THE BOARD OF TRUSTEES
Temple University - Of The Commonwealth System Of Higher Education

Finance and Investment Committee

Tuesday, March 19, 2024, at 1:00 p.m.

Video Conferencing
MINUTES

EXECUTIVE SESSION

PARTICIPANTS

Trustees:
Alan M. Cohen, Co-Chair
Joseph F. Coradino, Co-Chair
Mitchell L. Morgan, Ex-Officio
Lon R. Greenberg
Marina Kats
Amy Larovere
Anthony J. McIntyre

President: Richard M. Englert
University Secretary: Michael B. Gebhardt
University Counsel: Cameron J. Etezady

Administration and Staff:
Jodi Bailey Accavallo, VP for Student Affairs
Mary Burke, VP for Institutional Advancement
Sharmayne Burns, Vice Provost for Finance and Administration
Michael DiFranco, Chief Accounting Officer, TUHS
Martin Droz, Associate VP, Planning, Design and Construction
Marylouise C. Esten, VP and Chief of Staff
Olan B. Garrett, Associate VP for Student Affairs
Kenneth H. Kaiser, Senior VP and Chief Operating Officer
Jaison Kurichi, Associate VP for Budget
Gennaro J. Leva, VP, Planning and Capital Projects
Gregory N. Mandel, Senior VP and Provost
David Marino, VP for Finance and Treasurer
Joseph Monahan, Associate VP, Facilities and Operations
Gerald Oetzel, Chief Financial Officer, TUHS
Angela Polec, VP for Strategic Marketing and Communications
Domenic Rudi, Director of Finance, Student Affairs
Michael S. Scales, Associate VP for Business Services

Guests:
Phil Fabrizio, AJ Gallagher
Nikki Kraus, Strategic Investment Group
Markus Krygier, Strategic Investment Group
Thomas Palazzo, Strategic Investment Group
Ken Shimberg, Strategic Investment Group
Mr. Cohen, Co-Chair of the Finance, and Investment Committee, called the meeting to order.

**E-1 Approval of Minutes from December 12, 2023**

Co-Chair Cohen called for a motion to approve the minutes of the prior meeting. Upon a motion duly made and seconded, the minutes were approved.

**Investment**

**E-2 Investment Performance Overview & Market Update – December 31, 2023**

NACUBO – Higher Education Endowment Report, June 30, 2023

Mr. Krygier and Ms. Kraus, representatives of Strategic Investment Group (SIG), provided a summary investment performance for the most recently completed quarter, as well as some commentary regarding the NACUBO report on higher education endowment performance more broadly. Trustees had the opportunity to ask questions and receive responses.

Representatives of SIG then left the meeting.

**E-3 OCIO Evaluation – December 31, 2023**

Mr. Fabrizio from AJ Gallagher Consulting then led a discussion of SIG’s performance as OCIO. Trustees had the opportunity to ask questions and receive responses.

Representatives of AJ Gallagher then left the meeting.

Trustee Greenberg asked the administration to consider, and perhaps for discussion in a future meeting, whether the continued involvement of AJ Gallagher is necessary or valuable. A brief discussion ensued.

**E-4 Workers Compensation Trust Investment Management Guideline Revisions**

Mr. Marino provided a brief summary of the proposed change to the investment management guidelines for the workers compensation trust. No questions were asked.

**Finance**

**E-5 Approval of Room & Board Rates for Fiscal Year 2025**

Co-Chair Cohen noted that the room and board rates item is on the public agenda for approval, that the materials provide supporting detail, and asked if there were any questions. A brief discussion ensued.
Mr. Kaiser presented a summary of the status of the university’s budget for fiscal year 2024 (ending June 30, 2024), including the projected budget margin by administrative unit and school/college, as well as the steps being taken to close any budget gap by fiscal year end.

Mr. Kaiser further presented assumptions for the university’s budget for fiscal year 2025 (ending June 30, 2025), including as to the key drivers of enrollment, tuition, Commonwealth appropriation, and expenses. He noted the ongoing negotiations with TAUP and other bargaining units and their potential impact on the budget. Mr. Kaiser explained that the university expects to reduce the budget and utilize some reserves as the FY2025 budget is further developed.

Trustees had the opportunity to ask questions and receive responses as to the university budget presentation.

Mr. Oetzel, CFO of TUHS, provided a brief overview of the health system’s budget and key drivers, as well as important metrics relating to liquidity. Trustees had the opportunity to ask questions and receive responses.

**Facilities**

**E-7 Review of Proposed CERs**

Mr. Leva and Mr. Monahan provided a summary briefing regarding several of the capital expenditure requests on the agenda, including the Morgan Hall North and South Roof Replacement, Main Campus – Combined Heat and Power Plant Construction, and Sullivan Hall Infrastructure Renewal – Amendment 3.

With respect to the Morgan Hall item, it was noted that the roof defects being remedied are the subject of pending litigation, which may reduce the cost to the university. A large portion of the cost of the power plant project is to be paid or reimbursed through cash and tax incentives. The Sullivan Hall work will complete an extensive effort to modernize building systems that are substantially out of date, inefficient, and difficult to work on given the age and design of the building.

**E-8 Annual Review of Committee Charter**

Based on time and relative lack of urgency, Co-Chair Cohen proposed and it was agreed that this item be tabled until a future meeting.

**Appendices**

It was noted that various appendices were available in the materials for committee review.

**E-9 Quarterly Investment Reports – December 31, 2023**

**E-10 University Cash and Operating Investments Report – December 31, 2023**

**E-11 TUHS Investment Report – December 31, 2023**

**Adjournment**

The Executive Session adjourned at approximately 3:07 p.m.