
I. Call to Order

In the absence of the Chairman and the Vice Chairman, Robert Trescher, Esq. chaired the meeting.

A. Approval of the Minutes

Action: The minutes of the meeting of December 15, 1977 were approved as distributed.

II. Chairman’s Report

A. Nominating Committee

Mr. Trescher noting that a meeting of the Nominating Committee will be held on March 7, 1978, urged those interested to submit names of individuals to be considered for Trustee appointment.

Mr. Trescher then read the letter to the Trustees from Mr. Regan indicating his intention to step down from the position of Chairman of the Trustees, effective July, 1978 (copy on file with the minutes in the Office of the Secretary). Mr. Meyerson expressed the very special gratitude of the administration for Mr. Regan’s leadership and personal support for the University and appreciation for the fact that he will retain a key role as Trustee and Chairman of the Development Policy Committee.

Action: The Executive Board adopted unanimously the following resolution:

RESOLVED, That members of the Executive Board of the Trustees of the University of Pennsylvania on behalf of their fellow Trustees and of the University community of students, faculty, and alumni, express their deepest appreciation and most profound admiration for the extraordinary leadership Donald Regan has provided in his four years as chairman. We look forward to many more years of his wisdom and strength as a Life Trustee of our great University and as Chairman of our Development Policy Committee for the Program for the Eighties.

III. President’s Report
EXECUTIVE BOARD
STATED MEETING
February 16, 1978

A. President

1. Administrative Appointments

Mr. Meyerson and his colleagues announced three administrative appointments:

- Mr. Willis Stetson as Admissions Director,
- Mr. Curtis Barnes as Communications Director, and
- Ms. Natalie Saxe as Consultant on Commonwealth Relations.

Announcements of the appointments with biographical material are to be sent to each Trustee.

Mr. Meyerson also reported the appointment of this year's faculty advisers to the President and the Provost, these include Dr. Alfred Fishman, Dr. Roland Fry and Dr. Nell Painter.

2. Commonwealth Budget FY'79

Mr. Meyerson reviewed the recent announcement of the Governor's budget proposals for FY'79 which include continued reduction in appropriation for the University of Pennsylvania. Mr. Sweeten noted the increased difficulties faced by the Commonwealth in meeting the demands upon its limited financial resources. With that as background against which the University must work to sustain and recapture University appropriations, he noted that the University will need to give even greater effort to its Commonwealth relations and the Legislature, in particular. Mr. Meyerson recommended that one of the steps include the revival of a Trustee committee in Commonwealth relations.

3. Budget Development for FY'79

Mr. Meyerson reported that the recent announcement of the Governor's budget including the continued reduction of appropriations for the University of Pennsylvania has added to the difficulties of achieving a balanced budget. The tuition and fee levels that will be recommended to the Executive Board in March will be higher, and the salaries and wages for faculty and staff less than desired. The University is committed to achieving a balanced budget and in the coming months prior to presentation of the budget at the June Trustees meeting, program and administration cutbacks necessary to achieve a balanced budget will be identified in consultation with the University Budget Committee and the Deans of the Schools.

4. Commencement and Baccalaureate

Mr. Meyerson announced that Secretary of HUD, Patricia Roberts Harris will be the Commencement Speaker, Columnist Art Buchwald will be the Baccalaureate Speaker.

Mr. Meyerson indicated that in the instance of Baccalaureate which is the special province of the first degree students, he has viewed the senior class as having the leading role in recommending the speaker and the invitation to Mr. Buchwald followed their recommendation. In the instance of Commencement as a University wide effort, the suggestions of the seniors play a role, indeed an important but not the determining role. Mr. Meyerson then invited Mitchell Blutt, Senior Class President to add his comments. Mr. Blutt indicated that the senior class is disturbed by the selection process, particularly that the Trustees did not consult the students in the final
B. Report of the Provost

1. Appointments and Promotions

Dr. Stellar presented the resolution on appointments and promotions and noted, in particular, the two tenure appointments being recommended, those of Dr. Susan Wachner and Dr. Moshe Levin. He also included orally the selection previously reported to the Trustees of Dr. Renee Fox for appointment to the new Annenberg chair.

Action: The Executive Board approved the appointments and promotions as distributed (copy on file with the minutes in the Office of the Secretary).

2. Administrative Organization of the Provost's Office

Dr. Stellar reported on two developments affecting the organization of the Provost's office.

In the first instance, the Senate Committee review of the structure of academic organization has affirmed the importance of the post of Associate Provost. As has been noted earlier, Dr. Hobstetter has indicated his intention to end his term as Associate Provost this year. Dr. Stellar reported that he anticipates a search process to be announced shortly and concluded by the end of the term.

The second matter is that Dr. Johnstone has completed the study on the consolidation of programs and maintenance services for student residence. The Provost has reviewed the report and anticipates implementation of the steps toward consolidation in the near future.

