

MINUTES - JOINT MEETING

Executive Committee and Business and Finance Committee

Board of Trustees

Temple University - Of The Commonwealth System of Higher Education

Thursday, April 26, 1990

3:00 P.M., Feinstone Lounge, Sullivan Hall, Park & Berks Malls

Attendance:

Executive Committee Members - Anthony J. Scirica, Chairman;  
Louis J. Esposito, Richard J. Fox\*, Clifford Scott Green,  
Peter J. Liacouras\*, Milton L. Rock, Edward H. Rosen,  
Isadore A. Shrager (\* Members of both Committees),

being a quorum of the Committee;

Business & Finance Committee Members - Harry P. Begier, Jr.,  
Richard J. Fox\*, Peter J. Liacouras\*,

Executive Committee NVA Member - William Woodward (Faculty)

Business & Finance Committee NVA Member - John Hagopian (Alumni);  
Kenneth Cundy (Faculty Alternate)

Administration and Staff - Barbara L. Brownstein, Steven R. Derby,  
Leon S. Malmud, Robert J. Reinstein, Richard A. Chant,  
Arthur C. Papacostas, William G. Sites, Stephen Zelnick,  
Lawrence C. Connolly, Jr., Kent Rayburn, C. Robert Harrington,  
Beverly L. Breese, William C. Seyler

General Counsel - Matthew Strickler

University Counsel - George E. Moore

Executive Committee Absentees - Paul A. Dandridge, Lacy H. Hunt,  
Irving K. Kessler, Henry H. Nichols, R. Anderson Pew,  
Clare L. Wofford

Business & Finance Committee Absentees - Lacy H. Hunt,  
John J. Contoudis, Peter D. DePaul, Chaka Fattah,  
Lewis F. Gould, Jr., D. Donald Jamieson, Edward F. Mannino,  
Brian J. O'Neill, William W. Rieger, Francis R. Strawbridge

Executive Committee NVA Absentees - Jay L. Rosen (Alumni);  
Tony Thurmond-Krajewski (Student)

Business & Finance Committee NVA Absentees - Leroy W. Dubeck  
(Faculty); Michael Marcus (Student)

## JOINT COMMITTEE ACTIONS

1. Approval of Minutes of Joint Meetings of February 22 and March 22, 1990

Without objection, the captioned Minutes were approved as distributed.

2. Next Joint Meeting Date

The President said it is not anticipated that a May meeting will be necessary.

The June 28 meeting will be an important one to which all Board Members will be invited--and advance notice will, of course, be given.

3. Borrowing Authority - 7/1/90 through 9/30/90

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee voted to recommend 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 authorization to cover the period from July 1, 1990 through September 30, 1990. (Resolution is attached as SUPPLEMENT I.)

4. Preliminary Tentative University and Hospital Budgets for 1990-91

President Liacouras said the effect of the recommendation before the Committees is to postpone until the June 28 meeting the adoption of Tentative University and Hospital Budgets because by that time the Legislature will either have acted on our Appropriation, or we will have a good idea of what our appropriation will be. The authorization is to spend at the level of 1989-90, unless specific exceptions are authorized by the President.

On motion duly made and seconded, the Executive Committee and the Business and Finance Committee voted to recommend that the Board of Trustees adopt Preliminary Tentative University and Hospital Budgets for 1990-91, with the understanding that this action authorizes expenditures by each budget unit at the level allocated in the 1989-90 Final Budget for current unrestricted funds, unless specific exceptions are authorized by the President for legally required increases and for increases in depreciation and interest expenses attributed to the Hospital construction project.

5. Residence Fees (Room and Board) for 1990-91

Judge Green, Chairman of the Student Affairs Committee, said that Committee had carefully considered these Residence Fees and the Committee feels that the recommended rates are the appropriate ones.

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee voted to approve the recommendation of the Student Affairs Committee (4/20/90) that the Board of Trustees approve rates for the Residence units for 1990-91 (including rates for the Residence Halls, Temple Towers, Jones Hall, alternative housing and Cooney/Triangle Apartments), said rates being attached as SUPPLEMENT II.

