



BOARD OF DIRECTORS

Friday, August 14th, 2020
8:30 a.m. – 10:00 p.m.

Board Chair Patrick Joyce

Zoom Conference Call

AGENDA

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| 1. Call to Order (Patrick Joyce) | 8:30 |
| 2. Board Member Roll Call /Intro New Board Members | 8:30 – 8:35 |
| 3. Approval of June 12 th Meeting Minutes (Patrick Joyce) * | 8:35 – 8:40 |
| 4. Financial Update & Audit Review (Ed Foppe) | 8:40 – 8:50 |
| 5. SciTech Program Update (Becky Siekmeier) | 8:50 – 9:00 |
| 6. CEO Report (Jeff Tollefson) | 9:00 – 9:20 |
| • Membership | |
| • Event and Program Pivots- Budget Impact | |
| 7. Governance Committee (Michael Lacey) | 9:20 – 9:40 |
| • Director Emeritus proposal | |
| • Board Composition | |
| • Expanded Board Committees/Action Teams | |
| 8. Other Business/General Discussion (All) | 9:40 – 10:00 |
| 9. Adjourn | 10:00 |

*Denotes item with Board Action

Next MnTech Board Meeting:
October 9th 8:30 am – 10:00 am

Zoom conference call



Board of Directors Minutes

Board Chair Patrick Joyce

8:30 am to 10:00 am

Friday, June 12th, 2020

Zoom Conference Call

Present: Jeff Tollefson, Sameer Badlani, Matthew Bailey, Teddy Bekele, Tawanna Black, Kevin Boeckenstedt, Douglas Carnival, Jacquelyn Crowhurst, Sarah Engstrom, Amy Fisher, Todd Hauschildt, Matt Johnson, Patrick Joyce, Sridhar Koneru, Jake Krings, Rick Krueger, Michael Lacey, Chuck Lefebvre, Mac Lewis, Ty Middleton, David Minkinen, Cyrus Morton, Samuel Prabhakar, Rakhi Purohit, Matthew Reck, Christopher Rence, Patrick Ryan, Vinny Silva, Scott Singer, Dee Thibodeau, Jamie Thingelstad **Absent:** Trent Clausen, Ed Foppe, Karen Hudson, TammyLynne Jonas, Bob Hirsch, Paul Mattia, Paul Weirtz **Staff:** Jade Denson, Ray Hoover, Lonni Ranallo

1. Call to Order

The meeting was called to order.

2. Board Member Roll Call/ Intro New Board Members

Welcome to Matt Johnson of Seagate. Jeff announced that Joy Lindsay has resigned from the Board, he thanked her for all of her support and years of service.

3. Approval of April 17th, 2020 Meeting Minutes

Doug Carnival moved to approve the April 17th meeting minutes, Cy Morton seconded the motion, the motion carried and the minutes were approved.

4. Financial Update

Lonni Ranallo gave a financial update. Membership revenue running \$38K behind plan. January through May net income running \$6K better than plan, at \$144k. There are some timing of events that are precipitating the better than planned net, also some timing on the SciTech program. The balance sheet has a cash balance of \$426K. The audit is underway and should be wrapped up in the next month.

5. Program Updates

Jeff presented a review of our mission and our key pillars. Jeff gave an update on new members recruitment, our new branding and messaging, the pivot to virtual events, and an update on ACE Leadership, SciTech and the transition of the SBIR FAST grant.

Ray Hoover presented on membership renewals and new member prospects. Communication has been difficult, however we have several large new member targets that we hope will materialize. Ray gave an update on sponsorship fulfillment in line with the pivot to virtual events. Jeff announced that the Tekne awards will be a virtual event in 2020.

Jade Denson gave an update on the Communities of Interest. Jade presented on how the communities will connect, build relationships, and help collaborate. Most of these communities will meet 5-8 times per year, and so far engagement is high with 90% of

companies having two or more people involved. Jade also reviewed the Champion Teams and how they will be started. Discussion around a toolkit, content and materials took place.

6. Other Business/ General Discussion

Jeff gave an update on the MSP TechHire and the JP Morgan Chase Grant which we are a partner on with the Center of Economic Inclusion. Jeff thanked Tawanna Black and the Center for all the great work they do.

Michael Lacey gave an update on the Governance Committee and the evaluation of Board composition. An update will be provided at the August Board meeting.

A conversation took place about racial inequities and the current affairs taking place in regard to the local murder of George Floyd at the hands of the police. Jeff stated the our community needs to work for all people, and thanked Tawanna Black for her leadership, and thanked everyone for what they are doing to make sure that these social inequities are abolished. A discussion took place about what each Board member and their companies are doing to make sure that the technology sector is a welcome and diverse and inclusive environment. Jeff thanked everyone for all they are doing, and continue to do to improve the tech community ecosystem.

7. Adjourn

Ty Middleton made a motion to adjourn, Todd Hauschildt seconded the motion. The meeting was adjourned.



Minnesota Technology Association

CEO Report

Board of Directors Meeting

August 14, 2020

OVERVIEW

It's been a challenging year. There, it's said. No need to cover any further as we all know how the health, economic, and societal challenges of this year have impacted businesses and organizations in the Twin Cities and around the world, our association included.

What I do want to talk about in this report, and discuss in detail at Friday's meeting, are the things we are doing to adjust to our changed future and position ourselves for even higher levels of growth and impact in years to come. This entails further programming pivots, new ways to elevate our brand, and a renewed focus on top-line revenue generation.

