A G E N D A

JOINT MEETING OF MCA EXECUTIVE & FINANCE COMMITTEES
12:00 Noon (EST), Monday, April 10, 1967
The Madison, Washington, D. C.

1. Financial Report for ten months ended March 31, 1967 -- Mr. Crass
2. Report of Pension Committee on proposed amendments to MCA Pension Trust Agreement -- Mr. Fisher
3. Consideration of Budget and Financing for Fiscal Year 1967-68
4. Proposed Terms of Reference for Safety & Fire Protection Committee
5. Report by the President on augmentation of MCA Staff
6. 95th Annual Meeting of the Association
7. Discussion of Locations for Regional Directors' Meetings
8. Anticipated attendance at MCA April 10th Reception
9. Reactive Metals Advisory Committee Proposal for permanent MCA committee status

MINUTES OF JOINT MEETING
MCA EXECUTIVE AND FINANCE COMMITTEES
The Madison, Washington, D. C.
Monday, April 10, 1967

Following luncheon, the meeting was called to order by Chairman John O. Logan.

There were present:	John O. Logan (Chairman, Executive Committee)	
	Joseph R. Stevens (Chairman, Finance Committee)	
	Herschel H. Cudd	C. S. Munson
	David H. Dawson	Kenneth Rush
	George H. Decker	Robert C. Swain
	L. K. Eilers	Harry B. Warner
	Harold W. Fisher	Jesse Werner
	Irb H. Fooshee	John E. Wood, III
	W. P. Marsh, Jr.	M. F. Crass, Jr.
General Counsel:	Lloyd Symington	
Present by Invitation:	Frank H. Carman	David L. Eynon
	James R. Carnes	C. B. McCoy
	William E. Chace	Allan E. Settle

1. Report of the Secretary-Treasurer. Income for the ten months to date totaled $1,481,605. This is $21,600 more than the twelve months' budget of $1,460,400 and there is a good possibility that this surplus of income may reach $35,000 by the time the Association's books are closed for auditing on May 15. Expenses for ten months' operation totaled $1,032,210. This amount is $198,300 or 16.1% under the prorated budget for the period. It was again reported that the authorized budget would be substantially underspent for the entire fiscal year, particularly in the environmental health and contingency accounts.

2. Proposed Amendments of the Pension Trust Agreement. Mr. Fisher reported that the Pension Committee met on March 22 to consider three proposals to amend the Association's Pension Plan, as follows:

(a) Change the rigid December 1 anniversary date to provide that participation begin on the first of the month next following satisfaction of the eligibility requirements; that retirements occur on the first of the month next following the 65th birthday; and that benefits be based upon years and months of participation.

(b) Provide retroactive retirement credit for the initial 3-year waiting period currently required to establish eligibility.

(c) Payment of full retirement benefits after 30 years of service regardless of age.

Mr. Fisher stated that the Committee unanimously recommended that items (a) and (b) be approved but that no action be taken with respect to item (c) at this time. He pointed out that favorable action on items (a) and (b) would result in an unfunded liability of slightly over $150,000. Amortization over a 25-year period as suggested by Mutual Benefit Life Insurance Company, the carrier, would necessitate an annual payment of approximately $9,000.

Following discussion, it was moved, seconded, and voted that the Pension Committee's report be approved and that it be presented to the Board of Directors the next day with a recommendation for adoption.

3. Budget and Finance for Fiscal 1967-68. Sent to members of the two committees on March 28 was a memorandum outlining in detail a staff-recommended budget for the fiscal year beginning June 1, 1967, together with proposals for financing it. The material consisted of a statement of estimated income totaling $1.6 million; a basic budget of $1,150,710 which included salaries, rent, retirement, travel, taxes, and other fixed charges; a management-recommended project budget totaling $454,132; and a detailed itemization of special environmental health projects tabulated according to project description, cost, committee accorded priority, and recommendations of staff and management. The management-recommended overall budget of $1,604,842 is 9.9% greater than the current budget of $1,460,400. Financing of this amount could be accomplished without an increase in the basic membership fee structure.

The basic budget was first considered and was approved as submitted. Those present then went over, item by item, the detailed listing of proposed environmental health projects and discussed each one at length. Also considered individually were management's project proposals relating to public relations, education, and miscellaneous technical items. Following conclusion of this discussion, it was the consensus of both committees that management's project recommendations should be accepted without change and that the overall budget package of $1,604,842, together with staff proposals for its financing, be presented to the Board of Directors with a favorable recommendation.

