

MINUTES

Joint Executive Committee and Business and Finance Committee

Board of Trustees

Temple University -
Of The Commonwealth System of Higher Education

Thursday, April 29, 1993
3:00 P.M., Room 200, Sullivan Hall
Park and Berks Malls

Attendance:

Executive Committee Members - Howard Gittis, Vice Chairman
presiding; Harry P. Begier, Paul A. Dandridge,
Louis J. Esposito, Peter J. Liacouras, R. Anderson Pew,
Daniel H. Polett, Isadore A. Shrager, Clare L. Wofford

Business and Finance Committee Members - Theodore Z. Davis,
Lewis F. Gould, Eleanor S. Hofkin, D. Donald Jamieson,
Milton L. Rock, Anthony Hardy Williams,
Walter E. Williams

Administration and Staff - James C. Bausman, Jr.,
Paul H. Boehringer, Larry C. Connolly, James W. England,
Jay G. Falkenstein, Jack E. Freeman, Thomas R. Freitag
Robert H. Lux, Leon S. Malmud, Rosalind R. Meyers,
Jesse Milan, Timothy C. O'Rourke, Arthur C. Papacostas,
A. Kent Rayburn, Robert J. Reinstein,
Laurent J. Remillard, Bonnie Squires, Valaida S. Walker,
James S. White, Beverly L. Breese

Ex Officio Participants Attending - Mark H. Haller (Faculty);
Leonard Mellman (Alumni); Bryce E. Weatherly (Student)

University Counsel - George E. Moore

General Counsel - Peter Mattoon

Executive Committee Non-Voting Advisory Members Present -
Leonard Mellman (Alumni), Bryce E. Weatherly (Student)

Business and Finance Committee Non-Voting Advisory
Member Present - Carson Schneck (Faculty)

Executive Committee Members Absent - Richard J. Fox,
Clifford Scott Green, Lacy H. Hunt, Anthony J. Scirica

Business and Finance Committee Members Absent -

Peter D. DePaul, Robert C. Donatucci, Lacy H. Hunt,
Joseph W. Marshall, Brian J. O'Neill, William W. Rieger,
Edward H. Rosen, Francis R. Strawbridge,
James A. Williams

Executive Committee Non-Voting Advisory Member Absent -

Judith M. Perinchief (Faculty)

Business and Finance Committee Non-Voting Advisory Members Absent - Frank D. Cox (Alumni); Tanya Burnett (Student)

RECOMMENDATIONS FOR ACTION

1. Approval of Minutes of 2/5/93 and 3/25/93

On motion duly made and seconded, the captioned Minutes were approved as distributed.

2. Next Meeting Date

The usual fourth-Thursday meeting date in the month of May is May 27, 1993. If a meeting is necessary, advance notice will be given to members of the Committee.

3. Borrowing Authority 7/1/93 - 9/30/93

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee voted unanimously 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, 1993, to September 30, 1993.

4. Authorizing the Issuance and Sale of University Notes

Vice President Remillard said that this is the fourth, annual issuance of one-year University Funding Obligations. It is a strategy for the financing of our current year capital expenditures and the undepreciated portion of prior year capital expenditures. In 1991-92 this strategy contributed \$1 million to the bottom line; this year we expect it will contribute about \$700,000. We are seeking, for the first time, a stand-alone Standard and Poors rating of SP1 which is the same as a single A on our long term bonds.

Mr. Remillard explained that if new tax exempt regulations continue in a way other than we anticipate, the issuance might have to be delayed for one month. The Resolutions, attached as SUPPLEMENT I to these Minutes, provide for either.

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, the latter acting on behalf of the Board, voted unanimously to adopt the Resolutions attached as SUPPLEMENT I, which authorize the issuance and sale of University Notes not to exceed \$45,000,000; the approval of financing documents; and the authorization for the officers to take certain incidental action regarding this issuance and sale of University Notes.

