and the matter was resolved. A resolution was brought forth concerning the change to the Bylaws. (Official Resolutions 2.2) The University Mission and Trustees Committee submitted the following recommendations for the slate of officers for the Board of Trustees for 2015-2016: Chair – Mary Ann Remick (two-year term); Vice-Chairperson – Jim Coogan (one-year term); Secretary – Sandra Simon (one-year term); Treasurer – Joe Ross (one-year term). The Executive Committee will present its recommended slate of officers to the full Board at the May 2015 meeting.

5.2 **UNIVERSITY DEVELOPMENT & ALUMNI RELATIONS COMMITTEE** – reported by Mr. Terry Russell

There were two new staff additions, Brandon Gustafson and Alex Bilski. Brandon is the Corporate, Foundation, and Government Support associate and Alex is a member of the Annual Fund/Alumni Relations team. The goal for the Saint Mary's Fund this year is \$800,000 with \$788,000 already raised. Mike Dooley continues to do a great job chairing the Leadership Society with their goal being to increase the number of donors to the Saint Mary's Fund by 10% during 2015. In 2014, \$19.5 million dollars was raised which was a record for Saint Mary's. In 2015 we have a goal of \$16.5 million dollars, and to date approximately \$10 million has been raised. A resolution was brought forth with regard to the Gift Acceptance Policy (Official Resolutions 2.3)

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

Moody's completed its rating review for Saint Mary's University. They affirmed our rating of Baa1 and indicated a stable outlook. They highlighted our low levels of debt, ability to increase net assets and diversity of programs as key factors in their decision. Overall, the revenue and expenses appear to be tracking within budget at this point in time. A resolution was brought forth and seconded regarding the mandate that the University complete the institution's financial planning within a balanced budget. (Official Resolutions 2.4) Joe Ross reported on the work of the Investment Subcommittee, which meets three times a year with Northern Trust. For year-end 2014, our endowment was reported to be over \$54 million. Northern Trust manages \$46 million of the total endowment and approximately \$9 million is still with CBIS. For the last calendar year overall portfolio managed by Northern was up by 5.2% with our benchmark being 4.5%. On an annualized basis, Northern did a great job in 2013, and a

moderate job in 2014. We are expecting 2015 to be an out-perform year. Work continues on the implementation of the new ERP system as well as the 2014-15 capital improvement projects.

5.4 **UNIVERSITY MISSION AND TRUSTEES COMMITTEE** – reported by Mr. Michael Gostomski

The Committee met via conference call on February 6, 2015. The recruitment of new trustees was discussed and the committee expressed that the entire board be strongly urged to provide us with recommendations for possible trustees. Ann Merchlewitz needs the names and general background information to start the process.

The Committee reviewed the Board members whose terms are currently expiring: Karen George, Mark Jacobs, Brother David Poos, FSC, Hamid Quraishi, and Terry Russell. Brother David, Hami Quraishi, and Terry Russell are eligible for second five-year terms. Three individuals have committed to a five-year term as a trustee. Additional recruitment activity will occur before the May 2015 meeting of the Board. We will be proposing three new trustees for election in May: Roger Haydock, Rhoda Olsen, and Mary Ann Remick.

The committee reviewed the Statement of board member Commitments which currently states that trustees are expected to “accept the responsibility of providing financial support to the university through personal contributions to annual giving and special fundraising campaigns and through participation in the solicitation of other individuals and organizations.” The committee discussed whether that expectation should be revised to reflect that trustees are expected to make or secure a minimum gift annually to the university. (One idea that surfaced as we discussed this topic in committee, in light of our Capital Campaign, was \$10,000.) Feedback on this issue to any member of the committee was asked for.

The committee reviewed a summary report from Ann Merchlewitz on the role of trustee emeriti at selected Catholic colleges and universities. The committee then discussed a proposal on trustee emeriti. The committee requests feedback before the May meeting and will then consider this matter at its next meeting along with proposed revisions to the university’s Bylaws required by this proposal.

5.5 **UNIVERSITY STUDENTS AND ADMISSION** – reported by Mr. Michael Dougherty

The committee had the opportunity to revisit the Student Satisfaction Inventory prepared by Noel-Levitz. Areas of concern at the SGPP included security, parking and some way finding. On the undergraduate campus concerns included, food, technological areas, and dorms/housing. With regard to admissions, applicant confirmations are less than they were at this time last year. Still, there is expectation that the university can obtain approximately 375 incoming students that are used for the budgeting process for 2015. Retention remains about the same as in prior years. New student enrollment at the SGPP continues to remain flat and there has been a significant identifiable decline in both the

online and on-ground number of credit hours. Title IX compliance, particularly as it relates to the policies regarding sexual misconduct were discussed. These policies are being communicated to new personnel and we are finalizing a bystander program to train current employees to intervene. A detailed response regarding the emotional support policy on campus will be forthcoming in May.

5.6 **UNIVERSITY FACULTIES AND ACADEMIC COMMITTEE** – reported by Bro. Fred Mueller, FSC

The committee discussed the reaccreditation process and reported that three parts of the process are moving forward: 1) Reports from the Criterion Committees are being worked on; 2) Quality Initiative Assurance component is progressing well; 3) Federal Compliance component has been complicated by the selection of the university to participate in a multi-location evaluation visit to ascertain the quality of off-campus operations. “Reposition, Reshape, Resize, and Reinvest Initiative” was discussed. The two-pronged initiative will include an analysis of the administrative structure and of academic programs. The purpose of this one year process is to promote institutional sustainability. The efforts on the Winona campus for General Education reform were discussed along with on-line initiatives and an expanded relationship with partner, Wiley. Other topics discussed included the Enterprise Resource Planning initiative; unionization of adjunct faculty; science footprint in Rochester; and discussion of key academic indicators.

