

**Cal Alumni Association
Board of Directors' Meeting**

April 26, 2019

Directors in attendance: President Eric Mart, Vice President Amanda Pouchot, Vice President Finance Ryan Waliyany, Allard Chu, Joy Kovaleski, Dionicia Ramos Ledesma, Catherine McKee, Danielle Silveira, Gary Slavitt, Bob Sproul, Michael Steckler, Prentice Tom, Kirk Tramble, Esperanza Vielma

Absent Directors: Demetrios Boutris, Sangeeta Chakraborty, Diane Dwyer, Alex Randolph

Non-Voting Distinguished Members in attendance: Chancellor Carol T. Christ

CAA Staff in Attendance: Clothilde Hewlett, Susie Cohen Crumpler, Matt Terwilliger, Anh Tran, Anjeannette Schnetz. CFO Consultant - Monisha Merchant. Ann Truong joined via conference line for the Finance Report

President Mart called the meeting to order at 8:00am and established a quorum of voting Directors.

1. M/S/A: The CAA Board of Directors approved the following consent agenda item:
 - Approved the 2/15/19 CAA Board Meeting Minutes
2. President Report – Eric Mart

Mr. Mart thanked everyone for a productive Board retreat yesterday. He reported that the *California* Magazine Committee is making good progress, the new staff lead re-formatted magazine was just launched and the Committee is pleased with the new look. Next, Mr. Mart thanked the CAA Directors for their promotion and contributions to Big Give, CAA generated approximately \$50,000.

Mr. Mart recently represented the Cal Alumni Association at the Distinguished Teaching Awards. These awards are based on student evaluations and an Academic Senate observation committee that goes in and observes the nominated teachers. These awards have been conferred for the past sixty years and interestingly, CAA was very involved with saving the program in the 1960's as it almost expired and CAA got involved with the Academic Senate to continue the program. Every year, the President of CAA gives the closing remarks at the Distinguished Teaching Awards ceremony and presents the recipients with a letter of congratulations and an invitation to host a Cal Discoveries trip. In addition, we invite the award recipients to participate in CAA's Alumni Chapters faculty speaker events. Mr. Mark has had the honor of participating in

the Distinguished Teaching Awards ceremony for the past two years and it is one of the most rewarding things to do as President of the Alumni Association.

There was recent Alumni Associations of the University of California (AAUC) meeting in Sacramento however, both Mr. Mart and Ms. Hewlett were unable to attend as the meeting was rescheduled however, Ms. Pouchot and Ms. Cohen Crumpler were able to represent CAA at the AAUC meeting. Ms. Pouchot let the Board know that the AAUC meetings are organized by the UC Office of the President (UCOP) and the participants include the UC Alumni Association Presidents, Executive Directors and Alumni Regents. It was a very interesting meeting, Susie Cohen Crumpler attended in Ms. Hewlett's place as she was hosting a Cal Discoveries trip on the African-American experience in Paris. UCOP is focused on increasing participation in the UC Advocacy Network (UCAN) and their digital efforts to galvanize the UC alumni base across all ten campuses to support higher education in the legislature. Ms. Pouchot reported that there is an all UC career fair in May and there are over 1,000 people scheduled to attend. This is the first move towards doing a career fair not with current students but for alumni and providing service to the alumni base. Another topic discussed at the AAUC meeting was the upcoming UC Regent's vote on whether to raise out-of-state tuition by 2.5% but it is getting push back from the student community. However, the reality is, there is a \$30M dollar gap in the overall budget and the Regents need to find that money somewhere. The UC Student Association President spoke at the AAUC meeting and had a very well put together clear list of priorities focused on housing, basic needs, and rising costs of attending UC's.

Lastly, Mr. Mart shared with the Directors that the advisory committee to help formulate CAA's priorities regarding the Chancellor's Alumni Engagement plan met multiple times to determine ways that the Alumni Association could be helpful and supportive of the Chancellor's objectives. CAA has short-term, mid-term and long-term objectives including using *California Magazine* and other CAA communication vehicles to promote the campus campaign. The mid-term priority centered on the various functions outlined in the campus plan that assigned CAA as either the primary or secondary unit responsible for implementation. The Committee discussed how those priorities could be funded and sustained over time. The last thing we discussed was the long-term priorities surrounding Alumni House. Unfortunately, the campus could not commit to partnering or participating in creating a 21st century alumni center on campus at this time. Campus leadership is aware of the deteriorating conditions at Alumni House and conversations will continue however, there is no plan to update Alumni House at this time.

