The Open Stated Meeting of the Trustees of the University of Pennsylvania was held Friday, October 29, 1976 at 2:30 p.m. in the Council Room of the Furness Building.

Present were Mr. Donald T. Regan, (Chairman); Gustave G. Amsterdam, Esq., Mr. Samuel H. Ballam, Jr., Mr. Julian S. Bers, John M. Bixler, Esq., Mr. Orville H. Bullitt, Mr. I.W. Burnham, George R. Burrell, Esq., Mr. Howard Butcher, Mr. McBea Butcher, Mr. Henry M. Chance, Dr. Gloria Twine Chisum, Dr. Edgar Lee Dessen, Mr. Charles D. Dickey, Mr. Robert G. Dunlop, Mr. John W. Eckman, Mr. H. Samuel Greenawalt, Hon. A. Leon Higginbotham, Mr. Reginald H. Jones, Mr. William J. Kennedy, Mr. David J. Mahoney, Ms. Laureine Knight, Mr. Robert P. Levy, Mr. Myron M. Mainthow, Mrs. Margaret R. Mainwaring, Mr. John A. Mayer, Anthony S. Minisi, Esq.; Mr. C.B. McCoy, Mr. William D. Patterson, Bernard G. Segal, Esq., Mr. Wesley A. Stanger, Mr. Sarkes Tarzian, Mrs. Marietta Tree, Robert L. Tescher, Esq., Hon. John H. Ware, Mrs. Jacqueline G. Wexler, Mr. Ernest L. Whitney, Mr. Charles S. Wolf, Mr. Harold L. Zellerbach. Stephen Burbank, Esq., Mr. Stuart Carroll, Dr. Claire Fagin, Mr. Paul O. Gaddis, Ms. Karen Gaines, Dr. Vartan Gregorian, Dr. John N. Hobstetter, Mr. Michel T. Huber, Mr. John C. Hunt, Mr. J. Jerrold Jackson, Rev. Stanley E. Johnson, Dr. D. Bruce Johnstone, Dr. Donald N. Langenberg, Dr. Thomas W. Langfitt, Mr. Edwin M. Laddwell, Mr. Mark S. Levitan, Mr. Robert G. Lorndale, Mr. Harold E. Manley, Dr. Patricia A. McPate, President Martin Meyerson, Mr. Eugene Michels, Mr. William G. Owen, Mr. Curtis R. Reitz, Mr. Gerald L. Robinson, Mr. Fred A. Shabel, Dr. Richard Sherman, Provost Eliot Stellar, Dr. Jon S. Strausz, Mr. E. Craig Sweeten, and Mr. Donald T. Sheehan (Secretary).

The meeting was called to order by Mr. Regan.

The minutes of the June 4, 1976 meeting were approved.

In his opening remarks, President Meyerson introduced John C. Hunt, the Secretary and Vice-President designate, and thanked Donald T. Sheehan, the retiring Secretary and Vice-President for his services.
Personnel searches

Provost Stellar informed the Trustees that discussions were underway with Martin Biddle, British archaeologist, relative to his assuming the position of Director of the University Museum, effective October 1, 1977.

He also reported that searches were underway for a Dean of Admissions, a Dean for the Graduate School of Fine Arts, a Dean for the College of General Studies, and a Director for the Office of Research Administration.

The recommendations for academic appointments and promotions were approved as presented by Provost Stellar.

Academic appointments and promotions approved

A review of the School of Allied Medical Professions' situation was then presented by Provost Stellar who outlined the various study and consultative steps taken in developing recommendations regarding the future status of the School within the University.

Status of SAMP

It was anticipated that the President and Provost would have had the benefit of the views of the several constituencies concerned within the near future so that they might make an administration recommendation early in December for consideration by the Health Affairs Committee and the Executive Board prior to presentation to the Trustees at their January 1977 meeting.

Dr. Langfitt amplified Provost Stellar's remarks on the SAMP discussions and stated that the Health Education Committee of the Health Affairs Committee was being kept abreast of the situation.

