

SPECIAL FINANCE COMMITTEE MEETING
February 24, 1972

President Wharton called the special Finance Committee meeting of the Trustees to order at 7:15 p.m. for the purpose of hearing a report on the University investments. All Trustees except Mr. Thompson were present.

Report on Univ.
investments by
Ann Arbor Trust
and Scudder,
Stevens & Clark

Vice President Wilkinson presented Messrs. George Cress and William Broucek of the Ann Arbor Trust Co. and Mr. James Baxter of Scudder, Stevens and Clark. Mr. Baxter gave the Board a brief report on the general economic outlook for 1972 which included an outlook on the bond and equity markets. He also reported on the performance of the University investment portfolio.

Mr. Baxter reported that due to the time lag between their recommendations and execution by the University (because Board action is required) they estimated this had cost our investment fund approximately \$200,000. It was their (Scudder, Stevens & Clark) recommendation that the Board give serious consideration to a change that would allow quicker implementation of their recommendations.

A number of suggestions were made by individual Trustees relative to committees that might act for the Board on investment recommendations. The Trustees suggested this matter be discussed again at the next meeting of the Board.

Meeting adjourned.

MINUTES OF THE INFORMAL MEETING
of the
BOARD OF TRUSTEES
February 24, 1972

Present: President Wharton; Trustees Carrigan, Hartman, Huff, Martin, Merriman, Stevens, and White; Executive Vice President and Secretary Breslin, Provost Cantlon, Vice Presidents Muelder, Perrin, and Wilkinson; Dean Nonnamaker; Messrs. Ballard, Carr, Spaniolo, and Wilkie.

Absent: Trustee Thompson.

Presentation by
TIAA-CREF
officials re
women's retire-
ment benefits

President Wharton called the informal meeting of the Board of Trustees to order at 8 p.m. He announced that there would be four presentations: the first would deal with the TIAA-CREF retirement program, the second would be a report by the College of Osteopathic Medicine, the third would relate to the proposed University Health Care Authority, and the fourth would be a brief presentation by Dr. Wharton on his recent trip to Asia.

Vice President Wilkinson introduced Mr. Thomas Edwards, president of TIAA-CREF. Mr. Wilkinson explained that the TIAA-CREF presentation was in response to concerns about inequities for women employees. Mr. Edwards indicated that TIAA-CREF can develop almost any kind of retirement plan wanted by an organization. He added that his group could also come up with possible solutions to the inequity problem. He briefly reviewed the operation of TIAA-CREF.

Mr. Edwards stated that the inequities which exist in the current TIAA-CREF retirement plan with the University reflect the actuarial tables used by the industry. He added that women do live longer than men and that this fact provides financial problems for retirement programs. He also indicated that TIAA-CREF could develop several possible solutions for the University concerning women employees. He pointed out that to achieve equal monthly retirement payments for men and women would require greater contributions into the program for women than men. But if equal contributions are made, then the monthly payment for women would be lower because women live longer.

Trustee Carrigan asked that Vice President Wilkinson and his staff meet with TIAA-CREF officials concerning proposed solutions and that he report back to the Board concerning the cost and operation of such solutions.

Report by Dean
of College of
Osteopathic
Medicine

Provost Cantlon introduced Dr. Myron S. Magen, Dean of the College of Osteopathic Medicine. Dean Magen introduced members of his staff: Dr. John Barson, Mr. Gerald A. Faverman, and Mrs. Deborah Krell. Dr. Magen presented a brief overview as to the activities of the college in both recruiting students and faculty, and in outreach programs. He mentioned the college's spiral curriculum which is designed to integrate clinical, behavioral, and basic science learning. He also discussed student involvement with practicing physicians early in the program and the college's affiliation with hospitals throughout Michigan.

