Directors in attendance: President Eric Mart, Vice President Amanda Pouchot, Vice President Finance Amy Shin, Demetrios Boutris, Sangeeta Chakraborty, Virg Cristobal, Diane Dwyer, Joy Kovaleski, Carol Liu, Dionicia Ramos Ledesma, Catherine McKee, Alexander Randolph, Gary Slavit, Prentice Tom, Esperanza Vielma, Ryan Waliany

Via Conference Call: Danielle Silveira

Absent Directors: Brandon Berookhim

Honorary Directors in attendance: Alumni Regent-designate Jason Morimoto, Chancellor Carol Christ, Chair UC Berkeley Foundation Susan Chamberlin, Associate Vice Chancellor for Communications & Public Affairs Diana Harvey, Dean UC Berkeley Extension Diana Wu

CAA Staff in Attendance: Clothilde Hewlett, Susie Cohen Crumpler, Matt Terwilliger, Anjeannette Schnetz, Anh Tran, Ann Truong, Rachel Stewart, CFO Consultant Monisha Merchant

Guests: Associate Vice Chancellor, Development, Lishelle Blakemore; Kinman K. Tong, Auditor, Moss Adams LLP; Donald Bradley and Mark Parnes, Wilson Sonsini

President Mart called the meeting to order at 9:10am and established a quorum of voting Directors.

1. On May 28, 2018, pursuant to CAA Bylaws, Article V, §5, the CAA Board unanimously approved by written consent the Cal Alumni Association Audited Financial Statements & Footnotes for FYE 2017.

2. M/S/A: The CAA Board of Directors approved the following consent agenda item:

   • The CAA Board of Directors Approved the 4/27/18 minutes.

3. President Report – Eric Mart

   Mr. Mart began by welcoming Kiran Rao, Kirk Tramble, Robert Sproul and Michael Steckler who, along with Allard Chu, will begin their official CAA Director term on July 1, 2018. He also thanked Virg Cristobal for his many years of
service to alumni and the University by serving on the CAA Board. Since there were new Directors joining the Board for the last meeting of the 2018 – 2019 term, he asked everyone around the room to introduce themselves.

Mr. Mart highlighted several recent events that he’s attended representing the Association including the 2018 Achievement Awards where outstanding alumni achievements were celebrated at Berkeley Charter Gala on May 10. Alumnus of the year Barry C. Barish ’57, Ph.D. ’63, P ’86, as well as the recipients of the Berkeley Founders Award, the Campanile Excellence in Achievement Award, the Fiat Lux Faculty Award and the Mark Bingham Award for Excellence in Achievement by Yourg Alumni, were all extremely inspirational and impressive. This is the second year of the combined alumni awards program showcased equally by the UC Berkeley Foundation and the Cal Alumni Association. He thanked Awards Committee Chair Catherine McKee, as well as all the members of the Awards Committee, for their excellence and leadership. The upcoming Volunteer Awards will be conferred during Reunion and Parents Weekend on October 12 at Alumni House, he encouraged all Directors to attend.

Mr. Mart also attended the UC Berkeley Foundation meeting in May and learned about Cal’s new five year campaign slated to start in 2019.

4. Regent Report – Jason Morimoto

Mr. Morimoto discussed the recent changes to the Alumni Regent rotation cycle which better reflects the current alumni bases of the 10 UC campuses. The CAA Board approved the Memorandum of Understanding (“MOU”) Regarding Officer Representation of Certain Member Organizations of the Alumni Associations of the University of California Representing the 2022-2046 Alumni Regent Rotation Cycle at their April 27, 2018 CAA Board meeting.

Subsequent to the approval in April, the MOU was revised to include language clarifying that the new alumni rotation schedule is applicable to all ten UC campuses, and agreed to by the Alumni Associations of the University of California (AAUC) and the UC Regents. The affected parties agreed to a 24 year Regent rotation which equitably reflects the representation of the 10 UC campuses. Committees with representatives from all campuses met for a year to deliberate over various proposals.

M/S/A: The CAA Board of Directors approved the updated Memorandum of Understanding Regarding Officer Representation of Certain Member Organizations of the Alumni Associations of the University of California Representing the 2022-2046 Alumni Regent Rotation Cycle.

A copy of the fully executed MOU will be filed with the CAA June 29, 2018 Board meeting minutes.
Next, Mr. Morimoto put forth a motion to revise the current CAA Bylaws (most recently amended December 12, 2017) to incorporate the updated MOU.

M/S/A: The CAA Board of Directors approved the changes to the CAA Bylaws incorporating the updated Memorandum of Understanding Regarding Officer Representation of Certain Member Organizations of the Alumni Associations of the University of California Representing the 2022-2046 Alumni Regent Rotation Cycle.

Lastly, Mr. Morimoto discussed the most recent Regents meeting and the passage of the 2018-19 UC Budget. As most are aware, state funds for the UC system have greatly decreased while inflation costs, deferred maintenance, increased student body and many other factors, continue to increase. The 2018-2019 budget includes a $346.9M increase in funding over the previous budget for which the UC’s are very grateful however, only $98.1M is a permanent increase, while $248.8M is one-time only increase. Included in the 2018-2019 budget is a one-time increase of $25M specifically for UC Berkeley to go towards the operating deficit. Berkeley did not advocate / request the additional funds but are grateful they were included in the budget.

Advocacy from UC alumni, Government and Community Relations and students were all essential for getting the 2018-2019 budget passed however, it is clear that long-term funding solutions are required to support the UC’s mission to benefit the state by creating an educated workforce as well as teaching, research and public service in California.

Mr. Mart attended the UC Berkeley Foundation meeting in May and learned about Cal’s new five year campaign slated to start in 2019.

