

MINUTES - JOINT MEETING

Executive Committee and Business and Finance Committee

Board of Trustees

Temple University - Of The Commonwealth System of Higher Education

Thursday, April 25, 1991

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

Attendance:

Executive Committee Members - Richard J. Fox\*, Board Chairman, presiding; Patricia J. Clifford, Louis J. Esposito, Peter J. Liacouras\*, Milton L. Rock, Isadore A. Shrager, Clare L. Wofford (\* - member of both Committees),

being a quorum of the Committee;

Business & Finance Committee Members - Richard J. Fox\*, Lewis F. Gould, Jr., Peter J. Liacouras\*, Francis R. Strawbridge (\* - member of both Committees)

Ex-Officio Participants - Kenneth R. Cundy (Faculty Senate), William H. Duncan (General Alumni Association), Darren S. Raiguel (Temple Student Government)

Executive Committee NVA Member - William H. Duncan (Alumni)

Administration and Staff - Jack E. Freeman, Steven R. Derby, Leon S. Malmud, Laurent J. Remillard, Robert J. Reinstein, Julia A. Ericksen, Arthur C. Papacostas, Valaida S. Walker, Paul H. Boehringer, Robert Lux, William G. Sites, Timothy O'Rourke, Beverly L. Breese, William C. Seyler

General Counsel - Peter Mattoon, Matthew Strickler

University Counsel - George E. Moore

Executive Committee Members Absent - Paul A. Dandridge, Clifford Scott Green, Lacy H. Hunt, Irving K. Kessler, R. Anderson Pew, Edward H. Rosen, Anthony J. Scirica

Business and Finance Committee Members Absent-  
Harry P. Begier, Jr., John J. Contoudis, Peter D. DePaul, Chaka Fattah, Lacy H. Hunt, D. Donald Jamieson, Brian J. O'Neill, William W. Rieger, James A. Williams

Executive Committee NVA Members Absent - William Woodward (Faculty)

Business and Finance Committee NVA Members Absent - John Hagopian (Alumni); Carson Schneck (Faculty)

(The Joint Committees went into Executive Session from 3:00 P.M. to 3:30 P.M. to be briefed by Counsel regarding pending litigation. The Committees then held their Public Session from 3:35 to 4:00 P.M. The Committees went back into Executive Session from 4:00 P.M. to 4:25 P.M. to be briefed on a report from an outside consultant. The Minutes of the two Executive Sessions are found at the end of these Minutes.)

#### JOINT COMMITTEE ACTIONS

1. Approval of Minutes of Joint Meetings of March 28, 1991, and April 12, 1991

Without objection, the captioned Minutes were approved as distributed.

2. Next Joint Meeting Date

Mr. Fox noted that because the regular, fourth-Thursday meeting date occurs on the date for Commencement (May 23), if there is a need for a May meeting, it will be held on May 30. The fourth-Thursday in June is June 27 and a meeting is scheduled for that date.

3. Commencement on May 23, 1991

President Liacouras said there will be only one Honorary Degree recipient this year, Bill Cosby. There will be two Undergraduate Student Speakers at Commencement, the two having been chosen by a procedure that involves the Faculty Senate Committee on Student Affairs and the Honorary Degrees Committee of the Board of Trustees.

4. Convocation Honoring Soviet Poet, Yevgeny Yevtushenko

The President invited everyone present to attend the captioned Convocation, which is scheduled for Tuesday, April 30, at 11:45 A.M., in The Great Court of Mitten Hall. Mr. Fox urged everyone to attend this Convocation, noting that Yevtushenko is a remarkable person, who is not only a man of letters but is also an elected member of the Russian legislative body. He is a talented actor who is really worth hearing.

The President said that we will not be wearing academic robes for this Convocation. He would like to know which Trustees will be able to attend this April 30 Convocation.

5. Borrowing Authority - 7/1/91 - 9/30/91

Mr. Fox asked about the level of borrowing at the present, and Mr. Remillard said there is no actual borrowing at present, except for a \$2.1 million note payable to Genesis, an affiliated offshore captive insurance company. We do not anticipate any borrowing through the rest of this year. The recommendation is merely to provide the authorization in case some unforeseen circumstance might require borrowing.

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee voted to recommend that the Board of Trustees 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 July 1, 1991 through September 30, 1991 (Resolution is attached as SUPPLEMENT I.)

6. Preliminary Tentative University and Hospital Budgets for 1991-1992

President Liacouras noted that under our By-Laws, there should be a Tentative Budget acted upon by the Board at its May meeting. Because of the uncertainties at this time regarding the Appropriation we will be receiving from the State, in recent years we have adopted a Preliminary Tentative Budget at the May meeting. The Tentative Budget will be presented to the June 27 meeting. The 97% levels referred to in the recommendation are more of an internal message. If this recommendation is approved, it will result in no operational changes between now and June 27. The President said that if the medicaid settlement with the State goes through on Tuesday, April 30, then we would ask between now and the Board Meeting on May 14 to have a Final Hospital Budget approved at the May Board meeting.