Dean Fagin introduced

Dr. Langfitt introduced the new Dean of the School of Nursing, Dr. Claire M. Fagin. He also paid tribute to the significant contributions of the retiring Dean of the School, Dr. Dorothy A. Mereness.

Mr. Dickey provided the Trustees with a progress report of the work of the Ad Hoc Committee on Organizations of the Trustees and Statutes of the Corporation.

The initial recommendations of his committee were concerned with amending the Statutes for the following purposes:

1. To enhance the capacity of the Trustees to forge durable links with the many and varied public and private communities which the University serves and which support the University by increasing the number of Term Trustees from not less than twenty to not more than twenty-five persons.

2. To make the Executive Board more effective in its role as an executive committee of the Trustees with full power to act in their stead by providing that the Chairman and Vice-Chairman of the Trustees shall also serve...
as the Chairman and the Vice-Chairman of the Executive Board.

The following specific amendments required to accomplish these foregoing purposes were approved following presentation of the following resolutions:

RESOLVED, That the Statutes of the Corporation be amended as follows:

1. The introductory clause of Section 1 of Article I is amended to read:

"1. The members of the Corporation "The Trustees of the University of Pennsylvania" shall consist of the Governor of the Commonwealth of Pennsylvania for the time being, the President of the University for the time being, the President of the General Alumni Society for the time being, and such other persons, as shall at the time be Trustees of the University, who shall be divided into four classes;"

2. Section 3 of Article I is amended to read:

"3. In addition to the Governor for the time being, the President of the University for the time being, and the President of the General Alumni Society for the time being, each of whom shall be a trustee of the University, there shall be ten Life Trustees, twenty-five Term Trustees, ten Alumni Trustees, and two Young Alumni Trustees. The filling of vacancies in any class of Trustees shall not be mandatory."

3. Section 4 of Article I is deleted.

4. Sections 5, 6, 7, 8 and 9 of article I are amended to become Sections 4, 5, 6, 7 and 8 thereof.

5. Section 10 of Article I is amended to read:

"10. By the Charter of the Corporation, the Governor of the Commonwealth is constituted, by virtue of his office, President of the Trustees. The Trustees shall elect annually from among their number a Chairman of the Trustees. In the absence of the governor, the Chairman shall preside at all meetings of the Trustees. Except as otherwise herein provided, he shall appoint the Trustee members of all Trustee committees and boards. The Trustees shall also elect annually from among their number a Vice Chairman of the Trustees. The Vice Chairman shall preside at meetings of the Trustees in the absence of the Governor and the Chairman. The Chairman and Vice Chairman shall also serve as the Chairman and Vice Chairman of the Executive Board and shall preside at meetings of that Board in the same manner as is prescribed with respect to meetings of the Trustees. The Vice Chairman shall have such additional duties as may be assigned by the Chairman or as may be resolved by the Trustees from time to time."

6. Section 11 of Article I is amended to become Section 10 thereof.

7. Section 12 of Article I is amended to read:

"11. Special meetings shall be held when requested by resolution of the Trustees, or by written request of the Chairman or Vice Chairman of the Trustees, or of five Trustees, stating the business to be considered, which statement shall be included in the notice of such meeting; and except with the unanimous consent of the Trustees present at such meeting, no business shall be considered other than that so specified."

8. Section 13, 14, and 15 of Article I are amended to become Sections 12, 13, and 14 thereof.

9. Section I Article IV is amended to read:

"1. There shall be an Executive Board with full power to act as an executive committee of the Trustees as prescribed by law, to be composed of such number as the Trustees may by standing resolution
determine. Such standing resolution shall also specify the number of members who shall constitute a quorum of the Executive Board necessary for the transaction of business and the schedule of regular meetings. The Chairman and Vice Chairman of the Trustees shall be members ex-officio of the Executive Board and shall serve as the Chairman and Vice Chairman thereof. The remaining members shall be nominated by the Chairman and elected annually by the Trustees. The Secretary of the University shall act as Secretary of the Executive Board."

