



Minutes
Southwest Virginia Higher Education Center
Board of Trustees Meeting
June 10, 2021

Call to Order

Chairman Todd Pillion called the meeting to order and stated that the meeting was being conducted in accordance with §2.2-3708.2 of the Code of Virginia and Item 4-0.01 of Chapter 552 of the 2021 Special Session I Acts of Assembly to conduct regular business. Chairman Pillion, in consultation with Executive Director Matlock, had determined that it would be both impracticable and unsafe to assemble a quorum in a single location for the meeting. He noted that the purpose of the meeting was to discuss or transact the business statutorily required or necessary to continue operations of the public body and the discharge of its lawful purposes, duties, and responsibilities.

The roll was called by Secretary Steve Ahn. A quorum was present.

Board Members/Designees Present:

Steve Ahn, Secretary	Delegate Terry Kilgore
Andy Casiello (ODU)	Lennie Gail Mitcham
Maria Colobro	David Olive (Bluefield) (Ex-Officio)
Joshua Ely	Susan Parish (VCU)
Donna Henry (UVA Wise)	Keith Perrigan, Vice Chair
Delegate Chris Hurst	Senator Todd Pillion, Chair
Adam Hutchison (VHCC)	Sandy Ratliff
Hannah Ingram	Susan Short (Virginia Tech)
Delegate Mark Keam	Donna Stanley (VCCS)
Scott Kemp (SCHEV)	

Board Members/Designees Absent:

Senator Travis Hackworth	Delegate Joe Johnson (Emeritus)
Brian Hemphill (Radford University)	Delegate Sam Rasoul
Alex Hernandez (UVA)	John Wells (Emory & Henry)

Others Present:

Gary Hearl (SWVHEC Foundation Chair)	Ramona Taylor (OAG)
Debbie Hensley (SWVHEC)	Adam Tolbert (SWVHEC)
Kathy Hietala (SWVHEC)	Jeff Webb (SWVHEC)
David Matlock (SWVHEC)	

Minutes

Chairman Pillion advised the board that two sets of meeting minutes needed to be approved, those of the December 10, 2020, regular full board meeting and those of the January 12, 2021, special called meeting of the full board to approve the Executive Director's employment agreement. He inquired as to whether there was a motion to approve both sets.

David Matlock, Executive Director, interjected to inform the chair of a correction to the December minutes. Donna Stanley had notified the director that she had attended the December meeting remotely but due to a technical problem was unable to successfully respond to the meeting roll call, resulting in her having erroneously been noted as absent. Dr. Stanley wished to amend the December 10, 2020 minutes to reflect that she had, in fact, attended the meeting virtually.

Confirming that the December minutes would be amended to reflect that correction, the chair again requested a motion for approval. **The minutes of the December 10, 2020 meeting, as amended, and the minutes of the January 12, 2021 special called meeting were unanimously approved upon motion by Susan Short, seconded by Keith Perrigan.**

Executive Director's Report

Prior to delivering the financial report, Executive Director Matlock encouraged the trustees to review the academic reports provided in the

board materials to learn about current activities of the Center's college partners, and praised them for the great work they are doing.

Financial Report

- Reporting that it remains a very efficient and effective state agency, Mr. Matlock announced that the Center had exceeded its approved budget in myriad ways. Total General Fund Revenue is up about \$242,000, due mostly to CARES Act funds received.
- Notwithstanding the educational trust fund and maintenance reserve secured monies, Mr. Matlock was delighted to report that the Non-General Fund Revenue budgeted at \$590,000 had been exceeded by \$481,000 in the midst of a national pandemic. In addition, discounting nominal CARES Act funds received, the Center exceeded its budget by a quarter million dollars (\$242,847), which Mr. Matlock attributed to the dedication and skills of his team. In summary, he said the Center met and exceeded expectations for FY21 Projected Year-End.
- With respect to expenses, Mr. Matlock was pleased to report that things had gone extremely well overall, with the approved budget being exceeded only in the personnel category due to some new costs with DHRM.
- In Other Than Personal Services, Total Operating Expenses of \$4,917,000 had been approved. Mr. Matlock reported that actual expenses, excluding maintenance reserve and education trust funds, were less than budgeted, resulting in a FY21 year-end surplus of approximately \$1.6 million, which he considered to be excellent for a small state agency.

With regard to the Projected FY21 Year-End budget, he summed it up by assuring Trustees that the Center is very efficient and effective and invited questions. None were forthcoming. Chairman Pillion commended Matlock on the good stewardship of the state's money and running an efficient center.

