

**Minutes of Stated Meeting of the
Trustees of the University of Pennsylvania**

June 18, 1999

A meeting of the Trustees of the University of Pennsylvania was convened at 2:30 p.m. on Friday, June 18, 1999, in the Alumni Hall of the Faculty Club, 200 S. 36th Street. Trustees present were Arlin M. Adams, Samuel H. Ballam, Mitchell J. Blutt, Gordon S. Bodek, Richard P. Brown, Gilbert F. Casellas, Richard J. Censits, Gloria Twine Chisum, L. John Clark, Robert A. Fox, Robert A. Gleason, Charles A. Heimbold, Norman P. Hetrick, John C. Hover, Elsie Sterling Howard, Reginald H. Jones, Edward W. Kane, Paul K. Kelly, James J. Kim, Natalie I. Koether, Thomas F. Lang, Donald N. Langenberg, Robert P. Levy, Carolyn A. Lynch, William L. Mack, David P. Montgomery, Paul F. Miller, John B. Neff, Russell E. Palmer, Marjorie O. Rendell, James S. Riepe, Adele K. Schaeffer, Leonard A. Shapiro, Alvin V. Shoemaker, Robert L. Trescher, P. Roy Vagelos, Raymond H. Welsh, Charles K. Williams and Richard B. Worley.

Others attending included Jennifer Baldino, Virginia Clark, Carole Clarke, William Danks, Peter Erichsen, John Fry, John Fuller, Karen Gaines, Eduardo Glandt, John Gillespie, Phyllis Holtzman, Joanne Hanna, Elizabeth HingFay, William Gipson, Kimberly Hoover, William Kelley, Rosemary McManus, Scott C. Lederman, Marilyn Lucas, Medha Narvekar, John Prendergast, Elizabeth Rapisarda, Edward Resovsky, Judith Rodin (ex officio), Judith Rogers, Jacques-Jean Tiziou, Eric Tucker, Jason Saddington, Tom Seamon, Willis Stetson, Duncan Van Dusen, Stuart Watson, Rick Whitfield and Laura Whitton.

- I. Call to Order—Dr. Vagelos**
 - A. Invocation—Rev. William Christian Gipson**
 - B.** The minutes of the meeting of February 19, 1999 were approved as distributed.

- II. Chair's Report—Dr. Vagelos**

- A. Comments**

Dr. Vagelos announced the ending of his term as Chairman of the Board after four and two-thirds wonderful years, due to the very hard work of Dr. Rodin and her staff and the administration, faculty and students at Penn. The stellar progress of the University has had a positive reflection on the Trustees. Dr. Vagelos thanked Dr. Rodin for the fabulous work she has done. The faculty and students at Penn are extraordinary, and Dr.

Vagelos has enjoyed the opportunity to interact with them. Dr. Vagelos thanked all of the trustees for working so well with him and the administration and faculty, and they have all had a great time together. Dr. Vagelos also thanked Joanne Hanna for her support of undergraduate financial aid, and he thanked Rosemary McManus for, in a short period of time, performing so well as the Secretary of the University.

Dr. Vagelos read the memorial resolution for trustee D. Robert Yarnall, Jr. Paul Miller announced the time and the date of the memorial service for D. Robert Yarnall, Jr.

Action..... 1. A Memorial Resolution for D. Robert Yarnall, Jr. was approved as follows:

D. Robert Yarnall, Jr. was born in Germantown, graduated from Germantown Friends School, and was a deeply committed Quaker. An undergraduate at Cornell University during the Second World War, he left school to join the American Field Service, where he drove a combat ambulance for the British Army. Returning to Cornell after the war, he earned a bachelors in mechanical engineering.

Joining the family enterprise, Yarway Corporation, manufacturers of high technology products for energy and process industries around the globe, he eventually became its president and then chairman. Two years ago he retired as chairman of Envirite Corporation, an environmental services firm dealing with hazardous industrial wastes.

Once considered for the position of managing director of the City of Philadelphia, he was a business and civic leader of great ability. Serving as director and deputy chairman of the Federal Reserve Bank of Philadelphia for two years, he also held directorships at Keystone International, PSFS/Meritor, Quaker Chemical Corporation, and SKF Industries. Always interested in fostering international relations, he founded the Greater Philadelphia International Network and served on the World Affairs Council. He served on the boards of the Cornell University Council, International House, Greater Philadelphia First Corporation, Greater Philadelphia Economic Development Corporation, Urban Affairs Partnership, Chestnut Hill Hospital, University City Science Center, WHYY television, the Eisenhower Exchange Fellowship, and the Philadelphia Museum of Art. Somehow he also found time to develop his own talent as a creative artist, exhibiting his photographs in several one-man shows.

Here at Penn, he was elected an overseer of the School of Engineering and Applied Science in 1979 and a trustee of the University in 1981. As a trustee he served on the Academic Policy Committee, the Investment Board, the Executive Committee, and as a member and chairman of the University Responsibility Committee. He was also chair of the Advisory Board of the joint program between Penn and Shanghai Jao Tung University in China. He and his brother

James Biddle Yarnall, a former Director of International Programs at Penn, were among the first to encourage an international dimension at Penn. One of his greatest legacies to this institution, and to the global community, is the D. Robert Yarnall International Scholarship Program. Since 1989, there has been a steady procession of Yarnall Scholars, the latest hailing from Nigeria, Turkey, India, and Kenya. Students from around the world will continue to benefit from this fine resource and will long remember and be grateful to their generous benefactor.

RESOLVED, that the Trustees of the University of Pennsylvania express their deep sorrow over the death of their friend and colleague, and in recording this official minute on behalf of the University community, share their affection and enduring gratitude with the family of Bob Yarnall, for his humanitarian spirit, international reach, and wise counsel throughout the years.

NOTE: Though the resolution was presented as it appears above, the Office of the Secretary was later informed that Mr. Yarnall's father, not Mr. Yarnall himself, initiated the Yarnall International Scholarship Program.

Action..... 2. A Resolution on the Naming of the A. Bruce and Margaret Mainwaring Wing of the University of Pennsylvania Museum of Archaeology and Anthropology was approved as follows:

The credit for the Museum's new collections storage and study wing – designed to save more than 100,000 of the Museum's priceless and irreplaceable ethnographic objects from imminent environmental hazards – belongs squarely with A. Bruce (C'47) and Margaret R. (ED'47, H'85) Mainwaring. As Chairman of the Campaign Committee for the University of Pennsylvania Museum's Campaign for the East Wing, University trustee emeritus Bruce Mainwaring has provided tireless enthusiasm and commitment. He and Peggy, University trustee emeritus and emeritus Chair of the School of Nursing Board of Overseers, have added their great personal generosity to ensure the success of this undertaking.

Design of the new wing incorporates state-of-the-art innovations in Museum storage furniture and climate control into an elegant structure that complements the existing five-building complex and helps achieve noted architect Wilson Eyre's original vision. The East Wing will provide ample working museum space that is as beautiful as it is useful, and will overlook a relandscaped courtyard garden, transformed into a beautiful and welcoming urban green space. Construction of the East Wing will ultimately yield manifold benefits for all aspects of Museum operations and programs, from preservation of rare collections to creation of new exhibition space, and represents a grand entrance for this institution into the twenty-first century.

RESOLVED, that the new East Wing of the University of Pennsylvania Museum of Archaeology and Anthropology be designated the A. Bruce and Margaret R. Mainwaring Wing, in recognition of the Mainwarings' unflagging dedication to the realization of this vision for the future of the Museum and their great generosity in helping make that a reality.

Action..... 3. A Resolution of Appreciation for Richard J. Censits was approved as follows:

RESOLVED, that the Trustees of the University of Pennsylvania acknowledge with gratitude and affection the service of Richard J. Censits (W'58) as a Trustee of the University from 1989 to 1999. His commitment and dedication to the University, through his participation on the Audit and Compliance, Development, and External Affairs Committees, as well as the Health System Board and Health System Executive Committee, CCA Board and Athletics Advisory Board have contributed deeply to the vitality of this great institution. We look forward to his continued guidance, counsel and friendship.

Action..... 4. A Resolution of Appreciation for Carol B. Einiger was approved as follows:

RESOLVED, that the Trustees of the University of Pennsylvania acknowledge with gratitude and affection the service of Carol B. Einiger (CW'70) as a Trustee of the University from 1989 to 1999. Her commitment and dedication to the University, through participation on the Audit and Compliance, Budget and Finance, External Affairs and Student Life Committees, as well as the Investment Board, Undergraduate Financial Aid Committee and Agenda for Excellence Council, have contributed deeply to the vitality of this great institution. We look forward to her continued guidance, counsel and friendship.

Action..... 5. A Resolution of Appreciation for Richard B. Worley was approved as follows:

RESOLVED, that the Trustees of the University of Pennsylvania acknowledge with gratitude and affection the service of Richard B. Worley as a Trustee of the University from 1989 to 1999. His commitment and dedication to the University, through participation on the Audit and Compliance, Neighborhood Initiatives, and Executive Committees, as well as the Health System Board and Health System Executive Committee, Investment Board, and HUP Board, have contributed deeply to the vitality of this great institution. We look forward to his continued guidance, counsel and friendship.

Action..... 6. A Resolution on Designation of Sheldon Hackney as President Emeritus was approved as follows:

RESOLVED, that Sheldon Hackney be designated president emeritus of the University of Pennsylvania, effective June 18, 1999.

B. Vice Chairman's Report—Dr. Chisum

It was with mixed feelings that Dr. Chisum read the resolution of appreciation for Dr. Vagelos.

Action..... 1. A Resolution of Appreciation for and Election as Emeritus Trustee of P. Roy Vagelos was approved as follows:

Dr. P. Roy Vagelos has always responded to the call of great enterprises--the Great Enterprise of Chemistry, the Great Enterprise of Leadership, the Great Enterprise of Penn. As an undergraduate student, a Penn parent, and most recently, Chairman of the Board of Trustees, his commitment to Penn has spanned more than half a century and produced incalculable rewards for the University. In preparation for the "post-Vagelos" era at Penn, we pay awed tribute to his achievements. Since joining the Board of Trustees in 1988, he has invested enormous amounts of time, his legendary energy, and his own resources in the Penn community. The same qualities that marked his leadership at Merck, and led it to be named the most admired company for seven consecutive years, have distinguished his leadership at Penn: vision, a desire to do good, focus, strategic thinking, an ability to motivate others, and results. During his tenure as Chair, in partnership with President Rodin, he has led the Trustees in the University-wide efforts for *Agenda for Excellence*. The extraordinary results have earned him high praise from his friends, colleagues, and, perhaps most importantly, the students themselves.

Indeed it is the University's students who are at the heart of his work. With their interests in mind, he has focused his energy as Chair on advancing two critical areas of need: increasing financial aid and providing further opportunities for undergraduate research. The results speak for themselves, with alumni and friends creating scholarship funds at an unprecedented rate and becoming more personally involved with their student beneficiaries. Equally impressive has been the success of the Vagelos Scholars Program in Molecular Life Sciences, which offers exceptional undergraduates in the School of Arts and Sciences the opportunity to participate in an interdisciplinary program combining chemistry and physics with biology, biochemistry, genetics, neuroscience, and other areas.

Occupying a prominent place in the realm of Great Enterprises is Penn's recently established Institute for Advanced Science and Technology. A major component of this interdisciplinary confluence of the School of Engineering and Applied

Science, the School of Arts and Sciences, and the School of Medicine is the handsome red building that houses the Institute for Medicine and Engineering and the Center for Excellence in Chemistry and Chemical Engineering. The letters over the entrance read The Roy and Diana Vagelos Laboratories. This is one of Penn's great and glowing legacies from a man whose own multi-disciplinary talents have led to discoveries that continue to save and improve lives throughout the world.

