

MINUTES

THE CORPORATION

Temple University - Of The Commonwealth System of Higher Education

**Annual Meeting, Tuesday, October 13, 1998 - 2:45 P.M.
Sullivan Hall, Feinstone Lounge - Park and Berks Malls**

AGENDA

Presiding Officer, President Peter J. Liacouras

ATTENDANCE:

Members: Joan H. Ballots, Peter D. DePaul, Richard J. Fox, Lewis J. Gould,
Edward Kassab, Mitchell J. Leibovitz, Peter J. Liacouras, Joseph W. Marshall, III,
Daniel H. Polett, Milton L. Rock,

Ex Officio Participant: Ann F. Van Sant

Administration and Staff: Beverly L. Breese, William T. Bergman, James S. White

University Counsel: George E. Moore

Approval of Minutes - Annual Meeting of October 14, 1997

On motion duly made and seconded, the minutes of the Annual Meeting of October 14, 1997, were approved as distributed.

RECOMMENDATIONS FOR ACTION

C-1. Election and Re-Election of University Trustees

On motion duly made and seconded, each of the following persons, duly nominated by the Committee on Trustees (6/26/98), in conformance with the provisions of the By-Laws (Article IV, Section 6-C) were elected or re-elected for the terms indicated beginning October 13, 1998, to the Board of Trustees of Temple University - Of The Commonwealth System of Higher Education:

Joan H. Ballots (1996-2000); William H. Cosby, Jr., Nelson A. Diaz, Louis J. Esposito, Isadore A. Shrager (1998-2002); Lewis Katz (1998-2002).

Trustees Ballots, Diaz and Shrager abstained from voting on this recommendation.

C-2. Approval of Actions, Officers and Trustees, 1997-98

On motion duly made and seconded, the Temple University Corporation ratified, confirmed and approves the actions during the preceding year of the Temple University Corporation and its officers, and of the Board, and its officers.

ADJOURNMENT

There being no further business, the Annual Meeting of the Temple University Corporation was adjourned at 2:48 P.M.

MINUTES

THE BOARD OF TRUSTEES

Temple University - Of The Commonwealth System of Higher Education

**Tuesday, October 13, 1998 - 3:00 P.M. - Feinstone Lounge, Sullivan Hall
Park and Berks Malls**

**Presiding Officer, Richard J. Fox
Chairman of the Board**

ATTENDANCE:

Members: Joan H. Ballots, Francis J. Catania, John J. Contoudis, Paul A. Dandridge, Theodore Z. Davis, Peter D. DePaul, Nelson A. Diaz, Richard J. Fox, Paul P. Giordano, Lewis F. Gould, Clifford S. Green, Edward Kassab, Lewis Katz, Mitchell G. Leibovitz, Peter J. Liacouras, Joseph W. Marshall, III, Daniel H. Polett, Arthur G. Raynes, Milton L. Rock, Robert A. Rovner, Anthony J. Scirica, Isadore A. Shrager

Ex Officio Participant: Ann F. Van Sant, Shontae K. White

Invited Guests: Donald L. Walters,

Administration and Staff: James C. Bausman, William T. Bergman, Beverly L. Breese, Corrine A. Caldwell, Richard A. Chant, Albert R. Checcio, Martin S. Dorph, Richard M. Englert, Thomas R. Freitag, Leon S. Malmud, Thomas Maxey, Arthur C. Papacostas, Richard Rumer, Valaida S. Walker, James S. White

University Counsel: George E. Moore

Honorary Life Trustee: Marvin Wachman

Members Absent: Michael L. Browne, William H. Cosby, Jr., Robert C. Donatucci, Louis J. Esposito, Jane Scaccetti Fumo, Howard Gittis, Lacy H. Hunt, Sidney Kimmel, William W. Rieger, Edward H. Rosen, James H. Shacklett, III, Edna S. Tuttleman, James A. Williams

INVOCATION

The Invocation was given by Trustee Daniel H. Polett.

Approval of Minutes - Special Meeting - June 25, 1998

On motion duly made and seconded, the Minutes of the Special Meeting on June 25, 1998, were approved as distributed.

Presentation of Resolutions honoring former Ex Officio Participants Edwin G. Beausoleil and Donald L. Walters

On motion duly made and seconded, the Board of Trustees approved the Resolutions honoring former Ex Officio Participants Edwin G. Beausoleil and Donald L. Walters. The text of each follows:

RESOLUTION OF APPRECIATION TO EDWIN G. BEAUSOLEIL

Temple University's Charter declares that the purpose of the University is to maintain an educational institution intended primarily for the benefit of working men and women, and the Commonwealth of Pennsylvania has adopted legislation declaring that Temple University is an integral part of the Commonwealth's system of higher education for the purpose of improving and strengthening higher education in Pennsylvania.