5. Preliminary Tentative University and Hospital Budgets for 1993-94

President Liacouras explained that this is a procedure used annually before the State Appropriation is made. Under the By-laws, we must have a Tentative Budget by May 11. For the past 6-7 years we have been using a Preliminary Tentative Budget of 97% of the current year's authorization. Before the fiscal year begins, we will have a special meeting of the Board to act on a Tentative Budget; the date of the meeting will depend on the date of completion of the process in Harrisburg.

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee voted unanimously to recommend that the Board of Trustees adopt the Preliminary Tentative University and Hospital Budgets for 1993-94, with the understanding that this action authorizes expenditures at 97% of the levels allocated in the 1992-1993 Final Budget for current, unrestricted funds, unless specific exceptions are authorized by the President for legally required increases.

Representative Williams asked about the possibility of having a July to August budget, and Mr. Gittis suggested that the Office of Financial Affairs examine the feasibility of a thirteen month budget. President Liacouras said that, under the By-laws, the final budget of the University is passed in October; therefore what we would gain from a thirteen month budget is marginal. He also noted the difficulty of getting a quorum of the Board for an August meeting.

6. This item was intentionally omitted from the Joint Committee Agenda.

7. 1993-94 Allocation to TemplePIRG

Mrs. Wofford explained that the recommendation on the captioned item states the view of the Student Affairs Committee which held initial discussions on the item a month ago. She said there is considerable feeling that TemplePIRG should operate under the same rules applied to other campus groups. The Committee believes they should receive their funding from the student government. She said the University appreciates TemplePIRG's undertakings.

The President of TemplePIRG was given the floor and asked that this matter be tabled to the next meeting in order to give them an opportunity to get input from the student body. Mr. Gittis asked if any Board member was prepared to move to table and there was no response.

Mrs. Wofford said that much time has been spent discussing this issue. The Student Affairs Committee has given it much thought. The Committee is recommending that \$10,000 go directly to TemplePIRG for this next year plus a potential of a second \$10,000 if so voted by the Temple Student Government. A good deal of thought has been given to this. We believe this to be the better and wiser way to go.

The question was called.

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, the latter acting on behalf of the Board, voted unanimously to approve the recommendation of the Student Affairs Committee (4/29/93), that the University's Agreement of Financial Support with TemplePIRG be renewed for the 1993-94 academic year in the amount of \$10,000 and that another \$10,000 be transferred to the student activities funds for the general support of student organizations and that, henceforth, TemplePIRG requests for funding be submitted through the Temple Student Government.

Representative Williams asked the basis of the concern. A representative of TemplePIRG said that they tried to address the problem but did not have ample time to discuss it with the Board.

Mr. Begier noted that TemplePIRG always has the right to go back to the Student Affairs Committee in future years. Mrs. Wofford said the Student Affairs Committee has committed itself to having TemplePIRG seek future funding through the Temple Student Government.

8. Second Summer 1993 Tuition Rate Approval

Executive Vice President Freeman said that the captioned Rates have been reviewed in Cabinet and by the Student Affairs Committee. He said that next year the Second Summer Tuition Rate will be set at the same time as the full budget.

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, the latter acting on behalf of the Board, voted unanimously to approve the recommendation of the Student Affairs Committee (4/29/93), that approval be given to the Second Summer Session 1993 Tuition Rate Schedule, said Schedule being attached as SUPPLEMENT II.

9. Recommendation for a Special Meeting of the Board of Trustees in June or July, 1993.

President Liacouras said that in addition to the items listed in the recommendation, Shriners related capital projects for the Health Sciences Center will also be acted on at this special meeting.

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee recommended that a special meeting of the Board of Trustees be held in June, 1993, to act on the following:

- (1) Tentative University Budget for 1993-94
- (2) Tuition Schedule for 1993-94
- (3) General Activities Fee for 1993-94
- (4) Tentative Hospital Budget for 1993-94; and
- (5) Special Related Capital Projects for Health Sciences Center

[Secretary's Note: The date of the Special Meeting of the Board of Trustees has been scheduled for Thursday, July 1, 1993.]

