

**ROANOKE HIGHER EDUCATION AUTHORITY
BOARD OF TRUSTEES
Wednesday, June 1, 2016 at 12 p.m.
Roanoke Higher Education Center**

RHEA Board of Trustees Members Present:

John Edwards, Patricia Hammer, Lorraine Lange, Jennifer Pittman, Charles Price, Catharine O'Connell, Penelope Kyle, Susan Short, Charles Poindexter, Patricia White-Boyd, Robert Archer, Tanya Ridpath, Carol Fleming, Annette Lewis.

Others Present: Tom McKeon, Sue Gregory, Michele Faircloth, Carla James, Patrick Hilt, Alice Obenchain-Leeson (Averett U), Kay Dunkley (Virginia Tech), Terri Wheaton (Old Dominion U), Eulah Price (Radford U).

The meeting of the Roanoke Higher Education Authority Board of Trustees was called to order at 12:30 p.m. The presence of quorum was confirmed.

Senator Edwards noted the minutes of the RHEA Board of Trustees Meeting on December 2, 2015; it was requested the institutional representatives not on the Board be noted in the "others present" portion of the minutes.

Senator Edwards also presented the Roanoke Times article regarding the Culinary program.

RHEA's FY 2016 Financial Report

Robert Archer, RHEA's Treasurer, and Sue Gregory, Director of Finance and Administration, reviewed highlights of the detailed written report on the Authority's financial statements as of March 31, 2016 (incorporated herein). The Authority is in a strong financial position with current cash reserves and ownership of capital assets free of debt except for the energy savings program in which cost savings are projected to pay for the debt. Further discussion included the capital maintenance fund, the Claude Moore Education Complex project and the Clinical Simulation Lab expansion that is being funded by capital outlay. It was noted that one time major upgrades for a new website will continue as well as a security assessment/enhancements will take place in FY 2017 with use of the cash reserves. It was also noted that FY 16 personnel costs are projected to be under budget in the areas of part-time wages, turnover and vacancy, and salary covered by an insurance carrier while an employee was on short-term disability. Additionally, utilities are trending under budget due to factors such as the weather conditions and installing a water meter on the cooling tower. Lastly, audit and legal are expected to be under budget partly due to that there was an active audit RFP in process at the time the budget was set last year with the actual contract being lower than anticipated. It was reported that the increase in net income was due to the acquiring the land from Roanoke City for CMEC expansion. Capital assets increased during the prior year due to water remediation project increasing the Center's value and the acquisition of the Claude Moore Education Complex. The Authority's operations remain vulnerable as there are concerns of funding reductions, increased cost of operations and potential decrease in leased space. Mr. Archer thanked Dr. McKeon and Ms. Gregory for their hard work and continued management of the budget.

Commonwealth of Virginia Deficit Policy

RHEA's Executive Director, Dr. Tom McKeon, presented section 4-3.01 of the 2016 Appropriation Act that governs RHEA concerning deficits and the responsibility of Board members. The Commonwealth will not cover any deficit created by overspending by the Authority. A copy of

section 4-3.01 of the Appropriation Act was presented to each Board member. The Executive Director is required to submit signed documentation to the Commonwealth of Virginia indicating that all Board of Trustee members were notified of this policy.

Virginia Retirement System Contribution Employer Rate Election

Ms. Gregory presented the information to support continue funding the VRS Contribution employer rate at 100% of the VRS Board-certified rate as previously elected. In accordance with FY 2016 Appropriation Act, VRS is offering the opportunity to select an alternative rate; however, paying 100% of the certified rate is the best option to ensure that our pension is fully funded. Delegate Poindexter moved to maintain the certified rate; Dr. Lange seconded the motion; the motion carried by unanimous vote. In accordance with VRS instructions, since the Board selected the 100% certified rate, a VRS resolution is not required.

Security Update

Patrick Hilt, Director of Facility Services, debriefed the Board regarding the unattended weapon incident which occurred on the 6th floor. He stated that the weapon was covered in clothing and found by someone passing by who then notified security. Officer Jim Collins proceeded to guard the weapon while waiting on the police department to arrive as there is currently no policy in place for this type of incident. While waiting for police, the gun owner returned and a struggle ensued in which the suspect was subdued by Officer Collins with the assistance of other individuals until the City police arrived. Mr. Hilt noted that the suspect is still in custody, was charged and has been barred from the building. Officer Collins experienced a fractured wrist in the process of subduing the suspect.

