A meeting of the Executive Board of the Trustees of the University of Pennsylvania was held at 3:00 p.m. on Monday, September 25, 1972 in the Board Room of The Fidelity Bank, Broad and Walnut Streets.

Present were: Trustees William L. Day (Chairman), Samuel H. Ballam, Jr., Howard Butcher III, Henry M. Chance, II, John W. Eckman, Bernard G. Segal, James M. Skinner, Jr., and Ernest Scott; President Martin Meyerson, Provost and Vice-President Curtis R. Reitz, Vice-Presidents Robert D. Dripps, Paul O. Gaddis, John C. Hetherston and Harold E. Manley, Dean Alice Emerson, Associate Provost John N. Hobstetter, Executive Assistant D. Bruce Johnstone, and William G. Owen (Secretary). John Ames Ballard attended as Counsel.

Messages of absence were received from Paul J. Cupp, Robert Dechert, Charles D. Dickey, Thomas S. Gates, Carl Kaysen, Paul P. Miller, Jr. and Robert L. Trescher.

The Chairman reported that Mr. Thomas S. Gates has accepted membership on the Executive Board.

On presentation by the Secretary, the following resolutions were adopted:

RESOLVED, That the following persons be nominated to the Board of the Presbyterian-University of Pennsylvania Medical Center for election as Trustees of the Medical Center to fill existing vacancies:

Henry M. Chance, II
Paul O. Gaddis
I. Maximilian Martin
William G. Owen
Louise Shoemaker
Executive Board, September 25, 1972

Advisory Board
School of Veterinary Medicine and Associate Trustees

RESOLVED, That Clement R. Hoopes and I. Harold Hammerman be elected to the Advisory Board of the School of Veterinary Medicine and as Associate Trustees, effective as of this date.

Board of Law and Associate Trustee

RESOLVED, That Carroll R. Wetzel be elected to the Board of Law and as an Associate Trustee effective immediately for a term expiring on June 30, 1975.

RESOLVED, That the following persons be reappointed to the Board of Law and as Associate Trustees for terms expiring on June 30, 1975:

- The Honorable Arlin M. Adams
- Philip W. Amram, Esq.
- The Honorable Alexander F. Barbieri
- Raymond K. Denworth, Jr., Esq.

Hartford Foundation Grant

RESOLVED, That the Trustees hereby confirm grateful acceptance of a grant in the amount of $94,112 from the John A. Hartford Foundation, Inc. as of March 15, 1972, amended May 22, 1972 for studies of the effects of cerebral compression and increased intracranial pressure on the cerebral circulation to be used in accordance with the conditions of the grant as stated in letter of June 6, 1972 from the President of the Foundation to the President of the University of Pennsylvania and be it further

RESOLVED, That the University accepts and agrees to abide by and carry into effect all of the terms and provisions set forth therein.

Group life insurance

WHEREAS, Group life insurance participation is presently a condition of appointment or employment for all fully-affiliated and full-time personnel 25 years of age and over; and

WHEREAS, The Personnel Benefits Committee has studied and supports a proposal from the Ombudsman providing a waiver appeal for single employees without dependents; and

WHEREAS, Such a proposal would provide a better informed and satisfied membership in the group life insurance program at no appreciable cost to the University; Therefore be it

RESOLVED, That effective July 1, 1972, the group life insurance program for University personnel be modified to permit single employees without dependents to apply for waiver from participation.

President Meyerson reported upon the following matters:

Secretary
At the October Stated Meeting of the Trustees, the University Development Commission will make a further report on the general methods of its inquiry and on the work of certain of the task forces; the independent development interests of certain schools, like Law and Engineering, will also be reported upon. The President will endeavor to provide the Trustees with some of the implications of the Development Commission's work, and there will be an analysis of fund-raising trends at other institutions and hopefully a pricing-out of certain identifiable projects for the future. Finally, the new Trustees' Resources Planning Committee will meet at breakfast on Friday to consider background information.

The Consultative Committee appointed to advise in the selection of a Provost has essentially been constituted under the Chairmanship of Professor Richard Solomon; it will hold an initial meeting on Wednesday. Trustees are encouraged to submit suggestions about the characteristics of the position and information on prospective candidates to the Secretary.

On Commonwealth matters, it is anticipated that the "total returns" legislation will soon be adopted. The University's appropriation has moved through the House and is currently being considered by the Senate. A recent meeting with the Governor and the Commissioner of Higher Education dealt primarily with concern on the part of the Commonwealth for the number of in-state students enrolled in the University. The administration is in the process of developing a strategy for pushing forward the contractual arrangements with the Commonwealth in terms of individual schools and combinations of study programs. At the same time, he noted, the Commissioner's proposal for a formula approach will require very careful analysis by the University.

