

THE INSTITUTE FOR ADVANCED STUDY

Minutes

Meeting of the Board of Trustees

April 26, 1980

Princeton, New Jersey

Present: Mesdames Delmas and Whitehead; Messrs. Petersen (Chairman), Bell, Brown, Byrom, Dilworth, Doob, Drell, Hansmann, Houghton, Segal, Stewart, Taplin, Wolfensohn and Woolf.

Absent: Messrs. Forrestal, Kauffmann, Opel and Simon.

Also Present: Messrs. Hunt (Secretary) and Rowe; Mrs. Grisham.

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

Minutes: The Minutes of the meeting of the Board of Trustees held in Princeton, New Jersey, on October 27, 1979, were approved as read.

Chairman's Remarks: The Chairman referred to the three new appointments to the Faculty and pointed out that two

Minutes
Meeting of the Board of Trustees
April 26, 1980

2

of the appointments--those of Glen W. Bowersock and Michael Walzer--had already been approved by the Trustees by mail vote and that the third--that of S. T. Yau--now required Board action. After a discussion led by Dr Woolf and Dr Doob of Professor Yau's qualifications, the Board approved the appointment of Professor Yau to the Faculty of the School of Mathematics.

The Chairman then presented the following resolutions of appreciation for Professor Deane Montgomery and Ralph Hansmann:

On the occasion of his retirement after twenty-nine years as Professor of Mathematics at the Institute for Advanced Study, the Board of Trustees of the Institute unanimously presents to Deane Montgomery the following Resolution:

To Deane Montgomery, our affection and appreciation for his numerous contributions during his long and illustrious association with the Institute for Advanced Study as Member (1945-46), Permanent Member (1948-51), and Professor (1951-80). In addition to his widely known and greatly respected achievements in his field of topology and his services to his profession--serving as President of the American Mathematical Society in 1960-62 and President of the International Mathematical Union in 1974-78--he will long be remembered for his concern for the well-being of the annual visiting members in the School of Mathematics and for his availability to them for counsel and help. He has played an important role in establishing and maintaining the highest levels of quality at the Institute. We express to him our sincere best wishes for the fruitful continuation of his work as Professor Emeritus.

Minutes
Meeting of the Board of Trustees
April 26, 1980

3

On the occasion of his retirement from the day-to-day management of the Institute's portfolio, the Board of Trustees of the Institute for Advanced Study unanimously presents to Ralph E. Hansmann the following Resolution:

To our colleague Ralph E. Hansmann, our esteem and gratitude for his long and remarkably successful service as the Trustee primarily responsible for the management of the Institute's endowment portfolio during a major part of the past two decades. During the first fifty years of the Institute's existence, a great tradition of Trustee financial stewardship was established. Three names--those of Samuel Leidesdorf, Harold Linder and Ralph Hansmann--will be forever associated with that tradition. To Harold and to Ralph, we express our deepest appreciation for their immense contributions to the Institute. In honoring them, we remember Samuel Leidesdorf and his role in building the Institute we know today. Ralph Hansmann's record of service since 1958--as Assistant Treasurer, Treasurer, key member of the Finance and Budget Committees, among others--sets a high standard for all of us. His achievements in managing the Institute's endowment established records which will not easily be equalled by those who follow him. We thank him warmly for what he has already done for the Institute and look forward to future years of association with him in his continuing role as Treasurer and in his new role as Chairman of the Finance Committee.

These resolutions were duly approved by the Board of Trustees.

Minutes
Meeting of the Board of Trustees
April 26, 1980

4

Report of the

Nominating Committee: Mr Taplin, 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 being no further nominations from the floor, 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

Joint Finance and
Budget Committees:

Mr Hansmann stated that Rockefeller + Company had assumed management of the endowment portfolio and that the results to date had been quite satisfactory. Mr Hansmann also pointed out that the portfolio will now be divided into an equity account managed by Rockefeller + Company, a fixed income account managed as before by The Fidelity Bank, and a third account for non-marketable securities. The Committee's recommendation for approval of the proposed agreement between the Institute and Rockefeller + Company was presented to the Board and approved without modification, Mr Dilworth abstaining. Mr Hansmann then described the new Investment Objectives and Portfolio Guidelines adopted by the Finance Committee and asked the Secretary to distribute to all Trustees a document incorporating the agreed-on changes. At Mr Hansmann's request, Mr Rowe summarized the current status of the proposed bond issue, including the proposal for the re-financing

Minutes

5

Meeting of the Board of Trustees
April 26, 1980

of past construction debts. After a general discussion of various aspects of the question, the following resolution was approved by the Board of Trustees, on the recommendation of the joint Finance and Budget Committees:

Resolved, that the Director of the Institute be authorized to market up to \$8.6 million in bonds on the understanding that up to \$4.1 million of the funds borrowed to replace funds previously borrowed from the endowment to cover construction costs be invested in fixed income securities and that decisions relating to the amount to be borrowed and the interest rate be left to the discretion of the Director, it being understood that the Director will clear his decision with the Executive Committee just prior to the actual offer of the bonds.

At Mr Hansmann's request, Dr Woolf then described the proposed gift to the Institute of the remainder interest in their residence by Mr and Mrs David Du Vivier of Princeton. An analysis of a proposed provision of an annuity to the Du Viviers in exchange for the gift of this remainder interest was presented to the Board, along with an alternative option whereby the Institute would cover certain expenses in lieu of the provision of an annuity. After discussion, the following resolution was approved by the Board of Trustees:

Resolved, that the Director of the Institute be authorized to proceed on the basis of advice of counsel to acquire the property offered to the Institute by Mr and Mrs David Du Vivier, it being understood that the Director will work out in detail the financial aspects of two alternative approaches--one based on a gift to the

Minutes
Meeting of the Board of Trustees
April 26, 1980

6

Institute and the other based on an annuity arrangement--and to clear his decision with the Chairman and the President of the Board.

