

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

Thursday, September 22, 2005, at 3:00 p.m.
Room 200, Sullivan Hall
Liacouras Walk and Berks Mall

Minutes

Note: The Committees first met in Executive Session to discuss employment and real estate matters

PUBLIC SESSION

PARTICIPANTS

Trustees: David Adamany (in person), Joan H. Ballots, Leonard Barrack, Theodore Z. Davis (in person), Nelson A. Diaz, Howard Gittis, Lewis F. Gould, Jr. (in person), Edward Kassab, Lewis Katz, Susanna Lachs, Patrick V. Larkin (in person), Joseph W. Marshall, III (in person), Solomon C. Luo (in person), Christopher W. McNichol, Mitchell L. Morgan (in person), Milton S. Rock, Daniel J. Whelan (in person), James S. White (in person), Michael P. Williams

University Counsel: George E. Moore

Administration and Staff: Frank P. Annunziato, Clarence D. Armbrister, James C. Bausman, Jr., William T. Bergman, Robert P. Buchholz, Martin S. Dorph, Linda T. Frazer, Thomas M. Healey, Robert H. Lux, Sandra McDade, Timothy C. O'Rourke, Robert J. Reinstein, Vanessa Rose, Gregory S. Rost, Richard Rumer, Ira Schwartz, William J. Wilkinson

Non-Voting Advisory Members: Leroy Dubeck, Jane D. Evans, Ryan Feldman, Jeffrey Solow

Mr. Gittis chaired the meeting.

RECOMMENDATIONS FOR ACTION:

ACTION BY EXECUTIVE COMMITTEE:

1. **Approval of Report and Recommendations of Executive Compensation Subcommittee on Officers' Compensation**

Upon motion duly made and seconded, the Budget & Finance Committee and the Executive Committee, the latter acting on behalf of the Board of Trustees, accepted the recommendations of the Executive Compensation Subcommittee (8/31/05) regarding changes in Officers' Compensation as set forth in the Report of the Executive Compensation Subcommittee (Schedule I).

[Secretary's Note: President Adamany abstained from voting on this matter.]

ACTIONS BY BUDGET & FINANCE COMMITTEE AND EXECUTIVE COMMITTEE:

President Adamany commented that items #2 through #5 were reviewed by the Facilities Committee on September 15, 2005.

2. Construction of North Campus Parking Lot, Main Campus

Mr. Bergman provided the background information. The parking lot will be constructed on a presently vacant lot. The new Tyler School of Art will be constructed on the present parking lot, providing the ability to connect the new building with the Boyer College of Music through an atrium.

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 recommendation of the Facilities Committee (9/15/05), that the officers be authorized to proceed with the construction of the North Campus parking lot to be bordered by Diamond, North 12th, Norris and Marvine Streets at a cost not-to-exceed \$1,800,000 with the funding and financing source being Designated Unexpended Capital Funds (FY 05 Year-End Surplus).

3. Beury Hall, Phase III of V – Renovation Construction

Mr. Buchholz provided the background information. This is a five-phase project, which was started two years ago. The total project cost is approximately \$22.5 million. The work will be conducted during the summer months so that the building can remain in use during the academic year.

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 recommendation of the Facilities Committee (9/15/05), that the officers be authorized to proceed with Phase III of renovation and construction of Beury Hall at a cost not-to-exceed \$3,700,000 with the funding and financing source being Plant Development Funds.

4. Paley Library Book Archive Storage - Kardon Building

Trustee Morgan remarked that this item was reviewed in detail by the Facilities Committee. There is no alternative for archival space. Intensive HVAC is required to prevent deterioration, and mobile shelving will be installed. The new storage facility will hold up to two million volumes and will provide storage space near to main campus libraries that should have enough capacity for the next fifteen to twenty years.

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 recommendation of the Facilities Committee (9/15/05), that the officers be authorized to proceed with making improvements to the 2nd and 3rd floors of Kardon Building to accommodate the Paley Library long-term archive storage facilities at a cost not-to-exceed \$7,000,000 with the funding and financing source being Designated Unexpended Capital Funds.

5. Obesity Research Center, First Floor, Old Dental School Building (Building 600)

President Adamany remarked that a nationally prominent researcher has been recruited who will bring grants totaling approximately \$3.0 million.

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 recommendation of the Facilities Committee (9/15/05), that the officers be authorized to proceed with the design, construction and equipping of a new Obesity Research Center on the first floor of the Old Dental School at a cost not-to-exceed \$2,000,000 with the funding and financing source being Medical School Research Incentive (#16-0620-500), Tobacco Funds, and Medical School Chair Seed (#14-0611-200).

6. Design and Implementation of Compliance Plans for Billing of Medical Services to Governmental Health Plans

Trustee Marshall reported that the history of this matter dates back to the 1990s when responsibility for compliance was delegated to TUHS. Today, Dean Daly believes that the Medical School is positioned to effectively monitor the physician billing. The Health System concurs with his decision.

Upon motion duly made and seconded, the Budget & Finance Committee and the Executive Committee, the latter acting on behalf of the Board of Trustees, (a) authorized the officers to design and implement a compliance plan for the billing of medical services to all governmental health plans for the School of Medicine and Temple University Physicians; (b) directed the officers to report to the Board of Trustees at least annually regarding such plan and the activities undertaken pursuant to it; and (c) revoked and rescinded all prior actions and authorizations to the extent inconsistent with this resolution, including without limitation the Board's resolution dated June 27, 1996.

7. Authorization to Open Checking Accounts with Wachovia Bank and United Bank of Philadelphia

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 officers to open one checking account with Wachovia Bank and a money market checking account with United Bank of Philadelphia with authorized signers as set forth in Agenda Reference 7.

ACTION BY BUDGET & FINANCE COMMITTEE:

8. Engagement of Investment Managers – Temple University Hospital and Temple University Health System Foundation

Upon motion duly made and seconded, the Budget & Finance Committee approved the recommendation of the Investment Subcommittee (9/14/05) authorizing Temple University Hospital (TUH) and Temple University Health System Foundation (TUHSF) to retain the following investment managers to provide fixed income investment services for TUH and TUHSF operating funds: Sovereign Wealth Management (PMG Advisors, LLG), Commerce Wealth Management, The Swarthmore Group, and Wachovia Customized Fixed Income Group.

**OLD/NEW BUSINESS
ADJOURNMENT**