

MINUTES - JOINT MEETING

Executive Committee and Business and Finance Committee
(To Which Meeting All Board Members Were Invited)

Board of Trustees

Temple University - Of The Commonwealth System of Higher Education

Monday, July 23, 1990

3:00 P.M., Room 200, Sullivan Hall, Park & Berks Malls

Attendance:

Executive Committee Members - Anthony J. Scirica, Chairman;
Paul A. Dandridge, Lacy H. Hunt#*, Irving K. Kessler,
Peter J. Liacouras*, R. Anderson Pew#, Edward H. Rosen#,
Isadore A. Shrager#, Clare L. Wofford (* Members of both
Committees; # - participated via conference-speaker telephone),

being a quorum of the Committee;

Business & Finance Committee Members - Lacy H. Hunt*#, Chairman,
Harry P. Begier, Jr., Peter J. Liacouras*, Edward F. Mannino,
Brian J. O'Neill, Francis R. Strawbridge

Other Invited Board Members Attending - Nicholas A. Cipriani,
Patricia J. Clifford

Executive Committee NVA Member - William Woodward (Faculty)

Business & Finance Committee NVA Member - John Hagopian (Alumni);
Leroy Dubeck (Faculty)

Administration and Staff - Barbara L. Brownstein, Steven R. Derby,
Leon S. Malmud, Laurent J. Remillard, Arthur C. Papacostas,
Valaida S. Walker, Paul H. Boehringer, Richard A. Chant,
David V. Randall, Robert Lux, William G. Sites, Kathy
Gosliner, Jesse Milan, Kent Rayburn, C. Robert Harrington,
Beverly L. Breese, William C. Seyler

General Counsel - Peter Mattoon, Matthew Strickler

University Counsel - George E. Moore

Executive Committee Absentees - Louis J. Esposito, Richard J. Fox,
Clifford Scott Green, Henry H. Nichols, Milton L. Rock

Business & Finance Committee Absentees - Peter D. DePaul,
Chaka Fattah, Richard J. Fox, Lewis F. Gould, Jr.,
D. Donald Jamieson, William W. Rieger

Executive Committee NVA Absentees - Jay L. Rosen (Alumni);
Michael Marcus (Student)

JOINT COMMITTEE ACTIONS

1. Approval of Minutes of Joint Meeting of April 26, 1990

Without objection, the captioned Minutes were approved as distributed.

2. Next Joint Meeting Date

Judge Scirica noted that if an August meeting is necessary, the regular, fourth-Thursday date is August 23, and advance notice will be given, if such a meeting is necessary.

3. Final Action on Woodhaven Agreement

President Liacouras noted that on 9/28/89 the Joint Committees were presented with the following four Options relating to the Woodhaven Program: (1) That Temple absorb the losses implicit in the Woodhaven Program; (2) That Temple return the Woodhaven Program to the Commonwealth; (3) That Temple cut the costs of the Woodhaven Program and make it custodial; and (4) that the Commonwealth make Temple University whole with respect to the Woodhaven Program and give the land at the center to Temple.

After considerable discussion on 9/28/89, the Joint Committees recommended "that Option #2 (That Temple University return the Woodhaven Program to the Commonwealth in an orderly manner) is the best option"-- and on 11/16/89, the Joint Committees "voted to re-affirm its action of 9/28/89...unless the proposed Agreement described by President Liacouras at today's Joint Meeting is approved by the Commonwealth...with the understanding that the President has the authority to make necessary changes in the Agreement."

The President said that we have worked with the State. The State has made us whole for the rates through 6/30/90; but the State was unable to get the passage of a bill that would have given Temple the Woodhaven land. The President interprets this action by the State to mean that we should now execute Option #2 of 9/28/89, and return Woodhaven to the State. If we do that, we would give the State 60 days notice and we would seek to have an orderly transfer of the Program to the State, or to whomever the Commonwealth designates as the new provider. We will try to work with the State to avoid any major problems for the parents at Woodhaven. There is a possibility that there would develop a change of heart, but we will have to wait and see.

