A stated meeting of the Executive Board was held on Thursday 16 August 1978. Those attending included: Paul F. Miller, Jr. (chairman); Samuel H. Ballam, Jr.; Henry M. Chance, II; Charles D. Dickey, Jr.; Robert G. Dunlop; John W. Eckman; Bernard G. Segal; Wesley A. Stanger, Jr.; Robert L. Trescher; John Ballard; Curtis L. Barnes, Jr.; George W. Budd; Diane Cole; Steven H. DuBow; James O. Freedman; Paul O. Gaddis; Ronald D. Hurt; D. Bruce Johnstone; Stephen R. Kurens; Thomas W. Langfitt; Phillip G. Mechanick; Martin Meyerson; William G. Owen; Linda B. Salamon; Eliot Stellar; Barbara B. Wiesel; and Janis I. Somerville (secretary).

I. Call to Order

A. Approval of minutes of the meeting 25 July 1978

Action: The minutes of the meeting of 25 July 1978 were approved as distributed.

II. Report of the Chairman

Mr. Miller stated that he did not have a formal report at this time, but that he is interested in spending time on campus and has been setting aside Fridays for that purpose in August. He added that he wants to be careful as chairman not to become involved in the day to day management of the University, appropriately the responsibility of the President; yet he believes that he can provide an avenue for communication and dialogue with the Trustees.

III. Report of the President

A. President

1. Comments

Mr. Meyerson started his report with a special note of appreciation to Mr. Miller, new chairman of the Trustees. Mr. Meyerson commented that his readiness to learn and curiosity are a delight to see and added his own pleasure in working with Mr. Miller.

Mr. Meyerson and Provost Stellar have met with the Faculty Senate Administrative Review Committee. The Committee's report is expected by September 30.

Mr. Meyerson commented that he had returned recently from a meeting of the Ivy Group Presidents of which he is chairman. The implications of retire-
ment at age 70 is a matter of concern across the campuses as are review of athletic policies and the implications of the Bakke decision.

Mr. Meyerson concluded his comments with the observation that this has been a difficult year for WEFA as it has expanded its activities and more competitors have entered the field. Attention is being given to assessing the plans for of WEFA in the future.

2. Commonwealth Relations

Mr. Meyerson reported that the University has received slightly over $18 million in Commonwealth appropriations, which represents a return of funding for the Veterinary School. Looking to the future, he stated that both candidates for governor are desirous of restricting public expenditures and the Proposition 13 environment is very much in their thinking. With this in mind, a number of leaders in industry are recommending formation of a council to communicate public support in education. Mr. Meyerson also noted that the new master plan is anticipated in the fall. That report calls for a special study of the state-aided category. In that regard, Mr. Meyerson noted that Representative Stapleton has introduced a bill in the assembly that would eliminate aid to all institutions in the state-aided category, except the University of Pennsylvania.

3. Provost Search

Mr. Meyerson indicated that August 15th was the deadline for receipt of nominations of external candidates.

4. Guidelines for Gifts and Grants

Interim guidelines have been developed and will be reviewed by the Faculty in the fall for establishing final guidelines.

5. Resolution on Appointments of Assistant General Counsel

Action: The resolution on appointment of Assistant General Counsel was approved as follows:

RESOLVED, that Matthew W. Hall be elected Assistant General Counsel effective September 1, 1978.

6. Resolution on Appointment of Assistant Secretary

Action: The resolution on appointment of Assistant Secretary was approved as follows:

RESOLVED, that Barbara B. Wiesel be elected Assistant Secretary of the Corporation effective July 1, 1978.
7. Resolution on Planned Reduction of Accumulated Deficit

Action: The resolution on planned reduction of accumulated deficit was approved as follows:

WHEREAS, the Finance and Operations Committee of the Trustees has expressed its intent to use indirect cost roll-forward funds to reduce the University's accumulated deficit; and

WHEREAS, such roll-forward funds have been used in the past to reduce the University's deficit, and

WHEREAS, there is currently available $1,875,825 resulting from recoveries during fiscal year 1976-77; and

THEREFORE, BE IT RESOLVED, that the Comptroller be authorized and directed to apply the $1,875,825 against the University accumulated deficit in the fiscal year 1977-78.

Mr. Eckman expressed congratulations to the administration for taking the difficult measures making it possible to reduce the accumulated deficit to the point where it is possible to see an end to the deficit position.

B. Provost

1. Resolution on Appointments and Promotions

Dr. Stellar presented the recommendations on appointments and promotions, drawing special attention to each of the tenure appointments. He noted that each of the tenure appointments recommended is within the five-year plan of the respective schools.