Edwin G. Beausoleil, President of Temple Student Government, has worked with fidelity to strengthen this purpose and has faithfully exercised his duties and responsibilities as an Ex Officio Participant member of the Board of Trustees from October 8, 1996, to October 13, 1998.

Mr. Beausoleil has served as a Non-Voting Advisory member of the Joint Executive and Business and Finance Committees.

BE IT RESOLVED, that the Board of Trustees of Temple University - Of The Commonwealth System of Higher Education, in regular session assembled on this Thirteenth day of October, Nineteen Hundred and Ninety-Eight, expresses its deep appreciation and commends Mr. Beausoleil for his outstanding contributions to Temple University during his service as an Ex Officio Participant.

This Resolution is inscribed upon the Minutes of this meeting of the Board of Trustees, and the Secretary is instructed to send to Edwin G. Beausoleil a copy of this Resolution.

RESOLUTION OF APPRECIATION TO DONALD L. WALTERS

Temple University's Charter declares that the purpose of the University is to maintain an educational institution intended primarily for the benefit of working men and women, and the Commonwealth of Pennsylvania has adopted legislation declaring that Temple University is an integral part of the Commonwealth's system of higher education for the purpose of improving and strengthening higher education in Pennsylvania.

Donald L. Walters, President of the University's Faculty Senate, has worked with fidelity to strengthen this purpose and has faithfully exercised his duties and responsibilities as an Ex Officio Participant member of the Board of Trustees from October 14, 1997, to October 13, 1998.

Dr. Walters has served as a Non-Voting Advisory member of the Joint Executive and Business and Finance Committees.

BE IT RESOLVED, that the Board of Trustees of Temple University - Of The Commonwealth System of Higher Education, in regular session assembled on this Thirteenth day of October, Nineteen Hundred and Ninety-Eight, expresses its deep appreciation and commends Dr. Walters for his outstanding contributions to Temple University during his service as an Ex Officio Participant.

This Resolution is inscribed upon the Minutes of this meeting of the Board of Trustees, and the Secretary is instructed to send to Donald L. Walters a copy of this Resolution.

REPORTS AND RECOMMENDATIONS FOR ACTION STANDING COMMITTEES

Committee on Trustees - Isadore A. Shrager, Chairman

1. Report

The Report of the Committee on Trustees was received as given in Agenda Reference 1.

2. Election of Chairman of the Board

With Trustee Anthony J. Scirica in the Chair, and on motion duly made and seconded, the Board of Trustees, voted unanimously (with Richard J. Fox abstaining) to elect Richard J. Fox Chairman of the Board of Trustees for the year 1998-1999, to serve until the next Annual Meeting of the Board or until his successor shall have been elected and qualified, Mr. Fox having been duly nominated by the Committee on Trustees.

Trustee Scirica said that it is hard to imagine anyone who could serve better than Mr. Fox, whom we respect and admire for his intelligence, courage and vision and his deep affection for this University and all of the people who work in it.

Mr. Fox thanked the Board for the honor of being re-elected to the Chair. He said that it has been an honor and privilege to be here and have an opportunity to do the things we are doing. He said that we, collectively, have moved mountains. He feels privileged to have had the opportunity to do this and is very proud of what we have accomplished.

The Board applauded Chairman Fox.

At this point, Mr. Fox re-assumed the Chair and introduced Mr. Lewis Katz, newly elected trustee, and welcomed him to membership on the Board.

3. Election of Officers for 1998-99

On motion duly made and seconded, the officers listed below, having been duly nominated by the Committee on Trustees were elected to serve until the next Annual Meeting of the Board or until their successors shall have been elected and qualified:

President	Peter J. Liacouras
Acting Provost, Vice President and Dean of Temple University Ambler...	Corrinne A. Caldwell
Executive Vice President	James S. White
Senior Vice President, Health Sciences Center	Leon S. Malmud
Vice President, Chief Financial Officer, and Treasurer	Martin S. Dorph
Vice President for Student Affairs	Valaida S. Walker
Vice President for Computer and Information Services	Arthur C. Papacostas
Vice President for Development and Alumnae/I Affairs	Albert R. Checcio
Vice President for Administration	Richard M. Englert
Vice President	Thomas F. Maxey
Vice President	Robert J. Reinstein
* University Counsel and Secretary	George E. Moore
** Assistant Secretary	Beverly L. Breese

* - The Secretary will also serve as Secretary of the Boards of Visitors

** - The Assistant Secretary will also serve as Assistant Secretary of the Boards of Visitors

Peter J. Liacouras abstained from voting on the recommendation.

