

Saint Mary's University of Minnesota
Winona, Minnesota

BOARD OF TRUSTEES

Meeting of
May 11, 2018

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

Minutes of the May meeting of the Saint Mary's University of Minnesota Board of Trustees,
May 11, 2018

1. General Summary

The meeting was called to order by Ms. Mary Ann Remick, Chair of the Board of Trustees.

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

Present: Brother Robert Bimonte, Ms. Mary Burrichter, Mr. John Domanico, Dr. Marilyn Frost, Mr. Roger Haydock, Mr. James Horan, Ms. Linda Kuczma, Mr. Michael Laak, Brother William Mann, Brother Michael McGinniss, Brother Michael O'Hern, Ms. Kaye O'Leary (via teleconference), Ms. Mary Ann Remick, Mr. Terrance Russell, Brother Larry Schatz, Ms. Sandra Simon, Dr. John Smarrelli (via teleconference), Mr. Walter Smithe, Ms. Angela Steger, Mr. Gregory Stevens, Ms. Celeste Suchocki, Dr. Ann Trauscht, Mr. John Wade, Ms. Mary Pat Wlazik

Absent and Excused: Brother Kevin Convey, Mr. Michael Dougherty, Brother Nicolas Gonzalez, Mr. John McDonough, Mr. Peter Pearson, Brother David Poos

Also Present: Trustee Emeritus Loras Sieve

Resource Persons & Guests: Dr. Carolyn Ayers, Ms. Gena Bilden, Ms. Andrea Carroll-Glover, Dr. Sarah Ferguson, Dr. Tim Gossen, Dr. Rebecca Hopkins, Ms. Audrey Kintzi, Dr. Ned Kirk, Ms. Bobbi Kochevar, Dr. Tom Marpe, Ms. Ann Merchlewitz, Mr. Ben Murray, Dr. Molly O'Connor, Dr. John Pyle, Dr. Todd Reinhart, Brother Robert Smith, Ms. Peggy Walters

3. Ms. Mary Ann Remick, Chair, called for comments from the public. None
4. The minutes of the meeting of February 9, 2018, Saint Mary's University of Minnesota Board of Trustees were approved as submitted. (Official Resolutions 2.1)
5. Ms. Remick called for the reports from the committees.

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

A legal update was given by Executive Vice President and General Counsel Ann Merchlewitz. There was nothing significant to report. Brother William reported to the committee on several matters including the presidential transition. Three resolutions were brought forth and passed unanimously concerning the Slate of Officers for the 2018-2019 fiscal year (Official Resolutions 2.2), the Assistant Secretary to the Board of Trustees (Official Resolutions 2.3) and the Assistant Treasurer for the Board of Trustees (Official Resolutions 2.4).

5.2 **UNIVERSITY MISSION & TRUSTEES** – reported by Ms. Mary Ann Remick

There was discussion regarding the renewal of current trustees and appointment of new trustees. A resolution was brought forth and passed unanimously concerning the reappointment of four trustees. (Official Resolutions 2.5). An additional resolution was brought forth and passed unanimously concerning the appointment of a new trustee. (Official Resolutions 2.6) A new trustee orientation will be held during the October Board meeting for all newly elected trustees. An assessment form will be mailed this summer for completion and is to be returned to Ann Merchlewitz. Dr. Tim Gossen provided an update on Mission activities. There will be eight FGI scholars graduating this year who are members of the very first Countdown to College cohort. There will be six new scholars in 2018-2019. The C2C program is being restructured this summer. All four classes will be conducted in two weeks. Tim also reported on the Florence trip. A total of 26 trustees and guests have signed up. An ad hoc committee will be formed to review the Bylaws over the summer and a report will be made at the October meeting. See Mary Ann Remick if you are interested in assisting with the review process. There will be a special meeting in August to finalize the Bylaws revisions. A transition committee has been established to assist Father Burns during the next 18 months. Membership includes Marilyn Frost, Roger Haydock, John Domanico, Tim Gossen, Ann Merchlewitz, Audrey Kintzi, SGPP representatives, students from the College, Joe Tadie, Brother Frank Carr and Bobbi Kochevar.