3. Executive Director Report – Clothilde Hewlett

Ms. Hewlett reported that she just returned from a very successful Cal Discoveries trip to Paris focusing on the African-American experience. Under CAA's revenue generating operations, each year we try something new. In 2017, we focused on the Total Solar Eclipse and we took over 500 alumni to Oregon. Last year was the Oxford Berkeley Program and that has proven to be very successful. One area that has been discussed is branching out on our Cal Discoveries Travel trips to include affinity travel targeted

towards different audiences and interests. The cruise lines have discovered this, you'll see on cruises there will be women oriented cruises, LGBT cruises, Oprah has her own cruise with her following. So this was our first time venturing in this area and the trip was Paris, the African-American Experience recreating the Harlem Renaissance which was a golden age for Paris, jazz and the arts. It was right after World War I and the Harlem Hellfighters found a new land in Paris where they did not have to fight the segregation they found in the United States. You had flourishing there: Josephine Baker, Langston Hughes and James Baldwin and the whole arts and jazz scene really flourished in Paris. We had a very diverse group of traveler including a significant number of African-Americans and Latinos as well as former California State Senator Loni Hancock and her husband Tom Bates. People who were really interested in diversity I would have to say. A famous film producer, director, and people who, in many ways had really never connected to Cal, let alone our Cal Discoveries Travel Trips before although they were alums. Cal Discoveries Travel is focusing on creating interesting trips e connection and make money as well.

I would like to indicate that we have developed a survey through a staff task force lead by Ms. Crumpler. This will be one survey that is going out to all programs so we can evaluate which programs are really meeting the needs of our alumni. In fact, right when I got back from Paris, I opened up my computer and a survey was popping up at me. "How was your trip?"

Lastely, I really wanted to express my deep appreciation to Ms. Merchant for leading the Board retreat yesterday, to Ms. Schnetz for all the logistical work and to the entired senior management team. I also want to that the Board members who made the time to attend the reateat on top of the Board meeting, I think you would all agree that it was a great retreat and everyone had the opportunity to have a deeper understanding of CAA and to create deeper bonds with one another. That's really important as we move forward.

4. Finance Report – Ryan Waliiany, Monisha Merchant, Ann Truong (*via conference line*)

Mr. Waliiany reported that CAA is closing the books on 2018 and beginning the audit work with Moss Adams. Right now we are budgeting the balance for 2018 and getting that fully audited. We're expecting a small surplus for 2018 but we don't know the dollar amount yet. The team is still working on closing out the year and this is taking a little bit longer than expected because we had a full week where the auditors were on site. We expect that the audit will be completed by the end of March.

As you'll note in the reports received with the Board materials, there was an anomaly in 2018 that wasn't planned for when had an increase of \$200K as a result of the Lair of the Golden Bear camper refunds due to the poor air quality from the smoke related to local forest fires in the area.

Ms. Hewlett stated that generally, when there is a surplus, the Board approval of the next year's budget becomes the mechanism for approving how to spend that surplus. Last year was unique in that CAA ended up with \$150K surplus as a result of a decrease in the funds required for CAA employee benefits. The surplus included funds that were already approved in the budget so, while technically already approved, Ms.

Hewlett came back to the Finance Committee and the Board for approval of the new use of the funds pursuant to CAA's Policy Manual.

5. Alumni Engagement Funding 2020 – 2022: Susie Cohen Crumpler, Anh Tran, Matt Terwilliger, Monisha Merchant

The decision is highlighted on the agenda and I think what we'll do is we will go through it again. I know we went over this yesterday at the retreat in detail to approve up to \$1.4 million from the Life Membership Fund to continue what we're doing in AEX. What this does, the \$1.4M basically continues the AEX staff now through the end of the Strategic Plan. It gives those employees the opportunity to become permanent at-will employees starting May 1. Which will stabilize our workforce and allow us to perform the functions under AEX. Part of that funding will go towards program and grants. Grants we give chapters to put out events to carry out their mission. Other parts of the program include funding for technology like peoplegrove which supports the Berkeley Career Network. Technology that will help the chapters to have their own platform.

M/S/A: Approval to include in the CAA operating budgets from 2020 to 2022, additional revenue from the Life Membership Fund (LMF) up to \$1.4M to support CAA alumni engagement, marketing and operations, business development, development, and membership staff. Funds withdrawn from the LMF pursuant to this authorization are not subject to repayment. Upon approval of this action item, current AEX employees, whose contracts currently expire on December 31, 2019, will become permanent, at-will employees.

Susie: That's precisely why the majority of alumni associations across the country they are responsible for fundraising from alumni, and their unit takes control of that, or the university does and the alumni association doesn't, and the university provides the alumni association funds to operate. So we have no funding from the university, and part of our efforts to raise revenue is through development.