Proposed Budget for FY20-21

- Continuing his report, Mr. Matlock turned to the FY2022 proposed budget, introducing a new \$1 million income item under State Revenues,

the Apprenticeship Program. He expressed appreciation to the General Assembly partners for their hard work, explaining that the Center had worked with the General Assembly in 2019 for the passage of a new state program that the Governor signed into law—the Rural Apprenticeship Program, for which the Center will be the fiscal agent for 17 counties and 5 municipalities. Although funded the previous year, due to COVID the new funding had been pulled out, but fortunately was put back in for FY2022. He said the program would be hitting the ground running full steam in July. As a result, revenue is anticipated to be up by about \$1 million and perhaps a bit more, since increases are also expected in some other areas of revenue when the national pandemic ends.

- Conservative in the budget proposed for FY2022 Non-General Funds, Mr. Matlock said that no huge increase is projected, but a very balanced budget has been presented. Since all state employees are slated to receive a 5% pay raise in FY22, which amounts to a \$100,000 cost to the Center, he said the maximum has been proposed for Personnel. In all other areas, Matlock said he has remained fairly consistent, and if things go as projected, the Center will end FY2022 with around \$1.4 million in its contingency fund.

Mr. Matlock noted that the proposed FY2022 budget would need to be approved by the Board of Trustees. Chairman Pillion inquired as to whether any of the trustees had questions or comments about the proposed budget. As none were forthcoming, Chairman Pillion was ready to entertain a motion.

Sandy Ratliff made the motion for adoption; the motion was seconded by Hannah Ingram, and the proposed FY2022 budget was unanimously adopted.

Key Performance Indicators

Continuing with his report, Mr. Matlock said that he would not be able to provide the board with a final handout on key performance indicators until the fiscal year had been closed out. However, he believed that everyone would be pleased that the Center is hitting all targets, and said that he would share that information with Trustees later in July.

Infectious Disease Preparedness & Response Plan

Mr. Matlock reminded board members that Nicky Rahley had provided a thorough report of the COVID-19 Transition and Infectious Disease Preparedness and Response Plan, which is available for review on the Center's website, at the December meeting. He was relieved to report that the Center has had no pandemic-related issues to date. To his knowledge, no one has been exposed at the Center and no one has been sick and come to work sick. He said the Center has gone well beyond the call of duty to ensure everyone's safety, and wanted to brag on the team that developed the plan.

At the conclusion of his report, Mr. Matlock invited questions. Steve Ahn inquired about the Center's new air system, speculating as to whether it might have had a beneficial effect in keeping COVID out of the building. Noting that Ahn's comment provided a perfect segue, Chairman Pillion said that Jeff Webb, the Center's Chief Technology and Operations Officer, was next on the agenda to provide a construction update. Pillion commended Director Matlock on the Center's continued support of the Virginia Department of Health and its vaccination program being conducted there.

Construction Update

Jeff Webb, Chief Technology and Operations Officer, provided a status report on the Center's new addition and office renovation projects. His report was accompanied by a PowerPoint presentation including photographs of the progress. Mr. Webb reminded the board of the project's purpose—to create much-needed storage space for the Conference Services, Maintenance, and Housekeeping departments on the first floor, and additional offices and classroom space on the second floor.

New Addition and Generator Project

- New 300-kilowatt natural gas generator added for additional emergency power loads has been installed;
- The entire area behind the building has been repaved.

Office Renovation Project

The project to extend the administrative offices into the old kitchen area, adding 4 new office spaces and a new maker space, is in progress.

Other Improvements

- Installation of the new Simplex fire alarm system with extended capability for monitoring and alerting is complete.
- Furniture purchased for the new addition and office renovation areas has arrived.
- All carpet on the second floor has been replaced, including classrooms, offices and hallways.
- New vinyl composition tile has been installed in the back hallway, side hallways and the first-floor catering areas.
- The HVAC project is complete with the exception of the outside air unit on top of the Grand Hall. Mr. Webb noted that a unit on the 2010 addition to the east end of the building was added to the HVAC project for replacement, since it is 11-12 years old and beginning to experience problems. He judged the HVAC project 95% complete.
- Replacement of all exterior glass, or glazing, to make the building more energy efficient is anticipated to start in the fall. Mr. Webb noted that delays have been encountered in getting funding released from DPB due to procurement issues.
- Future projects include first floor carpet replacement and furniture replacement in some offices and public areas.

