

**THE PENNSYLVANIA STATE UNIVERSITY
BOARD OF TRUSTEES**

**COMMITTEE ON FINANCE, BUSINESS AND CAPITAL PLANNING
MINUTES OF MEETING
VOLUME FBCP 34**

SEPTEMBER 17, 2020

A ZOOM meeting of the Committee on Finance, Business & Capital Planning was held beginning at 9:45 a.m.

The following committee members, constituting a quorum, were present: Abe Amoros, Valerie Detwiler, Lynn Dietrich, Barbara Doran, Robert Fenza, Abe Harpster, Alex Hartzler, Mary Lee Schneider, and Brandon Short.

Ex-Officio member Mark Dambly, Faculty Representative Elizabeth Seymour, Student Representative Lexy Pathickal and the following administration members were also present Sandy Barbour, Eric Barron, Madeline Cantu, Joe Cullen, Joseph Doncsecz, Stephen Dunham, Jennifer Eck, David Gray, Lynn Holleran, Shannon Harvey, Tracy Irvin, Nick Jones, Rick Kaluza, Kurt Kissinger, Steve Massini, Zack Moore, Mary Lou Ortiz, John Papazoglou, Tom Penkala, David Rose, Scott Sidwell, Bill Sitzabee, Marv Smith, Crystal Straw, Steve Watson and Shelly Ziegler-Byers.

The meeting was called to order by Chair Mary Lee Schneider. Chair Schneider advised the Committee that actions and recommendations by the Committee would be reported to the full Board of Trustees for their consideration at the September 18, 2020 meeting.

The Committee unanimously approved the minutes of the July 16, 2020 meetings of the Committee.

The Committee unanimously approved the following resolution for the Proposed Renaming of the Beaver Community Center at Penn State Berks "Beaver Athletics and Wellness Center":

RESOLVED, That the Beaver Community Center at Penn State Berks be renamed "Beaver Athletics and Wellness Center."

The Committee unanimously approved the following resolution for the Proposed Appointment of Non-University Employees to the Penn State Investment Council:

RESOLVED, That J. David Rogers and J. Alex Hartzler, non-University employees, are appointed to the Penn State Investment Council for terms ending in 2023.

The Committee unanimously approved the following resolutions for the Consideration of Request for 2021-22 Appropriation for Operations:

RESOLVED, That the Officers of the University are authorized to submit to the Legislature, appropriate departments, and offices of the Commonwealth of Pennsylvania, a State Appropriation Request for fiscal year 2021-2022 in the amount of \$353,070,000..

The Committee unanimously approved the following resolutions for the Proposed Final Plan Approval and Authorization to Expend Funds, Engineering Research and Teaching Space 2, University Park:

RESOLVED, That the final plans for the Engineering Research and Teaching Space 2, as designed by Payette of Boston, Massachusetts, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds and award contracts to accomplish the project is approved in the amount of \$88,000,000.

The Committee unanimously approved the following resolution for the Proposed Authorization to Expend Funds, West Campus Chiller Plant Expansion, University Park:

WHEREAS, Article V, Section 5.09(a)(iii)(7) requires the approval of the Board of Trustees for capital projects under \$10 million in cost that are bond-financed, and

WHEREAS, The proposed West Campus Chiller Plant Expansion is recommended by the Administration to be funded with bond financing;

THEREFORE, BE IT RESOLVED, That authorization to expend funds for the West Campus Chiller Plant Expansion, as designed by Trefz Engineering of Horsham, Pennsylvania, is approved in the amount of \$9,500,000.

The Committee unanimously approved the following resolution for the Proposed Amended Authorization for East Campus Land Transfer, Penn State Health Milton S. Hershey Medical:

WHEREAS, At its May 6, 2019 meeting the Board of Trustees authorized the transfer of certain parcels of real estate (together with improvements thereon) owned by the University, comprising what is described as the East Campus of the Penn State Health Milton S. Hershey Medical Center Campus (shown as lots 4, 6, 7 and 8 on the "PSHMC and College of Medicine Lot Layout Plan with Site Plan, dated 5-5-07") to Penn State Health or its controlled designee, under and subject to restrictions as set forth in the Bylaws of Penn State Health in consideration for the payment of \$18 million.