Mr. Rosen said that in any news release announcing this action, there should be emphasis about the University's sensitivity to the patients and their families. The President said that he has been in touch with the parents, with Secretary of Public Welfare John White, and with the person from the Governor's Office who has been trying to work out a mutually satisfactory agreement between the State and Temple.

The President said the Board should know that there are some risks involved in pursuing Option #2: if a new provider comes in and discharges employees, we will have Unemployment Compensation (UC) and Vacation Pay issues. We thought of giving only 30 days and the State would have to take over the Program. The State usually does not discharge employees.

Mr. Kessler raised a question as to why we would want the Woodhaven property. The President said we were required to do an appraisal of this property, and the appraisal was for \$15 million. Reference was also made to the fact that we had a \$3 million "bill" presented to us by the State, based on earlier disallowances of Workers Compensation. Even though we have been made whole, we had to threaten to pull out to get relief. That is not an acceptable way to do business. We believe it would be very difficult for us to get full cost reimbursement from the State, unless we start some permanent bargaining chip--that chip is ownership of the property. We have been fully reimbursed for years before 1989-90--and this was probably due to the Board's action that we had to work out an arrangement that was based on the purpose of Woodhaven Center. To continue as is would weaken the educational and research mission of Temple. Without having Woodhaven tied to our basic mission, we do not have any rationalization for continuing the Program. Unless the Program is related to our overall mission, it probably should not be continued as a University function.

Mr. Kessler said he thought our stance ought to be that we are prepared to manage Woodhaven Center, providing we have no losses. He thinks that if we were to take possession of the property, we weaken our case. The President said that for seven years we would be committed to operating a program. We won't know whether or not we suffered a loss until some years after the fact. There could be a two or three million dollar differential on Workers Compensation. For example, there was a certain percentage of total employees who are in the Woodhaven program. We took the position that at Woodhaven our reimbursement for those years in general should have been based on the actual experience at Woodhaven. The State based its formula on an overall University average. It is clear that a classroom is not that risky--but there are real risks for employees at Woodhaven. When we closed our books on the Year's business, we broke even. But after the State's disallowances after the fact, we were faced with losses. It took us two years to persuade the State we were right on this matter. If somehow the State could guarantee us that we would always be whole, that is one thing; but when we are at the mercy of the rate-setters and auditors, that is another thing. So, the only alternative we have is to discontinue the Program or put ourselves into a situation where we have effective bargaining power. Mr. Kessler thinks our bargaining power is weakened if we are the owner of the property. The Welfare Secretary has been very fair-minded in dealing with Temple University. The loss of many millions is not something that is worth it, given the risks. All of the State officials know what we have been trying to do, but they were unsuccessful in getting the title transferred to Temple. Mr. Shrager suggested that everyone should write to the State legislators, indicating how disappointed we are that title has not been transferred to Temple.

Dr. Hunt asked if there are any statutory or other legal requirements that would require the University to give employees notice about the discontinuance of employment. The President said there is a Federal Statute and a City Ordinance that requires 60 days notice of a "plant closing." We would give a minimum of 60 days notice. We would maintain certain employees; we would try to soften the blow. We want to do the right thing; we want the clients treated with the dignity and sensitivity they have received in the past; we want the parents to feel good; and we want the University to be whole.

In response to a question from Mr. Kessler about possible liabilities in discontinuing the Woodhaven Program, the President said

that we have Unemployment Compensation and Vacation Pay potential liabilities. If the State took over Woodhaven, we would probably have no liabilities. We would negotiate with the State. We think we should work cooperatively with the State.

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, the latter acting on behalf of the Board, voted to direct the officers to execute the Joint Committee's action of 11/16/89 when they "voted to reaffirm their action of 9/28/89 (That Temple University return the Woodhaven Program to the Commonwealth in an orderly manner, unless the proposed Agreement described by President Liacouras at today's Joint Meeting is approved by the Commonwealth by December 26, 1989, with the understanding that the President has the authority to make necessary changes in the Agreement."