RESOLVED, that the Trustees of the University of Pennsylvania, on behalf of themselves, the overseers, administration, faculty, students, and alumni of the University, convey their profound gratitude to Roy Vagelos for the powerful chemistry he has brought to Penn, for his eagerness to ignite the spark of enthusiasm in others, and for the chain reactions of philanthropy and good will that he sets off wherever he goes. We know that it gives him genuine joy to walk across campus and know that what is going on in the classrooms, laboratories, and libraries is improving both individual lives and society. We wish him continued joy in that sure knowledge and success in the great enterprises that lie ahead.

FURTHER RESOLVED, that P. Roy Vagelos be elected an Emeritus Trustee, effective June 18, 1999.

Dr. Vagelos thanked everyone for their applause and the passing of the resolution.

C. Nominating Committee Report—Dr. Chisum

Action..... 1. A Resolution on Election of James S. Riepe as Chair of the Board of Trustees was approved as follows:

RESOLVED, that James S. Riepe be elected Chair of the Board of Trustees of the University of Pennsylvania, effective June 18, 1999 for the term ending June 30, 2000.

Mr. Riepe (W'65, WG'67) is Vice Chairman of T. Rowe Price Associates, Inc. In addition, he is a director of the Baltimore Equitable Society. Mr. Riepe is recognized as one of the leading executives in the mutual fund industry and has played an active role in industry affairs. He is a member of board of directors of the General Re Corporation and the National Association of Securities Dealers, Inc. and its subsidiary, NASD Regulation, Inc. In addition, he is a former chairman of the Board of Governors of the Investment Company Institute, the national trade association for the mutual fund industry, and currently a member of its Executive Committee. He is a trustee and past-chairman of the Board of Trustees of The Baltimore Museum of Art and president of the Board of Trustees of Gilman School.

Active in University affairs, he is a member of the Baltimore President's Council, former member of the General Alumni Society Board and Executive Committee, and past member of the Athletic Advisory Board. In addition, he served as chairman of the Alumni Council on Admissions, member of the Alumni and Mask & Wig Task Forces, alumni president of the Class of '65, and chairman of the Wharton Graduate '67 Reunion Committee.

The James and Gail Riepe Scholarship Fund was established at Penn in 1989 to sponsor undergraduates from the Baltimore area. A member of the Trustees' Executive Committee, Mr. Riepe chairs the Trustees' Audit Committee and Investment Board. Mr. Riepe previously served on the UPHS Board and UPHS Executive Committee.

Action..... 2. A Resolution on Reelection of Susan Catherwood and Gloria Twine Chisum as Vice Chairs of the Board of Trustees was approved as follows:

RESOLVED, that Susan Catherwood and Gloria Twine Chisum be reelected as Vice Chairs of the Board of Trustees of the University of Pennsylvania for one-year terms, effective July 1, 1999.

Action..... 3. A Resolution on Election of Russell E. Palmer as a Vice Chair of the Board of Trustees was approved as follows:

RESOLVED, that Russell E. Palmer be elected a Vice Chair of the Board of Trustees, effective July 1, 1999.

Mr. Palmer (H'83) is an alumnus of Michigan State University. He served as the tenth dean of the Wharton School and Reliance Professor of Management and Private Enterprise between 1983 and 1991 after a distinguished career of 27 years with Touche Ross & Co. (now Deloitte & Touche), where he served as managing director and CEO for 10 years.

Under his leadership, the Wharton School fostered a broad-based program of internationalization, established the Aresty Institute of Executive Education and the Steinberg Conference Center, attracted over 100 new faculty members, and raised over \$100 million. Since leaving the deanship, Mr. Palmer has started the Palmer Group, which buys and develops companies. He is on six NYSE corporate boards and several other boards, including the Advisory Panel to the Comptroller General of the U.S.

Mr. Palmer was the chairman of the Trustees' Internationalization Committee until September 1997, at which time the charge of the Committee was folded into that of the Academic Policy Committee. Mr. Palmer serves currently as vice chair of the Trustees' Audit and Development Committees and as a member of the

Trustees' Executive Committee. In addition to his honorary master's degree from Penn, he holds honorary doctoral degrees from the Free University of Brussels, York College, Chulalongkorn University in Thailand, and Drexel University.

Action..... 4. A Resolution on Election of Natalie I. Koether as a Charter Trustee as approved as follows:

RESOLVED, that Mrs. Natalie I. Koether be elected a Charter Trustee, effective June 18, 1999.

Mrs. Koether (CW'61, L'65) is counsel to the New York law firm of Rosenman & Colin. From 1989-94 Mrs. Koether was a partner with Keck, Mahin & Cate and served as the partner-in-charge of its New York office, which was known in New York as Keck Mahin Cate & Koether. Prior to 1989, Mrs. Koether was a partner with Koether, Harris & Hoffman. Following graduation from law school, Mrs. Koether took a judicial clerkship and practiced with Morgan, Lewis & Bockius in Philadelphia.

At Penn, Mrs. Koether is a member of the Trustees' Academic Policy, Development, Executive, and Honorary Degrees Committees. She served on the Trustees' Internationalization Committee until its charge was folded into that of the Academic Policy Committee in September 1997. She is the former chair of the Board of Overseers for the School of Arts and Sciences and a member of the Trustees' Council of Penn Women. Mrs. Koether endowed a chair in SAS in honor of the late Catherine Bryson (Ed'22, G'47). She is a former trustee of the Peck School of Morristown, New Jersey.

Action..... 5. A Resolution on Reelection of Stephen A. Wynn as a Term Trustee was approved as follows:

RESOLVED, that Stephen A. Wynn be reelected a Term Trustee, effective July 1, 1999.

Mr. Wynn (C'63) is Chairman of the Board, President and CEO of Mirage Resorts, Inc., which owns and operates casino hotels and destination resorts. Mr. Wynn is also a director of the National Retinitis Pigmentosa Foundation and a member of the advisory board of the Center for Strategic and International Studies in Washington, D.C. Mr. Wynn serves on the Trustees' Budget and Finance, External Affairs, and Facilities and Campus Planning Committees.

Action..... 6. A Resolution on Election of the Executive Committee was approved as follows:

RESOLVED, that the following Trustees be elected members of the Executive Committee for one-year terms effective July 1, 1999: Gilbert F. Casellas, Susan W. Catherwood, Gloria Twine Chisum, Elsie Sterling Howard, Paul K. Kelly, Natalie I. Koether, Leonard A. Lauder, William L. Mack, Andrea L. Mitchell, John B. Neff, Ronald O. Perelman, Russell E. Palmer, James S. Riepe (chair), Alvin V. Shoemaker, Saul P. Steinberg, Michael L. Tarnopol, and Lawrence A. Weinbach.

Action..... 7. A Resolution on Appointment of the Investment Board was approved as follows:

RESOLVED, that the following persons be elected as members of the Investment Board of the Trustees of the University of Pennsylvania for a term of one year, effective July 1, 1999 and until their successors are elected or appointed and qualified: Geoffrey Boisi, Christopher H. Browne, Howard Marks, Paul F. Miller, Jr., Myles H. Tanenbaum, Mark Winkelman, and Richard B. Worley (chair).

II. President's Report—Dr. Rodin

A. Comments

Dr. Rodin echoed Dr. Chisum's praise of Dr. Vagelos in stating that the past five years spent working with him have been extraordinary. The effort, loyalty, and the sense of momentum that Dr. Vagelos has contributed is extraordinary, and Dr. Vagelos's leadership legacy is evidenced throughout Penn, ranging from a building dedicated in his honor to the presence of students on campus through his financial aid efforts, to the rejuvenation of confidence in the arts and sciences. Dr. Rodin thanked Dr. Vagelos for being a terrific Chair and a great partner. Dr. Rodin also looks forward to working with Jim Riepe as he becomes the new Chairman of the Board.

The President previewed the Admissions report by announcing that the Class of 2003 is the most selective class in Penn's history. She congratulated Dean Stetson and all of the alumni recruiters and volunteers and everyone who strives to make Penn the school everyone wants to attend.

Dr. Rodin took great pleasure in hearing the resolution designating Sheldon Hackney as President Emeritus. She had the pleasure of accepting Sheldon Hackney's portrait on behalf of the University. Sheldon Hackney's accomplishments are many, and his contributions to Penn are numerous. Sheldon Hackney strengthened Penn

academically, fiscally and globally, and he gave real meaning and purpose to his successful strategic plan, “Choosing Penn’s Future.” She said it will be an honor to have Sheldon’s portrait in College Hall, just as it is an honor to have him back at Penn as a scholar and a teacher.

Action..... 1. A Resolution of Appreciation for Colin S. Diver was approved as follows:

When Colin Diver came to Penn as Dean of the Law School ten years ago, we were heartened to know that the idealistic hero of Anthony Lukas’ book, *Common Ground*, was among us. True to that book’s depiction of him, he has brought to his leadership at Penn a seriousness of purpose and a rare balance of mind and heart. A good listener and a quick decision-maker, he nevertheless remains open and amenable to change. His idealism and commitment to service have become a hallmark not only of his own life but also of the University of Pennsylvania Law School. Penn’s public service requirement, one of many programs that he instituted, is already a model for law schools throughout the world.

During his decade at Penn he has paved the way for the future by successfully updating the School’s infrastructure. Determined to make the Law School’s physical presence reflect and support its excellence, he built Tanenbaum Hall and the Biddle Law Library and provided for the total restoration of Silverman Hall. From inspired and admiring alumni and friends he raised more than \$100 million in gifts and pledges. Dubbing Penn *The Leadership Law School*, he has increased the size of the faculty and enhanced its range and expertise. He has also reshaped the curriculum to provide the kind of interdisciplinary studies that are key to a modern legal education. As a result of his outstanding leadership, our graduates will help shape society and bring special strengths to the cause of social justice in the 21st century.

As lauded as he is for his abilities as an incisive thinker and leader, he is equally gifted in the classroom. Teaching with verve and clarity, he earns the admiration and gratitude of his students. Responsive to the complexities and difficulties of students’ lives, he will go out of his way to help them reach their educational goals. There is evidence to suggest that he is a role model at home as well as on the job: his son Ned just graduated summa cum laude from Penn Law.

RESOLVED, that the Trustees of the University of Pennsylvania, on behalf of themselves, the overseers, administration, faculty, students, and alumni of the University, convey their gratitude to Colin Diver for his immense contribution to Penn Law. A colleague has said of him that, to an unusual degree, he engages completely and operates as a whole human being in all his dealings. We are grateful that he will remain with us at Penn as our first Charles A. Heimbold, Jr. Professor of Law and Economics, a champion of common causes and a most uncommon teacher, friend and colleague.

Action..... 2. A Resolution of Appreciation for Thomas P. Gerrity was approved as follows:

During the past nine years, Tom Gerrity's name has become synonymous with the Wharton School and with excellence, a three-part equation that has earned big dividends for Penn. A universally admired Dean, he has created a superb environment for his students and colleagues. A Rhodes Scholar of broad interests and attainments, he engages with students on a human level, encouraging them to be leaders on many fronts and in many aspects of their lives. His Renaissance Leadership approach has built bridges between Wharton and all of Penn's other schools and has resulted in more interdisciplinary programs than at any time in Penn's history. Bringing to Penn his skills as a corporate leader and one of the fathers of business re-engineering, he orchestrated the most significant curricular change in management education ever achieved by a business school. Carefully consulting with all of the School's constituents, he concentrated on leadership, entrepreneurship, technology, and globalization. Going right to the heart of the matter, he increased the size of the standing faculty and put a strong emphasis on the quality of teaching. He introduced exciting academic programming that is both collaborative and global in its focus and reach. Strengthening faculty research, he dramatically increased its impact on the academic and business communities worldwide. At the same time, his attention to Wharton Executive Education has made it one of the largest university providers of these services in the world.

