A Stated Meeting of the Trustees was held on Friday, 24 October 1980.

Those attending included: Paul F. Miller Jr. (chairman); Martin Meyerson (president); Mary Ann Meyers (secretary); Vartan Gregorian (provost); Gustave G. Amsterdam; Walter G. Arader; Samuel H. Ballam Jr.; Richard P. Brown Jr.; I.W. Burnham II; Howard Butcher III; McBee Butcher; Henry M. Chance II; Gloria Twine Chisum; G. Morris Dorrance Jr.; John W. Eckman; Seymour Finkelstein; Michael E. Gilson; Joseph B. Glossberg; Donald G. Goldstrom; F. Otto Haas; A. Leon Higginbotham Jr.; John V. James; Reginald H. Jones; Carl Kaysen; Ann E. Kelley; Ralph Landau; Leonard A. Lauder; Robert P. Levy; J. Paul Lyet; David J. Mahoney; William A. Marquard; Anthony S. Minisi; F. Stanton Moyer; John B. Neff; Donald T. Regan; Nina E. Robinson; Ralph S. Saul; Robert Montgomery Scott; Sara S. Senior; Bernard G. Segal; Wesley A. Stanger Jr.; Sarkes Tarzian; Robert L. Trescher; Jacqueline G. Wexler; Charles S. Wolf; Morris Arnold; Paul Bender; Jean Brownlee; Stuart Carroll; Thomas Corl; Claire Fagin; James Freedman; Peggy Gelber; Louis Girifalco; David Goddard; William Richard Gordon; Matthew Hall; Arthur Hirsch; Michel Huber; Stanley Johnson; Phoebe Lebov; Edwin Ledwell; Robert Lorndale; William Owen; Joyce Randolph; Curtis Reitz; Gerald Robinson; Fred Shabel; Benjamin Shen; Craig Sweeten; Jon Strauss; Edward Stemmler; James Spady; Robert Zemsky; and approximately 200 other members of the University community.

I. Call to Order

Paul F. Miller, Jr. called the meeting to order and an invocation was offered by the Rev. Stanley E. Johnson, the University chaplain. The chairman then cited the rules governing public attendance at open meetings of the Trustees. (See Appendix I.) Observing that some members of the audience had cameras, he ruled photographic equipment in order. He noted that Andrew J. Condon, director of student life, was the sergeant at arms.

Action: The minutes of the Stated Meeting of 20 June 1980 were approved as distributed to members of the board.
II. Report of the Chairman
A. Mr. Miller prefaced a discussion and vote on the nomination of Sheldon Hackney for president of the University with a description of the nature of the search which led the Consultative Committee to its final short list of candidates. (See Appendix II.) He called for questions and comments, and the following exchange took place among the Trustees:

Mr. Glossberg: What evidence of Dr. Hackney's administrative ability did you consider?

Mr. Wolf: After Dr. Hackney got his master's degree and his doctorate from Yale, he went on to Princeton. As a teacher there, he endeared himself to many people, and in a very short time he was elevated to the position of provost and served in that post for three years. Our questions about his stewardship elicited the following responses:

He had a good command of facts.
He talked with many people before he made decisions.
He left no unsolved problems.

In 1975 Dr. Hackney accepted an invitation to become president of Tulane. The university had had an unbalanced budget for close to 25 years, and he balanced it, while at the same time moving ahead with academic programs. He was quiet but firm. He had very high standards, and his appointments of deans ranged from very good to excellent. In a word, Dr. Hackney's record speaks for his administrative ability. His achievements are many, as are his talents; and our hope is that these talents may be employed for the benefit of Penn.

Mr. Miller: I might add that when we were looking at Sheldon Hackney in a preliminary way, I had conversations with a number of administrators at Princeton, including the president who appointed him, the provost who succeeded him, and the present provost, and they were uniformly complimentary about Dr. Hackney's administrative ability. This assessment was echoed by trustees and deans at Tulane and by educators around the country, including Kenneth Pye at Duke, Ivan Bennett at NYU, and Robert Lumiansky, a former professor of English at Tulane and at Penn who is now president of the Council of Learned Societies.

