

**THE PENNSYLVANIA STATE UNIVERSITY
BOARD OF TRUSTEES**

**COMMITTEE ON FINANCE, BUSINESS AND CAPITAL PLANNING
MINUTES OF MEETING
VOLUME FBCP 15**

May 4, 2017

A meeting of the Committee on Finance, Business & Capital Planning was held in Room 206 of the Penn Stater Conference Center Hotel in State College, Pennsylvania, beginning at 10:00 a.m.

The following committee members, constituting a quorum, were present: Mark Dambly, Robert Fenza, Alex Hartzler, Daniel Mead, William Oldsey, and Mary Lee Schneider.

Emeriti Trustee Alvin Clemens, Faculty Representative Matthew Woessner, Student Representative Katie Jordan, and the following administration members were also present: Susan Basso, Madeline Cantu, Joseph Doncsecz, Jennifer Eck, David Gray, Nicholas Jones, Kurt Kissinger, Andy Reisinger, Crystal Straw, Eric Strucko, and Ford Stryker.

The meeting was called to order by Chairman Daniel Mead. Chairman Mead advised the Committee that actions and recommendations by the Committee would be reported to the full Board of Trustees for their consideration at the May 5, 2017 meeting.

The Committee unanimously approved the minutes of the February 23, 2017 meeting of the Committee and the April 6, 2017 joint meeting of the Committee and the Committee on Long-Range Planning.

The Committee reviewed the following consent agenda items and unanimously approved the two action items: Summary of Revised Funds and Summary and Acknowledgment of New Funds and Major Commitments.

Information Items –

- a) Eisenhower Auditorium Stage Abatement, University Park
- b) University Drive Extension Reconstruction, University Park
- c) Nittany Parking Deck Rehabilitation, University Park
- d) Nittany Apartments Renovation – Phase IV, University Park
- e) First Floor Observation Unit Fitout, Penn State Health Milton S. Hershey Medical Center
- f) Renovation of Radiology 3D Imaging and Offices, Penn State Health Milton S. Hershey Medical Center
- g) Replacement of Air Handling Units, Penn State Health Milton S. Hershey Medical Center
- h) Hospital North Hallway West Reconfiguration and Second Floor Addition, Penn State Health Milton S. Hershey Medical Center
- i) Change the Name of the Recreation & Convocation Center to the “Athletic & Recreation Center,” Penn State Fayette
- j) Naming of Rooms, Portions of Buildings, and Plazas
- k) Status of Major Construction Programs and Borrowing
- l) Long-Term Investment Pool Report for Calendar Year 2016

Action Items –

- m) Summary of Revised Funds
- n) Summary and Acknowledgement of New Funds and Major Commitments

(See Appendix II)

The Committee unanimously approved the following resolution for the Proposed Naming of the Lacrosse Stadium to “Panzer Stadium,” University Park:

RESOLVED, That the Lacrosse Stadium at University Park is named “Panzer Stadium.”

The Committee unanimously approved the following resolution for the Proposed Appointment of an Architect for Children’s Hospital Overbuild, Penn State Health Milton S. Hershey Medical Center:

RESOLVED, That Payette Associates of Boston, Massachusetts, is the architect of record for the design of the Children’s Hospital Overbuild at Penn State Health Milton S. Hershey Medical Center.

The Committee unanimously approved the following resolutions for the Proposed Appointment of an Architect, Final Plan Approval and Authorization to Expend Funds, Applied Research Laboratory Energy Science and Power Systems Test Facility, Benner Township:

RESOLVED, That the Officers of the University are authorized to employ the firm of Hoffman Leakey Architects, of Boalsburg, Pennsylvania, to design the Applied Research Laboratory Energy Science and Power Systems Test Facility.

RESOLVED, That the final plans for the Applied Research Laboratory Energy Science and Power Systems Test Facility, as designed by Hoffman Leakey Architects, of Boalsburg, Pennsylvania, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds and award contracts to accomplish the project be approved at a cost of \$6,000,000.

The Committee unanimously approved the following resolutions for the Proposed Final Plan Approval and Authorization to Expend Funds, Recital Hall Addition and Music I Renovations, University Park:

RESOLVED, That the final plans for the Recital Hall Addition and Music I Renovations at University Park, as designed by Bostwick Design Partnership of Cleveland, Ohio, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds to accomplish the project is approved in the amount of \$25,500,000.

The Committee unanimously approved the following resolutions for the Proposed Final Plan Approval and Authorization to Expend Funds, Parking Garage Expansion, Penn State Behrend:

RESOLVED, That the final plans for the Parking Garage Expansion at Penn State Behrend, as designed by Weber Murphy Fox of Erie, Pennsylvania, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds to accomplish the project is approved in the amount of \$7,500,000.

The Committee unanimously approved the following resolution for the Consideration of Proposed Interim Operating Budget for the University for the Fiscal Year Beginning July 1, 2017:

RESOLVED, That pending adoption of a new budget to reflect clarification of the amount and form of the State appropriation, and subsequent decisions regarding the amount of tuition charges, adjustments to salaries, wages, and employee benefits, and provisions for fuel and utilities and other cost increases, the Board of Trustees approves continuation for the interim period beginning July 1, 2017, total budget amounts at the level of the adjusted 2016-17 budget as follows:

	<u>University Park and Other Locations</u>	<u>College of Medicine</u>	<u>Pennsylvania College of Technology</u>	<u>Total University</u>
General Funds	\$ 1,993,459,000	\$ 137,694,000	\$ 109,403,000	\$ 2,240,556,000
Agricultural Federal Funds	21,866,000			21,866,000
Restricted Funds	553,854,000	98,000,000	13,025,000	664,879,000
Auxiliary Enterprises ^a	418,333,000	3,777,000	27,987,000	450,097,000
Total	\$ 2,987,512,000	\$ 239,471,000	\$ 150,415,000	\$ 3,377,398,000
Milton S. Hershey Medical Center				1,804,431,000
Total Funds				\$ 5,181,829,000

^a Includes increase in room and board charges as approved by the Board of Trustees, February 24, 2017.

The Committee unanimously approved the following resolutions (which were tabled from February and trustees were alerted of the addition on May 4, 2017) for the Proposed Land Exchange Between Penn State University and Mount Nittany Medical Center:

RESOLVED, That the Board of Trustees hereby approves the exchange of 0.52 acres of University-owned land for a 2.60 acre Mount Nittany Medical Center-owned parcel, both located within the designated medical campus zoning district in College Township, Centre County, Pennsylvania.

FURTHER BE IT RESOLVED, That the Officers of the University are authorized and directed to take such steps as are necessary to make effective this resolution.

Informational reports on the following items were presented by those noted below.

- Update on Proposed FY2018-19 to FY2022-23 Capital Plan (Ford Stryker and Andy Reisinger)
- Report on Status of Commonwealth Appropriations Request (Zack Moore)
- Risk Oversight Briefing - Report on Increasing Costs of Healthcare (Susan Basso)

The Committee on Finance, Business & Capital Planning meeting was adjourned at 11:27 a.m.

The Committee then went into executive session to discuss privileged matters.

Respectfully submitted,

Crystal K. Straw
Assistant Secretary
Board of Trustees