

MINUTES

The Board of Trustees

Temple University - Of The Commonwealth System of Higher Education

Tuesday, March 8, 1988

8:15 A.M., Feinstone Lounge, Sullivan Hall
Park and Berks Malls

Attendance:

Members - Richard J. Fox, Chairman; Gail M. Barsky,
Paul A. Dandridge, Louis J. Esposito, Lewis F. Gould, Jr.,
Clifford Scott Green, Lacy H. Hunt, K. Leroy Irvis,
D. Donald Jamieson, Peter J. Liacouras, Edward F. Mannino,
Henry H. Nichols, Brian J. O'Neill, R. Anderson Pew,
Edward H. Rosen, Charles F. Schalch, Anthony J. Scirica,
Isadore A. Shrager, Murray H. Shusterman, Clare L. Wofford,

being a quorum of the Board of Trustees;

Invited Guests - Faculty - S. Elizabeth Davis, William Binns

Students - Ginny Coughlin, Scott B. Mentzer,
Lauretta Reeves.

Administration and Staff - Barbara L. Brownstein, Richard A. Chant,
Steven R. Derby, Martin Goldberg, Leon S. Malmud, Robert G.
Scanlon, H. Patrick Swygert, Michael K. Jhin, James W. Hilty,
Kathy Gosliner, William G. Sites, Beverly L. Breese,
William C. Seyler

University Counsel - Robert J. Reinstein

Members Absent - Francis J. Catania, Patricia J. Clifford,
John J. Contoudis, Bill Cosby, Peter D. DePaul, Chaka Fattah,
Howard Gittis, Irving K. Kessler, Harold E. Kohn,
Mitchell G. Leibovitz, Hillel S. Levinson, William W. Rieger,
Milton L. Rock

The meeting was opened with prayer by Dr. Henry H. Nichols.

The Chairman of the Board, Mr. Fox, introduced and welcomed The Honorable K. Leroy Irvis, The Speaker of the House of Representatives of Pennsylvania.

The Chairman also introduced and welcomed the guests from the faculty and the student body.

ACTIONS OF THE BOARD OF TRUSTEES

1. Approval of Minutes - Regular Meeting of December 8, 1987,
and of Special Meeting of January 19, 1988

On motion duly made and seconded, the Minutes of the Regular Meeting of December 8, 1987, and the Special Meeting of January 19, 1988, were approved as previously mailed to the members.

Committee on Trustees Report and Recommendation for Action

Mr. Shrager, Chairman of the Committee on Trustees, called the attention of the Board to the report of that Committee (Agenda Reference 1), and recommended approval of the matters covered in Item 2 of these Minutes.

2. Election of Commonwealth Trustee--Representative Chaka Fattah

On motion duly made and seconded, the Board of Trustees voted to elect to the Board of Trustees of Temple University - Of The Commonwealth System of Higher Education, for a term expiring in October of 1991, Representative Chaka Fattah, Representative Fattah having been duly appointed by The Honorable K. Leroy Irvis, The Speaker of the House of Representatives of Pennsylvania on January 28, 1988, and having been duly nominated by the Committee on Trustees on March 8, 1988.

3. President's Report

President Liacouras thanked every member of the Board for serving beyond the call of duty. We are proud of our Trustees because they are worthy Trustees, and the President is saying this in the spirit of love mentioned by Dr. Nichols in his opening prayer, and with great appreciation for all of the contributions of the Trustees. Volunteerism is still the method by which we are able to accomplish in higher education the merger of technological knowledge with our overall guidance and inspiration of the Board. We feel that we have the best and strongest Board that the President knows of. There are a lot of positive things going on at Temple University.

The President thanked Speaker Irvis for his appointments to the Board of Trustees and for his own presence today as a Commonwealth member of the Board.

Finally, the President emphasized that each item on the agenda has gone through a review and recommendation process by the pertinent Board Committees. We have about ten Committee meetings a month, on average, so that this is a real working Board of Trustees. While we may disagree on some of the issues before the Board, you will see that the Board Committees have thoroughly reviewed all of these issues.