5. Key Performance Indicator ("KPI") Report (2Q) – Susie Cohen Crumpler

Ms. Crumpler reviewed CAA’s Strategic Plan and corresponding KPIs as of May 31, 2018. CAA’s vision is that all Cal alumni worldwide are connected and actively engaged with UC Berkeley for life. CAA designs programs and services with the goal of attracting, engaging and serve all alumni. At the same time, CAA is focused on strengthening our campus partnerships and increasing our financial resources to support our mission driven work. These are the cornerstones of CAA’s Strategic Plan.

In addition to growing the number of alumni who are engaged, CAA is also focused on nurturing the alumni who are already engaged. Progress is currently tracked on a quarterly basis, through the KPI Progress Report.
The strategic plan has six core strategies with goals for each strategy:

1. Prioritize high-yield alumni engagement activities that target key alumni market segments, supported by a data-first mindset.
2. Serve as the hub that connects alumni to each other and to the multiple facets of our alma mater.
3. Ensure all Cal alumni are aware that CAA aims to reach, serve, and engage all alumni of UC Berkeley.
4. Orient CAA as an indispensable partner with campus in building a coordinated relationship with alumni.
5. Demonstrate to current students, during key milestones in their student life cycle, that CAA and the alumni community are important catalysts and partners in their success.
6. Pivot resources toward current and new revenue businesses that can produce the highest yield in financial ROI while also building alumni engagement.

The plan also includes KPIs related to each goal. Under the leadership of Joy Kovalessi and the KPI Committee, CAA has identified eight priority KPIs for 2018 as indicated on the quarterly KPI Progress Report.

Ms. Crumpler reviewed the overarching goal to increase the number of alumni who are engaged through programming and communications. As of May 31, thanks to the Alumni Engagement Expansion Initiative ("AEX"), alumni engagement is strong. The KPI related to communications is to increase the awareness of CAA, our programs and services. We want all alumni, as well as students and our campus partners, to be aware that we serve all alumni. The KPI is being accomplished through ongoing promotions, young alumni profile series, especially to increase visibility among the young alumni community. We have redesigned our Cal connections and launched new campaigns. We have also increased the number of subscribers and our rates have increased.

Strategy 4: related to campus partnerships on planning and coordinating communication. We are meeting monthly with University Development and Alumni Relations ("UDAR") to ensure that we are aligned and working well together. A number of CAA’s events have been designed in partnership with different campus departments, which has positively impacted our engagement and generated much excitement.

Ms. Crumpler stated that, overall, CAA is doing well, trying new ideas on engagement, accepting appropriate risks that come with new programming, and constantly evaluating our strategies. From the survey data, we are aware that alumni want to connect with the University on an intellectual level. We have therefore generated new ideas from panel discussions on how to engage new alumni especially around intellectual pursuits. We now have some new programs that will be implemented in the second half of 2018 and in 2019.
CAA understands that young alumni are particularly interested in developing their careers, hence the need for a robust Berkeley Career Network. Advocacy is also key to reaching young alumni, who are advocating for public higher education and for human rights. The third factor of importance to young alumni is diversity, in terms of women and people of color. Our programming is now centered around these three goals. In addition, the underpinning supporting these goals is reliable and efficient technology. Thus, our career and mentoring program is accompanied by an app to connect students to alumni in the United States and around the world. We are therefore working to ensure we are up to date on the latest technology around each one of our programs, to connect to the new pipeline. This takes a balancing of the primary interests of our older alumni with our younger alumni and finding ways to weave them together.

For example, we are currently in the soft launch with our partners at the Career Center of an app called PeopleGrove, a virtual platform to connect alumni with other alumni and students in the Berkeley Career Network. We are planning the full launch in August, as we welcome new students at the Golden Bear Orientation.

6. Chancellor Carol Christ Update

Chancellor Christ thanked the Alumni Association for inviting her to the CAA Board meeting. She gave the Directors an update on the status of the five goals she identified for herself in 2018:

1. To build community
2. To enhance the student experience
3. To increase diversity
4. To support research that faculty conduct
5. Develop a financial model for the campus

In regards to the budget: we begun in June 2016 with a deficit of $150 million. We’re currently under $50 million deficit. We’ve made some difficult decisions, but we’ve also enjoyed some creative decision-making to meet this goal. We are becoming a unique institution and now have six revenue streams that we’re working on:

1. University Extension; non-degree and professional continuing education
2. Self-supported Masters’ program with no state subsidy embedded within the program
3. Monetization of real estate
4. Monetization of intellectual property
5. Increasing contracting grant activity
6. Philanthropy
Cal just had a record fundraising year. At the close of the academic calendar (tomorrow, June 30, 2018), UC Berkeley has raised over $500M for the year, which is a first for us. We’re also excited about improving relationships with Sacramento. There are issues that have developed between the office of the President and the legislature, where we’ve been involved in a remarkably energetic and integrated lobbying effort resulting in improved relationships with Sacramento. In addition to that, UC Berkeley has been granted $25M in the recently approved 2018-2019 budget which recognizes our efforts to close the budget deficit, this was a nice surprise that we did not directly lobby for.

I would also like to touch on the student experience, specifically about housing. Berkeley houses the lowest percentage of students in the UC system, about 22% for undergraduates and 9% of graduates. When many of you were students, it was likely easy to find affordable housing, which is no longer the case. Even students who can afford to pay the Berkeley rents also find it difficult to secure housing. The housing crisis that currently characterizes the whole of the Bay Area will compromise Berkeley’s institution if we don’t address this matter.

