

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS INVESTMENT COMMITTEE

MINUTES

April 14, 1971

A meeting of the Investment Committee was held on Wednesday at 3:30 p.m. in the Minnesota Club, 317 Washington, St. Paul.

Committee members present: Regent Hartl, presiding; Regents Andersen, Brink, Huffington, and Yngve.

Other Regents present: Regents Cina, Malkerson, and Rauenhorst.

At the meeting of March 11, 1971, the Committee adopted principles and procedures to be used in the selection of a firm or firms to replace Brokaw, Schaenen, Clancy and Company as managers of a portion of the investment portfolio.

In this connection, Mr. Donald Brown, Executive Assistant to the Director of Development, reviewed the procedure which had been used in soliciting invitations to bid and subsequently screening applicants to determine those that would be recommended for interview by the Committee. Mr. Brown discussed each of the rejected applicants briefly and summarized reasons for the rejections.

The Vice President for Finance, Planning and Operations then introduced the following representatives of three investment firms for interview:

Messrs. Clayton Brown, Richard Brown, and Donald Brown of C. H. Brown Company, Minneapolis

Messrs. Stanley Platt, Henry Norton, Richard Tschudy, and Charles Webster of Platt, Tschudy, Norton and Company, Minneapolis

Mr. David Ogden of Thorndike, Doran, Paine and Lewis, Inc., Boston, Massachusetts

Each of the above firms, in turn was given approximately 45 minutes to present its qualifications and investment philosophy to the Committee and to answer questions from the Regents and the administrative staff who were present.

Voted to defer action on the selection of a firm or firms to replace Brokaw, Schaenen, Clancy and Company as managers of a portion of the investment portfolio pending further interviews from among the initial applicants.

The Vice President for Finance, Planning and Operations introduced Mr. Wilson, a representative of A. G. Becker Company, Chicago, who discussed with the Committee techniques and report forms which will be used in measuring the performance of the managers of the University of Minnesota investment portfolio and comparing the results with the performance of other similar funds throughout the country.

There was a general discussion on questions raised in the Legislature about the comparability of University investment reporting procedures for the Permanent University Fund with those used for other state trust funds.

Voted on the recommendation of the Vice President for Finance, Planning and Operations and the President to approve a statement of principles which will apply in determining income from the Permanent University Fund reported to the state for appropriation offset and in preparing special reports to the state for comparative purposes. Statement of principles filed supplement to the minutes, page 20,828.

The Vice President for Finance, Planning and Operations discussed a proposal to make a mortgage loan of \$63,450 to the Council for Student Cooperative Development for interim financing in connection with the Council's plans to construct student housing on a site on 13th Avenue S.E. between Fourth Street S.E. and Fifth Street S.E., Minneapolis.

Voted to refer the matter of assisting the Council for Student Cooperative Development in interim financing of the above student housing development to the Executive Committee for a decision as to the policy for authorizing such assistance.

Voted to adjourn.

DONALD K. SMITH, Acting Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

FACULTY, STAFF AND STUDENT AFFAIRS COMMITTEE

MINUTES

April 15, 1971

A meeting of the Faculty, Staff and Student Affairs Committee of the Board of Regents was held on Thursday at 3:30 p.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Regent Yngve, presiding; Regents Cina, Malkerson, Rauenhorst, Sherburne, and President Moos.

Staff present: Vice Presidents French, Shepherd, and Smith; Messrs. Eidenberg, Lofquist, Odegard, Tierney, and Zander; Miss McAvoy and Mrs. Pirsig.

Change in Basic Civil Service Law

Vice President Smith reported that the Council for University Women's Progress had offered assistance on disseminating information and providing an opportunity for people to be heard in regard to the Neely Gardner report on the change in basic civil service law. Mrs. Nancy Pirsig is chairing a committee that is holding "mini" hearings around campus on this subject. Mrs. Pirsig gave an account of the hearings that will be held. She indicated that each meeting will include a presentation of what the Gardner report contains. The audience will in turn have a chance to ask questions and to give their opinions and reactions to the various points of the Gardner report. The results of these hearings will be presented to Dr. Smith as well as the recommendations that the committee will evolve on the basis of these hearings. Mrs. Pirsig also indicated that *University Report* is running a five-part series analyzing the various areas of the Neely Gardner report. The purpose of the series is to identify the perplexities in the system and the kinds of concerns people have which tie into the various implications of the report. Regent Yngve asked for assurance that the more outspoken opponents of the proposal, such as Mr. John Hanson, have been contacted regarding their concerns. Dr.

Smith reported that he has already spent considerable time with Mr. Hanson and that he was thoroughly familiar with his concerns and recommendations concerning the report. Regent Yngve asked Dr. Smith to prepare a report for the next meeting of the Faculty, Staff and Student Affairs Committee dealing with the points raised by the opponents of the report.