10. Section 3 of Article IV is amended to read:

"3. Special meetings of the Executive Board may be called by the Chairman or shall be called by the Secretary upon the written request of at least three of the members. Notice of all meetings of the Executive Board shall be given in the same way as notice of all meetings of the Trustees, provided that whenever the Chairman (or in his absence the Vice Chairman) shall determine that an emergency exists he may call a special meeting and specify a shorter period of notice than that prescribed for meetings of Trustees but in no event less than twelve hours telegraphic or telephonic notice."

The following related resolution was presented and approved by the Trustees:

RESOLVED, That Paragraph 1 of the decree of Judge J. Willis Martin, entered in the Court of Common Pleas #5 of the county of Philadelphia in the September term 1927 (#15,639), which amended the Charter of the Corporation, The Trustees of the University of Pennsylvania, (derived from the act of September 30, 1791) with respect to the membership of said Corporation, is hereby amended so that the Charter of the said Corporation shall provide as follows:

"The membership of the Corporation, The Trustees of the University of Pennsylvania, shall consist of the Governor of the Commonwealth of Pennsylvania, and such additional ex-officio members and such number of other persons as shall be provided in the Rules and Statutes (the by-laws of the Corporation) adopted and to be adopted by the said Trustees."

On behalf of the Nominating Committee, Mr. Segal presented the name of William J. Zellerbach for election as a Term Trustee, effective October 29, 1976. The Executive Board had approved the nomination at their September 30, 1976 meeting. The following resolution was then approved:

RESOLVED, That upon the nomination of the Executive Board, William J. Zellerbach be elected as a Term Trustee for a five year term, effective October 29, 1976.

Mr. Segal stated that he and his committee would welcome suggestions for membership on the expanded board.

Two new Overseers for the School of Veterinary Medicine were approved by passage of the following resolution:

RESOLVED, That the following persons be appointed to the Board of Overseers of the School of Veterinary Medicine and elected Associate Trustees:

William J. Zellerbach

RESOLVED, That Paragraph 1 of the decree of Judge Mardin, entered in the Court of Common Pleas #5 of the county of Philadelphia in the September term 1927 (#15,639), which amended the Charter of the Corporation, The Trustees of the University of Pennsylvania, (derived from the act of September 30, 1791) with respect to the membership of said Corporation, is hereby amended so that the Charter of the said Corporation shall provide as follows:

"The membership of the Corporation, The Trustees of the University of Pennsylvania, shall consist of the Governor of the Commonwealth of Pennsylvania, and such additional ex-officio members and such number of other persons as shall be provided in the Rules and Statutes (the by-laws of the Corporation) adopted and to be adopted by the said Trustees."

On behalf of the Nominating Committee, Mr. Segal presented the name of William J. Zellerbach for election as a Term Trustee, effective October 29, 1976. The Executive Board had approved the nomination at their September 30, 1976 meeting. The following resolution was then approved:

RESOLVED, That upon the nomination of the Executive Board, William J. Zellerbach be elected as a Term Trustee for a five year term, effective October 29, 1976.

Mr. Segal stated that he and his committee would welcome suggestions for membership on the expanded board.

Two new Overseers for the School of Veterinary Medicine were approved by passage of the following resolution:

RESOLVED, That the following persons be appointed to the Board of Overseers of the School of Veterinary Medicine and elected Associate Trustees:
On behalf of the Student Affairs Committee, Mr. Trescher called upon Messrs. Burbank and Reitz to bring the Trustees up to date on the WXPN situation.

Mr. Chance, Chairman of the Finance and Operations Committee, stated that the Fiscal Year 1976 was in balance and that his committee was monitoring the current year. Budget planning for 1977-78 is getting underway. Inflation, he noted, is rising faster than income.

Mr. Mayer, Chairman of the Audit-Subcommittee, reported that his committee had met and that all audits were complete without exception and on time. Sound financial controls were now in place. An unqualified certificate has been received from Coopers & Lybrand.

Mr. Stanger, Chairman of the Investment Board, reported that the total market value of the A.I.F. on September 30, 1976 was $105.1 million or $185.38 per share. The portfolio remains about equally divided between fixed income securities and equities. Gross investment income for the next 12 months is estimated to be approximately $6.2 million or 6% of current market value. However, the actual income received will naturally reflect trends in interest rates and dividend levels as well as possible changes in the composition of the portfolio.

