

**THE PENNSYLVANIA STATE UNIVERSITY
BOARD OF TRUSTEES**

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

November 19, 2015

A meeting of the Committee on Finance, Business & Capital Planning was held in Executive Conference Room I and II of the Penn Stater Conference Center Hotel, State College, Pennsylvania, beginning at 9:10 a.m.

The following committee members, constituting a quorum, were present: Clifford Benson (via phone), Donald Cotner, Mark Dambly, Barbara Doran, Rob Fenza, Chris Hoffman, William Oldsey, Mary Lee Schneider, and Elliott Weinstein.

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

The meeting was called to order by Chairman Mark Dambly. Mr. 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 November 20, 2015 meeting.

The Committee unanimously approved the minutes of the September 17, 2015 meeting of the Committee.

The Committee reviewed the following consent agenda items and unanimously approved the three action items: Summary of Revised Funds; Summary and Acknowledgment of New Funds and Major Commitments; and Conflict of Interest Disclosure.

Information Items –

- a) Clinical Laboratory Renovations, The Milton S. Hershey Medical Center
- b) Redundant Sanitary Sewer, The Milton S. Hershey Medical Center
- c) Naming of the Luerksen Building the “Luerksen Science Building,” Penn State Berks
- d) Naming of Rooms, Portions of Buildings, and Plazas
- e) Status of Major Construction Programs and Borrowing

Action Items –

- f) Summary of Revised Funds
- g) Summary and Acknowledgment of New Funds and Major Commitments
- h) Conflict of Interest Disclosure

(See Appendix II)

Consideration of Request for 2016-2017 Appropriations for Operations was presented by Rachel Smith. The Committee unanimously approved the following resolution:

RESOLVED, That the Officers of the University are authorized to submit to the Legislature, appropriate departments, and offices of the Commonwealth of Pennsylvania, a State Appropriation Request for fiscal year 2016-2017 in the amount of \$353,263,000.

The Committee unanimously approved the following resolutions for Extension of Development Services Agreement with the Research Park Management Corporation at Innovation Park:

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, 2020.

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 Reauthorization to Expend Funds for the New Human Resources Information System at Penn State was presented by Susan Basso. The Committee unanimously approved the following resolutions:

WHEREAS, The Officers of the University have determined that a replacement of the existing human resource/payroll system at the University is necessary;

WHEREAS, The HR Steering Committee conducted an in-depth review of the various options to replace the existing human resource/payroll system, including a comprehensive needs assessment, cost/benefit analysis and extensive vendor demonstrations, and concluded that a modern-day "Software-as-a-Service" technology solution would provide the greatest functionality, flexibility and scalability to the University, in the shortest amount of time and with a longer technology base;

WHEREAS, The implementation of the new HR technology solution requires the University to engage a consulting firm or other "implementation partner" to assist in the planning and implementation of such solution;

WHEREAS, The Board previously authorized the Officers of the University to purchase Workday, Incorporated's "Software-as-a-Service" HR/Payroll solution, the Cornerstone OnDemand, Inc. online training solution and such other ancillary technology services as may be necessary to replace the existing human resource/payroll system and further authorized the Officers of the

University to engage a consulting firm to assist the University with the planning and implementation of such new technology solution;

WHEREAS, Pursuant to the Board's prior authorization, the Officers of the University engaged Accenture to assist the University with implementation planning and now proposes to engage Accenture to assist in the actual implementation of the Workday solution;

WHEREAS, After substantial completion of the implementation planning phase of the project, the Officers of the University have determined that the total capital cost associated with the replacement of the existing human resource/payroll system will exceed the total capital cost previously approved by the Board;

RESOLVED, That the authorization to award contracts to complete the replacement of the existing human resource/payroll system be approved at an additional capital cost not to exceed \$18,500,000;

FURTHER BE IT RESOLVED, That the Officers of the University shall have the discretion to expend up to an additional 10 percent of the approved total capital cost, as necessary.

The proposed appointment of a Design Build Team for the Combined Heat and Power Plant at the Milton S. Hershey Medical Center 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 Cogen Power Technologies of Latham, New York, to design and build the Combined Heat and Power Plant at The Milton S. Hershey Medical Center.