4. Re-election of Directors of Temple University Health System, Inc.

On motion duly made and seconded, the Board of Trustees approved the recommendation of the Committee on Trustees, and re-elected the individuals listed below to the

Board of Directors of Temple University Health System, Inc., for the term indicated.
1998 - 2000: Jane Scaccetti Fumo, Howard Gittis, Joseph W. Marshall, III, Isadore A. Shrager.

Messrs. Marshall and Shrager abstained from voting on the recommendation.

5. Re-appointment of Members of Board of Directors of Temple Educational Support Services, Ltd. (TESS)

On motion duly made and seconded, the Board of Trustees approved the recommendation of the Committee on Trustees and reappointed the individuals listed below to the Board of Directors of Temple Educational Support Services, Ltd. (TESS) for the term indicated:
1998-1999: Paul A. Dandridge -- Director, Nelson A. Diaz -- Director, Louis J. Esposito -- Director, Richard J. Fox --Voting, Ex Officio, Jane S. Fumo -- Director, Lewis F. Gould, Jr. -- Director, Richard A. Joslyn --President and Representative Director, Edward Kassab -- Director, Peter J. Liacouras - Voting, Ex Officio, Daniel H. Polett -- Director, Edward H. Rosen -- Director, Isadore A. Shrager -- Director, Yoshikazu Takaishi -- Representative Director.

Messrs. Dandridge, Diaz, Fox, Gould, Kassab, Liacouras, Polett and Shrager abstained from voting on the recommendation.

PRESIDENT'S REPORT - Peter J. Liacouras

President Liacouras thanked and congratulated Mr. Fox on being re-elected Chairman of the Board and congratulated Mr. Katz on being elected to membership on the Board. The President thanked everyone for their support this past year, especially the students and faculty.

The President said that, at the December meeting of the Board, he will give a brief report about areas where he believes the University should be moving more rapidly than it is. He said that one of the areas is advanced distance learning technology. Another is Continuing Education, with the question of whether or not we can have a low-cost degree to compete with many other institutions that are reaching parts of society that may not want the kind of quality synonymous with Temple University, but want a solid undergraduate degree nonetheless. He said that is an issue that will divide the University because one group will say it is an attempt to depreciate the degree and the other will say it is the only way we can compete with programs such as other's General Studies Programs.

The President said that there are other issues that collide, but these are two issues that he will discuss in some detail in December. By that time, Acting Provost Caldwell will have made recommendations laying out in more detail the various sides, pro and con, on these two issues.

The President congratulated everyone at the University, especially the Board and its Chair. He said that Chairman Fox is irreplaceable and said it is a joy to work with him. He said that Vice Chairman Gittis, who was not able to attend today's meeting, asked that his congratulations be extended to Chairman Fox and Trustee Katz.

Trustee Diaz asked that the issue of recruitment be a part of the President's report to the Board in December. He believes there should be greater effort to capture Latino enrollments.

In response to Trustee Diaz, President Liacouras said that Vice President Maxey is present today and has heard Judge Diaz' concern. He indicated that he has asked that certain areas of recruitment be reviewed. He added that one area of increase this year is in Hispanic students.

The President referred to pages 7-9 of Agenda Reference 9, Temple University (Excluding the Temple University Health System, Inc.) Final Budget Highlights, October 13, 1998 (Budget), and said that the total represents \$9.411 million of which \$2 million is for International Student Recruitment. Page 8 of the Budget is a restatement of page 7, but in more cumulative terms and represents major advances for the academic student scholarships; and page 9 represents The Plan to Renew Temple's Mission. The President said that all of this is because of strong management by the officers and the Deans and tight control by Executive Vice President White, Acting Provost Caldwell, Senior Vice President Malmud and Vice President Dorph.

Trustee Diaz asked about the relationship of the School of Hospitality and Tourism to the possible establishment of a hotel on campus. In response, President Liacouras said that on Schedule 5 of the Budget there is a \$1 million allocation for the operation of the School of Hospitality and Tourism and \$800,000 for the Fox School of Business and Management. The College of Science and Technology has an allocation of \$2 million. In further response to Trustee Diaz' question, Vice President Dorph said that we have been in very preliminary discussions with developers about potential interest in a hotel on the campus.