The President concluded by thanking Mr. Fox for his leadership of the Board of Trustees.

Executive Committee Report and Recommendation for Action

Judge Scirica, Chairman of the Executive Committee, called attention of the Board to the report of that Committee (Agenda Reference 3), and recommended approval of the matter covered in Item 4 of these Minutes.

4. Borrowing Authority - 4/1/88 - 6/30/88

On motion duly made and seconded, the Board of Trustees voted to authorize the officers to borrow for operating purposes of the University \$30 million, on terms which the officers believe best for the University, such authorization to cover the period from April 1, 1988 through June 30, 1988. (Resolution is attached as SUPPLEMENT I)

Educational Policies Committee Report and Recommendations for Action

Mr. Shrager, Chairman of the Educational Policies Committee, called the attention of the Board to the report of that Committee (Agenda Reference 5), and recommended approval of the matters covered in Items 5 through 9 of these Minutes.

5. Medical School Special Track

On motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the Educational Policies Committee (1/25/88) that Section F on page 10 of the Temple University Faculty Handbook, as proposed by the Faculty Senate, be amended as follows (the specific changes are underlined):

Page 10, Section F.

"All full-time faculty members shall be eligible for consideration for tenure. Excluded, in addition to part-time personnel, are all individuals serving on an agreed upon limited period of service (Dean's appointments) such as visiting faculty or faculty serving limited terms related to the consummation of specific research programs. Except for Dean's appointments in the clinical programs of the School of Medicine, in no case will the service for a faculty member ineligible for tenure exceed seven years.

Specifically the only full-time faculty ranks eligible for tenure consideration shall be Professors, Associate Professors, Assistant Professors and Instructors."

6. B.S. Programs in Arts and Sciences

On motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the Educational Policies Committee (1/25/88) that approval be given to the Bachelor of Science degree in Biochemistry, Biology, Chemistry, Computer Sciences, Geology, Mathematics, and Physics, as outlined in SUPPLEMENT II.

7. Change of Name - Horticulture and Landscape Design

On motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the Educational Policies Committee (1/25/88) that the name of the department of Horticulture and Landscape Design be changed to the Department of Landscape Architecture and Horticulture.

8. Tenure for Faculty Member in Department of Educational Leadership and Policy Studies the College of Education

On motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the Educational Policies Committee that, pursuant to the procedures outlined in the Temple University Faculty Handbook, the Board approved the recommendation made by the Committee regarding the reappointment of an Associate Professor of Foundations of Education with tenure, whose name is on file in the Office of the Provost, in the Department of Educational Leadership and Policy Studies, College of Education, effective September 1, 1988.

9. Tenure for Faculty Member in Department of Curriculum, Instruction and Technology in Education in the College of Education

On motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the Educational Policies Committee that, pursuant to the procedures outlined in the Temple University Faculty Handbook, the Board approve the reappointment of an Associate Professor of Secondary Education, with tenure, whose name is on file in the Office of the Provost, in the Department of Curriculum, Instruction and Technology in Education, effective September 1, 1988.

Campus Planning and Plant Management Committee Report and Recommendations for Action

Mr. Esposito, Chairman of the Campus Planning and Plant Management Committee, called the attention of the Board to the report of that Committee (Agenda Reference 11), and recommended the approval of the matters covered in Items 10 through 18 of these Minutes.

10. Main Campus: Paley Library - Computer Room

On motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the Campus Planning and Plant Management Committee (3/4/88) that the officers be authorized to enlarge the existing computer room on the 1st floor of Paley Library at a cost not to exceed \$110,000 to accommodate a new GEAC 9000 Computer System being donated to the University, with funding to come from the Plant Development Fund.

11. Main Campus: Roof Replacements

On motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the Campus Planning and Plant Management Committee (3/4/88) that the officers be authorized to proceed with the replacement of deteriorated roofs at the Main Campus on the following buildings: Carnell Hall (\$100,000); Sullivan Hall (\$10,500); Klein Hall cooling tower area (\$38,500); Presser Hall Auditorium (\$45,000); and Mitten Hall area over the Diamond Club (\$48,000), with funding to come from the Plant Development Fund.

