

## MINUTES

### Joint Executive and Business and Finance Committees

#### BOARD OF TRUSTEES

Temple University -  
Of The Commonwealth System of Higher Education

Thursday, November 20, 1997 - 3:00 P.M.  
Sullivan Hall - Room 200  
Park and Berks Malls

#### Attendance:

Members: Joan H. Ballots, Paul A. Dandridge (by telephone), Louis J. Esposito, Richard J. Fox (presiding), Peter J. Liacouras, Joseph W. Marshall, III, Arthur G. Raynes (by telephone), Milton L. Rock, Isadore A. Shrager

Administration and Staff: James A. Bausman, Beverly L. Breese, Albert R. Checcio, Martin S. Dorph, James W. England, Jay Falkenstein, Linda Frazer, C. Robert Harrington, Leon S. Malmud, Thomas Maxey, Arthur C. Papacostas, Robert J. Reinstein, Valaida S. Walker, James S. White

Non-Voting Advisory: Umindi Francis (S), Donald Walters (F)

University Counsel: George E. Moore

General Counsel: Peter S. Mattoon

Trustees Absent: John J. Contoudis, Theodore Z. Davis, Peter D. DePaul, Nelson A. Diaz, Jane Scaccetti Fumo, Howard Gittis, Lewis F. Gould, Jr., Clifford Scott Green, Lacy H. Hunt, Mitchell G. Leibovitz, William W. Rieger, Edward H. Rosen, Anthony J. Scirica

President Liacouras announced that two trustees are on the conference call and therefore

present for purposes of the meeting, Paul A. Dandridge and Arthur G. Raynes, and that together with the members of the Executive Committee who are present in person, the quorum requirement is met.

**RECOMMENDATIONS FOR JOINT COMMITTEES ACTION:**

1. Approval of Minutes of September 25, 1997

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

2 Next Meeting Date

The next meeting of the Joint Committees is scheduled for Thursday, January 22, 1998.

**RECOMMENDATION FOR EXECUTIVE COMMITTEE ACTION:**

3. Election of Executive Committee Chair and Vice Chair

On motion duly made and seconded, the Executive Committee, in keeping with the By-Laws, (Article IV, Section 1-A) elected Howard Gittis as Chair and Anthony J. Scirica as Vice Chair of the Committee.

4. Election of Commonwealth Trustee  
- Paul P. Giordano

On motion duly made and seconded, the Executive Committee, acting on behalf of the Board of Trustees, approved the recommendation of the Committee on Trustees and elected Mr. Paul P. Giordano to a 1997-2001 term on the Board of Trustees of Temple University - Of The Commonwealth System of Higher Education, Mr. Giordano having been appointed by The Honorable Robert C. Jubelirer, President Pro Tempore of the Senate.

**RECOMMENDATIONS FOR JOINT COMMITTEES ACTION:**

5. Acquisition of 1101 W. Montgomery Avenue a/k/a Bell Building

Mr. Dorph explained the recommendation as given in Agenda Reference 5. He said that this is a terrific opportunity for Temple University and that the recommendation has been reviewed and approved by the Campus Planning and Plant Management Committee (CPPM). Mr. Dorph said that the building, built in 1982, is in first-class shape.

Mr. Esposito, Chair of CPPM, said that the purchase of the building will be an

excellent buy.

Mr. Fox asked what it would cost to replace the building, and Mr. Falkenstein said it would cost \$55 million.

President Liacouras said that the most likely tenant is the Tyler School of Art, but that requires more participation and more study before the Board decides. A second use of it could be as the undergraduate admissions center. A third use, and the most practical consideration, is the use being recommended by both the Provost and Vice President Papacostas, a data and high technology center.

Mr. Fox said that the purchase of this building is great for the University. He said that we just have to have it.

Mr. Dorph added that a 239 car garage comes with the building.

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 enter into an Agreement of Sale with Bell Atlantic - Pennsylvania, Inc., to acquire 1101 W. Montgomery Avenue for \$3.4 million, plus closing costs and for the officers to enter into a purchase money note, secured by a first mortgage in an amount not-to-exceed \$1,400,000 @ 9.5% interest, amortized over 10 years. In addition, the officers are authorized to enter into an occupancy agreement with Bell Atlantic for Bell to remain on the fourth floor and part of the third floor until December 31, 1998, with the Funding and Financing Sources being Plant Funds or Bond Proceeds.

#### 6. Park Mall Redevelopment - Letter of Intent

Vice President Dorph said that we have a developer for this project, the same developer that is building the Hyatt on the waterfront.

Mr. Dorph said that the northern half of the mall will have a comprehensive layout with mixed use. It will have retail space, commercial space, a bed and breakfast, student residential housing and some office space. In addition, the developer is also going to try to do something with the southern blocks of the mall.