Dean Magen indicated that some 2,500 applications are expected for openings in the entering class for 1973-74. He added that of the current student body, some 45 percent are from Michigan. He discussed the problems in finding faculty for the college's new clinical programs. As an answer to this, the college is establishing an advanced placement program whereby qualified doctoral degree holders will receive a Doctor of Osteopathic Medicine degree after some 22 months of intensive training at MSU. The program is to be financed by the Michigan Osteopathic Foundation.

President Wharton indicated to the Board that the next item for information would also be taken up as an item for action at the Board meeting Friday, February 25. Dr. Wharton reviewed some of the problems that face the University in the health care area. He mentioned the document approved by the Board in 1969 which covers the MSU Health Center. He pointed out that he had asked Vice President Muelder and Elliott G. Ballard, Assistant to the President, to study the current operation of health care programs on campus and make recommendations. Out of this study has developed a proposal for establishing a University Health Care Authority.

Presentation re
Health Care
Authority

Vice President Muelder made a brief presentation concerning health care problems. He indicated that the University's relationship with the Blue Cross program has also dictated the need for a better formulated university-wide approach.

After some discussion over membership on the proposed authority, President Wharton agreed that the University would keep the membership flexible and would consider the concern of several Board members that a representative from the President's Office be a member of the authority. There was also interest that psychological and counseling areas be eventually represented on the authority.

President Wharton presented a brief review of his recent trip to Asia. He visited and lectured at universities at four of the countries where he traveled. His first stop was the Republic of Korea where he met with MSU faculty involved in an agricultural research project. He also met with the Minister of Education and lectured at several universities. In Taiwan, he presented two lectures and was guest at a reception sponsored by MSU alumni in Taipei. His visit to The Philippines included lectures at two universities and meetings with the Rice Institute. He also attended a reception held by MSU alumni and former faculty members. Dr. Wharton's trip to the Federation of Malaysia included visits to three universities and discussions of possible projects which might involve the Midwest Universities Consortium for International Activities (MUCIA), of which MSU is a member. He met with the Malaysian Prime Minister and other members of his cabinet.

Report by Pres.
Wharton on his
December 1971
trip to Asia

Dr. Wharton visited the University of Singapore in the Republic of Singapore. In Thailand, he visited two universities and attended a reception jointly sponsored by MSU alumni. He met with several Thai officials concerning educational and agricultural problems. Dr. Wharton lectured at one university in Japan and was honored by Japanese alumni of MSU.

President Wharton's overall impression was that many important changes have occurred in Asia over recent years. He also was impressed with the positions of influence held by many MSU alumni in the countries he visited. He felt that the problem of becoming self-sufficient in food production was still the major challenge facing Asian nations. He reported that The Philippines had seemed to be the nation moving the closest to this goal until a recent disease hit their farming areas.

President Wharton adjourned the informal meeting at 9:45 p.m.

MINUTES OF THE MEETING
of the
FINANCE COMMITTEE
February 25, 1972

President Wharton called the Finance Committee meeting to order at 7:40 a.m.

The following members were present: Trustees Carrigan, Hartman, Huff, Martin, Merriman, Stevens and Thompson; President Wharton, Executive Vice President and Secretary Breslin, Provost Cantlon, Attorney Carr, Vice President Wilkinson, Assistant to the President Ballard.

Absent: Trustee White.

- Investment recommendations from Scudder, Stevens & Clark and Mr. George Cress, as follows:

Investment
recommendations

Consolidated Investment Fund

<u>Amount</u>	<u>Security</u>	<u>Approx. Price</u>	<u>Principal</u>	<u>Income</u>	<u>Yield</u>
	Cash available		\$ 22,500		
	Recommend purchasing:				
Up to 255	Sherwin Williams cv. pfd. B (making 600)	\$ 85	21,675	\$1,122	5.2%

Refirement Fund

	Contribution		175,000		
	Recommend purchasing:				
3,280	NCR (making 12,000)	32	104,960	1,312	1.3%
Up to 3,500	Franklin Life (making 18,500)	21	73,500	1,750	2.4%

On motion by Trustee Carrigan, seconded by Trustee Thompson, it was unanimously voted to approve the investment recommendations.