Mr. Landau: What can you tell us about Dr. Hackney's academic interests and background?

Dr. Kaysen: Dr. Hackney was a professor at Princeton when I was director of the Institute for Advanced Study. At one point he was a regular participant and I was an occasional participant in a seminar organized by George Keenan. My first-hand observation was that Dr. Hackney had a very acute, penetrating, and subtle mind. My judgment of that, however, is probably worth less than the judgment...
of his professional colleagues. Princeton has a superb history department, and the opinion of its members, as well as the objective evidence of the rapidity of Dr. Hackney's advancement, testify to his academic qualities. He has been praised as one of the brightest students of C. Vann Woodward, his thesis supervisor at Yale and one of the two or three most distinguished U.S. historians and the leading historian of the South of his generation. Hackney's first book won the Bevridge Prize, which is given by the American Historical Association for the most distinguished work in American history each year. It also received a prize from the Southern Historical Association. His field is Southern politics, and he is unusual in combining a command of the more modern analytical techniques with the old-fashioned and still valuable capacity to write readable prose. So I think there is evidence that in Sheldon Hackney we have somebody who has himself participated in those activities of the highest value to a university—the creation of new knowledge and the reevaluation of old knowledge. No president can himself have competence in the enormous range of disciplines a university such as ours encompasses, but scholarly experience is vital if one is to have sympathy for scholarship and the perspective of scholars, which is an indispensable quality in a good president.

Mr. Lauder: Can someone expand on Dr. Hackney's educational leadership?

Mrs. Wexler: During the search process we talked with a number of presidents of leading institutions, particularly leading research institutions, and what we learned was that Dr. Hackney is a person of extraordinary integrity—that he has intellectual depth and social sensitivity and has brought them together in a very integral way. We learned that he has respect for collegial decision-making, but the courage to act on matters of principle. A hands-on example is the deliberate and caring way he worked at Tulane to establish procedures for upgrading the faculty. He showed respect for the institution while at the same time working to improve it.

Mr. Mahoney: In your interviews did you assess Dr. Hackney's sensitivity to the perspectives of diverse groups?

Mr. Miller: We spent a good deal of time on that, and I know that since the nomination Judge Higginbotham has looked at this issue, too.

Judge Higginbotham: We all know that a university is a very fragile institution, and that a person can be a great leader of a university in some spheres and be deficient in others. I have been impressed with Provost Gregorian's commitment to the principle of including minorities in the faculty and with his willingness to support them there, and I would not want anyone as president who would be a superb manager but an insensitive person. So I called the presidents
of two predominantly black institutions in New Orleans, Xavier and Dillard, whom I know quite well, and they were both confident that Dr. Hackney would be fair and vigorous in matters of affirmative action. More specifically, Xavier's Norman Francis, who has been involved in a number of cooperative programs with Tulane, said that he thought Dr. Hackney was the most effective person he had observed in this area. So you see I have reason to believe that Dr. Hackney will deal effectively with pluralism at the University.

Mr. Minisi: I'd like to know something about Dr. Hackney's relationship with students. Does he have a strong interest in students and does he interact with them?

Dr. Chisum: During the search process, for reasons of confidentiality, it was not possible to consult widely with students at other universities. But I think it is important to note the expressions of regret on the part of Tulane students at the announcement of Dr. Hackney's nomination for the Penn presidency. The Tulane student newspaper ran an advertisement which said: "We're sorry to see you go. You pointed us in the right direction, and we'll carry on from here." I think it suggests the general tenor of rapport with students we can expect from Dr. Hackney.

Mr. Goldstrom: I understand there was some athletic controversy at Tulane, and I was wondering if anyone had gotten any sense of Dr. Hackney's attitude toward athletics.

