



**Southwest Virginia Higher Education Center
Board of Trustees
Minutes
December 13, 2018**

Call to Order

Chairman Bill Carrico welcomed everyone and called the meeting to order. Roll call was held. A quorum was present.

Board Members/Designees Present:

Steve Ahn
Senator Bill Carrico, Chairman
Cheryl Carrico
Andy Casiello (ODU) (telephonically)
Steve Cochran (telephonically)
Maria Colobro
Joseph Crook (SCHEV)
Cecil Drain (VCU) (telephonically)
Joshua Ely
Brian Hemphill (Radford University)
Donna Henry (UVa-Wise)
Delegate Joe Johnson (Emeritus)
Delegate Terry Kilgore
Steve Laymon (UVa) (telephonically)
Delegate Will Morefield
David Olive (Bluefield) (Ex-Officio)
Delegate Israel O'Quinn
Delegate Todd Pillion
Keith Perrigan
Ron Proffitt (Virginia Community College System)
Jake Schrum (Emory & Henry)
Susan Short (Virginia Tech)
Charlie White (VHCC)

Board Members/Designees Absent:

Senator Ben Chafin

Others Present:

Amanda Baldwin-Estep
Natalie Blankenship
Theresa Burriss
Rebecca Carmack
Angela Cvetkovski
Rana Duncan-Daston
Connie Estep
Elizabeth Griffin (telephonically)
Ashley Hartless
Debbie Hensley
Hannah Hietala
Kathy Hietala
Brenda Justus
David Matlock
Penny McCallum
Joe Mitchell
ABee Moseley
Steve Patterson
Nicky Rahley
Mike Robinson
Michael Smith
Deborah Sproles
Courtney Conner Stringer
Adam Tolbert
Elisha Untiedt
Sonia Vanhook
Alicia Young

Approval of Minutes

The Chairman noted an amendment to the June 8, 2017, meeting minutes to reflect that Terri Wheaton, designee for ODU, and Connie Estep, ODU representative at the SW VA Higher Education Center, attended the board meeting in person. He called for a motion to approve the amendment to the minutes. **The amendment to the minutes was approved upon motion by Jake Schrum, seconded by Delegate Israel O'Quinn.** The Chairman requested a motion to approve the minutes as amended. **The minutes were unanimously approved upon motion by Jake Schrum, seconded by Delegate Israel O'Quinn.**

Acknowledgement of Outgoing Board Members

Aviva Frye, who had moved away from the area and resigned from the board, was recognized and extended appreciation by the Chairman for her service.

Introduction of New Board Members

The following new board members were introduced and welcomed to the board:

- Joseph Crook, SCHEV Designee
- Alex Hernandez, UVA Designee
- Charlie White, VHCC Interim President

Election of Vice Chair

The Chairman noted that the departure of Gene Couch had resulted in the need to elect a new Secretary. He called for nominations, and **upon motion by Keith Perrigan, seconded by Delegate Terry Kilgore and unanimously approved by a roll call vote of the board, Steve Ahn was confirmed as Secretary.**

Executive Director's Report

Executive Director David Matlock's report included the following notable matters:

- **Employee Recognition**

The following employees were recognized by the director for educational attainment:

Alicia Young – Completed a grant writing and management certification through the University of Richmond;

Josh Reynolds – completed his electricity certificate at VHCC and passed his journeyman's electrical license exam;

Debbie Hensley – completed the College of Business Management Institute at the University of Kentucky;

Nicky Rahley – received her MBA from King University;

Sonia Vanhook – finished her second masters, this one from ODU, and was named ODU's distinguished alum for the Higher Ed Center;

Jeff Webb – completed an 18-hour graduate certificate in cyber security;

Eli Hietala and **Waylon Reynolds** – received associate's degrees from VHCC, and Reynolds was accepted into the Appalachian School of Pharmacy.