On a per share basis the AIF has increased in value 1.6% since June 30, 1976 and 15.1% since September 30, 1975. The common stock portion of the Fund, adjusted for transactions, has appreciated 1.5% since June 1976 while the S&P 500 gained 0.6% and the Dow Jones Industrial Average lost 1.3%. Comparing the year September 30, 1975 to September 30, 1976, AIF common stocks increased 26.6%, the S&P 500 averaged 25.5% and the Dow Jones Industrial Average 24.7%.

Mr. Chance presented the following resolutions which were approved:

WHEREAS, the Prudential Insurance Company of America has issued a mortgage loan commitment to the Corporation dated September 10, 1976, which commitment provides for a loan to the Corporation in the amount of $12,000,000 secured by a mortgage encumbering fourteen parcels in the University campus, which loan shall bear interest at the rate of 9 1/4% and shall be repaid in 180 equal monthly installments; and

Mortgage loan commitment ratified

SECRETARY
WHEREAS, the Vice President and Treasurer accepted the commitment on behalf of the Corporation on September 17, 1976: Therefore be it

RESOLVED, That the Corporation hereby ratifies the action of the Vice President and Treasurer in accepting the commitment on September 17, 1976; and be it further

RESOLVED, That the President or any Vice-President and the Secretary or any Assistant Secretary are hereby authorized to execute and deliver to Prudential Insurance Company of America all loan documents, including, but not limited to, the Note, Mortgage, Conditional Assignment of Rents and Assignment of Leases, and all such other documents as may be required by the lender and/or the title insurance company and to take such other action as may be required to fulfill the terms and conditions of the commitment letter.

WHEREAS, the Vice-President for Health Affairs, the Dean of the School of Medicine, and the Executive Director, University Hospitals have determined that the present space allocated to Radiology and Radiotherapy is inadequate and inefficient for teaching, administration and the delivery of services; and

WHEREAS, approximately 21,000 square feet can be made available by constructing two additional floors to the Donner Building and a second floor on the Ravdin Courtyard in-fill; and

WHEREAS, the estimated cost of the completed project is $3,200,000; and

WHEREAS, the estimated cost of construction of the basic shelled space is $2,200,000; and

WHEREAS, funds in the amount of $2,200,000 are presently available of which $1,000,000 would have to be reimbursed: Therefore be it

RESOLVED, That the construction of additional space for the Department of Radiology and Radiotherapy be approved at a cost of approximately $2,200,000; and be it further

RESOLVED, That the project be completed only as additional funds are raised to a total project cost of $3,200,000.

Mr. Ballam, Chairman of the Health Affairs Committee, reported that for the fiscal year ending June 30, 1976, the Graduate Hospital has a $251,000 deficit as compared to a budgeted deficit of $454,000. For the first quarter of fiscal 1976, the hospital had an excess of revenues over expenses of $70,000 as compared to a budgeted loss of $64,000. Hospital occupancy has been strong, he said, and has exceeded budgeted expectations.

Mr. Ballam also reported on the relationship of our School of Medicine to the closing of Philadelphia General Hospital. He said that an orderly transfer of responsibility for medical supervision at PGH from our School of Medicine to the Hahnemann Medical College took place on September 30 and brought to an end 107 years of continuous service to the hospital by the School of Medicine.

The nomination of Mr. Richard Spence, President of Consolidated Rail...
Corporation, as a member of the Hospital Affairs Committee, was proposed by Mr. Ballam and approved by the following resolution:

RESOLVED, That upon recommendation of the Selection Subcommittee of the Trustees Health Affairs Committee, Richard Spence be appointed to the Health Affairs Committee of the Trustees and elected an Associate Trustee of the University.

Mr. Ballam called attention to the great honor conferred upon Dr. Baruch Blumberg, Professor of Medicine and Anthropology, at the School of Medicine, by virtue of his receiving the 1976 Nobel Prize in Medicine.

