

MINUTES

Joint Executive and Business and Finance Committees

BOARD OF TRUSTEES

Temple University
- Of The Commonwealth System of Higher Education

Thursday, September 25, 1997 - 3:00 P.M.

Shusterman Hall - Main Floor
Park Mall Entrance

ATTENDANCE:

Members - Joan H. Ballots, Paul A. Dandridge, Louis J. Esposito,
Richard J. Fox, Howard Gittis, Presiding, Clifford Scott Green, Peter J. Liacouras,
Joseph W. Marshall, III, Daniel H. Polett, Milton L. Rock, Edwin H. Rosen,
Anthony J. Scirica, Isadore A. Shrager

Honorary Life Trustees - Murray H. Shusterman, Marvin Wachman

Administration and Staff - James C. Bausman, Jr., Beverly L. Breese,
Corrinne A. Caldwell, Richard A. Chant, Albert R. Checcio, Larry C. Connolly,
Martin S. Dorph, James W. England, Richard M. Englert, Jay G. Falkenstein,
Thomas R. Freitag, Robert H. Lux, Leon S. Malmud, Timothy C. O'Rourke,
Arthur C. Papacostas, A. Kent Rayburn, Robert J. Reinstein, Richard Rumer,
Valaida S. Walker, James S. White

University Counsel - George E. Moore

General Counsel - Peter Matoon

Non-Voting Advisory - Edwin G. Beausoleil, Donald L. Walters

Members Unable to Attend - John C. Contoudis, Theodore Z. Davis, Peter D. DePaul,
Nelson A. Diaz, Jane Scaccetti Fumo, Lewis F. Gould, Jr., Lacy H. Hunt,
Mitchell G. Leibovitz, Arthur G. Raynes, William W. Rieger

RECOMMENDATION FOR EXECUTIVE COMMITTEE ACTION:

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1. Naming of Lecture Hall, Number 2B in the Klein Law Center
The Marcus B. Sacks Class of 1931 Lecture Hall

On motion duly made and seconded, the Executive Committee, in keeping with the Board's Policy on Naming University Areas (5/13/69), recommended that the Board of Trustees approve the naming of Lecture Hall, Number 2B in the Klein Law Center, The Marcus B. Sacks Class of 1931 Lecture Hall, in recognition of the generous contribution of Marcus B. Sacks '31 in the form of a charitable gift annuity benefiting the School of Law.

RECOMMENDATIONS FOR JOINT COMMITTEES ACTION:

2. Approval of Minutes of April 17, 1997

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

3. Next Meeting Date and Time

The next regularly scheduled meeting will be held on Thursday, October 24, 1997, at 3:00 P.M.

4. Board and Standing Committees Scheduled Meetings

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee voted to recommend that the Board of Trustees approve the Meeting Schedule for the Board and Standing Committees for 1997-1998, as set forth in SUPPLEMENT I, Scheduled Board Committee Meetings 1997-98, which is attached to the official copy of these Minutes on file in the Office of the Secretary.

5. Borrowing Authority - 10/1/97 - 12/31/97

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 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 October 1, 1997, through December 31, 1997.

6. Final University Budget for 1997-98

Mr. Gittis informed the Joint Committees that the Final University Budget for 1997-98 was reviewed by the Subcommittee on Budgets and that the Subcommittee recommends Board approval. He congratulated President Liacouras and the other officers of the University for their splendid performance for the fiscal year 1996-97.

Mr. Gittis also remarked that the Final University Budget for 1997-98 is the first \$1 billion budget in the history of the University.

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee recommended that the Board of Trustees adopt the Final University Budget for 1997-98 as set forth in Final University Budget for 1997-98, SUPPLEMENT II to the official copy of these Minutes on file in the Office of the Secretary.

7. Approval of Resolution Authorizing the Officers to Enter into a Financing Arrangement with the Pennsylvania Higher Educational Facilities Authority (Authority) Involving the Issuance of Bonds

Mr. Dorph reviewed the captioned Resolution and stated that approval will authorize the University to borrow up to \$150,000,000.

Mr. Gittis stated that the officers have tried to tap the debt market at optional times and have done a splendid job in arranging the University debt structure in terms of when to borrow and at what rates. He informed the Joint Committees that the officers, when determining the appropriate times to issue bonds, are always advised by Trustee Lacy Hunt, Chairman of the Subcommittee on Investments.

On motion duly made and seconded, the Business and Finance Committee and Executive Committee, the latter acting on behalf of the Board, approved the recommendation of the Subcommittee on Investments (9/19/97) that the officers be authorized to enter into a financing arrangement with the Pennsylvania Higher Educational Facilities Authority (Authority) involving the issuance of Bonds, substantially as set forth in the Resolution attached as SUPPLEMENT III to the official copy of these Minutes on file in the Office of the Secretary.

