

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

Wednesday, March 26, 2008 – 7:30 A.M.
Boardroom, B106

MINUTES

Present:

Mr. Terry Burrows	Dr. Larry Adams
Mr. Daniel Delaney	Dr. Edna Baehre
Mr. Donald Schell	Dr. Winnie Black
Senator Patricia Vance	Ms. Eleanor Bosserman
Mr. Mark Whitmoyer	Mr. Patrick Early
	Mr. Thomas Fogarty
	Mr. George Franklin, Jr.
	Ms. Kathy Green
	Ms. Barbara Hutchinson
	Ms. Brenda Krebs
	Ms. Meredith Tulli
	Ms. Patricia Verdon

Guests: Mr. John Molloy, PFM Asset Management
Mr. Brian Sanker, PFM Asset Management

Minutes

The minutes of the February 27, 2008 meeting were reviewed and approved.

Resolutions

The resolution regarding the Institutions for Investment of Unrestricted Operational and Plant Funds was reviewed by Mr. Molloy and Mr. Sanker from PFM Asset Management. This process began a few months ago with the development of a new investment policy for the College. We developed a questionnaire which formed a basis for a request for qualifications (RFQ) of various investment advisors, Mr. Molloy explained. There were 57 banks solicited, but only 12 responded to the RFQ. All 12 respondents met the requirements. Mr. Molloy wasn't sure why so few responded, since the questionnaire was easy to complete. It could have something to do with Act 72, Mr. Fogarty added.

A matrix was put together so that when there are funds that need to be invested, College staff can review the list and ask for quotes from the firms and choose the best option, Mr. Molloy explained. We want to choose the highest rate, but we also want to get the involvement of as many institutions as we can, Mr. Franklin added. Another consideration that the College may want to make is that some institutions, specifically with the depositories, provide different levels of collateral to back up the investments that the College can make, Mr. Molloy added. If some provide a lower level of collateral, but give the highest rate, we may not always want to invest with them. This was approved.

The resolution regarding the contract for the fabrication and installation of wayfinding signage at the Harrisburg Campus was reviewed and approved. This is for external signage at the Harrisburg Campus and was reviewed and approved at the Board Buildings and Grounds Committee. The Buildings and Grounds Committee asked that Mr. Franklin follow up on the credit worthiness of L&H Signs, given their bid was very low compared to the other bidders. Mr. Bill Morgan and Mr. Joe Wojtysiak met with Corbin Designs, who designed the signs, and Corbin said that they have worked with L&H in the past, and they are very credible, Mr. Franklin explained.

The resolution regarding the contract for legal services for all campuses was reviewed. An internal committee reviewed costs, qualifications, and interview scores, and Barley Snyder Senft and Cohen LLC (Barley) was the preferred firm. Originally, this was for a five-year contract, but the Finance Committee felt that there have been

several service issues with Barley, so it was recommended that this contract be awarded for one year with four, one-year extensions, based on performance and satisfaction. Dr. Baehre will discuss the service issues with Mr. David Keller from Barley and will tell him that we expect to see improvement. If Barley doesn't improve their services, then we will go through the RFP process again, Dr. Baehre explained. Awarding a one-year contract as opposed to a five year contract may impact their rates, Mr. Fogarty explained. This will be discussed with Barley as well. Barley is aware that there have been service issues. Also, in the agreement with Barley we will have the right to hire special counsel if needed so that we don't have to contract with Barley if another firm has expertise in a certain field, Mr. Franklin added. This was approved.

The resolution regarding the contract for custodial services at the Lancaster Campus was reviewed and approved. The lowest bidder, Jani-King of Philadelphia, also won the bid for Midtown last year, Mr. Franklin added.

The resolution regarding the printing of student handbooks/planners for the Harrisburg Campus was reviewed and approved. This was not awarded to the lowest bidder, Premier Agendas, due to performance issues. Two years ago we had delivery schedule problems with them and last year there were issues related to quality of work layout, Mr. Fogarty explained. Also, the students held focus groups on specific needs and wants and what they wanted in their calendar, and Premier Agendas had agreed to it, but did not follow through, Dr. Black noted.

The resolution regarding the SPSBA financing for the CCTA building improvements was reviewed and approved, as was the gifts-in-kind and scholarships.

Financial Reports

Mr. Franklin reviewed the financial reports for February. The major change to this document had to do with the Harrisburg Campus. In the prior report, there was a projected deficit of \$2.2MM. This has now been brought down to \$1.6MM. The major expense that's causing this is the lease for Evangelical Press Building because we haven't received 50% state approval yet, Mr. Franklin explained. In addition, our enrollments are not as good as we had hoped, he explained further.

FY 2008-09 Budgets

At the last meeting, the Harrisburg Campus credit budget had a deficit of \$3.2MM. We have reduced the deficit to \$692,931, Mr. Franklin noted. We came up with this by revisiting the ACA percentage, eliminating several new positions, and reducing several operating accounts, such as utilities and professional fees, Ms. Krebs explained. Mr. Burrows was concerned that the students were taking the biggest hit with the tuition increase. We continue to incorporate rather optimistic salary increases in our budget, and if our students are going to suffer, then there should be other people that have to come to the table as well, Mr. Burrows explained. The tuition is still a great deal, but we need to continue to keep it a great deal, he explained further. Mr. Delaney noted that the Human Resources Committee discussed the Budget Advisory Committee's salary recommendation, and it was decided that 4% was adequate this year due to the other salary related changes that were occurred for some employees.

The Harrisburg Campus credit budget will be reviewed by the delegates this evening. The budget was also sent to the superintendents and business managers. The delegates will officially vote on the budget on April 30th.