I have therefore made a commitment to double our housing capacity in 10 years. That will involve both short-term and long-term goals. It involves lease agreements with developers who have apartment buildings that are appropriate, or who are building apartment buildings that are appropriate to house our students. Our short-term strategy is to enter into a long-term lease agreement with these developers for these buildings to become part of our housing system. Our long-term strategy is to build on every single piece of land we have, including controversial land, such as People’s Park. The solution that I am proposing includes sharing responsibility with the City of Berkeley to help end homelessness, we are ready to build on about a quarter of the site, with the Regents’ approval. That will also provide about 100-120 beds, considered sustainable housing. About a quarter of the park will be a memorial for the park and half of it will be for student housing, which will be between 600 to 1,000 beds.

In addition to People’s Park, the Chancellor is also looking at the other eight sites listed in the Housing Master Plan Task Force including the Oxford Tract which is currently being used for experimental crops and as a research facility by the College of Natural Resources. Chancellor Christ believes Berkeley should consolidate those uses, given our shortage of land, to house students close to campus. To double our housing capacity, we need to build on every single piece of land we have. An RFP has been issued for a master developer for all the sites except for People’s Park, which is a politically-sensitive project.

The Chancellor reported that she has spent a considerable amount of time this year on Free Speech and Athletics, both of which were not encompassed in her initial five goals.
UC Berkeley had two large free speech events in the fall of 2017. One of them was a speech by Ben Shapiro, a serious pundit who wanted to be heard and to engage the campus and students. The second speaker was Milo Yiannopoulos who stated that he wanted to attend to bring 25 speakers for a dozen events over four days of Free Speech Week, which would have been profoundly disruptive to the campus and a violation of many Berkeley community values. As the week approached, the student group (of five students) had not signed any contracts for the rooms, and had not put down deposits for the rooms nor submitted security forms required to be submitted for events that may require police presence. About the same time, Mr. Yiannopoulos published on his website a list of 25 speakers that he wanted to speak at the event. The campus then received communication from these speakers indicating that they were never contacted by Mr. Yiannopoulos and did not intend to speak at the event.

The Chancellor realized that the event was designed so that UC Berkeley would cancel the event however, she decided to continue to allow Mr. Yiannopoulos to speak on campus even though the sponsoring student group decided to cancel it 24 hours before it started. Mr. Yiannopoulos made an appearance for approximately 15 minutes on Sproul Plaza, he sang the Star-Spangled Banner, knelt and prayed, and took a lot of selfies.

It was clear that this speaker was not necessarily interested in discussing alternative ideas or free speech but rather to create a digital narrative that Berkeley does not support free speech. This coming spring, we actually have conservative speakers coming to campus, which has attracted little attention. Meanwhile, the Chancellor has appointed a free speech commission to make recommendations about ways in which we can align our values as an inclusive community, with responsibilities for protecting free speech. They have made recommendations that the campus will review for engagements in the fall. In addition, I have created as many events to expose the community to differing viewpoints, and for people to consider what free speech really means.

Chancellor Christ also spent much of the first half of the year on Athletics and is excited that the New Athletics Director, Jim Knowlton, has joined our community. Mr. Knowlton has been energetic in his outreach to multiple communities. He is an engineer by profession and has been a member of faculty at West Point. He has a strong sense of the academic enterprise. He also has been involved with the military, which makes him an excellent choice for Berkeley. He is focused on solving the budget issues in Athletics, and she is energized by a new thought partner in this arena as we think through the multiple challenges encountered within the Athletics Department. Chancellor Christ does not believe that the Athletics Department has been wasteful, but they are burdened by the huge debt of the Memorial Stadium project. She has agreed to take roughly half of that debt (about 54%) onto the campus books.
Lastly, the Chancellor spoke to the Directors on strategic planning. Berkeley has not had a new strategic plan since 2002. Especially now that resources are tight, coupled with a sense of instability, it makes it necessary to adopt a strategic plan. Our plan is centered around four questions:

1. What are the signature initiatives/the grand challenges that Berkeley is particularly suited that would have the most impact on California, the nation, and our world?
2. What are the investments that we could make that would be most impactful on the quality of student experience?
3. What should be our enrollment strategy and philosophy for the coming decade?
4. What's our new financial goal?

The strategic plan is currently in draft form and the goal is to finalize the plan in late summer/early fall.

The Chancellor then took questions from the CAA Directors on a variety of subjects including campus safety, food insecurity, virtual classrooms and a further discussion on what is meant by a "new enrollment" strategy, for the strategic plan. Although the Regents set the enrollment policy, the Chancellor still believes it is important to have meaningful discussions on the campus level regarding various matters such as the size of the student body and how that affects faculty, infrastructure, the optimal size of the undergraduate population versus graduates, the mix between Masters' students and PhD students?

Another question posed was the question of in-state versus out-of-state students. Cal's student population is currently at 24.4% out-of-state, including international students. Chancellor Christ states there are two reasons that the out-of-state population is important: first, it fills the revenue gap created by the reduced state support and second, it is equally important for students to interact with other students who have different experiences and have lived outside of California.

Lastly, the Chancellor believes the top two way the Cal Alumni Association can help support UC Berkeley is in raising money for financial aid and providing an active alumni network for current students to give them a sense of the choices and options as they prepare for their lives after Cal. One of the things the Chancellor appreciates is how lively and active an alumni network can become for current students. She is concerned about alumni networks that focus primarily on participating in college athletics, because students really need career options and opportunities to network. Thinking about the "power of the network" is so important and CAA is the perfect campus partner with the expertise to connect alumni and students.
The Chancellor thanked the CAA Board for their time and is looking forward to talking with everyone further tonight at the CAA reception and dinner.