8. Temple University Health System, Inc., Final Budget for 1997-98

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee approved the recommendation of Temple University Health System, Inc., (9/25/97) and recommended that the Board of Trustees adopt the Temple University Health System, Inc., Final Budget for 1997-98, which is attached as SUPPLEMENT IV to the official copy of these Minutes on file in the Office of the Secretary.

At this point Mr. Gittis asked that Dr. Malmud be given an opportunity at a future meeting to make a presentation, either to the full Board of Trustees or to the Joint Committees, to bring the Trustees up-to-date on Temple University Health System, Inc. (TUHS), since the beginning of the implementation of strategic planning.

Mr. Gittis said that the mission of the TUHS is to operate as an adjunct to the education requirements of the University in producing new physicians, and secondly, to continue to render community services to the entire North Philadelphia community and beyond. He added that

the role of TUHS has been expanded to serve a greater geographic, paying and/or non-paying, community.

President Liacouras thanked Mr. Gittis for his contributions in his role as Chair of Temple University Health System, Inc.

9. Resolution Approving a Project for Temple University Children's Hospital, Inc. and the Incurrence of Payment Obligations in Connection with Such Project; Approving a Guarantee by Temple University Hospital, Inc. and Temple University Health System, Inc.; Authorizing Incidental Actions; and Repealing Inconsistent Resolutions

Mr. Gittis informed the Joint Committees that the new 60-bed Temple University Children's Hospital will open in December with \$10 million worth of new equipment. The equipment is being obtained through a lease-purchase arrangement at a 6% interest rate. Because this is a start-up operation, it requires the guarantee of Temple University Hospital, Inc., and Temple University Health System, Inc.

On motion duly made and seconded, the Business and Finance Committee and Executive Committee, the latter acting on behalf of the Board, on the recommendation of the Board of the Directors of Temple University Health System, Inc., (9/25/97) approved the Resolution regarding approval of a Project for Temple University Children's Hospital, Inc., substantially as set forth in SUPPLEMENT V, which is attached to the official copy of these Minutes on file in the Office of the Secretary.

10. Amendment to the Retirement Plan for Employees of Temple University

Mr. Dorph informed the Board that, to his knowledge, the action being requested will not be detrimental to the University nor to employees.

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee recommended that the Board of Trustees approve the amendment regarding the mortality and interest rate assumptions used to determine lump sum amounts, substantially as set forth in the Retirement Plan for Employees of Temple University, which is attached as SUPPLEMENT VI to the official copy of these Minutes on file in the Office of the Secretary.

11. Edward E. Sedgley Royal Arcanum Scholarship Fund

Mr. Moore explained the action requested as given in Amendment to Retirement Plan for Employees of Temple University, SUPPLEMENT VII attached to the official copy of these Minutes on file in the Office of the Secretary.

On motion duly made and seconded, the Business and Finance Committee and Executive Committee, the latter acting on behalf of the Board, authorized the officers to enter into an agreement with the Grand Council of Pennsylvania, Royal Arcanum (the Council), whereby the

Council and the University would jointly petition the Orphan's Court for modification to the terms of The Edward E. Sedgley Royal Arcanum Scholarship Fund, substantially as set forth in SUPPLEMENT VII, Recommendation Regarding the Edward E. Sedgley Royal Arcanum Scholarship Fund, which is attached to the official copy of these Minutes on file in the Office of the Secretary.

12. Resolution to Implement Pennsylvania State Student Association Optional Fee

President Liacouras informed the Joint Committees that this matter was brought to the Board at its meeting on June 26, 1997, by Edwin Beausoleil, President of Temple Student Government, and some students from the University of Pittsburgh. There was question as to whether or not the issue should be brought to the Board today or should go through the Cabinet and the Committee on Student Affairs.

The item was placed on today's Agenda, so that the students would not think it was forgotten, with the expectation that it would be tabled to go through the internal processes.

On motion duly made and seconded, the Resolution to Implement Pennsylvania State Student Association Optional Fee was tabled.

13. Apollo RCC - Original Furnishings and Equipment

Mr. Gittis remarked that The Apollo of Temple will be a real treasure for the University. It is expected that it will be opened on time and within budget.

President Liacouras announced that the Trustees present will tour the facility at 4:30 p.m. today.

On motion duly made and seconded, the Business and Finance Committee and Executive Committee, the latter acting on behalf of the Board, approved the recommendation of the Campus Planning and Plant Management Committee and authorized the officers to bid, negotiate and otherwise enter into acceptable purchase order contracts with responsible vendors for the furnishing and installation of the Original Furnishings and Equipment for the Apollo RCC on terms and conditions subject to the review and approval of University Counsel, at a cost not-to-exceed \$5,348,565.00 plus \$151,435 Contingency, with the Funding Source being the Commonwealth Challenge Plus Fund and the Financing Source being Commonwealth Allocation Reimbursements and Private Donations.