4. Tentative University Budget for 1990-91

President Liacouras referred to the Internal Budget Committee, chaired by Provost Brownstein, and paid tribute to the work of that group. He said that the financial results for the fiscal year ending 6/30/90 were significantly better than anticipated last year. We had, for instance, placed approximately \$9 million as current revenue funds that were Quasi-Endowment accumulated from earlier years. We won't spend any of this Quasi-Endowment in the 1990 fiscal year. So, the outcome is about \$9 million better than budgeted. This makes available, therefore, about \$9 million to use again as operating revenue budgeted for 1990-1991, and we have built the budget to included it. Mr. Rosen asked if this were a public session, and the President said it is a public session, noting, however, that there will be no discussion of collective bargaining matters in open session. Mr. Pew said that discussion of this \$9 million could become target. The President said that the \$9 million for the year beginning 7/1/90 already is in the tentative budget; as a matter of fact, there may be another \$1 million available. We have saved last year's Quasi-Endowment and we are planning for it in 1990-1991. There is no substantial money unspoken for in the tentative budget. We are working as hard as we can to keep spending down. We are anticipating a decline of 1.5% in the enrollment, which is about a \$3 million loss. In earlier years, we were able to balance the budget because we had increases in enrollment. We think a 1.5% decline is the best we can do in terms of a decline, beginning in September 1990.

Addressing Messrs. Rosen's and Pew's points, the President said we need the use of this Quasi-Endowment to balance the budget. We do not anticipate any increase in enrollment, and we have certain expenses that are increasing, such as Employee Benefits, to the tune of about \$4.5 million--and an increase of several millions in energy costs.

The President said that the Budget before the Committees has a revenue increase based on two major items: (1) State Appropriation, with an increase of about \$4.5 million, or an increase of slightly less than 4%; and (2) a Tuition increase, ranging from 5.9% for full-time Pennsylvania Undergraduates to 7.8% for most of the other students at Temple.

Because of the lateness of notifying students, we have established a \$2 million fund, which any full-time student can come to and receive credit for a 90-day period to make up the difference between what tuition cost they had anticipated and the increase in tuition, along with the new Computer and Technology Fee. If a student is an undergraduate full-time Pennsylvania resident, he is facing an increase

each semester of about \$119.00--plus a new \$35.00 Computer and Technology Fee, which is a total increase of \$154.00. For the Fall Semester, the student will have access to \$154 worth of credit until about 12/1/90. This fund will be available to all full-time Undergraduate, Graduate and Professional students.

The President said that when the Committees look at the proposed spending for 1990-91, it is a tribute to the wonderful work of the Budget Committee, which is chaired by Provost Brownstein. There are additional administrative cuts; there are certain increases. We are increasing the recovery to the research investigator, the Dean and the College when research grants are obtained; instead of a 10% return, we will return 20%.

Judge Dandridge suggested that because this is a Tentative University Budget, we could act quickly on it today, and consider it the same time that we consider the Tentative Hospital Budget (as provided in Item 8 of today's Agenda). The President said that we are not anticipating in the Tentative Budget any room for any losses at the Hospital. There isn't any leeway in our Budget for major disruptions. This is a tight Budget, and we have already placed virtually all of the Quasi-Endowment funds in this Tentative University Budget. We may do a little better in the year ending 6/30/90. Some of our cost containment measures (brought about by a committee chaired by new Acting Vice President Papacostas) may have resulted in as much as \$1 million in additional savings.

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, the latter acting pursuant to the Board authorization of 5/8/90, voted to adopt a Tentative University Budget for 1990-91, said Budget being attached as SUPPLEMENT I.

5. Tuition Schedule for 1990-91

President Liacouras noted that the proposed Tuition Schedule calls for a 5.9% increase for Pennsylvania Undergraduate Residents and a 7.8% increase for out-of-state residents. Reference was made to AGENDA REFERENCE 5 (which is the Proposed 1990-91 Tuition Schedule), and the President said that the Dental School's increase is the lowest.

