

THE INSTITUTE FOR ADVANCED STUDY

Minutes

Annual Meeting of the Corporation

April 28, 1979

Princeton, New Jersey

Present: Mesdames Delmas and Whitehead; Messrs. Petersen (Chairman), Dilworth, Doob, Hansmann, Kauffmann, Linder (Emeritus), Segal, Stewart, Straus, Wolfensohn, Woolf.

Absent: Messrs. Byrom, Houghton, Opel, Simon, Taplin.

Also Present: Messrs. Hunt (Secretary) and Rowe.

Presiding Officer: Mr. Petersen, the Chairman of the Corporation, opened the meeting at 9:30 a.m.

Minutes: The Minutes of the meeting of the Corporation held in Princeton on April 29, 1978, were approved as circulated.

Report of the

Nominating Committee: In the absence of Mr. Opel, Dr. Woolf reported the recommendation of the Nominating Committee as follows:

For re-election with terms expiring in 1984:

Howard C. Petersen
Donald B. Straus
Elizabeth A. Whitehead

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Dr. Woolf then announced:

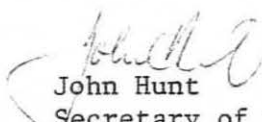
As new members of the Board with terms
expiring in 1984:

Zeph Stewart
James D. Wolfensohn

There were no further nominations and a motion
was made that the nominations be closed and that
the Secretary cast a ballot for Mrs. Whitehead
and for Messrs. Petersen and Straus.

Dr. Woolf reported that Dr. Henry Kissinger had
declined the Board's invitation to become
a Trustee.

There being no further business, the meeting was
adjourned at 9:30 a.m.


John Hunt
Secretary of the Corporation

THE INSTITUTE FOR ADVANCED STUDY

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Meeting of the Board of Trustees

April 28, 1979

Princeton, New Jersey

Present: Trustees Petersen (Chairman), Delmas, Dilworth, Doob, Hansmann, Kauffmann, Linder (Emeritus), Segal, Stewart, Straus, Whitehead, Wolfensohn, Woolf.

Also: Messrs. Hunt (Secretary), Rowe, Arthur Collins, Donald Elliott, James Harvey, Paul G. Marshall, Peter Pattison, James Schmidt, Robert Venturi, Richard Weinstein.

Absent: Trustees Byrom, Houghton, Opel, Simon, Taplin.

Presiding Officer: The Chairman, Mr. Petersen, opened the meeting at 8:30 a.m.

Minutes: The Minutes of the regular meeting of the Board held in Princeton on October 28, 1978, were approved as circulated.

Chairman's Remarks: The Chairman called for an Executive Session of the Board.

Following the Executive Session, the Chairman made appointments as noted to the following Committees:

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Budget Committee: Mr. Kauffmann
Finance Committee: Mrs. Delmas
Executive Committee: Mrs. Whitehead
Mr. Wolfensohn

The Special Film Committee was discontinued, with an expression of appreciation.

The Chairman then reviewed the resolutions for establishing a pooled income fund for life income gifts. After noting that specific procedures in this regard should be cleared with the Finance Committee, the Chairman presented the resolutions to the Board for action. The resolutions were approved unanimously, as presented.

Report of the

Nominating Committee: Dr. Woolf, the Acting Chairman of the Nominating Committee, presented the following slate of officers for the coming academic year:

Howard C. Petersen, Chairman
J. Richardson Dilworth, President
and Vice-Chairman
Ralph E. Hansmann, Treasurer
Donald C. Jenkins, Assistant Treasurer
John Hunt, Secretary

There were no further nominations from the floor, and it was moved, seconded and carried that the nominations be closed. The Secretary was instructed to cast a ballot for the entire slate.

Report of the Finance

and Budget Committees: Mr. Hansmann reported for the Committees in place of Mr. Houghton and Mr. Taplin, who were absent. He reviewed the budget analysis which had been distributed to the Board and pointed out that the proposed increase in retirement benefits was being deferred until the October meeting of the Board, pending further study. The budget which was being recommended included revised health and insurance benefits and salary increases for faculty and staff. Mr. Hansmann noted the size of the operating deficit as well as the amount of capital expenditures anticipated for repairs to members' housing, and pointed out that a larger proportion of total return will be needed to cope with increasing deficits.

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Dr. Woolf stated that efforts would be made to raise the bulk of the funds needed for capital expenditures from foundations and the difference would be sought in the form of low-interest loans.

Mr. Petersen suggested that the income from the State of New Jersey for the Einstein Professorship should be treated as current rather than endowment income.

Mr. Hansmann asked that future budgets include a provision for annual depreciation.

Mr. Hansmann then presented the financial report, noting that the market value of the portfolio at the end of March was close to \$65 million from which the annual income in interest and dividends would be some \$3.5 million.

Mr. Petersen and Mr. Segal both praised the investment record achieved under Mr. Hansmann's direction and asked that the latest Hamilton, Johnston report be sent to the new Trustees.

At the conclusion of the report of the Finance and Budget Committees, the budget was approved by the Board with the understanding that the amount included for increased retirement benefits would be deleted, pending a further review by the Finance and Budget Committees and by the Board at its October meeting.