6. Authorization for Executive Committee to Act on  
Behalf of Board with Respect to the Tentative University  
Budget for 1990-91 and Related Matters

Judge Scirica read the recommendation before the Committees, noting that the Committees will be dealing with the Tentative University Budget for 1990-91 and related matters at their June 28, 1990 meeting. The President said that all Board Members will be invited to this 6/28 meeting, and they may vote if they wish to do so.

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee voted to recommend that the Board of Trustees authorize the Executive Committee, at its June 28, 1990 meeting, to act on behalf of the Board with respect to the following:

- (1) Tentative University Budget for 1990-91
- (2) Tuition Schedule for 1990-91
- (3) General Activities Fee for 1990-91; and
- (4) Tentative Hospital Budget for 1990-91,

with the understanding that all Board Members will be invited to attend the meeting of the Executive Committee on June 28, 1990, at which time the above important matters will be determined. (That meeting will be held in Feinstone Lounge of Sullivan Hall on the Main Campus, at 3:00 P.M.)

7. Tuition Rates for Second Summer Session -  
July 2 - August 11, 1990

The President said that last year we gave the students a "free ride" in terms of not raising the Tuition Rates for the Second Summer Session. This year, there will be no free rides. Mr. Chant said we are looking forward to next year, so that we will be eligible for the \$100 that will be available if the Governor's proposal becomes law. Unless we keep our increase lower than 4%, we would not be eligible for this \$100 grant.

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee voted to approve the recommendation of the Student Affairs Committee (4/3/90) that Board approval be given to the Tuition Schedule for the Second Summer Session of 1990 (7/2/90 - 8/11/90), said Schedule being attached as SUPPLEMENT III.

8. Health Sciences Center Central Chilled Water Plant--  
Oil Tank Cleanup and Construction Delay Costs

The President said that from time to time a question is raised as to why the University budgets so much money on non-academic functions. In this case, the Chilled Water Plant will permit researchers and those in the Medical School to have air conditioning instead of 95 degree temperatures in the summer. The total project represents an investment of \$4.5 million, and Mr. Esposito, Chairman of the Campus Planning and Plant Management Committee, noted that the recommendation is

for an authorization to spend \$169,500 to cover cleanup activities at the site. An abandoned leaking oil tank was discovered at the site, and the cleanup has resulted in an eight month delay on the project.

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, the latter acting on behalf of the Board, voted to approve the recommendation of the Campus Planning and Plant Management Committee (4/6/90) that the officers be authorized to proceed with cleanup activities at the Central Chilled Water Plant construction site, including contracts with Keystone Block Transportation Company and Pennoni Associates, at a cost not to exceed \$169,500, with funding to come from the University Bond Issue and to be repaid from the Plant Fund over 15 years.

9. Tioga Parking Garage Restoration (Health Sciences Center)

President Liacouras said that this is the second time we have had to deal with the deterioration of this Parking Garage, and the funding will come from parking revenue from all campuses, rather than asking the HSC campus to fund the project by itself.

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, the latter acting on behalf of the Board, voted to approve the recommendation of the Campus Planning and Plant Management Committee (4/6/90) that the officers be authorized to solicit bids to repair structural deterioration of the Tioga Garage.

10. Equipment Financing Program--Authorization to Issue Short-Term Tax Exempt Capital Financing Notes

Mr. Connolly said this recommendation is designed to take advantage of the University's ability to directly issue tax-exempt notes. We are not contemplating purchasing anything that hasn't already been approved in this budget, or will be approved in next year's budget. We will be able to trade taxable dollars for tax exempt dollars, and this should add approximately \$100,000 to our bottom line. The President said there is really no "down-side" to this proposal.

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, the latter acting on behalf of the Board, voted to authorize the issuance and sale of up to \$20,000,000 aggregate principal amount of direct obligation notes of the University having a term of one year or less, to cover the costs of certain capital assets acquired or to be acquired during the fiscal years ending June 30, 1990, and June 30, 1991. (Resolution is attached as SUPPLEMENT IV.)

11. Amendment of the Loan and Security Agreement Relating to the 1984 Temple University Floating Rate Daily Demand Revenue Bonds

Mr. Connolly said that the Loan and Security Agreement relating to the 1984 Temple University Floating Rate Daily Demand Revenue Bonds now needs to be simplified--and the Resolutions which were distributed to Committee Members are designed to do this. The recommendation before the Committees is also designed to authorize the Vice President and Chief Financial Officer to approve long term debt transactions which do not exceed \$50,000 per transaction, and \$1 million aggregate in any one fiscal year, without seeking Board approval for each individual transaction.