Executive Committee - Howard Gittis, Chairman

6. Report

The Report of the Executive Committee was received as given in Agenda Reference

6.

Recommendations for Action

7. **Board and Standing Committees Scheduled Meetings**

On motion duly made and seconded, the Board of Trustees approved the recommendation of the Business and Finance and the Executive Committee (9/24/98), that the Scheduled Meetings for the Board and Standing Committees for 1998-99, be accepted as set forth

in AGENDA REFERENCE 7, with meetings of the Board being held at 3:00 P.M. in Feinstone Lounge, Sullivan Hall, Park and Berks Malls.

8. Nomination for Membership on the Committee on Trustees by the Executive Committee

On motion duly made and seconded, the Board of Trustees gave its approval, as required by Article IV, Section 6-A of the By-Laws, to the appointments to the Committee on Trustees made this day by the Executive Committee and effective this date, as follows: 1998-1999-- Louis J. Esposito, Jane Scaccetti Fumo, Clifford Scott Green, Anthony J. Scirica, Isadore A. Shrager.

9. Final University Budget for 1998-99

On motion duly made and seconded, the Board of Trustees approved the recommendation of the Business and Finance Committee and the Executive Committee (9/24/98) and adopted the Final University Budget for 1998-99 as was given in Agenda Reference 9.

10. Temple University Japan Final Operating Budget 1998-1999

On motion duly made and seconded, the Board of Trustees approved the recommendation of the Joint Business and Finance Committee and Executive Committee and adopted the Temple University Japan Final Operating Budget 1998-1999, substantially as was set forth in Agenda Reference 10, the Budget having been reviewed and approved by the TESS Board on October 13, 1998.

Board of Directors, Temple University Health System, Inc., Howard Gittis, Chairman

11. Report

The Report of the Board of Directors, Temple University Health System, Inc., was received as given in Agenda Reference 11.

12. Temple University Health System, Inc. (TUHS). Final Budget for 1998-99

Trustee Diaz asked if the TUHS budget was being carefully monitored. Mr. Fox responded by saying that TUHS's Board approves and monitors its budget, which is also reviewed and approved by the University's Board of Trustees, as we are doing today. He added that we are doing everything we can to insure the long-term success of the Temple University Health System, Inc. He said that it is a difficult business.

Senior Vice President Malmud said that TUHS, with the application of non-operating

revenue, will close fiscal year 1998 with a slight revenue surplus. He reported that Temple University, last year, in its Hospital, provided over \$55 million in free or under-reimbursed care, based upon our costs. Dr. Malmud said that next year looks even more trying than this year; and next year's budget projects a deficit, which everyone will work on reducing or eliminating..

On motion duly made and seconded, the Board of Trustees approved the recommendation of the Board of Directors of Temple University Health System, Inc., and adopted the Temple University Health System, Inc., Final Budget for 1998-99 as was given in Agenda Reference 12.

13. Amendment to the Jeanes/Temple Affiliation Agreement

On motion duly made and seconded, the Board of Trustees, upon the recommendation of the Board of Directors of Temple University Health System, Inc., approved the amendment to the Jeanes/Temple Affiliation Agreement and By-laws regarding changes in Governance of Jeanes Hospital substantially as set forth in the Resolution attached as SUPPLEMENT I to the official copy of these Minutes on file in the Office of the Secretary.

14. Consents of TUHS Incurrence of Indebtedness

(a) On motion duly made and seconded, the Board of Trustees approved the recommendation of the Board of Directors of Temple University Health System, Inc. (10/13/98) and approved the incurrence of indebtedness by Temple University Health System, Inc., in an amount not-to-exceed \$14,000,000, with respect to its or its affiliates affiliation with Philadelphia Geriatric Center and the acquisition of certain assets with respect thereto; authorizing incidental actions; and repealing inconsistent resolutions, substantially as set forth in the Resolution attached as SUPPLEMENT II to the official copy of these Minutes on file in the office of the Secretary.

(b) On motion duly made and seconded, the Board of Trustees approved the recommendation of the Board of Directors of Temple University Health System, Inc. (10/13/98) and approved projects for Temple University Hospital, Inc., Temple University Children's Medical Center and Temple East and the incurrence of indebtedness and the issuance of guaranties in connection with such projects; authorizing incidental actions; and repealing inconsistent resolutions, substantially as set forth in the Resolution attached as SUPPLEMENT III to the official copy of these Minutes on file in the Office of the Secretary.

