

**MINUTES OF THE ADVANCEMENT AND PUBLIC AFFAIRS COMMITTEE  
BOARD OF TRUSTEES  
THE UNIVERSITY OF TENNESSEE  
October 24, 2008  
Knoxville, Tennessee**

The Advancement and Public Affairs Committee of the Board of Trustees of The University of Tennessee met at 10:30 a.m. (eastern daylight time) on October 24, 2008 in Room 156-157 of the Plant Biotech Building on the Agricultural Campus of the University of Tennessee, Knoxville, Tennessee.

**I. CALL TO ORDER**

Chair George Cates called the meeting to order.

**II. ROLL CALL**

The Chair called the roll of committee members. Those present were:

Mr. George Cates, Chair  
Mr. Charles Anderson  
Ms. Monice Hagler  
Dr. John D. Petersen  
Mr. Karl Schledwitz  
Mr. Charles Wharton

Those absent were:  
Mr. James Murphy

**III. APPROVAL OF MINUTES OF LAST MEETING**

The Chair referred the committee to the minutes from the June 19, 2008 meeting of the committee. A motion to approve the minutes was duly made, seconded and unanimously approved.

**IV. UPDATE ON FEDERAL, STATE, AND MEDIA RELATIONS**

Before introducing Hank Dye, George Cates, the committee chair, gave a brief presentation on UT Tennessee Appropriations History from 1998 – 2009. During his presentation Mr. Cates reinforced that communication is important between the Trustees and President’s staff and they should continue to involve and use Trustees when they can. Mr. Cates then turned the floor over to Hank Dye, Vice President for Public and Government Relations. Hank gave the group a quick overview of state and federal government relations and the communications activity. He showed the group a chart which had the state budget process explained on it. He noted that we track the state budget process very directly and the budget message is what drives our legislative agenda. Hank explained the importance of the Governor’s Budget Hearing in November and that we will be submitting our requests.

He explained how important the election in November was and how we would be monitoring the results in both the House and Senate.

IPS is conducting a training seminar for all newly elected legislators. Hank then reviewed some important events that UT hosted that included legislative outreach. He then touched on Federal Relations and explained the similarity to the State Relations process. Kurt Schlieter, our Associate Vice President and Director for Federal Relations, has been visiting the campuses and gathering input for the past few weeks. He is now beginning the process of assembling that into our asks for the upcoming year. Some of the federal strategic priorities include biomass and biofuels, environment and climate, materials science and UT Health Science Center Research.

## **V. ANNUAL REPORT TO THE GENERAL ASSEMBLY**

It is required by statute to submit an annual report to legislators and others containing certain prescribed information. The annual report is found in the board notebook. In order to save money, a bare bones approach was taken this year on the report. The final annual report is online for the first time ever. A virtual report can be seen at <http://president.tennessee.edu/annual/index.html> .

## **VI. REPORT BY CHAIR OF THE DEVELOPMENT COUNCIL**

Mr. James Powell is Chair of the UT Development Council. Mr. Powell reported the Council met in the fall and had seven new members which all were present. The university is half way through the Campaign and in the last six months, there has been \$63 million pledged. There are 11 individuals, one Trustee and 10 others who have given in excess of \$11 million. The Trustee is Doug Horne and his wife, Brenda.

The highlight of the weekend was the award dinner on Friday night. The award recipients were: Peyton Manning, John Sorey, Chad Holiday and Dr. Ralph and Barbara Hamilton. This is the second annual award dinner. Plans are being made for next year.

The spring 2009 meeting will be held on the campus of UT Martin. It will start off with a motorcycle ride on Thursday night along with a fish fry. The motorcycle ride will raise funds for the equestrian program.

On behalf of the Development Council, it is a pleasure to help raise dollars in support of the university.

## **VII. REPORT BY PRESIDENT OF THE NATIONAL ALUMNI ASSOCIATION**

Mr. Ford Little is President of the UT Alumni Association (UTAA). Mr. Little thanked Dr. Petersen, Catherine Mizell and the Board for inviting him and his wife to the dinner last night. It reinforced his belief that the university has outstanding leadership.