Our small staff cannot do this alone. We wish to further enlist and leverage the collective power of the MnTech Board of Directors to help us achieve our mission of building a more vibrant and inclusive technology ecosystem in Minnesota by enabling the connections, public policies, and partnerships needed to help our tech community thrive.

That said, we hope to expand the number of board committees (or action teams) from two to six. The proposed committees and primary areas of focus are as follows:

1. **Executive Committee** (financial and operational oversight)
2. **Governance** (board membership, organizational structure, compliance)
3. **Revenue** (member recruitment & retention, sponsorships, grants)
4. **Programming** (events, communities, peer forums, partnerships)
5. **Marketing** (brand, messaging, promotion, member communications)
6. **Policy** (public policy priorities, advocacy strategy)

The plan would be to have all board members participate on a committee with an active and engaged chairperson for each. I recognize there may be some reluctance based on past experiences, but when board committees are properly structured, staffed, and accountable, they can be extremely effective, which is what I hope we can accomplish together.

One other topic of discussion for Friday's meeting is board composition. The Governance Committee, led by chair, Michael Lacey, met earlier this week to create a Director Emeritus program that would allow us to properly honor and engage board members completing their terms of service. An outline of this proposed program is attached.

The rest of this report is intended to update you on the status of key initiatives, programs, and our current and forecasted financial state ahead of Friday's board meeting. I look forward to answering any questions and addressing any concerns at that time.

MEMBERSHIP/SPONSORSHIPS

Revenue from membership renewals is running \$42k below budget through July 31, with \$377k received against the \$419k plan. Significant non-renewals in the first half of the year include 3M, Abbott, and Starkey, with these three companies representing \$33k of lost annual membership revenue. One of our largest outstanding renewals, Entrust Datacard, recently confirmed they will indeed renew their membership with similar affirmations from Code42, Dorsey & Whitney, and Eagle Creek Software. Larger members with outstanding invoices we believe to be at risk of non-renewal include HealthPartners, MnSCU, Arvig, and MIA.

The best way to ensure a company chooses to renew its membership is to provide value through employee engagement in our MnTech events and communities. To this end, we are restructuring team responsibilities such that Jade Denson will now be responsible for existing member engagement and experience while I take on all new member recruitment. Ray Hoover will focus on sponsorships, event support, and new responsibilities related to policy and advocacy. We are in the middle of this transition and I believe it will have a positive impact on our ability to more actively engage and retain member companies.

New member revenue is currently \$6k below plan, with \$66k booked through July 31 versus a budget of \$72k. I am excited to launch an aggressive outreach program in the coming months targeting senior tech leaders at 50 large Twin Cities companies whose employees not only would benefit from the programming we provide, but are conspicuously absent in their support of the advocacy, talent development, and community-building work we do in support of Minnesota’s innovation economy. The current Top 50 “hit list” is as follows:

TOP 50 NEW MEMBER PROSPECTS					
Company	Est. Dues	Contact	Company	Est. Dues	Contact
3M	\$ 12,500	John Turner	Schwan's Food Company	\$ 10,000	Kathy Persian
Abbott	12,500	Mark Murphy	Thrivent Financial	10,000	Garrett Gleason
Cargill	12,500	Debra Bauler	Travelers	10,000	TBD
Datasite	12,500	Brad Smuland	US Bank	10,000	Bob Erickson
Donaldson Company	12,500	Kathryn Freytag	Wells Fargo	10,000	TBD
General Mills	12,500	Don Monk	Winnebago Industries	10,000	Sri Koneru
H.B. Fuller	12,500	Faith Tang	Kraus-Anderson	7,500	Tony Peleska
Oracle Corporation	12,500	Brooks Jowett	Pearson VUE	7,500	Priya Senthilkumar
Patterson Companies	12,500	Dave Lardy	Perficient	7,500	Adam Gruenke
Pentair	12,500	Phil Rolchigo	Sun Country Airlines	7,500	Jeff Mader
Pohlad Companies	12,500	Rachel Lockett	Ascent Solutions	5,000	Pete Fox
Polaris	12,500	Matt Emmerich	Atomic Data	5,000	Jim Wolford
Sleep Number	12,500	Hunter Saklad	Data Recognition Corporation	5,000	John Bandy
Starkey Technologies	12,500	Dave Farby	Lifetouch	5,000	Tom Booth
Agribank	10,000	Ruth Anderson	Proto Labs	5,000	Rich Baker
Ameriprise Financial	10,000	Randy Kupper	SportsEngine	5,000	Brian Bell
Banner Engineering	10,000	Kellie Christensen	Werner Electric	5,000	Tina Thousand
Blue Cross Blue Shield of MN	10,000	Shahid Alam	Agiliti Health	4,000	Mike Larson
Bremer Bank	10,000	Elwin Loomis	Allina Health	4,000	Tom Bethke
Cambria	10,000	Ben Davis	Be the Match	4,000	Mike McCullough
Graco	10,000	Dean Cress	Capella University	4,000	Loren Brown
Jamf	10,000	Dean Hager	City of St Paul	4,000	Sharon Vickers
Magenic Technologies	10,000	Matt Lockhart	ECMC Group	4,000	Rahoul Ghose
Pearson VUE	10,000	Priya Senthilkumar	Metropolitan Airports Commission	4,000	Eduardo Valencia
Piper Jaffray	10,000	Shawn Quant	UCare Minnesota	4,000	David Albright



This group of companies represents an estimated \$442k of annual membership revenue based on our current dues structure. There is another large list of mid-sized companies and technology vendors to consider as well, but the above will be primary targets in the near-term.

