

UNIVERSITY OF MINNESOTA  
BOARD OF REGENTS

Board of Regents  
July 11, 2018

A meeting of the Board of Regents of the University of Minnesota was held on Wednesday, July 11, 2018, at 12:15 p.m. in the Boardroom, 600 McNamara Alumni Center.

Regents present: David McMillan, presiding; Thomas Anderson, Richard Beeson, Linda Cohen, Michael Hsu, Dean Johnson, Peggy Lucas, Abdul Omari, Kendall Powell, Darrin Rosha, Randy Simonson, and Steve Sviggum.

Staff present: President Eric Kaler; Chancellor Lori Carrell; Executive Vice President and Provost Karen Hanson; Senior Vice President Brian Burnett; Vice Presidents Michael Berthelsen, Kathryn Brown, Bernard Gulachek, Matt Kramer, and Allen Levine; General Counsel Douglas Peterson; Executive Director Brian Steeves; and Associate Vice President Julie Tonneson.

INTRODUCTIONS

Civil Service Consultative Committee Chair

President Kaler introduced Becky Nelson, incoming Chair of the Civil Service Consultative Committee. Nelson holds a position in Student Support for Online and Hybrid Courses at the University of Minnesota Duluth.

APPROVAL OF MINUTES

The Board voted unanimously to approve the following minutes as presented in the docket materials:

Finance & Operations Committee – June 7, 2018  
Audit & Compliance Committee – June 7, 2018  
Litigation Review Committee – June 7, 2018  
Mission Fulfillment Committee – June 7, 2018  
Governance & Policy Committee – June 8, 2018  
Board of Regents – June 8, 2018

## REPORT OF THE CHAIR

Regent McMillan offered examples from the Board's July agenda to demonstrate how the Board is working to achieve its priorities, including continued progress on the Systemwide Strategic Plan. He also noted that the Presidential Performance Review Committee has been gathering input from University stakeholders, and plans to present a report at the September Board of Regents meeting.

A copy of the Report of the Chair is on file in the Board Office.

## CONSENT REPORT

Regent McMillan presented for review and action the Consent Report as described in the docket materials, including:

- Gifts
- Finance & Operations Consent Report
- Mission Fulfillment Consent Report
- Guidelines Related to Ticket Courtesies

A motion was made and seconded.

Regent Rosha offered the following amendment to item D of the Consent Report by deleting the current language and inserting the following:

### Guidelines Related to Ticket Policies

The Board of Regents has a long history of ensuring regent participation in and oversight of University of Minnesota cultural and athletic events. Consistent with the Regents' role as ambassadors and agents of the University of Minnesota, and to maximize oversight and representation by regents without regard to their personal financial circumstances, the University is directed to implement the following guidelines related to tickets provided to Regents:

- Upon request, Regents will be provided access to up to four tickets to University of

considered value provided to a Regent or third party. OBR shall inform BOR leadership if a pattern of a non-use of tickets requested and received by any individual Regent.

- If a Regent receives access via season tickets to cultural or athletic events and will be absent from Minnesota for a period of two or more weeks during the respective season, the Regent shall return the tickets for that period to OBR for alternative distribution or coordinate with OBR for an appropriate business use of the tickets during the absence.
- Regents may be reimbursed for reasonable expenses related to attendance at cultural or athletic events by filing a proper expense report.
- If a Regent uses a ticket or provides a ticket to a third party inconsistent with the purposes described herein, the Regent shall document and report the use to OBR to permit production of a Form 1099-MISC reporting for the value of such ticket. These guidelines are intended to comply with IRS regulations regarding business use of tickets provided to Regents of a public University. If any changes to relevant tax law occur or if a formal determination by the IRS is rendered in conflict with these provisions, the BOR will as soon as practicable modify these guidelines in compliance thereof.

Rosha emphasized the importance of changing the word from courtesies to policies in the amendment header, and provided some context for the proposed amendment.

The amendment was seconded.

