

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

October 22, 1999

The fall full board meeting of the Trustees of the University of Pennsylvania was called to order at 2:33 PM on Friday, October 22, 1999 in the Woodlands A-D at the Inn at Penn Hotel, 3600 Chestnut Street. Trustees present were: Madlyn K. Abramson, Lynda Barness, Mitchell J. Blutt, Christopher H. Browne, Judith Roth Berkowitz, Gordon S. Bodek, Richard P. Brown, Gilbert F. Casellas, Susan W. Catherwood, Gloria Twine Chisum, L. John Clark, Robert A. Fox, Robert A. Gleason, Mary Ann Greenawalt, Alan G. Hassenfeld, Charles A. Heimbold, Jr., Norman P. Hetrick, John C. Hover, II, Elsie Sterling Howard, Reginald H. Jones, Edward W. Kane, Sr., Donald N. Langenberg, Robert P. Levy, William L. Mack, Jerry Magnin, Anthony S. Minisi, Andrea L. Mitchell, David P. Montgomery, John B. Neff, Russel E. Palmer, Egbert L. J. Perry, Anthony S. Minisi, Mitchell I. Quain, Pamela Petre Reis, Marjorie O. Rendell, James S. Riepe, Judith S. Rodin (ex officio), Leonard A. Shapiro, Alvin V. Shoemaker, David M. Silfen, Michael L. Tarnopol, Robert L. Trescher, Raymond H. Welsh, and Charles K. Williams, II. Others present included: Clay M. Armstrong, Jennifer Baldino, Robert Barchi, Virginia Clark, Terry Conn, Peter Erichsen, John Fry, Daniel Gabriel, Karen Gaines, William C. Gipson, Phyllis Holtzman, Kimberly Hoover, Adrian Jones, William Kelley, Linda Kronfeld, Valerie Swain-Cade McCoullum, Rosemary McManus, Marguerite Miller, Larry Moneta, Medha Narvekar, Dave Newhart, John Prendergast, Chris Przybyszewski, Judith Rogers, Maureen Rush, Thomas Seamon, Eric Tucker, Duncan Van Dusen, Wendy White, Rick Whitfield, Kenneth Wildes.

I. Call to Order—Mr. James Riepe

A. Invocation—Rev. William Christian Gipson

B. The minutes of the meeting of June 18, 1999 were approved as distributed.

II. Chair's Report—Mr. James Riepe

A. Comments

The Chairman welcomed everyone to the first full board Trustees meeting of the new fiscal and academic year 2000 and to the new hotel on campus, the Inn at Penn. He described the Inn at Penn as a beautiful and convenient addition to the campus.

Mr. Riepe presented the following resolutions for approval by the Trustees:

Action.....1. A Resolution of Appreciation for Mary Ann Greenawalt was approved as follows:

We acknowledge, with appreciation, the service of Mary Ann Greenawalt (CW'62) as an Alumni Trustee from 1995 to 1999. Her commitment and dedication to the well-being of the University, through her participation on the Student Life, University Responsibility, Facilities and Campus Planning, and Development Committees, as well as the Agenda for Excellence Council and the Board of Overseers for the School of Social Work, has contributed to the vitality of this great institution.

At Penn, Mrs. Greenawalt serves as president of the class of 1962, a member of the regional Secondary School Committee, a director of the Detroit Alumni Club, and a member of the Trustees' Council of Penn Women. She received the Alumni Award of Merit in 1992.

RESOLVED, that the Trustees of the University of Pennsylvania, on behalf of themselves, the overseers, administration, faculty, students, and alumni of the University, express their gratitude to Mary Ann Greenawalt for her deep and abiding care for the University in all its communities, and for the leadership and support she so willingly directs toward its continued excellence and well-being. With affection and gratitude, we look forward to her ongoing guidance, counsel and friendship in the years ahead.

Action.....2. A Resolution of Appreciation for Norman P. Hetrick, Esq. was approved as follows:

We acknowledge, with appreciation, the service of Norman P. Hetrick Esq. (C'65) as an Alumni Trustee from 1995 to 1999. His commitment and dedication to the well-being of the University, through his participation on the Budget and Finance, Audit and Compliance, and External Affairs Committees, as well as the Health System Board and Agenda for Excellence Council, and Boards of Overseers for the Schools of Medicine and Veterinary Medicine, has contributed to vitality of this great institution.

At Penn, Mr. Hetrick is past president of the Class of 1965, a member of the National Advisory Committee of the Alumni Council on Admissions, and a member of the Commonwealth Relations Council. He has also served as Chairman of the Secondary School Committee, Harrisburg Area (1969-91) and President of the Organized Classes (1984-87). He received the Alumni Award of Merit in 1989.

RESOLVED, that the Trustees of the University of Pennsylvania, on behalf of themselves, the overseers, administration, faculty, students, and alumni of the University, express their gratitude to Norman P. Hetrick for his deep and abiding care for the University in all its communities, and for the leadership and support he so willingly directs toward its continued excellence and well-being. With affection and gratitude, we look forward to his ongoing guidance, counsel and friendship in the years ahead.

These resolutions were approved by the Trustees. The attendees applauded for Mrs. Greenawalt and Mr. Hetrick. Mr. Riepe hopes that Penn will continue to benefit from Mary Ann and Norman's involvement and counsel for many years to come.

B. Nominating Committee Report—Gloria Twine Chisum

Dr. Chisum presented the following resolution for approval by the Trustees:

Action.....1. A Resolution on Election of Robert A. Fox as an Emeritus Trustee was approved as follows:

RESOLVED, that Robert A. Fox be elected an Emeritus Trustee, effective October 22, 1999.

Mr. Fox (C'52) is president and chairman of R.A.F. Industries, a private investment company owning and managing a diversified group of companies and venture capital investments. He was formerly president of Fox Construction Company, president and chairman of Warner Company, and chairman of Waste Resources Corporation. He serves on the Boards of Safeguard Scientifics, Prime Bank, Keystone Foods Corporation, G.H.R., Zany Brainy, and Chaitime. He serves on the Board of Managers of The Wistar Institute of Anatomy and Biology and as a director of the Foreign Policy Research Institute.

At Penn, Mr. Fox is the former chair of the Trustees' Budget and Finance Committee and is a member of the Audit and Compliance (ex officio), Nominating, and Facilities and Campus Planning Committees. He also serves on the Executive Committee of the Trustee Board of the Health System, the Athletics Advisory Board, and the Agenda for Excellence Council.

Action.....2. A Resolution on Election of James S. Riepe as a Charter Trustee was approved as follows:

RESOLVED, that Mr. James S. Riepe be elected a Charter Trustee, effective October 22, 1999.

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 assumed chairmanship of the Board of Trustees in June 1999. Mr. Riepe is also a member of the Baltimore President's Council, former member of the General Alumni Society Board and Executive Committee, past member of the Athletic Advisory Board and past chair of the Investment 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.

Action.....3. A Resolution on Election of Marjorie O. Rendell as a Term Trustee was approved as follows:

RESOLVED, that Marjorie O. Rendell be elected as a Term Trustee, effective October 22, 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 currently serves as the chair of the Board of Overseers of the School of Nursing and is a member of the Trustees' Council of Penn Women, the Athletic Advisory Board, and the Trustees' Committees on Academic Policy and External Affairs. She previously served on the Board of Overseers of the School of Arts and Sciences.

These resolutions were approved by the Trustees.

