

**HOLYOKE COMMUNITY COLLEGE
BOARD OF TRUSTEES
FINANCE COMMITTEE**

MEETING MINUTES of November 16, 2016
Frost Building, FR 309 Conference Room

Trustees PRESENT: Steve Mitus, Chair; Robert Gilbert; Suzanne Parker; Evan Plotkin; and; John Vaccaro (via phone)

Trustees not present: none

Also Present: William Fogarty, Interim President; Marcia Mitchell, Interim Vice President for Administration and Finance; Curt Foster, Interim Comptroller, and Karen Desjeans, Staff Assistant.

The meeting was called to order by Chair Mitus at 8:01 am.

- Approval of Finance Committee Minutes of October 26, 2016.

A motion was made by Trustee Gilbert and seconded by Trustee Parker to approve the meeting minutes of October 26, 2016. It was approved unanimously.

- Hospitality & Culinary Arts Project Financial Discussion

Interim President Fogarty discussed that at the last meeting, the Finance Committee approved the motion regarding the financial guarantee for the Hospitality and Culinary Arts project. Since then, the College has been working with legal counsel, because the State views trust fund money as state money. There have been several conversations about “bridge financing” to keep this project on schedule. It has been suggested by DCAMM that the Committee needs to approve these supplemental lease payments and advertise in the Central Register for 30 days. If we advertise this way, DCAMM, in essence, is giving their approval. There was further discussion about when the rent payments start versus the timeline for the College taking occupancy of the building (March versus August). The College and the Foundation meet with Chicopee Savings Bank to discuss whether a line of credit (interest only) was feasible and it is. The College also met with the Foundation Investment Committee and Ad Hoc Committee and they seem to be receptive to this approach. It is with the understanding the College will be made whole for this project.

The College is asking the Finance Committee for a revised motion adding language to the statement of willing to pledge \$1.9 million to be able to move forward with this project. Trustee Gilbert asked Interim President Fogarty to provide Trustee Parker with some more details as she was not involved in the prior conversations about this project; which he provided. Interim President Fogarty provided the Committee an update on the Sub-Bids that were opened on November 15, 2016. The General Bids are due December 1, 2016 and eight general contractors attended the pre-bid meeting. Chair Mitus asked about the additional rent and implication on the College’s finances. Interim President replied that the money would come from College reserves, and would be shown on the balance sheets as an expense. There was further discussion on the impact to the financial statements and the length of time for repayment. There was additional discussion on the fees that are in place for majors like Nursing and Foundations of Health, and the fact that we may need to discuss a fee for the Culinary programs, as well.

Chair Mitus asked for the following motion, contingent upon the whereas language that Interim Vice President Mitchell will add for the full Board meeting.

MOTION: Move that the Finance Committee recommend to the full Board of Trustees approval of a financial guarantee of up to \$2 million to complete the construction of the Hospitality and Culinary Arts project pending counsel notification that it is a legal investment for the college.

The motion was made by Trustee Gilbert and seconded by Trustee Plotkin to approve the above motion. It was approved unanimously.

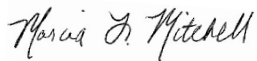
Trustee Parker left the meeting at 8:41 am.

- Old / New Business

Trustee Gilbert let the Committee know of President Royal's upcoming visit to the DHE on November 29, 2016 in Boston for her confirmation meeting for President.

The meeting adjourned at 8:45 am.

Respectfully submitted,



Marcia L. Mitchell
Interim Vice President for Administration and Finance