

Saint Mary's University of Minnesota
Winona, Minnesota

BOARD OF TRUSTEES

Meeting of
October 4, 2018

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

Minutes of the October meeting of the Saint Mary's University of Minnesota Board of Trustees,
October 4, 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: Ms. Jennifer Baryl, Brother Robert Bimonte, Father James Burns, Ms. Mary Burrichter, Brother Jack Curran, Dr. John Domanico, Dr. Marilyn Frost, Mr. Roger Haydock, Mr. James Horan, Ms. Amy Johnson, Brother Thomas Johnson, Ms. Linda Kuczma, Mr. Michael Laak, Brother Michael McGinniss, Brother Michael O'Hern, Ms. Kaye O'Leary, Mr. Peter Pearson, Brother David Poos, Ms. Mary Ann Remick, Mr. Terrance Russell, Brother Larry Schatz, Dr. John Smarrelli (via teleconference), Ms. Angela Steger, Mr. Gregory Stevens, Ms. Celeste Suchocki, Dr. Ann Trauscht, Dr. Marcy Van Fossen, Mr. John Wade, Ms. Mary Pat Wlazik

Absent and Excused: Brother Kevin Convey, Ms. Sandra Simon

Resource Persons & Guests: Mr. Matt Bilski, Dr. Tim Gossen, Ms. Audrey Kintzi, Ms. Ann Merchlewitz, Mr. Ben Murray, 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 May 11, 2018, Saint Mary's University of Minnesota Board of Trustees were approved as submitted. (Official Resolutions 2.1)
5. Ms. Remick welcomed and introduced the new trustees. She then called for the reports from the committees.
 - 5.1 **EXECUTIVE COMMITTEE** – reported by Father James Burns, IVD

No report.
 - 5.2 **UNIVERSITY MISSION & TRUSTEES** – reported by Ms. Mary Ann Remick
Mary Ann extended a special thank you to Celeste Suchocki, Mary Pat Wlazik, Mike Laak and Linda Kuczma who met in July and August to address the topic of emeritus trustees. This is an issue that has been present in the Bylaws. There is a redlined copy of Bylaws in the binder. The selection process for Christian Brothers to serve as president of the university was also reviewed. Page 11 of the Bylaws outlines how Brothers will be

considered for the presidency of Saint Mary's University. Brothers will be considered on equal footing with the other candidates but if a Brother is qualified he would be given preference. Brother David Poos suggested several grammatical corrections to the Bylaws that were noted. After much discussion, there was consensus to not include "lasallian" in the Article X Discrimination clause. A resolution to approve the revised Bylaws was presented to the Board (Official Resolutions 2.2). Motion passed unanimously.

Discussion was held regarding the Policy on Emeritus Trustee Status in Exhibit A. As emeritus status has not been clearly defined, the Task Force and the Mission and Trustees Committee worked on the definition and reviewed how other colleges and universities defined emeriti status. This is now clearly outlined in the policy and further discussion occurred. The committee is still working through the notification process. Clarification was made that this policy is not part of the Bylaws but is being offered as a separate resolution. Existing emeriti trustees are grandfathered in. A resolution to approve the Policy for Emeritus Trustee Status was presented to the Board (Official Resolutions 2.3). Motion passed.

The Process for Trustee Recruitment was also reviewed. The New Trustee Orientation process occurred on October 3 for those new to the board. The Board of Trustees Assessment is included in the materials. Mary Ann briefly reviewed the results, most of which were favorable. Dr. Tim Gossen's Mission report is provided in the materials. There are now 33 FGI scholars on campus and the Countdown to College group also met for a two-week session in July.

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

The August report was reviewed and discussed:

Visits are being made.

Major Gift Proposal Pipeline:

Accepted = \$103,000

Pending = \$2.8 million

Proposed = \$14 million

Declined = \$208,000

Gift Income Goal:

\$10 million, currently at \$394,000

Saint Mary's Fund Goal:

\$950,000, currently at \$81,000

Capital Campaign:

Currently at \$71.8 million, consists of 8,000 donors (new record) and will continue through December. Still looking at the Business Initiative and Nursing

There was a spirited discussion regarding brand and identity school wide. Discussion was also held regarding staffing and the need to increase staff. Bentz Whaley, campaign consultant, conducted a benchmark exercise. Saint Mary's has increased its profile

amongst college cohorts. The Leadership group had a \$33 million goal and raised over \$40 million. Audrey and her team were thanked for fundraising efforts.

