

MINUTES

Approved
@ 2/27/97
M.T. B.B.

(F)

Joint Executive and Business and Finance Committee
(TO WHICH ALL TRUSTEES WERE INVITED)

BOARD OF TRUSTEES

Temple University
- Of The Commonwealth System of Higher Education

Thursday, January 23, 1997
1st Floor Dental School Building
3223 North Broad Street

Attendance:

Members - Joan H. Ballots, Richard J. Fox, Peter J. Liacouras,
Joseph W. Marshall, III, Daniel H. Polett,
William W. Rieger, Edward H. Rosen, Anthony J. Scirica
(Presiding), Isadore A. Shrager

Administration and Staff - James C. Bausman, Jr.,
Richard A. Chant, Albert R. Checcio, Martin S. Dorph,
Jay G. Falkenstein, Thomas R. Freitag,
C. Robert Harrington, Leon S. Malmud,
Timothy C. O'Rourke, Arthur C. Papacostas,
A. Kent Rayburn, Valaida S. Walker, James S. White

University Counsel - George E. Moore

General Counsel - Peter Mattoon

Non-Voting Advisory Member Executive Committee Present -
Jean H. Woods (Faculty)

Members Absent - John J. Contoudis, Paul A. Dandridge,
Theodore Z. Davis, Peter D. DePaul, Nelson A. Diaz,
Louis J. Esposito, Jane Scaccetti Fumo, Howard Gittis,
Lewis F. Gould, Jr., Clifford Scott Green, Lacy H. Hunt,
Mitchell G. Leibovitz, Daniel H. Polett,
Arthur G. Raynes, Milton L. Rock, Paul Zelenkofske

Invited Trustees Absent - Francis J. Catania,
William H. Cosby, Jr., Robert C. Donatucci,
Edward Kassab, Sidney Kimmel, Brian J. O'Neill,
Robert A. Rovner, James H. Shacklett, III,
Edna S. Tuttleman, James A. Williams

Non-Voting Advisory Member Executive Committee Absent -
Edwin G. Beausoleil (Student)

EXECUTIVE SESSION - Voting Trustees Only

Discussion regarding personnel matters.

PUBLIC SESSION

RECOMMENDATIONS FOR ACTION:

1. Approval of Report and Recommendation of Subcommittee on Executive Compensation

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, the latter acting on behalf of the Board, accepted the report and recommendation of the Subcommittee on Executive Compensation.

2. Approval of Minutes of September 26, and Conference Call of October 24, 1996 and meeting of November 21, 1996

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

3. Next Meeting Date

The next regular meeting date is February 27, 1997. If a February meeting is necessary, appropriate advance notice will be given.

4. Seltzer Hall - Elevator Upgrade

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, the latter acting on behalf of the Board, approved the recommendation of the Campus Planning and Plant Management Committee (1/22/97), and authorized the officers to refurbish and upgrade the 3 elevators in Seltzer Hall at a cost not-to-exceed \$202,000, with the Funding and Financing Sources being the Plant Development Fund.

5. Main Campus Steam Metering

President Liacouras explained to the Joint Committees that this recommendation is an auditing detail and not an avoidance of cost reduction.

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, the latter acting on behalf of the Board, approved the recommendation of the Campus Planning and Plant Management Committee (1/22/97), and authorized the officers to purchase and install steam meters throughout the main campus at a total cost not-to-exceed \$500,000, with the Funding and Financing Sources being the Plant Fund.

6. The Apollo of Temple Recreation and Convocation Center

Mr. Kent Rayburn informed the Joint Committees that this recommendation asks for approval to let two contracts having to do with the construction of The Apollo of Temple Recreation and Convocation Center. The two contracts are the millwork contract and the food and beverage contract, and both are within budget.

President Liacouras told the Joint Committees that the bids for the Learning Center, a State project, have been received and are \$3.8 million above budget.

Mr. Rayburn, in response to the President's request for a brief report on the timetable for The Apollo of Temple Recreation and Convocation Center and the Parking Garage, reported that the steel structures are going up over the arena space and masonry work has started. The projected completion date remains the beginning of December, 1997.

On the Parking Garage, Mr. Jay Falkenstein reported that it will be a precast garage. Construction will begin in February with the projected completion date being the beginning of December, 1997.

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, the latter acting on behalf of the Board, approved the recommendation of the Campus Planning and Plant Management Committee (1/22/97), and authorized the officers to negotiate and enter into acceptable contracts with the lowest responsive and responsible bidders for the two (2) contracts enumerated on Agenda Reference 6, said contracts to be in amounts not-to-exceed the sums listed therein, on terms

substantially as previously approved by the Board (12/12/95) and subject to the review and approval of University Counsel, with the Funding Source being Commonwealth Challenge, Plus Fund and the Financing Source being Private Donations and Commonwealth Reimbursements.