Action: The appointments and promotions were approved as printed in the Gray Book.

2. Resolution on Appointment of Acting Dean of the Law School

Action: The appointment of an acting Dean of the Law School was approved as follows:

RESOLVED, That Covey T. Oliver be appointed Acting Dean of the Law School effective September 8, 1978.

3. Resolution on Appointment of Acting Vice Provost for Undergraduate Studies and University Life

Action: The resolution on appointment of an Acting Vice Provost was approved as follows:

RESOLVED, That Philip G. Mechanick be appointed Acting Vice Provost for Undergraduate Studies and University Life effective August 1, 1978.

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4. **Ombudsman**

Dr. Stellar reported that John C. Keene, Professor of Regional Planning the Graduate School of Fine Arts, has been appointed Ombudsman succeeding Jacob Abel.

5. **Law School Appointment**

Dean Pollak requested special consideration of a possible tenure appointment. The Law School is competing with other leading schools for the possibility of attracting a remarkable scholar, Allen Watson, from the University of Edinburgh. Normal practice requires that appointments are not presented to the Trustees until the Provost Staff Conference has acted and the individual has indicated willingness to accept. Dean Pollak was requesting prior Trustee approval in this instance.

**Action:** The Executive Board approved a motion that although they will not set a precedent by granting prior approval, the record should show that the Executive Board will approve the tenured appointment of Allen Watson when it comes forward through normal procedures.

C. **Senior Vice President for Management and Finance**

In introducing the management and finance reports, Mr. Meyerson commented that the audit for FY'78 has been completed. The general University will report a $1.5 million deficit - almost exactly the amount by which the governor blue-penciled the Commonwealth appropriation plus the interest on that loss.

Mr. Meyerson also drew attention to the construction under way on College Green. This is the landscaping made possible by a gift from Mrs. Leon (Blanche Paley) Levy and completion is anticipated in late October.

1. **Labor Relations Report**

Mr. Gaddis called upon George Budd to give a brief status report on collective bargaining at the University. Mr. Budd stated that all 13 collective bargaining contracts, except that of the security officers of the hospital, have been successfully negotiated and the remaining one is due shortly. The patterns that have been set by these agreements are in accord with University policy and are consistent with other wage agreements in the area.

2. **Resolution on A-3 Pension Plan Changes**

**Action:** The changes to the A-3 Pension Plan were approved as follows:
WHEREAS, effective as of January 1, 1948, The Trustees of the University of Pennsylvania adopted a Retirement Allowance Plan (the "Plan"), under which pension benefits are provided for certain employees of the University of Pennsylvania (the "University") and of the Hospital of the University of Pennsylvania ("HUP"); and

WHEREAS, the Plan presently provides a pension benefit for a Member of the Plan equivalent to 1.5% of the Member's base earnings during each year of his Membership in the Plan after July 1, 1947, plus 1% of such base earnings as of June 30, 1947 multiplied by his years of service prior to that date in excess of three; and

WHEREAS, the Personnel Benefits Committee, with the approval of the Executive Director of Personnel Relations and the President, has recommended that Plan be amended, effective as of July 1, 1978, to revise the benefit formula for Members of the Plan who are employees of the University to provide an annual pension equivalent to 1.25% of the Member's average annual compensation for the five (5) years during which the Member received the highest compensation from the University, multiplied by all years of service from his date of hire (excluding, however, years of service after the Member's Normal Retirement Date); to provide a survivor benefit for the eligible surviving spouse of a Member who dies after attaining age 55 and having completed 10 years of service; and to provide a minimum pension benefit of $100 per month to Members who have completed 10 years of service and who retire after June 30, 1978; and

WHEREAS, HUP has recommended that the benefits formula for Members of the Plan who are employees of HUP be amended, effective as of July 1, 1978, to provide a pension benefit equivalent to 1.25% of a Member's average annual compensation for the ten (10) years during which the Member received the highest compensation from HUP, multiplied by all years of service from his date of hire, excluding, however, years of service after the Member's Normal Retirement Date), and to provide for such benefits under a separate plan document covering employees of HUP, which plan is to include a minimum pension benefit of $110.40 per month to Members who completed ten (10) years of service and who retired prior to June 30, 1978, or who may retire after that date; and

WHEREAS, HUP has been providing unfunded pension benefits to certain former employees who were not eligible to participate in the Retirement Allowance Plan, with a minimum pension benefit of $110.40 per month, and it is now desired to authorize the institution of a separate plan for the funding of such benefits, subject to the approval of the Internal Revenue Service and other appropriate governmental agencies;

