

THE COUNCIL FOR TOBACCO RESEARCH - U.S.A., INC.

August 10, 1981

TO: William D. Hobbs

FROM: R. F. Gertenbach

As requested, I am summarizing a number of subjects we discussed on August 4-5:

X - Report (1) Rotation and Selection of SAB Members - You would like a formal policy statement drawn which would provide for a 3-year tenure for future SAB members. There should be a "grandfather clause" for incumbents when we implement the new policy. No future SAB members are to be appointed without CTR management approval and scrutiny by other selected advisory bodies or persons.

✓ (2) Annual Planning Sessions - It is felt the current format is too intensive, with no provision for leisure intervals. In the future, we should consider a 3-day session with 1/2-day free times in lieu of the current 2-day, all-business sessions. We are locked into a 2-day session (February 19-20, 1982) at Boca Raton because of the hotel's booking problems. Notwithstanding, we should consider making the February 19 session business in the morning and free time in the afternoon. We should also make sure these planning sessions focus clearly on future directions, the primary purpose of these meetings.

✓ (3) Salary Administration - Regardless of salary level, there should be an annual salary review. This should be done at least one month prior to anniversary dates.

✓ (4) There is an anomaly in salary level of the LRD Director compared to CTR top management.

X ✓ (SR) Employee Benefits - At the Annual Board Meeting in early '82 you will propose removal of the \$100,000 ceiling on group life insurance coverage. Our coverage is now 2x annual salary, maximum \$100,000. We will investigate feasibility and cost shortly.

✓ (6) Our travel insurance coverage for key internal staff and SAB members is \$50,000 per person. With the present list of insureds (19 persons) our annual premium is about \$550. If we were to increase individual coverage to \$100,000 our annual premium for the same list would be about \$1,500.

X (7) NB If a dental plan were added to our present group coverage the annual premium for our present employees would be about \$20,000 additional.

X (8) NB At the Annual Board Meeting, you propose to suggest a medical wrap-around coverage for future retirees. This would supplement Medicare/Medicaid coverage. Such coverage would cost about \$2,000, per person, the same rate we will pay for active employees (family plan). In the next 3-4 years less than a handful would be eligible for this benefit.

✓ (9) Effective January 1, 1982, we will provide an annual physical examination for key personnel of CTR. "Key personnel" would contemplate top management of CTR (3 persons), the scientific staff (5 persons), and the Director-LRD (1 person). This would be accomplished at the facilities of an organization

August 10, 1981

such as Life Extension Institute where the annual cost for the entire group mentioned would be about \$4,000.

10) Personnel - Certain personnel matters were discussed and need further consideration. These matters will be addressed in the next few months.

Miscellaneous -

11) 1) A revised Table of Organization should be prepared.

12) 2) You suggest that I arrange visits with our supporters' executives, to become better acquainted. You also suggest a visit to the Tobacco Institute and some site visits, accompanying each member of the scientific staff on different occasions.

✓ 13) 3) Our 59th Street offices need painting and other refurbishing, including new furniture. The timing of this will depend on our decision to go or stay at the termination of our present lease on January 31, 1984.


R. F. G.

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