Minnesota Public Interest Research Group (MPIRG)

Regent Yngve introduced Miss Becky Wessman, a College of Liberal Arts Junior in Sociology, and Mr. Karim Ahmed, a post-doctoral fellow in the Medical School, representatives of the Minnesota Public Interest Research Group (MPIRG) who requested the opportunity to present the MPIRG case to the Regents for information. Miss Wessman reviewed the purposes and the scope of MPIRG. She indicated that 18 of the schools in Minnesota have conducted a referendum on MPIRG, and 17 of these schools have over 50 percent support from their students. At the University of Minnesota, Twin Cities Campus, she indicated that over 24,000 students have voted in support of MPIRG. In addition, the University Fees Committee approved unanimously a motion in support of MPIRG.

At this point, Mr. Ahmed went over the highlights of the MPIRG proposal discussing its basic structure, its method of conducting its business, educational goals and a detailed description of the professional staff and responsibilities. He indicated that they are requesting that the University of Minnesota act as a collecting agency for the fee. President Moos inquired if it would be possible for the MPIRG organization to be neutral at the same time as being activist. Mr. Ahmed responded that the organization will not support a candidate by name but will support issues. Regent Malkerson raised the question of whether or not the organization had thought of alternative ways of collecting the money rather than having the University act as a collecting agency. Mr. Ahmed responded by saying that the two alternatives, in order of preference, were mandatory collecting, and second, a voluntary check-off. Mr. Ahmed stressed that a mandatory check-off was much more beneficial to MPIRG's activities in terms of the stability of the organization and hiring a staff of professionals. Miss Wessman said that students would be able to apply for a refund after a period of three weeks which the MPIRG organization would do in a very well publicized place on campus. Regents Cina and Sherburne indicated that a mandatory check-off certainly made the payment of the fee compulsory.

Regent Yngve asked if the MPIRG group felt the University of Minnesota should collect fees from students for any organization that manages to get better than 50 percent support of the student body. Miss Wessman responded by saying that she felt that if an organization has educational value and there is substantial student support, these criteria certainly make that organization's proposal eligible for consideration by the Regents.

At this point, Mr. Joe Highland, doctoral candidate in Biochemistry and a supporter of MPIRG, commented that the fee collecting mechanism that MPIRG is proposing is similar to one fee already assessed by the University, specifically, a portion of the health service fee. In addition, he stated that there are many fees collected at the University over which students have no option as to whether or not they wish to pay.

Regent Yngve recognized Kevin Green, a first year Law School student at the University of Minnesota, who spoke in opposition to the MPIRG proposal. He raised the following questions:

1. Does the University, as a state-supported educational institution, have the authority to assess of its student body a fee that is destined for non-University purposes, that is, the support and perpetuation of a private independent lobby such as MPIRG?
2. Would not the assessing and collecting of such a fee by the University from a University student constitute a wrongful taking of his property if done against his will and for which he must undergo some inconvenience to repossess?
3. What would be the possible sanctions if a student chose not to pay the MPIRG fee? Will a student then be penalized?
4. Aside from the question of inconvenience a student is subjected to in order to take back that which is rightfully his, does not the proposed funding scheme force a student to take a public political stand to reclaim his property and thereby violate his right to privacy?
5. Is the University in fact being asked to approve MPIRG sight unseen, since the MPIRG proposal makes clear that the organization is not bound in effect by anything they have proposed?
6. Can a private independent lobby use a state institution to finance and perpetuate itself? No matter how worthy the cause, would it not be an unfortunate precedent for the University as a state institution to financially underwrite a private enterprise?
7. If the University becomes a third party, what controls would the University have over the use of the MPIRG's funds?

Regent Yngve asked Mr. Green what he thought of the objectives of the MPIRG organization. Mr. Green responded by

saying that he is in agreement with the objectives, but he is in strong disagreement with the proposed method of funding of the University acting as a fee collecting agency.

President Moos thanked the group for their presentations.

Voted to adjourn at 4:30 p.m.

DONALD K. SMITH, Acting Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

PHYSICAL PLANT COMMITTEE

MINUTES

April 16, 1971

A meeting of the Physical Plant Committee of the Board of Regents was held on Friday at 8:00 a.m. in the Campus Club, Coffman Memorial Union.

Committee members present: Regent Huffington, presiding; Regents Andersen, Brink, Cina, Rauenhorst, and Sherburne.

Other Regents present: Regents Malkerson, and Yngve.

The Vice President for Finance, Planning and Operations reported that the following low bids had been accepted and contracts awarded for the fifth floor addition and first floor kitchen remodeling at the University Health Service, Minneapolis:

Contract Costs*General Work*

Midwestern Contractors, Inc.
Minneapolis, Minnesota

Bid \$540,000

Mechanical Work

Hoglund Heating Company
7420 West Lake Street
Minneapolis, Minnesota

Bid 302,800

Electrical Work

Central Electric Company
Minneapolis, Minnesota

Bid 91,679

Elevator Work

Haughton Elevator Company
St. Paul, Minnesota

Bid 41,669

Total Contract Costs \$976,148