Mr. Levy: I think the controversy revolved around the fact that when he first went to Tulane, a large segment of the faculty and administration wanted to deemphasize sports, but Dr. Hackney thought that sports were an integral part of the university. He took a football and basketball program that had been floundering and turned it around to where Tulane went to a bowl game within two years and is very competitive in basketball. He also understands the limitations of the Ivy League. He feels that the University, within the framework of the Ivy League, should be competitive in all sports.

Ms. Robinson: I've read some conflicting views of Dr. Hackney's efficacy as a fund raiser, and I was wondering if you could speak to that as it is obviously something we are concerned with here.

Mr. Jones: The first question I put to Sheldon Hackney was how do you rate yourself as a fund raiser. Now I've yet to find anybody who enjoys fund raising. People come in two classes—the willing and the unwilling. Among the willing, there are those who are effective and those who just flunk out. Hackney I found very concerned about fund raising and able to be extremely articulate in presenting a case. I think he also is vitally concerned with the need for academic planning leading to the development of a case. In the short time he was at

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Tulane, he did balance the budget, but he also increased fund raising by 40 percent despite the fact that he was faced with what I would call a local board rather than a national board.

Dr. Kaysen: We heard from some members of the Tulane faculty, more indirectly than directly, that they felt Dr. Hackney had been slow in organizing a capital campaign. We looked into that charge in some detail, and also asked him about it. He responded very directly, saying in conclusion that he had made one decision which proved not to be a good decision in personnel terms. I would add, parenthetically, that it proved not to be a good decision because this particular development officer and the trustees with whom he had to work did not get along. The person himself was quite good, and he is now chief fund raiser for Yale. In any case, having heard something of all of this, I talked with the president of a leading southern university who knows Hackney, Tulane, and New Orleans. His comment was that given the lack of a strong tradition of fund raising at Tulane, Hackney was moving at about the right pace. Anyone who tried to get a campaign going more quickly, he said, would have fallen on his face.

Mr. Miller then asked for a motion naming Dr. Hackney president.

Action: The Resolution for the Consideration of the Nomination of F. Sheldon Hackney for President of the University of Pennsylvania was approved unanimously, in a show-of-hands vote of the 37 active trustees present, as follows:

RESOLVED, that F. Sheldon Hackney be elected president of the University of Pennsylvania, effective 1 February 1981.

III. Report of the President
A. Comments
Mr. Meyerson announced that he had received a formal letter of resignation from Vartan Gregorian giving up the provostship as of 25 October 1980. He then noted that Dr. Gregorian had come to Penn eight years earlier as Tarzian Professor of Armenian and Caucasian Studies, and he praised his work as first dean of the Faculty of Arts and Sciences.

"As a personal privilege," the president continued, I'd like to comment on another aspect of Vartan... and that's a sensitivity and humaneness that's rare among us all. When he would come into an office and see somebody upset, he would say: 'Oh, I'm glad you're angry—it's good for your health.' Or, in a much more personal sense, something that I'll never forget: I was once presiding at a University dinner, and the people there happened to
know that my mother, who was very ill, was in the hospital. I received a phone call during dinner. I took the phone call and came back to the table. And there was one person who immediately sensed what had happened. He came over to me and said, 'Your mother died, didn't she?' What a rare human being who has that kind of perception. It's been a very great pleasure and treat to work with him during these years. I thank him profusely. Vartan, you have been a teacher to us all."

Mr. Meyerson went on to note that while the Program for the '80s had been symbolically closed at lunch, it was clear that the task set five years earlier would have to be pursued with more vigor than ever as state funding, a major source of income, was likely to be severely constrained in the years ahead. He pointed out that since 1978 the Commonwealth has been 50th among the states in the increase it had allotted for expenditures in higher education. That allotment has amounted to a 6 percent increase in a period when no other state has had less than an 11-percent increase, when the median was close to 25 percent, when the highest increase was 30 percent, and when even California, subject to Proposition 13, had made a 35-percent increase in expenditures. The State Board of Education has been asked by the Governor, moreover, for three budgets for 1981-82: one based on 97 percent of current expenditures; one based on 94 percent; and one based on 91 percent. "It is constraints such as this," the president said, "that make it more important than ever for the trustees, alumni, and friends of the University to recognize our need for support at the same extraordinary level we have had during the campaign."