The President said that someone erroneously may say that the Computer and Technology Fee of \$35 per semester is another way of raising Tuition above the 6% level. The President said we had been considering this Fee for two years. When Penn State decided to introduce this type of Fee, we decided to do the same thing. If Penn State may do this, and Pitt may do it at \$55 per semester, we feel more comfortable with a dedicated fund for academic equipment rather than having course fees. We will have some course fees in Art where there are special costs involved. This is not an indirect way of increasing tuition; it is a dedicated fee--and we have an additional \$1 million that we will put in the fund for academic equipment, so that there will be more funding available than comes in from these student fees.

Judge Scirica asked if the students will see an immediate change in the availability of academic equipment. The President said that some places will and some places will not. It depends on how well the Deans can move to implement this. By and large, there should be something visible for many students.

Provost Brownstein said that last year, along with Dr. Papacostas and the Deans, we developed a priority list of computer and technology equipment--and all were involved with students, directly affecting students in the labs and classrooms. We believe that the \$1 million would make a major impact in Arts and Sciences, and in Business and Management. We are prepared now to move on this in a way that has been much discussed. The President asked when the average student would be able to see a change, and Dr. Brownstein said we would hope to have an impact in some of the schools in the fall of 1990, such as Business and Management, Chemistry and Tyler.

Mr. Kessler noted that seniors and juniors may not be here to enjoy the ultimate fruits of this Fee, and he asked about the feasibility of giving seniors and juniors earlier access to this equipment than freshmen and sophomores. Dr. Brownstein said that the equipment is used at all levels, but what we are looking at will probably impact most on the upper level students. Judge Dandridge said it makes sense to him for those who will be leaving the University earlier to benefit from this Fund as the first group. The President said that we have been buying equipment with funds we have been saving for many years, having spent about \$25 million in the past 8 years--and we have left it to the judgment of the Provost, the Deans and the Chairs.

Dr. Brownstein said that the priorities which have been established would split the equipment between the upper level students and the lower level ones.

Judge Scirica summarized the discussion by noting that the motion on the Computer and Technology Fee should include the sense of the Committees that, as far as possible, the upper level students should be given a high priority in view of their imminent departure from the University.

Mr. Mannino noted that the Tuition Schedule referred to the "Fall, Spring, and First Summer Session," and the President said that Tuition is set up this way because the First Summer Session begins in the Fiscal Year that is ending on 6/30--and the Second Summer session then begins in the new Fiscal Year, beginning on 7/1. Mr. Mannino asked what the "1990-91 Rate" of \$4,234 covers, and the President said this is the Tuition for the 1990-91 Academic Year of Fall and Spring semesters.

Mr. Mannino asked if anyone had looked at the effect of high out-of-state Tuition. He agrees that Pennsylvania residents should have a significant break, but the \$7,832 tuition for an Undergraduate out-of-stater seems very high to him in comparison with the Pennsylvania Resident tuition of \$4,234. The President noted that Penn State and Pitt, our sister institutions, charge Non-residents double that of Residents. Temple is not quite double. He said this disparity has been looked at and he noted that if we were to raise Temple's Non-Resident rates to the level of Penn State's and Pitt's rates, we would increase our revenues by \$8 million. The President said we should be increasing our Non-Resident rates for Graduate students--but it has to be kept in mind that we are not competing with Pitt and Penn State for Non-Resident students; rather, we are competing with New Jersey and Delaware. The President said we are reviewing that issue. Three times this decade we have increased the Non-Resident Tuition by the same dollar amount as the Resident rate, but that, of course, means a lower percentage increase since the Non-Resident rates have a higher base. The trend has been to capture more revenue from Non-Residents by using Mr. Mannino's approach.

The President said that this Board of Trustees has kept the rate of Tuition Increase below that of any of our peer institutions. In the past eight-year period our rate of Tuition increases has been lower than any other Pennsylvania universities. Some would say that is one reason why we are expanding enrollments and why we are bringing in more minority and other students. We have also made major increases in Scholarship funds--with those funds increased by about twice the amount of Tuition increases after the eight-year period.