- **Financial Report**

In reviewing the budget, Matlock noted that the Center was on track to meet its target of \$4.9 million in Total Revenue. For the breakdown of Non-General Fund Revenue, Matlock said he was confident that the Center would meet or exceed the targets. In Total Personal Services, he pointed out that the Center had spent \$646,000—about \$71,000 less than for the same time period for the previous year. At an average of approximately \$14,217 per month, he projected that the Center would end the year at \$1.6 million, about \$113,000 under budget, in Personal Services.

In Other Than Personal Services, Matlock reported that actual spending totaled \$282,000 as compared to \$391,000 for the same time period in the previous year. That trend continued for Supplies & Equipment; in that category, the Center had spent \$265,000 in the current fiscal year and \$309,000 for the same time period the previous year. Total Operating Expenses for the year to date stood at approximately \$1.2 million compared to \$1.5 million at the same time the previous year, reflecting a difference of nearly a quarter of a million dollars.

Attributing the positive state of the Center's budget to the hard work of the Center team, Matlock told the Trustees that they would be hearing reports from HR, the Foundation, Conference Services and Facilities Management departments.

Matlock presented a comparison in total revenues for 2011-14, the four-year period prior to his arrival, and 2015-18, the four-year period since he was hired. For 2011-14, average Total Revenues were \$3 million; for 2015-18, the average Total Revenues were \$4.9 million. He said he would clarify the seemingly sudden significant increase later in his report.

Non-General funding was averaging about \$655,000 for the previous four-year period as compared to \$882,000 for the current four-year period. Matlock said that the Center strives to hold the line with expenses but noted that expenses had increased recently as a result of ongoing heat pump replacement and other improvements underway in the building. In Personal Services, Matlock reported that the Center is at or below the prior four-year average of \$1.4 million. Since the current four-year average is \$1.6 million, Matlock said his statement could appear to

be inaccurate, but could be explained by factoring in raises for state employees in 2015 and 2017, coupled with the Center's transition from UVA HR to DHRM that left the Center with \$100,000 in unanticipated insurance and retirement fees. He projected that the Center would end the year at approximately \$1.6 million in Personal Services and approximately \$1.3 million in Other Than Personal Services.

Circling back to address the increase in Total Revenues, Matlock explained that the Center had received approximately \$700,000 in additional Maintenance Reserve funding from the state for some improvement projects for the facility.

Matlock said that he was pleased to report that things are tracking extremely well with the budget, and the Center is being very efficient and effective. Factors contributing to the positive state of the budget can be attributed largely to the hard work of the Center's staff and academic partners, increased enrollment, additional programs and more students.

- **Updates**

Matlock provided updates in the following areas:

- ***New Initiatives***

- ETSU now has four faculty members located at the Higher Ed Center. As reported at the last board meeting, ETSU and the Center are partnering with Family Preservation Services to generate the MSW program from the Center to Family Preservation sites in Wise and Tazewell counties, as well as Galax, Virginia. Since the June meeting, equipment for the program has been installed in Pounding Mill, Norton and Galax, and classes are being transmitted from the Center to those locations.
- Enrollment for King University's bachelor's degree in social work is going strong. The Family Nurse Practitioner program graduated its third cohort of 24 students in August, and a new cohort has started classes. The Center finished converting a classroom into the FNP program lab.
- ODU continues to grow the Cisco Networking and Cybersecurity Academy and was recently approved by the New River/Mount Rogers Workforce board to offer the cybersecurity training to interested clients. The Cybersecurity Academy will be graduating its first students in January 2019.