Also approved for presentation to the Board was a Plastics Activity budget of $93,775 for the new fiscal year. This compares with $104,670 for fiscal 1966-67 and will be financed independently of the regular budget.

Following conclusion of the budgetary and financing discussion, those present complimented the staff on its clear and concise presentation.

5. Augmentation of MCA Staff. The President reported that James G. Morton had been employed as Director of Government Relations, effective about the middle of May. He will succeed James R. Carnes, who will assume the office of Secretary-Treasurer following Mr. Crass' retirement on June 30, 1967. All other authorized staff assignments have been filled excepting the Deputy in the Government Relations Department, who will also function as Staff Counsel. Candidates for this position are being considered.

6. 95th Annual Meeting of the Association. Mr. Crass reported that registration for this meeting had passed the two-thirds mark, and that an overall attendance of approximately 900 member representatives appeared likely. He stated that company reservation requests were running slightly under the experience of previous years and that the increase in registration fee may be accountable for this, at least in part. All details of the meeting have been arranged and the program completed.

7. Regional Directors' Meetings for 1967-68. The following schedule of general and regional Board meetings for the 1967-68 fiscal year was approved:

September 11-12, 1967	Montreal, Canada	Regional Directors' Meeting
November 20-21, 1967	New York City	17th Semi-Annual Meeting
March 11-14, 1968	San Francisco and Pebble Beach, Calif.	Regional Board Meeting
April 8-9, 1968	Washington, D. C.	Directors' Meeting and Congressional Reception
June 6-8, 1968	White Sulphur Springs, W. Va.	96th Annual Meeting

At the staff's suggestion, an Executive Conference was not scheduled during the new fiscal year. This action was based upon dwindling attendance and an apparent lack of interest on the part of the many Executive Contacts who did not participate. The original purpose of the conference was to offer a mechanism whereby top management could be informed of the Association's technical and functional programs carried out in their behalf. It was the feeling of those present that if Executive Conferences could not accomplish this purpose, consideration should be given to some other method of keeping the top executives informed. The staff agreed to take this under advisement.

8. Safety and Fire Protection Committee. Revised Terms of Reference. Consideration by those present was a proposal to amend the Terms of Reference of the Safety and Fire Protection Committee to (a) limit membership to eighteen, (b) provide for a definite system of rotation, and (c) provide for the creation of ad hoc task groups for handling safety problems involving single products.

Item (c) constitutes the Committee's method for handling problems which might arise as a result of action taken by the Board of Directors at its January 10, 1967, meeting, in disbanding the ad hoc Ammonium Nitrate Technical Committee and the ad hoc Technical Committee on Rocket Propellant Safety, both to take effect as of May 1, 1967.

Following discussion, it was the consensus that the amendments should be presented to the Board of Directors with a favorable recommendation.

9. Congressional Reception. General Decker reported briefly on plans for the MCA Reception for Members of Congress and government executives, scheduled to take place later in the day. On the basis of acceptances received, it was anticipated that an excellent turnout -- possibly over 200 -- would be on hand.

10. Status of Reactive Metals Advisory Committee. In accordance with an Executive Committee recommendation, the Board of Directors, at its January 10, 1967 meeting, voted, in part, as follows:

> That the ad hoc status of the Reactive Metals Advisory Committee extend until May 1, 1968. Meanwhile, the Executive Committee will study the overall RMAC proposal as to permanent committee status and will recommend a course of action to the Board not later than the May 9, 1967, meeting.

Handed to those present were memoranda prepared by (a) the Chairman of the Reactive Metals Advisory Committee, (b) L. G. Bliss, as spokesman for the metals members, (c) Lloyd Symington, and (d) M. F. Crass, Jr. Of these memoranda, items (a), (b), and (d) supported the ad hoc committee's request that it be given permanent status as a technical committee.

At the Chairman's request, Mr. Warner reviewed the report of his Special Product Category Activities Study Committee, presented to the Executive Committee on December 13, 1966, which among other things recommended that the RMAC be disbanded, effective May 1, 1968, and that its technical functions be assimilated by other MCA committees. This was discussed at length. Following conclusion of the discussion, it was moved, seconded, and voted that adoption of the Warner Committee Report be affirmed and that a recommendation be made to the Board of Directors that the RMAC be dissolved not later than May 1, 1968. The vote was not unanimous.

It was agreed that summarizations of the above memoranda should be sent to the Board of Directors in advance of the May 9 meeting and that complete copies be made available to those requesting them.

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

M. F. Crass, Jr.
Secretary-Treasurer

SUBJECT TO APPROVAL.