III. President's Report—Dr. Judith Rodin

A. Comments

Dr. Rodin thanked everyone for their attendance at last night's celebration, "Perfect Chemistry," in honor of Dr. P. Roy Vagelos. Almost 950 people attended, including approximately 250 scholarship donors and their students. The performance was sensational—Penn's students demonstrated their enormous talent and good humor. It was a wonderful opportunity to celebrate Dr. Vagelos' leadership in undergraduate financial aid, as well as the other areas he championed in his role as Chairman of the Board. Dr. Rodin announced that the University will establish the Roy Vagelos Innovation Grant Program. The Program will be designed with two objectives in mind: 1) to provide greater support for the University's undergraduate research efforts and 2) to provide support for strategic summer internships for undergraduate students. This program reflects the University's priorities in the Agenda for Excellence, and it also is a tribute to Roy and his particular love of research as a component of the undergraduate experience. The President, Provost, and Deans enthusiastically look forward to being able to use these funds to expand the undergraduate research opportunities throughout the academic year and summer breaks. It is in the context of this continued focus on financial aid that the President was pleased to remind everyone of the recent gift of Jay and Patty Baker of \$11 million, \$3 million of which is reserved for undergraduate scholarship—one of the largest commitments ever made to undergraduate financial aid in this area.

Dr. Rodin remarked that just as the University's student performing arts groups reminded everyone of how many talented students Penn attracts each year, she wanted to highlight yet another wonderful characteristic of Penn's student body—student volunteerism. Student volunteerism is a hallmark of the Penn student and the Penn experience, and service learning is at the core of this experience. Recently, NBC Nightly News did an in-focus feature looking at Philadelphia and Penn as leaders in this effort. Dr. Rodin congratulated the faculty and students on their commitment to the public schools. Philadelphia Public School District's Superintendent, Dr. David Hornbeck, said in the segment, "what you see in service learning at Penn is the walls falling away and the classroom becoming the wider community." Dr. Rodin agrees with Dr. Hornbeck, and again congratulated everyone who is contributing to the tangible change that is taking place in this set of relationships.

The President then spoke of the wonderful piece of artwork that Mr. Alvin Shoemaker generously commissioned. The piece, created by Jane Wooster Scott, is a folk art painting celebrating many wonderful images of Penn, the campus and the community. Dr. Rodin thanked Mr. Shoemaker for this generous gift, as the proceeds from it will benefit Women's Athletics. Dr. Rodin encouraged everyone to purchase a lithograph copy of the painting.

Dr. Rodin then focused on the Economic Impact Study made available to everyone at the meeting. In 1991, Penn commissioned an economic impact study. The version currently distributed is the updated version, based on the 1998 data. PriceWaterhouseCoopers calculated the economic impact of the University on Philadelphia, based on both the University's direct and indirect spending, which accounts for a secondary ripple or multiplier effect (the amount spent by the people to whom the University gives money, i.e. students and employees). Dr. Rodin focused on the most significant highlights: 1) Penn generates \$4.3 billion in direct and indirect combined economic activity in Pennsylvania, \$1.5 billion in Philadelphia alone; 2) Penn's economic impact has grown 75 percent since the first economic impact study just seven years ago; 3) Penn is the largest private employer in Philadelphia; 4) Penn's research capability has helped launch 30 new start-up ventures and over 200 licensing agreements with private companies; 5) Penn has completed over \$255 million of new construction projects between Fiscal Year 1995-1998 (FY 1995-1998) alone; 6) Penn's spending on goods and services from West Philadelphia vendors has soared 400 percent since FY 1995 to \$42 million in FY 1998. Dr. Rodin reminded everyone to not forget the stunning and extraordinary economic engine that Penn represents for the City of Philadelphia and for the surrounding region. She hopes that this will continue to put things into perspective for everyone. The University intends to make it useful for those in the political realm who influence aspects of the University's fate.

Finally, the President commented on the recent, lengthy discussions regarding the financial situation of the University of Pennsylvania Health System and strategies for addressing those issues, all of which Dr. William Kelley, Executive Vice President for the University of Pennsylvania Health System and the Medical Center, CEO of the University of Pennsylvania Health System and Medical Center, and Dean of the School of Medicine, will address in his report. Dr. Rodin noted that the financial recovery plan for the Health System is absolutely essential and it has been very carefully considered. The workforce reduction that the recovery plan entails is a very difficult step for the Health System to take, and it is only taken because there is no alternative.

The President presented the following resolutions for approval by the Trustees:

Action.....1. A Resolution of Appreciation for Clay M. Armstrong, M.D. was approved as follows:

Dr. Armstrong, Professor of Physiology, has been a member of the faculty of the School of Medicine for nearly 25 years and has contributed to the well-being of the Medical Center and Health System, the University, and the community. His constant efforts and extraordinary commitment have enhanced science and medicine with local, national, and international impact.

Dr. Armstrong has made many significant contributions to science throughout his long and distinguished career, most notably by unveiling the mechanisms that govern ion channels—the biological equivalent of transistors and switches.

As a result of his distinguished career, Dr. Clay M. Armstrong has been selected to receive the 1999 Albert Lasker Award for Basic Medical Research from the Albert and Mary Lasker Foundation. The Lasker Awards, chosen by a jury of the world's top scientists, are the nation's most prestigious honor for medical research and represent the highest possible recognition for a career of exceptional work—they are, indeed, considered “America's Nobels.”

RESOLVED, that the Members of the University of Pennsylvania Health System Trustee Board Executive Committee, together with the University of Pennsylvania Board of Trustees, on behalf of themselves and the entire Medical Center, Health System, and University, express to Dr. Clay M. Armstrong their utmost congratulations on this most impressive recognition of his lifetime achievements and their admiration for all of his outstanding efforts in advancing scientific inquiry in the interests of society.

Dr. Armstrong accepted his resolution amidst a round of applause. This resolution was approved by the Trustees.

B. Academic Report—Dr. Robert Barchi

Dr. Barchi focused his remarks on two of Penn's greatest assets, those that are most critical in ensuring that Penn achieves its academic goals: the faculty and the students. Dr. Barchi mentioned the resolution of appreciation for Dr. Clay M. Armstrong and that Dr. Armstrong's is the second Lasker Award awarded to a Penn faculty member in the last two years (Dr. Peter C. Nowell was recognized last year)—an indication of the wonderful things Penn's faculty are doing. The Provost also was pleased to report that a Penn alumnus, Dr. Ahmed H. Zewail, was awarded the Nobel Prize in Chemistry. Dr. Zewail, who is currently teaching at the California Institute of Technology, earned his Ph.D. from Penn in 1974 while studying under another brilliant Penn scholar, Professor Robin Hochstrasser. Dr. Zewail was honored for his pioneering work in femtochemistry, the use of high-speed cameras and lasers to monitor chemical reactions at a scale of femtoseconds (1 quadrillionth of a second). Dr. Hochstrasser has characterized Dr. Zewail's femtosecond experiments as having a tremendous impact on chemistry and on the way in which chemists picture a molecule in the process of undergoing chemical reaction. Dr. Zewail also earned an honorary degree from Penn in 1997, one of six he currently holds. Dr. Zewail is a brilliant researcher and is a wonderful example of Penn's most significant investment—in its faculty and students. Dr. Zewail is the second Penn graduate in two years to win a Nobel Prize; two years ago, Dr. Stanley Prusiner, a graduate of Penn's Medical School, won the Nobel Prize in Medicine and Physiology.

