AGENDA

JOINT MEETING OF MCA EXECUTIVE AND FINANCE COMMITTEES

12:00 Noon (EST), Monday, April 10, 1972

The Madison, Washington, D. C.

1. Financial Report for Ten Months Ended March 31, 1972.

2. Proposed Disbandment of Government Liaison Technical Committee.

3. Safety and Fire Protection Committee Proposal to Establish a Task Group on Phosgene Safety.

4. Proposed Budget and Financing for Fiscal Year 1972-73.

5. Administrative Matters.

MINUTES OF JOINT MEETING
MCA EXECUTIVE AND FINANCE COMMITTEES
The Madison, Washington, D. C.
Monday, April 10, 1972

Following luncheon at 12 Noon, the meeting was called to order by Mr. Minnig, who presided in the absence of Chairman Dawson.

There were present:	John T. Connor Herschel H. Cudd Lee V. Dauler William J. Driver H. E. Hirschland Robert A. Lucht Harry D. McNeeley Max A. Minnig George W. Russell William S. Sneath (for F. Perry Wilson) Francis W. Theis (for John W. Brooks) James R. Carnes
General Counsel:	Lloyd Symington
Present by invitation: (For portion of meeting only.)	George E. Best, MCA Marjorie V. Campbell, MCA James G. Morton, MCA Victor H. Peterson, MCA

1. Financial Report for Ten Months Ended March 31, 1972. Mr. Carnes reported that income for the first ten months of the fiscal year was $1,828,199 which is only $7,000 short of that estimated for the entire fiscal year. As reported last month, income for the entire year is still expected to reach $1,850,000, or $15,000 more than originally estimated. Expenses for the ten months were $1,435,900, plus $66,423 expended from project funds brought forward from previous years. Income and expense figures through March 31 continue to indicate, as reported last month, the probability of a surplus of income over expense for the entire year on the order of $75,000 - $100,000, possibly more.

The Internal Revenue Service has advised that following its audit of the Association's activities and records for fiscal year 1968-69, it has found that MCA's tax exempt status should continue and that the Association's returns for that year should be accepted as filed.

2. Proposed Disestablishment of Government Liaison Technical Committee. Furnished to those present and summarized by Mr. Minnig was a recommendation that the Government Liaison Technical Committee be disestablished. The committee has focused primarily on interests of the ferroalloy industry and, with formation of the new Ferroalloys Association, any need for MCA activity with respect to that industry was terminated. Following this explanation, it was agreed to recommend to the Board of Directors that the Government Liaison Technical Committee be disestablished as proposed.

3. Safety and Fire Protection Committee Proposal to Establish a Task Group on Phosgene Safety. Furnished to those present and summarized by Mr. Best, MCA Technical Director, was a proposal of the Safety and Fire Protection Committee to form a Task Group on Phosgene Safety with the objective of developing guidelines of good employee protection practice in phosgene manufacturing. Consideration has also been given to contracting for medical research to study how phosgene exposure may lead to pulmonary edema; if this materializes, with funding by the manufacturers concerned, it will be separately presented for approval. Following this explanation, it was agreed to recommend to the Board of Directors that it approve the creation of a Task Group on Phosgene Safety.

4. Proposed Budget and Financing for Fiscal 1972-73. Forwarded to members of the Executive and Finance Committees on March 31 was a letter outlining a management-recommended budget for the fiscal year beginning June 1, 1972, together with proposals for financing it. Included was a statement of estimated income totalling $1,875,000; an explanation of an operating expense budget of $1,693,280; and a project budget of $217,850, supported by a summarized tabulation of projects and individual project descriptions setting forth costs, committee priorities, and recommendations of staff departments and of the President. It was also proposed that not more than $12,146 in obligated funds previously approved for one technical project and for the Centennial History project be carried forward for future expenditure. Also included was a proposed plastics financial package of $72,000 which would require member assessments of $60,000 after taking into consideration the anticipated plastics activity surplus on May 31, 1972. An unallocated reserve of $54,000 in the proposed fiscal 1972-73 financial package and unallocated reserve funds carried forward from the current fiscal year are intended to fund undetermined research projects to be presented for Board approval when developed.

At Mr. Minnig's request, Mr. Driver summarized the proposed budget, referring particularly to the income and expense estimates, the reductions in staff personnel which have reduced operating expenses, the increased retirement plan cost, the project budget, and the plastics financial package. If actual income and expense figures should match the budget estimates, there would be a deficit of $36,000 which could be absorbed without reducing reserves below a six months expense level. There followed a discussion in response to questions regarding the Public Relations and Government Relations staff reductions, retirement plan costs, and decisions with respect to project requests.

Following a suggestion that a review of the Association's priorities at this time might be appropriate, Mr. Minnig announced that this would be considered at the next Executive Committee meeting and, at this point, the staff department directors withdrew. Thereafter, the Executive and Finance Committees agreed to endorse the proposed budget and method of financing for fiscal 1972-73, providing for no change in the present membership fee schedule and utilization of reserves to meet any deficiency in income to cover expenses. It was further agreed that Chairman McNeeley of the Finance Committee would make a preliminary report of the Executive and Finance Committee's action on the budget at the Board meeting on the following day.

****

There being no further business to come before the committees, it was unanimously resolved to adjourn.

J. R. Carnes
James R. Carnes
Secretary-Treasurer

Certified correct:

Max A. Minnig
Max A. Minnig
Chairman of the Board of Directors