Report of sale
of stock

2. The 3 shares of S. S. Kresge Company stock submitted with a gift and grant form for acceptance at the February 1972 Board meeting, as a gift from Donald W. Schreiner for the MSU Development Fund were sold on February 7, 1972 for a net amount of \$287.12.

The 9 shares of Dow Chemical Company stock submitted with a gift and grant form for acceptance at the February 1972 Board meeting as a gift to the Department of Chemical Engineering from Mr. and Mrs. R. W. Caldwell were sold on January 14, 1972 for a net amount of \$695.79.

On motion by Trustee Merriman, seconded by Trustee Stevens, it was unanimously voted to accept the above reports.

Investment in
The Common Fund
to be investi-
gated

3. Vice President Wilkinson presented materials highlighting the various factors concerning the history and operation of The Common Fund. He recommended that the Trustees authorize the administration to further investigate the possibility of an investment in this fund and submit a recommendation to the Trustees.

Motion was made by Trustee Stevens, seconded by Trustee Huff, to approve the above recommendation. Unanimously carried.

Henry T. Ritter
Fund established

4. The University has received \$22,954.16 from the Henry T. Ritter Estate. The late Henry T. Ritter of Toledo, Ohio, was a prominent manufacturer of clay flower pots. His will stated that the money should be used "for the advancement of horticulture insofar as it relates to the study of pot plants, through research, scholarships or such other means as may be deemed practical and appropriate."

Dr. John Carew, Chairman of the Department of Horticulture has requested that this bequest be invested by the University and the income made available to the Horticulture Department for the above-mentioned uses.

It was recommended that the Board of Trustees approve the establishment of the Estate of Henry T. Ritter Fund to be placed in the consolidated investment group and be classified as a fund functioning as an endowment.

On motion by Trustee Carrigan, seconded by Trustee Thompson, it was unanimously voted to approve the establishment of the Henry T. Ritter Fund as outlined.

Supplemental
appropriation
for off-campus
credit courses
approved

5. The administration requested Board approval for a supplemental appropriation of \$33,390 for covering the direct cost expenses of off-campus credit courses offered under contract to various school systems or other public agencies. The fee income guaranteed by the contracting agencies will cover all direct cost expenses plus the essential overhead.

This student fee revenue will, of course, be paid into the General Fund and the \$33,390 supplemental allocation should be made from that account.

On motion by Trustee Merriman, seconded by Trustee Thompson, it was unanimously voted to approve the supplemental appropriation for off-campus credit courses.

Easement to
Kimberlands Ltd
through Dunbar
Forest granted

6. Executive Vice President Breslin and Attorney Carr recommended that an easement be granted to Kimberlands, Ltd. for a road through a portion of our Dunbar Forest on Neebish Island.

On motion by Trustee Thompson, seconded by Trustee Hartman, it was unanimously voted to approve the granting of the easement as recommended. A copy of the easement is filed in the Secretary's Office and is made part of these minutes.

Honorary Alumni
Awards

7. The Executive Board of the Michigan State University Alumni Association recommended that the following people receive the Honorary Alumni Award from Michigan State University at the 23rd Annual Alumni Reunion of the College of Human Ecology on April 22, 1972.

Dr. Marie Dye, Professor and Dean Emeritus, College of Home Economics,
Michigan State University

Dr. Irma Gross, Professor and Head Emeritus, Department of Home Management
and Child Development, Michigan State University

Miss Jeanette Lee, Professor and Dean Emeritus, College of Human Ecology,
Michigan State University

Miss Mary Lewis, Associate Professor Emeritus, College of Human Ecology,
Department of Foods and Nutrition, Michigan State University

On motion by Trustee Carrigan, seconded by Trustee Martin, it was unanimously voted to award the Honorary Alumni Awards as recommended.

