

South Central Assembly
Minutes of the Board of Directors Meeting
July 16, 2008

Olmsted Building, Second Floor West Conference Room, Penn State Harrisburg

Officers:

- [p] Jo Ellen Litz
- [p] Steven Peterson
- [] Glenn Snyder
- [t] Raymond Klein
- [p] Nancy Besch

- [] Ken Taylor
- [] William Troxell
- [e] Boyd Wolff
- [] Lori Yeich ***
- [] Merrill Yohe
- [] Bob Ziobrowski
- [p] Craig Zumbrun

Members

- [] Robert Anspach
- [p] Mark Berg
- [] Daniel Betancourt
- [t] Harrison Bink
- [p] Gail D'Angelo
- [] Michael Fesen
- [] Mauree Gingrich
- [] Richard Gray
- [e] Barbara Groce
- [] Francis B Haas
- [e] Irving Hand
- [p] Roger T. Karsnitz
- [p] George Klaus ¹
- [p] Julie Lalo ^{2*}
- [e] Joe McCarthy
- [p] Skip Memmi
- [] Russ Montgomery
- [t] Penny Myers
- [] Susan Parry ³
- [] Stephen Powell
- [p] Stephen Reed **
- [] George Rettew
- [] Christopher Reiley
- [p] Rusty Shunk
- [p] Ann Simonetti
- [p] Steve Snell
- [] Ted Streeter
- [] Michael Sturla
- [p] Rose Marie Swanger

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Others Attending:

- * Josh Karns
- ** Ed Nielsen
- Sherri Zimmerman (Executive Director)
- Stephen Scanlon (Staff)

Attendance Key: e - excused absence (prior contact) p - present t - telephone
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1 Ex Officio USDA
2 Ex Officio 10,000 Friends of PA
3 Ex Officio RC&D

July, 16, 2008

Call to Order

The board president called the meeting to order at 3:10. Introductions were made. Three members, Misters Bink and Klein and Ms. Myers participated via a phone link.

The meeting opened with the announcement by the chair, speaking for the Executive Committee, that Sherri Zimmerman had been nominated as the Assembly's new executive director. A hearty round of applause ensued.

Mr Shenk made the motion:

Appoint Sherri Zimmerman as Executive Director of the South Central Assembly

Seconded by Mr. Bink

Discussion: None

Vote: Unanimous in favor

Mr. Zumbrun's resignation having been previously been accepted upon the appointment of a replacement, Ms. Zimmerman began her duties immediately.

Ms. Zimmerman acknowledged the honor she felt at the board's confidence in her. She expressed support for the Assembly's mission and looks forward to turning a corner for a stronger Assembly.

Ms. Besch recommended the appointment of Mr. Zumbrun to the board.

Mr. Snell made the motion:

Appoint Craig Zumbrun to the Assembly Board
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Seconded by Mr. Peterson.

Discussion: none.

Vote: Unanimous in favor.

Approval of the Minutes of the May 21, 2008

Approved as submitted

Regional Round Table

Ms. Litz indicated that there is a regional action plan working its way through the county planning commissions.

She also noted that the Star Barn is moving from Dauphin County to Lebanon County as part of a sustainable farm demonstration and museum of agriculture.

Mr. Snell reported that RAYAC is preparing a Traditional Neighborhood Development (TND) manual for local municipalities. Will Selman acted as consultant for the nearly 100-page document. A condensed version will be prepared for elected officials.

Executive Committee

Completed its business with the appointment of Ms. Zimmerman. It was noted that 16 or 17 applications for the position had been received and reviewed.

Nominating Committee

Ms. Simonetti announced that she was willing to accept a nomination to the board.

Mr. Shunk made the motion

Appoint Ann Simonetti to the Assembly Board
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Seconded by Mr. Klaus.

Discussion: It was noted that Ms. Simonetti is on her third term as a member of the Marysville Borough Council, serves on councils of government and is a member of the State Borough's Association.

Vote: Unanimous approval.

Chesapeake Bay Initiative

Mr. Zumbrun reported no new progress. He did note that Mr. Wolff is on the 10,000 Friends Board so between the Assembly and 10,000 Friends there may be new activity this fall. Josh Karns will use old contacts from the Chesapeake Bay initiative to see what can be done.

Health and Human Services Committee

The committee is seeking a new chair.

Funds for committee work could be available through the Foundation for Enhancing Communities.

Mr. Klein recommends involvement by organizations such as HighMark Blue Shield and the Hershey Medical Center. Health care cost containment is a major issue. Ms. Litz asked Mr. Zumbrun to follow up with a few phone calls and Mr. Peterson volunteered to make a few contacts at the College of Medicine.

Housing, Predatory Lending and Community Development Committee

Mr. Klaus reported that the committee held a very successful meeting on July 8. There was good discussion on the state of affordable housing. The climate for a regional housing effort has recently changed. There is a lot of opportunity for a regional group such as ours to contribute. Affordable housing is the lynch pin that unites the housing and predatory lending aspects of the committee. Something good was stated on the 8th, he said.

