

Board of Trustees
Committee on Finance, Business and Capital Planning
Minutes of Meeting
Volume FBCP 4
March 6, 2014

A meeting of the Committee on Finance, Business & Capital Planning was held in Room Wild Rose A of the Hershey Lodge, Hershey PA, beginning at 9:00 a.m.

The following committee members, constituting a quorum, were present: Mark Dambly, Donald Cotner, Kathleen Casey (via phone), Barbara Doran, William Oldsey, Paul Silvis, and Linda Strumpf.

Faculty Representative Brent Yarnal, student representative Scott Rager, and the following staff members were also present: Rodney Erickson, Susan Basso, David Branigan, Madeline Cantu, Joseph Doncsecz, David Gray, Gail Hurley, Gary Langsdale, Donna Newburg, John Pomeroy, Greg Scott, Steve Shelow, 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 March 7, 2014 meeting.

The Committee unanimously approved the minutes of the January 16, 2014 meeting of the Committee.

The Committee reviewed the following consent agenda items and unanimously approved action items l and m.

Consent Agenda Items:

Information Items –

- a) Mateer Building Café Laura Upgrades, University Park
- b) Atherton Hall Restroom Renovations, University Park
- c) Bathgate Swale Rehabilitation, University Park
- d) Bryce Jordan Center Roof Replacement and Arena Floor Restoration, University Park
- e) Armsby Building Mechanical Improvements, University Park
- f) Ground Floor Radiology Fit Out – Phase D, The Milton S. Hershey Medical Center
- g) Naming of Buildings - Generic
- h) Naming of Rooms, Portions of Buildings, and Plazas
- i) Status of Major Construction Programs and Borrowing
- j) Investment Review of Long Term Investment Pool
- k) Summary and Designation of Gifts Received

Action Items –

- l) Summary of Revisions to Existing Scholarships, Fellowships, Etc.
- m) Acknowledgement of Endowments and Other Major Commitments

The Committee reviewed the proposed lease renewal with PSRP Developers and unanimously approved the following resolution:

RESOLVED, That the proposal to extend the current lease in 101 Innovation Boulevard with PSRP Developers, Inc., totaling 4,400 square feet at a current annual cost of \$112,860, until March 31, 2020, is approved.

David Gray gave a brief explanation why the proposal for the appointment of an architect for Trippe Hall at Penn State Erie, The Behrend College, was removed from the agenda.

The proposed final plans and authorization to award contracts for the Tyson Building HVAC Upgrades and Roof Replacement at University Park was presented by Ford Stryker. The Committee unanimously approved the following resolutions:

RESOLVED, That the final plans for the Tyson Building HVAC Upgrades, as designed by the firm of Barton Associates, Inc. of State College, Pennsylvania, and Roof Replacement, as designed by John Lew Architects, LLC of State College, at University Park, are approved.

FURTHER BE IT RESOLVED, That authorization to award contracts to accomplish the project be approved in the amount of \$5,200,000.

The proposed approval of Building 7 at Knowledge Park, Penn State Erie, The Behrend College was given by Greg Scott. The committee unanimously approved the following resolutions:

RESOLVED, That the Board of Trustees approves, consistent with the Development and Management Agreement between the University and the Greater Erie Industrial Development Corporation, proceeding with construction of a building at Knowledge Park, Penn State Erie, The Behrend College;

BE IT FURTHER RESOLVED, That the building, currently named Building 7, will be a shared facility between Behrend's School of Engineering and industrial tenants;

BE IT FURTHER RESOLVED, That the building will be constructed at a cost not-to-exceed \$15,269,100, with the University's cost for its share of the building construction and fit-out being \$9,455,917 and the industrial tenant portion of the building construction and fit-out costing \$5,813,183;

BE IT FURTHER RESOLVED, That the Board of Trustees approves the purchase of furniture, fixtures and equipment with a cost of \$1,194,812 which, when added to the University's cost of \$9,455,917 for its portion of the building, results in a total University project cost of \$10,650,729; and

BE IT FURTHER RESOLVED, That the cost of building construction and building fit-out for the industrial tenant portion will be guaranteed by the University, consistent with the Development and Management Agreement between the University and the Greater Erie Industrial Development Corporation.