The Provost was pleased to report the establishment and fulfillment of two new department chair positions as part of the Fox Leadership Program: Dr. John I. DiIulio and Dr. Martin Seligman were named as the first two Fox chairs (a third professorship will be named in the future). The program is endowed by Robert A. Fox (C'52), a trustee of the

University, and was developed so that Penn undergraduates would have the opportunity to meet with leaders from a variety of fields to develop leadership tools through the curriculum and to take advantage of special opportunities to demonstrate leadership. Dr. DiIulio, an outstanding faculty member who is part of the invigorated Political Science Department, was named the Frederick Fox Leadership Professor of Politics, Religion and Civil Society, and also will serve as Director of the Fox Leadership Program. Dr. DiIulio comes to Penn from Princeton and also has been a senior fellow at the Manhattan Institute, as well as a founding Director of the Center for Public Management at the Brookings Institute. He is widely credited with having influenced the 1994 Federal Crime Bill and was among the designers of the Federal Prison Systems' Drug Treatment Program. Dr. Seligman was named the Robert A. Fox Professor of Psychology; he is a world-renowned authority on depressions and abnormal psychology whose works have been translated into dozens of languages. In 1992, Dr. Seligman was named by the American Psychologists Association (APA) as one of the top ten contemporary psychologists in the world. His work on depression has received numerous awards and he is the author of fifteen books. The University is very grateful to Mr. Fox for his generosity, which has allowed for the development of the program. With leadership like that of Dr. DiIulio and Dr. Seligman, the Provost has every confidence that the program will flourish.

Though numerous new appointments have recently been made to the faculty of the University, Dr. Barchi wished to focus only on those that demonstrate Penn's commitment to invest in its most valuable resource. In the interest of time, the Provost spoke of the efforts made to revitalize the Political Science Department as part of the goals of the Agenda for Excellence. In addition to John DiIulio, the Political Science Department has made three other outstanding appointments this year: 1) Jerome Maddox, Assistant Professor of Political Science, specializing in American Politics, particularly Federalism, State and Urban Politics and Public Policy; 2) Dave Rousseau specializes in International Politics, particularly the relationship between domestic political institutions and interstate conflict; 3) Robert Vitalis specializes in Political Economy in the Middle East, Comparative Politics and the History of the Discipline of International Relationships. Any one of these appointments would have been notable; the fact that the University has strengthened its Political Science Department is terrific news for this core department.

Dr. Barchi presented the following resolutions for approval by the Trustees:

Action.....1. A Resolution on Appointments, Leaves and Promotions, as presented in pages 8-11 in the stated meeting book, was approved by the Trustees.

Mr. Riepe introduced the Resolution of Appreciation for Dr. Ahmed H. Zewail:

Action.....2. A Resolution of Appreciation for Dr. Ahmed H. Zewail was approved as follows:

Dr. Ahmed H. Zewail (Gr'74, H'97), Penn alumnus and the Linus Pauling Professor of Chemistry at the California Institute of Technology, is world-renowned for his superb work in the physics of chemistry. In recognition of his innovative and brilliant research, Dr. Zewail has been awarded the highest honors of the world's scientific community, including the National Academy of Sciences Award in Chemical Sciences, for his work contributing to "a better understanding of the natural sciences and the benefit of humanity."

On October 12, 1999, the Royal Swedish Academy of Sciences awarded the 1999 Nobel Prize in Chemistry to Dr. Zewail for his work leading to the birth of the field of femtochemistry. His pioneering investigation of fundamental chemical reactions, using ultra-short laser flashes—or femtosecond spectroscopy—has brought about "a revolution in chemistry and adjacent sciences."

RESOLVED, that the Trustees of the University of Pennsylvania on behalf of themselves and the University community, express to Dr. Ahmed H. Zewail their utmost congratulations on this most impressive recognition of his achievements and their admiration for all of his outstanding efforts in advancing scientific inquiry in the interests of society.

These resolutions were approved by the Trustees.

C. Financial Report—Mr. John Fry

This is the financial report for Fiscal Year 1999 (FY 1999). Audited financial results show that the University, including the health services component, increased its net assets, which are unrestricted, temporarily restricted and permanently restricted, by \$237.2 million to a total of \$4.8 billion at June 30, 1999, of which \$2.3 billion were unrestricted. All of the increase is attributable to non-operating activities, specifically contributions of \$119 million, investment income of \$19 million, and gains recorded on investments of \$239 million over the fiscal year. Offsetting these increases was a decrease in the net assets of \$137 million from operations, mainly attributable to the operating challenges of the health services component.

At June 30, 1999, cash, cash equivalents, and investments totaled \$4.2 billion, an increase of almost \$100 million since the beginning of the fiscal year. Plant assets, net of depreciation, increased \$194 million during the fiscal year to a total of \$2.3 billion.

Highlights of FY 1999 activities saw operating revenue increase 8.8 percent over 98 to a total of \$2.8 billion. Significant increases were recorded for tuition and fees and sponsored program revenue, increases of 6.9 percent and 17.8 percent, respectively. Overall, expenses increased 12.6 percent, reflecting the increase in sponsored program activities and an increase in expenses of about \$200 million associated with the health services component.

Despite the challenges of the Health System, the University, overall, had another year of strong financial performance during FY 1999, thanks to aggressive management, last year's favorable investment climate in FY 1999, and the continued support of the University's alumni and friends in the forms of contributions.

D. Health System Report—Dr. William Kelley

Dr. Kelley presented the following resolution for approval by the Trustees:

Action.....1. A Resolution on Amendments to the Bylaws of the University of Pennsylvania Health System was approved as follows:

Please see Addendum A to the Minutes of the Stated Meeting of the Trustees of the University of Pennsylvania, October 22, 1999.

The resolution on amendments to the bylaws of UPHS was approved.

Dr. Kelley announced four new appointments to the Health System leadership team. Dr. Robert D. Martin was appointed the Chief Operating Officer (COO) for the Health System. Dr. William I. Ferniany was appointed Chief Administrative Officer (CAO). Peter L. DeAngelis, Jr. was appointed as the Interim Chief Financial Officer. Gary L. Sheib was appointed the Executive Director of the Hospital of the University of Pennsylvania. All of these appointees are outstanding and are doing an excellent job.

Dr. Kelley read a formal statement on behalf of the Health System and an overview of the Health System's Financial Recovery Plan designed to restore the Health System to firm financial footing:

Like many other academic health centers nationwide, we have experienced large financial losses in the last two years. In FY 1999, the University of Pennsylvania Health System's operating margin loss was \$198 million, despite treating record numbers of patients, both on an in-patient basis and through out-patient visits, where the Health System's growth for the year was 8 percent and 11 percent, respectively, over the previous year. After adjusting for reportable interest and paid dividend income, a major portion of the loss resulted in the need to write down tens of millions in patient charges that the Health System was not able to collect from insurers. The Health System also incurred millions more in one-time restructuring charges, including severance-related expenses from a workforce reduction last May.

The main reasons for the losses are: significant government cutbacks in Medicare reimbursement, reduced and delayed payments from insurers, and increasing numbers of uninsured and underinsured patients. In effect, the revenue per unit of service is plummeting faster than the expense per unit of service.

The Balanced Budget Act of 1997, for example, will cumulatively reduce Medicare payments to the Health System \$175 million by the year 2002. In addition, the Commonwealth provides only minimal payments to hospitals for care and does not operate a public hospital system. In FY 1999, the Penn Health System provided \$66 million in uncompensated care and \$40 million in undercompensated care.

Although we are working aggressively at the national and local levels to try to encourage some form of legislative relief for these problems, we must focus on those things that we can control. To that end, we have developed a comprehensive Financial Recovery Plan to reduce or eliminate expenses across the entire organization, without compromising our recognized excellence in patient care. Implementation of this plan is expected to improve our financial results by approximately \$250 million per year over the next three years. The plan includes some very difficult decisions, including the reduction or elimination of certain programs and services, as well as a significant workforce reduction. The first phase of the workforce reduction occurred in May, five months ago, when we eliminated 1100 positions, or 9 percent of our health services workforce. The second phase will take place in ten days. On November 1, 1999, another 975 positions from the Health System's corporate staff and from four hospitals will be eliminated. The third phase will take place before June 30, 2000 and will include another 725 positions from other areas, including the Health System's physician's practice plans, multi-specialty facilities, and home care groups. Thus, by the end of this fiscal year, the Health System will have eliminated close to 2,800 positions, or more than 20 percent of the Health System's workforce, over a 14-month period.