Transportation

Ms. Litz indicated that transportation is vital community to reinvigoration. Mr. Karns expressed interest in participating on a reinvigorated transportation committee.

Old Business

Summit

Mr. Klaus reported that the DCED grant was designed to include after summit action steps. Some administrative aspects need to be completed including getting in-kind time and travel sheets from some volunteers. The conference proceedings need to be edited.

He reported that the \$5,000 commitment from the City of Harrisburg remains outstanding. Mr. Zumbrun noted that a newsletter could be prepared to cover: bylaws changes, the reconstituted board, the new executive director, the summit and the energy consortium initiative. However, it would be expensive. The web site capacity needs to be boosted. It is time to look to revitalize that. That should be a summit expense.

Mr. Klaus indicated that the grant budget would need to be amended for whatever is not in sync with it. He will inquire as to why DCED has yet to respond to a drawdown request.

Mr. Bink suggested looking into the possibility of producing an email newsletter. He volunteered to submit a newsletter printing cost estimate for the record.

Mr. Klaus remains positive about the follow up to the Summit. He noted that he, Misters Peterson and Zumbrun and Ms. Zimmerman need to meet for follow up.

Ms. Zimmerman expressed that the Summit proceedings were a priority for her.

Mr. Peterson reported that he will soon send the complete “WHAM” application to Representative Swanger.

Energy Consortium

Ms. Zimmerman reported the Central Pennsylvania Energy Consortium (CPEC) is active and is for governments, schools and nonprofits only. They have existed for about 11 years.

Why would we want to pursue Power and Energy Purchase Program (PEP)?

PEP has a guarantee that it does not make money unless the client saves money. There are no upfront costs. The Assembly’s added role would be organizing marketing and education workshops which will not only help in marketing the energy purchase program but would also provide a service of educating the membership on energy management issues in general. All entities can join except for very small businesses and residential.

The PEP would split profit three ways: Benchmark Solutions, the City of Harrisburg and the Assembly. In order to generate interest, a 5% additional savings could come off the top for every first time Assembly member in the program. In its 1st year the Assembly might make \$50,000 for its share. But that profit depends on many factors.

The shared regional services idea arose from the summit and it fits the Assembly’s mission to offer unique policy forums, developing strategic solutions by bringing players together to engage in dialogue.

Mr. Karsnitz expressed interest in the concept saying that this would provide a service with a continual flow. It might interest people in the Assembly that were previously reticent. I would clearly communicate the Assembly’s role and function.

Ms. Zimmerman will follow up with board members via email. She noted that the options to increase membership include creating forums for members of PEP and waiving the Assembly annual fee or giving a discount as an incentive.

Regarding competition, she expressed that there are enough entities not yet involved in an energy consortium that there will be little competition. PEP is a marketing effort complimented by energy forums.

Mr. Nielsen stated that the timeframe is up to the Assembly. It would need to be begun by the Assembly providing a letter of agreement to Harrisburg followed by its beginning to advertise and offer education.

Ms. Zimmerman indicated that a marketing consultant could have the program running within two months. She asked for members feelings.

Mr. Karns clarified that PEP is open to businesses as well as municipalities, schools and nonprofits whereas CPEC is only open to municipalities, schools and nonprofits.

Mr. Zumbrun noted that the initiative would provide a venue for Assembly services, provide cash savings to users and the Assembly would receive income for connecting a tailored professional service to users. CPEC does not provide the same level of service as PEP, which would look at such things as auditable bills and billing cycles.

PEP currently has 25 customers including the cities of Harrisburg and York and the Harrisburg School District. The number is small because the staff person formerly marketing the program for Harrisburg was laid off from the city and was not replaced.

Ms. Swanger expressed support.

Mr. Nielsen indicated that many entities signed up for the service but did not follow through. He thought that recent energy circumstances might boost interest. The Assembly can take advantage of need for education and include marketing. High energy prices will not go away.

Ms. Litz asked who would do the marketing.

Mr. Nielsen indicated that PEP would work with the Assembly to develop a program.

Mr. Klaus asked what advantage the Assembly brings to Harrisburg.

Mr. Nielsen replied that the Assembly could provide a marketing and educational reach that the city could not.

Ms. Zimmerman noted that, regarding education, there is a real reason to bring people together on this topic periodically.

Mr. Nielsen noted that most people know that electric rate caps will expire soon but expect that “someone” will take care of it.

Ms. Litz asked if energy companies participate in education.

Mr. Nielsen replied that energy companies are starting to reign in those efforts. They are not willing to offer a service if customers are looking for less expensive alternative resources.

Ms. Litz expressed that the Assembly has been looking for funds to be sustainable. This can tie in well with a need to address the energy cost issue.

Mr. Memmi asked what is the exposure for the Assembly if something goes wrong. What does assembly need to do to protect itself?

Mr. Nielsen replied that there would need to be a disclaimer and that there would be an insurance consideration.

