

Board of Trustees
Committee on Finance, Business and Capital Planning
Minutes of Meeting
Volume FBCP 4
September 18, 2014

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 beginning at 9:00 a.m. on September 18, 2014.

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

Emeriti Member Edward Junker, Faculty Representative Jonna Kulikowich, Student Representative Danielle Rhubart, and the following staff members were also present: Eric Barron, Susan Basso, Joseph Doncsecz, David Gray, Nicholas Jones, Donna Newburg, Greg Scott, Rachel Smith, Ford Stryker, and Steve Watson.

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 September 19, 2014 meeting.

The Committee unanimously approved the minutes of the July 11, 2014 meeting 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.

Consent Agenda Items:

Information Items –

- a) Lighting Upgrades for Energy Efficiency in Various Buildings, University Park
- b) Zebrafish Core in Central Animal Quarters, The Milton S. Hershey Medical Center
- c) Renovations to the Cellular and Molecular Physiology Chair Laboratories, The Milton S. Hershey Medical Center
- d) Naming of 300 North Science Park Road the “Technology Support Building,” University Park
- e) Naming of Rooms, Portions of Buildings, and Plazas
- f) Purchase of Property in Smethport, McKean County, Pennsylvania
- g) Sale of Gifted Property in Hazleton, Pennsylvania
- h) Status of Major Construction Programs and Borrowing

- i) Capital Budget Request for Fiscal Year 2015-2016
- j) Summary and Designation of Gifts Received by the University

Action Items -

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

The Committee reviewed the proposed naming of a new building “Farm Family, The Learning Center” at the Russell E. Larson Research Farms at Rock Springs and unanimously approved the following resolution:

RESOLVED, That a new building at the Russell E. Larson Research Farms in Rock Springs, PA is named “Farm Family, The Learning Center.”

The Committee reviewed the proposed naming of the softball field “UGI Utilities Softball Field at Penn State Worthington Scranton and unanimously approved the following resolution:

RESOLVED, That the softball field at Penn State Worthington Scranton is named “UGI Utilities Softball Field.”

The Committee reviewed the proposed reauthorization to expend funds for the East Campus steam line at University Park and unanimously approved the following resolutions:

WHEREAS, the construction cost of the East Campus Steam Line project has increased by \$2.7 million above the originally authorized amount of \$13.5 million.

WHEREAS, the construction work on the project will be complete by October 2014.

RESOLVED, that the authorization to expend funds to accomplish the project is increased to \$16,200,000.

The Committee reviewed the appointment of Non-University Employees to the Penn State Investment Council and unanimously approved the following resolutions:

RESOLVED, That J. David Rogers and Gary Glynn, non-University employees, are appointed to the Penn State Investment Council for terms ending in 2017.

It was noted that the Investment Review of Endowment and Similar Funds as of June 30, 2014 would be given at the September 19, 2014 full Board of Trustees meeting.

The Committee considered the Request for the 2015-2016 Appropriations for Operations and 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 2015-2016 in the amount of \$307,081,000.

The proposed appointment of a Design Build Team for the Residence Hall at North Halls 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 Irwin and Leighton of King of Prussia, Pennsylvania to design and build the Residence Hall at North Halls, University Park.

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 Findlay Dining Commons 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 Turner Construction Company of Pittsburgh Pennsylvania to design and build the Findlay Dining Commons Renovation at University Park.

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 plans and authorization to expend funds for Whitmore Laboratory Renovation at University Park was presented by Ford Stryker. The Committee unanimously approved the following resolutions:

RESOLVED, That the final plans for the Whitmore Laboratory Renovation, as designed by Stantec, Inc., are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds to accomplish the project are approved in the amount of \$31,700,000.

The proposed final plans and authorization to expend funds for Material Research Laboratory Renovation at University Park was presented by Ford Stryker. The Committee unanimously approved the following resolutions:

RESOLVED, That the final plans for the Material Research Laboratory at University Park, as designed by Office of Physical Plant's Design Services, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds to construct the project be approved at a cost of \$25,300,000.

The proposed approval of Articles for Incorporation of a new health enterprise corporation at the Milton S. Hershey Medical Center was presented by David Gray and the Committee unanimously approved the following resolution:

RESOLVED, that the officers of the University are hereby authorized to execute and file articles of incorporation necessary to establish a Pennsylvania Nonprofit Corporation known as Penn State Health, and to take such other actions as are required in order to effectuate the formation of such corporation.

The proposed approval for a new Human Resources Information System was presented by Susan Basso and the Committee unanimously approved the following resolutions:

WHEREAS, The Officers of the University have determined 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 have concluded that a modern-day "Software-as-a-Service" technology solution will 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 will require the University to engage a consulting firm or other "implementation partner" to assist in the planning and implementation of such solution;

WHEREAS, the HR Steering Committee has conducted a review and analysis of the qualifications, experience and costs of potential implementation partners and intends to engage one of three highly qualified consulting firms;

RESOLVED, That the Officers of the University are authorized 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 necessary to replace the existing human resource/payroll system and are authorized to engage a consulting firm to assist the University with the implementation of such new technology solution;

FURTHER BE IT RESOLVED, That authorization to award contracts to complete the replacement of the existing human resource/payroll system be approved at a total capital cost not to exceed \$18,000,000;

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.

It was noted that the Photo Report on Selected Construction Projects would be given at the September 19, 2014 full Board of Trustees meeting.

A Risk Oversight Review: Financial/Funding Issues from External Sources was given by David Gray, Neil Sharkey, Anna Griswold, Zack Moore, and Wayne Zolko.

An Intercollegiate Athletics Financial Update was given by Sandy Barbour and Rick Kaluza

The public session of the Committee on Finance, Business & Capital Planning was adjourned at 11:55 a.m.

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

Respectfully submitted,

Donna J. Newburg
Assistant Secretary
Board of Trustees