



**THE PENNSYLVANIA STATE UNIVERSITY
BOARD OF TRUSTEES
PUBLIC MEETING – November 9, 2018
1:00 - 3:00 P.M.
DEAN'S HALL, PENN STATER CONFERENCE CENTER HOTEL**

1. **Chair Welcome/Remarks**
2. **Call to Order**
3. **Presentation: *Report on Audited Financial Statements***
4. **Consent Agenda Action Items [attached]**
 - a) Approval of *Minutes* from Previous Meeting
 - b) Authorization to Confer Degrees
 - c) Proposed Date of Election of Trustees by Delegates from Agricultural Societies, by the Alumni, for Business and Industry, and At-Large

Finance, Business and Capital Planning:

 - d) Proposed Appointment of an Architect, Taxiway A Rehabilitation, University Park Airport
 - e) Proposed Appointment of an Architect, Allied Health Building, Penn State Mont Alto
5. **Other Action Items [attached]**
 - a) Proposed Departmental Naming Opportunity
 - b) Selection of Recipients of the 2019 Distinguished Alumni Award
 - c) Conflict of Interest – Approval of Lease Renewal with PSRP Developers, Inc.
6. **President's Report and Discussion:**

*What Does it Mean to be a Modern Land-Grant University?
-Considering the Public Value of Commonwealth Campuses*
7. **Closing Remarks/Announcements**

11/9/2018 Consent Agenda Action Items

a) **Approval of Minutes from September 14, 2018 Meeting**

b) **Authorization to Confer Degrees**

Will the Board of Trustees authorize the President of the University, or designee, to confer degrees at the end of the 2019 Spring Semester, Summer Session, and Fall Semester upon those students who have completed at those times the necessary requirements?

c) **Proposed Date of Election of Trustees by Delegates from Agricultural Societies, by the Alumni, for Business and Industry, and At-Large**

The Charter of the University specifies that the election of trustees shall be held annually, by ballot, on such day and hour during the commencement weekend on such day previous to the day for the final public exercises of commencement as from time to time shall be determined by the Board of Trustees.

Will the Board of Trustees approve May 2, 2019 as the date for the delegate election of agricultural trustees, and for counting of the ballots in the alumni election; and approve May 3, 2019 as the date for the election of business and industry, and at-large trustees?

d) **Proposed Appointment of an Architect, Taxiway A Rehabilitation, University Park Airport**

Taxiway A pavement at University Park Airport has exceeded the Federal Aviation Administration's (FAA) 20-year service life. A rehabilitation project is planned to replace the pavement, remove direct access to the runway from aprons, increase the size of the hold-bays, and widen fillets and shoulders to meet current FAA design standards and better accommodate larger aircraft. Other improvements include storm sewer upgrades and the removal of an abandoned cross-wind runway.

Funding for the approximately \$35.2 million project will come from the FAA, the PennDOT Aviation Development Program and the Passenger Facility Charge. Although the improvements may need to be phased over multiple years due to the availability of federal funding, the entire project will be designed now to compete for funds from the FAA's Airport Improvement Program discretionary grants.

The architect selection process was delegated to the Office of Physical Plant and Airport representatives. A Request for Qualifications for professional design and construction administration services was publicly advertised in August 2018. Based on the responses to the RFQ and using a qualification-based selection process, the selection committee unanimously recommends Mead & Hunt as the most qualified firm for these services.

Will the Board of Trustees adopt the following resolutions:

RESOLVED, That the Officers of the University are authorized to employ Mead & Hunt, of Middleton, Wisconsin, to design the Taxiway A Rehabilitation at University Park Airport.

FURTHER BE IT RESOLVED, Final plans for the project will be brought to the Board of Trustees for approval when designed and costs have been established.

e) **Proposed Appointment of an Architect, Allied Health Building, Penn State Mont Alto**

The Subcommittee on Architect/Engineer Selection will make a report and recommendation on the appointment of an architect for the Allied Health Building at Penn State Mont Alto.

11/9/2018 Other Action Items

a) Proposed Departmental Naming Opportunity

The Board of Trustees will consider a naming opportunity based upon a philanthropic gift.

b) Selection of Recipients of the 2019 Distinguished Alumni Award

A report of the Distinguished Alumni Award Screening Committee will be presented by Mark Dambly, Chairman.

c) Conflict of Interest – Approval of Lease Renewal with PSRP Developers, Inc.

Article VIII, Section 8.05 (a) of the *Bylaws* of the University, provides that, "A contract or transaction between the University and a Trustee, family member or an entity in which the Trustee or family member has a beneficial interest of ten percent (10%) or more and the contract or transaction is valued at \$10,000 or more must be approved by the Board of Trustees in accordance with this Section." Further, the Section provides that "the University official responsible for the matter must first conclude that it is in the best interests of the University to consider entering into such a contract or transaction" and that "the officer must first explore alternatives that do not involve an interest of the Trustee, family member or entity in which the Trustee or family member owns a beneficial interest of ten percent (10%) or more." The interested Trustee shall leave the meeting during discussion and voting. Finally, Section 8.05 (a) provides that "[t]he Board shall determine by a majority vote of the disinterested Trustees whether the transaction or arrangement is in the University's best interests, the price and value provided are fair and reasonable to the University and whether to approve the transaction or arrangement."

Trustee Ira Lubert has a beneficial ownership of more than ten percent of PSRP Developers, Inc. which owns 101 Innovation Boulevard (the "Lubert Building"). The University currently leases 12,413 square feet of office space for the Donald P. Bellisario College of Communications in Suites 100, 110, 213 and 215 of the Lubert Building, at a current annual base rent of \$237,393 with an expiration date of April 30, 2019. The College plans to consolidate its operations currently located in the Lubert Building to the Willard Building on campus once renovations to the latter are completed by the end of 2020. Until then, the College has continuing office space needs.

Will the Board of Trustees adopt the following resolutions:

WHEREAS, Kurt A. Kissinger, associate vice president for finance and business, serves as the responsible official for exercising due diligence in exploring alternatives in real estate matters in accordance with Article VIII, Section 8.05 (a) of the *Bylaws* of the University; and

WHEREAS, The responsible official has evaluated both on and off-campus office space alternatives for the above described lease in consideration of price, quality, amenities, accessibility and timing of availability, among others; and

WHEREAS, The responsible official has concluded that 101 Innovation Boulevard, Suites 100, 110, 213 and 215 presents the best alternative to meet the ongoing office space needs of the Donald P. Bellisario College of Communications and that it is in the best interests of the University to enter into the lease renewal on the terms proposed;

THEREFORE BE IT RESOLVED, That the proposal to extend the current lease at 101 Innovation Boulevard, Suites 100,110, 213, and 215 with PSRP Developers, Inc., totaling 12,413 square feet at the annual base rent of \$242,616 plus annual CPI escalation until April 30, 2021, is hereby approved.