Mr. Dorph said that, with this letter of intent, we would master lease the property to the developer for 50 years for \$1.00. The developer would do all of the renovations to the property, and Temple University would do some renovations in the mall itself. Temple's obligation would be to lease office space and guarantee a certain number of room nights. Temple would have a 50% participation in the cash flow from the project after the developer achieves a 10% increase on equity.

Mr. Dorph said that the memorandum of understanding is non-binding and said that he would come back to the board for approval after the final work up.

President Liacouras said that the project would come on line in 1999-2000 at the same time as the new residence hall, the same time as the move into the Bell Building.

Mr. Fox said that, if the developer does not go through with this project, they should turn over all of their plans to the University. All of their plans should become Temple's property, including anything done in due diligence.

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 enter into a letter of intent with Franklin Realty Advisors, Inc., and Somerset Holdings, Inc., for the redevelopment of the 1800 and 1900 blocks of Park Mall as generally set forth in the Development Proposal and other materials which were distributed as AGENDA REFERENCE 6.

#### 7. Temple University Alcohol Sales Policy

Mr. Dorph explained that Ogden, the operator of The Apollo of Temple, is seeking permission to sell alcohol in the facility. He said that the University negotiated an alcohol sales policy with Ogden which, among other things, requires that everyone involved in dealing with the public be trained in an alcohol sensitivity course. No alcohol will be sold at events where most of the customers are expected to be under age. At events such as basketball games, there will be a one serving per sale restriction.

Mr. Esposito asked how that will affect our liability insurance, and Mr. Moore said that Ogden indemnifies us.

Mr. Dorph continued by saying that on the concourse there will be only beer and perhaps wine. In the suites, perhaps hard liquor will be served.

Mr. Fox asked what the policy is at the University of Massachusetts. Mr. Dorph did not know, but said there are many publicly owned facilities that do permit alcohol sales. President Liacouras said that State College has problems with alcohol.

Mr. Fox asked what happens if we come to the conclusion that it is not working. Mr. Dorph said that Ogden always reserves the right to have sales, not have sales or cut off sales. Therefore, the event sponsor will not be in a position to have or not have alcohol. Beyond that we have the power to revoke from Ogden their right to engage in sales, event by event. At any point, if we determine that the policy is not working, we reserve the right to cancel their ability to sell alcohol.

Mr. Polett suggested that there be some kind of oversight review built in because Ogden might not have the incentive to refrain from alcohol sales.

Mr. Fox said that we cannot afford to have a major incident in that building. He said that Ogden and Mr. Rumer should review, and we should have a veto power, event by event. Mr. Moore said that with such a veto power we expose ourselves to an extra basis for legal liability. He said that the more control we retain, the more potential liability we will have.

Mr. Dorph said that this is an arena where we want to break even on a financial basis. He said that we must make this facility work by addressing the needs of the market, i.e., people want to have beer, when it is appropriate, at an event. Our concern also, under those circumstances, is how we can best control the situations. Mr. Dorph said that we feel very satisfied that this policy gives us a basis for controlling what goes on in the facility. He believes the big issue is behavior control, and Ogden can remove anyone who might be acting inappropriately.

Mr. Fox asked if we have the right to say we are not going to have a particular event in the building. Mr. Moore said that we have the right, and he assumes we will exercise it appropriately. We have the veto power to reject any event.

Mr. Fox said that once you state that you are going to sell alcohol, you must determine under what terms. The next questions becomes, can you control the use of the building. He said that it seems to him that we can have a no alcohol policy for University events, and we can have a policy for external events and then decide on a case by case basis. Mr. Fox said that he would be much happier if we did not serve alcohol at basketball games.

Mr. Dorph said that this is not a policy where Ogden is being permitted to do whatever they want to do from time to time. We have Richard Rumer, Associate Vice President for Business Services, who is the day-to-day contact; and he will not permit things to get out of hand.

Dr. Rock asked the term of the contract with Ogden. Mr. Dorph said that Ogden has a five-year contract which can be terminated after three years. The President said there is no security for them. Mr. Dorph said that from our standpoint, we will reserve the right to say no. Dr. Rock asked if he is saying that he is confident it will be done when appropriate, and Mr. Dorph said that we are not walking away from the issue.

Mr. Fox said that his personal thinking is to ban alcohol or to go ahead and open it up with the understanding that we are depending on you to close it down before something happens. Mr. Dorph reminded that Ogden controls security inside the building. Mr. Polett said that he strongly recommends that we always have within that arena someone representing Temple University who is on Temple University's staff. He said that it should be a minimum of 3-4 people who report directly to Temple University so that we do not have to wait for Ogden to tell

us we have a problem. Mr. Polett said, short of that, he will not vote for the policy. He said that we need the oversight in the arena at all times. He does not think the job description should include that as their responsibility. It should be the unwritten responsibility that they tell us as soon as there is a problem. They should be on our payroll; there should be oversight and reporting back to the University.

Mr. Raynes asked if we are in a position to design what should be done in this area.