In his report Provost and Vice-President Reitz considered the following matters:

1. The new Faculty of Arts and Sciences will hold its initial meeting on October 10. This Faculty is comprised essentially of the 19 departments in the College, the four social science departments in the Wharton School, and the interdisciplinary groups in the Graduate School of Arts and Sciences.

2. Discussions are underway which may lead to the possible amalgamation of the several engineering schools into a single Moore School of Engineering.

3. Recent reports received from accrediting agencies reflect an exemplary report on the Law School and a report noting serious concerns about the Veterinary School, especially relating to overcrowded conditions in the small animal hospital and the level of maintenance and sanitation. Dean Allam is taking measures to correct the latter problems.
Enrollment

4. Enrollment this fall in the graduate and professional schools reflects a slight downturn; in the undergraduate schools, there has been a substantial increase up to a total of nearly 8,000 students. This has caused certain problems in housing, but the residence staff has been successful in reducing the waiting list for space.

Name professorships

5. Certain new name professorships are being established for faculty members at the Assistant Professor level.

6. The following resolution was adopted:

RESOLVED, That the academic appointments and promotions for the period from May 8, through August 3, 1972 be approved.

Vice President Gaddis reported upon the following matters:

Dining Service

1. Labor difficulties associated with the Dining Service have been resolved through compromise. The University's Printing Department will be closed down as of November; hopefully this will not lead to labor problems. Looking to the future, all of the University's contracts with unions expire on April 30, 1973, and various eventualities are being kept in mind.

Printing Department and unions

2. All of the University's computer-supported information services are being brought together under an Assistant Vice-President for University Management Information Systems; the former Registrar, Richard Paumen, has been appointed to this position.

Computer-supported information services

Mr. Hetherston reported on the following matters relating to facilities and physical planning:

Landscaping of 39th Street

1. The University has assumed title to 39th Street in the campus area and this will soon be landscaped. It is expected that the closing of 37th Street will take another year or so.

Closing of 37th Street

2. The expected starting date for the Lot #8 project near the University Museum is December.

Lot #8

3. Problems associated with St. Mary's Episcopal Church and the University Co-op Store are now in the courts for adjudication.

St. Mary's Episcopal Church and Co-op Store

4. The Philadelphia Civic Center has raised certain questions concerning the possible use of the River Fields area. This matter is being given careful attention.

River Fields

5. There appears to be an indefinite delay associated with the 3401 Walnut Street development, inasmuch as H.U.D. sustained an administrative complaint filed on the part of the Sansom Street Association. The University has appealed for a hearing.

3401 Walnut Street

6. After a review of the several parcels in Redevelopment Unit #4, the following resolution was adopted:

WHEREAS the University entered into an agreement with the Philadelphia Redevelopment Authority which called for the University to acquire and build on certain parcels of land in Urban Renewal Unit #4; and

WHEREAS the expiration date of the contract is June, 1973; and

WHEREAS there remain several parcels of land in Unit #4 which the University has not yet acquired but wishes to do so: Therefore be it

Secretary
RESOLVED, That the appropriate officers be authorized to take such steps as may be necessary to extend the Urban Renewal Contract for University City Area Unit #4 under terms and conditions satisfactory to the Authority and the University and approved by University Council.

Upon presentation by Dr. Hobstetter, the following resolution was adopted:

RESOLVED, That the delay of publication period associated with the Patent Policy of the University be revised to read "one year," thereby bringing it in consonance with the period provided for in the University's Research Policy statement.

Mr. Manley reviewed the fiscal results for 1971-72 and noted that the printed financial reports in October would very likely not contain audited figures for the two hospitals because of certain unresolved problems in those two operations. He directed attention also to the Budget Survey for 1972-73. The following resolutions were adopted:

WHEREAS, the University Retirement Plan for other than academic, professional and administrative employees is funded by a conventional deposit administration contract with The Equitable Life Assurance Society of the United States; and

WHEREAS, this contract also funds pensions for past service, prior to July 1, 1946, of academic and administrative employees; and

WHEREAS, on May 14, 1965, the Trustees authorized participation of employees of University Hospital in this plan as of July 1, 1965; and

WHEREAS, on September 11, 1970, the Executive Board authorized participation of employees of Children's Hospital in this plan as of January 1, 1971; and

WHEREAS, The Equitable Life Assurance Society has explained advantages to all the participants of having separate retrospective Immediate Participation Guarantee contracts with each of the participating groups; Therefore be it

RESOLVED, That the Vice-President for Business and Financial Affairs is authorized to terminate the existing conventional deposit administration contract with The Equitable Life Assurance Society of the United States covering the University Retirement Plan for other than academic, professional and administrative employees and to enter into immediate Participation Guarantee contracts with the same company for employees of the Graduate Hospital, University Hospital and the remainder of the University; and be it further

