A meeting of the Physical Facilities Committee of the Board of Trustees of The Trustees of Purdue University was held in Room 326 of Stewart Center, Purdue University West Lafayette, at 2:06 p.m. on May 7, 2012.

The following committee members were present: Gary Lehman, chair; Michael Berghoff; Miranda McCormack; and Bruce White. Other trustees present were John Hardin. Also in attendance were Executive Vice President for Business and Finance, Treasurer Diaz; Senior Vice President for Business Services and Assistant Treasurer Almond; Legal Counsel Parent; and Corporate Secretary Beard.

I. OPENING REMARKS

Treasurer Diaz reviewed the agenda and explained that the purpose of the meeting was to reinitialize governance reporting given the implementation of the Decadal Funding Plan. He indicated that the ten-year capital plan will be on the committee’s July 19, 2012 agenda.

II. GOVERNANCE REPORT: STEWARDSHIP OF THE PHYSICAL ASSETS

The committee received a report regarding stewardship of the physical infrastructure, the first since 2007. Ken Sandel, Director of Physical and Capital Planning, reviewed key facility metrics, including gross square feet, number and age of buildings, assignable square footage, acreage, and replacement value. He explained that the university’s master plan guides the physical development of the campus and discussed the university’s history of master planning, which dates back to 1924 with updates in 1986, 2002, and 2009. He detailed the five core principles of the 2009 master plan and highlighted the many connections between the New Synergies Strategic Plan and the Campus Master Plan. Discussion included how the university acquires property, the high level of cooperation between Purdue University and the City of West Lafayette, efforts to bridge Lafayette and West Lafayette, and developing retail, especially with the rerouting of U.S. 231, which will create a southern entrance to campus.

Director Sandel also explained the internal capital planning process and the state’s process for approving physical facilities. Included in the capital planning process is the balanced capital program, which examines the options for replacing or renovating
existing facilities or adding new space. He reviewed the history of campus construction, noting that 61% of the facilities were built prior to 1970, and discussed repair and rehabilitation funding history, needs, and challenges at length. Director Sandel also detailed the five levels of building maintenance used to assess facilities and indicated that most of the current facilities are at the managed care level. Trustee White emphasized that the academic mission should be given the highest consideration when determining care levels.

Director Sandel turned the discussion to energy sustainability and the historical studies done on the Wade Power Plant and why the university owns and operates a power plant. He reviewed the origin of the Comprehensive Energy Master Plan (CEMP) and discussed its utility impact analysis, resulting CEMP projects, and forecasted utility costs. He also discussed site development and creating a sense of place, including green space, campus roadways, storm water management, bike paths, and signage. Lastly, he addressed financial sustainability of the infrastructure, including funding sources and uses, and detailed achievements to date and next steps.

The committee thanked Director Sandel for the presentation, especially the data. Governance report and PowerPoint presentation filed with minute material.

III. COMPREHENSIVE ENERGY MASTER PLAN (CEMP) UPDATE / WADE POWER PLANT PRODUCTION AND DISTRIBUTION IMPROVEMENTS

Robert McMains, Vice President for Physical Facilities, provided an update of CEMP activities since the committee met on this subject in January 2012. He discussed the reallocation of $33.1 million in bond proceeds from the cancelled Boiler 6 project to power plant production and distribution improvements, and the committee discussed maintenance and life expectancy of equipment and facilities at length. He also shared that a sustainable energy demand side plan is being developed to meet CEMP recommendations. This will be a campus-wide effort to reduce energy consumption and maintain the reductions over time.

VP McMains provided explanations for those items for which committee and board approval will be requested at the upcoming meetings on May 10-11, 2012; thermal energy storage was also discussed at length. He also informed the committee of the outcome of the CEMP public meeting that was held on February 15, 2012. He noted that the comments and responses received were grouped into the categories of energy production and renewable energy and energy demand, with an emphasis on renewables, and that both the public and written comments will be included in the CEMP report to be published shortly. VP McMains also spoke about the University Resources Policy Committee (URPC), which is a committee of the University Senate. He stated that a subcommittee of the URPC, called the Committee for Sustainability Planning and Assessment, was recently established. This subcommittee will include students and will set five-year goal recommendations for sustainability, and the Director of Sustainability will hold open forums about sustainability. Supporting documents and PowerPoint presentation filed with minute material.
IV. CAPITAL PROJECT PROCESS REVIEW AND ACTION PLAN

VP McMains provided an update on the capital project process review and action plan, remarking that Physical and Capital Planning and Physical Facilities are tied together in this effort. He discussed the approach for formulating the action plan, which started with an analysis of the university’s current processes by the Association of Physical Plant Administrators (APPA). The APPA review resulted in six recommendations from which four action plan themes were developed and nine implementation teams were established to address near-term priorities, one of which is to fill the vacant position of senior director of Project Management and Construction. Trustee Berghoff encouraged VP McMains to ensure that the organizational structure is set early on and that delegation of authority is clear, and Treasurer Diaz noted that the APPA review emphasized communication. Once the nine teams have finished their work, a long-term implementation team will be established to focus on additional items.

VP McMains discussed reviews and transitions that have been completed as part of continuous improvement and highlighted ways in which Physical Facilities partners with other areas across campus. He also spoke about a number of Physical Facilities’ successes, including the 2011 Indiana Governor’s Award for Environmental Excellence for Recycling and Reuse, the APPA Effective and Innovative Practices Award (two consecutive years), and LEED Gold Certifications.

In response to a question from Trustee Berghoff, VP McMains shared that the Student Fitness and Wellness Center is scheduled to open in August and indicated that the bidding for the Health and Human Sciences and the Drug Discovery Building is in process.

V. ADJOURNMENT

By consent, the meeting adjourned at 4:35 p.m.