Report of the
Special Committee
on Land Development:

At the suggestion of Mr. Dilworth, the report of the Special Committee on Land Development was preceded by a general presentation by Mr. Collins, a slide presentation by Mr. Venturi, and a review of the architectural drawings prepared and displayed by Mr. Venturi.

These presentations were followed by a discussion with Mr. Collins, Mr. Elliott, Mr. Venturi, and Mr. Weinstein and staff, in the course of which the following principal points were made by the consultants:

- a. The time period envisaged for the completion of the development is 6-8 years;

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- b. The project involves the sale of a parcel of land by the Institute. The Institute would not be a co-venturer, but rather a participant in controlling the character of the development;
- c. The land would be bought, and the project built, in segments. Some 50 units would be involved in the first segment.

In the discussion which followed, Mr. Dilworth stated that Mr. Robert von Ancken had been selected as the Institute's appraiser for the land development project, and added that the proposed Memorandum of Intent between the Institute and Mr. Collins needed more work in order to reflect Trustee concern about the Institute's realizing a fair share of the overall proceeds in the event of sharply rising land values.

There was general agreement with the position that while the Board was not prepared to proceed to the next stage on the basis of present information, the Board was ready to accept the concept that development of this portion of the Institute's land offered an attractive way of realizing a significant addition to endowment.

Several Trustees then emphasized the need to inform the Faculty in depth, including a detailed review of proposed plans, in order to secure Faculty agreement to the development project.

Mr. Dilworth then summed up the discussion as follows:

- a. It is the sense of the Board to proceed with the exploration of the development project, without committing the Institute at this stage;
- b. The resolution with respect to the Memorandum of Intent between the Institute and Mr. Collins will not be presented to the Board for decision at this time;

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- c. The relationship with New Sources of Funding to, but not into, the construction stage, and the services of Messrs. Weinstein and Elliott, with the addition of Mr. von Ancken, should be retained for the negotiating period ahead;
- d. The financial stability of Mr. Collins must be checked (which Mr. Wolfensohn offered to do);
- e. Mr. von Ancken will work with Messrs. Weinstein and Elliott in preparing a new and improved Memorandum of Intent;
- f. The Faculty is to be informed as soon as possible;
- g. Once a new Memorandum of Intent is completed which incorporates the views of the Board with regard to a step-by-step process relating price to the success of the venture, a meeting of the Special Land Development Committee will be held with all Trustees invited.

Report of the Director: Dr. Woolf presented a revised proposal for the creation of an organization to be known as The Friends of the Institute for Advanced Study.

The Board approved the formation of the Friends organization and accepted the attached Statement of Purpose which incorporates several suggestions made by Mr. Segal designed to strengthen the role of the Board in the governance of the organization.

The Director then distributed documents relating to a proposed Annual Report and asked for the reaction of the Board. After a general discussion of the character of the Report and its uses, it was agreed that copies of the charts would be sent to all Trustees for comments and suggestions and that in producing the Report, due consideration would be given to the costs involved as these relate to possible additional publications for development purposes.

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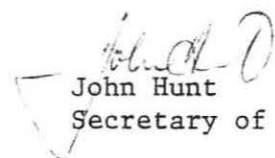
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The Director then presented an abbreviated academic report, touching on the highlights of the year's work in the four Schools, including publications of Faculty and members.

With regard to the Development Report, it was agreed that income from the State of New Jersey for the Einstein Professorship at the Institute should be shown as an annual contribution and not as endowment.

In response to a query from Mr. Segal about the Members Report requested at the previous meeting, the Director stated that it was now in preparation and would be presented at the October 1979 meeting of the Board.

There being no further business, the meeting was adjourned at 1:00 p.m.


John Hunt
Secretary of the Corporation

THE FRIENDS
OF THE INSTITUTE FOR ADVANCED STUDY

A STATEMENT OF PURPOSE

Article I

1. The purpose of the organization to be known as The Friends of the Institute for Advanced Study is to support the goals of the Institute as determined by the Trustees, Director, and Faculty. The activities of The Friends shall be at all times in harmony with Institute policies as defined and interpreted by the Institute Trustees and Director.
2. All activities of The Friends will be carried out with due regard for maintaining the privacy and tranquillity that are clearly essential to the accomplishment of the Institute's purposes.

Article II

1. The Governing Council of The Friends of the Institute for Advanced Study will be composed of the Director of the Institute, the Associate Director, and the Assistant to the Director for Community Affairs, in addition to three members of the organization, to be designated by the Director and approved by the Board of Trustees.
2. The activities of The Friends of the Institute for Advanced Study shall be managed by the Institute's Assistant to the Director for Community Affairs, with periodic reports to the Institute's Board.

Article III

Donations to the Institute through the activities of The Friends organization will be maintained in a separate account by the Institute's Controller. Such funds may be withdrawn or disbursed only by written order of the Director of the Institute and others who may be designated by the Board of Trustees. These funds will be used to support the Institute in ways to be determined by the Director, acting with the advice of the Governing Council of The Friends.