Mr. Contoudis said we should have a graduated scale of Tuition Rates: the lowest rate would be for Pennsylvania residents; the next higher rate would be for states such as New Jersey and Delaware, with whom we are competing; and the last and highest rate would be for remote states, with whom we are not competing. The President said that the major reason for Temple's being State-Related is to keep down its Tuition. Our Tuition of a little more than \$4200 is much lower than Penn's and Drexel's. For every student at Temple, somebody else is paying for a certain part of his or her education. If we do not charge an appropriate fee for Non-Residents--coming to Temple, then the Pennsylvania taxpayers are paying to educate Non-Residents--and neither the taxpayers nor the Legislature likes that idea, understandably. Our Legislature should look at New Jersey and find out how much New Jersey is putting into medical education, legal education--and get some reimbursement from New Jersey because Pennsylvania taxpayers are educating New Jersey students. Mr. Shrager pointed out that Rutgers gets much more from New Jersey than we get from Pennsylvania.

Judge Scirica said that Mr. Mannino's suggestion that the Committees have comparative Tuition data from other States is a good one. He noted that the Student Affairs Committee does get this kind of information, and he suggested that it also be provided to these Committees when Tuition is presented for approval in the future.

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, the latter acting pursuant to the Board authorization of 5/8/90, voted to adopt a Tuition Schedule for 1990-91, said Schedule having been recommended by the Student Affairs Committee (7/16/90), and being attached as SUPPLEMENT II.

6. General Activities Fee for 1990-91

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, the latter acting pursuant to the Board authorization of 5/8/90, voted to approve a General Activities Fee for 1990-91, said Fee having been recommended by the Student Affairs Committee (7/16/90), and a description of the Fee being attached as SUPPLEMENT II.

7. Computer and Technology Fee for 1990-91

Judge Scirica noted that there had been considerable discussion about the captioned Fee under Item 5 of these Minutes.

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, the latter acting on behalf of the Board, voted to approve the recommendation of the Student Affairs Committee (7/16/90) that approval be given for a Computer and Technology Fee for 1990-91 to create a dedicated Fund to purchase computer and sophisticated academic equipment, said Fee being described in SUPPLEMENT .V.

8. Tentative Hospital Budget for 1990-91

Judge Dandridge asked if the Board had ever approved of the Final Hospital Budget for 1989-90, and the President said that it had been approved on 3/22/90 (a meeting to which all Trustees had been invited) by the Executive Committee, acting on behalf of the Board.

Addressing the Tentative Hospital Budget for 1990-91, the President said that the Hospital officials have been unable to present a Tentative Hospital Budget to him with less than a \$9 million deficit. The President is unable to recommend such a deficit Hospital Budget. We have a Board briefing coming up on Monday, September 10, and the President is recommending that an Advisory Task Force be convened by the President, consisting of the President (who will chair the Advisory Committee), the Chairman of the Board, and the Chairmen of the following Trustee Committees: Executive, Business and Finance, Health Sciences Center, Campus Planning and Plant Management, University and Community Relations, Audit, and Employee Relations; and the Chairman of the Hospital Board of Governors, and the Chairman of the Hospital Board of Governors Finance and Audit Committee, to review the situation with the Vice President of the Health Sciences Center and Hospital officials, and to come back by September 7, 1990, to the President with their recommendations on how to rectify this untenable situation of a projected \$9 million deficit Budget for 1990-91. This recommendation would then be part of the Briefing scheduled for September 10, 1990, and a Special Meeting would then be called immediately thereafter for action by the Board of Trustees. ✓

The President thinks that this will permit us to explore the facts and options on a quieter basis. We do not want to create any undue apprehension. Even though there have been some improvements in terms of the patient payor mix and the marketing campaign is beginning to show some favorable results, we are still faced with very large deficit numbers. Rather than present a Tentative Hospital Budget today with a \$9 million deficit, he is making the recommendation before the Committees, this will allow the Special Task Force to come back to the President with its recommendations by 9/7/90.