Secondly, Mr. Little wanted to publicly thank a person that had a great influence on his career by giving him his first job 20 years ago and who demonstrated professionalism by his work ethic. That person is Mr. Don Stansberry.

On behalf of the more than 300,000 alumni of the university, Mr. Little presented a report of the good things happening at the University of Tennessee and with the Alumni Association. Alumni, staff and volunteers are working very hard on friend-raising. The UTAA is building relationships on behalf of the university with people across the state and around the country. This is important because when times get tough, and money gets tight, it is the investment of time in developing relationships with people that results in these people continuing to support the university.

In reference to the strategic goals of the university, the UTAA has been working hard on the goal of outreach. This is something the Association believes is their primary responsibility. For the year ending June 2008, a total of 92,619 individuals attended alumni events. This is an increase of 2,500 from last year. These events included chapter meetings, pre-game events, homecoming, recruiting events, etc.

A brief summary of the two initiatives of the UTAA are listed below:

- First ever strategic plan for the Association. It will position the UTAA to best serve alumni, the university and compliment the university strategic plan. At this time, the Association is working to select a committee (21 representatives from all campuses) and looking to hire a consultant. UTAA will meet with various groups including staff, administration, alumni, and past presidents of the Association as well as peer institutions to determine best practices for the Alumni Association. The plan is to report back to the Alumni Board and university administration within 12 – 18 months.
- Annual Giving is working with an outside group called IMC. This company has worked with other universities and businesses to target the best prospects. A file containing 200,000 records was sent to IMC this summer. After reviewing the data, the company marked 45,000 individuals who would be likely to give an annual gift. If this model is accurate, the Association will be able to do more targeted and cost efficient annual giving solicitations. This has the potential to dramatically impact the annual giving program.

Mr. Little ended by thanking President Petersen, Henry Nemcik and Lofton Stuart for their leadership. He also thanked Dr. and Mrs. Petersen for coming to the UTAA events. He invited Trustees to attend any alumni event located in their area. Andrea Loughry thanked Mr. Little and the UTAA for hosting the Trustees for a reception on Wednesday at Tyson Alumni House.

## **VIII. NAMING OF THE DEPARTMENT OF ELECTRICAL ENGINEERING AND COMPUTER SCIENCE BUILDING AT UT KNOXVILLE**

Dr. Petersen presented a memorandum to the Committee at the request of the Knoxville campus to name the new Electrical Engineering and Computer Science Building. The University of Tennessee was the recipient of a \$17.5 million gift from Dr. Min H. Kao, founder of Garmin, Ltd. and a graduate of the College of Engineering, Knoxville campus. At the time this gift was received, it was the largest private gift in the history of the Knoxville campus. Dr. Petersen asked for approval from this committee to send on to the full Board of Trustees for their approval to name it after Dr. Kao. He proposed it be called

the Min H. Kao Department of Electrical Engineering and Computer Science and the new building be named the Min H. Kao Electrical Engineering and Computer Science Building.

A motion to approve the recommendation to present to the full Board was duly made, seconded and unanimously approved.

#### **IX. NAMING OF THE TENNIS CENTER AT UT MARTIN**

Dr. Petersen presented a memorandum to the Committee at the request of UT Martin to name the Tennis Center at the University of Tennessee at Martin the James C. Henson Tennis Center in memory of James C. Henson, assistant professor, coach and volunteer leader of the university. Many friends and family have established an endowment to honor Mr. Henson's memory. More than \$50,000 has been raised in gifts and pledges in this effort. A portion of these funds will go to renovate the facility making it more functional. In recognition of Mr. Henson's distinguished service through his work in athletics as well as advancing educational opportunities, The University of Tennessee at Martin believes it is appropriate to name the tennis court in his memory. Dr. Petersen asked for approval from this committee to send on to the full Board of Trustees for their approval.

A motion to approve the recommendation to present to the full Board was duly made, seconded and unanimously approved.

#### **X. REVIEW OF \$1 BILLION CAMPAIGNS**

One of the roles of the Advancement and Public Affairs Committee is to keep abreast of where the university is compared to peers as well as look at how we are trying to maximize our performance. Mr. Nemcik provided the Trustees with a copy of the list of the Billion dollar campaigns. There are only 28 of them. Having a billion dollar campaign is not an easy thing to do. You have to have your volunteers in place, have strong support, a long history, etc. An economic downturn was predicted. Every decade since the 70s there has been some type of economic downfall. During these times, many universities have done the same thing such as increase tuition and cut staff. During this decade we have had two recessions. This has been more difficult decade than in years past.

