

MINUTES

Joint Executive and Business and Finance Committee

BOARD OF TRUSTEES

Temple University - Of The Commonwealth System of Higher Education

Conference Call/Meeting - Tuesday, September 28, 2000 - 3:00 P.M.

Conference Call -- Trustee Participants

Meeting -- Non-Voting Advisory Members, Administration, Staff and Public
Sullivan Hall, Room 200, Park and Berks Malls

EXECUTIVE SESSION – Real Estate Matters

Trustees unanimously passed two Real Estate items

Mr. Gittis briefed Committees on the amendments to the investment policy.

PUBLIC SESSION

Participants –

Trustees - David Adamany, Joan H. Ballots, Paul A. Dandridge, Nelson A. Diaz, Louis J. Esposito, Richard J. Fox, Paul P. Giordano, Howard Gittis, Lewis F. Gould, Jr., Lacy H. Hunt, Edward Kassab, Daniel H. Polett, Edward Rosen, Anthony J. Scirica, Isadore A. Shrager, James S. White

Administration and Staff - James C. Bausman, Corrinne A. Caldwell, Richard A. Chant, Lawrence Connolly, Richard M. Englert, Linda T. Frazer, Arthur C. Papacostas, Robert J. Reinstein, Richard Rumer, Valaida S. Walker

Non-Voting Advisory - Donald L. Walters

University Counsel - George E. Moore

Trustees Unable to Participate - Michael J. Browne, Murray G. Dickman, Lewis Katz, Peter J. Liacouras, Mitchell G. Leibovitz, Arthur G. Raynes, Milton L. Rock, James H. Shacklett, III

RECOMMENDATIONS FOR EXECUTIVE COMMITTEE ACTION:

1. Approval of Minutes of July 25, 2000

On motion duly made and seconded, the Minutes of July 25, 2000, were approved as distributed.

2. Election of Chair & Vice Chair of Executive Committee

On motion duly made and seconded, the Executive Committee, in accordance with the By-Laws, (Article IV, Section 1-A) elected the Honorary Anthony J. Scirica Chair and Daniel H. Polett as Vice Chair of the Committee.

3. Nomination for Membership on the Committee on Trustees 2000-2001

On motion duly made and seconded, the Executive Committee, in accordance with Article IV, Section 6-A of the By-Laws, recommended that the Board of Trustees appoint the following individuals to membership on the Committee on Trustees for the 2000-2001 term, effective October 10, 2000: Nelson A. Diaz, Louis J. Esposito, Clifford Scott Green, Peter J. Liacouras and Isadore A. Shrager.

4. Board Authority to Designate Recipients of the Cottone Scholarship Fund

On motion duly made and seconded, the Executive Committee, acting on behalf of the Board of Trustees, delegated the Board's authority to determine recipients of the Cottone Scholarship Fund to the President or the President's designee, subject to any applicable terms and conditions of the bequest of Dr. Benjamin J. Cottone.

RECOMMENDATIONS FOR JOINT COMMITTEES ACTION:

5. Approval of Minutes of April 18, 2000

On motion duly made and seconded, the Minutes of April 18, 2000, were approved as distributed.

6. Next Meeting Date

The next regularly scheduled meeting date is Thursday, October 26, 2000, at 3:00 P.M., in Sullivan Hall - Room 200. The Secretary's Office will notify the members of the Committees if the meeting will be held.

7. Board and Standing Committees Scheduled Meetings

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee recommended that the Board of Trustees approve the Meeting Schedule for the Board and Standing Committees for 2000-2001, as set forth in Agenda Reference 7.

8. Borrowing Authority - 10/1/00 - 12/31/00

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee recommended 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 authority to cover the period from October 1, 2000, through December 31, 2000. (Resolution is attached as Agenda Reference 8)

9. Amendments to University Investment Policy

Mr. Dorph presented the background and proposed changes to the University's Investment Policy. He stated that the process to consider changing the asset allocation for endowments started in February 2000, and the Subcommittee on Investments recommended changes at its September 11, 2000 meeting, including asset allocation, spending rule, implementation, and reporting. Mr. Dorph stated that the University's Consultant, Cambridge Associates, will be coming forward with recommendations regarding investment of the Temple University Hospital long-term assets, and for the manager selection process and goals. Ms. Ballots remarked that she was pleased with these recommendations and the process that generated them.

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, upon the recommendation of the Subcommittee on Investments (September 11, 2000), approved the amendments to the University's Investment Policy as set forth on pages 5 through 11, inclusive, of Agenda Reference 9.

10. Capital Expenditures Requests Associated with Restructuring of North Philadelphia Services

Mr. Moore reported that at the request of Temple University Health System, these items were withdrawn. The Health System intends to present them as part of the FY 2001 capital budget for TUHS at the Board meeting on October 10, 2000.

11. Final University Budget 2000-01

Mr. Dorph presented highlights of the Budget as set forth in the Agenda Reference materials. Mr. Gittis remarked that the improved financial position of Temple University was one circumstance that made it possible to consider the Investment Policy changes previously approved. He added that some of the priorities in the final budget reflected President Adamany's leadership in the few short weeks he has been at Temple University.

On motion duly made and seconded, the Joint Business and Finance Committee and the Executive Committee, upon the recommendation of the Subcommittee on Budgets (September 27, 2000), recommended that the Board of Trustees adopt the Final University Budget for 2000-2001, as set forth in Agenda Reference 11 to the official copy of these Minutes on file in the Office of the Secretary.

Temple Educational Support Services, Ltd. – Edward Rosen Acting Chair

12. Report

Mr. Rosen presented the report. He summarized the recent history of the TUJ program and the deteriorating enrollment and financial results. Mr. Gittis stated that over the next six to nine months the TESS Board and the Board of Trustees will have to examine closely the TUJ program and its prospects and role in the mission of the University. He stated that fiscal responsibility is one of the most important elements of the Board's oversight and it has to be part of the analysis of TUJ, along with whatever intangible benefits the University derives from TUJ. He advised that the TESS Board will be meeting in November and January, and should have specific recommendations and a strategic vision for TUJ, one way or another, by then.

Mr. Diaz asked whether the Board should look at all the international programs now in the same way. It is part of deciding what kind of institution TUJ is and should be. Mr. Reinstein reported that he and the TUJ management would be bringing to the Board a strategic plan to bring TUJ's budget into balance in a measured way.

13. Extension of Temple Educational Support Services Agreement

Mr. Moore advised the Committees that the agreement between the University and TESS expired on June 30, 2000, and this recommendation was to continue it in effect for this fiscal year. He noted that the amount of the management fee to be paid to the University under the TESS budget was less than that called for in the Agreement and that the budgeted number was the operative one.

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, approved the extension of the Temple University – Temple Educational Support Services, Ltd., Agreement for the period through June 30, 2001, as set forth in Agenda Reference 13.

17. Approval of Temple University Japan Fiscal Year 20001 Budget

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, approved the Temple University Japan 2001 Budget for Temple Educational Support Services, Ltd. for the fiscal year ending June 30, 2001, as set forth on pages 3 through 7 of Agenda Reference 12.

REPORTS FOR INFORMATION:

The following Reports for Information were received as distributed.

14. Chairman's Announcement of Board Committee Assignments (See Agenda Reference 14)

15. **Temple University Investment Report for Fiscal Year Ended, June 30, 2000** (See Agenda Reference 15)
16. **Post Retirement Benefit Investment Report for the Fiscal Year Ending, June 30, 2000** (See Agenda Reference 16)

ADJOURNMENT