EXECUTIVE BOARD
OF THE
TRUSTEES OF THE UNIVERSITY OF PENNSYLVANIA
April 13, 1973

A meeting of the Executive Board of the Trustees of the University of Pennsylvania was held on Friday, April 13, 1973 in the Board Room of the First Pennsylvania Banking and Trust Company.

Present were: Mr. William L. Day (Chairman), Robert Dechert, Esq., Mr. John W. Eckman, Bernard G. Segal, Esq., James M. Skinner, Jr., Robert L. Troccher, Esq., President Martin Meyerson, Provost Eliot Stellar, Vice Presidents Robert D. Dripps, Paul O. Gaddis, John C. Hetherston, Harold E. Manley and E. Craig Sweeten; Associate Provost John N. Hubstetter, Dean Alice F. Emerson, Dr. D. Bruce Johnstone, Mr. Curtis R. Reitz, Mr. Donald T. Sheehan, Dr. Robert Zemsky and Mr. William G. Owen (Secretary). John Ames Ballard attended as Counsel.

The minutes of the March 9, 1973 meeting were approved.

It was reported by the Chairman that the Trustees' Resources Evaluation Committee had held a profitable meeting in New York City on April 10. He reflected encouragement from the fact that good progress is being made in following up on the recommendations of the Development Commission and from the high order of interest on the part of Trustees at the meeting.

In his report, President Meyerson presented the following matters:

1. It is the recommendation of the Department of Economics faculty, endorsed by the Dean of the Wharton School and the Provost's Staff Conference, that Dr. Scott Nearing be designated as Honorary Emeritus Professor of Economics. Dr. Nearing was an Assistant Professor of Economics in 1915 and his contract was not renewed by the Trustees under circumstances which led to some controversy. During the past year or so, various persons have recommended that the University extend some form of recognition to Dr. Nearing, this action by the faculty would appear to be most appropriate. Upon motion made by Mr. Segal and seconded by Mr. Eckman, the following resolution was adopted unanimously:

RESOLVED that the recommendation of the Department of Economics and subsequent endorsement of the Provost's Staff Conference that Dr. Scott Nearing be designated Honorary Emeritus Professor of Economics be approved.
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2. It is to be noted that individual issues on the campus are being watched carefully, including several faculty reappointment and tenure cases, construction of the 20-story hotel on Convention Boulevard, the 3401 Walnut Street development, and a continuing concern about involvement of the local community in University planning. The point was made that direct appeals to the Trustees may come from faculty members with alleged grievances; the Secretary was requested to send a memorandum to Trustees asking them to keep any such requests in appropriate University channels.

Faculty and construction

Athletics

3. At the upcoming meeting of the Ivy Group institutions, there will be discussion of a Coordinator for Athletics, freshman eligibility, and other patterns of athletic competition.

Admissions and disclosure of salaries

4. The recent hearing before the Senate Appropriations Committee in Harrisburg reflected concerns with admissions and the public disclosure of salaries.

Open University

5. A recent visit to the University by the Commonwealth Commissioner for Higher Education provided another opportunity to state the case for having existing institutions involved in the operation of an open university.

Provost Stellar reported as follows:

School of Social Work

1. RESOLVED, That Dr. Louise P. Shoemaker be elected Dean of the School of Social Work effective on this date and extending for a term to June 30, 1976.

Search for Veterinary Dean and Vice Provost for Graduate Studies and Research

2. A consultative committee has been appointed to advise in the search for a Dean of Veterinary Medicine. The committee to advise in the search for a Vice Provost for Graduate Studies and Research has been reconstituted.

Academic appointments approved

3. RESOLVED that the academic promotions and appointments for the period from March 1, 1973 through March 22, 1973 be approved.

Dean Emerson reported on steps recommended recently to increase security of women on the campus. Discussion ensued about the installation of additional lights, and it was agreed that careful consideration should be given to the question of esthetics. The donor of equipment will be queried as to his willingness to supply lights which accord with the views of the landscape architect.