He mentioned then that Penn was going ahead with the establishment of an internal research foundation which had been cited as a goal but not funded by the Program for the '80s. "It is critical," Mr. Meyerson declared, "that we have an available kitty from which to make small grants to members of our faculty, particularly to junior members and particularly in fields where scholars lack easy access to federal government and foundation money." He said the financing of the research foundation would be taken up with the Budget and Finance Committee and other University committees, but expressed the belief that the new project could draw on such sources of income as patent moneys. "Eventually," the president concluded, "we hope to achieve our $5-million goal."
B. Three resolutions introduced by Mr. Meyerson were then approved by the trustees.

1. **Action:** The Resolution of Appreciation to the Thouron University of Pennsylvania Fund for British-American Student Exchange was resolved as follows:

Established as an "academic exchange and experience in international friendship" in 1960 through the vision and generosity of Sir John and Lady Thouron, the exchange named for them has permitted brilliant young leaders from Britain to engage in graduate study at the University of Pennsylvania, while enabling their Pennsylvania counterparts to pursue advanced education at leading British universities. During the presidencies of Gaylord Harnwell and Martin Meyerson, unmatched opportunities have been offered through the Thouron Award to almost 400 accomplished students from both sides of the Atlantic.

RESOLVED, that the Trustees of the University of Pennsylvania express their deepest appreciation to Sir John and Lady Thouron, to Mr. John J. Thouron, and to all who have thus helped further the cause of international understanding, and that on the occasion of the twentieth anniversary of the Awards, they transmit to them their congratulations and thanks for the invaluable educational experience afforded through this program, the largest privately financed exchange of its kind.

2. **Action:** The Resolution of Congratulation to Lawrence R. Klein on the Occasion of his Receiving the Nobel Prize in Economics was approved as follows:

Joining the faculty of the University of Pennsylvania in 1958 as Professor of Economics in the Wharton School, Lawrence R. Klein has long been universally recognized as leader in the field of economic and econometric theory and mathematical model building. A University Professor and, since 1968, Benjamin Franklin Professor of Economics, he founded Wharton Econometric Forecasting Associates, pioneered the project LINK, a model of world economy, and, in June 1980, was honored at the University of Pennsylvania as the first recipient of the President's gold medal.

RESOLVED, that the Trustees of the University of Pennsylvania, in appreciation of the signal honor he has brought to the entire University, offer Lawrence R. Klein their sincere admiration and joyful felicitations on his latest triumph, the award of the Nobel Prize for Economics.

3. **Action:** The Resolution on Administrative Appointments was approved as follows:

RESOLVED that Marstin Alexander and Kenneth Campbell be appointed assistant comptrollers effective October 24, 1980.
IV. Report of the Provost

A. Comments

Dr. Gregorian offered his congratulations to Sheldon Hackney, noting that the president-elect was a fellow historian and commenting that he was glad the Executive Committee had the wisdom to choose someone from the arts and sciences. He then gave the highlights of reports he has written and prepared on the first five years of the Faculty of Arts and Sciences and on his two years as provost.