12. Approval of Temple University Hospital Capital Budget for FY 1988, and Authorization for Equipment Replacement and New Equipment

On motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the Campus Planning and Plant Management Committee (3/4/88) that approval be given to the Temple University Hospital Capital Budget for FY 1988, SUPPLEMENT III, and that the officers authorize the Hospital to borrow \$2,470,000 from the 1984 University Bond Issue for equipment replacement (\$1,877,000) and new equipment (\$593,000), with payback to come from Capital Reimbursement through Depreciation Expense and Hospital development dollars.

13. Main Campus: 1806-1824 Park Mall

On motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the Campus Planning and Plant Management Committee (3/4/88) that the officers be authorized to retain the

Rothschild Company as architects to complete contract documents for the renovation of 1806-1824 Park Mall, at a fee not to exceed \$185,953.

14. TUCC: Rehabilitation of 1st Floor Space at 1616 Walnut Street

On motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the Campus Planning and Plant Management Committee (3/4/88) that the officers be authorized to hire Clemens Construction Company to rehabilitate the first floor of 1616 Walnut Street for reuse as a Student Service Center and two classrooms at a cost not to exceed \$80,000, with \$40,000 to come from the FY 1988 Plant Development Fund, and another \$40,000 from the FY 1987 TUCC Operating Budget.

15. Main Campus: Replacement of Condensate, Steam and Chilled Water Lines--Biology and Beury Buildings

On motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the Campus Planning and Plant Management Committee (3/4/88) that the officers be authorized to replace the underground condensate pipe and chilled water lines for Beury and Biology Buildings, at a cost not to exceed \$530,000, with funding to come from the Plant Development Fund.

16. Main Campus: Barton Hall Air Handlers

On motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the Campus Planning and Plant Management Committee (3/4/88) that the officers be authorized to replace the chilled water pump on Barton Hall at a cost not to exceed \$75,000, with funding to come from the Plant Development Fund.

17. Irish Pub Lease

Mr. Esposito, Chairman of the Campus Planning and Plant Management (CPPM) Committee, referred to Agenda Reference 20 which outlined the terms of the Irish Pub proposed lease, noting that Temple will give Tenant six months notice of termination. Temple will pay a "buy-out" amount of \$200,000 in the event that Temple terminates the lease at the time of the first renewal; \$100,000 at the second renewal; and \$50,000 at the third renewal. This buy-out provision is in recognition of the more than \$500,000 amount which The Irish Pub will be investing in rehabilitating University properties which it will occupy. Mr. Fox noted that the Tenant will have \$1 million insurance consisting of \$500,000 in general liability and \$500,000 in liquor liability coverage.

Mr. Mannino said that he had voted against liquor on campus previously. We thought we would get \$2 million in insurance coverage, and now the proposed lease is down to \$1 million. He asked why we now feel that \$1 million is sufficient. The President said that University Counsel Reinstein has indicated that \$1 million is adequate from his perspective. This was a trade-off against the buy-out amounts, which were originally \$400,000, \$200,000 and \$100,000, and they are now \$200,000, \$100,000 and \$50,000. It was on the advice of counsel that we accepted the \$1 million coverage. Mr. Mannino said that if this is acceptable to University Counsel, it is all right with him.

Judge Jamieson said the rental rates seem low. Dr. Scanlon said that the rental rates are supplemented by a percentage of sales provision. In the development of the properties involved, the University is putting no money into this capital investment. The Tenant will spend more than \$500,000 in renovating these properties. Mr. Fox said the goal is to provide quality services on campus. We do not want to give anything away but this involves buildings that are in serious need of repairs, and the Tenant is investing more than \$500,000 in this Capital project.

