

Budget & Finance Committee and Executive Committee
of
THE BOARD OF TRUSTEES
Temple University – Of The Commonwealth System of Higher Education

MEETING

Thursday, April 21, 2005, at 1:00 p.m.

Bright Hall, Ambler Campus

MINUTES

PUBLIC SESSION

PARTICIPANTS

Trustees: David Adamany, Leonard Barrack, Theodore Z. Davis, Nelson A. Diaz, Loretta C. Duckworth, Richard J. Fox, Lewis F. Gould, Jr., Edward Kassab, Susanna E. Lachs, Patrick V. Larkin, Joseph W. Marshall, III, Solomon C. Luo, Theodore A. McKee, Stephen A. Miskin, Mitchell L. Morgan, Patrick J. O'Connor, Daniel H. Polett, Anthony J. Scirica, Michael P. Williams

University Counsel: George E. Moore

Administration and Staff: Clarence D. Armbrister, James C. Bausman, Jr., William T. Bergman, Robert P. Buchholz, Janet Carruth, Martin S. Dorph, Richard M. Englert, Mark Eyerly, Jessica Giordano, Timothy C. O'Rourke, Gregory S. Rost, Ira M. Schwartz, Stuart P. Sullivan, Ann VanSant, William J. Wilkinson

Non-Voting Advisory Members: Ryan M. Phelan

Approval of Minutes – February 17, 2005

The minutes of the meeting of February 17, 2005, were approved as distributed.

RECOMMENDATIONS FOR ACTION:

ACTION BY BUDGET & FINANCE COMMITTEE:

1. Adoption of Revised Investment Policy

Mr. Dorph provided the background information as summarized in Agenda Reference 1a.

Upon motion duly made and seconded, the Budget & Finance Committee approved the recommendation of the Investment Subcommittee (4/5/05) and adopted the Revised Investment Policy as set forth in Agenda Reference 1.

ACTIONS BY BUDGET & FINANCE COMMITTEE AND EXECUTIVE COMMITTEE:

2. Short-Term Capital Borrowing – University Funding Obligation Series of 2005

Mr. Dorph provided the background information as summarized in Agenda Reference 2. The notes will be issued in the next few days. This is a rollover of an existing program, and the notes have the highest rating for the short term.

Upon motion duly made and seconded, the Budget & Finance Committee and the Executive Committee, the latter acting on behalf of the Board of Trustees, authorized the issuance of University Funding Obligations, Series of 2005, and a subsequent refunding issue during the next twelve months, in an amount not to exceed \$130,000,000, and adopted the Resolution set forth in Agenda Reference 2.

3. Declaration Regarding Reimbursement of Capital Through Debt Financing

Mr. Dorph provided the background information as summarized Agenda Reference 3. In order to qualify for long-term tax exempt financing, we have to state our intent to reimburse ourselves yearly for capital assets.

Upon motion duly made and seconded, the Budget & Finance Committee and the Executive Committee, the latter acting on behalf of the Board of Trustees, adopted a resolution declaring an official intent of the University to reimburse itself for certain capital expenditures to be acquired; installed, constructed, or renovated during the fiscal year ending June 2006, by incurring debt and taking other actions substantially as set forth in Agenda Reference 3.

4. Amendment to 457(b) Deferred Compensation Plan for Officers and Deans

Mr. Moore explained that the IRS has enacted new regulations that make the vesting plan unworkable. There is no effect on the basic pension plan.

Upon motion duly made and seconded, the Budget & Finance Committee and the Executive Committee, the latter acting on behalf of the Board of Trustees, approved the attached Resolution, adopted the amendments to the Section 457(b) Deferred Compensation Plan and amended the Resolutions attached hereto in Agenda Reference 4, and authorize the officers to take any and all appropriate actions to effect the foregoing, all substantially as set forth in Agenda Reference 4.

5. Renunciation of Right to Serve as Second Successor Trustee – Estate of Richard A. Ash

Mr. Moore explained that as a State instrumentality, the University is constrained from administering scholarships based on race, if it occurred that we were named second successor trustee.

Upon motion duly made and seconded, the Budget & Finance Committee and the Executive Committee, the latter acting on behalf of the Board of Trustees, hereby renounce the right to administer as second successor trustee the Residuary Charitable Trust of Richard A. Ash, established under the Last Will and Testament of Richard A. Ash, Deceased, as set forth in page 4 of Agenda Reference 5 attached hereto.

6. **Approval of Mortgage Lien for Land Underlying Temple University Children's Medical Center, Inc.**

Mr. Marshall explained that the land on which the Temple Children's Medical Center is located on land owned by the University. Because of that, the University has to approve the mortgage.

Upon motion duly made and seconded, the Budget & Finance Committee and the Executive Committee, the latter acting on behalf of the Board of Trustees, adopted a resolution authorizing the officers to grant a mortgage lien for the land underlying the Temple University Children's Medical Center as security for Hospital Revenue Bonds authorized by the Executive Committee, acting on behalf of the Board of Trustees, on May 27, 2004, and to take any and other actions to effect the foregoing, substantially as set forth in Agenda Reference 6.

REPORT FOR INFORMATION:

7. **Report on the Status of Temple University Health System, Inc.**

Joseph W. Marshall, III, Chairman and Chief Executive Officer of Temple University Health System, Inc., summarized the status of operations at the Health System and its entities.

OLD BUSINESS

NEW BUSINESS

ADJOURNMENT