REPORTS FOR INFORMATION

The following Reports were received as distributed.

7. Rydal ENT Satellite Office Lease
8. Innova Sabre 25/5 DBW Ion Laser System
9. Summary Status Report 1991 Bond Issue Projects
10. Summary Status Report of the Plant Development Fund Projects
11. Temple University Hospital Status of Capital Construction Projects

RECOMMENDATION FOR ACTION

12. Lease with Bell Atlantic - Pennsylvania, Inc.

The President said that negotiations on this lease have been going on for the better part of 15 months. For the first period of years, the building was used by Temple University Security. For reasons of negotiation with Bell Atlantic, this lease was never formally brought to the Board. If the University used the building, overall costs will have to be reduced by closing other buildings and moving programs to main campus.

The President said that this lease should have been brought to the Board before, and it is primarily retroactive ending June 30, 1997.

Mr. Dorph explained that this is a three-year lease. The first year was given in exchange for our providing security services to the building with the remaining two years of the lease to be paid for in cash. The lease was not brought forward to the Board because we thought there would be some arrangement with Bell Atlantic regarding the disposition of the building before now, but that did not happen.

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, the latter acting on behalf of the Board, approved the recommendation of the Campus Planning and Plant Management Committee (1/22/97), and authorized the officers to enter into a lease agreement with Bell Atlantic - Pennsylvania, Inc., for approximately 9,400 square feet of space at 1101 Montgomery Avenue, Philadelphia, Pennsylvania at a cost not-to-exceed \$235,000 for the initial term, with the Funding Source being Campus Security and the Financing Source being Campus Security Operating Funds.

NEW BUSINESS

RECOMMENDATION FOR ACTION

13. Otorhinology Suite - Renovations, Furniture and Equipment

President Liacouras explained that this recommendation was not considered by the Campus Planning and Plant Management Committee because it was received after that Committee met.

Dr. Malmud informed the Joint Committees that the Otorhinology Suite is used for out patient visits and for teaching residents and students.

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, the latter acting on behalf of the Board, authorized the officers to renovate the Otorhinology Suite in the Kresge West Building, for an amount not-to-exceed \$575,000, with the Funding Sources being the Medical School Dean's Fund (\$470,000) and the Plant Development Fund (\$105,000).

14. The Learning Center

Mr. White explained that The Learning Center is a Department of General Services (DGS) managed project as compared to The Apollo of Temple which was delegated to Temple University to manage. The Learning Center project was delayed due to the change in the administration in Harrisburg. Almost an entire year was lost. The total cost of the project is \$17.658 million.

Mr. Falkenstein reported that the bids came in at \$21.4 million with the construction budget being \$17.6 million.

President Liacouras asked what choices the University has at the State level. Assuming the numbers remain in excess of budget, do we move into University resources or try to raise money from the private sector. The more we delay this, the longer it will take us to reach the point where this is a residential community.

Mr. Rosen asked why the project is over budget. Mr. Falkenstein said it is because of a combination of things, the State process, the timing, etc. Mr. Falkenstein said the building has a lot of expensive systems that came in over budget.

Mr. Rosen asked if we have the authority to send it back to the drawing board. Mr. Falkenstein said we could do that, but we would lose another six months, at least. We could apply political pressure on the Budget Secretary to apply an inflation allowance on this particular job, but that will still leave us \$2.6 million short.

Mr. Fox said that the system is designed to give you the most expensive building you can get. Our choices are either to abandon the project or fund it out of Temple University funds. This would have to contain possible overruns also. He said that the commitment to proceed obligates the University to come up with another \$4 million.

Mr. Fox said that we need to make up our minds within the next four weeks. We have to get back to the Commonwealth and let them know whether we want the building redesigned down to the budget or whether we are willing to pay the overage.

President Liacouras said we should do everything we can to secure as much State funding as we can without using this as a new item at the State level.

Mr. Fox said we should empower the administration to go back and renegotiate because we are not prepared to spend the additional \$4 million.

On motion duly made and seconded, the Joint Business and Finance Committee and Executive Committee, the latter acting on behalf of the Board authorized the administration and Chairman Richard Fox to go forward with The Learning Center project in a manner consistent with the sense of the Board at this meeting.

ADJOURNMENT

On motion duly made and seconded, the meeting of the Joint Business and Finance Committee and Executive Committee adjourned at 3:35 P.M.