He reviewed the security enhancements that have already been completed including 53 new HD cameras, a new weapons policy and the security awareness campaign. Mr. Hilt stated that the Center is currently reviewing the communication and emergency procedures (including who is able and when to trigger an emergency notification), is looking at additional security measures for classroom doors, is researching additional training for faculty/staff/security officers and reviewing the chain of response for incidents. It was also noted that they are looking at new communication devices and making the emergency alert system sign-up mandatory for faculty and staff working in the building. He thanked the Radford University's Police Captain and Virginia Tech's Director of Emergency Management for their continued assistance in reviewing the incident and the RHEC Emergency Operations Plan. He also noted a site assessment was conducted by the City Police Department and he plans to contact Craig Harris with Virginia Western Community College for further discussion on the Emergency Operations Plan. It was announced that the budget request for next fiscal year includes a second day shift officer as the duty requirements have increased and exceed what one officer can effectively manage. Mr. Hilt also noted that the Center is looking at training for Security officers when reviewing the proposals for the new security contract set to begin on July 1, 2016. A question was posed regarding if the Center currently has armed guards and it was stated that the City Police Department's preliminary opinion, as part of their site review, recommend armed guards with the highest qualifications (i.e. retired police or military) in order to give a better perception of security in the Center but only if the officers have the highest level of training. A question was posed regarding finalizing security enhancements/training and Mr. Hilt stated that he was awaiting the final site assessment report in order to proceed accordingly. Dr. McKeon noted that the cost of armed guards would be significantly higher than the current budget so funding would need to be sought for implementation if it was decided to have armed guards. An informal poll of member institutions was conducted. Most have an accredited police force which is armed. Of those without accredited law enforcement agencies, there was a mixture of armed and unarmed security guards. A question was posed regarding audio communication in the Center and it was stated that the current camera system

does not have audio but the officers carry both a cellphone and push-to-talk phones and they are currently looking at other radio options as well. Mr. Hilt also stated that the Center is looking at installing emergency phones in common areas and classrooms. A question was posed about having emergency lock-down drills and it was stated that after defining protocol and procedures, a drill would occur. A request was made that a procedure be in place prior to the Fall semester so it can be shared with incoming students. It was noted that short of armed security guards there would be a variety of items/protocols implemented prior to Fall semester.

RHEA's FY 2017 Budget

Dr. McKeon presented the Authority's proposed FY 2017 budget for the Board's review. His presentation included a brief history of the Authority's appropriation which included a \$250,000 or 21% increase in appropriation for this upcoming fiscal year. He thanked Delegate Poindexter and Senator Edwards for their support for the increase during the 2016 General Assembly Session. It was also noted that there was a small increase in the Higher Education Equipment Trust Fund and the Capitol Maintenance Reserve. The presentation noted the key elements and challenges of FY 2017 which include decrease current leased space and inflation loss. The expenses of the FY 2017 budget were also discussed including the retirement expense savings, increase of housekeeping services to 6 days per week, an additional daytime security officer, furniture replacement, increase in marketing and a new program incentive for members. A question was posed regarding if an increase of students is being noticed in correlation with current marketing strategies. It was stated that once the student is referred to a member, an outcome is not able to be tracked but that traffic from the Center's website to members' websites has been tremendous. A question was posed about knowing what a student was interested in prior to them leaving the Center's website and it was noted that the website redesign is working on an interactive element to ascertain needs of the student prior to them leaving the website. Another question was posed about members purchasing banner ads on the new website to highlight new programs and it was noted that while the redesign has not made it to that phase yet that idea would be shared. Dr. McKeon continued to outline the budget noting an expense for a business and non-profit industries advisory committee and a contingency for unplanned expenses. Items from cash reserves were noted which included completion of the website redesign and a security assessment and enhancements. Delegate Poindexter moved to approve the FY 2017 budget; Ms. White-Boyd seconded the motion; the motion carried by unanimous vote.