These cuts do not represent an across-the-board percentage reduction, rather they are the result of major program reductions and of an area-by-area analysis that compared our staffing levels to national benchmarks. Where jobs are being eliminated, the Health System will redesign work or improve processes so that our organization can continue to function effectively.

This is truly a very difficult time for the Health System, but especially for those whose jobs will be effected. As is our practice, we will treat everyone with dignity, compassion and respect. In determining which positions will be eliminated, we will consistently employ a fair and responsible decision-making process, one that is directly aligned with our mission and our core values.

We are committed to helping effected employees through the transition process, and we will provide pay and benefits continuation, as well as outplacement assistance, to all eligible staff.

We are also committed to provide outstanding patient care, even as we forcefully tackle the pressing financial concerns that challenge us. The financial recovery plan we are outlining this afternoon is an extremely aggressive response to the external financial pressures facing all academic health centers in this country, and it should effectively return our Health System to a sound financial base while maintaining the integrity of our three-fold mission: 1) to provide quality patient care; 2) to educate the next generation of physician leaders; and 3) and to advance the world's body of knowledge about health and human disease through cutting-edge research.

IV. Committee Reports

A. Academic Policy—Dr. Donald Langenberg

Dr. Langenberg began his report by describing the daunting array of choices a Penn student confronts when embarking upon their college career---among them, courses, majors, career directions, lifestyles---and the correspondingly complex array of student advising services that exist. The Academic Policy Committee had a splendid presentation from Professor Peter Conn, Deputy Provost, and Professor Richard Beeman, Dean of the College, on measures that are being taken to bring more coherence to the advising programs and services and to make them even more effective for the students. This is being and will continue to be aided by some very creative and innovative applications of technology in a program that has been available to students since 1995, called PENN InTouch. All in all, the committee was very impressed by what it heard. Since there were no action items on the committee's agenda, Dr. Langenberg then concluded his report.

B. Audit and Compliance Committee—Mr. Norman Hetrick

Mr. Hetrick began his report by reviewing the previous day's meeting, during which the committee reviewed a number of important issues, particularly FY 1999 financial statements for the University and the Health System together, with members of the respective financial staffs of both entities, as well as PriceWaterhouseCoopers, auditors to the University. PriceWaterhouseCoopers reviewed, in some detail, its report on examination, which delineated certain accounting- and auditing-related areas of the University that should receive continuing attention by financial management during this current fiscal year. Specific recommendations regarding dealing with these areas will be presented in the management letter, which will be reviewed with the committee at its winter meeting. Overall, PriceWaterhouseCoopers indicated that there are no material weaknesses in the internal control systems of the University and the Health System.

The committee also reviewed with Ms. Robin Beck and Mr. Ward Kever, representatives of the information services areas of the University and the Health System, respectively, the current status of their Y2K preventative action programs. They

indicated that, in their opinions, the admissions-critical areas have been identified and assessed and contingency plans have been developed when and where required. A number of the contingency plans are still being put into effect, but, overall, they indicated that the University seems to be well prepared, subject to the veracity of representations of similar readiness from our trading partners.

Mr. Hetrick, on behalf of the committee, thanked Robin Beck and Ward Keever and other members of the University staff for their diligent work in preparing the University systems' readiness regarding Y2K concerns.

Finally, Mr. Hetrick reported the Rick Whitfield, Vice President of the Office of Audit and Compliance, also reviewed with the committee the risk-assessment model, which is the base that is used to develop the annual Audit and Compliance Plan that the Office of Audit and Compliance presents to the Audit and Compliance committee. The committee approved a revised Audit and Compliance Plan for FY 2000 as presented, and Mr. Whitfield also presented to the committee the executive summary of projects completed in his department since the committee's last meeting in June.

C. Budget & Finance Committee—Mr. James Riepe

Mr. Riepe presented the Budget and Finance Committee report and resolutions in place of Mr. Lawrence Weinbach, Chair of the Budget and Finance Committee.

Mr. Riepe reported that at the Budget and Finance Committee meeting John Fry presented a preliminary report on plans for the Penn Children's Center. The construction of the new University-assisted public school will necessitate the relocation of the Children's Center next year. After reviewing and rejecting several alternative sites, plans are now underway to plan for a new facility on the former site of the Asbury Church on Chestnut Street, near 33rd Street. The University plans to enter into an agreement with Knowledge Beginnings, a very well known and wholly-owned subsidiary of Knowledge Universe, LLC, to operate the Children's Center. It is anticipated that Knowledge will contribute to the total cost of constructing the new facility, estimated at about \$6 million, with the University providing the remaining funding. There is significant campus demand for childcare, and this project holds out the promise of the Children's Center to nearly double the current enrollment to between 80 and 85 children. There is no action required on this item now, but this is a notice to the Trustees of the planning of this important facility.

The Budget & Finance Committee discussed in detail the priorities of the Health System capital budgets before approving the resolution on the Renovation of the 4th and 5th Floors of the Johnson Pavilion Center for AIDS/HIV Research for the School of Medicine. It was felt by the Health System and by the University that these monies are important monies and they should be spent even in the context of the current situation of the Health System.

Action.....1. A Resolution on the Renovation of the 4th and 5th Floors of the Johnson Pavilion Center for AIDS/HIV Research for the School of Medicine was approved as follows:

The School of Medicine wishes to proceed with the renovation of the 4th and 5th floors of Johnson Pavilion for the Department of Microbiology, the Department of Medicine's Division of Infectious Diseases, and the Center for AIDS Research. This will allow all three groups to relocate their researchers into one central location to increase the efficiency of their programs and maximize communications among researchers. In addition, the Department of Neuroscience will gain incremental space on the fourth floor, near related Neurology programs in the adjacent Stemmler Hall. The fourth and fifth floors will be demolished and renovated including associated mechanical, electrical, plumbing, and life safety systems. This will renovate approximately 31,700 gross square feet of laboratory and laboratory support space, including offices, conference rooms, and related functions. The remaining 8,000 gross square feet on the fourth and fifth floors will be shelled. This first phase of the project is estimated to cost \$12.75 million. The funding sources will be from the Facilities Renewal Program (\$3.5 million in FY 2000, \$2.0 million in FY 2001, \$2.0 million in FY 2002, \$2.0 million in FY 2003, \$3.25 million in FY 2004). Of the \$12.75 million, \$5.5 million will be applied during the project period and the remaining \$7.25 million balance will be used to repay the Internal Capital Project Loan after project closeout.

RESOLVED, that the construction of the School of Medicine, 4th & 5th floors of Johnson Pavilion renovation, estimated to cost \$12.75 million, be and the same hereby 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 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.....2. A Resolution on the Renovation of the Steinberg Conference Center Garage for the Wharton School was approved as follows:

The Wharton School of the University of Pennsylvania wishes to proceed with the design and construction of a new classroom, amphitheater, and associated breakout spaces in place of the existing parking garage located within the Steinberg Conference Center.

The existing 22-space parking garage will be renovated to provide one 45-person classroom, one 45-person multi-tiered amphitheater complete with audio, video, and voice amplification systems, and associated breakout spaces, comprising approximately 8,000 gross square feet. The scope of work also includes

restrooms, pantry, and a dedicated mechanical room, comprising approximately 1,000 gross square feet.