Univ. attorney
recommends Univ.
continue to use
current residency
rules

8. Attorney Carr reported that for the present he recommended that the University abide by the current rules concerning in-state and out-state residence. He further indicated that he felt this matter of residency determination would be decided by the courts in the very near future.

9. Vice President Wilkinson presented the official statement for the housing refinancing plan approved at the January 21, 1972 Board meeting. It was recommended that the official resolution be adopted as submitted and made a part of the minutes of this Board meeting.

Approval official statement for housing refinancing plan

Motion was made by Trustee Martin, seconded by Trustee Thompson, to approve the above recommendation. Unanimously carried.

10. President Wharton recommended the approval of University participation in the Tri-county Radio Communication System.

Approval Univ. participation in Tri-county Radio Communication System

Motion was made by Trustee Martin, seconded by Trustee Thompson, to approve the University's participation in the Tri-county Radio Communication System. Unanimously carried.

11. It was recommended that the revised resolution relating to the renovation of Fee Hall be approved and filed with the materials relevant to this Board meeting.

Approval revised resolution re renovation of Fee Hall

On motion by Trustee Stevens, seconded by Trustee Thompson, it was unanimously voted to approve the above recommendation.

12. President Wharton made brief reports to the Trustees on the following items:

Reports by President Wharton

- a. Progress on the selection of the Vice President for Student Affairs
- b. Task force on lifelong education
- c. Discussion of the proposed College of Law with Governor Milliken and Dr. John T. Dempsey, Director of Programs and Budget
- d. Discussions the President has had with Dr. John Fuzak relative to the Director of Athletics. He has asked for a speed-up in the selection process.
- e. Filing of a petition by the MEA for unionization of the faculty
- f. Update on the John R. Hildebrand case

13. President Wharton recommended that honorary degrees be awarded as follows at fall commencement, December 2, 1972:

Honorary Degrees Fall 1972

- | | |
|-------------|---|
| Speaker | - U Thant, former Secretary General, United Nations |
| Alumnus | - George A. Garratt, 1920, Dean Emeritus, School of Forestry, Yale University |
| Scholar | - Gunnar Myrdal, Professor International Economics, University of Stockholm |
| Public Life | - Leonard Woodcock, President, AFL-CIO |

On motion by Trustee Stevens, seconded by Trustee Carrigan, it was unanimously voted to approve the above recommendations.

Trustees' Distinguished Citizen Awards

President Wharton also reported that C. S. Mott and Stephen S. Nisbet have indicated they will accept the Trustees' Distinguished Citizen Award. The Mott presentation ceremony will be held in Flint.

Meeting adjourned.

MINUTES OF THE EXECUTIVE SESSION
of the
BOARD OF TRUSTEES
February 25, 1972

Following the Finance Committee meeting, the Trustees met in executive session. All Trustees except Mr. White were present. Also present: President Wharton, Executive Vice President and Secretary Breslin, Attorney Carr.

1. President Wharton recommended that Dr. Leslie Scott be paid an annual salary of \$36,500 effective April 15, 1972.

Approval salary for Leslie Scott

Motion was made by Trustee Stevens, seconded by Trustee Thompson, to approve the above recommendation. Unanimously carried.

2. President Wharton indicated that Trustee Carrigan had requested some part-time clerical assistance to be performed in Ann Arbor. He further indicated that this service, of course, would be available to other Trustees assuming this was requested.

Clerical services for Trustees

3. President Wharton reported that the State News had requested information of Executive Vice President Breslin relative to Trustee benefits and expenses.

Response to inquiries re services available to Trustees

It was agreed that Breslin should indicate what services of the University are available to the Trustees to anyone who requested it.

4. President Wharton explained in detail his statement of February 10, 1972 in which he requested Dr. John A. Fuzak to discuss at the Big Ten meetings March 6 through 8 the issues raised by Drs. Green, Gunnings, and McMillan relative to the treatment of black athletes and staff in the Big Ten.

Pres. Wharton's statement re issues to be raised at Big Ten spring 1972 meeting