

**ROANOKE HIGHER EDUCATION AUTHORITY
BOARD OF TRUSTEES EXECUTIVE COMMITTEE
November 15, 2017
MINUTES**

Members Present: Robert Archer, Senator John Edwards, Robert Sandel, and Patricia White-Boyd

Others Present: Kay Dunkley, Sue Gregory, Dana Horan, Carla James Jackson, Jennifer Pittman, and Ethan Cook representing Foti, Flynn, Lowen & Co.

The meeting of the Roanoke Higher Education Authority's Board of Trustees Executive Committee was called to order at 2:00 p.m. The absence of a quorum was confirmed.

Chair Edwards made a motion to approve the minutes of the August 31, 2017 meeting. **The motion carried by unanimous vote.**

New Board Members

Chair Edwards will introduce the following new board members at the December meeting: Daryl Kingrey, Mary Baldwin University; Elda Stanco Downey, Roanoke Spanish; and Lorraine Lange, retired Roanoke County Public School Superintendent (reappointment).

James Madison University Student Testimonial

Jay Thompson, a student at JMU, will be addressing the board at the December 5, 2017 meeting to talk about his positive experiences in completing several degrees here at the higher education center.

FY2017 RHEA Audit

Ethan Cook, CPA from Foti, Flynn, Lowen, & Co., presented his firm's audit report of the Authority's FY2017 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 there any noncompliance matters involving internal controls over financial reporting. Mr. Cook praised Sue Gregory and the finance staff for their work on the audit and the 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 Government Accounting Standards Board (GASB). He encouraged board members to read the MD&A for additional information regarding the Authority's finances. The annual audit committee letter was disseminated and discussed. **A motion was made by Senator Edwards and seconded by Mr. Archer to receive the audit and present it to the full board at the December 5, 2017 meeting. The motion was approved by unanimous vote.**

Review of Financials as of 9/30/17

Robert Archer indicated that moving forward the financial reports will be more concise. Sue Gregory shared highlights of the memorandum dated November 15, 2017 concerning financial statements for month ending September 30, 2017. The accumulated cash balance remains stable, fluctuating between \$2.7 to \$2.9 million. The current cash balance is \$2,891,787, an amount that will cover 13 months of the operating budget for FY2018 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 certificates of deposit 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 shared the FY2018-2020 Biennium Budget Submission requests with the group. The General Fund request consists of \$1,048,646 to be used for academic programs and operational costs. Bond funded requests include Higher Education Equipment Trust Fund (HEETF) in the amount of \$250,000 and a request for Capital Maintenance Reserve (CMR) totaling \$400,000. Kay presented the FY2018 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 FY1999 through FY2018 noting that during that period RHEC received a slight increase of \$105,707 for operations.

Executive Director's Report

Kay informed the committee that the center has reached 85% capacity of leased space. Approximately 600 students enroll each semester in classes and the clinical simulation center serves 900 individuals during both the fall and spring semesters. Kay announced that Dabney S. Lancaster Community College has expressed an interest in becoming an associate member in August, 2018 to deliver a massage therapy program and after students complete the program they can matriculate into other allied health programs here at the higher education center. At the December 5th board meeting, Kay will share additional highlights of programming and yearly accomplishments.

Report from the Personnel Committee

Jennifer Pittman, Chair, explained that during the board meeting in June, 2017, members recommended the establishment of a Personnel Committee. Committee members were appointed: Jennifer Pittman, Chair, Robert Archer, Lorraine Lange, Charles Price, and Dane McBride. Since Dr. McBride was not reappointed to the board, Patricia White-Boyd was asked to serve. Kay Dunkley and Carla James Jackson will participate in meetings acting in an advisory capacity.

The committee defined its purpose and submitted documents for discussion: a revised copy of the job description along with goals and key behaviors for the Executive Director's performance review. Jennifer also shared a copy of the Roanoke Higher Education Center's strategic plan and the center's performance evaluation timeline for all employees. The next step for the Personnel Committee is to develop an evaluation tool for board members to use to evaluate the executive director. **A motion was made by Dr. Sandel and seconded by Mr. Archer to move forward in presenting the Personnel Committee report to the full board on December 5, 2017. 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.

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

There being no further business, the meeting was adjourned at 3:15 p.m.

Recorder: Dana Horan, Executive Assistant