

**ROANOKE HIGHER EDUCATION AUTHORITY
BOARD OF TRUSTEES EXECUTIVE COMMITTEE
Wednesday, May 24, 2017
Roanoke Higher Education Center**

Roanoke Higher Education Authority-Board of Trustees Executive Committee

Members Present:

Senator John Edwards, Delegate Christopher Head, Lorraine Lange, Charles Price, Patricia White-Boyd

Others Present:

Kay Dunkley, Sue Gregory, Carla Jackson, Dana Horan

The meeting of the Roanoke Higher Education Authority's Board of Trustees Executive Committee was called to order at 2:10 p.m. The presence of a quorum was confirmed.

Chairman Edwards moved to approve the minutes of the RHEA Board of Trustees Meeting on December 7, 2016. **The motion carried by unanimous vote.**

Proposed Members for the RHEC Foundation

Chairman Edwards asked the committee for recommendations of individuals to serve on the Roanoke Higher Education Center Foundation Board. Discussion followed with potential projects that the RHEC Foundation could raise funds to support, including scholarships for credit and non-credit classes, a student success center, and making upgrades to the fourth floor student lounge. It was suggested that the Executive Director meet with staff from the Virginia Western Community College Foundation to review their policies and procedures. The following individuals were recommended for membership to join the RHEC Foundation Board of Directors: Connie Carmack, Randolph Garrett, Frank Martin and Thomas McKeon. The committee requested a list of current members and Kay provided the names of John Edwards, Charles Price, Mike Wray, Warner Dalhouse, and Susan Short. Chairman Edwards moved to accept the list of nominees and to recommend this slate to the Board of Trustees at their June 7, 2017 meeting. **The motion carried by unanimous vote.**

RHEA's FY 2016 Financial Statement

Sue Gregory, Director of Finance and Administration, reviewed highlights of the Authority's financial statements as of March 31, 2017. The Authority has a strong balance sheet with \$2.7 million in cash and capital assets of \$42 million. The cash on hand will pay approximately thirteen months of the FY 2017 total operating budget plus the annual debt payment of \$2.6 million. Capital asset growth is due primarily because of the Claude Moore Education Complex expansion (\$6.4 million) and the Radford University Simulation Lab renovation (\$ 2 million). The Authority currently owes \$852,723 on the energy cost savings project and cash will be reduced in November by the annual debt payment of \$95,000. Investments include four certificates of deposits (CD's) that total \$960,000 with maturity dates of 10/30/17 (\$720,000) and 1/14/18 (\$240,000) with an APY of 1.15%. In the aggregate, approximately \$25,200 of interest has been earned on these investments over the two cycles. At the Board of Trustees meeting in June 2016, members approved the use of \$405,349 for non-recurring expenses: a website redesign and a security needs assessment and other security projects. By year end, we will spend approximately \$147,000 of this funding. For the FY 2018 budget, a plan is in place to use the unspent balance of \$258,000 for security projects that are in progress.

Commonwealth of Virginia Deficit Policy

Sue Gregory presented section 4-3.01 of the 2016 Appropriation Act that governs RHEA and the responsibility of the governing board members. The Commonwealth will not cover any deficit created by overspending by the Authority; therefore, the Executive Director is required to submit signed documentation to the Commonwealth of Virginia indicating that all current Board of Trustee members have been notified. This policy will be presented to the full board at the June 7, 2017 meeting.

FY 2018 Budget

Sue Gregory presented the proposed FY 2018 budget for the committee to review. The budget totals \$2,702,604 that includes a 4% operating contingency. Key elements include the Higher Education Equipment Trust Funding (HEETF) and state funding remained even in comparison to FY 2017; lease revenue increasing by \$8,387 or 0.8%; Capitol Maintenance Reserve (CMR) of \$378,753, which is an increase of \$17,556 or 5%; and State bond funded capital outlay projects totaling \$8,378,435 for the expansion of the Claude Moore Education Complex and the Radford University Simulation Laboratory.