7. Annual Membership Meeting and Executive Director Report – Clothilde Hewlett, Susie Cohen Crumpler, Anh Tran, Matt Terwilliger, Monisha Merchant

A quorum of CAA Members was established. Ms. Hewlett stated that pursuant to CAA Bylaws, the CAA Annual Membership meeting is open to all CAA members and it’s a time for an annual review of the previous calendar year (2017) as well as a time to reflect on the accomplishments the Association has made. This is also a period when we give our membership an opportunity to comment on initiatives that are important to them. I will have each one of our senior managers give you an overview of their particular departments. If you have any questions, all the experts are in the room. As Executive Director, I am pleased for the hard-working team that supports the CAA.

As Ms. Crumpler stated earlier today, everything the Association does should come back to CAA’s mission: to advance and promote the interests of the University of California Berkeley by connecting alumni with each other and our alma mater. Together with our campus partners, we play an integral role in engaging, informing, and inspiring alumni to support the university by: participating and engaging in activities, acting as ambassadors and advocates on behalf of the university, giving to the university. Ms. Hewlett then asked CAA’s Chief Revenue Officer, Matt Terwilliger, to highlight new areas in our revenue generating programs that support CAA’s mission driven work.

Mr. Terwilliger gave the members an overview of CAA’s Membership Department, which is the physical and metaphorical entrance to CAA. We serve about 102,000 members. We also serve all alumni, not just members. Membership duties include payment processing, direct mail campaigns, and communicating with alumni. Pricing structure for CAA membership: the annual membership price went up to $75, from $60 in 2017. We kept lifetime membership pricing as the same as the previous year as well as the Golden Bear Life membership level pricing.

When we survey alumni, the top reason for joining the Association is not for discounts, most people join because they want to stay connected and support the university. The second biggest reason to join is access to the UC Berkeley library system. CAA had 100,000 members at the end of 2017. Membership had a Directory project in 2017 which was definitely a revenue generation. More than 78,000 alumni updated their contact information which is super important not only for CAA but also for the entire campus community as we share CAA’s membership information in the Cal Advancement Data System (CADs).
Another highlight from 2017: AEX allowed CAA to hire a coordinator that has been very productive, one employee has sold 677 memberships. The Membership staff (4 people) process 17,000 payments and coordinate 41 email and direct mailing campaigns. Those are segmented campaigns mailed out to different constituents with various membership options.

In 2017, the Fundraising Department raised over $600,000 in unrestricted giving which is used in CAA’s operating budget to support our non-revenue producing programs. CAA provides opportunities to students with our 4 Alumni Scholars programs: The Achievement Award Program (TAAP) scholarships, Kruttschnitt Aspire Scholarship Program (KASP) scholarships, the Leadership Award and the new African American Initiative (AAI) scholarships that the Association. As Chancellor Christ mentioned earlier, the fundraising and student scholarship support offered by CAA is extremely important to the University.

Next, Mr. Terwilliger gave an overview of the Business Development Department (2 people) who worked diligently in 2017 to create revenue generating partnerships that support CAA’s mission driven work. Business Development is still the largest net-revenue contribution to the CAA with partners like with Bank of the West, Bank of the West, Nationwide, Budget/Avis (to name a few) and are a critical piece supporting CAA’s operating budget. We’ve continued to grow in this area. A few years ago, the banking and credit card industry pulled out of a lot of alumni related programs, CAA took a loss of $450k however, Mr. Terwilliger is proud to say that CAA has not only made up for that loss, but has surpassed with an average uptick in the last five years of about $500k per year. In addition, the Business Development Department continues to sell ads in California magazine generating $200k in ad revenue in 2017 which is fantastic for a print magazine published four times per year.

2017 was a groundbreaking year for Cal Discoveries Travel. CAA had over 1,800 travelers last year, including 400 on the August 2017 Solar Eclipse trip alone, led by UC Berkeley Professor of Astronomy, Alex Filippenko, which included high campus donors engaging with UC Berkeley through the Cal Alumni Association. Many of the Eclipse travelers were newly exposed to the CAA portal to engage with UC Berkeley when they traveled with us for the first time to see the total solar eclipse in Oregon. The 2017 internally operated Solar Eclipse adventure was the largest net income-generating trip in CAA’s history.

Alumni House rentals is also an extremely important revenue generating department for the Cal Alumni Association. Mr. Terwilliger stated that if the CAA Board wasn’t meeting in the Alumni House today, we’d likely be renting it out to a campus partner (CAA averages about three events per day as meeting space on campus is scarce.)
As in past years, 2017 saw the Lair of the Golden Bear booked solid in the summer months delivering great customer service and experiences to generations of Lair campers. In order to boost revenue generation, the “shoulder” seasons (two weeks before and after family summer camp sessions) were targeted to grow the net revenue including wedding business and specialty adult camps and the Lair of the Bear Music Festival. We also invested in a security night watch at the Lair to keep campers and staff safe. The Lair staff not only worked on increasing revenue in 2017, they also made investments in the infrastructure so that it can continue to serve future generations of campers and produce healthy revenue to support CAA.

In 2017, the Pinecrest Chalet was placed on the market. The Chalet has been a relatively unreliable revenue generator because it is so dependent on the variable winter weather. When it doesn’t snow, CAA struggles to keep the Chalet in operation with low occupancy. On the other hand, when it does snow, it activates a flood of reservations, and CAA has to quickly make staffing and other adjustments to accommodate the demand. CAA continued to invest in the Chalet, the pool was recently upgraded and the Chalet hosted 14 weddings on the property in 2017.

*California* magazine ad sales were on target generating $200k in ad revenue in 2017 which is fantastic for a print magazine published four times per year.