RHEC Proposed Membership/Business Model Discussion/Action

Carla James, Director of Academic and Student Services, presented the summary and recommendations for the new Business Model as determined from meeting with each individual member organization since the last Board Meeting. She noted that they discussed member benefits, services, fees, leases and programs in relation to refining the model which would still remain lease based. Ms. James summarized the recommendations which include a minimum yearly fee of \$15,000 for in-state institutions and \$18,000 for out-of-state institutions which would include a classroom and office. It was noted that currently seven members fall under this limit but all were willing to work with the minimum fee. Further recommendations included a minimum three year lease with option to renew in three year terms and it was noted that this would give more financial stability than the current year-to-year lease that most members have. It was stated that the leases would be staggered so not all would end at the same time. Ms. James continued and noted that additional funding will be sought for a student success center which would offer services such as tutoring, career counseling and academic advising. A recommendation was made to look at alternate funding sources such as SCHEV or the U.S. Department of Education. Lastly, the final recommendation was presented to seek funding for a new outreach position to assist in recruitment, as a business liaison with the community and to work with members to help develop and present successful programs. Ms. James noted that the

implementation date for the new model would be July 1, 2017. A question was posed about possibly losing current members due to the increase of cost and it was noted that most members are willing to work with the new model but a possibility of losing one or two members has been realized. Dr. Lange moved for adoption of the model and approval of the recommendations; Mr. Price seconded the motion; the motion carried by unanimous vote.

Capital Projects Update

Mr. Hilt noted that the Claude Moore Education Center (CMEC) expansion's design was 50% complete and on hold due to awaiting the review and approval from Bureau of Capital Outlay Management (BCOM) and the Department of Historic Resources (DHR). DHR approved the changes to the design, which generally include less glass and more brick to represent a historically consistent downtown architectural style, as well as the community. The project is currently awaiting for the official approval letter from BCOM. Mr. Hilt noted that the content on the outside historical panels are still being developed in conjunction with a local working group. Once approved by BCOM, bidding for construction will be conducted in the Fall with construction beginning in the Winter. A question was posed about the other elevations of the building and it was stated that the architect, Spectrum Design, was still working on those designs. A request was made for the Board and community to have the ability to give input into all elevations of the project. Another question was posed regarding the northern property line. It was stated the property line is approximately 20 to 30 feet from the building.

Mr. Hilt stated that the Center is currently working with Radford University to expand the Clinical Simulation Center on the first floor. The current lab will be renovated and will expand to include the adjacent room, which is currently a biotech lab, and would approximately double the current simulation lab area size. It was noted that this would help expand services to other allied health programs and allow outside institutions to utilize the space as the schedule permits. The renovation is planned to begin next summer with the state providing capital outlay funding for construction and Radford University leasing the expanded space and providing staffing. A question was posed about the division of rooms and it was stated that it is supposed to simulate a hospital environment, however, it includes windows and audio/video equipment so faculty can watch the students practice. Another question was posed if grants will allow the lab to be utilized by outside organizations and it was stated that the funding was contingent on allowing outside organizations to utilize the current lab which will continue under Radford University's management in the expanded lab.

Executive Director's Report

Dr. McKeon presented the Executive Director's Report for Board review. There was no further discussion.

Executive Director's Annual Performance Evaluation

Senator Edwards called the Board of Trustees to convene in closed session to discuss a personnel matter, specifically to consider the annual performance evaluation of the Executive Director, pursuant to Section 2.2-3711.A.1., Code of Virginia (1950), as amended. Delegate Poindexter motioned to convene in a closed session; Mr. Price seconded the motion. The Board went into closed session.

Senate Edwards called the Board of Trustees to re-convene in open session. Roll call was completed and the Board reconvened in open session. Dr. Lange motioned to adopt the recommendations of the Executive Committee for the performance of the Executive Director and Center staff in relation to compensation and benefits; Ms. White-Boyd seconded the motion. Motion carried by unanimous vote.

Senator Edwards announced that Penelope Kyle was retiring from Radford University and leaving the Board. He presented her with a parting gift and thanked her for her service.

Senator Edwards announced that Catharine O'Connell was leaving Mary Baldwin College and the Board. He presented her with a parting gift and thanked her for her service.

Dr. McKeon announced that he will be retiring from the Roanoke Higher Education Center in December. He thanked the Board for their support throughout the years. It was announced the a committee comprised of Dr. Lange (chair), Ms. White-Boyd, Mr. Price, Mr. Archer, Senator Edwards, Delegate Head, Dr. Sandel, Dr. Short and a representative from Radford University and Mary Baldwin College will conduct the search for Dr. McKeon's replacement.

There being no further business, the meeting was adjourned at 2:30 p.m.

Respectfully submitted,

Michele L. Faircloth
Secretary

Future Meeting Dates:

EXECUTIVE COMMITTEE

Wednesday, November 16, 2016 at 2 p.m.
Wednesday, May 24, 2017 at 2 p.m.

FULL BOARD

Wednesday, December 7, 2016 at 12 noon
Wednesday, June 7, 2017 at 12 noon