RESOLVED, That the Vice-President is also authorized to release to Children's Hospital funds from the terminated contract to an amount equal to their interest therein.
RESOLVED, That the sum of $162,500 plus settlement costs be appropriated from University General Fund to purchase the Delta Tau Delta Fraternity property at 3533 Locust Street; and be it further

RESOLVED, That the note in the amount of $25,721 from Delta Tau Delta Fraternity to the University for the installation of a sprinkler system in 3533 Locust Street be cancelled; and be it further

RESOLVED, That the sum of $25,721 be appropriated from University General Fund to cover the advance from operations used to install the sprinkler system.

RESOLVED, That the sum of $131,000 plus settlement costs be appropriated from University General Fund to purchase the Phi Sigma Delta Fraternity house at 3824 Spruce Street.

RESOLVED, That The Trustees of the University of Pennsylvania guarantee a line of credit in an amount not to exceed $200,000 for the UNI-COLL Corporation with a Philadelphia bank.

WHEREAS, the University of Pennsylvania Bookstore is currently accepting Master Charge cards; and

WHEREAS, they wish to expand the use of charge cards to include Bank Americards issued by The Philadelphia National Bank: Therefore be it

RESOLVED, That an account in the name of this Corporation, designated UNIVERSITY OF PENNSYLVANIA BOOKSTORE - BANK AMERICARD, be opened with The Philadelphia National Bank, and that all checks, notes and orders for the payment of money, drawn or payable against said account, to the order of any person, firm or corporation whatsoever, including without limitation those drawn or endorsed to the order of any person signing the same, shall be signed by any one of the following:

Director - University of Pennsylvania Bookstore
Assistant Director of Operations - University of Pennsylvania Bookstore
Treasurer
Associate Treasurer
Assistant Treasurers

and the said The Philadelphia National Bank is hereby authorized and directed to pay all checks, notes and orders so signed.

SECRETARY
WHEREAS, University City Associates, Inc., with the concurrence of the University, purchased the Crossways Motor Inn (now known as South Hall) in 1965; and

WHEREAS, the University signed a 20-year net, net lease with University City Associates, Inc. for South Hall for use as a graduate student residence; and

WHEREAS, University City Associates, Inc. assigned the lease to a bank as security for a long-term loan of $640,000, which currently has an outstanding balance of approximately $500,000; and

WHEREAS, South Hall has been vacant for two years because of the construction of the new graduate student residence complex; and

WHEREAS, the University is still paying approximately $75,000 in rent and taxes per year on South Hall; and

WHEREAS, efforts to sell or lease the property by University City Associates, Inc. has resulted in only one offer; and

WHEREAS, the prospective users require financing in the amount of $450,000 to rehabilitate South Hall for use as a moderately-priced motel; and

WHEREAS, University City Associates, Inc. desires to enter into an installment purchase arrangement with the prospects; and

WHEREAS, the prospects will invest $200,000 of their own funds in the rehabilitation and will pledge their personal net worths against default on the lease; and

WHEREAS, the plans, estimates and pro forma income statements have been reviewed and accepted as reasonable by University officers; and

WHEREAS, University City Associates, Inc. has obtained a mortgage commitment in the amount of $950,000 ($500,000 to repay the long-term loan and $450,000 for renovations) at 7-3/4% interest, contingent on the University's guaranteeing the mortgage: Therefore be it

RESOLVED, That the University guarantee or become surety for a $950,000 mortgage loan to University City Associates, Inc. for the refinancing and rehabilitation of South Hall with the understanding that University City Associates, Inc. will enter into an installment purchase agreement with the prospective users; and be it further

RESOLVED, That the proper officers of the University be, and they hereby are, authorized, with the advice of University Counsel, to negotiate and agree upon the terms and basis of the guarantee or suretyship arrangements authorized by the foregoing resolution and to execute such documents as they may deem necessary or desirable to effect the same after consultation with the Chairman of the Finance Committee; and be it further

Secretary
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RESOLVED, That the appropriate officers are directed to report periodically to the Finance Committee on the status of this project.