Next, Ms. Hewlett introduced Anh Tran, CAA’s Chief Program Officer, who leads her team on the execution of new alumni engagement programs under the AEX initiative, particularly for our millennials. Ms. Tran stated that 3,100 alumni engaged in CAA’s event programming in 2017. Alumni Engagement is investing in programming that engages students (our future alumni), to give, to volunteer and to advocate, on behalf of CAA and the university. Alumni Chapters are a key part of CAA’s strategy to engage alumni. CAA Chapters have over 31,000 members and sponsored 320 events in 2017. We are proud to note that CAA increased event reporting from 2016 to 2017 by 64%. In 2017, CAA partnered with our Southern California Alumni Chapters to sponsor the Golden Bear Express, a fundraising transportation opportunity that raised $15k to help 300 low-income incoming Cal students to travel to UC Berkeley by bus and assisted with housing and move-in logistics.

In 2017, the Berkeley Network had over 3,200 participants including 700 alumni participating in twelve professional development webinars and 228 alumni volunteers who attended the career connection events that touched 1,355 students. CAA expanded the Berkeley Network by developing more intentional
alumni student engagement opportunities and expanded alumni volunteer opportunities.

Next, Ms. Crumpler report on the highlights in CAA's communications from 2017. CAA's website is our most comprehensive and largest communication vehicle. Top content by program (exclusive, not counting California magazine) was the Travel webpage, Membership, the Lair and Scholarships. In addition, CAA's social media presence grew in 2017 by 25% over 2016. CAA's "Cal Connection" is the Association's monthly e-newsletter. It goes to 171,000 recipients.

California magazine online is the portion of our website that focuses on the magazine content. We don't simply put archived issues of the magazine online, we also generate new stories on a daily basis. The magazine section of our website accounts for more than a third of our total site page views (37.5%). We're constantly trying to generate content. We post the stories that are in the magazine and also develop additional content related to the stories, to keep the conversation going. From the 2017 Cal alumni survey, we saw that the magazine is the number one campus print publication. It's also the most valuable tangible membership benefit of the Association. We also noted a high level of satisfaction with the quality of the magazine and in 2017 we saw that 40% of the members who receive the magazine were aware of the California magazine online content.

As mentioned, the Cal alumni survey was conducted in 2017. CAA, in partnership with the campus, runs this survey every three years and we send it via email to all graduates of the university, either undergraduate, graduate or both. The information helps inform our strategies, communication, and development programming. We sent the survey to 176k alumni in 2017 and had a 13% response rate. This is relatively good in comparison to other campus-wide surveys.

Next, CAA's consultant CFO, Monisha Merchant, gave the CAA Members an overview of the financial outlook from 2017. CAA finished 2017 in a strong asset position and we decreased a considerable portion of our debt. CAA's operating results finished strong for the second year in a row with net revenue of almost $1.2M due to the tremendous Solar Eclipse trip revenue, strong investment returns on the Life Membership Fund and other revenue generating initiatives mentioned earlier in this presentation. The top revenue producers in 2017 were the Business Development Department (affinity programs), the Lair of the Golden Bear and Cal Discoveries Travel. CAA manages its administrative expenses fairly tightly. We ensure that we have enough support for our programs, but also that we are balancing the budget.

Mr. Mart adjourned the Annual Membership portion of the meeting.
8. Public Comment

Mr. Mart asked if there was any public comment. CAA member Margot Smith, discussed a proposal for aiding the homeless and hungry UC Berkeley students.


Mr. Terwilliger introduced Rachel Stewart, Senior Director of Membership. Ms. Stewart provided the Directors with an overview of the challenges, opportunities and comprehensive membership strategies that exist related to CAA’s Membership program. CAA Membership provides over $1.5M annually to support CAA’s operating budget. The Department consists of two coordinators who provide customer service not only to CAA Members but to everyone contacting them with inquiries. Membership services, such as assisting the 49,000 members in CAA’s LinkedIn group verifying that they are indeed former UC Berkeley students, following up every website inquiry and processing membership payments are daily activities. In addition, there is an addition coordinator funded by CAA’s AEX initiative that is completely focused on retaining and procuring new CAA members.

Ms. Stewart reviewed the various membership levels and their price points. As of May 31, 2018, CAA has 102,000 members. She noted that the last time CAA raised membership dues was back in 2007 and that there are some long-term consequences to this approach, because we upgraded so many of our annual members to the life membership. We therefore have not recovered our annual membership numbers, even though we increased our revenue from the conversion of annual members to life membership. Approximately 900-1,600 CAA members pass away each year. In addition, the consistency is not always steady. Therefore, keeping up with revenue involves a constant stream of new members.

The Cal Alumni Directory produced in 2017 generated over $190k in membership dues because of the option to purchase membership with the print directory. An important benefit of the Cal Alumni Directory project is that alumni update their contact information which benefits not only CAA but the entire campus community as CAA shares that data in the CADs system.

Ms. Stewart discussed the various membership sale promotions and noted that we are always incorporating different strategies to engage new members, while simultaneously renewing existing members, because CAA Membership revenue is extremely important to CAA’s operating budget.
10. Finance Report – Amy Shin, Ann Truong, Monisha Merchant

Ms. Merchant reviewed the March and April 2018 Finance Reports that the Directors received in their Board meeting materials packet. CAA is ahead of plan by approximately $120k as of April 30, 2018.

Next, Ms. Shin noted that Capital Group has managed CAA’s assets since 2003. The Finance Committee has asked that CAA issue a new RFP to consider a new asset management company.