Committee on Educational Policies - Isadore A. Shrager, Chairman

15. Report

The Report of the Committee on Educational Policies was received as given in Agenda Reference 15.

Committee on Audit - Mitchell G. Leibovitz, Chairman

16. Report

The Report of the Committee on Audit was received as given in Agenda Reference 16.

Committee on Campus Planning and Plant Management - Louis J. Esposito, Chairman

17. Report

The Report of the Committee on Campus Planning and Plant Management was received as given in Agenda Reference 17.

Recommendation for Action

18. **Renovation and Relocation of Clinical Services**

On motion duly made and seconded, the Board of Trustees approved the recommendation of the Campus Planning and Plant Management Committee that the officers authorize expenses related to renovation, relocation, furnishings and equipping of clinical and support spaces for Cardiology, Pulmonary, General Internal Medicine, Rheumatology, Endocrine, Dermatology, and Family and Community Medicine in the Parkinson Pavilion, Jones Hall and the Skin and Cancer Building, at a cost not-to-exceed \$425,000, with the Funding Source being Practice Plan Dean's Fund and the Financing Source being University Facilities Plant Funds/Bond Program Over 5 Years.

Committee on Business and Finance - Edward H. Rosen, Chairman

19. Report

The Report of the Committee on Business and Finance was received as given in Agenda Reference 19.

Committee on Development - Howard Gittis, Chairman

20. Report

The Report of the Committee on Development was received as given in Agenda Reference 20.

APPOINTMENT OF STANDING COMMITTEES FOR 1998-99

21. Nominations for Membership on the Executive Committee by the Chairman of the Board

On motion duly made and seconded, the Board of Trustees gave its approval, as required by Article IV, Section 1-A of the By-Laws, to the appointment of the following to the Executive Committee made this day by the Chairman of the Board and effective this date: Paul A. Dandridge, Louis J. Esposito, Richard J. Fox, Jane Scaccetti Fumo, Howard Gittis, Clifford Scott Green, Peter J. Liacouras, Mitchell G. Leibovitz, Joseph W. Marshall, III, Daniel H. Polett, Arthur G. Raynes, Edward H. Rosen, Anthony J. Scirica, Isadore A. Shrager.

22. Appointment of Committee on Honorary Degrees by the President

The President appointed the following trustees to the Committee on Honorary Degrees: Louis J. Esposito, Lewis Katz, Daniel H. Polett.

23. Chairman of Board Announces Appointments to Committees Other than Executive Committee, Honorary Degrees Committee, and Committee on Trustees

Appointments to Committees other than Executive Committee, Honorary Degrees Committee, and Committee on Trustees was distributed as Agenda Reference 23 and is attached as SUPPLEMENT IV to the official copy of these Minutes on file in the Office of the Secretary.

OFFICER'S REPORT

24. Treasurer's Report - Martin S. Dorph

On motion duly made and seconded, the lists of gifts received for the Quarter ended June 30, 1998; grants and contracts awarded between July 1, 1997 and June 30, 1998 and the purchases and sales of securities for the Fourth Quarter Fiscal Year 1998 were received, said report being included and identified as AGENDA REFERENCE 24.

OLD BUSINESS

NEW BUSINESS

RECOMMENDATION FOR ACTION

25. Planned Giving Administration and Investment Management

On motion duly made and seconded, the Board of Trustees approved the recommendation of the Subcommittee on Investments of the Business and Finance Committee and appointed State Street Global Advisers as third party administrator and investment manager for the University's planned giving programs.

REMARKS BY TRUSTEE ROBERT A. ROVNER

Trustee Rovner said that in 1961, when a freshman at Temple University, he met Lewis Katz, then a student leader. Trustee Rovner said he thinks it is great for our Board and for Temple University to have Mr. Katz become a member of this Board. He said that Mr. Katz has been successful in everything he has undertaken and welcomed him to the Board of Trustees.

TOUR OF THE TUTTLEMAN LEARNING CENTER

President Liacouras invited interested trustees to tour the Tuttleman Learning Center immediately following the Board meeting. He informed the Board that Mrs. Tuttleman recently broke her foot, but sends her regards to everyone and her congratulations to Mr. Fox.

ADJOURNMENT

On motion duly made and seconded, the meeting of the Board of Trustees adjourned at 3:40 P.M.