10. Proposal Regarding the Certification of a Temple University Retirement Plan Committee

This item was withdrawn from consideration at this meeting.

11. Elevator Modernization - Computer Center

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, the latter acting on behalf of the Board, voted unanimously to approve the recommendation of the Campus Planning and Plant Management Committee (4/29/93), that the officers be authorized to modernize four elevators in the Computer Center at a cost not-to-exceed \$275,000, with the Funding Source being the Plant Development Fund and the Financing Source being the 1991 Bond Issue.

12. Klein Hall Roof Replacement

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, the latter acting on behalf of the Board, voted unanimously to approve the recommendation of the Campus Planning and Plant Management Committee (4/29/93), that the officers be authorized to replace Klein Hall's roof at a cost not-to-exceed \$247,000, with the Funding Source being the Plant Development Fund and the Financing Source being the 1991 Bond Issue.

13. Elevator Modernization - 1619 Walnut Street (TUCC)

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, the latter acting on behalf of the Board, voted unanimously to approve the recommendation of the Campus Planning and Plant Management Committee (4/29/93), that the officers be authorized to modernize two elevators at 1619 Walnut Street at a cost not-to-exceed \$200,000, with the Funding Source being the Plant Development Fund and the Financing Source being the 1991 Bond Issue.

14. Health Sciences Center -
Library Relocation/Improvements

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, the latter acting on behalf of the Board, voted unanimously to approve the recommendation of the Campus Planning and Plant Management Committee (4/29/93), that the officers be authorized to renovate portions of the Old Dental School Building to accommodate relocation of the Dental/Allied Health/Pharmacy Library and relocation of stacks and archives from the Medical School Library. The projected cost is \$759,000, a \$509,000 increase in the amount originally approved by the Campus Planning and Plant Management Committee on March 6, 1992, and the Board of Trustees on May 12, 1992, with the Funding Sources being the Plant Fund in the amount of \$120,000, the Medical School Deans Fund in the amount of \$194,000 and the Hospital Excess Revenues in the amount of \$194,000.

15. Health Sciences Center - Construction and Development
of an Electromagnetic Research Facility

Vice President Malmud explained that a commitment to any expenditure above \$800,000 for the captioned item will come from a private benefactor, Mr. Richard J. Fox.

President Liacouras said that Mr. Fox made a \$2.5 million commitment to this enterprise. The laboratories will become available with this funding; the \$195,000 Plant Fund item could rise to \$800,000 and Mr. Fox will cover anything above that.

If the project does not fulfill a reasonable goal, the Medical School will have the use of laboratories which were constructed with both internal and external funds.

Dr. Malmud explained that this research will study the effects of low intensity electromagnetic fields on biological systems. It could lead to treatments for chronic diseases as well as psychological disorders. He travelled to St. Petersburg with Mr. Fox to confirm the validity of this research.

Thirty years ago, research in this area was done in the United States, but we did not have the technology which is now available to us.

Dr. Malmud said that this is a high risk venture in that we may not be able to confirm the Russian experience. If it can be confirmed, it would be well worth our pursuit.

An international search for a principal investigator was conducted and an individual already at Temple University was selected, Dr. Marvin Ziskin. Dr. Ziskin has agreed to head the project. Some of the more established investigators from the Soviet Union will come to the United States to work on the project.

Representative Williams asked where the laboratories will be located and what notice has been given to the community. Dr. Malmud said the facility will be in one building of the School of Medicine. He said the project poses no danger to the community. He said that steel shielding will be used to protect the study from the magnetics within the community.

The operating budget is \$500,000 for five years in addition to funding from Mr. Fox for the capitalization projects.

Mr. Gittis asked what happens if this research is successful and some commercially valuable products arise from that. Dr. Malmud said there is written agreement that it will belong to the University.

Mr. Pew asked if the Medical School has ever investigated non-traditional research. Dr. Malmud said it has and mentioned acupuncture research.