As mentioned earlier, we are looking to create a series of board committees/action teams to assist staff in the implementation of our mission and related programming. One such committee is the Revenue Committee, which will be tasked with helping us think through our dues structure, assist with introductions, and participate in member recruitment meetings, among other areas of focus. While we will be looking at the entire board to be advocates for MnTech and make introductions, I am looking for a few outgoing, well-connected senior leaders from our board to join the Revenue Committee and assist me with this important work.

Turning to sponsorship revenue, we are still running behind where we wanted to be based on our original event budgets, but given our pivot to virtual programming since March and the reduced costs associated with holding on-line events, we're not too far off from where we want to be on a net margin basis. I will cover this further in the financial section of this report.

We still have sponsorship slots available for our two remaining signature events, Tech Connect and Tekne Awards, and are just beginning to solicit sponsors for December's CIO Panel event. For those of you that have already committed to sponsorships, we thank you. For those with remaining marketing/event budgets, we urge you to please consider supporting one of our remaining events and invite you to connect with me or Ray Hoover to learn more. Here is the current roster of sponsors for our remaining events:

Tech Connect September 23, 2020 Virtual	Goal \$94,375 Actual \$79,375 PTG 84%
Sponsors	Available
Presenting Optum	Presenting \$15,000
Presenting Thomson Reuters	Bronze (x5) \$3,000
Gold RSM	
Gold Target	
Gold Medtronic	
Gold Diginer	
Silver Slack	

Tekne Awards November 18, 2020 Virtual	Goal \$107,500 Actual \$82,500 PTG 77%
Sponsors	Available
Presenting Optum	Presenting \$15,000
Presenting Thomson Reuters	Bronze (x7) \$5,000
Gold Target	
Gold Best Buy	

Gold	RSM	
Gold	Ecolab	
Silver	AT&T	
Bronze	Xcel	
Bronze	Land O'Lakes	

CIO Panel December 8, 2020 Virtual Event	Goal	\$23,500
	Actual	\$0
	PTG	0.0%
Sponsors None as of yet.	Available	
	Presenting	\$7,500
	Bronze	\$4,000
	Bronze	\$4,000
	Bronze	\$4,000
	Bronze	\$4,000

PROGRAM UPDATES

Our pivot to virtual programming and events has gone really well and I'm proud of how our team has risen to the challenge. We have not only created and produced a large number of on-line events since going fully virtual in March, we have seen increased attendance as the barriers to participation have been significantly reduced. While we miss the personal connections and vibrancy that comes with an in-person event, the forced move to on-line programming has been a beneficial acceleration of our future and will continue to be an integral part of our event strategy for years to come.

What follows is a brief summary of key programming initiatives:

1. SciTech Internship Program

At our August meeting, Becky Siekmeyer will provide an update on the SciTech program and the impact of COVID on internship placements and the nature of work performed. As a refresher, SciTech is MnTech's STEM internship program. Since 2012, SciTech has connected nearly 2,000 college STEM majors to paid internships in small, for-profit Minnesota companies. The program is funded by the legislature and operates state-wide. For students, SciTech is a one-stop shop to find meaningful hands-on learning opportunities. Employers get help finding and paying for talent as the state provides a 50% wage match that reimburses employers for up to \$2,500 of intern wages. The program is currently funded at \$831,250 per year for the 2020-2021 biennium.

In 2019, we placed a record 393 students into internships through SciTech, up from 368 in 2018 and 293 in 2017. Of note, 44% of those hired in 2019 were women or students of color, the highest percentage ever. You can read more about the impact of the program on students, companies, and our state in the [2019 SciTech Annual Report](#).

Here are some highlights to date for the 2020 program year:

- The legislated minimum placement requirement is 200 interns. As of 8/4/20, there have been 283 hires.
- 30 planned internships were cancelled after being posted, 28 specifically due to COVID-19. What we can't measure is the number of potential summer internships cancelled before posting due to COVID, a number that is likely well over 100.
- Summer check-ins are underway with roughly 100 meetings being held using Zoom. Most students are working in virtual internships, but there are many who still go into an office, lab or industrial setting at least part of the time. You can read about this summer's interns on the [SciTech blog](#).
- Student recruitment for the next program year kicks off September 1st with all recruiting, career fairs, and events being held virtually.

Our greatest challenge in 2021 will be securing renewed funding for SciTech. As a state-funded program, MnTech must go back to the legislature every odd year during the state's biennial budgeting cycle and convince legislators of the value of SciTech. With a projected deficit of \$2.4 billion for the current biennium ending next July (a significant change from what was estimated to be a \$1.5 billion surplus last February) and a projected \$4.7 billion deficit for 2022-23, all state-funded programs will be at risk of cuts and eliminations.

In preparation for the next budget cycle, two important actions are being taken this summer:

- We've invited legislators from both parties to attend site visits in their districts to see the SciTech program in action and garner support ahead of the 2021 session. Jobs committee members as well as leadership in both the House and Senate have been invited. As of August 4th, 9 legislators are confirmed and 3 others are hoping to attend. In the past, we've had just a handful of legislators attend visits. All legislators have been given a SciTech highlights document that you can find [here](#).
- At the end of each site visit (when legislators aren't present), we're asking interns and employers to write letters of support when the session starts. We've also begun identifying students and business leaders to testify at committee hearings. The level of impact we are hearing is inspiring and look forward to amplifying these voices.

Bottom line is that the SciTech Internship Program continues to thrive and have a positive impact on students and employers in spite of COVID-related challenges. But our biggest challenge will be convincing legislative leaders to continue funding this important work in the face of significantly constrained budgets, a battle we have already begun to fight.