While leading Wharton to international prominence, he has seen its MBA program recognized as #1 by *Business Week* since 1994, and its undergraduate program recognized as #1 by *US News and World Report* since 1995. During his tenure the School has tripled its endowment and has already raised over \$200 million during the quiet phase of its \$350 million capital campaign. Applications to the undergraduate and MBA programs have exceeded previous numbers in almost every year of the past decade, while the quality of entering students has also increased in all measurable ways. To comfortably accommodate Wharton's outstanding students and faculty, he leaves us with an additional legacy, his eagerly anticipated work in progress, Jon M. Huntsman Hall.

RESOLVED, that the Trustees of the University of Pennsylvania, on behalf of themselves, the overseers, administration, faculty, students, and alumni of the University, convey their gratitude to Thomas Gerrity for his magnificent leadership as Number One leader at our Number One Wharton School. But as any good Renaissance person knows, numbers are not everything. As the "dean of change-management" adjusts his own life to make more time for his family, we are delighted that he will remain at Wharton to teach, do research, and give unquantifiable inspiration to us all.

Action..... 3. A Resolution of Appreciation for Scott C. Lederman was approved as follows:

Mr. Lederman has been Treasurer of the University of Pennsylvania since 1987. He is a 1964 graduate of Rensselaer Polytechnic Institute who served in the U.S. Army in Germany and South Vietnam, attaining the rank of Captain, before entering the MBA program at the Wharton School in 1967.

After completing his studies in 1969, Mr. Lederman worked at the Wharton School's Graduate Division, where he established the first Office of Student Affairs and helped design a budgeting approach that served as the basis for the University's Responsibility Center Management process. In 1972, Mr. Lederman became the Executive Assistant to the newly created position of Vice President for Management (precursor of the current Executive Vice President).

In 1975, Mr. Lederman was elected Vice President of Franklin Investment Company, a wholly owned subsidiary that reported to the University's Investment Board and managed the University's endowment and other investment assets. In that position, he created the first cash management program for the University and the Health System and was instrumental in developing and implementing the University's endowment spending rule. When the investment function was brought back into the University's administrative structure in 1982, Mr. Lederman became the first Director of Investments. In 1987, he was appointed Treasurer of University.

Mr. Lederman has also served on the Board of the West Philadelphia Partnership, becoming its Treasurer in 1988 and Chairman in 1994.

RESOLVED, that the Trustees of the University of Pennsylvania express their appreciation and gratitude for Scott Lederman's thirty years of service to the University community.

B. Academic Report—Dr. Barchi

Dr. Barchi began his report by updating the Trustees on two important positions that the University recently filled: the Director of the Institute of Contemporary Art and the Director of the Fels Center for Government.

Following an international search, Claudia Gould, the Executive Director of Artists Space in New York, will join the University in September as the new Director of the Institute of Contemporary Art (ICA). The ICA has achieved national and international recognition for its innovative exhibitions, which are widely recognized for identifying issues and contemporary artists of enduring significance. The Provost described Claudia Gould as being enormously creative, energetic and articulate and as having keen insights and a deep background in the

contemporary art scene, which will prove invaluable in leading the ICA. During her five-year tenure with Artists Space, Claudia Gould restructured the organization both financially and programmatically, by eliminating a deficit, establishing an endowment fund, and by increasing the funding base while simultaneously establishing grants to artists, establishing an Artists Space newspaper, developing new project spaces, and co-editing a major publication. The responsibilities of the Director of the ICA focus on setting the artistic direction and supervising the operations of the ICA, as well as including the oversight of all exhibitions, financial and personal management, fundraising and the academic interface with undergraduate and graduate education at Penn. Dr. Barchi believes Claudia Gould has the right blend of creative and management experience to take the ICA into the next century and to build upon its terrific reputation.

The Provost also was pleased to report that the School of Arts and Sciences (SAS) Dean Sam Preston recently appointed leading criminologist Larry Sherman as the new Director of the Fels Center of Government. Professor Sherman, currently a Distinguished University Professor at the University of Maryland and Chair of the Department of Criminology and Criminal Justice, will also be appointed the Albert M. Greenfield professor of Human Relations in the Department of Sociology. Dr. Sherman graduated from Denison University, received a Master's Degree in Social Science from the University of Chicago, earned a Diploma in Criminology from Cambridge University and completed his Ph.D. in Sociology at Yale in 1976. Dr. Sherman began his career in city government and police administration as an Alfred P. Sloan Urban Fellow in the office of New York Mayor John Lindsay in 1970. In addition, Dr. Sherman served Mayor Stephen Goldsmith of Indianapolis and Mayor Donald Fraser of Minneapolis, and he frequently testifies before the U.S. Congress and state legislatures on crime prevention policy, as well as currently advising Philadelphia Police Commissioner John Timoney. Dr. Sherman has written four books and hundreds of scholarly articles and has received awards for distinguished scholarship from the American Sociological Association, the American Society of Criminology, and the Academy of Criminal Justice Sciences. Dr. Barchi also reported that the Fels Center, long associated with Penn's Graduate School of Fine Arts, will now become a part of the School of Arts and Sciences, and he is confident that Larry Sherman is the type of distinguished scholar and practitioner who will ensure that the Fels Center will provide superior graduate education to those interested in public service and leadership.

Action..... 1. A Resolution to Establish a Department of Cancer Biology in the School of Medicine was approved as follows:

In association with the formation of The Leonard and Madlyn Abramson Family Cancer Research Institute of the University of Pennsylvania Cancer Center, the School of Medicine proposes the establishment of a basic science Department of

Cancer Biology to provide a focus for investigators interested in basic biological issues using cancer as a model system as well as to centralize and coordinate teaching efforts in cancer biology.

Cancer is an increasingly important biomedical problem and as the population increases in age, is expected to become the leading cause of death in the American population. At the clinical level, the University of Pennsylvania is doing an excellent job of meeting the increased medical needs of cancer; the present Cancer Center and the existing multidisciplinary care groups have allowed Penn to stay at the leading edge of clinical cancer care and research.

The increased scientific focus on cancer as a problem is not solely a reflection of the importance of this group of diseases, however. There is widespread recognition by the research community of the increasing importance of cancer as a model system in which to study a broad spectrum of basic, biological issues, including development, signal transduction, cell cycle control and apoptosis. Although the University has a number of outstanding scientists working in each of these fields, there is no central focus or coordination of effort. As a result, the University has fallen behind its peer institutions, many of which have created basic science departments or programs in cancer biology. Formation of a Department of Cancer Biology would provide needed focus as well as a strong base for support, collaboration and advice to investigators in the Cancer Center, the basic sciences departments within the School of Medicine and the Department of Biology in the School of Arts and Sciences.

This proposal has been endorsed by the key academic and administrative bodies of the School of Medicine and the Medical Center including the Basic Science Chairs, the Steering Committee of Department Chairs, the Standing Committee of Department Chairs and Directors of Centers and Institutes, the System Implementation Group, and the University of Pennsylvania Health System Trustee Executive Committee, as well as by the Provost and the President.

RESOLVED, that the proposal to establish a Department of Cancer Biology in the University of Pennsylvania School of Medicine be approved.

Action..... 2. A Resolution on Closing the Department of Folklore and Folklife in the School of Arts and Sciences was approved as follows:

As the result of close consultation with the standing faculty of Folklore and Folklife and the School of Arts and Sciences' faculty advisory body, the Planning and Priorities Committee, the Dean of the School of Arts and Sciences has recommended that the Department of Folklore and Folklife be closed at the end of the current academic year. While SAS will maintain an active program of graduate education and research in this field, the closure of the Department will

allow the School to make more efficient use of its faculty, particularly in the area of undergraduate education.

Only a small handful American universities have freestanding graduate programs, research centers, or undergraduate majors in folklore, and Penn is one of only two institutions in the U.S. that continues to run a full-fledged department. Through retirements, deaths, and attrition, the faculty size of the Department has declined in recent years, and the number of undergraduate majors has diminished dramatically. Although the four standing faculty and three associated faculty in the Department did not initiate the closure, all have agreed to be transferred to other departments within SAS. The undergraduate major in Folklore and Folklife will be discontinued but will be grandfathered for the ten students in the College of Arts and Sciences and College of General Studies who have already declared it as their major. Undergraduate Folklore courses will continue to be offered through cross-listings, and the undergraduate minor in Folklore will remain intact.

The closure of the Department does not signal the end of Folklore studies at the University. Penn has an international reputation for scholarly excellence in Folklore graduate education and research, and SAS is committed to maintaining the Graduate Group in Folklore and Folklife and to keeping its Ph.D. program in full operation. The School will also establish a Center for Folklore and Ethnography that will serve as a vehicle for promoting faculty research in this field.

RESOLVED, that in accordance with the recommendation put forward by the Dean of the School of Arts and Sciences and subsequently endorsed by the President, Provost, and Academic Policy Committee of the Trustees, the Department of Folklore and Folklife be closed, effective July 1, 1999.

Action..... 3. A Resolution to Establish a Master of Chemistry Education Degree in the School of Arts and Sciences was approved as follows:

The Faculty of the School of Arts and Sciences has approved a proposal to establish a new Master of Chemistry Education degree program that will be administered by the Department of Chemistry. The new degree program has been endorsed by the University's Academic Planning and Budget Committee and by the Provost.

This program emerges from a concern among the Chemistry faculty about the inadequate preparation of science teachers in secondary schools. Members of Chemistry designed the program in cooperation with faculty from the Graduate School of Education (GSE) as well as local secondary school teachers and administrators. The new degree is intended for teachers who are already certified and therefore will have a strong emphasis on improving scientific knowledge as opposed to issues of teaching. Eight of the ten required course units will focus on

specific content areas in chemistry, with the remaining two courses, to be taught by GSE faculty, to focus more exclusively on pedagogy. All courses, however, will involve collaboration with faculty from the GSE aimed at helping the teachers integrate the material they are learning into their own classes.

RESOLVED, that there shall be established within the School of Arts and Sciences a new degree program, the Master of Chemistry Education, that will be administered through the Department of Chemistry.

FURTHER RESOLVED, that the School of Arts and Sciences will undertake a review of the new Master of Chemical Education program after a period of no more than three years.

Note: the title of the above resolution originally read “Master of Chemical Education,” but was changed by the Academic Policy Committee to read “Master of Chemistry Education” at their meeting on June 17, 1999.

Action..... 4. A Resolution on Appointments, Leaves and Promotions, printed on pp.21-37 of the meeting book, was approved.

C. Financial Report—Mr. Fry

Mr. Fry reported on the financial report for the University and the Health Services component for Fiscal Year (FY) 1999, both through April 30, 1999. Through the first ten months of the fiscal year, the University, excluding the Health Services component, increased its net assets by \$329 million, to a total of over \$4.2 billion. Almost all of this increase resulted from non-operating activities, particularly \$112 million in contributions to the endowment and various capital projects, \$8.5 million of investment income, which has been reinvested into endowment principle under our spending rule, and realized and unrealized gains on investments of \$139 million. Through April 1999, the University recorded an increase in net assets from its operating activities of \$28 million.

As shown on the statement of financial position, plant assets, net of depreciation, have increased almost \$143 million since June 30, 1998. This increase is primarily the result of the capital cost incurred for the Biomedical Research Building II/III (recently completed), Perelman Quadrangle, Sansom Common and renovations to the Annenberg School building.