The President asked Mr. Dorph if he is satisfied that he has, through Rich Rumer and his people, a sufficient presence to fulfill what Dan Polett is saying we should do. Mr. Dorph responded affirmatively. Then, the President said, we should have on the record that the Board has made that a policy. The President said that with an arena this open to the public, the question becomes how do we protect the University and students' well being.

Mr. Fox said that we do not want to read about any incident in the newspaper.

On motion duly made and seconded, the Business and Finance Committee and Executive Committee, the latter acting on behalf of the Board of Trustees, ratified the University's alcohol sales policy which is attached as SUPPLEMENT I to the official copy of these Minutes on file in the Office of the Secretary.

The President asked for a report to the Board on the policies of all the places where the A10 plays with respect to alcohol at sporting events, this for a home facility and also for the Spectrum.

8. Main Campus Central Steam Plant Rehabilitation

After discussion and 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 let contracts for the rehabilitation of the main campus central steam plant at a total cost not-to-exceed \$1,558,000, with the Funding and Financing Sources being the Plant Fund.

9. Acquisition of Multi-Specialty Physician Office Suite Located on the Jeanes Hospital Campus in the Jeanes Physician Office Building (JPOB:) Suite #200.

After discussion and 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, that the officers authorize Temple University School of Medicine Practices to: purchase a partnership interest in the JPOB Partnership for the purpose of establishing a multi-specialty practice site on the Jeanes Hospital Campus; lease the multi-specialty office space; perform minor

improvements/renovations to improve the space; purchase furniture and office & medical equipment; install a telecommunications system within office; incidentals, at a cost not-to-exceed \$882,304, with the Funding Source being Practice Plan Revenues.

#### **ANNOUNCEMENT OF APPOINTMENTS TO STANDING COMMITTEES FOR 1997-98**

10. Announcement of Appointments to Committees Other than Executive Committee, Honorary Degrees Committee, and Committee on Trustees.

The captioned announcement was received by the Committee and was distributed as AGENDA REFERENCE 10.

#### **REPORTS FOR INFORMATION**

The following Reports for Information were received by the Committee.

11. Phase II Broad Street Lighting Upgrade
12. 15th Street Lighting
13. Health Sciences Center Campus Rekeying
14. Academic Equipment Acquisitions
15. Bell Building Feasibility Study
16. Summary Status Report 1991 Bond Issue Projects
17. Summary Status Report of the Plant Development Fund Projects

#### **RECOMMENDATION FOR JOINT COMMITTEES ACTION**

18. Termination of Pension Plan for Employees of Child Health Associates, Inc. ("CHA Plan")

Mr. Moore explained that the CHA employees worked at St. Christopher's Hospital for Children and have been transferred back to the Health Sciences campus and are now Temple University employees. We need to terminate the pension plan under the old CHA plan; the CHA employees are already in the Temple University plan. Their benefits will be rolled into the University plan as the tax law provides.

On motion duly made and seconded, the Business and Finance Committee and Executive Committee, the latter acting on behalf of the Board, approved the resolution terminating the Pension Plan for Employees of Child Health Associates, Inc. ("CHA Plan"), substantially as set forth in Agenda Reference 18 which was distributed to the Committee.

19. Soft Drink Sponsorship and Pouring Rights for The Apollo of Temple

Mr. Dorph reported that Pepsi offered to extend the campus contract they currently have for an additional five to ten years. The Apollo of Temple part of the deal is for \$710,000 spread out over the period of the deal. The campus extension part of the deal goes up to \$380,000, which is worth another \$150,000 to us. Therefore, we are looking at about \$860,000. It is the best deal we can get at this stage.

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, authorized the officers to enter into a contract with Pepsi-Cola for exclusive pouring rights of soft drink and "new age" beverage products at the Forum and Esther Boyer Theater of The Apollo of Temple and a five-year extension of the existing contract for exclusive pouring rights at the five Philadelphia region campuses, substantially as was set forth in Agenda Reference 19.

## **OLD BUSINESS**

There was no Old Business.

## **NEW BUSINESS**

### 20. Capital Program

Mr. Dorph distributed, to Trustees only, a Draft Capital Program Summary. He said it represents \$190 million worth of projects. It is distributed in draft form so that trustees can become acquainted with it. It will be presented for action at the December meeting of the Board.

As background, Mr. Fox informed the Board that Penn State received a commitment of \$40 million a year for five years for capital improvements. Temple and Pitt have stated that we too should be included. The State Colleges have also been given a long-term capital approval by the Governor.

Mr. Fox said that this is to put in motion a program that positions us to go to the Governor and legislators and tell them what our requirements are.

### 21. Transfer Agreements

Vice President Maxey reported that the Faculty Senate has approved core to core transfer agreements from community colleges.

## **ADJOURNMENT**

On motion duly made and seconded, the meeting of the Board of Trustees adjourned at 4:15 P.M.