3. Contingency Planning

Dr. Stellar recalled that last fall a contingency planning group including faculty senate leadership, Deans and administrative staff was convened to address the particular contingency of the uncertainty of State appropriations for FY'78. Those working with the committee and the President and provost have agreed that such a group should be continued for planning purposes. Dr. Stellar indicated following completion of studies and date analyses being developed for background to that planning, the planning group will be reconvened.

C. Report of the Vice President for Management and Finance

Mr. Gaddis and Mr. Jackson reported briefly on the year-to-date budget performance and presented the enabling resolution to complete the HUP bond defeasance process.

Action: The Executive Board approved the resolution as follows:

WHEREAS, pursuant to authority previously granted from the Executive Board to the appropriate officers of the University and the Hospital of the University of Pennsylvania have negotiated the preliminary terms and conditions relating to a proposed offering by the Hospitals Authority of Philadelphia of approximately $39,400,000 principal amount of Hospital Revenue Bonds (the "1978 Bonds") payable from the revenues of the Hospital of the University
WHEREAS, a draft of Preliminary Official Statement dated February 15, 1978, describing the proposed offering and a draft of the proposed Purchase Contract among the University, the Hospitals Authority and the Underwriters who propose to market the issue have been presented to the meeting; and

WHEREAS, it is expected that on or about February 28 the Underwriters will be in a position to present for the consideration of the University the final proposed terms on which the 1978 Bonds may be marketed, including the Bond maturities, coupon rates, purchase price payable by the Underwriters and the initial public offering price.

NOW, THEREFORE, BE IT RESOLVED, The the proposed offering of the 1978 Bonds for the benefit of the Hospital of the University of Pennsylvania referred to above as more fully described in the Preliminary Official Statement presented to the Board be and the same hereby is approved and the appropriate officers of the University and of the Hospital be and they hereby are authorized and directed to proceed with the offering as proposed, subject to approval of the final terms and conditions of the offering by the Finance and Operations Committee as contemplated by the following resolutions; and

BE IT FURTHER RESOLVED, That the Finance and Operations Committee of the Trustees be and it hereby is requested to hold such meetings as may be necessary or desirable for the purpose of giving final approval to the forms of the following documents referred to and defined in the aforesaid Preliminary Official Statement: the Lease, the Sublease, the Guaranty, the Indenture, the Escrow Deposit Agreement, and the Purchase Agreement (providing for the purchase of treasury bonds for the restricted funded depreciation account); and for the further purpose of approving and authorizing (a) the distribution of a definitive Official Statement with respect to the 1978 Bonds, (b) the issuance of the aggregate principal amount of the Series of 1978 Bonds of each maturity to be issued, the several maturities of such bonds, the aggregate principal amount of such bonds of each such maturity to be issued, the respective interest rates to be borne by such bonds of each such maturity, and the terms of the sinking fund and the funded depreciation account for such Bonds, (c) the underwriting fees or discounts and the public offering price of such Bonds, and (d) the terms and provisions of a Purchase Contract providing for the sale of the Bonds to the Underwriters; and

BE IT FURTHER RESOLVED, That there is hereby delegated to the Finance and Operations Committee the full power of the Executive Board to act on behalf of the University with respect to the matters...
referred to in the foregoing resolutions.

D. Report of the Secretary of the Corporation

Ms. Somerville indicated that she is initiating a practice of reporting to Trustees from time to time on the status of implementation of reports and recommendations of Trustee Committees.

Ms. Somerville reviewed the work of the special ad hoc sub-committee of the Committee on Corporate Responsibility. In October, 1976 the Trustees appointed the special sub-committee of the Committee on Corporate Responsibility chaired by Robert Trescher, Esq. to consider questions rising out of investigations by a Federal grand jury of political influence in professional school admissions.

The primary action recommendation by the committee was that the President charge an appropriate individual or group with the task of developing admissions guidelines for the University community. Curtis Reitz undertook that assignment and a draft of such guidelines has been completed and transmitted by the Provost to the University Council for review.

With the completion of the draft admissions guidelines and the process for approval and implementation of the guidelines is underway, the work of the Committee is completed and the Committee, at the request of its Chairman is discharged.

Dr. Stellar added that the guidelines as drafted represent a needed effort to develop general guidelines within which each graduate school will properly define its own policies and procedures in admissions. In response to a question, Dr. Stellar agreed that the new Admissions Director would have opportunity to be involved in reviewing the guidelines.

IV. Report of Trustee Committees

A. Development Operating Committee

Referring to the report on the campaign for the Eighties distributed with the gray books, Mr. Eckman noted that in the month since the January report of the Committee an additional $2 million has been pledged toward the campaign goal. This represents 54% of the goal.

A number of activities are planned for the Spring focusing on three high priority objectives of the campaign: renovations of the Quadrangle and Dietrich Hall and establishment of fellowships in the Humanities.

In Annual Giving, a total of $2,159,000 has been raised, not including the challenge money from million dollar match. This is $288,000 ahead of this date last year and involves an increase of 3,442 donors over last year.