2. MnTech Communities

Each community will have some sort of gathering on a bi-monthly basis, whether a panel, webinar, or a discussion/working session. All communities have had (or will soon have) their first event/gathering and we're seeing a high number of registrants from member companies. Community events that are actively promoted by steering committee members have the highest attendance, pointing to a need for more internal ambassadors. Here are a few recent highlights.

- a) Tech for Good: Held a kickoff conversation for community members in July where we talked through the community structure (partnering with an organization every quarter to provide support), identified areas where we want to practice social good, and developed a plan for next steps. The community decided to help schools and teachers by providing digital transformation support, “buddies” for teachers, and tech support. Currently we’re in the process of identifying one school partner that wants to take us up on these services with the hopes that we can provide support in September to get them off to a good start to the distance-learning school year.
- b) Tech Careers 1.0: Held its first event where technology leaders from Allina Health, Accenture, Land O’ Lakes, and C.H Robinson gave early career practitioners insights about “*How to Develop Your Tech Career During an Evolving Professional Climate.*” There were over 100 people on the call with most staying for the on-line networking at the end.
- c) Tech Talent: Held an event featuring Nancy Lyons, CEO of Clockwork, as she led a discussion about “*The Fight for Tech Talent: Pivoting Priorities Towards Culture & Retention.*” We look forward to further engaging this community as we build out tech talent programming priorities in the coming year.
- d) Advanced Technologies: Will be hosting a discussion titled “*Stories and Strategies for Building and Adopting Kubernetes-based Engineering Platforms*” led by two technologists from SPS Commerce on August 12th at 3 pm. This community is intended for people that wish to get a little bit more technical and take a deeper dive into subjects and less of a “come one, come all” environment.

3. Virtual Events

As stated previously, once we completed our re-branding and launched our new web site, we quickly created and delivered a series on on-line events to serve MnTech members and the broader tech community. In addition to staff-led AMA’s, we have held 15 virtual events in the past four months including the following:

- April 23 – AMA: Pat Joyce (Medtronic) on Cybersecurity
- April 29 – Peer Forum: How to Sell Thoughtfully through Crisis
- May 5 – Tech Talk: Leadership Insights Using Discovery Model
- May 7 – Peer Forum: Data Analytics
- May 14 – AMA: Scott Burns (Structural) on Talent Optimization
- May 27 – 2020 Session Recap: COVID & the Digital Divide
- June 11 – Tech Talk: Digital Jobs & Safe Work Environments
- June 16 – WLIT event featuring Corie Barry, CEO of Best Buy
- June 24 – Fireside chat with Nidhi Sen: Target’s Approach to Hiring Untapped Talent
- June 25 – Tech Talent: How to Develop Your Tech Career During an Evolving Professional Climate
- July 8 - Tech Talent: The Fight for Talent: Pivoting Priorities to Culture & Retention
- July 9 – Peer Forum: Product Owners & Product Managers

- July 21 – CIO Forum: Role of Platforms – How Technology is Enabling a Return to the Office of the Future
- August 10 – Peer Forum: Service Desk Managers/Service Delivery Leads
- August 12 – Tech Forum: Strategies for Building Kubernetes-Based Engineering Platforms

Looking ahead, we want to maintain a rhythm of having at least two MnTech events per month with most of these already on the calendar. On August 25th, I will host Rick King and team members from Thomson Reuters as we explore the topic “*Advancing Women Leaders in Tech*” and discuss Thomson Reuters’ journey toward gender equality in the workplace, how it leverages the Leadership1 program, and what can be done to mend the ‘broken rung’ on the career ladder for women.

4. Tech Connect Conference

We are working hard to finalize the agenda for this virtual event to be held the morning of September 23rd. Tech Connect is a half-day fully interactive online event that will deliver the learning and networking opportunities from MnTech’s in-person events to one’s desktop. The conference includes innovative examples from 32 Minnesota companies applying technology to power tech-enabled business models, small group discussions, and featured presentations from Beth Ford, CEO of Land O’Lakes, and a group of CIOs enhancing guest experiences at large venues such as Target Field, US Bank Stadium, MIA, and MSP International Airport. Tech Connect is free to all employees of MnTech member companies and we will begin aggressively promoting the event in the coming weeks.

5. Tekne Awards

The (extended) deadline for Tekne submissions was last Friday at midnight and happy to report that we have at least 3 solid submissions in each of the 16 categories. While on the surface that doesn’t seem like anything to celebrate, but given where we were at the beginning of last week in terms of submissions, it’s a relief. We will want to talk about the future of the Tekne Awards at a different time, but for now we are focused on providing the best virtual awards show possible on November 18 as we honor tech innovation in Minnesota over the past year.

After much discussion at the last Executive Committee meeting, we decided to not resurrect the Minnesota Science & Technology Hall of Fame this year and may choose to do a Lifetime Achievement Award again this year instead.

In light of revenue constraints for the Tekne Awards and MnTech in general, we have been working to reduce the production expenses associated with the event. This is covered in more detail in the financial section later in this report.

6. ACE Leadership Program

Jade’s re-visioning of the ACE curriculum in January and her pivot to virtual programming in March has resulted in a high level of participant satisfaction despite the challenges of not being able to meet in person. The theme for July’s session was “*Building your Professional Brand*”

and was a two-part workshop featuring brand expert, Sarah McNally, and a panel of local leaders with strong personal brands. Questions addressed included: What's it like to be in a professional relationship with you? How are your values and personal mission being reflected in your brand? What do you want others to see? How do you shift brand perception? The three leaders sharing the power of building a personal brand included Dan (Danalytics) Atkins, Chief Community Entanglement Particle at Optum; Lars Leafblad, Partner at Ballinger Leafblad; and Tammylynne Jonas, CIO at Self-Esteem Brands.