Dr. Gregorian recalled that FAS was formed in 1974 out of the former Graduate School of Arts and Sciences, the College of Arts and Sciences, College of Liberal Arts for Women, and social science departments located in the Wharton School. "Some 520 faculty members, 8,000 students, 28 departments, and various centers were involved in this unification," he said, "and I am happy to report that integration of administrative and academic functions have been successfully accomplished." The provost thanked the various faculty members and administrators involved in the creation of FAS, noting especially the work of the late Ron Caridi in transforming the College of General Studies into a dynamic and highly visible unit of the University. He pointed out that while fund raising for FAS didn't effectively get under way until the third year of the Program for the '80s, some $25 million was raised, and he emphasized that fund raising must continue to have a high priority in the post-campaign period. The provost cited various foundation grants received by FAS, thanked the directors of those foundations, and noted that 95 percent of the funds from these and other sources are used for the support of people and programs. He said that during the past five years the school has lost five outstanding faculty members to other institutions while recruiting many more from distinguished colleges and universities in the United States and abroad. Strong international ties have been established in a variety of areas, he said. The provost further pointed out that while FAS began as a deficit operation, it had a $300,000 surplus this year. He said he was happy about the establishment of a board of overseers and he thanked Thomas S. Gates, Carl Kaysen, and Ralph S. Saul, who have served as chairmen. The most important problems faced by FAS, Dr. Gregorian concluded, is how to cope with the explosion of new knowledge and the rapid obsolescence of old knowledge.
Turning to the Office of the Provost, he called attention to the fact that during the past two years, the University's budget has been balanced and its accumulated deficit eliminated. In undergraduate admissions, the applicant pool has doubled in two years and the median SAT score of entering freshmen has climbed from 1230 to 1300. In the realm of sponsored research, he noted an increase from $75 million to $111 million. A sense of fiscal responsibility and a commitment to academic planning to excellence, the provost concluded, have been hallmarks of his administration.

He then paid tribute to Mr. Meyerson. "Under his leadership," Dr. Gregorian said, "the University has undergone a metamorphosis—intellectually, educationally, fiscally, and physically. He is one of a handful of university presidents who is both a good manager and a great leader. He has brought outstanding faculty and he has given us a vision."

The provost thanked the acting provost-elect, Benjamin S.P. Shen, vice provosts Louis Girifalco and Janis Somerville, and the executive assistant to the provost, Joyce Randolph. "All the credit goes to them," he said, "all the mistakes are mine. The University of Pennsylvania is a great institution. I have no fear for it. My good wishes to all of you. It has been a great pleasure to serve the faculty, the students, and the administration."

B. Mr. Tarzian expressed his thanks to Dr. Gregorian for all the things he had done since coming to the University. He said, "It was Mr. Meyerson and I who were principally responsible for getting Vartan to come here... to... the [Tarzian] Chair of Armenian History and Culture. After he was here for a year or two they asked him to organize and become dean of FAS, and I think everyone has acknowledged that he did an outstanding job. Then he became provost and again did an outstanding job. But in some respects I think that he hasn't been treated civilly... I feel, and I think there are other trustees who probably feel the same way, that the Executive Board did not handle [the selection of the new president] sensitively. Everyone knew when the selection process started—and many, many people admitted—that if the selection had been made at that time, Vartan Gregorian would have been chosen to be the next president of the University. We had to follow the procedure, which was proper... [But] if there was any good reason why Vartan Gregorian's name could not be submitted to the Executive Board to be considered as a
candidate, I think that could have been done diplomatically through his friends or to him personally and in confidence. And I am sure if there were legitimate reasons why he shouldn't hold that office, he would have been the first to want to withdraw from being considered, in that way preventing this hassle.... So I go along with the appointment of Dr. Hackney as president.... We all hope that he'll do an outstanding job for the University. But I am... sorry that some of these things were handled in a way that people's feelings were hurt and their whole future... jeopardized. At the time when Vartan was offered the job of chancellor at Berkeley... he stayed on because he felt he had a duty to perform here."

C. Mr. Lauder offered a resolution:

Action: The Resolution of Appreciation to Vartan Gregorian was approved as follows:

RESOLVED, that the Trustees of the University of Pennsylvania unanimously declare their thanks and appreciation to Vartan Gregorian for his deep dedication to the University of Pennsylvania and for the superb leadership and service to both the faculty and students of the University in his roles as first dean of the Faculty of Arts and Sciences and as provost of the University.