Through April 1999, operating revenue increased almost 10% over the comparable period in FY 1998. Overall, tuition and fee revenue increased 5%, reflecting the tuition rate increase, a slight increase in the number of students enrolled, and some increases in certain special programs. The University continues to see significant increases in revenue derived from contributions and sponsored programs. Sponsored program revenue increased over 15% over the comparable period in FY 1998 to a total of

over \$244 million; this increase reflects the continuing trend the University has witnessed over the last several years in the number of new sponsored program awards received. The University also recorded an increase of over 13% in combined operating and non-operating contributions from FY 1998 to FY 1999. Overall, expenditures increase just under 10%, primarily the result of the increased sponsored program activities.

Mr. Fry reported that it is projected that the University's schools and resource centers will continue to achieve their planned FY 1999 budgeted performance under the principles of Responsibility Center Management.

Through April 1999, the Health Services component of the Health System had a gain of Earnings Before Interest Depreciation and Amortization (EBITDA) of \$57.4 million, which is \$14 million unfavorable variance to budget. After adjusting for depreciation, amortization, and interest expense, the Health Services component had a loss from operations of \$67 million for the first ten months, \$17.3 million unfavorable variance to budget. After accounting for non-operating revenue, non-recurring expenses, and before the adjustment to fair value, the Health Services component had an overall deficit of revenue over expenses of \$17.2 million, which was \$1.2 million unfavorable to budget.

D. Health System Report—Dr. Kelley

Dr. Kelley began his report by announcing one appointment and one resolution. David E. Longnecker was appointed Vice Dean for Professional Services, and he will retain his positions as Chairman of the Department of Anesthesia and as Chairman of the Clinical Practices Executive Committee.

Action.....1. A Resolution of Appreciation for Faculty, Students, Trainees and Staff of the School of Medicine was approved as follows:

The School of Medicine has achieved second place ranking in the total number of funds received from the National Institutes of Health (NIH) in FY 1998, an improvement from third place in FY 1997 and tenth place in FY 1989, with 12 departments ranked in the top five, more than any other medical school in the nation.

The School of Medicine has also achieved distinction as the third highest ranked school of medicine in the country in the 1999 survey conducted by *U.S. News & World Report*, an improvement from a tie for fourth place in 1998 and tenth place in 1990.

RESOLVED, that the Trustees of the University of Pennsylvania, on the recommendation of the University of Pennsylvania Health System Trustee Board Executive Committee, express to the faculty, students, trainees, and staff of the School of Medicine their deep appreciation for a job well done and their admiration for all of the extraordinary efforts made during the past year and decade to achieve these significant accomplishments.

E. Admissions Report—Dean Stetson

Dean Stetson thanked Dr. Rodin for the praising comments she made earlier about the Admissions Office's success in recruiting the best freshman class in Penn's history, and he echoed Dr. Rodin's appreciation of the many people involved in recruitment, including the Trustees, alumni, faculty and students.

Admissions applications increased 6% to an all-time high of 17,600. The admission rate dropped from 29% to 26%, portending a drop next year as well. The acceptance rate increased by 5%, making the overall acceptance rate 54%, which was a major increase for the University and was the largest increase in the Ivy League in terms of improvement of yield. While this news of the acceptance rate is exciting, it also is sobering, as the University will have a few more students than expected, but the Admissions Office will make the necessary adjustments for next year by having a lower admittance rate if the application rate remains as steady as Dean Stetson expects it to.

The Class of 2003 is represented by all fifty states, 67 countries (10% of class is international), 5 continents, 38% students of color from all backgrounds and walks of life, just under 50% are women, and 236 are alumni children. Academically, the Class of 2003 ranks in the top 3% of their class. The admitted class has an average SAT score of 1407, an increase from the average of 1400 from the admitted class from last year, and from that of the mid-1300s from the previous few years. The enrolled Class of 2003 has an average SAT score of 1390, up from 1385 from last year. Dean Stetson clarified that admissions decisions are not based on SAT scores alone; Admissions reviews all other elements of the student's profile, which means the student's character, potential, etc., which the Admissions Office deems important, are taken into consideration. If the Admissions Office based the admittance rate on SAT scores alone, the average score for the admitted class would be higher.

Penn continues to make some progress against other schools in and outside of the Ivy League, which is always an important measure, and it is good to see that Penn continues to grow, specifically against Brown, Duke and Georgetown. Mr. Stetson wonders if Penn will ever break the impenetrable Harvard, Yale, Princeton mystique, but Penn is making steady progress. The Trustee Scholarships, the Leadership Awards and

the Annenberg Scholarships, and all of the new scholarships as a result of initiatives in financial aid, have made a significant difference in helping Penn's admission yield overall.

Dean Stetson concluded his report by noting that already the Class of 2004 has a higher campus visit rate than last year's class by 25%.

IV. Committee Reports

A. Academic Policy—Dr. Langenberg

Dr. Langenberg noted the meeting of the Academic Policy Committee earlier that day, and mentioned the three resolutions that were presented by Dr. Barchi and approved. Dr. Langenberg described as fascinating the presentation by Gail Morrison on the School of Medicine's new curriculum, "Curriculum 2000." Since 1765, when Penn founded the first medical school, it has been "implanting milestones on the road of medical education" and it continues to do this by adapting the medical education curriculum to the present world of healthcare, which places Penn in the forefront of schools of medicine nationwide.

B. Audit and Compliance—Mr. Riepe

Mr. Riepe began his report by noting that the Audit and Compliance Committee had met twice since the last full board meeting, once in May and once in June. Several important issues were covered in these meetings: a full Corporate Compliance review; a review of the Blue Ribbon Committee on the Effectiveness of Audit Committees, a government-sponsored report which the committee reviewed and to which many provisions the committee will adhere; a detailed review of the plans and activities of the Office of Audit and Compliance, reviewing the annual plans, both the progress of FY1999 as well as plans for FY2000, including the integrated, internal control framework, which is a very important internal control effort for the University. The committee received a splendid report on the School of Arts and Science's pilot effort in this area, and the committee hopes this effort will be duplicated in other areas of the University.

Mr. Riepe, on behalf of the committee, expressed praise and satisfaction of the performance of Rick Whitfield, Vice President of Audit and Compliance, and his staff.

Mr. Riepe noted the presentation to the committee by Price Waterhouse Coopers on the current state of FinMIS, the University's financial accounting system, which has been in place for several years with moderate success but still needs improvement. Action for improvement of FinMIS is being developed.

In both the April and June meetings, the committee reviewed the University's Y2K plan, and it is confident that the University's primary, internal constituencies are prepared, and the University must now focus on third party, external relationships. The committee is satisfied with the progress being made with the third party external groups.

C. Budget and Finance—Mr. Fox

Action.....1. A Resolution on the Creation of the Civic Center Development Corporation (CCDC) was approved as follows:

By an ordinance enacted on December 10, 1998, the Philadelphia City Council formally approved the sale and conveyance of an approximately 2.2 acre portion of the former Philadelphia Civic Center site to the University of Pennsylvania (University) and the Children's Hospital of Philadelphia (CHOP), for the latter parties' joint development of a parking garage facility. The University now wishes to proceed, in cooperation with CHOP, with the acquisition and development of this land parcel. The acquisition and development of this property will provide the University and the University of Pennsylvania Health System (UPHS) with up to an additional 1,000 spaces of structured parking.

The University and CHOP propose to establish a development entity to be known as the Civic Center Development Corporation (CCDC), a separate and distinct non-profit corporation which shall serve to oversee, finance, facilitate, and govern the development of this garage, together the other required joint parking, utility, street and plaza infrastructure improvements to be constructed on balance of the Civic Center site.

RESOLVED, that the incorporation and creation of the Civic Center Development Corporation (CCDC), as a non-profit corporation involving the University, CHOP, and any other required parties, be and the same hereby is approved and that the Executive Vice President or other appropriate officers of the University be and they hereby are authorized to take such actions as may in their judgment be necessary or desirable to accomplish the purposes of this resolution, including, without limitation, the conveyance of the University's interest in the above-mentioned 2.2 acre parcel to the CCDC.

Action.....2. A Resolution on the Acquisition of Approximately 2.2 acres of the Former Philadelphia Civic Center Site and the Construction of a Parking Garage on the Same Parcel was approved as follows:

At its meeting on December 10, 1998, the Philadelphia City Council formally approved the sale and conveyance of a roughly 2.2 acre portion of the former Philadelphia Civic Center site to the University of Pennsylvania (University) and the Children's Hospital of Philadelphia (CHOP), for the latter parties' joint and

equal development of a parking garage facility. Pursuant to this action by the City of Philadelphia, the University now wishes to proceed, in partnership with CHOP, with the acquisition and development of this land parcel. The acquisition and development of this property will provide the University and the University of Pennsylvania Health System (UPHS) with up to an additional 1,000 spaces of structured parking.

The acquisition of this property from the City must be completed by June 30, 1999, at a total cost \$5.0 million to the University and CHOP. The development of the parking garage is scheduled to commence in early fall 1999 with an estimated cost of \$21.0 million to the parties involved. The total project development is estimated to cost \$26.0 million and will be shared equally by the University and CHOP through the terms of a joint venture agreement between the two parties. The University's share of the land acquisition costs will be funded through an internal capital loan in the amount of \$2.5 million. The remainder of the project development and construction costs shall be financed via an external loan to be secured by the joint venture (i.e., the Civic Center Development Corporation), the creation of which shall be the subject of a separate Trustee Resolution. In the interim, an internal capital loan of up to \$10.5 million may be required to facilitate this development in accordance with the required schedule.

RESOLVED, that the joint acquisition with the University and CHOP of approximately 2.2 acre portion of the former Philadelphia Civic Center site, and the joint development with CHOP of a parking garage facility on the same site, at a current total estimated cost of \$26.0 million, be and the same hereby is approved and that the Executive Vice President or other appropriate officers of the University be and they hereby are authorized to take such actions, proceed with such construction, execute such contracts, and incur such expenses and obligations – not, however, in excess of 110% of the estimated cost of such construction as presented to the Trustees Budget and Finance Committee – as may in their judgment be necessary or desirable to accomplish the purposes of this resolution.

Action..... 3. A Resolution on the Acquisition and Demolition of the Former Philadelphia Civic Center Site was approved as follows:

At its meeting on December 10, 1998, the Philadelphia City Council formally approved the sale and conveyance of a portion of the former Philadelphia Civic Center site to the University of Pennsylvania (University). Pursuant to this action by the City of Philadelphia, the University wishes to proceed with the acquisition of this 6.0+ acre parcel. The acquisition of this property will provide the University and the University of Pennsylvania Health System (UPHS) with sufficient future space for a fully integrated ambulatory cancer care and research center; an additional medical research and office building; and over 1,000 spaces of structured parking.

As partial compensation to the City for its acquisition of this land, the University will demolish the vacant Exhibition Hall and Center Hall structures currently standing on the property. This demolition work is currently estimated to cost \$13.5 million. The cost of this demolition will be financed through an internal capital project loan to be repaid by funding from allocated costs.

RESOLVED, that the demolition of the Exhibition Hall and Center Hall portions of the former Philadelphia Civic Center, currently estimated to cost \$13.5 million, be and the same hereby is approved and that the Executive Vice President or other appropriate officers of the University be and they hereby are authorized to take such actions, proceed with such construction, execute such contracts, and incur such expenses and obligations – not, however, in excess of 110% of the estimated cost of such construction as presented to the Trustees Budget and Finance Committee – as may in their judgment be necessary or desirable to accomplish the purposes of this resolution.