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee voted to recommend that the Board of Trustees adopt Preliminary Tentative University and Hospital Budgets for 1991-1992, with the understanding that this action authorizes expenditures at 97% of the levels allocated in the 1990-91 Final Budget for current, unrestricted funds, unless specific exceptions are authorized by the President for legally required increases.

7. Residence Hall Room Rates for Students for Summer of 1991

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee voted to approve the recommendation of the Student Affairs Committee (4/2/91) that the Board of Trustees approve the Residence Hall Room Rates for Students for the Summer of 1991, as follows: Ambler - \$470.00; Jones Hall - \$470.00; and Temple Towers - \$560.00.

8. Tuition Rates for Second Summer Session of 1991

President Liacouras pointed out that the fiscal year we are now in continues through the First Summer Session which begins in May and ends about the end of June. The recommendation before the Committees covers the Second Summer Session, which is in the next fiscal year. We have to be careful we don't convey a projection about Tuition levels for the next fiscal year. We are not making a recommendation today for the upcoming Academic Year. The recommendation today covers only the Second Summer Session of 1991, and it amounts to an increase of about 7%. Some will say that this foretells what it will be for the next Academic Year--but the answer is that it does not. We hope we can keep the recommended Tuition increase for next year at about 8%. If we get more money from the State, then 8% would probably be adequate; if the funding for Temple is the same as has been recommended, then 8% is very difficult to achieve. We did decide to come in at 7% for this Second Summer Session, which is the smallest enrollment session we have.

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee voted to approve the recommendation of the Student Affairs Committee (4/22/91) that the Board of Trustees approve the Tuition Rates for the Second Summer Session of 1991, said rates being attached as SUPPLEMENT II.

9. Residence Fees (Room and Board) for 1991-92

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee voted to approve the recommendation of the Student Affairs Committee (4/22/91) that the Board of Trustees approve rates for the Residence units for 1991-92 (including Undergraduate Housing, 7% increase; Graduate Housing, 9.5%; Board, 5.3% - 5.6% increase), said rates being attached as SUPPLEMENT III.

10. Authorization for Executive Committee to Act on Behalf of the Board with Respect to the Tentative University Budget for 1991-92, and Related Matters

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee voted to recommend that the Board of Trustees authorize the Executive Committee, at its June 27, 1991 meeting, or if necessary, a subsequent special meeting, to act on behalf of the Board with respect to the following:

- (1) Tentative University Budget for 1991-92
- (2) Tuition Schedule for 1991-92
- (3) General Activities Fee for 1991-92
- (4) Tentative Hospital Budget for 1991-92,

with the understanding that all Board Members will be invited to attend the meeting on June 27, or at a subsequent special meeting, at which time the above important matters will be determined. This June 27 meeting or a special meeting, if necessary, will be held at the customary place, Feinstein Lounge of Sullivan Hall on the Main Campus. In the event the special meeting is called, a notice will be sent in the customary way.

11. Acquisition of Video EEG Monitoring Unit (VEMU)

Mrs. Wofford noted the "223% rate of return" cited in the recommendation, and she asked for an explanation as to why the rate was so high. Dr. Malmud said that many people are familiar with EKG portable monitoring devices which are used for heart patients. The VEMU being recommended for purchase is an analogous device for monitoring brain waves, and it is used for out and in patients. It serves as a screening test for surgery for patients with seizures in which the seizures are intractable with regard to therapy. The recommended VEMU will be used by Neurology and Neuro-Surgery to diagnose and screen patients. The rate of return is based on our actual patient payor mix, excluding Medicare because patients in the Medicare age range are not considered for this type of surgery. As Mrs. Wofford noted, it is a good rate of return, and it helps to offset losses on other types of patients.

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 (4/15/91) that the officers be authorized to proceed with the purchase of a video EEG monitoring unit (VEMU) for

the diagnosis and treatment of chronic seizure disorders, at a cost of \$79,075, with funding to come from the Medical School Practice Funds, and with the understanding that the project will, in the first year, yield a 223% rate of return.

12. Expression of Appreciation to SmithKline Beecham

President Liacouras said that Dr. Rock, Chairman of the Hospital Board of Governors, and Dr. Malmud, Vice President for the Health Sciences Center and CEO of the Hospital, should be given full credit for this major gift of \$1 million from the SmithKline Beecham firm. Since we will be naming a department in honor of SmithKline Beecham, this requires Board of Trustees action.

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee voted to approve the recommendation of the Hospital Board of Governors (4/9/91) that the Board of Trustees express its appreciation for SmithKline Beecham's contribution of \$1 million for the acquisition of a Vascular Interventional Suite in the Radiology and Nuclear Medicine Department, and that this Department be hereafter known as The SmithKline Beecham Department of Diagnostic Imaging.