Lastly, Ms. Shin stated that CAA closed out 2017 with a positive net margin of approximately $500k. CAA does not have a policy with respect to positive net funds which is an issue that will be addressed by the CAA Bylaws and Governance Committee later this summer. Meanwhile, CAA’s Executive Director has requested that a portion of the positive net funds be used for a variety of matters in 2018. After discussion, the CAA Board voted as follows:

M/S/A: The CAA Board of Directors approved $416,000 expenditure from the 2017 operating surplus in the 2018 operating budget as follows:

- $144,000 - Pinecrest Operations: Oski dining hall asbestos removal, cash reserve for the Oski dining hall repairs (we expect to be reimbursed, in part, by insurance), Pinecrest Chalet sale costs, and Lair, LLC setup costs.
- $122,000 - Accounting Team: Robert Half executive search fee, CFO/Controller higher salary for 2018, CFO/Controller staff transition expenses, AvidXchange accounts payable (AP) software setup and 2018 implementation.
- $50,000 - California Magazine: As recommended by the California Magazine Advisory Committee, transform the online infrastructure and design of the magazine.
- $50,000 - Alumni House: Portable air conditioning units for events and staff offices.
- $50,000 - Operating Contingency Reserve: Legal expenses.

The funds will remain in the interest-bearing STIP account until expended.

Mr. Cristobal noted that this 2017 Audit Report presentation is an informational overview since the CAA Board approved the Cal Alumni Association Audited Financial Statements & Footnotes for FYE 2017 by electronic vote last month. He thanked the Committee and CAA staff for another outstanding clean audit for 2017. Mr. Cristobal then introduced Mr. Tong from Moss Adams.

Mr. Tong reported that Moss Adams has issued a clean audit for CAA and has no modifications to the 2017 financial statements. Additionally, there are no adjustment entries proposed to the financial statements. Mr. Tong reviewed the areas that his company audited and noted that there were no audit adjustments required. Moss Adams also reviewed CAA’s internal financial controls to ensure that CAA is following its financial policies consistently and efficiently (eg, they looked at cash receipts, cash disbursement, payroll, and cash management.) No material weakness were noted and there is nothing to communicate in terms of deficiencies.

12. University Development and Alumni Relations Update – Lishelle Blakemore, Assistant Vice Chancellor, Development

Ms. Hewlett introduced Lishelle Blakemore, University Development and Alumni Relations (“UDAR”) Assistant Vice Chancellor, Development. Ms. Blakemore and Ms. Hewlett meet on a regular basis to discuss CAA / UDAR collaborative efforts to engage Cal alumni.

Ms. Blakemore thanked Ms. Hewlett and the CAA Board for having her present at this meeting. She is a proud Cal alumna from the class of 1989 and has worked on campus for the past 24 years. UDAR is responsible for fundraising and donor engagement, which includes long-term fundraising opportunities to one-day efforts such as Big Give. UDAR is heavily involved with events: commencement as well as smaller donor cultivation opportunities.

Ms. Blakemore stated that successful fundraising starts with the student experience and, in fact, the number one indicator (across the country) of alumni giving is the student experience. Studies show that the better experiences students have, the more likely they are to make a gift at any point in their lives. Usually if a student gives a gift within the first five years, there is a 70% chance they will continue giving over their lifetime. I know that CAA is involved with the Golden Bear Orientation, which welcomes new students to campus and helps orient them with their new home from day one which enriches the student experience.
Alumni engagement comes next: this is critical. Both CAA and UDAR collaborate on alumni engagement (such as the combined Berkeley Awards Committee) as well as other engagement opportunities. All of the engagement activities help people become more attached to their communities, to the university, and to all the programs. People who are giving to various programs contribute to the small annual repeatable gifts (the average annual gift is $200.) These gifts are also unrestricted. We also have small portion of donors at the top of the pyramid who give six to seven figure gifts. These are truly transformational and drive up the total. However, most of the work and most of the philanthropy is happening at the foundational / small gift level.

UC Berkeley is currently in the quiet phase of a five year campaign where planning is occurring, before the launch cycle. These comprehensive campaigns allow a university to have a marketing platform with lots of publicity, activity, and excitement, within a relatively finite time. This campaign is mostly focused on the community of donors at the top of the giving pyramid, who make those six to seven figure donations. The campaign will likely launch the public phase in 2019 and run through 2024. UDAR has engaged a consulting company called Marts & Lundy, who have concluded that Berkeley alumni have the capacity to give between $5-6 billion during this campaign. So we are trying to figure out the best way to collaborate around that opportunity. Almost every campus department has its own development program. For example, Jim Knowlton, the new Athletics Director, has his own budget and fundraising goals, and so do many other campus units which decentralizes fundraising efforts and results in mixed and overlapping messages (eg, "death by a thousand mosquito bites."). During this quiet phase of the fundraising campaign, we are looking at ways to make the fundraising asks more coordinated.

The African American Initiative is something that UDAR and CAA have collaborated on and Ms. Blakemore is very proud of the synergy. This initiative was announced in 2015, but essentially it is a comprehensive look at ways of increasing the graduation rates of African American students and ways of providing ample support to these students, so they feel welcomed and included. This initiative also aims to provide scholarships for all African American students who choose to attend. There was a $20 million fundraising goal announced at the time, but this year we have some generous donors who’ve stepped forward with a million-dollar goal. That will allow us to welcome 26 new students on the scholarship that is supported and provided through the Cal Alumni Association who does not have the restrictions placed on it from Proposition 209 that the university must consider. UDAR and CAA have worked closely together on the details of this program. CAA has organized the scholarship process of reviewing the applications, onboarding the applicants, and providing the support and welcome of these new students.
Ms. Blakemore believes that the greatest challenge with giving to Berkeley is the decentralization. With most nonprofit organizations, if you're giving to the Sierra Club for example, you're giving directly to the Club and typically don't have to restrict your giving to a particular program within the Club/organization. It is harder to generate purely unrestricted fundraising gifts. Out of 67,000 annual donors, about 35,000 are unrestricted gifts. Ms. Blakemore believes that CAA and UDAR should collaborate to tell the alumni stories of why unrestricted gifts matter. People have this impression that their gifts are descending into a black hole, which makes it difficult for them to give. However, when people are aware of the impact that their gifts are making, then it's more feasible.