- Radford University launched its Manufacturing Leadership Academy at the Center in the fall. Monthly meetings are highly attended by SW VA manufacturers. Radford also hosted several free TTAC workshops for Region 7 educators during the summer and fall.
- The Center looks forward to working with Alex Hernandez, recently appointed Dean of UVA's School of Continuing and Professional Studies, to grow the school's offerings in Abingdon.
- Courtney Conner Stringer, UVa-Wise site director at the Center, is a 2018 graduate of the LEAD Virginia program. The UVa-Wise team has provided continuing education and professional development programs serving 285 students this year.
- VCU's Clinical Lab Sciences program is at full capacity, and VCU's Nurse Anesthesia program continues to do extremely well.
- Virginia Tech has conducted 38 professional development programs for school administrators and classroom instructors. Combined with their K-12 programs, Virginia Tech has served over 5,623 students.
- Emory & Henry is back in the building with a baccalaureate degree in Business Administration that will complement credentials being offered by Radford University.
- The Tobacco Scholarship program, under the leadership of Pat Ball, has awarded about \$2 million to just over 2,000 students for the semester and is going very well.

STEM Outreach

- Under the leadership of Kathy Hietala, the Center's academic and community partners presented the 13th Annual STEM Workshops for Sixth-Grade Girls, with over 873 participants, including 660+ students, 90 presenters, 50+ teachers and 40+ volunteers.
- The LEGO Robotics Tournament, with 24 teams competing, was held at the Center a couple of weeks prior to the board meeting. Nine school districts were represented, with over 700 attendees. Five teams advanced from the tournament and will continue to state competition.
- The K-5 STEM Academy continues to thrive and grow, having now graduated 214 students.

Facility Improvements

- The much-anticipated expansion project continues to progress. Construction documents are finished, and the latest calculations indicate a start date of May 2019 for what is expected to be an eight-month project.

HR/Administration Report

Adam Tolbert reported on the following administrative matters related to human resources, payroll, time and leave:

UVA to DHRM/DOA Transition Update

The transition process for the Center's HR and payroll services from UVA to DHRM was substantially completed in July 2018. The University of Virginia had provided key administrative services to the Center since its inception in the early 90s, but notified the Center in May 2017 that the university would no longer be able to do so after July 2018 due to major changes being made in its HR operations from organizational and technical perspectives. Fortunately, the Center had 14 months' lead time to transition its employees from the UVA HR and payroll systems to the state's central HR and payroll used by the majority of state agencies. The multi-faceted, virtually unprecedented transition process involved many hours of conference calls, some with as many as 20 participants, between the Center, UVA, DHRM, Department of Accounts, VRS, and a smorgasbord of other offices and agencies. Ultimately, the complicated process was concluded and the Center was successful in its goal to ensure that employees experience no negative impacts in their pay and benefits. Mr. Tolbert and Debbie Hensley, the Center's Director of Finance, have worked closely throughout and following the process to facilitate the transition. UVA will, however, continue to provide procurement, financial and other management services for the Center.

New/Departing Employees

- ***Departing Employees:***

Loretta McGhee – Custodian; Housekeeping Department
Melissa Warden - Loan Collection Specialist; Finance Department
Faith Richey and Erich Routon – Conference Services Department
Jennifer Ferreira – Marketing Department
Daniel Davis – Facilities Management

- ***New Hires:***
Caleb Farris, Tyler Jackson and Cameron Whitt – Conference Services Department
Ernest Sutherland - Facilities Management
- ***Open positions:***
Two; one for a custodian, and applications are currently being accepted. The position is open until filled. Interviews recently concluded for the other position, Loan Collections Specialist, and an offer will soon be made.

Conflict of Interest Statements

Mr. Tolbert notified the board that citizen members who are required to file Conflict of Interest Statements will soon receive notice from Kathy Hietala, Board Clerk, instructing them on the process to file by the due date, February 1. Likewise, he said that trustees who are members of the General Assembly or other state agencies required to file statements will soon receive notices from their respective agencies' Conflict of Interest Filing Coordinator.

President Hemphill asked whether individuals who serve on multiple boards are required to file Conflict of Interest Statements for every board or one form for the Commonwealth. Mr. Tolbert affirmed that one statement suffices.