Action..... 4. A Resolution on the Acquisition of 3401-59 Chestnut Street was approved as follows:

On May 14, 1999, the University submitted a proposal to the Redevelopment Authority of the City of Philadelphia for the purchase and development of 3401-59 Chestnut Street for the University’s future academic, housing, retail, and parking needs. The submission made by the University included a proposed purchase price of \$8.2 million for this 2.58 acre parcel located at the northwestern corner of 34th and Chestnut Streets. If selected as the developer for this property, the University would be required to pay this land purchase price to the Redevelopment Authority via a purchase money mortgage amortized over a twenty-three year period, and bearing interest of 8.00% per annum.

RESOLVED, that the acquisition of 3401-59 Chestnut Street, currently estimated to cost \$8.2 million, be and the same hereby is approved and that the Executive Vice President or other appropriate officers of the University be and they hereby are authorized to take such actions, execute such contracts, and incur such expenses and obligations – not, however, in excess of 110% of the estimated cost of such acquisition as presented to the Trustees Budget and Finance Committee – as may in their judgment be necessary or desirable to accomplish the purposes of this resolution.

Action..... 5. A Resolution on the University’s Guaranty of Up to \$5.0 Million of Loans of University City Associates, Inc. was approved as follows:

University City Associates, Inc. (“UCA”) borrowed \$5,000,000 (the “Loan”) from National Westminster Bank NJ (now Fleet Bank) (the “Bank”) in June of

1992 for various corporate purposes. The Loan is due on June 22, 1999 and UCA desires to borrow up to \$5,000,000 from another banking institution to refinance the Loan. In connection with the Loan, the University executed and delivered its guaranty to the Bank, guaranteeing UCA's obligations to repay the Loan, which significantly reduced UCA's interest costs. UCA has again requested and the administration of the University recommends that the University execute a guaranty with respect to the new \$5,000,000 loan that UCA desires to incur in connection with the refinancing of the Loan to reduce UCA's borrowing costs.

RESOLVED, that the Trustees of the University hereby approve the University's guaranty (the "Guaranty") of a \$5,000,000 loan by a financial institution to UCA, provided that the total amount of UCA's borrowing to which the Guaranty relates shall not exceed \$5,000,000 plus interest and other charges payable thereon and that the term of the Guaranty not exceed 10 years.

FURTHER RESOLVED, that the Executive Vice President, Vice President for Finance and the Treasurer be and any one of them is hereby authorized and empowered to approve the form, conditions and terms of the Guaranty Agreement and to execute and deliver on behalf of the University the Guaranty and other documents required to be executed and delivered in connection thereto, the execution and delivery of the Guaranty and any other documents to be conclusive evidence of approval thereof by the executing officer.

FURTHER RESOLVED, that the Secretary or his or her designee be and any one of them is hereby authorized and empowered to attest the corporate seal to the Guaranty and any document executed and delivered in connection with the Guaranty on behalf of the University.

FURTHER RESOLVED, that the Executive Vice President, Vice President for Finance and the Treasurer be and any one of them is hereby authorized and empowered to take any action or to do anything that shall be necessary to carry out the intent and purposes of this resolution.

Action..... 6. A Resolution on the Renovation of Tandem Building to Accommodate Relocated Programs for the Office of Environmental Health and Radiation Safety was approved as follows:

Facilities Services wishes to proceed with the design and construction of renovations within the Tandem Building. The renovations will accommodate the need for consolidated storage, laboratory, computational, administrative and office spaces for the Office of Environmental Health and Radiation Safety (OEHRs). The program is to be relocated from two floors within Blockley Hall, which are scheduled for subsequent renovation, and provides sufficient space to satisfy the scheduled needs for the ongoing storage of radioactive materials. The

renovated building will provide 12,100 square feet on one level through selective demolition of existing partitions, design and installation of new partitions, upgrades of building systems, installation of existing equipment as required and selective new finishes. The project is estimated to cost \$2.4 million, and is to be fully funded through a capital transfer from Central University Resources.

RESOLVED, that the design and construction of the renovations of the Tandem Building for the Office of Environmental Health and Radiation Safety (OEHRs), estimated to cost \$2.4 million, be and the same hereby is approved and that the Executive Vice President or other appropriate officers of the University be and they hereby are authorized to take actions, execute such contracts and incur such expenses and obligations – not, however, in excess of 110 percent of the estimated cost as presented to the Budget and Finance Committee – as may, in their judgement, be necessary or desirable to accomplish the purposes of this resolution.

Action..... 7. A Resolution on the Locust Walk Chilled Water Line Extension was approved as follows:

This project will install a chilled water line connection from the main line in 38th Street to the Schattner Center, through Locust Walk. The work is required to serve the Schattner Center with chilled water, in order to provide for cooling in the new building. Additionally, there will be a chilled water line installed from 38th Street to the 1920 Dining Commons for future decommissioning of the existing Module IV Plant. This project is estimated to cost \$1.5 million and will be paid for through an internal capital project loan. Interim financial costs and the amortization of the Internal Capital Project Loan are to be covered equally by the School of Dental Medicine and Housing and Dining Services.

RESOLVED, that the construction of a chilled water line, estimated to cost \$1.5 million, be and the same hereby is approved and that the Executive Vice President or other appropriate officers of the University be and they hereby are authorized to take actions, execute such contracts and incur such expenses and obligations – not, however, in excess of 110 percent of the estimated cost as presented to the Budget and Finance Committee – as may, in their judgement, be necessary or desirable to accomplish the purposes of this resolution.

Action..... 8. A Resolution on a Renovation Within Weightman Hall to Accommodate the Sports Medicine Program for the University of Pennsylvania Health System was approved as follows:

The University of Pennsylvania Health System (UPHS) wishes to proceed with the design and construction of renovations within Weightman Hall. The renovations will accommodate the need for treatment, rehabilitative, examination,

administrative and faculty office spaces for the Sports Medicine Program. The program is to be organized and consolidated within existing underutilized space, thereby providing readily accessible services to University athletes. The renovated spaces will provide 10,000 square feet on two floors through selective demolition of existing partitions, design and installation of new partitions, upgrades of building systems, installation of existing equipment as required and selective new finishes. The project is estimated to cost \$1.8 million. A Capital Funding Transfer of \$1.5 million will be provided for this project by the Department of Orthopedics and \$250,000 from the Facilities Renewal funds will be invested for HVAC upgrades.

RESOLVED, that the design and construction of a renovation within Weightman Hall for the Sports Medicine program, estimated to cost \$1.8 million, be and the same hereby is approved and that the Executive Vice President or other appropriate officers of the University be and they hereby are authorized to take actions, execute such contracts and incur such expenses and obligations – not, however, in excess of 110 percent of the estimated cost as presented to the Budget and Finance Committee – as may, in their judgement, be necessary or desirable to accomplish the purposes of this resolution.

Action..... 9. A Resolution on the Renovation of the Evans Building Phase IA for the School of Dental Medicine was approved as follows:

The School of Dental Medicine wishes to proceed with Phase IA of a multiphase infrastructure renovation project. This will provide Evans with its own electrical feed and main transformers and substation, a new central chilled water feed, new compressed air system and demolition of the power house (4025 Irving Street and 4019 Irving Street). The project is estimated to cost \$1.2 million and will be funded with Facilities Renewal Funds. \$400,000 will require an interim capital loan for one year. Interest on this loan will be paid by the School of Dental Medicine; principal on the loan will be made available in FY 2002 through Facilities Renewal Funds.

RESOLVED, that the construction of the School of Dental Medicine, Evans Phase IA Infrastructure Renovation, estimated to cost \$1.2 million, be and the same hereby is approved and that the Executive Vice President or other appropriate officers of the University be and they hereby are authorized to take actions, execute such contracts and incur such expenses and obligations – not, however, in excess of 110 percent of the estimated cost as presented to the Budget and Finance Committee – as may, in their judgement, be necessary or desirable to accomplish the purposes of this resolution.

Action..... 10. A Resolution on the Revised Plan Technical Amendments to the Retirement Allowance Plan for Tax Compliance was approved as follows:

The Retirement Allowance Plan of the University of Pennsylvania (the “Plan”) is being amended and restated to incorporate the following changes:

The Plan incorporates all changes required by the Tax Reform Act of 1986, which include changes in the coverage, participation, distribution and vesting rules affecting qualified plans. Subsequent federal legislation changed the rules with regard to plan compensation and the tax treatment of lump sum distributions. Generally, the Tax Reform Act changes are effective in the 1989 plan year. However, tax-exempt plan sponsors have been permitted to delay the formal amendment of their plans until the last day of the first plan year beginning on or after October 1, 1997 (or, for the Plan, June 30, 1999), as long as the plans were operated in compliance with the new rules. In addition, the Plan incorporates all legislative amendments required by the Uruguay Round Agreements Act (“GATT”), the Uniformed Services Employment and Reemployment Rights Act of 1994, the Small Business Job Protection Act of 1996, the Taxpayer Relief Act of 1997, and the IRS Restructuring and Reform Act of 1998.

This amendment and restatement of the Plan includes the following changes:

- a) A participant is 100% vested in his accrued benefit after five years.
- b) The Plan includes new limits on the amount of compensation that may be taken into account when determining a benefit and the revised limits on the maximum benefit that may be paid to a participant (known as the Code section 401(a)(17) and 415 limits).
- c) The Plan specifically excludes leased employees from participation.
- d) Effective January 1, 1993, the Plan includes required language relating to direct rollovers.
- e) Effective July 1, 1998, the Plan complies with GATT for purposes of valuing small lump sum cashout amounts and calculating certain Internal Revenue Code benefit limitations.
- f) Employees on military leave whose reemployment rights are protected by law will receive service credit and compensation credit for the time period during which they were on military leave.
- g) Offsets for participants’ payments in connection with criminal convictions, civil judgments or settlements with the U.S. Department of Labor or the Pension Benefit Guaranty Corporation involving the Plan are permitted.
- h) The automatic cashout amount is increased from \$3,500 to \$5,000.
- i) The Plan clarifies that independent contractors and other individuals who are not employees are not eligible to participate in the Plan and, in the event such individuals are reclassified as employees retroactively, they will be eligible to participate in the Plan only from the actual date of such reclassification.
- j) Average compensation means the compensation for the five plan years of the previous ten plan years which produce the highest average for the participant.

- k) Spouse now includes the same-sex domestic partner specified by a participant on a Certification of Domestic Partnership form or a City of Philadelphia Life Partnership Certificate.
- l) The Plan includes other necessary amendments to conform the Plan document to its administration.
- m) The Plan reflects other technical changes required by law.

Effective July 1, 1990, the classifications of employees who are eligible to participate in the Plan were clarified to include:

- 1) A regular, full-time, non-exempt or limited service employee not covered by a collective bargaining agreement
- 2) A full-time non-exempt employee covered by a collective bargaining agreement if such agreement provides for participation in the Plan, and
- 3) An exempt or non-exempt, part-time employee who completes at least 1,000 hours of service during a plan year and who is not specifically excluded from participating in the Plan

Effective July 1, 1990, the classifications of employees who are eligible to participate in the Plan were clarified to exclude:

- 4) Any student-worker whose employment is incidental to his educational program with the University
- 5) Any student or other individual employed or performing services as part of a post-doctoral program with the University
- 6) Any union employee unless the applicable collective bargaining agreement require such person to be eligible to participate in this Plan
- 7) Any employee covered by the Retirement Allowance Plan of the Hospital of the University of Pennsylvania
- 8) Any leased employee
- 9) Any employee covered by the Tax Deferred Annuity Plan, unless such employee continued participating in this Plan
- 10) Any person whom the University determines is not a common law employee

RESOLVED, that the Trustees of the University hereby adopt the amendments to the Retirement Allowance Plan (the “Plan”).