Marts & Lundy, the fundraising consulting company, has been helpful in making a set of recommendations that get us back to “One Berkeley.” People do have associations all across the campus, but ultimately, our donor community is supporting Berkeley. We have heard anecdotes and received data that support the fact that we will raise more money if we work together in a coherent, coordinated way. We know we need to change this piecemeal approach to fundraising. We need to sit down with all the fundraisers in the room and strategize around the donors' passions, to create an opportunity that inspires them as opposed to having multiple deans showing up to pitch different ideas to donors.

13. Closed Session: LLC Discussion - Clothilde Hewlett, Demetrios Boutris, Don Bradley and Mark Parnes, attorney consultants, Wilson Sonsini

Mr. Mart put the meeting into closed session for Board discussion and excused all non-voting Directors and CAA Staff except for Ms. Hewlett.

Mr. Mart brought the meeting into open session.

M/S/A: The CAA Board of Directors approved and authorized the CAA staff, CAA Executive Director and CAA Counsel Wilson Sonsini Goodrich & Rosati to establish a Limited Liability Corporation (“LLC”) and to take any and all necessary actions to transfer the Lair of the Golden Bear and the Pinecrest Chalet assets, liabilities, operations and related items to this LLC, to capitalize and operate this LLC as a member-managed LLC, to effect a shared services agreement and any and all related agreements for the operation of the LLC, to negotiate and secure any and all necessary approvals, contracts and agreements with any and all parties, including the UC Regents, UC Berkeley, Lair of the Golden Bear bondholders, creditors, lessors, vendors, etc. and to effect and establish and operate the CAA Pinecrest, LLC and to take any and all necessary and appropriate actions to effect this resolution.

Page 17 of 18

Approved Minutes of CAA Board Meeting, June 29, 2018
14. Closed Session: Board Discussion

Mr. Mart put the meeting into closed session for Board discussion and excused all non-voting Directors and CAA Staff.

Mr. Mart brought the meeting into open session.

The CAA Board meeting adjourned at 4:45pm and was followed by a reception and dinner at the Berkeley City Club.
MEMORANDUM OF UNDERSTANDING
REGARDING OFFICER REPRESENTATION
OF
CERTAIN MEMBER ORGANIZATIONS
OF THE
ALUMNI ASSOCIATIONS OF THE UNIVERSITY OF CALIFORNIA

This Memorandum of Understanding ("MOU") is entered into this seventh day of May, 2018 by and among the California Alumni Association, the UCLA Alumni Association, the UCR Alumni Association, the Alumni Associations of the University of California, San Francisco (collectively the "Affected Alumni Associations"), the Alumni Associations of the University of California ("AAUC"), and The Regents (the "Regents") of the University of California (the "University"), represented through its Office of the President ("UCOP") (each, a "Party" and collectively, the "Parties").

RECITALS

WHEREAS, the AAUC was established in 1948 to create an organization of all alumni of the University;

WHEREAS, the members associations of the AAUC are the alumni associations associated with each of the ten campuses of the University system (each, a "Member Alumni Association");

WHEREAS, the AAUC is not an entity legally separate from the UC, but operates as a division of UC, and in accordance with its Constitution and Bylaws (the "Bylaws") and applicable University policy;

WHEREAS, in order to ensure clearly defined representation among the Member Alumni Associations as AAUC officers, Article IV Section A of the AAUC Bylaws provides for a rotating schedule for the officers (the "Rotation Schedule");

WHEREAS, the Parties to this MOU desire to amend the Rotation Schedule as it pertains only to their specific Member Alumni Association between the years of 2022 and 2046, inclusive;

WHEREAS, all of the Member Alumni Associations acknowledged the purpose and desire for this MOU is to resolve requests by the Cal and UCLA Member Alumni Associations to adjust the Rotation Schedule to more closely align the timing of their representation with their selection criteria at a meeting of the AAUC duly called by the President held on May 7, 2018, at which a quorum was present, which is ratified by the signatures below of the AAUC President and the UCOP staff representative to the AAUC.

NOW, THEREFORE, in consideration of the above, the Parties hereby agree as follows:
AGREEMENT

1. The Affected Alumni Associations agree to amend their designated representation of AAUC officers for the years 2022-2046, which is specifically set forth below (the “Amended Rotation Schedule”). The Affected Alumni Associations understand that the designated years in this Amended Rotation Schedule shall replace that set forth for those years in the current Bylaws of the AAUC.