WHEREAS, Lot 4 of the East Campus contains a 155,264 square foot improvement constructed in 2000 known as the Academic Support Building which houses critical academic support offices in service to both the College of Medicine and the Penn State Health Milton S. Hershey Medical Center as well as associated parking lots and storm water facilities with an approximate value of \$11 million (the "ASB Parcel").

WHEREAS, Upon further due diligence and analysis of the College of Medicine's current and planned long-term on-campus space requirements in support of its academic missions, it was deemed in the University's best interest to retain the ASB Parcel, pending further analysis of the needs of the College of Medicine.

WHEREAS, On September 13, 2019, the officers of the University were authorized by the Board of Trustees to enter into such subdivision applications and agreements, and execute such deeds as were necessary to (a) revise the parameters of Lot 4 to exclude the ASB Parcel, (b) convey the remaining acreage of Lot 4 as revised to Penn State Health for consideration based on the pro rata share of the acreage conveyed, and (c) amend the total consideration payable by Penn State Health for Lots 4, 6, 7 and 8 to an amount not to exceed \$10.8 million.

WHEREAS, Upon further due diligence, the University and Penn State Health discovered that the parcels of land containing a medical office building located at 845 Fishburn Road, Hershey, Derry Township, Pennsylvania were inadvertently excluded from the description of the properties to be conveyed to Penn State Health in the May 6, 2019 Resolution and the September 13, 2019 Resolution of the University Board of Trustees as part of the East Campus of the Penn State Milton S. Hershey Medical Center Campus conveyance even though the approved consideration of up to \$10.8 million included the Fishburn Road property.

WHEREAS, The University now wishes to amend the prior resolutions authorizing the transfer of certain parcels of real estate (together with improvements thereon) owned by the University, comprising what is described as the East Campus of the Penn State Health Milton S. Hershey Medical Center Campus (shown as lots 4, 6, 7 and 8 on the "PSHMC and College of Medicine Lot Layout Plan with Site Plan, dated 5-5-07" less the ASB Parcel and hereinafter the "East Campus") to Penn State Health or its controlled designee, to also include two tracts of real property located at 845 Fishburn Road, Hershey, Derry Township, Pennsylvania comprising 2.84 acres with improvements to include a medical office building of 19,910 square feet ("Fishburn Road Parcels").

THEREFORE, BE IT RESOLVED, That the officers of the University are hereby authorized to enter into such agreements and execute such deeds as are necessary to convey the East Campus to Penn State Health for \$8,864,466.00 and the Fishburn Road Parcels to Penn State Health for \$669,189.00..

The Committee unanimously approved the following resolution for the Proposed Approval of Graduate Apartment Rates, University Park:

RESOLVED, That the monthly lease rates for graduate apartments at University Park for the 2020-21 academic year reflect a 0% increase as shown in Appendix I attached hereto and which are part of this resolution.

(See Appendix I)

Informational reports on the following items were presented.

- Review of Long-Term Investment Pool as of June 30, 2020 (Joe Cullen and David Gray) has been posted in Diligent for Trustee reference
- Report on Operational Risk – Athletics Financial Model (Sandy Barbour)

The Capital Plan Update-College of Medicine informational report was deferred to a future meeting.

The Committee on Finance, Business & Capital Planning meeting was adjourned at 10:45 a.m.

Respectfully submitted,

Crystal K. Straw
Assistant Secretary
Board of Trustees

Recommended Monthly Graduate Apartment 2021/22 Rates

	2020/21 Rate	2021/22 Proposed Rate	Amount of Increase	Increase Percentage
1 Bedroom	\$1,168	\$1,168	\$0	0.00%
2 Bedroom	\$1,321	\$1,321	\$0	0.00%
3 Bedroom	\$1,459	\$1,459	\$0	0.00%
3 Bedroom w 1.5 baths	\$1,474	\$1,474	\$0	0.00%
Quad Apartment <i>(per person)</i>	\$938	\$938	\$0	0.00%