The August 27th session will be dedicated to community leadership with the following topics being covered:

- The importance of finding one's focus and passion for community-building and identifying where and how to invest energy outside the four walls of your workplace.
- The value of participating on boards and supporting non-profit and community-based organizations as a means for becoming a stronger leader.
- Tactics for becoming a thought-leader and sharing one's voice in the technology community and beyond.
- The benefits of mentoring and sharing insights and wisdom as a corporate and community leader.

September and October will be more focused on small group projects as they prepare their recommendations for the tech-focused nonprofits with which they are working. In October, we are will host a virtual ACE alumni event to welcome in the new class of ACE alumni.

7. Minnesota SBIR/STTR Assistance Program (MNSBIR)

The work Pat Dillon performs to help Minnesota companies, researchers, and entrepreneurs obtain non-dilutive federal research funding continues to bear fruit for those she serves. Current clients have received \$3.4 million in federal grants in the past year in addition to \$191k in Launch Minnesota grant funding from DEED. Over the past 12 months, 34 companies have been awarded approximately \$12 million in federal funding with the help of MNSBIR.

The NIH Accelerator cohort had 31 attendees with several firms being U of MN and Mayo Clinic spin-offs. Two of these firms are in the last mile of NIH/DOD funding worth \$4.7 million.

We are eagerly awaiting the decision from the SBA as to whether or not our 2020-21 MNSBIR FAST Grant application will be funded so that this program can continue past September. We expect to hear in the coming weeks and are cautiously optimistic that funding will be awarded. If approved, this will be the last year of the MNSBIR program operating under MnTech as it moves to the U of M's Office of Technology Commercialization next year.

8. Other Updates

- The MSP Tech Inclusion Project grant proposal we discussed at our last board meeting unfortunately did not make it into the final round of consideration by the JPMorgan Chase Foundation. We are working with CEI and other community partners to move this work forward as we strive to create accessible and equitable tech career on-ramps and pathways for Black, Indigenous, and people of color.

- We are collaborating with Ellen Trader, who heads the new Analytics for Good Institute at the U of M's Carlson School, on a grant proposal to the Bill & Melinda Gates Foundation as part of the Equality Can't Wait Challenge, intended to expand the power and influence of women, particularly women of color, in business and technology roles.
- Prime Digital Academy selected MnTech as the pro bono client for their current class of UX students. In June, student teams completed projects focused on helping us get a higher level of member engagement in our MnTech communities. The impressive results from this initial assessment prompted us to ask them to dive even deeper into the user experience of our MnTech members and the broader technology community. From this, two additional projects formed:
 - A one-pager (with hyperlinks) summarizing MnTech and ways for member company employees to get involved. This will be completed next week.
 - A group of five students will be doing 3-week comprehensive analysis of how we can improve the user experience of MnTech members. They are giving us UX tips for our website, newsletter, social media, and other communication platforms we use to engage members and the broader tech community. This assessment will be done by end of August, and we hope to start implementing immediately.
- As part of 3M's TWIST program, we engaged a group of five high school teachers to conduct research related to impactful STEM education initiatives and programs with proven, or even promising, results that we should lift up and support as a means for building our future tech talent pipeline. The team completed their work last week and resulted in a number of interesting ideas that we look forward to exploring further in the coming months. The final presentation deck is attached for your review.
- MnTech has joined more than 50 organizations spanning multiple industries as part of a new coalition dedicated to helping close America's digital divide. Convened and led by Land O'Lakes, the newly formed American Connection Project Broadband Coalition will advocate for public and private sector investment to bring high-speed internet infrastructure to rural areas, in addition to advocating for policies and contributing their own resources to facilitate remote education, telemedicine, job opportunities and more, with the goal of connecting and lifting up all American communities through access to modern digital technology.

FINANCIAL SUMMARY

With the July financials now complete and attached, you will see that net income through the first seven months was \$66k versus a budget of \$86k, a negative variance of \$20k on \$1.1 million of revenue. With most of our membership renewal revenue recognized early in the year and the bulk of our event-related expenses later in the year, it's hard to make assessments as to organizational financial health based on July results. While we are pleased to be able to track as close as we are to plan given the challenges related to COVID, at this point we are projecting an end-of-year loss of approximately \$70k based on current estimates and budget accruals.

While a currently projected loss of \$70k for 2020 is hard to swallow after operating losses of \$35k in 2019 and \$73k in 2018, rest assured that we will be doing all we can in the next five months to get us to break-even for the year.

The biggest lever for change is events, where our ability to maximize revenue and minimize costs will be critical to this year's financial performance. As you will see in the chart below, we are now estimating event revenue for the year to be just over \$420k, a significant departure from the \$668k in revenue for which we had budgeted. But with events going virtual, we benefit from the savings of not having costs related to venues, food, beverages, etc., which dampens the impact. We still have significant production costs to produce first-class on-line events for Tech Connect and the Tekne Awards (where we also invested \$25k to have a 9-page special section in Twin Cities Business to deliver enhanced value to sponsors and award finalists), but I believe we have now whittled that down to a level that appropriately balances quality and cost.

