

**THE PENNSYLVANIA STATE UNIVERSITY
BOARD OF TRUSTEES**

**COMMITTEE ON FINANCE, BUSINESS AND CAPITAL PLANNING
MINUTES OF MEETING
VOLUME FBCP 6**

January 15, 2015

A meeting of the Committee on Finance, Business & Capital Planning was held in Room 205 of the Penn Stater Conference Center Hotel beginning at 9:00 a.m.

The following committee members, constituting a quorum, were present: Mark Dambly, Donald Cotner, Clifford Benson, Barbara Doran, Abraham Harpster, Edward Hintz, and William Oldsey.

Ex officio member Keith Masser, Faculty Representative Jonna Kulikowich, Student Representative Danielle Rhubarb, and the following administration members were also present: Eric Barron, Madeline Cantu, Joseph Doncsecz, David Gray, Nicholas Jones, Donna Newburg, Greg Scott, Rachel Smith, and Ford Stryker.

The meeting was called to order by Chairman Dambly. Chair Dambly advised the Committee that actions and recommendations by the Committee would be reported to the full Board of Trustees for their consideration at the January 16, 2015 meeting.

The Committee unanimously approved the minutes of the November 13, 2014 and December 19, 2014 meetings of the Committee.

The Committee reviewed the following consent agenda items and unanimously approved the two action items: Summary of Revisions to Existing Scholarships, Fellowships, Etc.; Acknowledgments of Endowments and Other Major Commitments.

1) Discussion of Consent Agenda Items Provided for Information or Approval of the Committee on Finance, Business and Capital Planning:

Information Items –

- a) Buckhout Laboratory HVAC and Roof Replacement, University Park
- b) Emergency Room Pediatric Area Renovations, The Milton S. Hershey Medical Center
- c) Ultrasound Area Renovations at 30 Hope Drive, The Milton S. Hershey Medical Center
- d) Magnetic Resonance Imaging Equipment at 30 Hope Drive, The Milton S. Hershey Medical Center
- e) Relocation of MFM and REI Services at 35 Hope Drive, The Milton S. Hershey Medical Center
- f) Campus Redundant Steam Line, The Milton S. Hershey Medical Center
- g) Purchase of Property at 505 East Wopsononock Avenue, Altoona
- h) Sale of Property at 1211 Deerfield Drive, State College

- i) Naming of Rooms, Portions of Buildings, and Plazas
- j) Status of Major Construction Programs and Borrowing

Action Items –

- k) Summary of Revised Funds
- l) Summary and Acknowledgement of New Funds and Major Commitments

The proposed appointment of a Designer for the Agricultural Engineering Building Renovation at University Park was presented by Ford Stryker. The Committee unanimously approved the following resolutions:

RESOLVED, That the Officers of the University are authorized to employ EYP of New York City, New York, to design the Agricultural Engineering Building Renovation, University Park.

The proposed appointment of a Designer for the Lasch Football Building Locker/Equipment Room Renovations at University Park was presented by Ford Stryker. The Committee unanimously approved the following resolutions:

WHEREAS, The interview process has been conducted by the University's Office of Physical Plant.

RESOLVED, That the Officers of the University are authorized to employ Populous of Kansas City, Missouri, to design the Lasch Football Building Locker/Equipment Room Renovations, University Park.

The proposed appointment of two Design Build Teams for Energy Conservation Related Projects at Penn State was presented by Ford Stryker. The Committee unanimously approved the following resolutions:

WHEREAS, The Office of Physical Plant employed an open and inclusive process to select the most qualified designers for Energy Savings Program projects.

RESOLVED, That the Officers of the University are authorized to employ Burns and McDonnell, of Kansas City, Missouri, and The Efficiency Network of Pittsburgh, Pennsylvania, to design and build Energy Savings Program projects for the University.

The proposed appointment of a Design Build Team for the Research Building West Renovations at University Park was presented by Ford Stryker. The Committee unanimously approved the following resolution:

RESOLVED, That the Officers of the University are authorized to employ The Efficiency Network of Pittsburgh, Pennsylvania, to design and build the Research Building West Renovations at University Park.

The proposed Final Plans and Authorization to Expend Funds for the Housing and Foods Services Warehouse and Bakery Expansion at University Park was presented by Ford Stryker. The Committee unanimously approved the following resolutions:

RESOLVED, That the final plans for the Housing and Food Services Warehouse and Bakery Expansion at University Park, as designed by Kinsley Construction of York, Pennsylvania, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds to accomplish the project are approved in the amount of \$15,500,000.

The proposed Final Plans and Authorization to Expend Funds for the Baker Building Renovation at Penn State Beaver was presented by Ford Stryker. The Committee unanimously approved the following resolutions:

RESOLVED, That the final plans for the Baker Building Renovation at Penn State Beaver, as designed by Stantec, Inc. of Butler, Pennsylvania, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds to accomplish the project are approved in the amount of \$9,500,000.

Chair Dambly noted that slight modifications had been made to the language of the resolution that was approved at the December 19, 2014 meeting for the proposed Acquisition of the St. Joseph's Regional Health Network of Reading, PA. The Committee unanimously approved the following revised resolutions:

RESOLVED, That the Board of Trustees approves the acquisition by Penn State Health of St. Joseph's Regional Health Network of Reading, Pennsylvania, upon terms and conditions presented to the Board of Trustees in executive session this same day, subject to all necessary regulatory approvals and consents.

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

Chair Dambly noted that the Proposed Extension of Development Services Agreement with the Research Park Management Corporation At Innovation Park would be forwarded for consideration by the full Board at their January 16, 2015 meeting. The following resolutions were unanimously approved at the Committee's December 19, 2014 meeting:

RESOLVED, That the Board of Trustees approves the extension of the Development Services Agreement between the University and the Research Park Management Corporation (RPMCo), whereby RPMCo provides management, supervision and coordination of development at Innovation Park, to January 31, 2016.

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

The proposed Merger of Pinnacle Health and Penn State Health was presented by Robin Wittenstein. The Committee unanimously approved the following resolutions:

RESOLVED, That the Board of Trustees approves the proposed transaction with Pinnacle Health System of Harrisburg, Pennsylvania ("Pinnacle") which will integrate Pinnacle as an affiliate of Penn State Health, upon the terms and conditions presented to the Board of Trustees and subject to all requisite regulatory approvals.

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

Chair Dambly noted that the resolutions concerning the merger of Pinnacle Health and Penn State Health would be presented to the full board for their consideration at the March 2015 full Board meeting.

A Photo Report on Selected Construction Projects was presented by Ford Stryker.

A Risk Oversight Briefing Regarding Overall Financial Health and Credit Worthiness was presented by David Gray and Joe Doncsecz.

A report on Penn State Sustainability Programs was presented by Steve Maruszewski.

The public session of the Committee on Finance, Business & Capital Planning was adjourned at 11:10 a.m.

Respectfully submitted,

Donna J. Newburg
Assistant Secretary
Board of Trustees