5.7 **UNIVERSITY AUDIT COMMITTEE** – reported by Ms. Mary Burrichter

A resolution was brought before the Board requesting acceptance of the the IRS FORM 990 Return and the State of Minnesota Charitable Organization Registration and Annual Report Form, prepared by Baker Tilly Virchow Krause, LLP, for the year ending May 31, 2014. (Official Resolutions 2.5)

6. **OLD BUSINESS** - none

7. **NEW BUSINESS** - none

8. A motion was brought forth to adjourn the meeting. (Official Resolutions 2.6)

2. Official Resolutions Approved (General Session)

2.1 **Be it resolved** that the minutes from the October 10, 2014 Board of Trustees meeting be approved as previously submitted.

2.2 **Whereas**, Article I, Section I Mission of the Bylaws for Saint Mary's University of Minnesota currently reads as follows:

Enriched by the Catholic, Lasallian heritage, Saint Mary's University of Minnesota awakens, nurtures, and empowers learners to ethical lives of service and leadership.

Whereas, Article I Section II Mission Statement of Saint Mary's University of Minnesota of the Bylaws for Saint Mary's University of Minnesota currently reads as follows:

In the Lasallian spirit of faith and zeal, Saint Mary's University — a global and diverse learning community — serves students through relevant and innovative educational programs, experiences, and enterprises. The university is nourished by its Catholic intellectual, moral, and cultural traditions and is inspired by excellence in teaching as modeled by Saint John Baptist de La Salle, founder of the Brothers of the Christian Schools. The hallmark of the university is its commitment to serve the needs of individual learners and promote life-long learning in a variety of contexts:

- The College integrates undergraduate education in the liberal arts with a residential experience to challenge and support students in their intellectual, spiritual, personal, and professional development.
- The School of Graduate and Professional Programs provides relevant and rigorous academic experiences for adult learners through and integration of practical, professional, and ethical education offered in dynamic and caring environments.
- Enterprising outreach and consulting programs provide a wide range of services that promote individual growth and organizational development.

The Saint Mary's University community, together and by association, is dedicated to quality, diversity, accessibility, social justice, and sound stewardship in all its endeavors.

Whereas, on October 5, 2012, the Board of Trustees approved a new mission for the university as part of its approval of Strategic Plan 2017, thus requiring the revision of Article I, Section I and the deletion of Article I, Section II of the current Bylaws.

Be it resolved that the Board of Trustees amends Article I, Section I Mission of the Bylaws for Saint Mary's University of Minnesota to read as follows:

Enriched by the Lasallian Catholic heritage, Saint Mary's University of Minnesota awakens, nurtures, and empowers learners to ethical lives of service and leadership.

Be it further resolved that the Board of Trustees amends Article I, Section II Mission Statement of Saint Mary's University of Minnesota of the Bylaws for Saint Mary's University of Minnesota by deleting the entire Section.

2.3 **Be it resolved** that the policies for Gift Acceptance be revised and updated to reflect the following changes:

- Consistent with the new branding style, “SMU” has been replaced with “Saint Mary’s” throughout the document.
- **Article II. Section B Responsibility to Donors**, has been revised to address the concern that publishing donor names in the Investors’ Report was contrary to the original language in the policy and other standards regarding donor confidentiality. The revised language acknowledges the importance of donor recognition and clarifies that details regarding gifts remain confidential and shall not be disclosed without permission of the donor.
- **Article III G, Sections IV A, B, and C** Position titles have been changed where appropriate to reflect current positions.
- **Article IV. Gift Acceptance, Sections A and B** have been revised to move the statement regarding approval of gifts-in-kind from Section A, where it did not belong, to Section B, the appropriate section. In addition, the threshold value for approval of gifts-in-kind by the Gift Acceptance Committee has been increased from \$500 to \$5,000. Because gifts-in-kind with a fair market value over \$5,000 require additional documentation for federal income tax purposes, approval by the Gift Acceptance Committee is necessary.
- **Article VIII. Future Gifts, Section A.1** has been revised to establish a minimum age of 65 for the beneficiary of a charitable gift annuity, reflecting best practices as recommended by the American Council on Gift Annuities.
- **Article VIII. Future Gifts, Section A.3** now includes language reflecting the current practice of requesting a statement of value from known charitable remainder trusts as of the end of Saint Mary’s fiscal year.

2.4 **Be it resolved** that the Board of Trustees continues to mandate the administration to complete the University’s financial planning for the next fiscal year within the requirements of a balanced budget.

2.5 **Be it resolved** that the Board of Trustees, upon the recommendation of the Audit Committee, accepts the IRS FORM 990 Return and the State of Minnesota Charitable Organization Registration and Annual Report Form, prepared by Baker Tilly Virchow Krause, LLP, for the year ending May 31, 2014.

2.6 **Be it resolved** that the February 13, 2015 meeting of the Saint Mary’s University Board of Trustees be adjourned.