In response to a question from Regent Sviggum, Rosha clarified that the proposed amendment requires Regents to return unused tickets only during an absence of two or more weeks, not for the entire season.

Regents Beeson, Powell, and McMillan expressed concern about approving an amendment without input from the University's tax attorney. Powell noted that passing the amendment without counsel might give the impression that the Board is writing its own policy.

In response to a question from Regent Omari, Executive Director Steeves and McMillan clarified that this meeting of the Board is the last opportunity to make a change to the existing guidelines before the August 31, 2018 reporting deadline previously established by the University.

Regent Hsu asked for information on the University of Michigan's ticket policy. Steeves shared that the University of Michigan is currently reviewing its ticket guidelines, and is the only member of the Big Ten providing a significant number of tickets to trustees that does not file 1099s.

Regent Cohen and Regent Johnson offered support for the originally proposed guidelines in the docket. Regent Johnson cautioned that not filing a 1099 could damage public perception of the Board.

Rosha noted that some Regents see tickets as a gift, whereas others see them as a necessary tool for their work. He emphasized that his proposed amendment prevents Regents from being taxed on tickets for games they did not attend. He asserted that senior leaders at the University

McMillan called for a return to discussion on the original Consent Report.

In response to a question from Omari, Vice President Berthelsen stated that the U Pass cost will not increase in the next fiscal year. Regent Hsu asked if the University will take a loss if the estimated revenue is not reached for U Pass sales. Berthelsen confirmed that there will be no financial consequence to the University.

The Board voted unanimously to approve the Consent Report as it appears in the docket.

**COLLECTIVE BARGAINING AGREEMENT:  
MINNESOTA STATE BUILDING AND CONSTRUCTION TRADES COUNCIL**

Regent McMillan invited Vice President Brown and Patti Dion, Senior Director of Employee Relations, Human Resources, to present for action the proposed Collective Bargaining Agreement for the Minnesota State Building and Construction Trades Council, as detailed in the docket.

Dion described the unique nature of the contract, which is an umbrella agreement covering approximately 300 employees working across 19 trades in University Services on the Twin Cities campus. She noted that the proposal will increase shift differential rates by \$0.50 per hour starting on July 1, 2018, and outlined the financial impact.

Regent Sviggum asked for clarification on whether the prevailing wage is set during union negotiations, or if it is set by the Department of Labor and Industry (DOLI). Dion clarified that the prevailing wage set by DOLI applies to the University, and that the prevailing wage is a result of negotiations with unions assigned by the state Legislature, as required by the Public Employee Labor Relations Act.

A motion was made and seconded, and the Board voted unanimously to approve the Collective Bargaining Agreement for the Minnesota State Building and Construction Trades Council, and approve the resolution, as follows:

WHEREAS, the parties have met and negotiated and have reached agreement regarding terms and conditions of employment regarding the employees of this bargaining unit; and

WHEREAS, the Minnesota State Building and Construction Trades Council has ratified acceptance of this agreement; and

WHEREAS, according to Board of Regents Policy: Reservation and Delegation of Authority, approval of labor agreements by the Board of Regents is required;

NOW, THEREFORE, BE IT RESOLVED that on the recommendation of the President, the Board of Regents approves this labor agreement as outlined in the docket for July 11, 2018.

**APPOINTMENT OF VICE PRESIDENT FOR CLINICAL AFFAIRS  
AND DEAN OF THE MEDICAL SCHOOL**

Regent McMillan invited President Kaler to present for action the proposed appointment of Jakub Tolar as the Vice President for Clinical Affairs and Dean of the Medical School, as detailed in the docket.

Kaler voiced his support of the appointment and for the proposed reorganization of the Academic Health Center (AHC) leadership structure. He noted that the goals of the

reorganization are to strengthen collaboration in the University's research and teaching mission in the health sciences, and to increase operational alignment. He outlined the proposed reporting structure for the new positions, and emphasized that the reorganization will not increase the department headcount of senior administrators.