Other highlights included the projected net revenues for the new OSHA workforce training program, significant growth in the testing center activities, and \$7,000 available for current members in support of developing and implementing new programs. The budget includes a 2% COLA/merit increase for staff and the conversion of one part-time testing assistant to become full-time. We anticipate an unspent balance of \$300,000 in cash reserve that can be used for safety and security projects. Members agreed with spending unspent revenue for marketing, conducting an academic needs assessment, and to research best practices from other higher education centers as it concerns programming and partnerships.

Lorraine Lange moved to accept the FY 2018 Budget and to present it to the full board for approval on June 7, 2017. Patricia White-Boyd seconded the motion and the **motion carried by unanimous vote.**

Security Update

Kay Dunkley gave the Facility Services report in the absence of Jeffrey Mohr, Director of Facility Services. Kay reported upgrades have been made to the security cameras; a third security guard has been added to the day shift; a two-way radio communication system has been added for security and staff; and Automated External Defibrillators (AEDs) have been placed on each floor. RHEC employed the assistance of three agencies to analyze our current safety procedures (Witt O'Brien's, LLC, Roanoke City Police Department, and Sunstates Security). Projects in progress include reviewing policies and procedures from member institutions, installing thumb-turn locks on all doors, developing and implementing a safety training plan for members and staff, installing emergency phones in all classrooms with the ability to call security or 911, and revising the Emergency Operation Plan (EOP).

Projects under review include the relocation of the security station, performing upgrades to the emergency notification system, and installing and upgrading the digital cameras in the Claude Moore Education Complex.

Capital Projects and Maintenance Reserve Projects

The Clinical Simulation Lab renovation project will add an additional 4,600 sq. ft. at a cost of \$2 million. The anticipated completion date is October 15, 2017. The Claude Moore Education Complex renovation and expansion project (\$6.4 million) will provide an additional 8,000 sq. ft. with an anticipated completion date of June, 2018. These two projects are funded by State Capital Outlay money.

A second Claude Moore project includes replacing three sections of glass on the storefront with precast concrete panels in order to prevent future water intrusion. In the main building, a partial roof replacement is taking place on floors 4, 8, and the penthouse. These two projects are funded by Capital Maintenance Reserve money.

Executive Director's Progress

Kay Dunkley stated that she has spent time visiting with members of the RHEA Board of Trustees, RHEC Foundation members, institutional representatives, and state legislators. The higher education center hosted staff members from the Southwest and Southern Virginia Higher Education Centers, the Danville Institute of Advanced Learning and Research, and The New College Institute. Visits to Ferrum College, Shenandoah University, and George Mason University will take place in the near future in hopes of securing new members. The development of a business and industry advisory committee will be implemented, marketing efforts for RHEC have increased, and incentive funding will be available to members in support of new program development. The staff will develop an annual report to be delivered at the December Board of Trustees' meeting. Kay has been involved in numerous outreach and community activities/events. The executive committee made a request that the executive director prepare a more detailed report to present to the full board in June.

Closed Session

Chairman Edwards called for the Executive Committee to convene in closed session to discuss personnel matters pursuant to Section 2.2-3711.A.1, Code of Virginia (1950), as amended. Discussion took place followed by Chairman Edwards asking the Executive Committee to re-convene.

Lorraine Lange moved for the Executive Committee to meet at 11:30 a.m. prior to the Board of Trustees meeting on June 7, 2017 to continue discussions from the closed session. The committee requested a copy of the RHEC employee handbook and a breakdown of salaries for all staff to receive a 3% pay increase. Patricia White-Boyd seconded the motion and the **motion carried by unanimous vote.**

Upcoming Executive Committee and RHEA Board meeting dates were announced as follows:

Executive Committee: Wednesday, November 15, 2017 at 2:00 p.m.
Wednesday, May 23, 2018 at 2:00 p.m.

RHEA Full Board: Tuesday, December 5, 2017 at 12:00 noon
Wednesday, June 6, 2018 at 12:00 noon

There being no further business, the meeting was adjourned at 4:50 p.m.

Recorder: Dana Horan, Executive Assistant

Enclosure: Details of Executive Director's Travel