Judge Dandridge said that if we decide not to renew the lease, why must we give them a certified check before the termination date--and he asked if there was some question about our credit rating. Dr. Scanlon said that our credit rating is not in question, but this was a provision sought by counsel for the Tenant. Judge Dandridge moved that this certified check provision be deleted from the lease, his motion was seconded, and it ultimately became part of the Board's action, as indicated later in these Minutes.

Mr. Mannino referred to the indemnification requirement that they indemnify us in certain circumstances--and he asked if we are certain that they are financially sound--and he asked further if we should have a letter of credit on this matter. Dr. Scanlon said we have checked their finances and we are comfortable with what we found.

President Liacouras asked how Temple would be affected by a \$5 million judgment against the Tenant, where there was not a Dram Act or some other liquor-related statute. Mr. Reinstein said this is a straight lease wherein what happens inside the Irish Pub is their responsibility; it is their problem.

Councilman O'Neill referred to the restriction in the lease referring to take-out sales, which are limited to two six packs of beer to any one customer--and he asked to what extent, if any, this is different from the limits required by the Liquor Control Board. If this is, in fact, no more limiting than the LCB requirements, then why should we include it in the lease? Dr. Scanlon said we put this restriction in the lease partly because this matter came up in previous Board Committee discussions. So, rather than be silent on this matter, we decided to specify the limit--and we expect, of course, that all rules of the LCB shall be observed. He said that he would check to see what the LCB limits are. Mr. Shrager said the LCB does put a limit on take out sales, but he does not know the amount of the limit.

Mr. Shrager posed a situation where there was a judgment against the Tenant of \$7.5 million, arising out of a fight in the bar and a lot of people were injured. As he understands it, Mr. Reinstein is saying that Temple wouldn't be affected in any way financially if the Irish Pub carries \$1 million worth of insurance. Mr. Reinstein says this is a different situation; this is a straight lease arrangement to another business. In that situation, potential liability for the landlord for a business being operated by a Tenant is minor. It isn't zero; it is conceivable but highly unlikely. Mr. Pew said a key factor in this kind of situation is that the landlord must not take an active role in the management of the place if he wants to remain as non-labile as possible.

Judge Dandridge asked if we are requiring the Tenant to keep a cash reserve for indemnification, and Dr. Scanlon replied negatively. The Judge said, therefore, there is no guarantee that we would be covered by the indemnification clause. The President said except for the Tenant's general credit. Under University Counsel's concept, we are all right up to \$1 million under the Tenant's coverage; anything more than that is subject to the general credit of the Tenant. If you think Temple has no liability, then we are almost like a Good Samaritan.

Judge Dandridge said he thinks the University is vulnerable in this matter, and the President said where there is liquor, we are always vulnerable. We have met every one of the issues raised by Board members.

Judge Green said that if our insurance costs increase because of the fact that we have a Tenant who is in the liquor business, then he thinks we should try to find some way of passing on those added costs to the Tenant. Dr. Scanlon said we may be able to set a higher level of rent based on that kind of approach.

Mr. Shrager said that, knowing how difficult it is to get insurance, he would like to see a clause in the lease to the effect that in the event Tenant's insurance is cancelled, they have to notify us. They might not have insurance for 1.5 years, and we should know this. Mr. Fox said he thinks that is a good suggestion.

Mr. Fox summarized the discussion as follows:

(1) We want to eliminate the Certified Check provision; (2) the matter of increasing the insurance rate when it becomes identifiable that our insurance costs are increased due to Tenant's liquor business on our premises; (3) he said that if the Tenant does not have insurance, our lease is cancelled, and we will get notification from the carrier. Mr. Reinstein said that if the Irish Pub's lease is cancelled, we can automatically cancel the lease.

(At this point, Mr. Fox had to leave the meeting, and Judge Scirica, Chairman of the Executive Committee, assumed the Chair for the remainder of the meeting.)

The President said that if there is a breach of the lease by the Irish Pub's not having any insurance, does that increase Temple University's legal liability; and Mr. Reinstein replied negatively, noting we can terminate the lease if the Irish Pub loses its insurance coverage.