The following chart shows the expected variances in event income and expenses for 2020. As you will see, we are currently forecasting a net event margin of \$223k versus the \$261k plan. This is not only a function of changed margins in some of our major events, but also the loss of revenue from events we were to help plan and promote (e.g. EFM's MN IT Symposium, Bids & Bytes). We will continue to do all we can to manage expenses and drive additional revenue, but wanted to give you a heads-up on our current thinking as to where we may end the year.

Event	Budgeted Income	Estimated Income	Budgeted Expense	Estimated Expense	Budgeted Net Income	Est. Net Income	Variance
ACE Leadership	89,450	79,400	42,330	31,000	47,120	48,400	1,280
TechTalent	75,590	88,325	45,960	41,417	29,630	46,908	17,278
WLIT	61,400	54,540	43,096	20,960	18,304	33,580	15,276
Tech Connect	172,295	81,375	95,030	42,227	77,265	39,148	(38,117)
Tekne Awards	206,325	82,500	165,857	58,890	40,468	23,610	(16,858)
CIO Forums	16,000	11,500	1,081	400	14,919	11,100	(3,819)
CIO Panel	35,370	23,500	11,501	3,100	23,869	20,400	(3,469)
Lunch & Learns			1,000		(1,000)	-	1,000
New Member/Sponsor Bkft			1,000		(1,000)	-	1,000
Member Networking			533		(533)	-	533
Other (EFM, Bids & Bytes)	12,000				12,000	-	(12,000)
Total	668,430	421,140	407,388	197,994	261,042	223,146	(37,896)

Looking at the balance sheet, we ended July with \$367k of cash and total current assets of \$525k. With total assets of \$537k against total liabilities of \$352k, this leaves us with net equity of \$185k. The detailed income statement and balance sheet are attached.

SUMMARY

Despite the challenges of recent months, I'm proud of how our organization has responded and pivoted our programming to meet the changing needs of our members and broader community. While a lot of uncertainty remains, we are committed to a strong finish to this year with lots of positive momentum as we launch into 2021. We look forward to working with the board to make this happen!

Minnesota Technology Association - Profit & Loss Budget Performance - July 2020

	<u>Jan - Jul 20</u>	<u>YTD Budget</u>	<u>Variance</u>	<u>Annual Budget</u>
Income				
Membership				
4010 - New	65,835	72,008	(6,173)	85,500
4011 - Renewals	377,092	419,481	(42,389)	448,207
Total Membership	<u>442,927</u>	<u>491,489</u>	<u>(48,562)</u>	<u>533,707</u>
Promotion / Events				
4084 - ACE Leadership	79,400	89,450	(10,050)	89,450
4090 - CIO Panel	-	-	-	35,370
4088 - CIO Forum	7,000	8,000	(1,000)	16,000
4125 - Legislative Event	-	-	-	-
4110 - Tech Connect (Spring Conf)	-	-	-	172,295
4126 - TechTalent	88,325	75,590	12,735	75,590
4121 - Tekne Awards	-	-	-	206,325
4123 - Women Leading in Technology	35,550	30,700	4,850	61,400
4180 - Promotion Other	-	-	-	12,000
Total Promotion / Events	<u>210,275</u>	<u>203,740</u>	<u>6,535</u>	<u>668,430</u>
Grant/STEM Programs				
4240 - SBIR/STTR	62,450	62,500	(50)	93,750
4241 - SBIR - Spons/Bus Dev Grant Reim	23,072	25,700	(2,628)	25,700
4226 - STEM Projects/Donations	10,080	-	10,080	10,000
4232 - MHTF STEM Initiatives Coordinat	-	20,000	(20,000)	40,000
4235 - SciTechsperience Grant				
4236 - SciTechsperience Grant Match	155,585	50,000	105,585	660,000
4235 - SciTechsperience Grant - Other	194,956	215,884	(20,928)	348,844
Total 4235 - SciTechsperience Grant	<u>350,541</u>	<u>265,884</u>	<u>84,657</u>	<u>1,008,844</u>
Total Grant/STEM Programs	<u>446,143</u>	<u>374,084</u>	<u>72,059</u>	<u>1,178,294</u>
Other Income*Sales & Marketing				
4325 - Misc Contribution Income	40	-	40	-
4340 - Advertising Income (TechTues)	580	-	-	-
4310 - Interest earned	1,058	2,100	(1,042)	4,000
4324 - Miscellaneous Income	-	-	-	-
Total Other Income*Sales & Marketing	<u>1,678</u>	<u>2,100</u>	<u>(422)</u>	<u>4,000</u>
Total Income	<u>\$ 1,101,023</u>	<u>\$ 1,071,413</u>	<u>\$ 29,610</u>	<u>\$ 2,384,431</u>
Expense				
Administration				
5236 - Emp Parking Exp	3,590	3,385	205	5,485
5040 - Dues & Subscriptions	2,900	3,650	(750)	3,650
5065 - Leases - Equipment	4,995	4,110	885	7,500
5010 - Bank Charges	300	500	(200)	500
5020 - Board of Directors	16	176	(160)	764
5030 - Business Insurance	3,447	4,000	(553)	4,000

