

Draft minutes of 8 September 2008  
Circulated 8 September 2008  
Approved 15 September 2008

**THE UNIVERSITY OF MICHIGAN**  
**Senate Advisory Committee on University Affairs**  
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**MINUTES OF THE SACUA MEETING OF 8 SEPTEMBER 2008**

**Present:** Fraser, Frost, Potter (Chair), Riles, Thouless; Lehman; Carr, Schneider

**Absent:** Frier, Navvab, Poe, Stark

**Guests:** P. Hanlon (associate provost), D. Gershman (*Ann Arbor News*), *Daily* reporter, K. Brown (*University Record*)

**MATERIALS DISTRIBUTED**

1. Draft agenda
2. Draft minutes of the SACUA meeting of 28 July 2008
3. Notes from the SACUA retreat of 11 August 2008
4. Draft agenda for the 15 September Senate Assembly meeting
5. Electronic mail message from S. M. Meerkov to SACUA, dated 6 September 2008, regarding the Distinguished Faculty Governance Award and planning activities
6. Report to SACUA on algebra tutoring activity at Forsyth Middle School and Pioneer High School by P.T. Kabamba and S.M. Meerkov, dated 3 September 2008
7. Long Term Portfolio Asset Allocation as of May 31, 2008

Chair Potter convened the meeting at 3:00 P.M. The proposed agenda was approved.

**SENATE ASSEMBLY DRAFT AGENDA**

The draft agenda for the September Senate Assembly meeting was approved.

**EXECUTIVE SESSION**

The meeting entered executive session at 3:02 P.M. at the request of P. Hanlon. The topic was university practice regarding pay periods and tax year accounting. The meeting resumed open session at 3:17 P.M.

**CONSIDERATION OF MINUTES**

The minutes of 28 July were approved.

## ANNOUNCEMENTS

1. The meeting of 22 September will have a full agenda, including discussion of grievance procedures and proposed continuous enrollment by Rackham students.
2. CIC will hold its faculty governance conference on 31 October and 1 November. The theme will be funding models for higher education. Additional topics will include the role of non-faculty constituencies in faculty matters, including tenure and promotion.

## VISIT OF CHIEF INVESTMENT OFFICER ERIK LUNDBERG

The guest arrived at 3:30 P.M. He circulated distributed item 7 and reviewed the allocation of assets and performance of U-M's Long Term Portfolio. He explained that his team of investment professionals design the investment strategies for the university, but the strategies are executed by hired outside managers. He said that figures were not yet available for year-end performance, but that he expected the overall portfolio return to be positive for the year at somewhere around 5 percent. He ascribed much of the growth in the portfolio to a strategy shift from U.S.-centric to global.

Mr. Lundberg acknowledged that investment returns will be challenging during the next 2 to 3 years owing to declining credit availability in the U.S. and Western Europe. The guest left the meeting at 4:30 P.M.

## OLD/NEW BUSINESS

Dr. Fraser pointed out that he has been named to an administratively-appointed committee that is charged with designing changes to the U-M health benefits package. He invited SACUA member to send him suggestions and concerns. There was no additional business.

The meeting adjourned at 4:52 P.M.

Respectfully submitted,

John Lehman  
Senate Secretary

## **University of Michigan Bylaws of the Board of Regents, Sec. 5.02:**

### *Governing Bodies in Schools and Colleges*

In each school, college, or degree granting division of the University, including those at the University of Michigan-Dearborn and at the University of Michigan-Flint, the governing faculty shall be in charge of the affairs of the school, college, or division, except as delegated to the executive committee, if any, and except that in the School of Graduate Studies the governing board shall be the executive board, and in the Medical School shall be the executive faculty.

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