B. Joint Report of the Educational Policy and Health Affairs Committees

Mr. Ballam and Dr. Langfitt summarized the review which the proposal for the new doctoral degree in nursing science has received culminating in the favorable recommendation of Health Affairs Committee, the Educational Planning Committee of the University Council and the President and Provost. The proposal was also reviewed and endorsed by members of the Educational Policy Committee.

Action: The Executive Board approved the resolution as follows:
WHEREAS, approval of the degree of Doctor of Nursing Science has been recommended by the Educational Planning Committee of the University Council and by the President and Provost; Therefore be it

RESOLVED, That the degree of Doctor of Nursing Science be approved.

C. Joint Report of the Health Affairs and Finance and Operations Committees

The proposal and financial arrangements for the provision of space for research laboratories for orthopaedic surgery was reported as approved by the Finance and Operations and Health Affairs Committees.

Action: The resolution was approved as follows:

WHEREAS, the President, the Vice President for Health Affairs, and the Dean of the School of Medicine have set a high priority on the construction of space for research laboratories of the Department of Orthopaedic Surgery in the Medical Education Building; and

WHEREAS, the Trustees' Health Affairs Committee at a meeting on January 16, 1978 approved the construction of the space for Orthopaedic Surgery; and

WHEREAS, the estimated cost of the project is $1,765,000; and

WHEREAS, subscriptions, gifts and bequests in the amount of $1,983,000 have been recorded, of which $126,800 has been received in cash: Therefore be it

RESOLVED, That a sum not to exceed $1,638,200 (1,765,000 - 126,800) be advanced from current funds cash to finance the construction of research laboratories for the Department of Orthopaedic Surgery in the Medical Education Building at an estimated project cost of $1,765,000; and be it further

RESOLVED, That interest on funds advanced be charged to the School of Medicine at the prevailing prime interest rate; and be it further

RESOLVED, That additional gifts or payments on outstanding subscriptions shall be applied to reduce the advance from current funds; and be it further

RESOLVED, That any unpaid balance of the advance remaining five years after the completion of the project will become an obligation of the School of Medicine to be amortized with interest over an appropriate term of years.

D. Report of the Finance and Operations Committee

Mr. Chance discussed the proposal for expanding the central chilled water plants in several campus buildings to achieve utilities cost savings.

Action: The Executive Board approved the resolution as follows:
WHEREAS, a firm of consulting engineers has completed a study of the feasibility of expanding the central chilled water plants in the Medical Education Building, the Chemistry Laboratory and Williams Hall; and

WHEREAS, the estimated total project cost is $5,100,000; and

WHEREAS, the estimated savings in cost of utilities and other cost avoidance will be adequate to amortize a loan of $5,100,000 over a period of seven years; Therefore be it

RESOLVED, That the construction and equipping of expanded central chilled water plants located in the Medical Education Building, the Chemistry Laboratory and Williams Hall, at a total cost not to exceed $5,100,000, be approved; and be it further

RESOLVED, That the Vice President and Treasurer be, and he hereby is, authorized to borrow an amount not to exceed $5,100,000, on terms to be negotiated with the lender, and to sign whatever documents or agreements are required to effect the loan with the approval of the General Counsel of the University; and be it further

RESOLVED, That the interest and amortization on the loan be charged to the operating budget of the Physical Plant Department with the understanding that savings will be realized from operation of the facilities in amounts sufficient to cover debt service over the term of the loan.

E. Report of the Investment Board

Mr. Stanger discussed the recommendation of establishment of a balanced pooled income fund as a method of attracting resources to the University.

Action: The Executive Board approved the resolution as follows: Charitable Remainder Balanced Pooled Income Fund

WHEREAS, the Trustees of the University of Pennsylvania, on December 3, 1971, adopted a resolution creating the University of Pennsylvania Pooled Life Income Fund; and

WHEREAS, the University of Pennsylvania Pooled Life Income Fund has attracted approximately $300,000 in assets from individual donors; and

WHEREAS, the said Trustees recognize the value of pooled income funds as a method of attracting resources for the University of Pennsylvania; and

WHEREAS, the said Trustees recognize the need to create a new pooled fund with a different investment philosophy from the existing "Fund" to attract new donors:

NOW THEREFORE, BE IT RESOLVED, That the Trustees of the University of Pennsylvania herewith approve the establishment of the University of Pennsylvania Charitable Remainder Balanced Pooled Income Fund in accordance with terms and conditions consistent with those previously approved for the University of Pennsylvania Pooled Life Income Fund, differing only in its stated investment objectives, and
the appropriate University Officers are authorized and directed to take such steps as are necessary to implement the program with advice and consultation from Legal Counsel.

V. Other

A. Distribution of Minutes of Stated Meetings of Executive Board

Ms. Somerville suggested that distribution of minutes of the Executive Board to all Trustees may be a helpful aid to communications between the Executive Board and the Trustees and requested the advice of the Board, the members of the Board concurred that such distribution is appropriate.

There being no further business the meeting was adjourned.

Respectfully submitted

Janis I. Somerville
Secretary of the Corporation