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

The proposed sale of Laurel Haven Property, University Park was presented by Ford Stryker. The committee unanimously approved the following resolutions:

RESOLVED, That the Board of Trustees approves the sale of 49 acre Laurel Haven property along Beaver Road, Julian, Huston Township, Centre County, Pennsylvania, to Kevin S. and Margaret C. Brant in the amount of \$350,000.

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.

A brief informational report on the status of Commonwealth Appropriation Request was given by Rachel Smith.

Gail Hurley presented the Proposed Changes in Room and Board Charges for the 2014 Fall Semester, The Pennsylvania State University. The Committee unanimously approved the following resolution:

RESOLVED, That room and board charges at all locations be increased as shown on Schedules I through IV attached hereto and which are a part of this resolution.

In the interest of time and since a construction report would be given at the March 7, 2014 full Board of Trustees meeting, a Photo Report on Selected Construction Projects was not given.

A Risk Oversight Review was given by Ford Stryker, Steve Shelow, and Gary Langsdale.

The public session of the Committee on Finance, Business & Capital Planning was adjourned at 10:20 a.m.

The Committee on Finance, Business & Capital Planning then went into executive session.

Respectfully submitted,

Donna J. Newburg
Assistant Secretary
Board of Trustees

Proposed Room and Board Rates 2014–2015

The Pennsylvania State University
Effective Fall 2014

Undergraduate Residence Hall Room Rates/Person/Semester (Meal Plan Required)

| Room Description | Number of Occupants | Current Rate | Proposed Rate | Proposed Increase |
|----------------------------------|------------------------|--------------|---------------|----------------------|
| Standard Double | 2 | \$2,595 | \$2,730 | \$135 |
| Standard Double/Bath | 2 | 2,780 | 2,880 | 100 |
| Standard Double/Air Conditioning | 2 | 2,780 | 2,955 | 175 |
| Small Double | 2 | 1,940 | 2,045 | 105 |
| Triple | 3 | 2,330 | 2,455 | 125 |
| Triple/Bath | 3 | 2,595 | 2,730 | 135 |
| Quad | 4 | 2,330 | 2,455 | 125 |
| Quad/Bath | 4 | 2,595 | 2,730 | 135 |
| Quad as Triple | 3 | 2,595 | 2,730 | 135 |
| Standard Single | 1 | 3,530 | 3,715 | 185 |
| Standard Single/Bath | 1 | 3,590 | 3,780 | 190 |
| Eastview Small Single/Bath | 1 | 4,030 | 4,235 | 205 |
| Eastview Single/Bath | 1 | 4,495 | 4,720 | 225 |
| Eastview Large Single/Bath | 1 | 4,810 | 5,075 | 265 |
| RA Rate | 1 | 1,725 | 1,795 | 70 |
| Standard Double Suite | 2 | 3,060 | 3,220 | 160 |
| Standard Double Suite as Triple | 3 | 2,595 | 2,730 | 135 |
| Standard Single Suite | 4 | 3,565 | 3,755 | 190 |
| Double Suite | 2 | 3,285 | 3,460 | 175 |
| Single Suite | 1 | 4,370 | 4,550 | 180 |

Supplemental assignments will be priced at a 20% discount from the applicable suite or room rate.

Single occupancy of rooms intended for double occupancy will be priced at 25% more than the double occupancy rate for that room type.