The renovation includes the removal of a non-structural slab, the installation of a raised floor as a pathway for support systems, the replacement of windows and the garage door with a masonry block and window wall, the installation of new floor, ceiling, and wall finishes, including acoustical treatment, and the installation of lighting, mechanical, and fire suppression systems and associated controls.

This renovation will provide additional teaching space to meet the growing demand for classroom and conference space in support of the established executive education program, ultimately to maintain Wharton's competitive edge in providing executive education. The project is estimated to cost \$3.6 million and will be funded through a Capital Funding Transfer of \$289,000 from the School's Operating Budget and an Internal Capital Project Loan of \$3.3 million that the School will repay from the increased revenues from the Executive Education Program.

RESOLVED, that the construction of the Wharton School of the University of Pennsylvania garage renovation at the Steinberg Conference Center, estimated to cost \$3.6 million, be and the same hereby 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 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.....3. A Resolution for Approval of the University of Pennsylvania Health System Becoming a Jointly and Severally Liable Co-tenant with Pennsylvania Hospital Under Certain Leases with Delancey Corporation was approved as follows:

In September 1994, Delancey Corporation ("Delancey") a subsidiary of The Pennsylvania Hospital of the University of Pennsylvania Health System ("PAH"), financed and refinanced the costs of improvements to certain medical office buildings, two parking garages and other properties. The financing was through a taxable bond issue under an indenture between the Pennsylvania Economic Development Financing Authority, as Issuer, and CoreStates Bank, as Trustee. In addition to Delancey's mortgage of certain properties, Delancey collaterally assigned to CoreStates certain leases for the medical office buildings between PAH and Delancey, whereby PAH agreed to pay rent to the extent that the rent collected from other sources is less than the fair market value of the total rentable square footage. As required by the Indenture, the bonds are supported by a Letter of Credit issued by PNC Bank with an expiration date of September 13, 1999,

pursuant to a Reimbursement Agreement between Delancey and PNC Bank that provided for an annual Letter of Credit Fee of 0.65%.

PNC Bank was willing to extend the Letter of Credit for one year if: (1) The Trustees of the University of Pennsylvania, as owner and operator of the University of Pennsylvania Health System ("UPHS") agreed to become a jointly and severally liable co-tenant with PAH on the leases with Delancey, with limited recourse to the assets of CPUP and HUP, and (2) the annual Letter of Credit Fee was increased to 1.00%.

Since the necessary governing boards of PAH, UPHS and the Trustees of the University of Pennsylvania were not scheduled to meet to approve the requested changes prior to the date required under the Indenture for an extension to the Letter of Credit, PNC Bank extended the Letter of Credit on the basis of an Amendment to the Reimbursement Agreement between Delancey and PNC Bank that increases the annual letter of Credit Fee to 1.00% and requires Delancey to deliver, no later than November 15, 1999, amendments to the lease documents necessary to cause UPHS to become a jointly and severally liable co-tenant with PAH on the leases with Delancey, with limited recourse to the assets of CPUP and HUP.

The UPHS Trustee Board Executive Committee recommends that UPHS become a jointly and severally liable co-tenant with PAH on the leases with Delancey, with limited recourse to the assets of CPUP and HUP.

RESOLVED, that the Budget and Finance Committee of the Trustees of the University of Pennsylvania approves UPHS becoming a jointly and severally liable co-tenant with PAH on the leases with Delancey, with limited recourse to the assets of CPUP and HUP; and that the appropriate officers of UPHS be and they hereby are authorized to take such actions, execute such contracts and incur such expenses and obligations as may in their judgment be necessary or desirable to accomplish the purposes of the resolution.

These resolutions, recorded as actions of the Executive Committee, were approved by the Trustees.

D. Development Committee—Mr. Michael Tarnopol

Mr. Tarnopol reported that the University had exceeded its fundraising goals for FY 1999, with gifts and pledges totaling \$302.5 million; annual receipts of \$270 million set a new record for the University. Funds raised for the Agenda for Excellence represented 63 percent of the total raised, and receipts added to the University's endowment during FY 1999 totaled \$89 million, nearly a 40 percent increase over the previous year's record-setting \$64 million. This year, the University has a stretch goal of \$300 million. As of September 30, gifts and pledges totaled \$40 million. It is anticipated

that this will be a challenging year for fundraising, given the important transitions taking place in the Wharton, Law, and Engineering Schools. Fundraising *for Agenda for Excellence* priorities stands at about \$580 million. Target areas for this year include financial aid, the college houses and recreation facilities, faculty chairs, and academic programs and facilities.

Yesterday, the Development Committee held a joint meeting with the University Committee on Undergraduate Financial Aid. George Weiss, the new Chair of the Financial Aid Committee, discussed ways to increase and to maintain the momentum of fundraising for scholarships. On behalf of the Development Committee, Mr. Tarnopol thanked the Trustees for their support and their assistance.

E. External Affairs—Ms. Andrea Mitchell

The External Affairs Committee discussed pending Congressional action that impacts higher education, in general, and the University of Pennsylvania, in particular, with emphasis on legislation specific to the University's research mission, healthcare reimbursement, and a new law that subjects all research data, generated in whole or in part through federal funds, to the Freedom of Information Act.

Ms. Mitchell reported that President Rodin has identified several priorities for the University of Pennsylvania in conjunction with the upcoming Republican National Convention to be held in Philadelphia in summer 2000, including identifying opportunities for our students to be involved, making good use of Penn facilities. ABC news will be headquartered at the Inn at Penn. The University also seeks opportunities to garner national and international visibility for the University. Also, the University is discussing a relationship with the University of California, Los Angeles (UCLA) to co-host a joint event with them on Penn's campus during the Republican convention, which will then lead to a reciprocal involvement for Penn and its students at the Democratic convention to be held in Los Angeles.

The University has submitted its FY 2001 Commonwealth Appropriation request to the Pennsylvania Department of Education. The University has requested \$41.8 million, a 10.7 percent increase over the current appropriation. The University will present testimony on this request before the House Appropriations Committee after January 1, 2000; the General Assembly approves its final budget in the spring

The Pennsylvania House has approved legislation that effectively prohibits public colleges and universities from providing domestic partner health benefits. The amendment does not apply to state-aided institutions, like Penn, but the sponsor of the legislation has made it clear that it is his intention to do so, and the bill that includes this provision was sent to the Senate for its consideration. The Office of Commonwealth Relations will continue to monitor this issue in both the House and the Senate. For almost 30 years, the University has maintained a Commonwealth Relations Council, a group of alumni throughout the state who advocate for Penn, particularly in support of

Commonwealth Appropriations. The membership of the council, however, has not been substantially revised for almost 20 years. The Office of Commonwealth Relations, working with Commonwealth Trustee, Mr. Robert Gleason, who will chair the new Commonwealth Relations Council, is currently in the process of developing a new list of potential members, focusing on graduates of our medical, veterinary, and dental schools.

Finally, following a tradition originated by Mr. Leonard Lauder, editors from the *Daily Pennsylvanian* (*DP*) met yesterday with the External Affairs Committee. Five of the top editors presented an overview of the *DP*, now in its 115th year at Penn. The editors were extraordinarily impressive, as they described the structure of the newspaper, their editorial philosophies, and their commitment to the highest journalistic standards. They discussed how the *DP* can expand its outreach to the entire University community and improve diversity on its staff. Also, the committee discussed how the *DP* can gain more national visibility and the success to date in visibility for the fabulous projects in the West Philadelphia Initiatives.