Dr. Hunt said he could not vote to approve a \$9 million Deficit Budget for the Hospital. The implications for the financial health of the University would be very serious if we were to do that. At the very minimum, there have to be some additional efforts. The Hospital has tried very hard to deal with the problem. This is his view from the perspective of one who is very concerned about this situation. We have to re-direct our efforts to bring the deficit down, even if it requires more dramatic steps. The President will be chairing this Special Task Force, which is not a staff undertaking but one which will get to the basics of our whole financial problem.

Judge Dandridge, who, as Chairman of the University and Community Relations Committee, will be a member of the Advisory Committee, requested that the Special Task Force be provided with the Tentative Hospital Budget for 1989-90, the final Hospital Budget for 1989-90, and the Tentative Hospital Budget for 1990-91 (the one that the Hospital officials are now working on). The President said that these Hospital Budgets will be provided promptly.

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, the latter acting on behalf of the Board, voted to approve the recommendation of the President and the Chairman of the Board of Trustees that the Chairman of the Board of Trustees convene an Special Task Force, with the President as Chair, consisting of the President and the Chairman of the Board of Trustees, and the Chairmen of the following Trustee Committees: Executive, Business and Finance, Health Sciences Center, Campus Planning and Plant Management*, University and Community Relations, Audit, and Employee Relations, and the Chairman of the Hospital Board of Governors and the Chairman of the Hospital Board of Governors' Finance and Audit Committee, to review the situation relating to the Hospital's Tentative Budget for 1990-91 with the Vice President of the Health Sciences Center and Hospital officials, and to come back by September 7, 1990, to the President with its recommendations on how to rectify this untenable situation of a projected \$9 million deficit Budget for 1990-91. This recommendation would then be part of the Briefing scheduled for September 10, 1990, and a Special Meeting would then be called immediately thereafter for action by the Board of Trustees.

*(Secretary's Note: The Chairman of the Campus Planning and Plant Management Committee was added to the Special Task Force by the Chairman of the Board of Trustees.)

9. Magnetic Resonance Imaging (MRI) Facility--Completion of Financing Arrangement for the MRI Equipment

The President said that this recommendation is his interpretation of the Board's authorization of 3/13/90, and it is back on the Agenda because some Board members have raised questions about this matter since the Hospital is facing a major deficit. The President feels that we cannot be one-half in, or one-half out, of the hospital business. The MRI is an essential item; it will take six months before this MRI is operational. If we wait any longer to acquire this, we will be hurting ourselves down the road. The Chairman of the Board of Trustees agrees that we should acquire this essential piece of equipment.

Dr. Hunt said that he understands this is an important piece of equipment and he understands that it is a revenue generator, but it seems to him that it is highly imprudent to undertake this expense and increase our indebtedness at a time when we really don't have a good understanding of what the Hospital deficit is. He recommends that we postpone consideration of the MRI item rather than funding it at this time. He doesn't think there is any way we should make this kind of expenditure, facing the kind of financial situation we are facing. The President said he understands what Dr. Hunt is saying. This is an open meeting and we aren't able to brief you on the legal aspects. Either we are fully in the Hospital business, or we have to be out of it; we can't be one-half way on this matter. The criticism is that the President has delayed this outlay in the past, and he doesn't think it can be delayed any longer. Mr. Remillard said that the MRI purchase can be cancelled within a three-months time frame.

Mr. Shrager said that as a member of the Hospital Board of Governors, he has heard the appeals from the Hospital officials that unless we have an updated MRI, we do not have available the highest level of first class care. The President said that we are providing the

highest quality service to our patients, and this MRI will permit us to continue doing that. Mr. Shrager agreed that this equipment will help us to continue our high quality service. Judge Dandridge said there should not be a financial risk to the University because the MRI has a salable factor.