I feel that we're creating all this good will, to the benefit of the university, and we have no way of tapping into that.

Cloey: First off, one thing we know from UC's studies, those who are more highly engaged are more likely to give. We, at UC Berkeley, in terms of the stats that have come out from the University of California of those who are engaged, have the highest giving rate. Even though it doesn't come to CAA, we have the highest giving rate of those who are engaged. The other thing I want to emphasize, and this is what in our negotiating committee, particularly Alfredo, looked at very closely, what is it that we have control over. What programs to we, as CAA, control: Membership, Lair, Discoveries Travel. Everything else is controlled by the university. The university is in a crisis. They have a 4 billion dollar renovation that has to occur, of every building that does not meet building standards by 2030, or that building cannot be used. They have numerous

buildings right now that are seismically unsafe and they do not have the money to do the renovation. They have over enrolled students at the request of the legislature and for this year and next year, they do not have classrooms or housing for those students that are coming in. That's what the university is facing. The legislature, because revenues have not come in, as projected, and other people with more political clout and dare considered more a priority like K - 12, not to mention the whole department of social services are ahead of us. So this is what our university is facing, which is why, right now, they're concentrating on that 5%. They need money in the door and they need it fast. They're not thinking about the future, young alums 40 and under. They're thinking about how they're going to meet the crisis. So when they say hands off primary donors or the top 5%, they're not doing it to hurt us. It's because their crisis, in their mind, is much greater than ours. Their crisis is about, their students having a place to live, classrooms, is the whole university going down by 2030 because they can't renovate fast enough. They have not even begun the capital campaign that was supposed to begin 3 years ago. They won't know the real number for 13 months. We need to understand this in its context, but that doesn't mean in the things that we control and the things that we're doing, that we still can't find a sustainable solution. Look at what we've done so far with bare bones staff. No department has metrics except for us. We're the only ones who have metrics and are planning by metrics. We're creating a cutting edge program with virtually a skeleton crew. So understand the challenges, understand the reality, work within it, but that doesn't mean we still can't create the future. We may be the only ones, when it's said and done, that are focused on the future because everybody else will be focused on the immediate crisis.

6. Closed Session: Pinecrest Chalet

M/S/A: Authorization for CAA Staff to negotiate terms of sale with potential buyer of the Pinecrest Chalet pursuant to the terms discussed in closed session.

7. Closed Session: 2019 – 2023 CAA Board of Directors Slate Recommendation – Amanda Pouchot

Ms. Pouchot, Chair of the Nominations Committee, thanked the committee members: Carol Liu, Gary Slavitt, Danielle Silveira, former CAA Director Joyce Hicks and CAA President Emeritus Nadesan Permaul. She then presented the qualifications of the 2019 – 2023 slate of Directors. After discussion, the Board voted as follows:

M/S/A: The Board approved the following slate of Directors recommended by the Nominating Committee to serve a four year term beginning July 1, 2019 – June 30, 2023: (1) Morris Budak '70 (2) Talia Kennedy '09 (3) Marsha Roberts '90 (4) Alfonso Salazar '90.

M/S/A: The Board approved Wun-Yue (Emily) Hou to serve a one year term as Student Director beginning July 1, 2019 and ending June 30, 2020.

Mr. Mart continued the meeting in closed session.

8. Closed Session: 2019 – 2021 CAA President Election

Mr. Mart announced that there is one candidate duly nominated to serve as CAA President from July 1, 2019 – June 30, 2021. He asked for nominations from the floor. Hearing none, Ms. Pouchot presented her candidacy. Mr. Mart asked the candidate to step outside of the meeting and the Directors voted by written ballot.

Mr. Mart announced that Amanda Pouchot will be CAA's next President; she will serve July 1, 2019 – June 30, 2021.

Mr. Mart continued the meeting in closed session.

9. Closed Session: 2019 – 2020 CAA Vice President Election

Mr. Mart announced that there was one candidate, Demetrios Boutris, duly nominated to serve as CAA Vice President from July 1, 2019 – June 30, 2020. He asked for nominations from the floor. Hearing none, the Directors voted by written ballot.

Mr. Mart announced that Demetrios Boutris will be CAA's next Vice President; he will serve July 1, 2019 – June 30, 2020.

Mr. Mart brought the meeting back into open session.

10. Public Comment

Mr. Mart asked for public comment. There was no public comment.

The meeting adjourned at 12pm.

Chancellor Carol Christ joined the CAA Directors for lunch.