F. Facilities and Campus Planning—Mr. William Mack

Mr. Mack began his report by reviewing the committee's meeting, which took place earlier in the day. The committee focused on the plans for the future "superblock," also known as Hamilton Village. There was a competition amongst six different architectural firms for this project, and each of the firms had certain ideas for each project. Currently, two architects have been selected to incorporate some of the ideas of all six competing architects into a final plan, and this plan will: a) be a renovation of the high rises that currently exist; and b) will include the addition of approximately 700 new beds. It is a very exciting, dynamic program, and the committee will continue to report on its progress. The committee also was briefed on the relocation of the Penn's Children Center at 33rd and Chestnut Streets, which was previously presented to the trustees.

Mr. Mack discussed the myriad of large-scale, important construction projects currently underway on campus, all of which, for the most part, are proceeding on time and on budget. The contract for the GE building renovation has been completed, and the asbestos abatement in the building has begun; hopefully, the building will be open in September 2000. Also, purchase of the land parcel at 34th and Chestnut Streets has been closed. In the next series of meetings, certainly by June, there will be a final presentation on a Campus Master Plan, which is currently being developed. The Facilities and Campus Planning Committee will discuss this plan at its upcoming November meeting, and the Executive Committee will review it at the December meeting. Also, there will be various open-campus fora within the next month or two, and there also will be consultations various several university and council groups.

G. Investment Board—Mr. Christopher Browne

Mr. Brown reported on the Investment Board's most recent meeting, which took place a few weeks prior. For the past two years, the Investment Board has been in the process of reallocating the AIF into different asset categories. The process of doing this is quite involved; prior to this reallocation process, the AIF was invested into domestic equities and fixed income, with a high yield component in between, and the University was not invested in certain other asset classes in which most of Penn's peer institutions are invested. While it is a small investment for the University, the University's new absolute return investments have shown a 14.3 percent (gross) gain, as compared to a gain of 4.4 percent in the S&P 500 since its inception in March. The results of the AIF for the fiscal year ended June 30, 1999 show a return of 11.2 percent versus a return of 15.4 percent for its benchmark comparison. The primary reason for the underperformance of the AIF was the investment in domestic equities, which underperformed the S&P 500 by approximately 800 basis points. This reflects the value orientation of the AIF, historically and presently, that significantly underperformed the S&P 500, which was driven primarily by technology stocks (the most recent 12-month period ended September 30, 1999). The University's international equity portfolio did quite well: 11.5 percent versus 7.6 percent for its benchmark. The University's real estate investments returned 18.0 percent versus 13.2 percent for its benchmark. In the most recent quarter, the first quarter of the fiscal year ended September 30, 1999, the AIF showed a total return of -5.4 percent versus a benchmark total return of -2.1 percent—again, the primary area of underperformance is the domestic equity portfolio, which declined 11.4 percent versus 6.2 percent for the S&P 500. It has been a narrowness of market returns that are skewing a handful of stocks (today the number stands at seven technology stocks), which have counted for the entire return in the S&P 500, selling at an average price earnings ratio of 65. Mr. Browne estimated that it will take awhile for the culture of this committee to change to go to that direction. However, these are short-term returns; the University's long-term returns have been more than adequate, and the University is moving in the direction of investing in areas that are not as market-dependent yet provide more consistent but superior, long-term rates of return.

As Mr. Browne concluded his report, Mr. Alvin Shoemaker commented that the financial report was inadequate and outdated, for it reports on dollar amounts on a fiscal year and it gives performance reports on an calendar year, and the most recent numbers reported are from June 30, 1999. Mr. Shoemaker suggested that the report be examined in an attempt to determine the University's investment performance between June 30, 1999 and today (October 22, 1999). Mr. Shoemaker stated that there is no way of judging the investment performance from reading the report, and that the report should be revised, with numbers more current than June 30, 1999, and they should be consistent with the calendar dates given in the report. Mr. Riepe stated that the committee will take Mr. Shoemaker's suggestions under advisement and that more current numbers could be provided.

H. Neighborhood Initiatives Committee—Mr. Gilbert Casellas

Mr. Casellas began his report by giving an overview of yesterday's committee meeting, which included a full agenda and focused primarily on the extraordinary efforts the University is making in West Philadelphia on the commercial, educational, and housing development fronts. An update on the development of the new Pre-K-8th grade public school in University City was given, and a model of its design was presented. The University is in the final stages of discussion with the School District of Philadelphia on the design, on the turnkey contract, and on an operating agreement for the school. Penn continues to be on target for a Fall 2001 opening. The design for the school is very strong; the local firm, under Tony Atkin, who designed the Jaffe History of Art renovation and who will take on the Museum project, has worked closely with the school planning committee on a building that works well on the site and that incorporates important educational features. Also, the University continues an impressive level of activity in other schools in West Philadelphia.

Construction on Hamilton Square, the Sundance Cinema, the food market, and the parking garage are proceeding well. The University has secured two financial partners, GMAC and Prudential Social Investments. A retail study has been completed to determine the best mix of retail for 40th Street. The University is developing a strategy to provide better management of multi-family rental properties in West Philadelphia. Over the past 18 months, 166 houses have been sold to Penn affiliates as part of the Enhanced Mortgage Program, and 87 families are participating in the Home Improvement Program. The University will share broadly the economic impact study, to which President Rodin referred earlier, that shows the enormous impact Penn has on the city and on the Commonwealth. The University is in conversation with the staff of Vice President Al Gore to identify federal opportunities to help fund these initiatives.

Mr. Casellas concluded his report by praising Dr. Rodin and her team for their continual, impressive work; all of the trustees should be appreciative for the intelligence and the sensitivity with which the collaboration with the community is being done. The trustees' assistance in identifying and securing sources of funding for these projects is crucial to their sustainability.

I. Student Life Committee—Mrs. Susan Catherwood

Mrs. Catherwood began her report by, in conjunction with Dr. Valerie Swain-Cade McCoullum, thanking Dr. Gloria Twine Chisum, former chair of the trustees' Student Life Committee, for her active and ardent stewardship of the committee and for her graceful and compassionate service. The committee hopes to sustain Dr. Chisum's wise counsel as it committee progresses.

Mrs. Catherwood reported that Provost Robert Barchi provided committee members with an overview of the process and progress of the implementation of the Working Group on Alcohol Abuse (WGAA) recommendations. Dr. Barchi noted that the

alcohol issues here at Penn are certainly not unique to Penn and praised the students for their leadership in addressing this most serious concerns, particularly that of Mike Silver, of the Undergraduate Assembly, and of Mike Metzler, of the Interfraternity Council. Stephanie Ives, Penn's new Alcohol Coordinator, was introduced to the committee. WGAA developed 45 recommendations, all of which were approved by President Rodin in the following component areas: ongoing education, ensuring a supportive environment, student responsibility and accountability, minimizing risk, and expanding social options. The major goal of the WGAA Programming is to reduce the incidence of alcohol abuse on campus and to promote cultural change that promotes student health and safety. The University has already implemented a number of initiatives, including additional education programs and training sessions, social marketing campaigns, and expanded social programs on campus. Although many of programs and campaigns have been deemed extremely successful, there are still issues that need to and are being addressed, including developing mechanisms like the proposed Undergraduate Assembly (UA) brochure, to reduce the incidence of off-campus, unregistered parties with underground drinking, and issues regarding parental notification. For example, the parental notification committee has been reconsidering its initial recommendation to develop for the Family Educational Rights and Privacy Act a consent to be notified form, which would require the signatures of both students and parents and which would permit the University to notify parents of every student incident involving alcohol. It does seem that in balancing student rights to privacy, and the real need to reassure students that punitive measures will not be taken against those students who seek medical attention, that this is a wise step for the committee to take. The members of the committee are pleased by the University's strong proactive approach to this issue, which is central to the well-being of Penn students, most specifically through the Office of the Vice Provost for University Life, Dr. Valerie Swain-Cade McCoullum and her staff, who will continue to monitor the WGAA's progress.