It was reported by Vice-President Uaddis that information recently received suggests a "glimmer of hope" for an informal settlement in the Blue Cross negotiations. He also reported that the Redevelopment project associated with 3401 Walnut Street represents an acutely unsatisfactory situation, in that very old University buildings, which constitute hazards, cannot be demolished by the University because of a third injunction which has been filed in the Court of Common Pleas.
Mr. Ballard went on to explain that the Sansom Street Committee of tenants is seeking to enjoin demolition of Potter Hall; the University is hopeful of a favorable outcome to this action. In addition, he noted, the Sansom Street Committee has filed an administrative complaint with H.U.D. alleging that the proposed redevelopment will have an adverse effect upon the environment. If this complaint is dismissed, the University will request the court to remove the injunction. He noted that the complainant has an appeals procedure available in the Federal court system. By way of summary, he suggested that a resolution to this particular problem may be a long way off.

Upon presentation by Mr. Segal, Chairman of the Trustees' Nominating Committee, the following recommendations were affirmed for referral to the May meeting of the Corporation:

For election as Emeritus Trustee - Life
Ernest Scott

For election as Life Trustee
John W. Eckman

For re-election as Term Trustees
A. Leon Higginbotham, Jr.
Reginald H. Jones
Franklin D. Murphy
Charles S. Wolf

For election as Term Trustee
Julian S. Bers

For the Health Affairs Committee, Dr. Dripps reported that planning for the expanded Silverstein Pavilion is approaching a final point of resolution and that the Subcommittee on Planning will consider final details at a meeting toward the end of April.

Reporting in the absence of Mr. Dunlop on Finance Committee business, Mr. Skinner indicated that a projected outline for the 1973-74 budget had been reviewed. The following resolutions were adopted:
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**Alpha Omega fraternity-dormitory**

RESOLVED, That the appropriate officers of the University be authorized to take such action as may be necessary to the end that title to the Alpha Omega fraternity-dormitory, 4045 Walnut Street, be reconveyed to the Fraternity under the terms of the contractual provisions which apply between the University and the Fraternity.

**Cancellation of student loan**

WHEREAS, David Johnson was a graduate of the College, Class of 1972; and

WHEREAS, David Johnson was granted a student loan from the University Fund in the amount of $2,100; and

WHEREAS, David Johnson died on September 5, 1972:

Therefore be it

RESOLVED, That $2,100 principal and $21 interest due on this loan be cancelled.

**Graduate Hospital Master Charge**

WHEREAS, Graduate Hospital wishes to improve its collection efforts through the use of Master Charge for collection of patient and other charges; Therefore be it

RESOLVED, That an account be opened with Provident National Bank (hereinafter called the Bank), titled University of Pennsylvania Graduate Hospital - Master Charge, and there may be deposited to its credit in one or more accounts with the Bank any monies, checks and other instruments which may come into possession of this corporation. Any other property may be deposited with the Bank for safekeeping custody and other purposes. Items for deposit, collection or discount may be endorsed by any person authorized to sign checks, or endorsement thereof may be made in writing or by a stamp without designation of the person so endorsing.

Any one of the following Treasurer, Associate Treasurer, Assistant Treasurers, Executive Director - Graduate Hospital, or Assistant Director - Graduate Hospital of this corporation is authorized, on behalf of this corporation and in its name, (a) to sign checks, drafts, notes, acceptances and other instruments and orders for the payment of money or for the withdrawal or delivery of funds or other property at any time held by the Bank for the account of this corporation and to receive any thereof, and to issue instructions for the conduct of any account of this corporation with the Bank; (b) to accept drafts, and other instruments payable at the Bank, and to waive demand, protest, and notice of protest or dishonor of any instrument made, drawn, or endorsed by this corporation; and (c) to endorse, negotiate, and receive or authorize the payment of, the proceeds of, any negotiable or other instruments or orders for the payment of money payable to or belonging to this corporation.

The Bank may honor all such checks and other instruments for the payment or delivery of money or property when signed as authorized above, including any payable to the Bank or to any signer or other officer or employee of the corporation or to cash or bearer, and may receive the same in payment of or as security for the personal indebtedness of any signer or other officer or employee or other person to the Bank or in any transaction whether or not known to be for the personal benefit of any such person, without inquiry as to the circumstances of their issue or the disposition of their proceeds, and without liability to the corporation, and without any obligation upon the Bank to inquire whether the same be drawn or required for the corporation's business or benefit.

SECRETARY
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Any action heretofore taken by any officer of this corporation with respect to any of the matters stated above is hereby ratified and confirmed.