5126 · Telecom	3,970	5,375	(1,405)	7,875
5150 · Storage	218	217	1	940
Pro. Services				
5300 · Annual Audit	14,014	12,000	2,014	14,000
5310 · Courier	-	25	(25)	50
5350 · Payroll	1,966	1,750	216	3,000
5355 · 401k	750	875	(125)	1,125
5390 · IT Service/support/subscribtion	4,056	1,750	2,306	3,000
5392 · Website Maintenance & Support	8,927	4,325	4,602	7,400
5394 · Legal Service	110	1,500	(1,390)	3,000
5115 · Merchant Card Service Fee	7,973	9,000	(1,027)	18,000
Total Pro. Services	37,796	31,225	6,571	49,575
5220 · Office Rent- MGEX				
Fueled Collective Rented Office	7,910	7,911	(1)	7,911
5220 · Office Rent- MGEX - Other	29,114	29,120	(6)	49,920
Total 5220 · Office Rent- MGEX	37,023	37,031	(8)	57,831
5235 · Postage	223	250	(27)	500
5410 · General Office Supplies	1,474	4,600	(3,126)	8,000
5190 · Misc	-	1,000	(1,000)	2,000
5450 · Telephone/ Emp reim. & long dis	3,804	4,760	(956)	8,160
Total Administration	99,754	100,279	(525)	156,780
5000 · Association Staffing				
Total Employee Compensation	539,826	538,377	1,449	882,242
Total Insurance	46,574	46,361	213	78,846
Total Pro. Dvlpmnt.	280	800	(520)	1,000
5501 · Consultants/Contract Services	7,164	23,000	(15,836)	24,000
5620 · Staff Recognition	-	500	(500)	1,000
Total 5000 · Association Staffing	593,845	609,038	(15,193)	987,088
5400 · Sales & Marketing				
5802 · Direct Marketing	4,469	4,600	(131)	8,000
5804 · Community Relations	-	625	(625)	2,500
Outreach & Meetings				
5850 · Meals	147	1,050	(903)	1,800
5864 · Mileage	466	1,750	(1,284)	3,000
5866 · Parking	117	875	(758)	1,500
5862 · Meals - Traveling	-	50	(50)	100
5861 · Lodging	-	2,300	(2,300)	2,300
5860 · Car	-	250	(250)	500
5859 · Airfare	473	1,475	(1,002)	1,475
5856 · Events/Dinners	50	250	(200)	500
Total Outreach & Meetings	1,253	8,000	(6,747)	11,175
Total 5400 · Sales & Marketing	5,722	13,225	(7,503)	21,675
Promotion / Event Expenses				
5805 · ACE Leadership	30,481	37,050	(6,569)	42,330
5918 · CIO Panel	-	-	-	11,501
5921 · Member Networking Event	-	375	(375)	533

5907 · CIO Forum	315	540	(225)	1,081
5906 · Seminar/ Lunch & Learn	-	700	(700)	1,000
5925 · Legislative Event	-	-	-	-
5930 · Sponsorship/ New Mem Breakfast	226	1,000	(774)	1,000
5954 · Tech Connect (spring conf)	-	-	-	95,030
5968 · TechTalent	41,417	45,960	(4,543)	45,960
5962 · Tekne Awards	149	-	149	165,857
5924 · Women Leading in Technology	18,874	18,798	76	43,096
5964 · Cvent registration	526	500	26	500
Total Promotion / Event Expenses	91,988	104,923	(12,935)	407,888
STEM Program expense				
5958 · SciTechsp general Expense	41,641	50,000	(8,359)	69,500
5956 · SciTechsperience Co. Reim.	155,584	50,000	105,584	660,000
5991 · SBIR/STTR Program Expense	19,343	31,300	(11,957)	31,300
Total STEM Program expense	216,568	131,300	85,268	760,800
Public Policy				
5972 · Government Relations	26,833	26,833	-	46,000
Total Public Policy	26,833	26,833	-	46,000
Total Expense	\$ 1,034,710	\$ 985,598	\$ 49,112	\$ 2,380,231
Net Income	\$ 66,313	\$ 85,815	\$ (19,502)	\$ 4,200

Minnesota Technology Association Balance Sheet Prev Year Comparison

As of July 31, 2020

	<u>Jul 31, 20</u>	<u>Jul 31, 19</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
Current Assets				
Checking/Savings				
1050 - Wells Fargo	44,807	16,865	27,942	166%
1150 - Merrill Lynch Savings	323,881	345,747	(21,866)	-6%
Total Checking/Savings	<u>368,688</u>	<u>362,612</u>	<u>6,076</u>	<u>2%</u>
Accounts Receivable				
1350 - Accounts Receivable	107,317	105,305	2,012	2%
Total Accounts Receivable	<u>107,317</u>	<u>105,305</u>	<u>2,012</u>	<u>2%</u>
Other Current Assets				
1010 - Petty Cash Account	265	265	0	0%
1181 - Office Rent - Security Deposit	6,953	6,953	0	0%
1200 - Prepaid Expense				
1214 - WLIT prepaid expense	1,000	1,000	0	0%
1210 - Prepaid Expense - cvent registr	0	8,849	(8,849)	-100%
1205 - Prepaid Spring Conf expense	24,109	2,914	21,195	727%
1206 - Prepaid Expenses Tekne Awards	13,447	3,785	9,662	255%
1207 - Other Prepaid Event Expenses	1,500	1,500	0	0%
1200 - Prepaid Expense - Other	1,846	975	871	89%
Total 1200 - Prepaid Expense	<u>41,903</u>	<u>19,023</u>	<u>22,880</u>	<u>120%</u>
1391 - Allowance for Doubtfull Account	(2,000)	(1,250)	(750)	-60%
1500 - Due From Foundation	2,291	16	2,275	14192%
Total Other Current Assets	<u>49,412</u>	<u>25,007</u>	<u>24,405</u>	<u>98%</u>
Total Current Assets	<u>525,416</u>	<u>492,924</u>	<u>32,493</u>	<u>7%</u>
Fixed Assets				
1800 - Office Equipment	30,559	27,917	2,642	9%
1810 - Leasehold Improvements	9,254	9,254	0	0%
1820 - Website	99,503	123,503	(24,000)	-19%
1850 - Accumulated Depreciation	(127,947)	(152,013)	24,066	16%
Total Fixed Assets	<u>11,369</u>	<u>8,662</u>	<u>2,708</u>	<u>31%</u>
TOTAL ASSETS	<u><u>536,786</u></u>	<u><u>501,585</u></u>	<u><u>35,200</u></u>	<u><u>7%</u></u>
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
2000 - Accounts Payable	30,827	21,196	9,632	45%
Total Accounts Payable	<u>30,827</u>	<u>21,196</u>	<u>9,632</u>	<u>45%</u>
Credit Cards				
2005 - Merrill Lynch Credit Card Accou				
Credit Card Maria Mendoza	0	455	(455)	-100%
Credit Card Patty Carruth	884	820	64	8%
Credit Card Becky Siekmeier	1,249	1,748	(499)	-29%
Credit Card Pat Dillon	(10)	161	(171)	-106%
Credit Card Lonni Ranallo	4,378	4,929	(551)	-11%