FURTHER RESOLVED, that the Executive Vice President or the Vice President for Human Resources be and either one of them is hereby authorized and empowered to approve the form, conditions and terms of the Plan and to execute and deliver on behalf of the University the Plan and other documents required to be executed and delivered in connection thereto, the execution and delivery of the Plan and any other documents to be conclusive evidence of approval thereof by the executing officer.

FURTHER RESOLVED, that the Secretary or his or her designee be and any one of them is hereby authorized and empowered to attest the corporate seal to the Plan and any document executed and delivered in connection with the Plan on behalf of the University.

FURTHER RESOLVED, that the Executive Vice President or the Vice President for Human Resources be and either one of them is hereby authorized and empowered to take any action or to do anything that shall be necessary to carry out the intent and purposes of these resolutions.

Action..... 11. A Resolution on the Operating Budget for the University of Pennsylvania for Fiscal Year 2000 was approved as follows:

The Trustee Budget and Finance Committee has reviewed the operating budget proposed for the University of Pennsylvania for Fiscal Year 2000 and recommends its approval.

RESOLVED, that the operating budget for the University of Pennsylvania for Fiscal Year 2000 recommended by the Trustee Budget and Finance Committee be and the same hereby is approved.

Action..... 12. A Resolution on the Capital Plan for the University of Pennsylvania for Fiscal Year 2000 was approved as follows:

The Trustee Budget and Finance Committee has reviewed and recommends for approval the Capital Plan proposed for the University of Pennsylvania for Fiscal Year 2000, representing estimated project costs of \$173.6 million, as follows (by funding source):

School & Center	\$18.0 million
Gifts & Grants	\$59.0 million
Capital Funding Transfer	\$18.8 million
Internal Capital Loan	\$57.7 million
Research Facilities Development Fund	\$0.6 million
Facilities Renewal Fund	\$19.5 million
Other Funding Sources	\$0 million

Each project within the Capital Plan costing \$250,000 or more will be approved individually by Capital Council. In addition, each project within the Capital Plan costing \$1 million or more will be presented to the Board of Trustees Budget and Finance Committee for approval.

RESOLVED, that the Capital Plan for the University of Pennsylvania for Fiscal Year 2000, representing estimated project costs of \$173.6 million, recommended by the Board of Trustees Budget and Finance Committee be and the same hereby is approved.

Action..... 13. A Resolution Authorizing the Fiscal Year 2000 Operating Budget for the University of Pennsylvania Health System—Health Services Component—was approved as follows:

Management recommends approval of the fiscal year 2000 Operating Budget for the University of Pennsylvania Health System – Health Services Component, as presented to the Health System Executive Committee. The Operating Budgets for the Clinical Care Associates, Pennsylvania Hospital, Phoenixville Hospital and Presbyterian Medical Center have been reviewed by their respective Trustee Boards, whom have recommended them for approval.

RESOLVED, that the University of Pennsylvania Health System Trustee Board Executive Committee recommends to the University of Pennsylvania Budget and Finance Committee that the fiscal year 2000 Operating Budget of the University of Pennsylvania Health System – Health Services Component be approved.

Action..... 14. A Resolution Authorizing the Fiscal Year 2000 Capital Budget for the University of Pennsylvania Health System—Health Services Component—was approved as follows:

Management recommends the establishment of a Fiscal Year 2000 consolidated University of Pennsylvania Health System (UPHS) – Health Services capital authorization for new, internally funded capital items in the amount of \$69.8 million to support the Health Services Component. In addition to the \$69.8 million, \$1.0 million will be funded by external donations to supplement a previously approved project.

The significant items that require approval at this time are the following:

Internally Funded

1. Consolidation of Finance Offices	\$3,500,000
2. Cardiac Catherization Lab Replacement at PAH	3,200,000
3. Purchase of Application General Corp for HUP	2,500,000
4. CT/MRI Upgrades at HUP	1,849,000
5. Radiology Equipment – Bucks Community Radiology	1,530,000
6. Renovations to Weightman Hall for Orthopedics	1,500,000
7. MRI Purchase and Install at PMC	1,500,000
8. Oracle Software Site License	1,455,000

9. Instrument Processing Renovations at HUP	900,000
10. Short Procedures Unit Renovations at PMC	900,000
11. Telemetry Upgrades at HUP	665,000
12. Angiography Replacement at PMC – Supplement	<u>500,000</u>
Total	<u>\$19,999,000</u>
<u>Externally Funded</u>	
13. Rowan Breast Center – Supplement	<u>1,000,000</u>
Total	<u>\$ 1,000,000</u>

Other specific projects requiring Trustee approval will be brought forth for approval against this overall authorization at the appropriate time.

RESOLVED, that the University of Pennsylvania Health System Trustee Board Executive Committee recommends to the University of Pennsylvania Budget and Finance Committee the establishment of a Fiscal Year 2000 consolidated UPHS - Health Services capital authorization for new capital items in the amount of \$69.8 million to support the Health Services Component. This recommendation includes the approval of the specific projects totaling \$19,999,000. In addition to the \$69.8 million, \$1.0 million is recommended to supplement a previously approved Rowan Breast Center project.

Action..... 15. A Resolution on Appointment of Ad Hoc Committee was approved as follows:

On May 13, 1999, the Trustees of the University adopted a resolution authorizing certain officers of the University to obtain a line or letter of credit to provide liquidity to secure variable rate bonds issued by Pennsylvania Higher Educational Facilities Authority for the benefit of the University of Pennsylvania Health Services (the “Health Services”). The bonds in question bear interest at variable rates and are subject to put for purchase by the holders thereof upon seven days notice. The documents under which the bonds were issued require that the Health Services provide self liquidity by agreeing to maintain certain fund balances or lines or letters of credit to fund the puts. One series of bonds is subject to self-liquidity and the others are secured by lines of credit. The administration has been authorized by the Trustees to use lines or letters of credit for all of the bonds, but because of the current state of the health care industry, particularly in Philadelphia, the University may have difficulty obtaining suitable lines or letters of credit for such variable rate bonds.

The University administration recommends that the trustees appoint an ad hoc committee (“Committee”) to consist of Robert A. Fox, Russell E. Palmer, James S. Riepe and Lawrence A. Weinbach and grant to the Committee the power to approve the terms of any line or letter of credit and the underlying documents to be entered into in connection with the Health Service’s variable rate bonds, including the power to pledge assets or revenues of the Health Services to secure

agreements entered into by the University in connection with any lines or letters of credit, or to cause the University itself to enter into a guaranty or other credit support in favor of the banks or institutions furnishing such lines or letters of credit.

RESOLVED, that the Trustees hereby appoint the Committee to consist of Robert A. Fox, Russell E. Palmer, James S. Riepe and Lawrence A. Weinbach and grants to the Committee, acting through a majority thereof, full power and authority to act on behalf of the University in connection with obtaining lines or letters of credit for variable rate bonds issued for the Health Services, including the power to approve the terms and conditions of any line or letter of credit and any agreements entered into in connection thereto, to pledge assets or revenues of the Health Services to secure such lines or letters of credit and to cause the University to guaranty or provide other credit support, if necessary, to the banks or institutions furnishing a line or letter of credit for the Health Service's variable rate bonds.

FURTHER RESOLVED, that the Executive Vice President, Vice President for Finance or Treasurer be and any one of them is hereby authorized and empowered to sign any documents and to take all such action concerning the terms of this resolution as shall be directed by the Committee.

Dr. Vagelos noted that these actions will be recorded as actions of the Executive Committee, and the Trustees approved them.

D. Development—Mr. Shoemaker

Mr. Shoemaker reported that, to date, fundraising for FY1999 is on target; receipts as of May 31, 1999 stood at \$206.7 million, a gain of over 29% from last year at this time. Subscriptions through May were \$260 million toward the University's \$300 million goal for the year. Two very important achievements this year have been in the area of fundraising for financial aid and in gift receipts added to endowment. The most recent fundraising results for financial aid indicate that the University will be 20% above its \$30 million goal for FY1999. Endowment receipts, through May, stood at \$83.2 million, a 30% increase over last year's record-setting \$64 million.

Mr. Shoemaker highlighted the previous day's Development Committee meeting, which focused on young alumni and how Development and Alumni Relations engages them in the life of the University. The committee believes that the efforts are successful, as support from younger alumni reunion classes continue to demonstrate their commitment to Penn and their fundraising strength. This year's 20th reunion class, the Class of 1979, has raised more than \$5 million.

Mr. Shoemaker concluded his report by stating that Penn is maintaining the momentum and direction for its fundraising program for the Agenda for Excellence. On

behalf of the Development Committee, Mr. Shoemaker thanked the Trustees for their efforts to promote and support Penn's priorities.

E. External Affairs—Judge Rendell

Judge Rendell began her report with an overview of the previous day's External Affairs Committee meeting, which covered a broad range of topics. Vice President for Government, Community and Public Affairs Carol Scheman led the committee in a discussion of federal issues that could impact the University, including a proposed OMB change to the document that governs federal research policy, making information regarding federally-sponsored research available to the public through the Freedom of Information Act. The University agrees with the public policy of sharing research data, but there are reasonable ways of doing this, not necessarily through the Freedom of Information Act, as has been proposed. Ms. Scheman also discussed the Presidential Review Directive, issued by the Clinton Administration, which proposes a number of principles to facilitate the government-university partnership, and may have an impact on funding strategies in the future. This is a direct result of concern expressed three years ago by the President's Committee of Advisors on Science and Technology (PCAST), an elite group that includes Dr. Rodin. The University is working with its peer institutions on strategies to promote and to implement these principles. Judge Rendell reported that Ms. Scheman also discussed with the committee the Higher Education Reauthorization Act of 1998, which contains numerous regulations that apply to all colleges and universities, and the Balanced Budget Act of 1997, which includes a variety of reductions in spending that impact colleges and universities.

Judge Rendell noted that Penn's non-preferred appropriation bill for FY2000 was given final approval by the Pennsylvania General Assembly on June 9, 1999, and is in the hands of the Governor. The bill provides \$37.7 million in funding for the University, a 3.5% increase.

Judge Rendell reported on the presentation given by Vincent Curren, General Manager of WXPB-FM. The External Affairs Committee invites WXPB to make a report to the committee on an annual basis because the Trustees of the University of Pennsylvania hold the license that allows the station to operate. WXPB has had three excellent years, for which the committee applauded Mr. Curren and his management team. WXPB has been the Non-Commercial Station-of-the-Year in each of those three years, has reported an operating surplus in each of those three years, and has increasingly provided meaningful opportunities for Penn students, with 107 students participating at the station in various roles this past year. Mr. Curren reported on the significant growth of the Internet and how WXPB is maximizing its opportunities in this area.

Judge Rendell reported that Director of University Communications Ken Wildes updated the committee on a proposal made to the producers of *Marketplace*, a 30-minute radio program with an estimated audience in excess of 3.35 million, to establish an East Coast bureau at Penn, drawing on the expertise of members of the faculty, with emphasis on, but not limited to, faculty of the Wharton School, the Law School and the School of Medicine. The University also expects to begin a pilot program with the University of Pennsylvania Alumni Society, designed to enhanced visibility in targeted markets throughout the country.

F. Facilities and Campus Planning—Mr. Mack

Mr. Mack reported that, at their recent meeting, the Facilities and Campus Planning Committee reviewed the Campus Development Plan, which currently is in the planning stage, and the Parking and Transportation system. Mr. Mack gave a brief update on the many projects in process on campus, specifically the significant amount of construction, and noted the committee is very active in the planning and implementation of these projects.