There was then a motion to amend the Irish Pub lease terms as follows: (1) the requirement that Temple provide a Certified Check to the Irish Pub if the University decides not to renew the lease should be eliminated and a standard check should be acceptable; (2) there should be a provision that if it can be shown that Temple's insurance costs are increased because of the liquor business being operated by Tenant, then that increased cost should be borne by the Tenant. This motion was seconded and was approved.

On motion duly made and seconded, the Board of Trustees voted (with Messrs. Dandridge, Jamieson, Mannino, Pew and Nichols voting negatively, and with the 15 other Trustees present voting affirmatively) to approve the recommendation of the Campus Planning and Plant Manage-

ment Committee (3/4/88) that the officers be authorized to enter into a lease agreement with the Irish Pub for the properties at 1945-1953 Watts Walk (in accordance with the terms outlined in SUPPLEMENT IV), with these understandings: (1) the requirement that Temple provide a Certified Check to the Irish Pub if the University decides not to renew the lease should be eliminated and a standard check should be acceptable; and (2) there should be a provision that if it can be shown that Temple's insurance costs are increased because of the liquor business being operated by the Tenant, then that increased cost should be borne by the Tenant.

18. Upgrading of Administrative Computing Systems

On motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the Campus Planning and Plant Management Committee (3/4/88) that the officers be authorized to upgrade administrative computing systems by leasing an IBM 3081-K computer, including associated peripherals and necessary licensing agreements; upgrading the memory of the IBM 3081-D currently in operation; by purchasing additional disk and tape storage devices; for an amount not to exceed \$1,500,000, with funding to be taken from the University operating budgets for computing over a two-year period.

19. Report of the Hospital Board of Governors

In the absence of Dr. Rock, the Chairman of the Board of Governors, Dr. Nichols, the Chairman of the Health Sciences Center Committee, at Dr. Rock's request, reported for the Board of Governors. Dr. Nichols noted that the Report does not cover the Board's meeting of February 29 because this meeting occurred too late for inclusion--but it will be covered in the March-May Report.

Dr. Nichols reported that the final report of the Marketing and Strategic Planning Committee was approved and will be followed by an implementation plan.

The Board of Governors decided not to accept the request of the Secretary of the Pennsylvania Department of Health to be removed from membership on the Temple University Hospital Board of Governors, preferring to preserve the right of future Secretaries of Health to serve on the Board if they wish to do so.

Temple University Hospital is one of the few Hospitals which have been approved for a Heart Transplant Program.

A feasibility study for the capital development campaign is underway and will provide the information needed to structure a successful effort to gain the capital funds needed for our clinical programs.

The completion date for the New Hospital is set for May at which time there will be a dedication ceremony.

The Board of Governors is addressing the Lengths of Stay matter and the shortage of nurses.

The Hospital Auxiliary's "Acres of Diamonds Dinner Dance" will be held on April 9th in the Crystal Room at Wanamakers, and everyone is cordially invited.

Dr. Nichols asked Dr. Malmud, Acting Vice President for Hospital Affairs, to comment on the status of the Hospital. Dr. Malmud said that there were 48 Discharges per day in February, which was four per day above budget. The Length of Stays figure was 7.3 days, which was below budget. February was the busiest February in recent history, and it was one of the best months the Hospital has ever had.

20. Report of Health Sciences Center Committee

Dr. Nichols, Chairman of the HSC Committee, said the Committee had heard reports from the Deans of the College of Allied Health Professions and the Schools of Pharmacy, Dentistry and Medicine, as well as a report from the Director of the Woodhaven Center. A report was also received regarding the University's negotiations with Comprehensive Cancer Centers, Inc. Finally, the Committee welcomed Dr. Leon Malmud, who was appointed as Acting Vice President for Hospital Affairs.

21. Report of the Audit Committee

In the absence of Mr. Kessler, Chairman of the Audit Committee, the President called attention to the Auditor General's Report for Fiscal Years 1985 and 1986, and the University's Proposed Response, noting that there were no major issues raised. The Report and the Proposed Response were reviewed by the Joint Committees at their meeting of 2/25/88, and the Audit Committee will take this up at its upcoming 3/24/88 meeting. There are some other issues that the Audit Committee will consider on 3/24, but nothing earth-shaking.