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, the latter acting on behalf of the Board, voted to authorize the officers to take such action as is necessary to amend the Loan and Security Agreement relating to the 1984 Temple University Floating Rate Daily Demand Revenue Bonds to simplify the procedures for incurring Long Term Indebtedness (as defined in the Loan Agreement) and to further authorize the Vice President and Chief Financial Officer to approve long term debt transactions which do not exceed \$50,000 per transaction, and \$1 million aggregate in any one fiscal year, without seeking Board approval for each individual transaction. (Resolutions to accomplish the desired objectives are attached as SUPPLEMENTS V-A, V-B, and V-C.)

12. Authorization to Establish an Internal Leasing Program

Mr. Connolly said that in doing some research in this area, we discovered that we get into lease transactions (with 12% to 14% interest rates) in which the transactions are too small to do on a tax-exempt basis; so with interest rates, we are proposing that we use an internal leasing plan to save the difference between 8% interest and the 12 to 14% interest available externally. The President pointed out that Penn State has an internal leasing program that includes several hundred automobiles.

Mr. Connolly referred to Agenda Reference 12, page 3, which shows an Estimated Annual Saving of about \$12,000 the first year, but over a 15-year period, the Estimated Savings could be a little more than \$1 million.

On motion duly made and seconded, the Business and Finance Committee and the Executive Committee, the latter acting on behalf of the Board, voted to authorize the officers to establish an Internal Leasing Program under which equipment purchased outright by the University, may, under certain circumstances, be leased internally to the requisitioning budget center when the budget center requests a lease but an outright purchase is deemed to be more economical; with the understanding that the equipment will be purchased from the Unexpended Unrestricted Plant Fund, which Fund will be replenished as lease payments are made to the University Treasurer by the budget center.

EXECUTIVE COMMITTEE ACTION

13. Naming of Classroom in Klein Hall in Memory of Irving H. Kutcher, Esquire

The President said that the late Mr. Kutcher, a graduate of Temple Law School, was responsible for the Law School having the collection of modern art in the Law School Building. His brother, Colonel Nathaniel H. Kutcher, has named Temple University Law School as beneficiary in his Will.

On motion duly made and seconded, the Executive Committee, in keeping with the Board's policy on Naming of University Areas (Board of Trustees, 5/13/69) voted to recommend that the Board approve the naming of Room 8A in Klein Hall in memory of Irving H. Kutcher, Esquire, and to hang a plaque in the room, worded as follows:

"This classroom is dedicated in memory of our beloved brother,  
Irving H. Kutcher, Esquire, Class of 1936."

"Betty K. Lippman."

"Colonel Nathaniel H. Kutcher."

#### REPORTS FOR INFORMATION

14. Summary Status Report of the Plant Development Fund Projects

The President said that these Summary Status Reports are designed to keep the Trustees informed as to how the Plant Fund is being used. He referred to Agenda Reference 13, page 5, noting that some \$5.1 million is the total committed for Renovations and Remodeling; of this amount \$1.6 million was expended in 1988-89, leaving an Outstanding Project Budget of \$3.5 million; it is expected that about \$1 million will be expended in 1989-90, leaving a Balance Available of \$2.4 million.

The President said that for the next meeting the Joint Committees will also get a running summary regarding the Bond Issue, how much of it has been committed, and to which projects it has been committed. All of the projects listed in Agenda Reference 13 are funded out of the Plant Fund.

15. Personnel and Confidential Materials  
Regarding the Temple--Japan Program

The President referred to the captioned materials, which were mailed to Trustees on April 16, 1990, and he asked the Trustees to retain these materials because the administration wants to give the Trustees a full briefing on this matter to see exactly where we are; the choices we are facing in connection with our Temple-Japan Program; and the financial implications of those choices.

The regular session of the Executive Committee and the Business and Finance Committee was adjourned at 4:40 P.M., and the Committees went into Executive Session to be briefed on collective bargaining matters.