The appropriation of many of the projects has been approved by the Budget and Finance Committee. A new parking garage will be built on University Avenue, which will provide 2,000 new parking spaces to be shared with Children's Hospital of Philadelphia (CHOP). In addition, an 800-space parking garage will be built at Hamilton Square, and possibly a 600-800 space parking garage at the Northwest corner of 34th & Chestnut Streets. The committee is considering a comprehensive parking and transportation plan that will concentrate all of the parking in several structured sites, and eventually will eliminate some of the very small lots on campus and turn them into green space, expansion, or additional facilities as needed on campus on an academic basis.

The Civic Center is scheduled for partial demolition and asbestos removal, which should be complete by the first quarter of 2000. The University is acquiring the GE Building, consisting of 90,000 square feet of office space, 30,000 square feet of retail space and 285 luxury apartments. Asbestos abatement in the GE Building will begin in the summer of 2000, and the building renovations may be complete by the third quarter of 2000.

Mr. Mack noted the 34th Street property acquisition of \$8.2 million, which the committee hopes will be used for retail parking and academic purposes, and uses for this facility are currently in the planning process. The Inn at Penn will be open at the end of August, completing the Sansom Common project, and it is on time and on budget. The 40th Street project, consisting of the Sundance Theatre Development, the Freshfood Market and parking, has begun, and it is hoped that this project will be complete by spring 2001. Demolition for the Wharton School project is complete, construction will begin shortly, and by fall 2002 is should be complete. The final stages of the Perelman Quad are underway, primarily pieces of Houston Hall and Wynn Commons, and it should be complete by spring 2000. The Dental School's Schattner Center has broken ground

and is scheduled to be complete in the first quarter of 2001. The Quad renovations, a \$75 million project, are starting and will be completed over the next four summers. The Chilled Water Plant and Bower and Murphy Field projects are underway and on schedule.

The Campus Development Plan currently is being designed, and the committee hopes it will be the master plan for the University for the next fifty years. The committee hopes to have a preliminary presentation of this plan to the trustees in December, and the finalization of it shortly thereafter.

G. Investment Board—Mr. Riepe

Mr. Riepe began his report by giving an update since the March 31, 1999 numbers. As of the end of May, the AIF reached the \$2.6 billion mark, and the University's total endowment now exceeds \$3.2 billion. The University has experienced a satisfying second quarter, after a very difficult first quarter in 1999. The University's value approach to investment in equities has had some redemption in April and May. As of May 31, 1999, our domestic equities, which are about half of our portfolio, were up 9.1% versus 1.4% for the S&P 500. The University is still lagging its composite for the fiscal year to date, and Mr. Riepe hopes for a strong June for the University's value stocks. The University selected a fifth active U.S. Equity Manager from an organization called Pacific Financial Research, a well-known manager with a very good, long track record, and with a very distinctive approach to investing. The committee believes Pacific Financial Research will add meaningful value to the portfolio. Lastly, Mr. Riepe thanked Carol Einiger for her assistance and counsel in the transition of the committee's format, and he hopes that the committee will continue to benefit from her counsel. Mr. Riepe also thanked Richard Worley for taking on the responsibility of the Chair of the Investment Board.

H. Alumni Report—Ms. Howard

The University of Pennsylvania Alumni Society continues to develop new programs to extend the University's presence and prestige, Alumni's reach and Penn's Global Alumni Network. In response to the request of alumni from all classes, from all of Penn's schools and centers, the University is moving forward with electronic mail forwarding, which will offer all Penn alumni an email address *for life*. This year, nearly 5,000 alumni returned to campus for class reunions and other Alumni Weekend festivities. Attendance over the past three years has grown by 30%, with record attendance and record gifts from most classes.

Recipients of Alumni Awards of Merit for 1999 have been selected: Robert Fox (C'52); Jane Gutman (CW'73); Jon Huntsman (W'59); Sally Stull Jannetta (PT'57); Lee Shlifer (CGS'74); and Douglas Yee (W'65). Five student Awards of Merit were

presented at Ivy Day. The Awards of Merit will be presented at next fall's Awards Gala on November 5th. The three nominees for Alumni Trustee positions beginning in January 2000: Larry Nussdorf (W'68) for an at-large position; Robert Blank (L'65) representing Pennsylvania; and Paul Williams (W'67) representing the Central Region.

V. Appointments to Overseer and Other Boards

Action..... 1. A Resolution on Appointment of Majorie O. Rendell as the Chair of the Board of Overseers of the School of Nursing was approved as follows:

RESOLVED, that Marjorie O. Rendell be appointed Chair of the Board of Overseers of the School of Nursing for a three-year term beginning June 18, 1999.

The Hon. Marjorie O. Rendell (CW'69) received her juris doctor degree from Villanova University School of Law in 1973. Upon graduating from law school, Judge Rendell joined the Philadelphia law firm of Duane, Morris & Heckscher, where she later became the firm's second woman partner. Over the course of her 20-year career as a practicing attorney, she litigated and negotiated creditors' rights matters in and out of state and federal courts, especially bankruptcy court, and successfully litigated numerous important issues regarding the automatic stay in bankruptcy proceedings, post-petition financing, and secured creditors' rights. She served on the Board of Directors of the Young Lawyers Section of the Philadelphia Bar Association, was a board member of the Philadelphia Bar Foundation, and served as a mediator for the U.S. District Court. She was also a frequent speaker at seminars and panels regarding bankruptcy law, restructuring of troubled loans, and lender liability.

Judge Rendell was inducted as a judge of the United States Court of Appeals for the Third Circuit on November 7, 1997. She had served since March 1994 as a judge of the United States District Court for the Eastern District of Pennsylvania. Judge Rendell is a member of the Federal Judges Association, American Judicature Society, and the National Association of Women Judges.

Judge Rendell is a former Vice Chair of the Board of Trustees of the Visiting Nurse Association of Greater Philadelphia and has also served on the board of the Market Street East Improvement Association. She is currently the Co-Chair of Avenue of the Arts, Inc., Philadelphia's project to develop a world-class cultural and performing arts district in Center City Philadelphia, and Vice Chair of the Regional Performing Arts Center.

At Penn, Judge Rendell is a member of the Trustees' Council of Penn Women, the Athletic Advisory Board, the Board of Overseers of the School of Arts and Sciences, and the Trustees' Committees on Academic Policy and External Affairs. She is married to Edward G. Rendell (C'68), Mayor of the City of Philadelphia.

Action..... 2. A Resolution on Appointment of Christopher H. Browne as the Chair of the Board of Overseers of the School of Arts and Sciences was approved as follows:

RESOLVED, that Christopher H. Browne be appointed Chair of the Board of Overseers of the School of Arts and Sciences for a three-year term beginning June 18, 1999.

Mr. Browne (C'69) is a general partner of Tweedy, Browne Company L.P., an investment management firm, and of TBK Partners, L.P., a private investment partnership. He is a director of several corporations and a board member of the New York City Chapter of the Alzheimer's Association. A member of the Board of Overseers of Penn's School of Arts and Sciences, he also serves on the General Alumni Society Board and the Trustees' Budget and Finance, Development, Facilities and Campus Planning, and Student Life Committees. In addition, Mr. Browne is the president of the Penn Club of New York and a member of the Agenda for Excellence Council. He served as a member of the Commission on Strengthening the University Community which worked through the 1993-94 academic year.

Action..... 3. A Resolution on Appointment of Christine Connolly as the Chair and Lynda Barness as the Vice Chair of the Board of Overseers of the School of Veterinary Medicine was approved as follows:

RESOLVED, that Christine C. Connelly be appointed as Chair and Lynda Barness the Vice Chair of the Board of Overseers of the School of Veterinary Medicine for a three-year term, effective June 18, 1999.

Ms. Connelly is President and Chief Executive Officer of Bright View Farm, Inc., a thoroughbred racing and breeding farm providing boarding, breaking, sales preparation, and layups. She serves as Trustee for the Connelly Foundation, a family foundation established in 1955 by her parents, John F. and Josephine O'Neill Connelly, which supports higher education, healthcare and a variety of other interests. In addition, she is chairman of the Philadelphia Chapter of Operation Smile, serving as logistics coordinator organizing medical missions to Kenya and Nicaragua. Ms. Connelly is a member of the Board of Trustees of the Academy of Natural Sciences and was the recipient of the 1998 Delaware Valley Ornithological Club Award. Prior to today, Ms. Connelly has served as vice chair of the Board of Overseers of the School of Veterinary Medicine.

Ms. Barness (G'72) is President of The Barness Organization, a real estate development firm. She serves on the Board of Trustees of the Homebuilders Association of Bucks and Montgomery Counties and is a former member of the Board of Trustees of the Walnut Street Theatre, The Jewish Times, Congregation Beth Or, and Delaware Valley College. Ms. Barness is also a former member of

the Board of Directors of Bux-Mont Jewish Appeal. Ms. Barness was appointed by President Reagan to the Board of Directors of the Inter-American Foundation, on which board she served from 1985-92. At Penn, Ms. Barness is a member of the Trustees' External Affairs and Neighborhood Initiatives Committees, as well as an overseer of the School of Veterinary Medicine.

Action..... 4. A Resolution on Appointment of Jon M. Huntsman as the Chair of the Board of Overseers of the Wharton School was approved as follows:

RESOLVED, that Jon M. Huntsman be appointed Chair of the Board of Overseers of the Wharton School for a three-year term beginning June 18, 1999.

Mr. Huntsman (W'59, HON'96) is Chairman and CEO of Huntsman Chemical Corporation, which is the largest privately held chemical business in the United States. He serves on numerous corporate, civic and cultural boards, including the Board of Governors of the American Red Cross, and is co-chair of the National Prostate Cancer Coalition. He is a former member of the Board of Directors of Bankers Trust of New York, a former Vice-Chairman of the Board of the United States Chamber of Commerce, former Chairman of the Board of the Utah Symphony Orchestra, and a former member of the Board of Trustees for the University of Pennsylvania. Mr. Huntsman served under President Nixon as Special Assistant to the President and White House Staff Secretary. He established the Huntsman Cancer Institute at the University of Utah, and his efforts in rebuilding Armenia after the 1988 earthquake earned him the country's highest award, The Medal of Honor. The Huntsman Center for Environmental Research at Utah State University, the Huntsman Center for Global Competition and Leadership at the University of Pennsylvania, together with major gifts for the homeless, sick, and underprivileged, mark him as one of America's foremost concerned citizens. In recognition of Mr. Huntsman's philanthropy to the University, the Wharton School's new academic building will be named in his honor.

Action..... 5. A Resolution on Reappointment of Gilbert F. Casellas, Esq. as the Chair of the Board of Overseers of the School of Social Work was approved as follows:

RESOLVED, that Gilbert F. Casellas, Esq. be appointed Chair of the Board of Overseers of the School of Social Work for a three-year term beginning June 18, 1999.

Gilbert F. Casellas, Esq. (L'77) is President and Chief Operating Officer of The Swarthmore Group.

Mr. Casellas has held numerous bar leadership posts, including as National President of the Hispanic National Bar Association and Chairman of the Board of

Governors of the Philadelphia Bar Association. Mr. Casellas currently serves on the boards of the American Arbitration Association, the Puerto Rican Legal Defense and Education Fund and the Prudential Insurance Company of America.

At Penn, Mr. Casellas has been a member of the James Brister Society since 1995, and he served previously as president of the Law Alumni Society from 1989-91 and as a lecturer at the Law School from 1985-89 and from 1992-93. He serves as the chair of the School of Social Work Board of Overseers and the Trustees' Neighborhood Initiatives Committee; Mr. Casellas is also a member of the Trustees' Executive and Budget and Finance Committees.