Mr Taplin then presented the proposed budget for 1980-81 and indicated the changes in the budget resulting from the reduction of the Rockefeller + Company investment management fee. Further corrections were introduced in the headings used on the final page. With these changes and with approval for specific salary raises for Executive Officers and Faculty, the budget was approved. It was agreed that in the future, proposed annual budgets should be circulated to all Trustees well in advance of the April meeting of the Board. It was also agreed that, in accordance with Mr Houghton's suggestion, future budgets should contain a third column on appropriate pages in order to show the previous year's budget along with the previous year's anticipated actual expenses, category by category.

Report of the
Special Committee
on Land Development:

Mr Dilworth reviewed the previous day's meeting of the Special Committee on Land Development and then asked the Director to summarize relations between the Institute and the Princeton community with regard to the proposed development of the Institute's land. The Director described the circumstances of the adverse vote in the Princeton Regional Planning Board and indicated that the Institute would appeal the change of designation of its lands from first to second priority for conditional high density development. The Director also indicated that if it proved impossible to reverse the decision of the Planning Board, an alternative development proposal would be prepared which would comply with the ultimate zoning designation of the Township Commission.

Minutes
Meeting of the Board of Trustees
April 26, 1980

7

Mr Taplin suggested that local Trustees take an active role in supporting the Institute's land development project and he asked for a packet of background information for this purpose.

Mr Segal then requested that a study be made to determine the minimum level of density in the development which would be economically viable from the point of view of income to the Institute.

Report of the
Director:

Dr Woolf reviewed the three new appointments to the Faculty and provided background information on each. He then noted that among the conclusions and recommendations of the 1976 Report of the Review Committee of the Board of Trustees was a recommendation calling for the appointment of visiting committees. It was originally proposed that such visiting committees be composed of one Board member and four outside scholars in the field. The committees' purpose would be to evaluate the work of each of the Schools not less frequently than every five years and to share their suggestions and impressions with the Board and with the Faculty of the respective Schools. On the basis of this recommendation by the Review Committee, the Director suggested that, given the present situation in the School of Natural Sciences (with the departure of Professor Regge and the year's leave of absence of Professor Rosenbluth), such a visiting committee should now be established for the School of Natural Sciences so that it could be helpful in determining the future composition of the School.

A motion to create a visiting committee for this purpose was approved by the Board, with the details to be worked out between Dr Woolf and Professor Drell.

Minutes
Meeting of the Board of Trustees
April 26, 1980

8

Dr Woolf then reported on the establishment of the Oswald Veblen Professorship in the School of Mathematics. He noted that the Faculty of the School of Mathematics had concurred in the establishment of the professorship and that additional funding would now be sought to bring the endowment of the Oswald Veblen Professorship from its present \$500,000 to \$1 million. John Milnor was approved by the Board as the first Oswald Veblen Professor.

The Director then reviewed the Development Report with the Board. It was agreed that future Development Reports should show changes for composite figures; specific back-up documentation as appropriate for the different totals shown in the section on Gifts, Grants, Contracts and Pledges; and an indication of whether such contributions are restricted or unrestricted in nature.

Dr Woolf then reviewed progress to date with respect to the formation of the Friends of the Institute for Advanced Study, noting in particular that 43 out of 267 invitees had responded by joining the Friends and had contributed a total of \$45,000 thus far. It was agreed that background information on the Friends organization, including a complete list of all those invited thus far, should be sent to all Trustees so that the Trustees could help in securing additional Founding Members of the Friends of the Institute during 1980.

Dr Woolf then presented a proposal involving an indefinite loan to the Institute, at no expense to the Institute, of a piece of sculpture by Carla Lavatelli. The proposal was approved by the Board with a three-year time limit.

Minutes
Meeting of the Board of Trustees
April 26, 1980

9

Mr Segal pointed out that an orderly procedure was necessary for dealing with artistic matters and suggested the formation of an Arts Committee for this purpose. The Director agreed to present an appropriate proposal to the Board.

The Director described the recent trip by Institute Faculty and members to the Exxon facilities and indicated that he intended to encourage other such visits in the future.

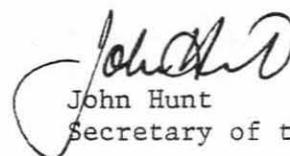
He then announced that the Director's Visitor for the coming year would be Lord Llewelyn-Davies.

Following an executive session of the Board, Mr Segal suggested, and the Board approved, the tabling of proposed changes in Institute benefits.

Mr Segal then asked that the Minutes of Trustee meetings over the past four years be reviewed and all unresolved items brought back to the Board for action. He asked that the same procedure be followed as regards the recommendations of the Trustee Review Committee and, in addition, requested an analysis of the Institute's insurance coverage, showing existing coverage, cost, and recommended changes, if any.

Mr Petersen asked that a written reply be sent to the auditors in response to their Report to Management for the Year Ended June 30, 1979, and that a copy of this letter be sent to the members of the Finance Committee.

There being no further business, the meeting was adjourned at 12:30 p.m.


John Hunt
Secretary of the Corporation