D. Action: Recommendations for Academic Promotions were approved as follows:

RESOLVED, that Dr. Fred L. Block be appointed associate professor of sociology in the standing faculty effective July 1, 1980 (full salary; with tenure).

RESOLVED, that Dr. Marc Trachtenberg be appointed associate professor of history in the standing faculty effective July 1, 1980 (full salary; with tenure).

RESOLVED, that Dr. Erling E. Boe be appointed professor of education in the standing faculty effective July 1, 1980 (full salary; has tenure).

V. Report of the Trustee Committee on Budget and Finance

Mr. Eckman prefaced his report by remarking that he found Dr. Gregorian's talk very moving, that their association had been close, and that he was sorry to see him leave the post of provost. He then noted that the Budget and Finance and the Faculty and Campus Planning committees had met jointly on 23 October to discuss at length the three resolutions for which he sought approval.
The first, Mr. Eckman said, authorized the expenditure of $14.7 million for renovation of Dietrich Hall, a 140,000-square foot building which had been built in 1952. "Renovation will provide 37,000 square feet of additional space" he explained, "and a financing plan has been worked out to retire any loans by July of 1986."

The budget and finance chairman noted that another resolution on the PGH Nurses Residences related to space for Wharton activities dislocated during the renovation. "The plan is to lease that residence for as short a period as possible, perhaps one year, at a relatively small rental, while we are waiting for City Council to allow us to purchase it for $1,950,000. At the same time," Mr. Eckman said, "the University proposes to make leasehold improvements amounting to $1,275,000, and it has made provisions for possible alternate uses once Dietrich Hall is renovated. Indeed, the Wharton School will guarantee, out of its own budget, any shortfall that may occur due to lack of occupancy."

Finally, the budget and finance chairman noted that his committee recommended adoption of a resolution authorizing a series of utility systems improvements totaling some $5 million. He observed that energy costs had increased from $4.4 million in 1973 to $20 million in 1980 even as energy use had remained constant.

A. Action: The Resolution on the Renovation of Dietrich Hall was approved as follows:

INTENTION: The comprehensive renewal of Dietrich Hall will provide an attractive and efficient center of teaching and research, appropriate to Wharton's stature. It will eliminate the existing network of dark and noisy central corridors and classrooms and offices, and it will provide a series of well lit, acoustically treated, and easily maintained departmental suites, classrooms and amphitheaters.

The project involves a total renovated space of 140,000 gross square feet and a total new space of 37,370 gross square feet for a grant total of 177,370 gross square feet. This will provide renovated classroom space for 1,350 student seats, offices for 183 faculty and spaces for 123 teaching assistants/teaching fellows and significant administrative space.
Major features of the project include:

a. Renovation: The majority of teaching space is located on two "walk-in" ground level floors of Dietrich—the lower entered directly off 37th Street; and the upper entered off Locust Walk. Flexible departmental suites of faculty offices, seminar/conference rooms and research facilities are located on upper levels.

b. New Construction: The new wing will be parallel to Locust Walk—tieting into and linking the two north/south elements of the existing building. The new north link, entered off Locust Walk, will produce an enclosed three and a half story skylit court which contains new tiered medium size amphitheaters on the entry level in addition to a paved promenade area giving access to departments, administration, and lounges on the Locust Walk level and more new case study and lecture rooms on the 37th Street floor level.

c. Energy Conservation: Because of documented acute energy wastage, all of the existing windows in all exterior walls will be replaced. The roofs will be re-done with an added insulation layer and reflective top surface. The present plethora of window unit air conditioning and steam radiators will be replaced by a multi-zoned variable volume central air conditioning system augmented in cold weather by hot water perimeter radiation. Engineers' analysis indicate that the energy characteristics designed into the renovated building are extremely favorable and well within the accepted national standard for energy conservation design.