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, the latter acting on behalf of the Board voted (with Mr. Mannino of the Business and Finance Committee voting negatively; and with Dr. Hunt a member of the Executive Committee and Chairman of the Business and Finance Committee, voting negatively; and with Mrs. Wofford, of the Executive Committee, voting negatively; and with Mr. Pew, of the Executive Committee, voting negatively--see Secretary's Note below) to supplement the Board's action of 3/13/90 by authorizing the officers to utilize unused proceeds from the 1984 University Bond Issue as the funding source for the MRI Machine (\$1.9 million), as the FHA insists on recourse to the University on any mortgage increase.

(Secretary's Note: Because Mr. Pew had to discontinue his participation in the meeting before the vote was taken on this MRI matter, the Committees directed the Secretary to poll Mr. Pew on this Agenda Item 9. This was done and Mr. Pew asked that his vote be recorded negatively, noting that he and Dr. Hunt had discussed this MRI matter-- and Mr. Pew concurs with Dr. Hunt's comments recorded above.)

10. Acquisition of CT Scanner and Related Cat Lab Improvements

The President said that this Agenda item is being withdrawn because it has not received the approval of the Campus Planning and Plant Management Committee, which approval will be sought at the next meeting of that Committee.

11. Authorization for Vice President,
Chief Financial Officer and Treasurer
to Accept Charitable Gift Annuities ✓

Vice President Derby briefed the Committees on the captioned matter, referring to the background materials which had been provided as AGENDA REFERENCE 11.

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, the latter acting on behalf of the Board, voted to authorize the Vice President, Chief Financial Officer and Treasurer to accept charitable gift annuities (an agreement between a donor and a charitable institution whereby the donor in return for a front-end gift, receives from the institution a guaranteed, fixed income for his/her life).

12. Anderson and Gladfleter Halls Energy Management System

President Liacouras noted that this item and the four following items (dealing with Electrical Transformer and Federal Regulation of PCBs, Data Center Expenditures, Tioga Garage Restoration, and Acquisition of 2106 North Broad Street) all have been recommended by the Campus Planning and Plant Management Committee where there was extensive discussion of all of these matters.

Mr. Mannino said he presumes that there are savings to the University because of the recommended outlays. The President said that he doesn't think there are dollar savings, and Mr. Boehringer added that since we have received federal grants, the presumption is that the pay-back is usually within two years. The President said this should save us some money but he does not know precisely how much.

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, the latter acting on behalf of the Board, voted to approve the recommendation of the Campus Planning and Plant Management Committee (6/1/90) that the officers be authorized to purchase a computerized energy management system for Anderson and Gladfelter Halls at a cost, to the University, not to exceed \$271,000, with funding of the project cost to come from a \$100,000 grant from the Pennsylvania Energy Office, and \$171,000 from the University's Plant Development Fund.

13. Electrical Transformer and Federal Regulation of PCBs

The President said that the recommendation before the Committees is to achieve compliance with federal regulations on PCBs.

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, the latter acting on behalf of the Board, voted to approve the recommendation of the Campus Planning and Plant Management Committee (6/1/90) that the officers be authorized to spend an amount not to exceed \$646,225 for services and materials which are recommended to bring the entire University into compliance with federal polychlorinated biphenyls (PCBs) regulations, with funding to come from the Plant Development Fund.

14. Data Center Expenditures

The President noted that the two new acting Vice Presidents (Dr. Papacostas and Dr. Walker) are present today, and he asked Dr. Papacostas to brief the Committees on these Data Center Expenditures. Dr. Papacostas referred the Trustees to Agenda Reference 14, which provides background information. He noted that we have made no major capital expenditures in this area in the last two years. He said that the front-end processor would have a five-year life, and the IBM 3084Q would be in the range of 12 to 18 months.

Mr. Kessler asked what this equipment would be used for, and Dr. Papacostas said for the ISIS and for the Human Resources Information System. When we bring on the HRIS, we need a major upgrading. Today's recommendation is really a temporary move to tide us over.

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, the latter acting on behalf of the Board, voted to approve the recommendation of the Campus Planning and Plant Management Committee (6/1/90) that the officers be authorized to purchase Data Center equipment, including a front-end processor, direct access storage devices and a central processing unit at a cost not to exceed \$827,711, with funding from the Computer Center budget.

