

SPECIAL MEETING OF THE BOARD OF TRUSTEES

OF THE

UNIVERSITY OF ILLINOIS

August 7, 1987



A special meeting of the Board of Trustees of the University of Illinois was held in Room 206, Chicago Illini Union, Chicago campus, Chicago, Illinois, at 9:30 a.m., on Friday, August 7, 1987, pursuant to call by the president of the board. The secretary of the board gave notice of the meeting as prescribed by the By-Laws and by Illinois Statute.

President George W. Howard III called the meeting to order and asked the secretary to call the roll. The following members of the board were present: Mrs. Judith Ann Calder, Mr. William D. Forsyth, Jr., Mrs. Susan L. Gravenhorst, Mr. Howard, Mrs. Nina T. Shepherd, Miss Ann E. Smith, Mr. Charles P. Wolff. The following members of the board were absent: Mr. Ralph C. Hahn, Mr. Albert N. Logan,¹ Governor James R. Thompson. The following nonvoting student trustees were present: Mr. James L. Evenson, Chicago campus; Mr. Robert Scott Wylie, Urbana-Champaign campus.

Also present were President Stanley O. Ikenberry and the following officers of the board: Dr. Craig S. Bazzani, comptroller (and vice president for business and finance of the University); and Dr. Earl W. Porter, secretary.

¹ Mr. Logan joined the meeting after action was taken on the first recommendation.

MINUTES APPROVED

The secretary presented for approval the press proof of the minutes of the Board of Trustees meeting of May 14, 1987, copies of which had previously been sent to the board.

On motion of Mrs. Gravenhorst, these minutes were approved.

REGULAR AGENDA

The board considered the following reports and recommendations from the president of the University.

Authorizations with Respect to a Supplemental Resolution for Auxiliary Facilities System Revenue Bonds

(1) The president, with the concurrence of the appropriate administrative officers, recommends the following:

1. Adoption of a Third Supplemental Resolution supplementing the resolutions adopted by the board on September 20, 1984, June 20, 1985, and May 8, 1986, with respect to the University of Illinois Auxiliary Facilities System Revenue Bonds.¹
2. Ratification and confirmation of all actions taken or to be taken by the officers and members of the board in connection with the Third Supplemental Resolution.
3. That the comptroller and other authorized officers of this board be and they are hereby authorized and empowered to do and perform such other acts and things and to make, execute, and deliver all such other instruments and documents on behalf of this board as may be by them deemed necessary or appropriate in connection with the Third Supplemental Resolution, and all acts and things whether heretofore or hereafter done or performed by and of the officers of this board which are in conformity with the intents and purposes of these resolutions shall be and the same are hereby in all respects, ratified, confirmed, and approved.

On motion of Miss Smith, these recommendations were approved by the following vote: Aye, Mrs. Calder, Mr. Forsyth, Mrs. Gravenhorst, Mr. Howard, Mrs. Shepherd, Miss Smith, Mr. Wolff; no, none; absent, Mr. Hahn, Mr. Logan, Governor Thompson.

(The student advisory vote was: Aye, Mr. Evenson, Mr. Wylie; no, none.)

Mr. Logan joined the meeting at this time.

Acting Vice President for Academic Affairs

(2) I recommend the appointment of Robert W. Resek as acting vice president for academic affairs beginning August 21, 1987, serving on a twelve-month service basis. He is to receive an administrative stipend of \$12,000 per year in addition to his present salary.

¹ A copy is filed with the secretary of the board for record and the appropriate officers of the board are hereby authorized and directed to execute the same in the name and on behalf of the board in substantially the form presented to this meeting, or with such changes as may be approved by the officer or officers of the board executing the same, his or their execution thereof to constitute conclusive evidence of the board's approval of all changes from the form thereof presented to this meeting; provided, however, that if any such changes constitute a substantial change in the form thereof presented to this meeting they shall first be approved by the Executive Committee of the board, to which authority for such approval is delegated by the board.

Dr. Resek is presently director of the Bureau of Economic and Business Research and professor of economics at the Urbana-Champaign campus. He will serve in place of Dr. Morton W. Weir who is serving as interim chancellor of the Urbana-Champaign campus.

On motion of Mr. Wolff, this appointment was approved.

REQUEST TO BE HEARD

The secretary presented a request from Peter B. Draper, chairman of the Committee for Humane Health Care, a group of staff members and medical students at the University of Illinois at Chicago. The group sent written comments on recent changes in the University Hospital mission statement and admissions policy and on proposed reductions in bed capacity and work force due to fiscal difficulties. Mr. Draper asked to be heard at a forthcoming meeting.

By consensus, the board agreed to hear from the committee at the September 10 meeting.

BOARD MEETING RECESSED

The board recessed at 9:55 a.m. for a meeting of the Finance and Audit Committee, called for review of investment policy and of investment managers. The board then reconvened at 2:10 p.m. to receive a report and recommendation from the Finance and Audit Committee.

Investment Policy: Report of Finance and Audit Committee

(3) Mr. Forsyth reported for the committee and the chairman entertained a motion from Miss Smith as follows: that the University's endowment portfolio be restructured, in accord with the recommendations of the consultants and the committee, as follows:

1. Fifty-five percent of the assets be invested in South Africa-free index funds commingled, and, subject to availability, with Wells Fargo Investment Advisors, San Francisco.
2. Thirty-five percent of the assets be invested in active bond funds managed by Miller, Anderson & Sherrerd of Bala Cynwyd, Pennsylvania; and
3. Ten percent in real estate — or cash equivalents — with Wells Fargo, pending decisions regarding real estate investments and hedging options.

The motion was approved by the following vote: Aye, Mrs. Calder, Mr. Forsyth, Mrs. Gravenhorst, Mr. Howard, Mr. Logan, Mrs. Shepherd, Miss Smith, Mr. Wolff; no, none; absent, Mr. Hahn, Governor Thompson.

(The student advisory vote was: Aye, Mr. Evenson, Mr. Wylie; no, none.)

There being no further business, the board adjourned.

EARL W. PORTER
Secretary

GEORGE W. HOWARD III
President