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

The April report was reviewed and reported 112 contacts. The major gift pipeline was also reviewed. To date \$17,869,000 has been raised, which is up from \$12.3 million from last year with a goal of \$10 million. Congratulations to Audrey and her team! Audrey is reviewing her current staff. The Campaign Steering Committee met this past Wednesday and reports that the campaign is at \$58.7 million, with a goal of \$57 million. There is also an additional \$12.8 million in gifts to include Cascade Meadow, Brother William Hall and the new entrance building. The Campaign will continue through December to raise additional funds for the following projects: HABC renovation - \$10 million, Stadium project - \$3 million, Twin Cities Carriage House - \$6 million, FGI - \$1.2 million, and

C2C - \$250,000. The committee is also looking to increase endowed chairs to \$4 million. In looking ahead to the new president the following work is being done: define our needs, assist in developing a strategic plan, and a feasibility study for a new campaign will begin in 2019 with the goal of launching a new campaign in 2020. Alumni Relations has five new board members. Bobbi Kochevar has completed her term as chair and Matt Bilski (grandson of Tony Adducci) is the incoming chair. Alumni Awards nomination forms were distributed to board members. Upcoming events include:
May 19 – Twin Cities Celebration of Excellence
May 23 – Twin Cities SOAR Breakfast
May 24 – Cascade Meadow Ribbon Cutting

5.4 **UNIVERSITY STUDENTS AND ADMISSION** – reported by Dr. John Domanico

As of May 1 undergraduate inquiries, applications and admits in Winona are all up. First-Year confirmations are 6% ahead of May 2017 and the 2018 confirmations are the second highest. The total new student confirmations for Fall 2018 are 305. Members of the class of 2022 have higher ACTs and GPAs than last year at this same time, 60% are female, the majority are from the Twin Cities and Minnesota and 15% are non-white. The athletic department is on track for a goal of 119 recruited students and will have the highest number of roster spots in the history of Saint Mary's. SGPP experienced a significant increase for online enrollment in 2017-2018 for the spring term and is up 14%. Onground declined 3.5% and staff are conducting outreach. Online initiatives for continued growth include two online programs. A Masters in Cyber Security Program will enroll the first students in the fall and a Masters in Public Health is expected to launch in January 2019. A third online program, Masters of Social Work, is also being developed. We are continuing to explore the possibility of an undergraduate nursing degree which will be a good compliment to the Physician Assistant program scheduled to begin in Fall 2019. Projections for student demographics were also reviewed for 2022 and beyond. Recruitment and marketing conversations have begun and will be an ongoing discussion. With a master plan in place, the summer will include the demolition of Watters, the Ribbon Cutting of Remick Hall at Cascade Meadow, and the construction of Brother William Hall will begin in May with an estimated completion of August 2019. Construction of the Baseball Clubhouse will begin this summer. There will be 400 graduates at the Winona commencement ceremony and 375 graduates will participate in the Twin Cities ceremony on June 2.

5.5 **UNIVERSITY FINANCE AND FACILITIES** – reported by Ms. Mary Burcher

The current budget is tracking approximately 2% below for revenues and expenditures are being carefully tracked. The end of fiscal year should be equal with the budget. Work is continuing on next year's budget and will be reviewed at the October Board meeting. Two resolutions were brought forth and passed unanimously (Official Resolutions 2.7 and 2.8).

