

**THE PENNSYLVANIA STATE UNIVERSITY
BOARD OF TRUSTEES**

**COMMITTEE ON FINANCE, BUSINESS AND CAPITAL PLANNING
MINUTES OF MEETING
VOLUME FBCP 7**

May 7, 2015

A meeting of the Committee on Finance, Business & Capital Planning was held in Room 108 of the Penn Stater Conference Center Hotel, State College, Pennsylvania, beginning at 9:00 a.m.

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

Ex officio member Keith Masser, Faculty Representative Mohamad Ansari, and the following administration members were also present: Eric Barron, Madeline Cantu, Joseph Doncsecz, Jennifer Eck, David Gray, Nicholas Jones, Donna Newburg, Gregory Scott, Rachel Smith, and Ford Stryker.

The meeting was called to order by Vice-Chairman Don Cotner. Mr. Cotner 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 8, 2015 meeting.

The Committee unanimously approved the minutes of the March 19, 2015 meeting of the Committee.

The Committee reviewed the following consent agenda items and unanimously approved the two action items: Summary of Revised Funds; Summary and Acknowledgment of New Funds and 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) Brick Paver Replacement at Various Locations, University Park
- b) Wartik Building Second Floor Renovations, University Park
- c) Agricultural Engineering Swing Space Structure, University Park
- d) Laundry Building Renovations, University Park
- e) Bryce Jordan Roof Replacement – Phase II, University Park
- f) Outreach Building Interior Renovation, Innovation Park
- g) Outreach Building 329 Interior Renovation, Innovation Park
- h) Boiler Addition and Campus Loop Piping, Penn State Harrisburg
- i) Delta Pointe Medical Facility, The Milton S. Hershey Medical Center
- j) Naming of Rooms, Portions of Buildings, and Plazas
- k) Sale of Gifted Property – Lot 450, Brisbane Bay Subdivision, Frisco, North Carolina
- l) Status of Major Construction Programs and Borrowing

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Action Items –

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

The proposed Interim Maintenance and Operating Budget for the University for the Fiscal Year Beginning July 1, 2015 was presented by Rachel Smith. The Committee unanimously approved the following resolution:

RESOLVED, That pending adoption of a new budget to reflect clarification of the amount and form of the State appropriation, and subsequent decision 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, 2015, total budget amounts at the level of the adjusted 2014-15 budget as follows:

	University Park and Other Locations	College of Medicine	Pennsylvania College of Technology	Total University
General Funds	\$ 1,859,446,000	\$ 119,803,000	\$ 109,584,000	\$ 2,088,833,000
Agricultural Federal Funds	21,838,000			21,838,000
Restricted Funds	534,975,000	90,000,000	16,000,000	640,975,000
Auxiliary Enterprises ^a	374,940,000	3,892,000	27,344,000	406,176,000
Total	\$ 2,791,199,000	\$ 213,695,000	\$ 152,928,000	\$ 3,157,822,000
Milton S. Hershey Medical Center				1,487,979,000
Total Funds				\$ 4,645,801,000

^a Includes increase in room and board charges as approved by the Board of Trustees, March 20, 2015.

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The proposed appointment of an Architect and Final Plan Approval for Airport Infrastructure and Site Improvements 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 Mead & Hunt of Middleton, Wisconsin to design the Infrastructure and Site Improvements at University Park Airport.

FURTHER BE IT RESOLVED, That the Officers of the University are authorized to employ Mead & Hunt of Middleton, Wisconsin, to design future infrastructure and site improvement projects at University Park Airport.

FURTHER BE IT RESOLVED, That the final plans for the current Airport Infrastructure and Site Improvements at University Park, as designed by Mead & Hunt, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds to construct this project is approved at a cost of \$10,700,000.

The proposed Purchase of Technology Center Condominiums at Innovation Park was presented by Ford Stryker. The Committee unanimously approved the following resolutions:

RESOLVED, That the Board of Trustees approves the acquisition of the Technology Center condominiums at Innovation Park, comprised of 24,171 square feet of space plus associated common space, from the Chamber of Business and Industry of Centre County for \$2,565,424.

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.

The proposed Purchase of Property on Science Park Road at University Park was presented by Ford Stryker. The Committee unanimously approved the following resolutions:

RESOLVED, That the Board of Trustees approves the purchase of property containing 26.5 acres located along Science Park Road, State College, Ferguson Township, Pennsylvania, from Raytheon in the amount of \$2,100,000.

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.

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The proposed Lease to Purchase of Penn Building at Penn State Altoona was presented by Ford Stryker. The Committee unanimously approved the following resolutions:

RESOLVED, That the Board of Trustees approves the University entering into a lease with an option to buy agreement with the Altoona & Blair County Development Corporation for the basement, second and third floors of the Penn Building at an initial cost of \$5,695,000, which includes the purchase, fees and renovations of the space.

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

Vice-chair Cotner noted that President Barron approved the recommendation to increase the Endowment Funding requirements effective January 1, 2016 with three categories being affected – Distinguished Graduate Fellowship, Graduate Fellowship, and Graduate Scholarship.

A report on the Status of the Commonwealth Appropriations Request was given by Rachel Smith.

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

The public session of the Committee on Finance, Business & Capital Planning was adjourned at 9:40 a.m.

The Committee did not meet in executive session.

Respectfully submitted,

Donna J. Newburg
Assistant Secretary
Board of Trustees