WHEREAS, this Board desires to approve the change in benefits formula for employees of the University and HUP as so recommended, provided that the change shall not result in a reduction of the pension benefit any Member would be entitled to receive under the Plan as in effect on July 30, 1978;

NOW, THEREFORE, BE IT RESOLVED, that the Retirement Allowance Plan of the University of Pennsylvania be amended and restated, effective as of July 1, 1978, so as to provide a benefit for Members of the Plan who are employees of the University equal to 1.25% of a Member's average annual compensation for the five (5) years during which he received the highest compensation from the University, multiplied by all of the Member's years of service, as described above; to provide a survivor benefit for the eligible surviving spouse of a Member who dies after attaining age 55 and having completed 10 years of service and to provide a minimum pension benefit of $100 per month to Members who have completed 10 years of service and who retire after June 30, 1978; and

FURTHER RESOLVED, that the Retirement Allowance Plan be further revised and amended, effective as of July 1, 1978, to provide a pension benefit for Members of the Plan who are employees of HUP equivalent to 1.25% of a Member's average annual compensation for the ten (10) years during which the Member received the highest compensation from HUP, multiplied by all of the Member's years of service, as described above, such benefits to be provided under a separate plan document covering employees of HUP, which plan is to include a minimum pension benefit of $110.40 per

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month to Members who completed ten (10) years of service and who retired prior to June 30, 1978, or who may retire after that dates and

FURTHER RESOLVED, that the Executive Director of Personnel Relations is hereby authorized, on behalf of this Board, to execute the necessary amendments and restatements of the Retirement Allowance Plan and other documents necessary to carry out the aforesaid resolutions, and to make such other administrative modifications to the Plan as he deems necessary or desirable; and

FURTHER RESOLVED, that the Executive Director of Personnel Relations is hereby authorized to submit the aforesaid amendments to the Retirement Allowance Plan to the Internal Revenue Service, and to such other governmental agencies as may be required, in order to obtain the approval of such governmental agencies, and to take such further action as may be required to assure that said Plan remains a qualified plan under the Internal Revenue Code and meets the requirements of the Employees Retirement Income Security Act of 1974 ("ERISA"); and

FURTHER RESOLVED, that the Executive Director of Personnel Relations, in consultation with HUP, is hereby authorized to prepare a plan to provide for the funding of minimum pension benefits now being paid to certain former employees of HUP at the rate of $110.40 per month, and to proceed with the execution of such a plan and its implementation, after approval thereof has been obtained from the Internal Revenue Service and other appropriate governmental agencies; and

FURTHER RESOLVED, that the "Limitation Year" for purposes of applying the limitations of Section 415 of the Internal Revenue Code to the Retirement Allowance Plan of the University and to the Retirement Allowance Plan of HUP shall be the twelve-month period ending June 30; and

FURTHER RESOLVED, that the Executive Director of Personnel Relations of the University shall continue to be Plan Administrator and the "named fiduciary" for administration of the Retirement Allowance Plan of the University and the Retirement Allowance Plan of HUP; and

FURTHER RESOLVED, that the "named fiduciary" for purposes of determining the investment of the assets of the Retirement Allowance Plan of the University and the Retirement Allowance Plan of HUP shall continue to be the Vice-President-Treasurer of the University of Pennsylvania.

3. Resolution on Authority to Transact Business in Florida

Action: The resolution on authority to transact business in Florida was approved as follows:

WHEREAS, The Trustees of the University of Pennsylvania acquired by gift on the 1st day of March 1978 certain property located in Dade County in the City of Miami, State of Florida; and

WHEREAS, The Trustees of the University of Pennsylvania has made application to the State of Florida in order to qualify to do business therein; and

WHEREAS, Section 607.311 of the Florida statutes require that the corporation adopt a corporate suffix: Therefore be it

RESOLVED, That for use in the State of Florida, in order to qualify to do business, the name of the University shall be The Trustees of the University of Pennsylvania, Inc.

4. Resolution Authorizing Sale of Real Estate in Florida

Action: The resolution authorizing sale of real estate in Florida was approved as follows:

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WHEREAS, on January 23, 1970, the University received from Mr. C. Henry Hohn as a contribution and donation, title to three undeveloped tracts of real estate in Florida, namely titles 5, 6 and 7, Block 420, Port St. Lucie subdivision in Port St. Lucie County, Florida; and

WHEREAS, a prospective purchaser has been found for these lots.

NOW, THEREFORE, BE IT RESOLVED, that the sale and conveyance by the University of lots 5, 6 and 7 (or any of them) in Block 420, Port St. Lucie subdivision in Port St. Lucie County, Florida, for consideration of a gross price of $6,600 or $2,200 per lot be and the same hereby is authorized and approved; and

FURTHER RESOLVED, that the appropriate officers of the University be and the same hereby are authorized to execute such deed of conveyance and other instruments and documents and to take such other action as may be necessary or advisable to carry out the intent of the foregoing resolution.