Action..... 6. A Resolution on Appointment of Alvin V. Shoemaker as the Chair of the Athletics Advisory Board was approved as follows:

RESOLVED, that Alvin V. Shoemaker be appointed Chair of the Athletics Advisory Board for a three-year term beginning June 18, 1999.

Mr. Shoemaker (W'60, H'95), a private investor, is the former chairman of the board of First Boston, Inc. and the First Boston Corporation (1983-89). He is a member of the Board of Directors of the Council on Foreign Relations, the University of Michigan Law School Visitors' Committee, and a Trustee of the U.S. Ski Education Foundation. He was formerly vice chairman of the Securities Industry Association and a member of the Advisory Committee for Trade Negotiations.

Mr. Shoemaker chaired the University's Board of Trustees and its Long-Range Planning Council and Executive Committee from June 1986-October 1994. He is a member of the Trustees' Executive, Nominating and Facilities and Campus Planning Committees, as well as the Wharton School Board of Overseers. He served as honorary co-chairman of the 250th Anniversary Commission and the Campaign for Penn.

Action..... 7. A Resolution on Appointment of John C. Hover II as the Chair of the Board of Overseers of the University of Pennsylvania Museum of Archaeology and Anthropology was approved as follows:

RESOLVED, that John C. Hover II be appointed as Chair of the Board of Overseers of the University Museum of Archaeology and Anthropology for a three-year term, effective June 18, 1999.

Mr. Hover, (C'65, WG'67) recently retired as Executive Vice President for Personal Asset Management and Private Banking with U.S. Trust Company of New York.

He is a member of the Association for a Better New York, the Fifth Avenue Association, and the Global Economic Council. Mr. Hover serves on the Trustee Committees for External Affairs and Student Life. He was a governor and former president of the former Penn Club in New York and co-chair of the committee that raised funds for the present Penn Club. Mr. Hover is currently the Penn Club's Vice-President and a member of its board of directors. He has also served on Penn's Alumni Secondary School Committee, the Alumni Admissions Council, the President's Council and his class's 25th reunion gift committee. He is a member of the Leadership Gifts Committee of the Wharton School, was Senior Vice President of the Wharton Club in New York and is part of Wharton's mentor program.

Action..... 8. A Resolution on Appointment of Lawrence Schoenberg as the Chair of the Board of Overseers of the University Libraries was approved as follows:

RESOLVED, that Lawrence Schoenberg be appointed Chair of the Board of Overseers of the University Libraries for a three-year term beginning June 18, 1999.

Lawrence J. Schoenberg (C'53, WG'56), is founder and former CEO of AGS Computers, Inc. He holds directorships in numerous corporations in the micro-computing and software development industry, including Merisel, Inc., Government Technology Services, Inc., SunGuard Data Services, Inc., Image Business Systems, Inc., Penn American Group, Inc., Soft-Switch, Inc., Q-Star, Inc. and Forecross Corporation. His earlier professional experience includes executive positions with IBM and Litton Industries. Mr. Schoenberg is active on the boards of various professional groups and educational institutions, including the American Business Conference, the Charles Babbage Institute Board of Trustees, the Dickinson College Board of Trustees and the Information Technologies Association of America (formerly ADAPSO).

Action..... 9. A Resolution on Appointment of Russell E. Palmer as the Chair of the Trustee Board of the University of Pennsylvania Health System, the Health System Trustee Board Executive Committee, and the University of Pennsylvania Medical Center Trustee Board was approved as follows:

RESOLVED, that Russell E. Palmer be elected Chair of the Trustee Board of the University of Pennsylvania Health System, the Health System Trustee Board Executive Committee, and the University of Pennsylvania Medical Center Trustee Board, for a three-year term beginning June 18, 1999.

Mr. Palmer (H'83) is an alumnus of Michigan State University. He served as the tenth dean of the Wharton School and Reliance Professor of Management and Private Enterprise between 1983 and 1991 after a distinguished career of 27 years

with Touche Ross & Co. (now Deloitte & Touche), where he served as managing director and CEO for 10 years.

Under his leadership, the Wharton School fostered a broad-based program of internationalization, established the Aresty Institute of Executive Education and the Steinberg Conference Center, attracted over 100 new faculty members, and raised over \$100 million. Since leaving the deanship, Mr. Palmer has started the Palmer Group, which buys and develops companies. He is on six NYSE corporate boards and several other boards, including the Advisory Panel to the Comptroller General of the U.S.

Mr. Palmer was the chairman of the Trustees' Internationalization Committee until September 1997, at which time the charge of the Committee was folded into that of the Academic Policy Committee. Mr. Palmer serves currently as vice chair of the Trustees' Audit and Development Committees and as a member of the Trustees' Executive Committee. In addition to his honorary master's degree from Penn, he holds honorary doctoral degrees from the Free University of Brussels, York College, Chulalongkorn University in Thailand, and Drexel University.

Action..... 10. A Resolution on Appointment of Arthur L. Stokes to the Board of Managers of The Wistar Institute was approved as follows:

RESOLVED, that Arthur Stokes be appointed for a one-year term to the Board of Managers of the Wistar Institute, effective June 18, 1999.

Arthur L. Stokes, M.D. , is Director, Medical Affairs at Rhone-Poulenc Rorer Pharmaceuticals. Inc. in Collegeville, Pennsylvania. Prior to his current position, Dr. Stokes was Associate Medical Director at Sandoz Pharmaceuticals; Associate Director, Clinical R & D at SmithKline Beecham; and part-time Cardiovascular Pharmacologist at Merck Sharp and Dohme. He earned his medical education at Hahnemann University Medical College, and his specialty training at Albert Einstein Medical Center. He earned clinical experience at the Northeast Family Practice Group in Philadelphia and the Deborah Heart and Lung Hospital in Browns Mills, New Jersey. Dr. Stokes belongs to the National Medical Association, American Medical Association, College of Physicians of Philadelphia, and the American Heart Association, among others. He serves on the boards of directors for HealthWatch; Center in the Park (United Way Organization for the Elderly) and the Chapel of the Four Chaplains.

Action..... 11. A Resolution on Appointments of Stephen A. Cooper and Lonnie H. Norris to the Board of Overseers of the School of Dental Medicine was approved as follows:

RESOLVED, that Dr. Stephen A. Cooper and Lonnie H. Norris be appointed to the Board of Overseers of the School of Dental Medicine for three-year terms, effective June 18, 1999.

Stephen A. Cooper (DMD'71) is Vice President of Clinical and Medical Affairs at Whitehall-Robins Healthcare, where he is responsible for all clinical research, both nationally and internationally. His current position also includes Biostatistics and Pharmacovigilance. Prior to this, Dr. Cooper directed the Whitehall-Robins' Analgesic Development Team. He has received \$10 million in grant support from NIH, private foundations and the pharmaceutical industry. Dr. Cooper is a member of the International Association of Dental Research, the International Association for Pain, the American College of Clinical Pharmacology, and the ADA National Board of Examiners – Pharmacology Test Construction.

Lonnie H. Norris has been dean of Tufts University School of Dental Medicine since 1996. He graduated from Fisk University in 1964. His career prior to dental school includes processing plastics with Ford Motor Company and serving four years in the United States Army as an officer in the chemical corps. He attended Harvard School of Dental Medicine and the Harvard School of Public Health.

Action..... 12. A Resolution on Appointments of Scott L. Bok and Ronald L. Moelis to the Board of Overseers of the School of Arts and Sciences was approved as follows:

RESOLVED, that Mr. Scott L. Bok and Mr. Ronald L. Moelis be appointed to the Board of Overseers of the School of Arts and Sciences for three-year terms, effective June 18, 1999.

Scott L. Bok (C'81, W'81, L'84) is Managing Director of Greenhill & Co., LLC in New York, which is ranked 21st among mergers and acquisitions firms in the U.S. He is on the board of directors of Integra Information, a business research company, and Dyson-Kissner-Moran Corporation, a privately held investment corporation. He is principal owner of the White Hart Inn in Salisbury, CT and a trustee of CARE, and Prep for Prep, an educational charity. For ten years, Mr. Bok was managing director of Morgan Stanley. Prior to that, he practiced mergers and acquisitions and securities law for ten years at Wachtell Lipton Rosen and Katz. He is a member of the Agenda for Excellence Council and the Penn Club of New York.

Ronald L. Moelis, Esq. (C'78, W'78), is chairman of the New York real estate development/property management firm, L&M Equity. A history major at Penn, he holds a law degree from New York University. He represented his family, major contributors to Van Pelt Library, at the Alumni Day Ribbon-Cutting ceremony to unveil the newly renovated spaces in the Library.

Action.....13. A Resolution on Appointments of Pamela Daley, Esq. and Paul G. Haaga, Jr., Esq. to the Board of Overseers of the Law School was approved as follows:

RESOLVED, that Ms. Pamela Daley and Mr. Paul G. Haaga, Jr. be appointed to the Board of Overseers of the Law School for three-year terms, effective June 18, 1999.

Pamela Daley, Esq. (L'79) is Vice President and Senior Counsel for Transactions at General Electric Company in Fairfield, CT. She began her career in the Tax Department of Morgan Lewis & Bockius in 1979. After that, she joined General Electric in 1989 where she has worldwide responsibility for acquisitions, dispositions and joint ventures. At Penn, she was Editor-in-Chief of the Penn Law Review for 1978-79. She was an adjunct faculty member at Penn Law from 1982-89.

Paul G. Haaga, Jr., Esq. (L'74, WG'74) is Executive Vice President of Capital Research & Management Company in Los Angeles, which he joined in 1985. Prior to this, he was with the firm of Dechert Price & Rhoads in Washington, D.C. From 1974-1977, Mr. Haaga worked for the Securities and Exchange Commission (SEC) in their Division of Investment Management. He is Chairman of Capital Group Companies, Tax Exempt Fund of California, Tax Exempt Fund of America and Cash Management Trust of America, Inc. In addition, he is Senior Vice President of AMCAP Fund, Inc. and Growth Fund of American, Inc. He is President of Capital Income Builder, Inc.

Action..... 14. A Resolution for Approval of the Membership of the Trustee Board of the Clinical Care Associates of the University of Pennsylvania Health System was approved as follows:

WHEREAS, section 4.02 of the Clinical Care Associates of the University of Pennsylvania Health System ("CCA") Bylaws provides for review and approval of the membership of the Trustee Board of CCA by the Health System Executive Committee and the University of Pennsylvania Board of Trustees.

RESOLVED, that the Trustees of the University of Pennsylvania approves the membership of the Trustee Board of Clinical Care Associates of the University of Pennsylvania Health System consisting of the following members:

Ronald B. Barg, M.D.	
Robert J. Butera, Esq.	
Richard J. Censits	
Joel W. Eisner, M.D.	
I. William Ferniany, Ph.D.	(Ex-officio)
William N. Kelley, M.D.	(Ex-officio)
John C. S. Kepner, Esq.	(Ex-officio)
David E. Longnecker, M.D.	(Ex-officio)
Kevin B. Mahoney	(Ex-officio)
Robert D. Martin, Ph.D.	(Ex-officio)
Anthony S. Minisi, Esq.	

The trustees approved these resolutions.

Before closing the meeting, Dr. Vagelos handed over the gavel to Jim Riepe as the new Chairman of the Board. Jim Riepe described his appointment as humbling, especially following Dr. Vagelos.

There being no further business to come before the Board, the meeting was adjourned by Mr. Riepe at 3:50 p.m.

Respectfully submitted,

Rosemary McManus
Secretary of the University