A companion resolution describes the acquisition and rehabilitation of the PGH Nurses Residence which will serve as swing space for the current occupants of Dietrich during the renovations now planned for completion by September 1982. The PGH Nurses Residence portion of the project will require a total of $3.43 million, $2 million for the first year's lease, $1.28 million for rehabilitation of the property, and $1.95 million for the eventual purchase. Against the planned schedule, $1.38 million will be spent by December 31, 1980 and the full $3.43 million will be required by September 30, 1981.

The renovation of Dietrich Hall itself, is planned to begin in December 1980 and be completed by September 30, 1982 at a total projected cost of $14.7 million with a fairly constant cash flow during this period.

Resources have been identified from a number of sources including gifts specifically for the project, gifts to the Wharton School in general, and other activities and operations in the Wharton School.

The projected cash flow, when combined with the proceeds from temporary investment of positive balances will be sufficient to pay the full projected costs of the project, including interest on negative balances by July of 1986.

It is now projected that this total project will require temporary financing of negative cash flow starting in September of 1981, peaking at some $5.5 million in June of 1982, to be totally repaid from the projected resources by July of 1986. Several external
sources have been identified for this financing at interest rates consistent with those used in the projections.

RESOLVED, subject to the approval of the companion resolution on the PGH Nurses Residence, the renovation of Dietrich Hall is authorized to proceed as planned with a target cost for Dietrich Hall itself of $14.7 million and a target cost of the Nurses Residence of $3.43 for a total authorized project cost of $18.13 million.

B. Action: The Resolution on Utilities System Improvement was approved as follows:

INTENTION:

The estimated total cost of these projects over a five-year period is some $5 million, which can be paid back at interest from projected savings in utility costs within seven years. This proposal is similar in intent and in proposed repayment mechanism to the Central Chilled Water Project approved by the Trustees in February 1978 and implemented during the last two years. A total of $5.1 million was borrowed from PNB (at 9% interest) to finance the construction of three interconnected chilled water plants which are now supplying cooling water to 26 major buildings on campus at an estimated annual savings of $1 million (1980$). The debt service costs of the loan are built into the utility use charges and we are on target to completely repay the loan to PNB by November 30, 1986.

The current proposal involves more and more varied projects than the Chilled Water Project but the concept is the same; i.e., borrow to finance the project and repay the loan from realized savings by charging the debt service costs to the beneficiaries of the energy savings.

Several local banks including PNB and Continental have expressed willingness to finance this project with flexible drawdown and repayment loans at floating interest rates related to prime. This project is a prime candidate for the tax exempt bond financing which should soon be possible under Pennsylvania law. Therefore, current plans call for the start-up of this project to be financed either internally or through the regular operating line of credit until the current uncertainty about the availability of tax exempt financing is resolved.

With the expected continuing success of this second major energy conservation project will almost assuredly come a number of proposals for even more ambitious energy conservation projects in the future. These will be evaluated on their merits and initiated where robust repayment can be demonstrated.

RESOLVED, the outlined program of energy management and conservation projects totaling some $5 million are authorized subject to obtaining satisfactory financing for the initial negative cash flow.
C. **Action:** The Resolution on the PGH Nurses Residence was approved as follows:

**INTENTION:**
The PGH Nurses Residence is a 14 story building of 175,000 gross square feet bordering the campus immediately south of the Medical School. It was built in 1964 at the cost of $4.5 million, approximately one-third of which was supported by Hill Burton monies, as a residence for student nurses in training at PGH. The building is configured mainly as a student residence with 21 two-bedroom and bath suites, and one common kitchen/living room per floor on 13 floors for a total capacity of 546 students (assuming 2 students per 500 square foot suite). The first floor has reception areas, classrooms and a library and the basement has a kitchen, recreation facilities including a large swimming pool.

