

Budget & Finance Committee and Executive Committee

THE BOARD OF TRUSTEES

Temple University – Of The Commonwealth System of Higher Education

Thursday, February 16, 2006, at 3:00 p.m.

**The TECH Center
1801 North 12th Street**

MINUTES

Note: The Trustees met in executive session for a discussion of Billing Compliance Program Activities.

PUBLIC SESSION

PARTICIPANTS

Trustees: David Adamany, Joan H. Ballots, Leonard Barrack, Nelson A. Diaz (by phone), Theodore Z. Davis, Loretta C. Duckworth (by phone), Lewis F. Gould, Jr. (by phone), Patrick V. Larkin, Solomon C. Luo, Christopher W. McNichol (by phone), Daniel H. Polett, James S. White (All Trustees in person except as noted)

University Counsel: George E. Moore

Administration and Staff: Clarence D. Armbrister, James C. Bausman, Jr., William T. Bergman, David Broadus, Robert P. Buchholz, Rhonda Brown, Janet Carruth, John M. Daly, Martin S. Dorph, Richard Englert, Mark Eyerly, Linda T. Frazer, Marvin J. Gerstein, Jessica Giordano, Thomas M. Healey, William McMaster, Claire McNicholas, Adam Michaels, Anne Nadol, Timothy C. O'Rourke, Catherine Paster, Theresa A. Powell, Andy Riccardi, Vanessa Rose, Gregory S. Rost, Richard Rumer, Ira Schwartz, Kenneth J. Soprano

Non-Voting Advisory Members: Oscar Chow, Jane Evans, Ryan Feldman

Trustee Daniel H. Polett, Vice Chairman of the Executive Committee, called the meeting order.

RECOMMENDATIONS FOR ACTION

1. Housing Rates Proposal for 2006-2007

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

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 Student Affairs Committee (2/14/06), and approve an across-the-board increase of 3.75% in all housing for 2006-2007, substantially as set forth in Agenda Reference 1.

2. **Approval of Resolution Authorizing the Officers to Enter into a Financing Arrangement with the Pennsylvania Higher Educational Facilities Authority to Issue Bonds**

Mr. Dorph provided the background information as summarized in Agenda Reference 2. Depending on market conditions, the bonds will be issued in the next three-to-six months.

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 enter into financing arrangements with the Pennsylvania Higher Educational Facilities Authority (the "Authority") to issue bonds to provide funds for one or more of the following: (a) certain capital projects, (b) refunding the outstanding balance of the Authority's 2001 Temple University Revenue Bonds, and (c) refunding a portion of the Authority's 1998 Temple University Revenue Bonds, and to take all necessary, appropriate and incidental actions to effectuate the financing, substantially as set forth in the Resolution attached hereto as pages 2 through 6 of Agenda Reference 2.

3. **Short-Term Capital Borrowing – University Funding Obligation Series of 2006**

Mr. Dorph provided the background information as summarized in Agenda Reference 3. This continues an existing program that is done annually, if conditions are favorable.

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 2006, and a subsequent refunding issue during the next twelve months, in an amount not-to-exceed \$130,000,000, exclusive of issuance costs and adopt the Resolution set forth in Agenda Reference 3.

4. **Declaration Regarding Reimbursement of Capital Through Debt Financing**

Mr. Dorph provided the background information as summarized in Agenda Reference 4, which is related to the two prior items.

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 2007, by incurring debt and taking other actions substantially as set forth in Agenda Reference 4.

5. **Add a Restricted Quasi-Endowment to the Harry C. Donahoo Chair in Surgery**

President Adamany provided the background information as summarized in Agenda Reference 5. The Donahoo Chair has been vacant, and the interest from the endowment has been accumulating. This action permits the accumulated interest to be transferred to a quasi-endowment that will earn interest. The Donahoo Chair will be filled soon.

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 establish the "Harry C. Donahoo Chair in Surgery" as a quasi-endowment, to be funded by \$369,321.72 from the income account from the "Harry C. Donahoo Chair in Surgery Endowment Fund."

6. New Medical School - Construction

Dr. John Daly, Dean of the Medical School, provided the background summary on the planning for the new Medical School building, which began over three years ago. Officers, faculty, students, and staff have worked to bring this project to fruition. Dr. Daly stated that it will be a spectacular medical school building, and the accomplishments achieved in the building will be far reaching. On behalf of present and future users, Dr. Daly thanked the Board.

Mr. Bergman provided the background information as summarized in Agenda Reference 6. Approximately 30% of the lot will remain vacant in case there is a need to build an extension to the building in the future. Mr. Bergman noted that this will be the largest construction project undertaken in the history of Temple University.

President Adamany thanked the Facilities Committee for their extensive deliberations on this project.

Mr. Polett remarked that the approval of this project is a momentous occasion for the University.

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 (2/13/06) that the officers be authorized to proceed with full construction, including design and construction management services, for the new Medical School facility, also known as the Multi-Purpose Health Science Building, at a cost not-to-exceed \$139,120,000, with the funding and financing sources being State Capital Funding (\$46,050,560), Bond Proceeds (\$50,000,000), Fundraising reprogrammed from the Kresge Library Project (\$7,896,418), and Fundraising (\$35,173,022).

7. Authorization to Acquire 1418 W. Tioga Street from the Redevelopment Authority of Philadelphia

Mr. Dorph provided the background information as summarized in Agenda Reference 7.

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 (2/6/06), that the officers be authorized to undertake all necessary and appropriate actions for the University acquire the real property located at 1418 W. Tioga Street, from the Philadelphia Redevelopment Authority, at a cost not-to-exceed \$5,000, including closing costs, with the funding and financing source being Undesignated Unexpended Capital Funds (#80-8401-000).

8. **Electrical Upgrade – Johnson Hardwick Halls**

Mr. Bergman provided the background information as summarized in Agenda Reference 8. The buildings are over 40 years old, and need a complete overhaul of the electrical systems.

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 (2/6/06), that the officers be authorized to proceed with the replacement of PCB capacitors, main switch gear, transformers, electrical panels, electrical wiring and student room lighting in Johnson Hardwick Halls at a cost not-to-exceed \$2,091,000 with the funding and financing source being the Housing Replacement and Renewal Fund.

9. **Air Conditioning Addition – Johnson Hardwick Halls**

Mr. Bergman provided the background information as summarized in Agenda Reference 9. Johnson/Hardwick Halls presently are the only buildings on campus without air conditioning.

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 (2/6/06), that the officers be authorized to proceed with the installation of air conditioning in Johnson Hardwick Halls at a cost not-to-exceed \$1,300,000 with the funding and financing source being the Housing Replacement and Renewal Fund.

10. **Elevator Upgrades – Phase V (of V)**

Mr. Bergman provided the background information as summarized in Agenda Reference 10. This is the final phase of the overhaul of all elevators on the main campus.

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 (2/6/06), that the officers be authorized to proceed with Phase V of the Elevator Upgrades in Conwell Hall, Ritter Annex, and Ritter Hall at a cost not-to-exceed \$500,000 with the funding and financing source being the Plant Development Fund.

OLD/NEW BUSINESS

President Adamany announced that the ribbon cutting ceremony for the opening of The Tech Center will be held immediately following the meeting. This high-tech building operates 24 hours per day. There are 700 computers and other technical equipment available at all times for student use. All required software for classroom work is available. Yesterday, a record 5,616 students entered the facility. The President encouraged the Trustees to tour the building at their convenience.

ADJOURNMENT