IV. Reports of Trustee Committees

A. Development Operating Committee

Mr. Eckman reviewed the progress of the campaign noting that the report in the Gray Book is as of June 30, 1978. Unofficially, the campaign pledges have reached $149 million.

Annual giving for FY’78 reached $4.3 million, surpassing all previous records. The number of donors also set a record and several reunion classes set records including the classes of 1923, 1943 and 1958.

Looking ahead, Mr. Eckman reported that the development staff is working on planning for the next two years of the campaign with particular emphasis on foundations and major individual gifts.

B. Investment Board

Mr. Stanger, reporting for the Investment Board, stated that as of 31 July 1978 the AIF was valued at $185.39 per share, up 3.3% from June 30. The current yield is 6.2%. Common stock is up 8.1% comparing favorably with 3.7% for Dow and 3.1% Standard & Poor.

C. Nominating Committee

1. Life Trustee Nominations

Action: The Executive Board approved the nominations of Mr. Reginald H. Jones and The Honorable A. Leon Higginbotham, Jr., for presentation to the Trustees in October for election as Life Trustees.

Mr. Dunlop reported that there will be approximately twelve (12) Trustee vacancies in the coming year. As a result, the Nominating Committee will concentrate on identifying new individuals for Term appointment.

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D. Health Affairs Committee

1. Resolution on Monell Chemical Senses Center

Action: The Executive Board approved the resolution on the Monell Chemical Senses Center as follows:

WHEREAS, the Vice President for Health Affairs and a representative of University Counsel, have described for the Board the history, present operations and future prospects of the Monell Chemical Senses Center and have presented to the Board the Plan of Fiscal Division, a Lease Assignment and Agreement, and a Side Agreement which have been drawn in order to effect the transfer of the assets of and the primary fiscal responsibility for the Center to a newly-formed Pennsylvania non-profit corporation which will carry on the activities of the Center.

NOW, THEREFORE, BE IT RESOLVED, that subject to the satisfaction of the Administration with respect to the financial value of the inventions being transferred the transfer of the assets pertaining to and the primary fiscal responsibility for the operation of the Monell Chemical Senses Center to a newly-formed Pennsylvania corporation separate from the University on the terms and provisions set forth in the Plan of Fiscal Division, the Lease Assignments and Agreement and the Side Agreement in the form presented to this meeting be and the same hereby is authorized and approved; and

FURTHER RESOLVED, that the appropriate officers of the University be and they hereby are authorized to execute on its behalf the Plan of Fiscal Division, the Lease Assignment and Agreement and the Side Agreement in the form presented to the meeting with such changes, modifications and amendments as they may approve; and

FURTHER RESOLVED, that the officers of the University be and they hereby are authorized to take such additional action and execute such additional documents as may be necessary or in their judgment advisable to implement the separation of the Monell Chemical Senses Center from the University on the basis of the terms and provisions set forth in the Plan and Agreements referred to above and as authorized in the foregoing resolutions.

2. HUP Governance

Mr. Miller and Mr. Ballam indicated their strong hope that the proposals for hospital governance can be dealt with at the September Board meeting.

3. Educational Policy Committee

Dr. Stellar reported in Dr. Kaysen's absence that a sub-committee of the Educational Policy Committee has been appointed to monitor implementation of the task force report on Black Presence.

V. Other

A. Resolution of appreciation to Dr. Jeannette Nichols

Action: The resolution of appreciation to Dr. Nichols was approved as follows:

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WHEREAS, Jeannette Paddock Nichols has been teacher, counselor, and friend to members of the University of Pennsylvania for nearly thirty years, enriching the intellectual ambience of the campus and adding warmth to its social atmosphere; and

WHEREAS, she has in these years helped to shape the history of the University as well as to record its relatively recent past with unique attention to the lives of faculty, students, and staff; and

WHEREAS, we subscribe to her tenet that people and places are the product of their heritage, and we therefore are confident that Pennsylvania will be a better place in the future because of Jeannette Nichols' presence, as it has been in the past; be it

RESOLVED, that the Executive Board express to Jeannette Nichols the gratitude, affection, and esteem of the University family; and be it further

RESOLVED, that the Secretary of the Corporation inscribe a copy of this resolution for presentation to Jeannette Nichols with the felicitations of the Executive Board on the occasion of the next anniversary of her birth, the seventeenth day of August, 1978.

Adjourned.

Respectfully submitted,

Janis I. Somerville