Upcoming events:

Chicago Celebration of Excellence - October 20

Rochester SOAR - November 13 at Cascade Meadow

Twin Cities Christmas Celebration - November 30 at the Minneapolis Club

Winona Christmas Gathering – December 8

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

The Committee first met in a joint session with University Finance and Facilities Committee to discuss tuition pricing for 2019-2020. Following the joint session the Committee met with Dr. Tim Gossen, Ms. Gena Bilden and Mr. Dan Meyer. Dan Meyer, Vice President for Enrollment, summarized the 2018 fall enrollment. New first-year enrollment for the undergraduate college at is 306 students which is the highest number since 2014. Along with 23 transfer students, incoming students in the Fall of 2018 is at 329. However, cancelled deposits of 10 students that happened in late summer caused our budgetary goals to fall short. Results from this year's admitted student questionnaire demonstrates a mixed perception in that academic programs and faculty are the one reason cited for both enrolling and non-enrolling students. Strengthening our image and marketing is a primary objective.

Our new students have the highest ACT scores since at least 2004. First year to second year retention is 82.3% which is also the highest since 2004. Exit interviews with the students who did transfer revealed they were leaving because of location (too close or too far) and major.

Our full-time college student population is 1,003. The goal is to recruit 355 full-time students to reach our goal of 1,050 full-time undergraduate students in order to meet budgetary goals. There are strategies in place to accomplish this goal and they can be reviewed in the 2017-2023 Undergraduate Pricing, Admission and Financial Aid Planning document found in the binder. Included in these strategies is the use of the 3+2 Physician Assistant Program in the 2019 recruitment cycle upon HLC approval.

Our enrollment challenge in part is due to the declining rates of high school graduates nation-wide. The Midwest is projected to experience 22,000 fewer high school graduates by 2022 from a 2017 census of 739,000 high school graduates.

Ms. Gena Bilden, Associate Vice President, reported on the Schools of Graduate and Professional Programs. We continue to experience an enrollment decline for our on-ground programs including the Bachelor Completion program. Multiple contributing factors were discussed. Strategies and goals were also discussed including evaluating department structure and processes and exploring partnerships to assist with marketing and recruitment, including work with Wiley. This fall marked an online milestone with 1,309 students enrolling in online programs which will eventually translate to more

credits. Contributing to this growth is the launch of the Business Intelligence, Public Administration and Cyber Security programs. There is also a transition of online Bachelor Completion from on-ground programs.

The University has created an Enrollment Council to look at reasons why students choose to not attend Saint Mary's. The Council will look at programs that are at the end of their cycle among other points.

Dr. Tim Gossen, Vice President for Mission and Student Life, reported to the Committee on ongoing goals including retention and persistence efforts and ensuring our students feel connected with a sense of belonging. Multiple programs are in place including improvements to weekend programming, peer ministry outreach, first-year experience, outdoor leadership and intramurals. These various programs had a positive impact on retention as reported earlier. Data will be collected on the influence of the new general education launch this year and how it has affected admissions. Brian Sisson has been named Athletic Director and started October 1, 2018. Data specific to Athletics was reviewed and discussed. Our athletes have a higher GPA than the overall student body. Commencement for SGPP is October 13 with 550 students completing degrees.

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

Enrollment and Financial Aid discussion was continued from the joint session. A resolution to approve tuition, room and board rates for 2018-2019 was presented to the Board (Official Resolutions 2.4). Mr. Ben Murray noted that a point will be added to include the 10% premium for the Physician Assistant program. Motion passed unanimously.

The 2017-2018 financial report was reviewed and we finished as projected. The 2018-2019 financial report was reviewed. The committee approved the budget that was balanced and other items including the use of \$2 million from the unrestricted reserves into operating budget. These were approved in Executive Session.

Brother Michael McGinniss provided the Investment Sub-Committee report. The Committee met via conference call on October 2. The Committee welcomed two new members: Fr. James Burns (President) and Greg Stevens (Trustee also serving on the Finance and Facilities Committee). Additionally, the Committee thanked Patrice Henning for her six years of service as she completed her term.

Alison Bonney and Luis Arguello of Northern Trust (Saint Mary's investment advisor) provided the performance report as of August 31, 2018. A shortened version of the document is on page 20 of the Finance and Facilities Committee Report.

The total endowment portfolio was up 2.22% through August 31, resulting in an ending market value of \$66.3 million. A summary of the performance and values are included on pages 22 and 23. The performance exceeds the benchmark for our portfolio by 29 basis points.

One-year performance for the portion managed by Northern Trust is at 8.2% and performance since inception is at 8.27%.

Northern Trust discussed the impact of trade restrictions on market volatility and has implemented certain tactical tilts in the portfolio accordingly. For example, Northern Trust has reduced our exposure to emerging markets in the short term.

The Committee completed its annual review of the asset allocation, in consultation with Northern Trust. No changes to the asset allocation are recommended at this time.

Finally, the Committee revisited previous discussions on the composition of its Makena investment relative to the benchmark being utilized to monitor performance. Northern provided a detailed analysis last year and an updated analysis will be requested to review at the next Committee meeting.