The Secretary of this corporation is hereby directed to certify to the Bank a copy of those resolutions and the name of the present incumbents of the offices hereinafter referred to; and to further certify from time to time hereafter the names of any successors to the present incumbents of said offices, together with specimens of their respective signatures; and the Bank is hereby authorized, empowered and directed to rely upon any such certificate, unless and until the same shall have been formally modified or rescinded by a subsequent certificate of this corporation actually received by the Bank.

FURTHER RESOLVED, that the foregoing resolution shall continue in full force and effect until a certified copy of a subsequent resolution of the Board of Trustees of this corporation modifying or rescinding any or all such resolutions shall have been actually received by the Bank.

WHEREAS, Graduate Hospital wishes to improve its collection efforts through the use of Bank Americard for collection of patient and other charges; Therefore be it

RESOLVED: That an account in the name of this Corporation designated University of Pennsylvania Graduate Hospital - Bank Americard be established with The Philadelphia National Bank and that all checks, notes, drafts, or other orders for the payment of money, drawn on or payable against said account, to bearer, or to the order of any person, firm, or corporation including those drawn or endorsed by or to the order of any person signing the same, shall be signed by any one person or persons from time to time holding the following offices of this Corporation:

Treasurer
Associate Treasurer
Assistant Treasurers
Executive Director, Graduate Hospital
Assistant Director, Graduate Hospital

RESOLVED, That the appropriate University officers be authorized to sell the property at 4000 Pine Street, known as Evans House, for the sum of $40,000.

RESOLVED, That the appropriate University officers be authorized to sell the property at 2200-02 Delancey Street, known as Yeatman House, at terms to be negotiated by the officers.

In response to a cautionary noted made by Mr. Eckman concerning the importance of offering property for sale to the highest bidder, Mr. Hetherston explained details of the proposed sale of Evans House; it was agreed that the facts related should be thoroughly

Secretary
Mr. Skinner presented the following report on behalf of the Investment Committee:

The first quarter of 1973 has produced one of the severest declines in stock prices for a three month period in recent years. Although the declines in the three popular averages, ranging between 5.2% and 6.8%, would not necessarily indicate such a severe environment, the 14.0% drop in the Value Line Composite Average (an unweighted index of 1,400 stocks) is much more representative of the very poor stock market. Moreover, 86% of the stocks listed on the New York Stock Exchange were selling at lower prices on March 31st than they were at the end of last year.

The A.I.F. declined 13.0% in the first three months of 1973. The average of all of the 129 growth oriented mutual funds with assets ranging between $25 million and $500 million showed a drop of 14.7% in the comparable period. The A.I.F. ranked 46th out of 130 in this sample, placing its performance roughly in the top one-third of the group. Looking more specifically at its relevant size category, those funds ranging between $100 million and $250 million, the A.I.F. ranked 9th out of 27. The average decline of 13 funds with moderate growth objectives, most of which have had good long term records, was 12.7%, or about the same as that of the A.I.F. Eight aggressive growth funds declined on the average of 21.0% during the first quarter. The fund with the best 10 year record of all funds, T. Rowe Price New Horizons Fund, declined 21.8% in the three months period.

During March, the A.I.F. declined 1.0%, or much less than the 2.9% drop in the Value Line Composite Averages. The average decline of all 534 funds listed in the Arthur Lipper Mutual Fund Performance Average was 2.2% during the month. The 13 funds in the Growth category registered an average drop of 1.8% in March. The 1.0% decline in the A.I.F. would have placed it fourth out of 14 in that category for the month. The average decline in the Aggressive Growth category was 4.5% in March, and all of the eight funds in this group dropped more than the A.I.F.
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Mr. Segal reflected reassurance from the foregoing report and voiced a need for the Executive Board to receive written reports on purchases and sales. It was agreed that hereafter a confidential monthly statement and market letter would be circulated to the Executive Board.

For the University Development Committee, Mr. Eckman reported total subscriptions, gifts, bequests and receipts of $15,450,000, a figure which is well ahead of last year at the same date. He noted the Annual Giving total is $1,730,000 from more than 16,000 donors. Special appreciation was extended to Mr. Dechert, who has made a handsome contribution to the University library in the form of his collection of Americana.

Adjourned.

William G. Owen
Secretary