WHEREAS, Graduate Hospital has been advanced a $900 imprest cash fund to be used for obtaining change for the Dietary Area; and

WHEREAS, an imprest bank account is presently maintained, entitled "Graduate Hospital Refund Account:" Therefore be it

RESOLVED, That these two funds be consolidated into one imprest account; and be it further

RESOLVED, That this corporation maintain a bank account with The First Pennsylvania Banking and Trust Company, entitled GRADUATE HOSPITAL REFUND AND DIETARY CHANGE, for the deposit of any money, checks, drafts, notes and acceptances, or other evidences of indebtedness which may now or hereafter be in possession of this corporation; and that until otherwise ordered, said Bank be and hereby is authorized to make payments from said account upon and according to the check, draft, note or order of this corporation when signed by one of the following officers at Graduate Hospital:

Assistant Director - Financial Affairs
Assistant to the Executive Director
Assistant Director

and to receive the same when so signed for the credit of, or in payment from the payee or any other holder without inquiry as to the circumstances of their issue or the disposition of their proceeds, whether drawn to the individual order or tendered in payment of individual obligations of the officers above named or other officers of this corporation or otherwise.

WHEREAS, The Fidelity Bank has been given authority to permit Franklin Capital Investors to carry out its responsibilities under a certain Investment Advisory Agreement dated August 15, 1972: and

WHEREAS, a separate account is required to segregate funds involved in the purchase and sale of securities for the University by Franklin Capital Investors: Therefore be it

RESOLVED, That a deposit account entitled "The Trustees of the University of Pennsylvania - Franklin Capital Investors" (herein referred to as the "Corporation") be opened and maintained with The Fidelity Bank (herein called the "Bank") and that any one of the officers hereinafter in this resolution specified are hereby authorized to execute any agreement approved by such officers setting forth the terms governing said deposit account and to sign checks or other orders for the payment of money from said account to any person, firm, corporation or other organization whatsoever, including said officers or any of them, and the Bank is hereby authorized to pay the same, the officers referred to above being the following:

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Vice-President for Business and Financial Affairs
Treasurer
Associate Treasurer
Assistant Treasurers

and be it further

RESOLVED, That any monies, checks or other instruments which may come into the possession of this Corporation may be deposited in said account, and may be endorsed by any person authorized to sign checks or endorsed in writing or by stamp without designation of the person so endorsing; and be it further

RESOLVED, That the foregoing resolutions shall remain in full force and effect until written notice of their amendment or rescission shall have been received by the Bank, and that receipt of such shall not affect any action taken by the Bank prior thereto.

Reporting for the Health Affairs Committee, Mr. Ballam commented upon the assumption by Dr. Dripps, on a full-time basis, of the Vice-Presidency. He referred to the declining census in the University Hospital and to associated Blue Cross problems.

Based upon a query raised by the Hospital Survey Committee, investigation is being made of the feasibility of enlarging plans for the Silverstein Pavilion. A report from the Subcommittee on Patient Services has recommended that the University disengage from its relationship with Philadelphia General Hospital; the administration was authorized to examine this course of action carefully and to report back to the Health Affairs Committee. A report on organization and structure in the School of Dental Medicine will be considered by the Subcommittee on Schools. In essence, he stated, there is much work for the Committee to do and plans are being made for the organization of its work.

Mr. Manley noted that the Health Affairs Committee had authorized an appropriation of $200,000 from General Fund "A" at Graduate Hospital for use in connection with the Penn Urban Center. Mr. Day urged that attention be given to use of the Haas fund which presumably was made available for this kind of purpose. Mr. Manley will clarify the situation.
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In his report for the University Development Committee, Mr. Eckman noted the $22,000,000 total in subscriptions, gifts, and bequests for fiscal 1972, and the fact that this was the seventh straight year in which voluntary support has exceeded $20,000,000. A new record in Annual Giving reached just over $2.75 million, a 9 per cent increase over the preceding year.

Subscriptions, gifts and bequests

The Benjamin Franklin Associates contributed $1,147,000. Receipts through September 11 are well ahead of last year at this time.

The following resolutions were adopted:

WHEREAS the Executive Board on June 9, 1972, authorized construction of a tennis pavilion south of the Class of 1923 Ice Rink, noting that gifts and pledges are in hand to the extent of $585,000, the approximate cost of the building; and

Robert P. Levy
Tennis Pavilion

WHEREAS this tennis pavilion is coming into being largely as a result of the interest and generosity of our fellow Trustee, Robert P. Levy; and

WHEREAS Mr. Levy has expressed his willingness to have his family's name associated with this facility:

Therefore be it

RESOLVED, That the Trustees express their appreciation of Mr. Levy's leadership in this enterprise, in recognition of which the new tennis pavilion is to be named the Levy Tennis Pavilion.

RESOLVED, That the Annual Giving goal for the fiscal year 1972-73 be set at $3,000,000.

For the Investment Committee, Mr. Skinner noted that the new investment firm is studying its future role and will report soon to the Committee.

Authorization was granted to the Nominating Committee for presentation of one candidate for election as Term Trustee at the Stated Meeting on October 13.

Adjourned.

William G. Owen
Secretary