A meeting of the Committee on Finance and Physical Plant was held in the Boardroom of The Nittany Lion Inn, University Park, Pennsylvania, at 1:37 p.m. on January 23, 2009.

The following Committee members were present: Broadhurst and Spanier (ex officio), Strumpf (chair), Henning (vice chair), Chaiken, Clemens, Eckel, Hintz, Lubert, Metzgar, and Surma. Also present were Trustees Alexander, Baldwin, Garban, Hayes, Hetherington, Huber, Hughes, Jones, Joyner, Junker, Masser, Myers, Poprik, Riley, Shaffer, Suhey, and Wolff; and Governor’s Representative Lewis.

Present by invitation were faculty representatives Blood and Boehmer; student representatives Keirans, Khoury, and Mendoza; staff members Ammerman, Bechtel-Wherry, Curley, DiEugenio, Dolbin, Doncsecz, Erickson, Kirsch, Mahon, Pangborn, Pell, Poole, Romano, Schultz, Sims, Stryker, Turow, and Weidemann; and Mr. Courtney of McQuaide Blasko.

The Committee on Finance and Physical Plant voted to recommend to the Board of Trustees approval of the following resolutions which were included in the Meeting Agenda:

1. **RESOLVED**, That the conditions governing certain existing scholarships, fellowships, awards, and similar funds previously established at the University be revoked and that the Officers of the University are authorized to put into effect the revised regulations as requested by the donors.

2. **RESOLVED**, That the Board of Trustees gratefully acknowledges the generous contributions of the many friends of the University in support of endowments, funds, and other major commitments as reported to the Committee on Finance and Physical Plant at its meeting of January 23, 2009.

   FURTHER BE IT RESOLVED, That the Officers of the University are authorized to convey the Board’s appreciation to these generous benefactors who provide opportunities for many students to receive a quality education.

3. **RESOLVED**, That the Multi-purpose building at Penn State Wilkes-Barre is named the "Athletic & Recreation Building."

4. **RESOLVED**, That the Hayfield Building at Penn State Wilkes-Barre is named "Hayfield House."

5. **RESOLVED**, That the Officers of the University are authorized to engage Deloitte & Touche, Certified Public Accountants, for the audit of the accounts of the University for the year ending June 30, 2009.

6. **RESOLVED**, That the agreement whereby the University will contract for the 2009 football season with Tofrees Golf Resort and Conference Center to provide hotel accommodations and meals for the Penn State football team the night before each home game at a cost not-to-exceed $170,000 is approved.

7. **RESOLVED**, That the final plans for the Misciagna Family Center for Performing Arts Addition, Penn State Altoona, as designed by Perfido Weiskopf and Goettel of Pittsburgh, are approved.

   BE IT FURTHER RESOLVED, That authorization to award contracts to construct the project be approved at a cost of $3,000,000 from funds available to the University.
8. RESOLVED, That the Board of Trustees approves the acquisition of the property containing approximately .4 acres located at 121-123 South Burrowes Street, State College, Centre County, Pennsylvania, from Charles Rider II for $4,400,000.

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.

9. RESOLVED, That the Officers of the University are authorized to appoint the firm of Highland Associates from Clarks Summit, Pennsylvania as architect for the Support Services Building at The Milton S. Hershey Medical Center.

The following items were presented for the information of the trustees:

1. Naming of Rooms, Portions of Buildings and Plazas
   A. The observatory in the Center for Technology Building at Penn State Wilkes-Barre the "Friedman Observatory," in honor of a gift from Pauly and Sid Friedman of Kingston, Pennsylvania.
   B. A biology lab in the Science Building at Penn State York the "Zimmerman Biology Laboratory," in memory of Kathryn Zimmerman for a gift from Mr. and Mrs. William T. Wolf. The plaque should read: "Zimmerman Biology Laboratory in memory of Kathryn W. Zimmerman".

2. Status of Major Construction Programs and Borrowing

The following reports were presented at the meeting (visual presentations were made):

3. A photo report on the progress of selected construction projects was presented: the Business Classroom Building at Penn State Worthington Scranton, the Cancer Institute at The Milton S. Hershey Medical Center, the Millenium Science Complex and Lewis Katz Building of the Dickinson School of Law at University Park.

Counsel Courtney reported that in regards to the Schengrund litigation, which is the College of Medicine salary discrimination case pending in the United States District Court for the Middle District of Pennsylvania, the Court granted the University's motion to dismiss certain portions of the plaintiffs' complaint by Order dated January 12, 2009. The Court's ruling resulted in dismissal of the Board of Trustees and President Spanier as defendants in the litigation. In addition, the Court dismissed several legal claims made by the plaintiffs. Still pending before the Court is the University's motion for partial summary judgment based on timeliness issues related to the filing date of the complaint.

Counsel Courtney further reported on the status of Phi Delta Theta. In 1905, Penn State gifted a tract of land on the University Park Campus to the Pennsylvania Theta Chapter of Phi Delta Theta University. That deed was expressly conditioned on use of the land by the Pennsylvania Theta Chapter as a chapter of the Phi Delta Theta University. The deed provided that, if the condition on use by Phi Delta Theta was not satisfied at any time in the future, the University would have the right to reacquire the property at a mutually agreed price, or at a price determined by a board of arbitrators if the parties weren't able to agree on a price.

In December of 2007, the National Phi Delta Theta Fraternity suspended the charter of the Pennsylvania Theta Chapter. Since that time, the charter has remained suspended and the property has not been used by Phi Delta Theta Fraternity. For approximately one year from the December 2007 date of suspension of the charter, Penn State representatives engaged in a series of discussions with representatives of the former local chapter of the fraternity. These discussions focused first on the status and well being of the student's living in the house and subsequently evolved into discussions on legal issues related to the deed of 1905. In a good faith effort to reach a mutual agreement on the purchase price for the property, the University made an offer that was significantly in excess of the property's appraised value as of May 2008. The offer was not accepted and, in addition, the owners of the house refused the University's request to engage in arbitration for the purposes of having arbitrators determine the purchase price.
As a result, the University was required to file suit in the Centre County Court of Common Pleas (filed November 25, 2008) seeking to enforce its rights to reacquire the property under the provisions of the deed of 1905. On January 7, 2009, the defendants filed an answer to the complaint, and they also filed a counter claim against the University asserting that the University was interfering with their right to live in the house. The University's response to the counter claim is due on January 27, 2009. On January 21, 2009, the defendants filed a motion to dismiss the University's complaint, which will be considered in due course by the Court.

The meeting adjourned at 2:01 p.m.