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.

The proposed appointment of a Design Build Team for the Trippe Hall at Penn State Behrend was presented by Ford Stryker. The Committee unanimously approved the following resolutions:

RESOLVED, That the Officers of the University are authorized to employ Turner Construction of Pittsburgh, Pennsylvania, to design and build Trippe Hall at Penn State Behrend.

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.

The proposed Final Plan Approval and Authorization to Expend Funds for Recreational Facility Access Modifications at University Park was presented by Ford Stryker. After some discussion, it was decided that this item would possibly be considered again at a future meeting.

The proposed Final Plan Approval and Authorization to Expend Funds for the Ritenour Student Center at University Park was presented by Ford Stryker. The Committee unanimously approved the following resolutions:

RESOLVED, That the final plans for the Ritenour Student Center, as designed by BLT Architects of Philadelphia, Pennsylvania, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds to accomplish the project is approved in the amount of \$6,510,000.

The proposed Final Plan Approval and Authorization to Expend Funds for Findlay Dining Commons Renovation at University Park was presented by Ford Stryker. The Committee unanimously approved the following resolutions:

RESOLVED, That the final plans for the Findlay Dining Commons Renovation, as designed by WTW Architects of Pittsburgh, Pennsylvania, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds to accomplish the project is approved in the amount of \$25,100,000.

The proposed Final Plan Approval and Authorization to Expend Funds for Adler Athletic Complex Renovation and Addition at Penn State Altoona was presented by Ford Stryker. The Committee unanimously approved the following resolutions:

RESOLVED, That the final plans for the Adler Athletic Complex Renovation and Addition, 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 \$24,500,000.

The proposed Final Plan Approval and Authorization to Expend Funds for a Residence Hall at Penn State Brandywine was presented by Ford Stryker. The Committee approved the following resolutions with Trustee Weinstein opposing:

RESOLVED, That the final plans for the Residence Hall at Penn State Brandywine, as designed by the joint venture of Barton Malow of Baltimore, Maryland, and EDIS of Malvern, Pennsylvania, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds to accomplish the project is approved in the amount of \$31,500,000.

The proposed Final Plan Approval and Authorization to Expend Funds for a Student Union and Dining Building at Penn State Brandywine was presented by Ford Stryker. The Committee approved the following resolutions with Trustee Weinstein opposing:

RESOLVED, That the final plans for the Student Union and Dining Building at Penn State Brandywine, as designed by Stantec, Inc. of Philadelphia, Pennsylvania, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds to accomplish the project is approved in the amount of \$19,600,000.

The proposed Final Plan Approval and Authorization to Expend Funds for a Student Apartment Building at Penn State Abington was presented by Ford Stryker. The Committee approved the following resolutions with Trustee Weinstein opposing:

RESOLVED, That the final plans for the Student Apartment Building at Penn State Abington, as designed by SMP Architects of Philadelphia, Pennsylvania, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds to accomplish the project is approved in the amount of \$50,600,000.

The proposed Approval of Sale of Former Penn State Lehigh Valley Campus at Fogelsville was presented by Ford Stryker. The Committee unanimously approved the following resolutions

RESOLVED, That the Board of Trustees approves the sale of 42 acres located at the former Lehigh Valley campus in Fogelsville, Pennsylvania, to Circle of Seasons Charter School in the amount of \$2,750,000.

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.

The proposed Final Plan Approval and Authorization to Expend Funds for the Lasch Football Building Locker and Equipment Room Renovations at University Park was presented by Ford Stryker. The Committee unanimously approved the following resolutions:

RESOLVED, That the final plans for the Lasch Football Building Locker and Equipment Room Renovations, as designed by Populous of Kansas City, Missouri, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds to accomplish the project is approved in the amount of \$12,000,000.

The FY2016-17 Endowment Spending Rate was presented by Joseph Doncsecz.

The Committee on Finance Business and Capital Planning Operating Guidelines were discussed by Greg Scott.

The public session of the Committee on Finance, Business & Capital Planning was adjourned at 11:20 a.m.

The Committee then went into executive session.

Respectfully submitted,

Donna J. Newburg
Assistant Secretary
Board of Trustees