McMillan applauded the work to streamline the AHC structure and asked about the consultative process. Kaler explained that he consulted with a number of faculty members, some of whom suggested that the Dean of the Medical School should be a separate role from the Vice President for Clinical Affairs. He shared that he had decided against that recommendation.

A motion was made and seconded.

Regent Beeson expressed his support. He voiced concern that the new structure lists a Chief Financial Officer (CFO) for the AHC, in addition to the CFO of the entire University. He encouraged further conversations about bringing the AHC into the University to help with cost savings. Kaler noted that each college has a CFO who has a dotted line report to Senior Vice President Burnett. He also indicated that his team will continue to consolidate roles whenever possible.

Regent Omari referenced the restructuring and asked if aspirational institutions were reviewed for comparison. Kaler noted that a variety of institutions were analyzed, and that the structure differed dramatically from one to the next depending upon whether the institution owns a hospital. He described examples from other universities.

WHEREAS, this Employment Agreement is subject to the approval of the Board of Regents of the University of Minnesota;

THEREFORE, the University and Dr. Tolar agree as follows, subject to the approval of the Board of Regents:

#### I. EMPLOYMENT TERM

Subject to the terms and conditions of this Agreement and University Policies and Procedures, the University appoints Dr. Tolar as its VPCA and Dean of the Medical School, and Dr. Tolar agrees to be so employed by the University for a term commencing on July 12, 2018. The VPCA and Dean of the Medical School position is a 100 percent time, 12-month, L appointment in the professional and academic personnel classification that serves as an at will employee at the pleasure of the President. As such, you are a



- D. Effect of Prior Agreements. This Agreement is intended by the parties as the final and binding expression of their contract and agreement and as the complete and exclusive statement of the terms thereof. This Agreement supersedes and revokes all prior negotiations, representations, and agreements, whether oral or written, relating to the subject matter hereof.
- E. Enforceability. If any provision contained herein shall be deemed or declared unenforceable, invalid, or void, the same shall not impair any of the other provisions contained herein, which shall be enforced in accordance with their respective terms.
- F. Construction. The headings preceding and labeling the sections of this Agreement are for the purpose of identification only and shall not in any event be employed or used for the purpose of construction or interpretation of any portion of this Agreement. No waiver by any party of any default or nonperformance hereunder shall be deemed a waiver of any subsequent default or nonperformance. As used herein and where necessary, the singular shall include the plural and vice versa, and masculine, feminine and neuter expressions shall be interchangeable.

IX. BOARD OF REGENTS APPROVAL

This agreement is subject to the approval of the Board of Regents and a background check that is satisfactory to the University.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first shown above.

\_\_\_\_\_  
Dr. Jakub Tolar

REGENTS OF THE UNIVERSITY  
OF MINNESOTA

By: \_\_\_\_\_  
Eric W. Kaler  
President

Approved as to Form and Execution

By: \_\_\_\_\_  
Douglas Peterson  
General Counsel

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION ANNUAL REPORT

Regent McMillan invited Lisa Lewis, UMAA President and CEO; Sandra Ulsaker Wiese, 2018 UMAA Board Chair; and Doug Huebsch, 2019 UMAA Board Chair to provide an update on the status of alumni relations at the Twin Cities campus, as detailed in the docket.

Huebsch provided an overview of alumni engagement. He indicated positive growth in the rate of engagement. Ulsaker Wiese described the UMAA five-year strategic plan, which was influenced by surveys of the alumni community. Lewis described the new strategy of targeted digital communications, the launch of the Minnesota Alumni Market, and alumni philanthropic support.



McMillan asked if alumni believe the value of, an d respect for, their degree increases when the rankings of the University increase. Lewis responded that rankings and caliber are very important to alumni and are seen as adding value to their degree.

In response to a question from Regent Johns on, Ulsaker Wiese responded that engagement factors vary greatly depending on the age bracket, with older alumni caring about giving back to the University and younger alumni desiring mentorship.



McMillan noted that since the meeting was running now. He added that the Board will have time at Board had received a draft copy of the System

long the Board would not discuss this item its retreat for discussion. Kaler added that the