

**ROANOKE HIGHER EDUCATION AUTHORITY
BOARD OF TRUSTEES
Wednesday, December 6, 2017
Roanoke Higher Education Center**

RHEA Board Members Present:

Robert Archer, Senator John Edwards, Delegate Christopher Head, Daryl Kingrey, Lorraine Lange, Melissa Lubin, Jean Mottley, Jennifer Pittman, Delegate Charles Poindexter, Charles Price, Susan Short, and Elda Stanco Downey

Others Present:

Kay Dunkley, Sue Gregory, Dana Horan, Carla Jackson and Ethan Cook, Foti, Flynn, Lowen & Co.

The meeting of the Roanoke Higher Education Authority Board of Trustees was called to order by Chair Senator John Edwards at 12:30 p.m. Following the roll call the presence of a quorum was confirmed.

Chair Senator Edwards recognized the following institutional representatives: Ken Cox, Radford University and Richard Turner, James Madison University.

Chair Senator Edwards asked for approval of the June 7, 2017 minutes. **The minutes were approved as written.**

Introduction of New Board Members

Chair Senator Edwards recognized new Board members, Daryl Kingrey, representing Mary Baldwin University and Elda Stanco Downey, CEO of Roanoke Spanish. Lorraine Lange, retired Roanoke County Public School Superintendent, was also recognized for her reappointment.

James Madison University Student Testimonial

A student testimonial was given by Jay Thompson who leads the Air Force Junior ROTC program at William Byrd High School. He is a retired Air Force officer who received his military commission and bachelor's degree in Economics from VMI in 1986. For the past five years, Jay has used his Post 911 GI Bill benefits to enroll in three masters programs that James Madison University has delivered either on-line or at the Roanoke Higher Education Center.

FY2017 RHEA Audit

Ethan Cook, CPA with Foti, Flynn, Lowen & Co., presented his firm's audit report of the Authority's FY 2017 financials. Mr. Cook reported that in the auditor's unqualified opinion the Authority's financial statements fairly represent its financial position. The auditor's clean opinion is its highest level of assurance. The audit disclosed no instances of noncompliance with laws, regulations, etc. that are required to be reported under *Government Auditing Standards*, nor were any matters involving internal control over financial reporting and its operations noted. Mr. Cook praised Sue Gregory and the finance staff for their work on the audit and Management Discussion and Analysis (MD&A).

Mr. Cook reviewed highlights of the MD&A and noted that the report was prepared by RHEA staff as required by the Governmental Accounting Standards Board (GASB) with it being a required part of the published audit report. He encouraged committee members to read the MD&A for additional information regarding the Authority's finances. The annual audit committee letter was disseminated and

discussed as required by audit standards. A **motion was made by Dr. Lange and seconded by Delegate Head to receive the audit as presented. The motion was approved by unanimous vote.**

Review RHEA Financial Statements as of September 30, 2017

Robert Archer indicated that moving forward the financial reports would be more concise. Sue Gregory shared highlights of the memorandum dated November 15, 2017 concerning financial statements for month ending September 30, 2017. Accumulated cash balance remains stable, fluctuating between \$2.7 million to \$2.9 million. Current cash balance is \$2,891,787, an amount that will cover 13 months of the operating budget for FY 2018 that totals \$2.6 million. Currently \$960,000 is invested in certificates of deposit with maturity dates of 10/30/17 [\$720,000] and 1/14/18 [\$240,000]. After certificate of deposits matured, \$480,000 was invested in a 14-month certificate of deposit, and \$628,835 was invested in the Commonwealth of Virginia's Local Government Investment Pool (LGIP). Of the \$300,000 approved for security assessment and enhancements, \$68,000 has been expended. Capital assets increased \$1,759,035 or 4% to \$43,495,649.

New Funding Request for 2018-20 Biennium

Kay Dunkley presented the FY 2018-2020 Biennium Budget Submission requests for the Roanoke Higher Education Authority. The General Fund request consists of \$1,048,646 to be used for academic programs and operational costs. Bond funded requests include Higher Equipment Trust Fund (HEETF) \$250,000 and Capital Maintenance Reserve (CMR) \$400,000. Kay presented the FY 2018 General Fund Summary for all higher education centers in Virginia and noted the disparity in funding allocations. She also presented the history of the General Fund appropriations for the Roanoke Higher Education Center from FY 1999 through FY 2018 noting that during that time period the Roanoke Higher Education Center has received a slight increase of \$105,707 for operations.

Executive Director's Report

Kay Dunkley presented a PowerPoint highlighting the programs and accomplishments of the Roanoke Higher Education Center during 2016-2017.

Roanoke Higher Education Center's Foundation Board Updates

Kay Dunkley reported that the RHEC Foundation Board has added four new members: Connie Carmack, Randolph Garrett, Frank Martin and Tom McKeon. Term limits have been established to stagger the terms from one to three years. Kay shared the Foundation's mission, a set of goals and provided a list of suggestions for fundraising projects.

Report from Personnel Sub-Committee

At the June 7, 2017 Board of Trustees' meeting, a Personnel Committee was created to include Jennifer Pittman, Chair, Dane McBride, Lorraine Lange, Robert Archer, and Charles Price. Kay Dunkley will serve in an advisement role. Dane McBride was deleted since he was not reappointed to the Board of Trustees and Patricia White-Boyd was appointed to take his seat. Jennifer presented a copy of the revised job description for the Executive Director and a copy of her 2017-2018 goals and key behaviors. For reference, Ms. Pittman also shared a copy of the higher education center's performance evaluation procedures and a copy of the 2016-2018 strategic plan. The next step for the committee is to create an evaluation tool.

Discussion of Executive Director’s Job Description and Goals (Closed Session)

Members were in agreement with the documents presented by the Personnel Committee and felt that a closed session was not needed.

Other Business

Chair Senator Edwards stated that he would pre-file a Senate bill asking for the removal of two seats from the Authority’s Board of Trustees—representatives from Roanoke College and Hollins University since these two institutions are no longer partners. He will make a request to add a representative from Virginia Commonwealth University. **A motion was made by Delegate Poindexter and seconded by Mr. Price. The motion was approved by unanimous vote.**

Upcoming Executive Committee and RHEA Board Meeting Dates

Executive Committee: Wednesday, May 23, 2018 at 2:00 p.m.
Tuesday, November 27, 2018 at 2:00 p.m.

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

The meeting was adjourned at 1:43 p.m.

Recorder, Dana Horan, Executive Assistant