Mr. Nielsen expressed that staff of companies can feel defensive so education and cultivating them is essential. Very often, it is what is not being looked at that has been wasting money.

Mr. Zumbrun noted that Benchmark has a method to review auditing agreements and billings. It is a way to reduce costs.

Ms. Litz asked what is the board’s pleasure?

Mr. Peterson made the motion:

The South Central Assembly shall send a letter of agreement to the City of Harrisburg expressing its intent to participate as the marketing and education partner in the Power and Energy Purchase Program.

Mr. Bink seconded the motion.

Discussion:

Mr. Klaus noted that the Assembly and its board would be expected to publicize the service in any way they can.

Mr. Nielsen reminded members that the possibility of earning \$50,000 in the first year is a very tentative figure.

Ms. Zimmerman concurred and indicated that the tailoring approach makes a broad brush approach untenable.

Mr. Klaus observed that there are two ways for the Assembly to lose. We could make the people at CPEC mad at us. And we might not make much income.

Mr. Nielsen indicated that there should be an out clause for all parties. He recommended sequencing an approach to entities by starting with low hanging fruit.

Ms. Litz remarked that a low hanging fruit approach might be the most controversial approach because that is the same group CPED is going after.

Ms. Zimmeman asked how many of the current 250 CPEC members are in the Assembly's region. She thought it would be a good idea to meet with CPEC to let them know what the Assembly is doing.

Mr. Nielsen stated that its share of PEP income goes into the Harrisburg operating act. He noted that the energy market is changing so rapidly that it is hard to understand it. That lack of understanding breeds skepticism. Continuing education is a vital service.

Mr. Zumbun observed that this is the Assembly's first deliverable from the summit and that it is a sharable benefit.

Mr. Peterson reminded the board that in summit discussions people were very interested in promoting collaborative relationships. This is part of the forward impetus from the summit.

Mr. Memmi offered a friendly amendment, recommending that:

Ask Harrisburg to draft a letter of understanding expressing its intent to participate with the South Central Assembly as its marketing and education partner in the Power and Energy Purchase Program, and to develop a contract for review by the Assembly.

Misters Peterson and Bink withdrew their own language on the motion and accepted the amendment.

Further discussion:

Ms Litz indicated that the Assembly's solicitor would need to look into insurance ramifications. She would communicate new information to the board via email.

Mr. Nielsen recommended that the Assembly learn what entities currently participate with CPEC in order not go after them, but not exclude them should they be interested.

A general acknowledgement was given, all agreeing that they did not want to begin this venture in controversy.

Vote on the motion: Ayes: All members with the exception of an abstention by Mr. Nielsen.

Emeritus Board Status

Ms. Zimmerman distributed emeritus board status language that gave emeritus members all the rights of a voting member without the attendance requirement.

Mr. Karsnitz expressed concern that there would be the voting right.

Mr. Bink concurred noting that it would be appropriate for an emeritus member to act in an advisory capacity but should not have a vote.

Mr. Shenk advised that emeritus status is a way to recognize service and asked that the form be kept simple.

Mr. Klaus motioned:

Establish the role of Emeritus membership. Emeritus members may advise the board but shall have no vote; they may participate at Assembly events at no charge; their names will be listed on company letterhead and they will be given a certificate.

Motion seconded by Ms. D'Angelo

Vote on motion: Unanimous.

Ms. Swanger recommended that the bylaws list criteria including a minimum of 5-years good attendance record.

Ms. Zimmerman indicated that this would be worked on.

More on legislative “Walking Around Money”

Ms. Zimmerman indicated that she would work with Ms Litz to develop a timeline for identifying members who could approach their legislators on the topic.

Membership compliance

Mr. Scanlon distributed an attendance record of members not in good standing.

Motion by Mr. Klaus:

Set aside the bylaws regarding members’ participation.
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Seconded by Ms. Swanger.

Discussion: none.

Vote on motion: Unanimous in favor.

New Business

Ms. Litz asked Mr. Zumbrun to craft a press release to announce the appointment of the new executive director. She noted that Ms. Zimmerman has a lot of respect around the state resulting from her work with liquid fuels so it is important to get the word out.

Mr. Scanlon noted that nearly all members, including those in good standing would cycle off the board at the end of this year. The record of membership terms is lost, but in any case, few active members have been appointed in the past three years. The exceptions are Misters Miller, Ziobrowski and Zumbrun and Mses Groce and Semonetti , all appointed in 2008.

He recommended that the board wait until the new year to initiate a new “class” system for reappointing those that are willing to serve. He further recommended that the Nominations Committee could use some extra help as it looked like there would be many openings to fill.

Ms. Litz appointed Misters Karznitz and Zumbrun and Mses Groce and Swanger to assist current serving members Ms. Besch and Mr. McCarthy.

Motion to adjourn

Made at 5:10.

Unanimous approval.

The **next meeting** of the South Central Assembly Board will be **September 17** at the **National Civil War Museum, Harrisburg**. A telephone conference call in number will be made available near to the meeting date.