22. Report of Development Committee

Mr. Rosen, Chairman of the Development Committee, called attention to the report of that Committee (Agenda Reference 28), and then introduced Mr. Derby as the new Vice President for Development and Alumni(ae) Affairs, noting that Mr. Derby is going to implement a lot of ambitious ideas. The presiding officer, Judge Scirica, welcomed Mr. Derby to the University on behalf of the Board of Trustees.

23. Report of Committee on Honorary Degrees

President Liacouras, Chairman of the Honorary Degrees Committee, called attention to the report of that Committee (Agenda Reference 29). He referred to the Sub-Committee of the Honorary Degrees Committee which, among other activities, has helped in the establishing for the first time a Great Teaching Award, which carries with it a \$10,000 stipend for each of five outstanding teachers. The Selection Committee is composed of former Lindback Award winners for the first two years of the program. They will be making selections under criteria which will be published. The winners of the Great Teacher Awards will, in the future, determine who subsequent Award winners will be. Some Trustees who have emphasized the importance of teaching and the fact that we do not give adequate attention and recognition to teaching should feel that this Great Teaching Award is their contribution in this area. We emphasize scholarship, research and creative work, but we also realize that Temple is a great teaching institution. There will be a Special Convocation in April to emphasize how important teaching is, at which time these five Awards will be presented.

24. Report of Committee on Student Affairs

Judge Green, Chairman of the Student Affairs Committee, called attention to the report of that Committee (Agenda Reference 30)--and he also cited Agenda Reference 31 and 32 dealing with a Proposal to Establish the Pennsylvania Public Interest Research Group (Penn PIRG) at Temple; and Fraternity Policies Relating to Alcoholic Beverages. The President noted that there will be an Open Forum in Feinstone Lounge on April 6 to consider the Penn-PIRG Proposal. The President thanked Mr. Mannino for his inquiry into the Alcohol Policy of the University, the inquiry having been triggered by the tragic events at Rutgers and Princeton. This matter will again be reviewed by the appropriate Committees of the Board, including the Student Affairs Committee.

25. Reports of Other Committees

Judge Scirica, the presiding officer, called attention to the Reports of the other Committees (Agenda References 24 and 33), suggesting that if Trustees had questions about these Reports, they should communicate with the respective chairman.

26. Treasurer's Report

Without objection, the Board received the list of gifts and grants received between November 1, 1987 and January 31, 1988, said Report having been distributed today as Agenda Reference 34.

27. Secretary's Report

On motion duly made and seconded, the Board of Trustees voted to approve the presentation of degrees-in-course dated May 19, 1988 to candidates approved by the appropriate academic committees of the faculty; the presentation of degrees-in-course dated May 8, 1988 to candidates approved by the appropriate academic committees of the faculty in Tokyo, Japan; and the presentation of degrees-in-course dated May 15, 1988 to candidates approved by the appropriate academic committees of the faculty in Osaka, Japan.

The President said that we will have a delegation going to Japan between May 2 and May 9, 1988 for the purpose of dedicating the new building in Tokyo. It has been two or three years since Temple representatives have been in Japan on this type of academic mission. The President said that if any Board member has an interest in going on this May 2-9 trip to Japan, please let him know as quickly as possible. We are trying to get a special grant from a foundation to cover part of the expenses for those who cannot readily afford to make the trip. This is a very important presence of Temple University in Japan, and with the way things are in Japan, the more Board members who can attend, the more likelihood that programs will have the appearance of support as well as the reality of support. It is important in Japan that we "fly the flag" from time to time. This trip has been twice postponed. Mr. Reinstein said he thought the delegation would be in Tokyo for the May 8 Commencement but not in Osaka for the May 15 ceremony. The President said that Dr. Higashi, who heads the Temple-Japan program, may want the delegation to visit one other place in Japan as well.

The meeting of the Board of Trustees was adjourned at 9:05 A.M.