13. Naming of the Newly Renovated Klein Hall Rooms 1A and 1B in Honor of Jack E. Feinberg, Esquire

On motion duly made and seconded, the Executive Committee, acting on behalf of the Board, voted to approve the recommendation of the Committee on Trustees (4/25/91) that the newly renovated Klein Hall Rooms 1A and 1B be named in honor of Jack E. Feinberg, Esquire, with the understanding that a plaque will be placed in each room stating:

THIS TRIAL PRACTICE COURTROOM  
MADE POSSIBLE BY A GIFT FROM

JACK E. FEINBERG, ESQUIRE  
LAW SCHOOL CLASS OF 1947

14. Ratification of the Authorization to Negotiate the Investment of a New Floating Rate Escrow Account

Mr. Fox said that during a Joint Conference Call of the Executive Committee and the Subcommittee on Investments (4/12/91), with the Executive Committee acting on behalf of the Board, it was jointly decided to authorize the officers to negotiate the investment of a new Floating Rate Escrow Account. This was the end of a very complicated process to pursue steps that were taken a number of years ago when we floated tax free bonds. It was a decision that had to be made in order to protect the University from the requirements of calls and puts that were made in 1985 and 1986 when we floated some \$65 million of tax free bonds. President Liacouras noted that the original French bank with whom we dealt did not meet one of the requirements which Mr. Remillard had recommended and which our Board had set; as a result, the Subcommittee on Investments and the Executive Committee authorized a substitute German Bank. He felt it would be prudent to have the Executive Committee ratify the earlier action of 4/12/91.

On motion duly made and seconded, the Executive Committee, acting on behalf of the Board of Trustees, voted to ratify the joint action of the Executive Committee and the Subcommittee on Investments (4/12/91), authorizing the officers to negotiate the investment of a new Floating Rate Escrow Account (\$60.1 million) for a term extending from April 1, 1993 to year 2010 (or earlier if necessary) with Kreditanstalt fuer Wiederaufbau, or a comparable financial institution rated AAA, providing that the deposit can be withdrawn, with no penalty, if the bank or financial institution in which such deposit is made should be down-rated to single A by either Moody's or Standard and Poor's.

#### REPORTS FOR INFORMATION

##### 15. Temple-Japan Program

President Liacouras said that further consideration of the Temple-Japan Program will be delayed until June or later. The prospective new partner is coming in for a visit at the end of May. We are trying to work with Mr. Fox's schedule between June 1 and June 7, so that we can have a dinner for all Trustees interested in meeting the proposed new partner. So, we anticipate that there will be a dinner with the proposed new partner prior to the June 27 Joint Meeting of the Committees; and we may then have an agenda item on the June 27 session regarding the Temple-Japan Program.

##### 16. Communications with Members of the General Assembly Regarding the University's 1991-1992 Appropriation

Mr. Fox referred to a Faculty Senate Forum on "The Future of Temple University," which is scheduled for today and tomorrow, and he noted that he had appeared on a panel on which Senator Chaka Fattah (who is also a member of our Board of Trustees) and Representative Curtis Thomas also appeared. Both of these legislators said that they had received no mail from anyone connected with Temple University regarding our appropriation for 1991-92.

Mr. Fox suggested that the Administration quickly put together a one or two page memo highlighting our budgetary needs. He would like this memo to get to all of the Trustees, so that each Trustee can write on his or her letter-head to Senator Fattah and to Representative Thomas. Mr. Shrager suggested that such a letter also be sent to the Chairmen of the Senate and House Appropriations Committees (Senator Tilghman and Representative Dwight Evans).

Mr. Fox also suggested that this background memo be sent to the Faculty Senate and the Student Government so that those groups can also write appropriate letters to Harrisburg. He emphasized that any letters that are sent by Trustees, faculty or students should be in the writer's own words, and on his or her letter-head, so that it does not appear to be "mass assembled" by any one person or group.

17. Resolution in Memory of the Late  
Senator H. John Heinz, III

Mr. Fox said that Temple University has lost a very good friend in the tragic loss of Senator John Heinz. He said that the last time he saw the Senator was when he visited our Hospital's Neonatology Department because he wanted to be up to date on what was going on in that particular area. Mr. Fox said that Senator Heinz was an outstanding public servant, and he read the following Resolution:

RESOLUTION IN MEMORY OF THE LATE SENATOR H. JOHN HEINZ, III

WHEREAS, the tragic and untimely loss of Senator John Heinz has saddened all Pennsylvanians;

WHEREAS, Temple University has lost a good and valued friend;

WHEREAS, Senator Heinz shared Temple University's historic concern for the aged, for the indigent, and for the newborn;

WHEREAS, Senator Heinz was most helpful to Temple University in obtaining fair reimbursement in the area of Medicare financing; and

WHEREAS, Senator Heinz was most helpful to Temple University in having the tax laws changed so that the University is able to get tax exempt financing;

THEREFORE, BE IT RESOLVED, by the Temple University Board of Trustees that it record its deep appreciation for Senator Heinz's outstanding record of service to Temple University and its Hospital; and

BE IT FURTHER RESOLVED, that the Board of Trustees extend its deepest sympathy to the Heinz family.

The above Resolution was adopted unanimously by the Executive Committee, acting on behalf of the Board.

The Public Session of the Joint Committees was adjourned at 4:00 P.M., and the Committees went into Executive Session to be briefed on a report from an outside consultant.