

**THE PENNSYLVANIA STATE UNIVERSITY
BOARD OF TRUSTEES**

**COMMITTEE ON FINANCE, BUSINESS AND CAPITAL PLANNING
MINUTES OF MEETING
VOLUME FBCP 27**

September 12, 2019

A meeting of the Committee on Finance, Business & Capital Planning was held in Executive Suites I & II of the Penn Stater Conference Center Hotel in State College, Pennsylvania, beginning at 9:01 a.m.

The following committee members, constituting a quorum, were present: Abe Amoros, Valerie Detwiler (via phone), Lynn Dietrich, Barbara Doran, Robert Fenza, Abe Harpster, Alex Hartzler, Mary Lee Schneider, and Brandon Short.

Ex-Officio member Mark Dambly, Faculty Representative Elizabeth Seymour, Student Representative Laura McKinney, and the following administration members were also present: Sandy Barbour, Eric Barron, Madeline Cantu, Joseph Doncsecz, Steve Dunham, Jennifer Eck, Lorraine Goffe, David Gray, Nick Jones, Kurt Kissinger, Steve Massini, Mary Lou Ortiz, John Papazoglou, Bill Sitzabee, Marvin Smith, and Crystal Straw.

The meeting was called to order by Chair Mary Lee Schneider. Chair Schneider 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 13, 2019 meeting.

The Committee unanimously approved the minutes of the July 18 meeting of the Committee.

The Committee unanimously approved the following resolution for the Proposed Naming of the Student Union "The Charles H. Booth, Jr. Student Union," Penn State New Kensington:

RESOLVED, That the Student Union at Penn State New Kensington is named "The Charles H. Booth, Jr. Student Union."

The Committee unanimously approved the following resolution for the Proposed Appointment of Non-University Employees to the Penn State Investment Council:

RESOLVED, That Carmen J. Gigliotti and Colleen Ostrowski, non-University employees, are appointed to the Penn State Investment Council for terms ending in 2022.

The Committee unanimously approved the following resolution for the Proposed Appointment of an Architect, PACU Renovation, Penn State Health Milton S. Hershey Medical Center:

RESOLVED, That BDA Architects of Clarks Summit, Pennsylvania, is ratified and confirmed as the architect of record for the final plans for the Post-Anesthesia Care Unit (PACU) Renovations, Penn State Health Milton S. Hershey Medical Center.

The Committee unanimously approved the following resolutions for the Proposed Final Plan Approval and Authorization to Expend Funds, Animal, Veterinary, and Biomedical Sciences Building, University Park:

RESOLVED, That the final plans for the Animal, Veterinary, and Biomedical Sciences Building at University Park, as designed by the firm of HOK of New York City, New York, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds and award contracts to accomplish the project be approved at a cost of \$98,500,000.

The Committee unanimously approved the following resolutions for the Proposed Final Plan Approval and Authorization to Expend Funds, Willard Building Renovation and Addition, University Park:

RESOLVED, That the final plans for the Willard Building Renovation and Addition at University Park, as designed by Studios Architecture of Washington, D.C., are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds to accomplish the project is approved in the amount of \$48,000,000.

The Committee unanimously approved the following resolution for the Proposed Approval of Graduate Apartment Rates:

RESOLVED, That the monthly lease rates for graduate apartments at University Park 2020-21 be increased as shown below, as part of this resolution.

Recommended Monthly Graduate Apartment 2020/21 Rates				
	2019/20 Rate	2020/21 Proposed Rate	Amount of Increase	Increase Percentage
1 Bedroom	\$1,145	\$1,168	\$23	2.01%
2 Bedroom	\$1,295	\$1,321	\$26	2.01%
3 Bedroom	\$1,430	\$1,459	\$29	2.03%
3 Bedroom w 1.5 baths	\$1,445	\$1,474	\$29	2.01%
Quad Apartment (per person)	\$920	\$938	\$18	1.96%

The Committee unanimously approved the following resolution for the Proposed Amendment to Authorization for Penn State Health to incur Debt as a Separate Obligated Group:

WHEREAS, At its May 6, 2019 meeting the Board of Trustees authorized the transfer of certain parcels of real estate (together with improvements thereon) owned by the University, comprising what is described as the East Campus of the Penn State Health Milton S. Hershey Medical Center Campus (shown as lots 4, 6, 7 and 8 on the "PSHMC and College of Medicine Lot Layout Plan with Site Plan, dated 5-5-07") to Penn State Health or its controlled designee, under and subject to restrictions as set forth in the Bylaws of Penn State Health in consideration for the payment of \$18 million.

WHEREAS, Lot 4 of the East Campus contains land as well as improvements, including a 155,264 square foot improvement constructed in 2000 known as the Academic Support Building which houses critical academic support offices in service to both the College of Medicine and the Penn State Health Milton S. Hershey Medical Center, associated parking lots and storm water facilities (with such building, parking lots, stormwater facilities and related land being referred to as the "ASB Parcel").

WHEREAS, Upon further due diligence and analysis of the College of Medicine's current and planned long-term on-campus space requirements in

support of its academic missions, it is deemed in the University's best interest to retain the ASB Parcel, pending further analysis of the needs of the College of Medicine.

RESOLVED, That the officers of the University are hereby authorized to enter into such subdivision applications and agreements, and execute such deeds as are necessary to (a) revise the parameters of Lot 4 to exclude the ASB Parcel, (b) convey the remaining acreage of Lot 4 as revised to Penn State Health for consideration based on the pro rata share of the acreage conveyed, and (c) amend the total consideration payable by Penn State Health for Lots 4,6,7 and 8 to an amount not to exceed \$10.8 million.

(Appendix I)

The Committee unanimously approved the following resolution for the Consideration of Request for 2020-2021 Appropriation for Operations:

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 2020-2021 in the amount of \$359,774,000.

An informational report on the following item was presented.

- Risk Oversight Report – Intercollegiate Athletics Financial Model – Sandy Barbour

The Committee on Finance, Business & Capital Planning meeting was adjourned at 9:55 a.m.

The Committee then went into executive session to discuss privileged matters.

Respectfully submitted,

Crystal K. Straw
Assistant Secretary
Board of Trustees

FB&CP

