

**HARRISBURG AREA COMMUNITY COLLEGE  
BOARD OF TRUSTEES FINANCE COMMITTEE**

Wednesday, December 22, 2004 - 7:30 A.M.

Arts 103

**MINUTES**

**Present:**

Terry L. Burrows	Edna V. Baehre
Daniel P. Delaney	Patrick Early
Donald E. Schell	Thomas Fogarty
Mark A. Whitmoyer	John Ford
Sen. Patricia Vance	George A. Franklin, Jr.
	Stephen Hietsch
	Barbara Hutchinson
	Chip Jackson
	David Morrison
	Nancy Rockey
	Joseph Wojtysiak
	Brad Wolf
	Ronald Young

Guests:

David Balinski, Crossgates, Inc.

**Minutes**

The minutes of the December 1, 2004 meeting were reviewed and approved.

**Resolutions**

All resolutions presented were reviewed and approved with no changes. Mr. Franklin reviewed the financials for October with the committee.

**York**

Mr. David Balinski, Crossgates, Inc., presented a lease proposal for 2010 Pennsylvania Avenue for the York Campus. He proposed a ten-year lease with the option to terminate after five years. The lease will also include three, 3-year renewal options. There will need to be \$2.6MM in tenant improvements. The College also has the option to sub-lease if there is space that is not needed in the building. The net rent will be \$4.89 sq. ft. There will also be a cap on rent increases. Mr. Balinski has met with the landlord several times, and this was the best deal.

Mr. Franklin explained that the lease would not be eligible for State funding due to the current State crisis. He also noted that the analysis, which was distributed to the committee, did not include State support or any donations that may be received in the future.

Before I approve this, I would like to see a list of donor commitments for the York Campus, Mr. Burrows noted. For the well-being of this organization, I am concerned that we are not approaching this effectively and on a timely basis considering the current State shortfall, he explained.

There is a strong business community supporting the York initiative, Ms. Rockey noted. We expect to receive \$2MM from the headquarters of Harley Davidson and \$250,000 from Harley in York.

Mr. Schell is in favor of the York Campus. A year ago we agreed that if we received donations of 50% of the first year's loss, we would proceed with the York initiative, and we did that. He also noted that the enrollment projection is very conservative and that the York budget includes ACA. I think the risks associated with York are minimized by all the research that has been done, he explained. Out of all the branch campuses, this community seems the most supportive. This initiative was also discussed at the Board Building and Grounds Committee meeting and was unanimously approved.

Mr. Delaney also agreed that this initiative is a good opportunity and that the local support is more than the College has ever received at any branch campus.

Senator Vance agreed to support this initiative and suggested asking Harley Davidson to upfront the monies so as to alleviate some of Mr. Burrows' concerns. We may be able to receive the \$250,000, Ms. Rockey answered, but not the \$2MM. Harley's headquarters are very slow, she explained.

Mr. Burrows was still concerned and did not approve this initiative at this time.

Mr. Whitmoyer appreciated Mr. Burrows' concerns, but given the level of support the College has received, he supports the York initiative.

Mr. Schell suggested fast tracking the construction/renovations of the York site. This may help push Harley along with their donation, he explained. With the exception of Mr. Burrows, the committee agreed.

### **NAACP**

Mr. Franklin informed the committee that a meeting was held with the NAACP, Mr. Melvin Johnson, Mr. John Dunlap, Dr. Baehre, and several board members. The College will continue to encourage WMBE's to bid, and contractors will be asked to show at what extent they are using WMBE's. Mr. Franklin and Mr. Morgan met with the prime contractors for the Child Care Center to ensure that the contractors are seeking WMBE's. The College's solicitor is working this into our procurement policy, so we want to make sure that we include this process with the York initiative, Mr. Franklin noted. Mr. Balinski suggested that the prime contractors also report on their second tiers.

### **Other Information**

There will be a special Board Finance Committee meeting on January 5, 2005 at 9am to discuss budget scenarios.