J. Alumni Society—Mrs. Elsie Sterling Howard

The Global Alumni Network's *Partners with Penn Program* was discussed, which will provide best practice standards incentives and assistance to regional alumni clubs in achieving Penn's priorities and goals in the region. The Penn on the Road Programs will visit four cities this year: Atlanta, Los Angeles, Boston and San Francisco, with provocative, agenda-related subjects.

Regarding technology, there are three courses on line for alumni this fall, with more to follow in the spring, and e-mail forwarding for life beginning in January 2000.

On November 5, 1999, the Alumni Award of Merit Gala will honor 6 Penn alumni: Robert A. Fox, Jon M. Huntsman, Jane Gutman, Sally Janetta, Lee Schlifer, and Doug Yee. Also, awards will be presented to the classes of 1941 and 1992, as well as to two regional clubs, Southern California and Washington, DC. During Homecoming weekend, the Alumni Society will host a Leadership Summit with expected participation of 200 diverse alumni.

A governance self-study of the Alumni Society is in progress, along with other initiatives and taskforces, which may move the University into the next millennium.

Three nominees for Alumni Trustee positions will begin their service in January 2000: Larry Nussdorf (W'68), At Large; Robert Blank (L'65), representing Pennsylvania; and Paul Williams (W'67), representing the central region. Mrs. Howard invited nominations for Alumni trustees representing the Southern, Western, and Metropolitan New York regions for terms beginning in 2001, as well as for her own successor as President of the Alumni Society, with a term beginning July 2000.

On behalf of the Alumni Society of Penn's 225,000 alumni, Mrs. Howard thanked Norman Hetrick and Mary Ann Greenawalt for their outstanding service.

K. Appointments to Overseer and Other Boards—Mr. James Riepe

Action.....1. A Resolution on Appointments of John J. Medveckis and Rita P. Scheller to the Board of Overseers of the University of Pennsylvania Museum of Archaeology and Anthropology was approved as follows:

RESOLVED, that Mr. John J. Medveckis and Mrs. Rita P. Scheller be appointed to the Board of Overseers of the University of Pennsylvania Museum of Archaeology and Anthropology for a three-year term, effective October 22, 1999.

Mr. John J. Medveckis is a Partner and Director of Cooke & Bieler, an investment counseling firm that manages approximately \$6 billion in assets. He earned his undergraduate degree in Economics from the University of Cincinnati. After teaching investments for two years at Purdue University, Mr. Medveckis was admitted to the Indianapolis Society of Financial Analysts. Mr. Medveckis is currently a Trustee of the Curtis Institute of Music, as well as a member of its Investment Committee, a Trustee and member of the Philadelphia Museum of Art, and a former Director of the U.S. Baltic Foundation. He also serves on the Annenberg Center's Board of Advisors and the U.S. Library of Congress' Visual Arts Committee. He is a donor and trustee of the J.J. Medveckis Foundation, an independent foundation which fields of interests include civil rights, race/intergroup relations, higher education, international affairs, goodwill promotion, museums, and secondary schools.

Mrs. Rita P. Scheller is the wife of former president and CEO Joseph Scheller of Siberline Manufacturing Co., a maker of aluminum pigments for paints, inks, and plastics. As of 1996, Mrs. Scheller had been employed as a teacher and an officer of the company. She has written several articles focused on social issues for American Paint & Coatings Journal. In 1996, she and her husband were Honorary Co-Chairs of the Good Shepherd Celebrity Classic, an annual charity

event that benefits the hospital's pediatric center. As of 1998, Mrs. Scheller was a member of the President's Advisory Board at Good Shepherd Hospital and of the Jewish Family Services Board of Hadassah. Also, in 1998, Mr. and Mrs. Sheller received the Wallenberg Tribute for their efforts "to build a better understanding between people of different faiths and traditions through the Institute for Jewish-Christian Understanding."

Action.....2. A Resolution on Appointments of Judy Samelson and Maryann Sudo to the Board of Overseers of the University Libraries was approved as follows:

RESOLVED, that Ms. Maryann Sudo be appointed to the Board of Overseers of the University Libraries for a three-year term, effective October 22, 1999.

Ms. Maryann Sudo began at Manufacturers Hanover (later Chemical Banking Corporation) in 1964 in the management program. She was promoted from her position as a Lending Officer in the Metropolitan, International, and National Divisions in 1976 to Vice President and later to Managing Director in 1991. She obtained her position as Managing Director of Global Investment Bank at Chase Securities Inc. when Chemical Banking Corporation merged with The Chase Manhattan Corporation in 1996. In this position, she has global responsibility for corporate relationships with multinational clients in the Diversified/Consumer Products Group. Her client base has included Westinghouse/CBS, Crown Cork & Seal, Campbell Soup, Hercules, Black & Decker, and H.J. Heinz, among others. Ms. Sudo is a Penn graduate, with a B.A. in Russian language and literature, and serves on the Trustees' Council of Penn Women.

Action.....3. A Resolution on Reappointments of Morton M. Kligerman, John J. Medveckis, Harold Prince, Hon. James R. Roebuck, Raymond H. Welsh, Judith A. Wicks, and William J. Zellerbach to the Board of Advisors of the Annenberg Center was approved as follows:

RESOLVED, that Morton M. Kligerman, John J. Medveckis, Harold Prince, Hon. James R. Roebuck, Raymond H. Welsh, Judith A. Wicks, and William J. Zellerbach be reappointed to the Board of Advisors of the Annenberg Center for three-year terms, effective October 22, 1999.

Morton M. Kligerman (HOM'86) is Professor Emeritus of Research Oncology in the Department of Radiology at the University of Pennsylvania Medical Center. Dr. Kligerman is a former Director of the Pennsylvania Ballet, a former Director of the Sante Fe Opera, New Mexico and a member of the Sante Fe Opera Foundation.

John J. Medveckis is a Partner and Director of Cooke & Bieler, an investment counseling firm that manages approximately \$6 billion in assets. Mr. Medveckis

is currently a trustee of the Curtis Institute of Music, as well as a member of its Investment Committee, a trustee and member of the Philadelphia Museum of Art, and a former Director of the U.S. Baltic Foundation. He also serves on the U.S. Library of Congress' Visual Arts Committee. He is a donor and trustee of the J.J. Medveckis Foundation.

Harold Prince (C'48 HON'71) is a theatrical director and producer. Mr. Prince is a trustee for the Kurt Weill Foundation for Music, Inc., a member of the Council on the National Endowment for the Arts, a former president and current member of the League of New York Theatres, past president and member of the National Institute for Music Theatre. The Harold Prince Theatre in the Annenberg Center for the Performing Arts is named for Mr. Prince.

Hon. James R. Roebuck is a State Representative in the Pennsylvania House of Representatives. Rep. Roebuck is a 13-year veteran of the State House. He has initiated several programs in the West Philadelphia community, which include Senior Citizen Outreach and West Philadelphia Partners for the Arts. He is active with anti-drug groups, the Huey School, and the Misericordia Hospital Family Health Center.

Raymond H. Welsh (W'53) is Senior Vice President for Investments at PaineWebber, Inc. Mr. Welsh is involved in several different areas at the University, including the School of Medicine, and the Annenberg Center for the Performing Arts. Mr. Welsh serves as an Emeritus Trustee of the University of Pennsylvania.