14. Vivacqua Hall Plaza Improvements

On motion duly made and seconded, the Business and Finance Committee and Executive Committee, the latter acting on behalf of the Board, approved the recommendation of the Campus Planning and Plant Management Committee and authorized the officers to repave the plaza area surrounding Vivacqua Hall and to add new lighting and tree plantings at a cost not-to-exceed \$414,343, with the Funding and Financing Sources being the Apollo Budget.

15. Paley Library Roof Replacement

On motion duly made and secondly, the Business and Finance Committee and Executive Committee, the latter acting on behalf of the Board, approved the recommendation of the Campus Planning and Plant Management Committee and authorized the officers to proceed with the installation of a new Carlisle roof for Paley Library at a cost not-to-exceed \$350,640, with the Funding and Financing Sources being the Plant Development Fund.

16. Conwell/Carnell Renovations for Student Financial Services

Mr. Fox asked if the Conwell/Carnell Renovations for Student Financial Services was a bid item, and Mr. Falkenstein responded that it was.

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 and authorized the officers to retain Florkowski Builders to carry out construction for the renovation of the lower level of Conwell and Carnell Halls for Student Financial Services at a cost not-to-exceed \$1,335,895, with the Funding and Financing Sources being The Plan to Renew Temple's Mission.

17. 10th Floor Animal Lab Upgrades - Weiss Hall

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 and authorized the officers to authorize Facilities Management to proceed with the necessary renovations to upgrade the animal lab, 10th floor, Weiss Hall, at a cost not-to-exceed \$255,219, with the Funding and Financing Sources being NSF Grant \$164,773; \$54,000 Plant Development Fund; \$36,446 Academic Equipment Fund.

18. Dental Building - Facade Restoration and Repair

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 and authorized the officers to carry out repair, restoration, and remediation to the exterior facade of the original Dental Building at a cost not-to-exceed \$205,832 with the Funding and Financing Sources being the Plant Development Fund.

19. Dining Hall Renovations - Ambler Campus

On motion duly made and seconded, the Business and Finance Committee and Executive Committee, the latter acting on behalf of the Board, approved the recommendation of the Campus Planning and Plant Management Committee and authorized the officers to retain engineering services and renovations to the existing Temple University-Ambler dining hall at a cost not-to-exceed \$194,593, with the Funding Source being the Marriott Investment Account and The Plan to Renew Temple's Mission and the Financing Source being Vendor Investment and The Plan to Renew Temple's Mission.

20. IDX Analyzer (Data Warehouse)

On motion duly made and seconded, the Business and Finance Committee and Executive Committee, the latter acting on behalf of the Board, approved the recommendation of the Campus Planning and Plant Management Committee and authorized the officers to proceed with the purchase of all items needed to develop a Data Warehouse at a cost not-to-exceed \$208,507, with the Funding Source being the Practice Plan.

21. Research Renovations in Weiss Hall

On motion duly made and seconded, the Business and Finance Committee and Executive Committee, the latter acting on behalf of the Board, approved the recommendation of the Campus Planning and Plant Management Committee and authorized the officers to complete renovations in Weiss Hall in order to support new research, at a cost not-to-exceed \$273,663, with the Funding Source being the Plant Development Fund (\$150,000); Provost's Office (\$123,663).

REPORTS FOR INFORMATION:

- 22. Fort Washington Classroom Start-up
- 23. Anderson Hall, AL 19, Audiovisual Upgrade
- 24. Emergency High Voltage Transformer Replacement & Circuit Breaker Repair
- 25. South Steam Loop Emergency Repairs
- 26. Dental Building and Animal Facility Penthouse
- 27. Cecil B. Moore Streetscape-Graphic Design Services
- 28. Student Recreation Field House - Design Criteria/Design Review
- 29. Summary Status Report 1991 Bond Issue Projects 30.
- Summary Status Report of the Plant Development Fund Projects

NEW BUSINESS

REPORT FOR INFORMATION

31. Enrollment

The President gave a short report on enrollment and demographic trends.

32. Introduction of Honorary Life Trustee, Murray H. Shusterman

President Liacouras introduced Honorary Life Trustee Murray H. Shusterman, for whom Shusterman Hall is named, whose generous contribution made this conference facility possible. The Board gave Mr. Shusterman a standing ovation.

Mr. Gittis said that we could not be happier to be here in Shusterman Hall and thanked Mr. Shusterman for everything he has done for the University over the years.

ADJOURNMENT

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