Amended Rotation Cycle:

<table>
<thead>
<tr>
<th>Year1</th>
<th>Year2</th>
<th>President/Regent</th>
<th>Vice Pres/Regent</th>
<th>Secretary/Designate</th>
<th>Treasurer/Designate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>2023</td>
<td>San Diego¹</td>
<td>Berkeley¹</td>
<td>Santa Barbara</td>
<td>Merced</td>
</tr>
<tr>
<td>2023</td>
<td>2024</td>
<td>Santa Barbara</td>
<td>Merced</td>
<td>Berkeley</td>
<td>Riverside</td>
</tr>
<tr>
<td>2024</td>
<td>2025</td>
<td>Berkeley</td>
<td>Riverside</td>
<td>San Francisco</td>
<td>Los Angeles</td>
</tr>
<tr>
<td>2025</td>
<td>2026</td>
<td>San Francisco</td>
<td>Los Angeles</td>
<td>Davis</td>
<td>Irvine</td>
</tr>
<tr>
<td>2026</td>
<td>2027</td>
<td>Davis</td>
<td>Irvine</td>
<td>Los Angeles</td>
<td>Santa Cruz</td>
</tr>
<tr>
<td>2027</td>
<td>2028</td>
<td>Los Angeles</td>
<td>Santa Cruz</td>
<td>Berkeley</td>
<td>San Diego</td>
</tr>
<tr>
<td>2028</td>
<td>2029</td>
<td>Berkeley</td>
<td>San Diego</td>
<td>Merced</td>
<td>Santa Barbara</td>
</tr>
<tr>
<td>2029</td>
<td>2030</td>
<td>Merced</td>
<td>Santa Barbara</td>
<td>Riverside</td>
<td>Berkeley</td>
</tr>
<tr>
<td>2030</td>
<td>2031</td>
<td>Riverside</td>
<td>Berkeley</td>
<td>Los Angeles</td>
<td>San Francisco</td>
</tr>
<tr>
<td>2031</td>
<td>2032</td>
<td>Los Angeles</td>
<td>San Francisco</td>
<td>Irvine</td>
<td>Davis</td>
</tr>
<tr>
<td>2032</td>
<td>2033</td>
<td>Irvine</td>
<td>Davis</td>
<td>Santa Cruz</td>
<td>Los Angeles</td>
</tr>
<tr>
<td>2033</td>
<td>2034</td>
<td>Santa Cruz</td>
<td>Los Angeles</td>
<td>San Diego</td>
<td>Berkeley</td>
</tr>
<tr>
<td>2034</td>
<td>2035</td>
<td>San Diego</td>
<td>Berkeley</td>
<td>Santa Barbara</td>
<td>Merced</td>
</tr>
<tr>
<td>2035</td>
<td>2036</td>
<td>Santa Barbara</td>
<td>Merced</td>
<td>Berkeley</td>
<td>Riverside</td>
</tr>
<tr>
<td>2036</td>
<td>2037</td>
<td>Berkeley</td>
<td>Riverside</td>
<td>San Francisco</td>
<td>Los Angeles</td>
</tr>
<tr>
<td>2037</td>
<td>2038</td>
<td>San Francisco</td>
<td>Los Angeles</td>
<td>Davis</td>
<td>Irvine</td>
</tr>
<tr>
<td>2038</td>
<td>2039</td>
<td>Davis</td>
<td>Irvine</td>
<td>Los Angeles</td>
<td>Santa Cruz</td>
</tr>
<tr>
<td>2039</td>
<td>2040</td>
<td>Los Angeles</td>
<td>Santa Cruz</td>
<td>Berkeley</td>
<td>San Diego</td>
</tr>
<tr>
<td>2040</td>
<td>2041</td>
<td>Berkeley</td>
<td>San Diego</td>
<td>Merced</td>
<td>Santa Barbara</td>
</tr>
<tr>
<td>2041</td>
<td>2042</td>
<td>Merced</td>
<td>Santa Barbara</td>
<td>Riverside</td>
<td>Berkeley</td>
</tr>
<tr>
<td>2042</td>
<td>2043</td>
<td>Riverside</td>
<td>Berkeley</td>
<td>Los Angeles</td>
<td>San Francisco</td>
</tr>
<tr>
<td>2043</td>
<td>2044</td>
<td>Los Angeles</td>
<td>San Francisco</td>
<td>Irvine</td>
<td>Davis</td>
</tr>
<tr>
<td>2044</td>
<td>2045</td>
<td>Irvine</td>
<td>Davis</td>
<td>Santa Cruz</td>
<td>Los Angeles</td>
</tr>
<tr>
<td>2045</td>
<td>2046</td>
<td>Santa Cruz</td>
<td>Los Angeles</td>
<td>San Diego²</td>
<td>Berkeley³</td>
</tr>
</tbody>
</table>

¹This is the second year of a two-year term, commencing in the preceding rotation cycle.
²Unless there are subsequent changes, this represents the first year of a two-year term, leading into a subsequent rotation cycle.

2. The Parties acknowledge and agree that this MOU does not alter, in any way, the representation of the six other Member Alumni Associations and that, therefore, as it pertains to those six Member Alumni Associations, the Amended Rotation Schedule is consistent with, and does not otherwise alter, the Rotation Schedule currently set forth in the Bylaws.
3. The Parties agree that this MOU shall be effective for the years set forth in the Amended Rotation Schedule, and may be further amended or otherwise modified only in a writing signed by all of the Parties.

4. The Member Alumni Associations agree that this MOU, and the manner of selection of the alumni representatives on the board of Regents shall be reviewed as part of the overall review of the Rotation Schedule and Bylaws, which is required to be managed by the AAUC members during the academic year commencing July 1, 2026, but on or before June 30, 2027.

5. Each Party agrees to cause its respective president or other duly authorized representative to ratify, approve and sign this MOU no later than June 30, 2018 and further agrees that failure to do so shall cause this MOU to be rendered ineffective with respect to all the Parties.

[Signatures appear on the following pages]
Each of the Parties has caused its authorized representative to sign below:

California Alumni Association  
Date: 6/3/18

UCLA Alumni Association  
Date: 6/2/18

UCR Alumni Association  
Date: 5/17/18

Alumni Associations of the University of California, San Francisco  
Date: 5/22/18

Acknowledged by:

Alumni Associations of the University of California  
Date

University of California, Office of the President  
Date