15. Tioga Garage Restoration

President Liacouras said that he recused himself at the Campus Planning and Plant Management Committee meeting of 7/20/90, and he recuses himself today because one of the principals of the A & R Engineering firm is his first cousin; so, he abstained from the discussion and vote on this matter of the Campus Planning and Plant Management Committee meeting, and he will do the same thing at today's meeting.

Dr. Papacostas said that the Tioga Garage has deteriorated in terms of its structure, and the Campus Planning and Plant Management Committee has recommended the proposal which is before the Committees. Mr. Kessler said that he and some other Trustees were talking about the importance of having parking facilities close to the Hospital, and preferably facing on Broad Street, because many people apparently do not realize that there are such facilities near the Hospital.

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, the latter acting on behalf of the Board, voted (with President Liacouras abstaining from the discussion and the vote on this matter) to approve the recommendation of the Campus Planning and Plant Management Committee (7/20/90) that the officers be authorized to enter into a contract with Culbertson Restoration, the low bidder, for repairs to correct structural deterioration of the Tioga Garage, at a cost not to exceed \$836,118, and to enter into a contract with A & R Engineering, the low bidder, to perform supervision, field observation and contract administration services relative to the Culbertson Restoration contract, at a cost not to exceed \$11,040, with funding for the structural restoration coming from the University Bond Issue and to be repaid from Parking Services revenue over ten years, beginning in fiscal 1991; and with the consulting engineers to be paid from parking services revenue in fiscal 1991.

16. Acquisition of 2106 North Broad Street

The President said that 2106 North Broad Street is a property that, along with 2108 and 2110, is adjacent to the former Armory Site, and the property is just north of Broad and Diamond. This property is owned by the Protestant Advisory Board at Temple University. Just after the Armory fire, we began discussions with these ministers--and they want out of 2106 for safety reasons. We would like to have this property because it would almost complete the site for the proposed Student Housing, providing we can get a lease on the Armory site from the State.

What is being proposed is a swap of properties (2106 N. Broad for 1422 W. Norris) and we would also give the minister group \$15,000, so that we would get the North Broad property and the ministers would get the West Norris property.

The President referred to one Bill in Harrisburg which, although it did not pass, would have provided for the transfer of the Woodhaven property, fee simple, and would have also have provided for a 50-year lease from the State to Temple of the former Armory site. The Bill did not make it out of the Committee, despite the fact that the President, Executive Vice President Swygert, and Government Relations Director Randall had worked very hard to get approval of the Bill. The President believes that eventually the Armory Site will come to Temple.

Mr. Mannino asked what 1422 W. Norris is being used for presently, and Mr. Boehringer said that it is empty.

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, the latter acting on behalf of the Board, voted to approve the recommendation of the Campus Planning and Plant Management Committee (7/20/90) that the officers be authorized to acquire property located at 2106 North Broad Street in exchange for property which the University owns at 1422 West Norris Street, plus \$15,000 in cash, with funding from the Plant Development Fund, with the understanding that any such acquisition is conditioned upon the University's obtaining a lease on the Armory site property, which is located at 2112-2150 North Broad Street.

17. Expression of Appreciation to Executive Vice President H. Patrick Swygert

President Liacouras said that today is the last meeting of the Joint Committees where we will have the services of H. Patrick Swygert as the Executive Vice President.

Judge Cipriani moved, and everyone present seconded the motion, that the Joint Committees unanimously express their appreciation and thanks to Executive Vice President H. Patrick Swygert for his outstanding service to Temple University for many years, and the Joint Committees also express their wishes that Mr. Swygert's tenure as President of the State University of New York--Albany will be most rewarding and satisfying. The motion was adopted unanimously.

The President noted that Mr. Swygert was present for the Board Luncheon today at the Rittenhouse, honoring him for his many years of dedicated service to Temple University.

The Joint Meeting of the Business and Finance and the Executive Committee was adjourned at 4:25 P.M.