Conference Services Report

Hannah Hietala, Director of Meetings and Events, presented the Conference Services Department report, highlighting the following information:

Key Performance Indicators

For the period July 1 through December 31 of the current year, the Center will have served a total of 168 organizations, with an estimated attendance of 30,559 individuals and a total of 2,266 bookings for meeting and events space in the building.

Key performance indicators for the calendar year versus the department's four-year averages:

- Organizations served in calendar year 2018 was 250 versus the 4-year average of 220 (12% increase);

- Attendance is just under 56,000 individuals through the Center in calendar year 2018 versus the 4-year average of 48,000 (14% increase);
- Revenue for the fiscal year is just over \$250,000 versus the 4-year average of \$230,000 (9% increase).

To illustrate the number and diversity of events taking place at the Center and demonstrate all the work taking place behind the scenes to bring them to life, Ms. Hietala presented a short video capturing a 5-day time lapse of the Joseph P. Johnson, Jr. Grand Hall in November, a month when an event was taking place in that space every single day. She expressed gratitude to Nicky Rahley, Manager of the Center's IT Department, for her technical expertise in producing the video. Ms. Hietala commended the Center's great team; from the events staff to IT, maintenance and housekeeping, she said that everyone plays an important role in making events happen and ensuring their success. In closing, Ms. Hietala expressed appreciation to the trustees and said that the Center is grateful for the opportunity to host and have such a variety of events taking place at the facility.

Facility Management Report

Among the many initiatives his department has been busy working on, Joe Mitchell, Building and Grounds Manager, highlighted the following:

- Three more heat pumps have been replaced since the June 2018 board meeting, bringing the current total heat pumps replaced to 18, including those in the Grand Hall. Newer technology and newer refrigerant in the new units mean that they use about 40% of the energy of the old heat pumps, resulting in a significant savings on the cost of electricity.
- The Governor's School heat pump received an automation upgrade.
- All fire alarms were replaced, and an annual test was conducted.
- A project has been undertaken to replace and retrofit the facility's interior lights with LED lighting, which will greatly enhance energy efficiency.
- Additional electrical sources have been installed in the parking lot for outdoor events.
- In the Grand Hall, new projectors were installed in collaboration with the IT Department; the carpet was cleaned, and the movable walls were realigned.

- Replacement of the building's ceiling tiles continues.
- New water filtration systems were installed.

Foundation Report

Alicia Young, Grants Manager, updated the board on Center and Foundation grants.

Center Grants

Tobacco Commission Scholarship and Loan Forgiveness Programs comprise the Center grants. Ms. Young said that everything is closed out for FY18 and awaiting the Office of Sponsored Programs to post final expenses in order for her to close out the grant.

Foundation Grants

Tobacco Commission Education and Research and Development awards account for Foundation grants. Three Research and Development grants remain open:

- Excavation Alert
- Wiretough
- Micronics

Energy Center

As previously reported, the Energy Center has been rented by Dr. McGarry and the Foundation is realizing income from it, although Ms. Young reported that some equipment issues have been encountered as a result of the building having been vacant for a few years prior to occupation by Dr. McGarry.

The Foundation board is working with Mr. Matlock to utilize current funds to support worthwhile educational programs at the Center, as well as discussing potential future fundraising events for other Center projects.

The Foundation board completed its conflict of interest training.

Committee Appointments

The Chairman made the following committee appointments:

- **Nominating Committee for Office of Chair**
 - Todd Pillion
 - Keith Perrigan
 - Brian Hemphill

Public Comments

Susan Short asked who currently represented the partner institutions on the Executive Committee of the board. Mr. Matlock replied that the partners were currently represented on the Executive Committee by President Hemphill and Chancellor Henry.

There were no other public comments.

Closing Remarks

Chairman Carrico reminded everyone to note the date for the next meeting of the Board, **June 13, 2019**, and declared the meeting adjourned.