Proposed Room and Board Rates Continued

The Pennsylvania State University
Effective Fall 2014

University Park Nittany Apartment Rates/Person/Semester*

| Room Description | Number of Occupants | Current Rate | Proposed Rate | Proposed Increase |
|---------------------|------------------------|--------------|---------------|----------------------|
| 2 Bedroom Garden | 4 | \$3,140 | \$3,300 | \$160 |
| 4 Bedroom Garden | 4 | 3,530 | 3,715 | 185 |
| 4 Bedroom Townhouse | 4 | 3,655 | 3,850 | 195 |

**Room rate includes utilities.*

Erie, Behrend Apartment Rates/Person/Semester*

| Room Description | Number of Occupants | Current Rate | Proposed Rate | Proposed Increase |
|------------------|------------------------|--------------|---------------|----------------------|
| 2 Bedroom Garden | 4 | \$3,140 | \$3,300 | \$160 |

**Room rate includes utilities.*

Harrisburg Apartment Rates/Person/Semester*

| Room Description | Number of Occupants | Current Rate | Proposed Rate | Proposed Increase |
|---------------------------|------------------------|--------------|---------------|----------------------|
| Apartments-Bedroom Single | 4 | \$3,750 | \$3,950 | \$200 |
| Apartments-Bedroom Double | 6 | 3,300 | 3,475 | 175 |
| Apartments-Bedroom Triple | 9 | 2,970 | 3,125 | 155 |

**Room rate includes utilities.*

Proposed Room and Board Rates Continued

The Pennsylvania State University
Effective Fall 2014

University Park Graduate Family Apartment Rates/Month*

| Room Description | Number of Occupants | Current Rate | Proposed Rate | Proposed Increase |
|------------------------------------|---------------------|--------------|---------------|-------------------|
| White Course 1 Bedroom | N/A | \$990 | \$1,030 | \$40 |
| White Course 2 Bedroom | N/A | 1,130 | 1,170 | 40 |
| White Course 3 Bedroom | N/A | 1,270 | 1,315 | 45 |
| White Course 3 Bedroom w/Half Bath | N/A | 1,280 | 1,330 | 50 |

*Room rate includes utilities.

University Park Graduate Apartment Rates/Person/Month*

| Room Description | Number of Occupants | Current Rate | Proposed Rate | Proposed Increase |
|----------------------------------|---------------------|--------------|---------------|-------------------|
| White Course 4 Bedroom Apartment | 4 | \$795 | \$815 | \$20 |

*Room rate includes utilities.

Board Plan Rates/Semester

| Meal Plan | Dining Dollars | Current Rate | Proposed Rate | Proposed Increase |
|-----------|----------------|--------------|---------------|-------------------|
| Plan 1 | \$690 | \$1,945 | \$2,005 | \$60 |
| Plan 2 | 780 | 2,030 | 2,095 | 65 |
| Plan 3 | 840 | 2,090 | 2,155 | 65 |
| Plan 4 | 955 | 2,200 | 2,270 | 70 |
| Plan 5 | 1,040 | 2,280 | 2,355 | 75 |
| Plan 6 | 1,215 | 2,450 | 2,530 | 80 |

UNIVERSITY MANOR APARTMENTS

CURRENT vs. PROPOSED MONTHLY RENTAL RATES

| <u>Type Occupancy</u> | <u>No. Units</u> | <u>Current Rates Per Apt.</u> | <u>Proposed Rates Per Apt.</u> | <u>Amount Increase</u> |
|-------------------------------|----------------------|---------------------------------------|--|----------------------------|
| University Manor East | | | | |
| 1 Bedroom (with Washer/Dryer) | 24 | \$ 890 | \$ 900 | \$ 10 |
| 2 Bedroom (with Washer/Dryer) | 208 | \$ 1,046 | \$ 1,060 | \$ 14 |
| 3 Bedroom (with Washer/Dryer) | 16 | \$ 1,174 | \$ 1,194 | \$ 20 |
| University Manor West | | | | |
| 4 Bedroom (furnished) * | 31 | \$ 2,092 | \$ 2,120 | \$ 28 |

* NOTE: Proposed monthly increase per bedroom is \$7