The Nurses Residence has been of interest to the University as possible expansion space for Medicine or Residential Life ever since the PGH nurses program was discontinued. But the need for swing space for the occupants of Dietrich Hall during its renovation however has prompted immediate action. A lease has been negotiated with the city for the building and an adjacent 22,000 square foot 94 car parking area for one year starting July 21, 1980 at a cost of $195,000. In addition, there is an informal companion agreement that fixes the sale price of the property at $1,950,000 and assumes the continuation of the lease if the sale cannot be approved by City Council within the period of the first lease. Due to the Hill Burton participation in the original financing, a four-year obligation remains that the building be used for health-related purposes. The Wharton occupancy will not satisfy this obligation, but ultimate use by the Medical School or as a residence for health related students will qualify.

A detailed engineering study has estimated the costs of basic rehabilitation of the building, connection of the utilities to the University systems, and improvement of walks and roads that connect the building to the campus at $1,275,000. Annual costs for operations and maintenance (utilities, housekeeping, and basic maintenance) are estimated at $600,000 in 1981 dollars.

It is proposed that the occupant(s) of the building (Wharton for the first two years) be charged the full costs of any further cosmetic or functional renovations and annual costs proportional to their relative occupancy for lease at $195,000 a year or purchase at $1,950,000 amortized over 20 years—$274,149 at 13 percent, for operations and maintenance ($600,000 in 1981 dollars), and for the leasehold improvements ($1,275,000 amortized over 6 years at prime—$295,155 at 11.5 percent).

**RESOLVED,** that the president or any vice president of the University is authorized to do all acts and things required by the following resolutions.
VI. General Alumni Society Task Force Report

Mrs. Senior said that the report was nearing completion and she hoped to be able to distribute it to the trustees well in advance of the January meeting.

VII. Other Business

Mr. Miller announced that Mr. Trescher had reported for the Board of Managers of the University Museum at the Resources Committee's plenary session earlier in the day. He said that as chairman he was dispensing with other committee reports, but noted on behalf of Mr. Neff that the value of common stocks owned by the University had increased 17.3 percent in the past 12 months as opposed to a 14.8-percent increase in the Standard and Poor stock average for the same period.

The chairman then welcomed Michael Gilson, a young alumni trustee who was attending his first board meeting.

Adjourned.

Respectfully submitted,

Mary Ann Meyers
Secretary of the University
RULES CONCERNING ATTENDANCE OF THE PUBLIC
AT MEETINGS OF THE TRUSTEES
OF THE UNIVERSITY OF PENNSYLVANIA

1. Meetings to be Open. The regular stated meetings and the special
meetings of the Trustees of the University of Pennsylvania, its Executive
Board, and its other committees or bodies are open to the public to the
extent required by the Act of July 19, 1974, No. 175. The three regularly
stated meetings of the Trustees are normally in the fall, winter, and spring
of each year. The Executive Board typically meets at times when regularly
stated meetings of the Trustees are not held and often conducts business
requiring an open meeting. From time to time other committees or bodies
also conduct business requiring open meetings. Announcements of these
meetings will be published in accordance with the law.

2. Public Attendance to be Subject to Reasonable Numbers. The
number of the members of the public permitted to attend any such open
meeting of the Board of Trustees and the Executive Board shall be limited
to such number as can be reasonably accommodated in the room or hall
where the meeting is held without interference with the conduct of the
meeting. The determination of such number shall be made by the presiding
officer of the meeting.

3. Public Attendance to be for Purpose of Observation. Members of
the public shall be admitted to such meetings only for the purpose of
observation. They shall not be permitted to participate in any way except
to the extent they may be specifically invited to do so by the presiding
officer. No member of the public attending an open meeting shall in any
fashion interrupt, interfere with, obstruct, disturb, or disrupt the conduct
of such meeting.

4. Audio-visual Equipment and Displays. No member of the public
shall bring into the meeting room of any open meeting any photography,
moving picture, or sound recording equipment, nor any sign, placard,
poster, banner, or other visual display.

5. Enforcement. The presiding officer may take any action deemed
necessary and appropriate to enforce the above.

N.B. During the 1980-81 academic year, the regularly stated meetings of
the Trustees are set for 2 p.m. on October 24, January 30, and June 19.

Mary Ann Meyers
Secretary of the University
September 1980