Minnesota Technology Association Balance Sheet Prev Year Comparison

As of July 31, 2020

	<u>Jul 31, 20</u>	<u>Jul 31, 19</u>	<u>\$ Change</u>	<u>% Change</u>
Total 2005 - Merrill Lynch Credit Card Accou	6,500	8,112	(1,612)	-20%
Total Credit Cards	6,500	8,112	(1,612)	-20%
Other Current Liabilities				
Dues Paid In Advance				
2600 - Advance New	6,662	4,947	1,715	35%
2602 - Advance Dues - beyond yr 1	6,900	8,842	(1,942)	-22%
2601 - Advance Renewal	53,273	55,018	(1,746)	-3%
Total Dues Paid In Advance	66,834	68,807	(1,973)	-3%
Future Events Paid in Adv				
2823 - CIO Forum Sponsorship	4,500	8,000	(3,500)	-44%
2822 - SBIR Seminar	(1,292)	0	(1,292)	-100%
2817 - WLIT	23,990	21,260	2,730	13%
2804 - Spring Conference	82,395	0	82,395	100%
2806 - Tekne Awards	69,300	41,800	27,500	66%
2818 - Misc Liability	250	0	250	100%
Total Future Events Paid in Adv	179,143	71,060	108,083	152%
2006 - Due to Foundation	540	0	540	100%
2100 - Payroll Liabilities	1,341	1,341	0	0%
2150 - Accrued Vacation	15,176	7,225	7,951	110%
2290 - Accrued Bonus	32,375	30,045	2,330	8%
2300 - Accrued Profit Share Contr	18,767	29,165	(10,398)	-36%
Total Other Current Liabilities	314,176	207,643	106,533	51%
Total Current Liabilities	351,503	236,951	114,553	48%
Total Liabilities	351,503	236,951	114,553	48%
Equity				
3900 - Net Assets Unrestricted	118,969	176,442	(57,473)	-33%
Net Income	66,313	88,192	(21,879)	-25%
Total Equity	185,282	264,635	(79,352)	-30%
TOTAL LIABILITIES & EQUITY	536,786	501,585	35,200	7%

MnTech Director Emeritus Program - DRAFT

To ensure that the Minnesota Technology Association (MnTech) has a vibrant and dynamic Board of Directors that enables the organization to optimally fulfill its mission, MnTech has adopted a policy that board members should serve no more than three consecutive three-year terms as a voting member of the Board of Directors. This limit allows the Board to bring in new Directors with diverse perspectives, talents, passions, and experiences to refresh the governance of the organization continuously over time.

Just because a Director is no longer serving on the Board of Directors, their involvement doesn't necessarily need to lessen in the service of MnTech. It is in the best interests of MnTech to retain the expertise and wisdom of long-serving Board members as they bring cohesiveness and consistency to the organization and can be helpful to both new Board members and staff. Their collective knowledge, insight, and expertise are invaluable and, in many respects, irreplaceable.

To balance the organization's need for new and diverse perspectives on the Board as well as retain the expertise, wisdom, and insight of long-serving Board members, the Governance Committee is establishing the MnTech Director Emeritus program.

This program will recognize and honor members of the Board of Directors who have served MnTech with distinction throughout their term(s) and enables them to transition to a non-voting role while remaining engaged and enjoying the benefits of being part of the MnTech community.

To be considered for designation as a Director Emeritus, a person must be a member of our Board of Directors who:

1. Has served the Board of Directors with distinction,
2. Held a critical leadership role, or made or continues to make significant contributions,
3. Completed the term(s) for which he or she was appointed,
4. Continues to participate in one or more of our activities (e.g., events, volunteerism, fund-raising, government relations, networking, etc.)

Recognition and Privileges

Director Emeritus members shall have privileges that include:

- Access to Emeritus-only activities – including the MnTech annual strategic planning process
- Eligibility for appointment to MnTech advisory committees, task forces, and workgroups
- Receipt of an award letter and commemoration
- Listing on MnTech's website
- Inclusion in MnTech mailing list for announcements, event invitations, and news
- Free admission to MNTech events

Revocation of Emeritus Status

Emeritus status may be revoked at any time at the discretion of the MnTech Board of Directors. Revocation may occur when it has been determined that an individual's conduct, before or after Emeritus/Emerita status has been conferred, diminishes MnTech's reputation.