Mr. McBee Butcher, Chairman of the Alumni Affairs Committee, reported that the group working on plans for an Alumni Center have come up with what he termed "a workable concept". An Alumni Council on Admissions has been established to coordinate alumni interest and efforts in admissions work. One of its goals will be to intensify the recruitment of alumni children on the one hand and to assist in "softening the blow" when such candidates are rejected for admission. Another goal will be to organize the alumni for more effective recruitment efforts across the board.

Mr. Eckman reporting for both the University Development Committee and the "Program for the Eighties" stated that:

A total of $59.4 million had been raised during the fiscal year 1975-76. The bequest and life income total from alumni and friends, of $10 million is just about double last year's total.

The foundation total represents the second best year from this constituency.

The $9 million from corporations is particularly encouraging, he noted. Included in the fiscal year total is a record $3.4 million from 27,000 donors to Annual Giving. This is an increase of more than $300,000.

The 1976-77 fiscal year total as of October 29, 1976 is $9,147,702.49. This compares with a figure of $5 million last year at the October Trustee's meeting.

Reporting for Mr. Carl Kaysen, Chairman of the Educational Policy Committee, Provost Stellar outlined the highlights of that committee's discussion of new developments toward the improvement and coordination of pre-medical and medical education at the University which had taken place on October 28.

During the discussion, Dr. Langfitt noted that little had been accomplished toward the integration of pre-medical and medical education and that this is a
major thrust of the proposal for an institute of health education.

A joint committee of the Faculty of Arts and Sciences and the School of Medicine is working on a program to improve pre-health and health education.

The concept of an institute is being developed and a proposal is being made to the Commonwealth Fund for funding.

If funded and successfully established, the proposed institute, Dr. Stellar said, could provide a model for all post-secondary education and could give impetus to coordination of higher education with the secondary school.

The following resolutions, thanking Donald T. Sheehan, retiring Secretary of the Corporation and Vice-President, and Froelich G. Rainey, retiring Director of the University Museum, were offered by Chairman Regan and approved with applause.

WHEREAS, Donald T. Sheehan retires from the post of Secretary of the Corporation and Vice-President at the close of this stated meeting, and

WHEREAS, he served the University with great distinction as Secretary and for many years before as Director of Public Relations, Advisor to the President and Trustees, and spokesman for the University;

THEREFORE BE IT RESOLVED, That the Trustees acknowledge with deep affection and gratitude these years of service; and

BE IT FURTHER RESOLVED, That Donald T. Sheehan be designated Secretary Emeritus effective November 1, 1976.

WHEREAS, Froelich G. Rainey has retired from his post as Director of the University Museum; and

WHEREAS, The leadership of Froelich Rainey has maintained the University Museum as one of the great archeological museums and cultural treasures of the world;

THEREFORE BE IT RESOLVED, That the Trustees express their deepest gratitude, respect, and friendship to Froelich G. Rainey for his contributions to the University, to the City of Philadelphia and the world of scholarship.

Mr. Trescher, Chairman of the Corporate Responsibility Committee, announced that the sub-committee previously authorized to direct its attention to issues of internal corporate responsibility had been requested by the Chairman and the President to give priority to all questions relating to the University which might arise out of the recent investigations into political influence in the admissions process. He reported further that the sub-committee consisting of Mrs. Wexler, Mr. McCoy and himself had met and was at work.

Adjourned

Donald T. Sheehan
Secretary of the Corporation
and Vice-President

Corporate Responsibility Committee

Appreciation to Froelich G. Rainey

WHEREAS, Froelich G. Rainey has retired from his post as Director of the University Museum; and

WHEREAS, The leadership of Froelich Rainey has maintained the University Museum as one of the great archeological museums and cultural treasures of the world;

THEREFORE BE IT RESOLVED, That the Trustees express their deepest gratitude, respect, and friendship to Froelich G. Rainey for his contributions to the University, to the City of Philadelphia and the world of scholarship.

Adjourned

Donald T. Sheehan
Secretary of the Corporation
and Vice-President

Corporate Responsibility Committee