Brother Michael McGinniss provided a report of the Investment Sub-Committee. The

Sub-Committee met with Northern Trust yesterday and subsequently participated in a joint meeting with the Finance and Facilities Committee and Northern Trust. The full performance report was posted on the Board Portal and Ben Murray has additional printed copies if you are interested. A shorter version of the report is on page 21 of the Finance and Facilities Report. Northern Trust reviewed the endowment portfolio's performance as of March 31, 2018. The endowment value was at \$64.2M at March 31, 2018. Since inception (June 30, 2012), the portfolio's annualized return is 8.41%, net of fees. Year-To-Date performance is at -0.16% compared to its benchmark of -0.94%. The portfolio is meeting or exceeding its benchmarks. Northern Trust provided an analysis of both the strategic asset allocation and the portfolio performance for the endowment benchmarked against the NACUBO-Common Fund Study, as required by the investment policy. Northern Trust noted that Saint Mary's asset allocation is more conservative than its peer group, being over-weight in fixed income and under-weight in alternatives. The Board approved changes in the allocation last October which has moved the portfolio closer to its peer group, yet is still more conservative. The committee discussed the importance of monitoring the asset allocation against the NACUBO benchmark and possibly adjusting further. Saint Mary's out-performed its peers with 12.1% return for FY 2017, compared with 11.9%. This performance is related to the portfolio's tactical tilt towards international equities, which was directed by Northern Trust (demonstrates the value of Northern). The committee reviewed the investment fee summary for Northern Trust, as required by the investment policy. Committee members with professional experience as investment advisors affirmed that the fees are very favorable for Saint Mary's and appropriate for the fund.

5.6 **UNIVERSITY AUDIT COMMITTEE** – reported by Mary Pat Wlazik

The Audit Committee met with Baker Tilly Virchow Krause, our independent auditors, to review their required communications regarding the upcoming audit for the fiscal year ending May 31, 2018. Key topics included scope, timing, and deliverables for the audit and tax compliance services; new accounting developments; implications of the new tax reform; industry trends for ERM and Cybersecurity. The Committee reviewed a summary of audit preparations completed by Controller Kelly Boice to address timing delays in the previous year, a recommendation made by Baker Tilly to the Committee last fall. Management is confident they have resolved issues that affected the timing of the prior year audit. The Committee received an update from Ben Murray, VP for Financial Affairs, on ERM planning, specifically IT Security Planning and preparations for the EU GDPR (Euro Zone General Data Protection Regulation) which affects Saint Mary's and is effective the end of May. Saint Mary's has taken steps to be substantively in compliance by the end of the month, still waiting on clarifications for certain items which will likely come via case law in the future. The Committee reviewed engagement letters for the audits of the financial statements and related federal programs and tax compliance services which reflect overall fees of \$64,000, an increase of 3.4% over last year. A resolution was presented to the Board to approve the engagement of Baker Tilly. (Official Resolutions 2.9)

5.7 **UNIVERSITY FACULTIES AND ACADEMIC COMMITTEE** – reported by Celeste Suchocki

The committee continued its year-long discussion on promotion and tenure. There is now a better understanding of ranking and promotions. The three ranks of promotion were discussed. There are considerable requirements of the faculty to move through each rank. Each faculty decides on their own whether or not to move forward. One faculty has recently been granted promotion to full professor which is granted by the president. The committee applauds those faculty with the initiative to move forward. Tenure was also discussed, which is granted by the Board of Trustees. Portfolios move through an approval process. The committee has typically received a one-page document. This year trustees received access to the ePortfolios for those faculty members requesting tenure. The committee was impressed with accomplishments and efforts put forth by faculty. A resolution was brought forth and passed unanimously (Official Resolutions 2.10). Saint Mary's is considering starting a Bachelor of Science in Nursing program which adds an extension to the health services area and has engaged a consultant. A resolution was brought forth and passed unanimously (Official Resolutions 2.11). Andrea Carroll-Glover presented on the Wiley partnership. The process to review and evaluate degrees will become part of the operational procedure to continue monitoring underactive degrees and/or programs.

6. **OLD BUSINESS** - None

7. **NEW BUSINESS** - None

8. A motion was brought forth to adjourn the meeting. (Official Resolutions 2.12)

2. Official Resolutions Approved (General Session)

- 2.1 **Be it resolved** that the minutes from the February 9, 2018, Board of Trustees meeting be approved as previously submitted.
- 2.2 **Be it resolved** that the Board of Trustees elects the following slate of officers for the Board of Trustees for the 2018-2019 fiscal year:

Celeste Suchocki – Vice Chair
Sandi Simon – Secretary
Terry Russell – Treasurer

- 2.3 **Be it resolved** that the Board of Trustees appoints Peggy Walters to the position of Assistant Secretary to the Board of Trustees.
- 2.4 **Be it resolved** that the Board of Trustees appoints Benjamin Murray to the position of Assistant Treasurer for the Board of Trustees.
- 2.5 **Be it resolved** that the University Mission and Trustees Committee recommends to the Board of Trustees that each of the following individuals be appointed to a second five-year term to the Board:

Brother Kevin Convey, FSC
John Domanico
Jim Horan
Mary Pat Wlazik

- 2.6 **Be it resolved** that the University Mission and Trustees Committee recommends to the Board of Trustees that the following individual be appointed to a five-year term to the Board:

Marcy Van Fossen

- 2.7 **Be it resolved** that, effective for the period beginning June 1, 2018 and ending July 8, 2018, Ann Merchlewitz, Interim-President, Benjamin Murray, Assistant Treasurer, or any of them, be and they are hereby authorized to sell, assign and endorse for transfer, certificates representing stocks, bonds or other securities now registered or hereafter registered in the name of this corporation, to request, receive, and endorse for transfer distributions from an IRA, retirement plan, life insurance policy, trust, or other financial vehicle pursuant to which this corporation is a beneficiary and to request and receive any information pertaining to said financial vehicle at any time.

Be it further resolved that Ann Merchlewitz, Interim-President, Benjamin Murray, Assistant Treasurer, or any of them, be and hereby are authorized, to open and close corporate bank accounts, to sign checks, drafts, instruments, bills of exchange, acceptances and/or other orders for the payment of money from Saint Mary's University of Minnesota from its corporate accounts, to endorse checks, instruments, evidences of

indebtedness and orders payable, owned or held by Saint Mary's University of Minnesota, and to otherwise handle banking activities on behalf of Saint Mary's University of Minnesota.

Be it further resolved that Ann Merchlewitz, Interim-President, Benjamin Murray, Assistant Treasurer, and/or any vice president of Saint Mary's University of Minnesota, be and hereby are authorized, to sign agreements, contracts, and other documents binding Saint Mary's University of Minnesota.

- 2.8 **Be it resolved** that, effective July 9, 2018, Reverend James Burns, President, Benjamin Murray, Assistant Treasurer, or any of them, be and they are hereby authorized to sell, assign and endorse for transfer, certificates representing stocks, bonds or other securities now registered or hereafter registered in the name of this corporation, to request, receive, and endorse for transfer distributions from an IRA, retirement plan, life insurance policy, trust, or other financial vehicle pursuant to which this corporation is a beneficiary and to request and receive any information pertaining to said financial vehicle at any time.

Be it further resolved that Reverend James Burns, President, Benjamin Murray, Assistant Treasurer, or any of them, be and hereby are authorized, to open and close corporate bank accounts, to sign checks, drafts, instruments, bills of exchange, acceptances and/or other orders for the payment of money from Saint Mary's University of Minnesota from its corporate accounts, to endorse checks, instruments, evidences of indebtedness and orders payable, owned or held by Saint Mary's University of Minnesota, and to otherwise handle banking activities on behalf of Saint Mary's University of Minnesota.

Be it further resolved that Reverend James Burns, President, Benjamin Murray, Assistant Treasurer, and/or any vice president of Saint Mary's University of Minnesota, be and hereby are authorized, to sign agreements, contracts, and other documents binding Saint Mary's University of Minnesota.

- 2.9 **Be it resolved** that the Board of Trustees, upon the recommendation of the Audit Committee, approves the engagement of Baker Tilly Virchow Krause, LLP as its external auditors to complete the audit of Saint Mary's University of Minnesota's financial statements, the related audit of federal programs, and tax compliance services for the year ending May 31, 2018.
- 2.10 **Be it resolved** that the Board of Trustees of Saint Mary's University of Minnesota, upon the recommendation of the academic administration and the President, approves the granting of tenure to Drs. Jimmy Bickerstaff, Kyle Black, and Patricia Calton.
- 2.11 **Be it resolved** that the Board of Trustees of Saint Mary's University of Minnesota, upon the recommendation of the academic administration and the President, approves the development of a Bachelor of Science in Nursing degree program.
- 2.12 **Be it resolved** that the May 11, 2018, Board of Trustees meeting be adjourned.