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, the latter acting on behalf of the Board, voted unanimously to approve the recommendation of the Campus Planning and Plant Management Committee (4/29/93), that the officers be authorized to proceed with the architectural/ engineering design services, capital equipment purchases, and measures to make the space available for the development of an approximately 3,300 square foot research facility (located in the basement of the Medical Research Building) to study the effects of electromagnetic fields on living tissue at a cost not-to-exceed \$545,000, including contingency, with the Funding Source being the Plant Fund in the amount of \$195,000 and a Private Gift in the amount of \$350,000. (Integral to the development of this facility is the relocation of the Temple University Medical School Machine Shop.)

Under the Capital Project Authorization Policy approved by the Campus Planning and Plant Management Committee and the Executive Committee, the following Projects which do not exceed \$150,000 require only approval of the President. Pending final approval of that Policy by the full Board at its May 11 meeting, however, these items are being submitted also to the Campus Planning and Plant Management Committee and the Executive Committee.

16. Elevator Renewal - University Services Building

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, the latter acting on behalf of the Board, voted unanimously to approve the recommendation of the Campus Planning and Plant Management Committee (4/29/93), that the officers be authorized to make repairs and improvements to two elevators in the University Services Building at a cost not-to-exceed \$107,000, with the Funding Source being the Plant Development Fund, and the Financing Source being the 1991 Bond Issue.

17. Health Sciences Center -
Addition of Eight Telemetry Units

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, the latter acting on behalf of the Board, voted unanimously to approve the recommendation of the Campus Planning and Plant Management Committee (4/29/93), that the officers be authorized to proceed with the purchase of eight telemetry units at a cost not-to-exceed \$55,000, with the Funding Source being Hospital excess of revenues over expenses and the Financing Source being Hospital current invested cash.

18. Health Sciences Center - Faculty Student Union
Building Roof Replacement

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, the latter acting on behalf of the Board, voted unanimously to approve the recommendation of the Campus Planning and Plant Management Committee (4/29/93), that the officers be authorized to replace the roof of the Faculty Student Union Building at a cost not-to-exceed \$148,573, with the Funding Source being the Plant Development Fund.

19. Health Sciences Center - Office of the Dean of
Medical School Relocation of Finance and
Administration Departments

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, the latter acting on

behalf of the Board, voted unanimously to approve the recommendation of the Campus Planning and Plant Management Committee (4/29/93), that the officers be authorized to proceed with the relocation of the Finance and Administrative Departments of the Medical School from the 1st floor of Kresge, to the 1st floor of the Old Medical School, in an amount not-to-exceed \$88,000 with the Funding Source being the Dean's Fund.

20. Office of Environmental Health and Safety -
Purchase of Computer Equipment

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, the latter acting on behalf of the Board, voted unanimously to approve the recommendation of the Campus Planning and Plant Management Committee (4/29/93), that the officers be authorized to purchase computer hardware and software for the Office of Environmental Health and Safety at a cost not-to-exceed \$80,000 with the Funding Source being the Environmental Health and Safety operating budget.

21. Health Sciences Center - Payment to Walker
Parking Consultants/Engineers

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, the latter acting on behalf of the Board of Trustees, upon the recommendation of the Campus Planning and Plant Management Committee (4/29/93), voted unanimously to ratify the Hospital's prior engagement of Walker Consultants/Engineers to analyze the feasibility of a vertical addition to the Temple University Hospital Parking Garage at a cost of \$18,248, and to authorize payment of such amount to the consultants, with the Funding Source being Hospital Excess Revenues and the Financing Source being Hospital Cash.

REPORTS FOR INFORMATION

22. Briefing on FAS 106

The captioned report was withdrawn.

23. Summary Status Report of the Plant Development Fund
Projects

The Chairman noted that the captioned Summary was included in the Agenda for the information of the Joint Committee.

ADJOURNMENT

On motion duly made and seconded, the meeting of the Joint Business and Finance Committee and Executive Committee was adjourned at 3:45 P.M.