Judith A. Wicks is President of White Dog Enterprises, Inc. Ms. Wicks is a founding member of the Philadelphia Chapter of Business for Social Responsibility, a member of the Delaware Valley Community Reinvestment Fund, a 1995 recipient of the National Business Enterprise Award, and a 1994 recipient of the Paradigm Award from the Greater Philadelphia Chamber of Commerce.

William J. Zellerbach (W'52) is President and Director of the Zellerbach Family Fund. Mr. Zellerbach's father, Harold Zellerbach, made a contribution that named the Zellerbach Theatre in the Annenberg Center for the Performing Arts. Mr. Zellerbach is a former Alumni and Term Trustee, and a former member of the Wharton School Board of Overseers.

Action.....4. A Resolution on Reappointments of Linda Lee Alter, Seymour Finkelstein, Annette Friedland, Sallie Korman, Richard Lane, Geraldine Pincus, Jon Randall Plummer, Larry Reichlin, Ann Dee Rome, Ella Schaap, and William Williams to the Advisory Board of the Institute of Contemporary Art was approved as follows:

RESOLVED, that Linda Lee Alter, Seymour Finkelstein, Annette Friedland, Sallie Korman, Richard Lane, Geraldine Pincus, Jon Randall Plummer, Larry Reichlin, Ann Dee Rome, Ella Schaap, and William Williams be reappointed to the Advisory Board of the Institute of Contemporary Art for three-year terms, effective October 22, 1999.

Linda Alter is an artist and philanthropist who currently resides in Philadelphia. She was formerly a part owner of the Advanta Corporation, a nationwide marketer of credit cards, personal loans, second mortgage loans, and other consumer products. Ms. Alter is a strong supporter and promoter of women artists. She is a 1977 alumna of the University's Occupational Therapy Program.

Seymour Finkelstein (W'46) is president of Glemby International. An alumni trustee of the University from 1980 to 1985, he served on the Trustee Committees for Resources, Student Life, and External Affairs.

Annette Friedland, a trustee of the Philadelphia Museum of Art, is an avid art collector. Mrs. Friedland is a member of the Board of the Historical Society of Pennsylvania, and a trustee of the Noyes Museum.

Sallie Korman is past chairman and current member of both the Institute of Contemporary Art at the University of Pennsylvania and the Abrahamson Committee of the Hospital of the University of Pennsylvania. In addition, she is vice-chair of the Mayor's Art-In-City Hall Program Council. She's on the advisory board of the Academy Ball and a life member of the Albert Einstein Medical Center Auxiliary. Mrs. Korman is a member of the Council of the Pennsylvania Horticultural Society. A former member of the United Way Allocations Committee, she has served as a director of the March of Dimes in Philadelphia and as a member of the Academy of Music Committee as well as director and secretary of the Visiting Nurses of Eastern Montgomery County.

Richard Lane is the president of Olnick Organization, Inc., a New York City-based commercial real estate company. He and his wife have built a first-class collection of contemporary art, and he serves on the boards of the Whitney Museum and the Tel-Aviv Museum. Mr. Lane graduated from the University of Virginia and earned a law degree from George Washington University.

Geraldine Pincus (NU'59) is involved in many Philadelphia area non-profit institutions. Mrs. Pincus and her husband have funded emergency supply missions of food and medicine to war torn Kosovo and other international spots.

Jon Randall Plummer is Director of Pars Manufacturing Company, and an enthusiastic collector of contemporary art. Mr. Plummer serves on the Development Committee of ICA.

Lawrence S. Reichlin is an executive at the Canada Dry Bottling Company. He is the nephew of Lynn Korman Honickman and Harold Honickman, long-time supporters of the ICA. Mr. Reichlin is an enthusiastic collector of contemporary photography.

Ann Dee Rome (CW'68) has been a long-time volunteer and supporter of the ICA. She is a former trustee of the Boca Raton Museum of Art in Florida, and is currently a guide at the Philadelphia Museum of Art.

Ella Schaap serves as a curatorial associate at the Philadelphia Museum of Art. A noted local art collector, Mrs. Schaap is a member of the ICA Exhibitions Committee. Her family in Amsterdam and New York is also involved in the art world.

William E. Williams, Professor of Fine Arts at Haverford College, is well known to the Philadelphia art community, not only as the director of the Comfort Gallery, but as an accomplished teacher and talented professional photographer. Mr. Williams is an alumnus of Hamilton College, where he serves on the Board of Visitors. He has been recognized for the impressive number of exhibitions he has curated for the gallery at Haverford, as well as for his outstanding work.

Action.....5. A Resolution on Election of Albert J. Wood as an Emeritus Member of the Board of Overseers of the Center for Judaic Studies was approved as follows:

RESOLVED, that Mr. Albert J. Wood be elected as an emeritus member of the Board of Overseers of the Center for Judaic Studies, effective October 22, 1999.

Albert J. Wood has served on the Board of Overseers of the Center for Judaic Studies since its formation in 1993. He was founder and chairman of the board of the A.J. Wood Corporation until 1985, at which time he sold the company and became involved in philanthropic and non-profit organizations. He is founding chairman of the Middle East Forum and trustee and member of the Executive Committee of the Foreign Policy Research Institute. Mr. Wood is a board member of the Anti-Defamation League of Philadelphia, the Global Dialogue Institute, the Institute for the Arts in Education and the Greater Philadelphia Philosophy Consortium. He is also a member and former chairman of the board of Abilities, Inc. of Albertson, one of the world's foremost institutions for physically handicapped children.

These resolutions were approved by the trustees as a group.

Dr. Rodin invited the trustees to celebrate the completion of the Inn at Penn and hoped that the trustees found it to be a welcoming place. Dr. Rodin highlighted how the Inn at Penn represents a dedication to community renewal and to community strength, as

it is the first new hotel to open in West Philadelphia in 30 years. The construction and staffing of the Inn at Penn and Sansom Common focused on maximizing the participation of the West Philadelphia community, benefiting the area through business opportunities. The Sansom Common Advisory Board, composed of representatives from government and community agencies in Philadelphia, and members of the University, was integral in working with Penn to make this commitment a reality. The Sansom Common Advisory Board has overseen more than \$7 million in expenditures, almost 50 percent of which were made through minority- and women-owned businesses in West and Southwest Philadelphia. The Inn at Penn and Sansom common was, in large part, built by local contractors and subcontractors, many of whom were women and minorities. Promus Hotels, Penn's managing partner for the Inn at Penn, has successfully upheld its priority of recruiting, employing and providing job training for West Philadelphia residents. This week's activities and experiences at the Inn at Penn represent only the immediate, visible outcomes of a very deep commitment by Penn and their community partners in this exciting venture. Dr. Rodin thanked Mr. John Fry, Executive Vice President, and his colleagues, Mr. Thomas Seamon, Mr. Omar Blaik, and Mr. Titus Hewryk, and everyone who has worked to bring this to fruition. Penn is determined to make sure that this is a win-win for Penn and for the community, and Dr. Rodin hopes that the Economic Impact Study demonstrates Penn's effectiveness in this project.

A cake was then presented by the staff of the Inn at Penn, and Mr. Dave Newhart, General Manager of the Inn at Penn, thanked the trustees for choosing the Inn at Penn for their meeting and hotel accommodations. Along with his staff, Mr. Newhart pledged to provide exceptional service in a facility that is truly a reflection of Penn. Dr. Rodin commented that the trustees have thoroughly enjoyed their stay. Dr. Rodin wished that Mr. Myles Tanenbaum could have been present, as the completion of the Inn at Penn and Sansom Common was truly a "labor of his love."

There being no further business to come before the board, Mr. Riepe adjourned the meeting at 3:23 PM.

Respectfully submitted,

Rosemary McManus
Secretary of the University