The Committee remains satisfied with the performance and service being provided by Northern Trust.

Discussion was held regarding Saint Mary's in-house securities and what is paid to Northern Trust and Ben noted he would report back to the committee.

Mary reported that Ben and his team are working to ensure that the institution's network is secure. An update was provided regarding projects:

- Brother William Hall will open in Fall 2019

- Baseball Clubhouse may be open by Thanksgiving

- Remick Hall at Cascade Meadow is open

- Renovation of Hoffman Adducci Brother Charles Hall is in process

5.6 **UNIVERSITY AUDIT COMMITTEE** – reported by Kaye O'Leary

The Audit Committee met on September 21 and September 26 for the purpose of reviewing the financial statements, financial audit report and single audit report and the auditors' finding for the year ended May 31, 2018, and to also discuss the initial draft of the Information Security Program.

Baker Tilly, our independent auditor, issued an 'unqualified/unmodified' opinion at the conclusion of its financial and single audits. The process went much smoother this year as the implementation of the new ERP system created difficulties in last year's process. The audit did identify two significant deficiencies in the single audit of financial awards regarding the timeliness of enrollment reporting and the timeliness of returning Title IV funds to the government when a student's enrollment status changes. The team is working to remedy these deficiencies.

The Committee reviewed the first draft of the Information Security Program. This is our first step in identifying and documenting our processes and protocols for information security. It is a critical step in our data security, as well as the development of our Enterprise Risk Management program.

A resolution was presented to the Board to accept the audit report for the year ending May 31, 2018. (Official Resolutions 2.5). Motion passed unanimously.

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

An opportunity was provided for new committee members to debrief and ask questions about the financial presentation earlier in the day. A question was raised regarding how we know if we have the appropriate faculty engaged for niche programs. Full-time faculty are engaged as well as adjunct. There was also discussion regarding branding and what it looked like historically. The broad spectrum of a nursing program was discussed as well. With multiple nursing degrees being considered, there is a challenge with finding approval for clinical sites. An additional challenge is finding appropriate faculty for nursing programs. There was discussion around how can nursing be an identifier for the university and should it be or should there be a different identifier.

The program life cycle approach was discussed. SGPP is already applying this approach to their programs. The College may not be as engaged having just finished the four R's initiative. The College has been encouraged to transition into the program life cycle to make sure the College programs are being evaluated in the same way as those at SGPP.

The Wiley partnership was also discussed. It may be time for Wiley to provide a webinar for the Trustees and this will be reviewed further.

The Higher Learning Commission was on campus two years ago to conduct their site survey for our 10-year accreditation. The HLC report has been completed and approved by Fr. Burns.

A handout was provided regarding the Five Elements of Student/Faculty Engagement SGPP Onground, Blended and Online. This defines what the students should be committed to and responsible for and engaged in as well as faculty members.

A resolution was presented to the Board to approve the awarding of academic degrees (Official Resolutions 2.6) Motion passed unanimously.

6. **OLD BUSINESS** - None.

7. **NEW BUSINESS** – Ann Merchlewitz provided an overview of the inauguration schedule and activities scheduled for October 5, 2018.

8. A motion was brought forth to adjourn the meeting. (Official Resolutions 2.7)

2. Official Resolutions Approved (General Session)

- 2.1 **Be it resolved** that the minutes from the May 11, 2018, Board of Trustees meeting be approved as previously submitted.
- 2.2 **Be it resolved** that the Board of Trustees approves the revisions to the Saint Mary's University of Minnesota Bylaws.
- 2.3 **Be it resolved** that the Board of Trustees approves the Policy on Emeritus Trustee Status.
- 2.4 **Be it resolved** that the Board of Trustees approves a 4.5% rate increase in tuition and a 3.0% increase in room and board for the Undergraduate College – Winona Campus for the 2019-2020 academic year; and

Be it further resolved that the Board of Trustees approves a tuition rate for the new 3+2 physician assistant program, administered in collaboration with Mayo's School of Health Sciences, of \$39,600 for the 2019-2020 academic year; and

Be it further resolved that the Board of Trustees approves an average rate increase of 3.0%, with program specific increases ranging from 0% to 7.9% for tuition for the Schools of Graduate and Professional Programs for the 2019-2010 academic year.
- 2.5 **Be it resolved** that the Board of Trustees, upon the recommendation of the Audit Committee, accepts the audit report of Baker Tilly Virchow Krause, LLP regarding the firm's audit of the financial statements of the University and its federal awards as of and for the year ending May 31, 2018.
- 2.6 **Be it resolved** that the Board of Trustees, based on the recommendation of the Faculties and Academic Administration, and with the approval of the President, authorizes the awarding of degrees from May 2018 to April 2019 as certified by the Registrars.
- 2.7 **Be it resolved** that the October 4, 2018, Board of Trustees meeting be adjourned.