Private universities have stressed fundraising. Private universities are the model that we need to look at. University of Tennessee Development and Alumni Affairs division (UTDAA) needs to structure and build staff to maximize potential and to position itself to be ready for the next campaign coming down the road. UTDAA needs \$12 million per month in straight line dollars to accomplish this goal.

The Foundations Study Committee will work hard to get their visits completed and will prepare a recommendation in which they plan to present to the Board at the February 2009 meeting.

#### **XI. REVIEW OF CAMPAIGN GIVING EXPECTANCY REPORT**

Mr. Nemcik wanted to take a moment to let the Committee know of some of the initiatives that UTDAA is taking to help reduce costs. There are: (1) taking the color off of the gift agreement cover page – it was using up too much of the toner so cartridges were having to

be replaced too often; (2) subscriptions to publications are being shared to reduce costs; (3) canceled the face-to-face campaign volunteer meeting – will do a phone conference instead; (4) A Development Council member who owns Bandit Lights has agreed to do all lighting for events free of charge during his tenure on the Council; (5) looking at coordinating a marketing agreement between the university, UTFI and athletics to maximize potential to all three areas; (6) using a single donor system throughout the system – development staff coordinate between four universities; (7) eliminated state-wide staff meetings – instead, Mr. Nemcik does quarterly visits with each campus and makes the trips to Memphis and Martin in one day to reduce costs; (8) the hosts of the regional events cover the costs of the event; (9) Development Council absorbs the costs of their events/activities; (10) for Mr. Nemcik's yearly leadership retreat, overnight rooms and meeting location are solicited to be donated so there is no cost for that portion of the meeting; (11) initial data collection projects that were done in 2005 resulted in e-mails that everyone in the organization uses to help reduce the costs of mailings – sending out more through e-mail. The area UTDAAs will continue to identify and incorporate cost reducing ideas to maximize potential.

Mr. Nemcik presented to the Committee an analysis of giving to education as compared to the Dow Jones Industrial Average (DJIA). People are delaying making gifts during this time and some are delaying their pledge payments. There is not a significant decrease in dollars at this time but it is expected to happen within the next few months.

Past performance is no way to predict the future but Mr. Nemcik is using an analysis. He developed a Campaign Expectancy Chart in 2005. He said it is the job of UTDAAs to stay above each line in order to maximize performance during the individual years. The goal, even in a decline, is to stay above the lines. Other options are being reviewed such as gift agreements, planned giving, etc.

The question was asked how this affects gifts of real estate. Real estate gifts are received but they are not a large portion of the portfolio. An increase has been seen in individuals who cannot sell property so they want to donate property to the university. Some of the donors want the money up-front, or they want some sort of gift annuity which the Foundation would try to sell the property. The UT Foundation is not in a position with the affiliation agreement they have with UT to be as aggressive as they would like to be at this time. The Foundations Study Committee will look at these issues along with others.

## **XII. UT FOUNDATION, INC. BOARD OF DIRECTORS AWARD**

The first ever UT Foundation, Inc. Board of Directors award was presented to five outstanding individuals. The award recognizes the outstanding achievements by UTDAAs staff. The objective of the award is to promote public recognition for outstanding achievements. The nomination pool was so outstanding that the Committee could not narrow it down to only four. So, those on the committee felt so strongly about these nominees they paid out of their pockets the additional \$1,000 for the fifth recipient. Four out of the five recipients are in attendance at this meeting. The recipients of the Award are:

- Anna Montgomery, Director of Development Communications
- Mary Cruise, Associate Director of Development Communications and Director of Prospect Research
- Sherry Smith, Director of Advancement Services

- Linda Friedland, Director of Planned Giving
- Charley Deal, Assistant Vice Chancellor for Alumni Relations, UT Martin (was unable to be present at this meeting)

**XIII. OTHER BUSINESS**

None stated.

**XIV. ADJOURNMENT**

With no other business to discuss, the meeting was adjourned.