Since the meeting was being held electronically, Mr. Webb displayed photographs of the following areas of the new addition for the benefit of the board:

- New Testing Center and check-in office;
- One of the new offices now being occupied by an academic partner;
- Offices that are designated but not yet occupied;
- Conference Services office on the first floor;
- New freight elevator that has been extremely beneficial already;
- Housekeeping storage space;
- One of the Conference Services storage spaces;

- Another Conference Services storage space that is quickly filling up, as could be seen in the photograph;
- Maintenance work storage area located on the west end of the new addition;
- Office renovation extending administrative offices further into the rear part of the building to add four new offices;
- The new maker space area that will be soon be completed;
- Second floor new carpet;
- Vinyl composition tile replacement in the catering areas and the back hallways.

At the conclusion of his presentation, Mr. Webb offered to answer any questions. Chairman Pillion extended appreciation to Mr. Webb for the update and acknowledged the hard work involved in completing construction on new space that is certainly needed and will definitely be well utilized by Conference Services and others in the building.

Foundation Update

Gary Hearl, Chairman, delivered an informative report on the Southwest Virginia Higher Education Center Foundation. Explaining that the Foundation was formed to support the programs and team at the Center, Mr. Hearl said that it initially functioned primarily as an administrative mechanism for grants to companies and organizations being funded by the Virginia Tobacco Commission. As that program transitioned, it became a more traditional foundation. In his nearly four years as chair, he said the Foundation has had a couple of goals; 1) to enhance and improve the operational governing policies and procedures of the Foundation, and, 2) to heighten the resources and financial performance of Foundation assets. The Foundation owns the building that housed the former Energy Center, and is now being rented to an orthopedic surgery group. That building is now an asset generating revenues for the Foundation that help to support Center programs.

The Foundation currently has balances from all accounts totaling approximately \$636,925, of which \$539,000 is unrestricted. Mr. Hearl

expressed his desire to grow those funds to a much more substantial amount and cycle the monies through the Center to support expanded programs.

Mr. Hearl described the Foundation's plans going forward. Major goals are to update its strategic plan for the Center, identifying additional sources of income, such as a contemplated fundraising campaign. He said that as programs have expanded at the Center, the Foundation wants to support those programs. In closing, he said he believes in the Center even more than when he first became chair of the Foundation, and expressed his gratitude for the board's help and support. He invited questions.

Chairman Pillion commended Mr. Hearl and the entire foundation board on the great job they're doing managing the Foundation and supporting the Center.

David Matlock noted that the Foundation is going to provide half of the funding—a dollar-for-dollar match—for a new position at the Center for a grant writer. He explained that with no expected significant increase in state general funds, the Center needs a grant writer to assist in seeking funding to support additional programs. The Foundation, under Mr. Hearl's leadership, stepped up with that offer of support, for which Mr. Matlock expressed gratitude.

Closed Session

The chairman announced the need to go into closed session and requested a motion to do so. **Steve Ahn moved that the Board of Trustees of the Southwest Virginia Higher Education Center convene in a closed meeting pursuant to §2.2-3711(A)(1) and §2.2-3711(A)(8) for discussion of personnel matters in consultation with legal counsel, more specifically the discussion of the Executive Director's performance and evaluation. Donna Henry seconded the motion and upon unanimous affirmative vote, the board went into closed session.**

Upon return to open session, Chairman Pillion requested the required certification motion requiring a roll call vote. **Secretary Steve Ahn made**

the proper motion, which was seconded by Terry Kilgore. A roll call vote was taken, and the board members unanimously certified that, to the best of each member's knowledge, 1) only public business matters lawfully exempted from open meeting requirements under Virginia law; and 2) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed, or considered in the closed meeting of the Board of Trustees of the Southwest Virginia Higher Education Center.

Chairman Pillion called on Keith Perrigan to discuss the action taken by the board in closed session. **Keith Perrigan moved that the board approve the actions discussed during closed session with respect to the Executive Director's annual evaluation and performance, and further authorize the Chair to sign any documents required to record and effectuate such actions. Upon second by Donna Henry, the motion was unanimously approved by the board.**

Public Comments

No public comments were received.

Closing Remarks

In closing, Chairman Pillion commended Mr. Matlock and the great team working with him to operate the Center.

Trustees were requested to hold **Thursday, December 9th** for the next scheduled full board meeting.

A motion to adjourn was requested. **Sandy Ratliff made the motion; the motion was seconded by Donna Stanley, and the meeting was duly adjourned.**