



**Southwest Virginia Higher Education Center
Board of Trustees
Minutes
June 9, 2016**

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:

Senator Bill Carrico, Chairman
Peter Blake (SCHEV)
Cheryl Carrico
Senator Ben Chafin
Gene Couch (VHCC)
Danny Dixon
Sim Ewing (UVA-Wise)
Aviva Frye
Marcia Gilliam (Virginia Community College System)
Delegate Joe Johnson (Emeritus)
Delegate Terry Kilgore
Penelope Kyle (Radford University)
Steve Laymon (UVA) (telephonically)
Delegate Will Morefield (telephonically)
Bill Nuckols (ODU) (telephonically)
David Olive (Ex-Officio)
Delegate Israel O'Quinn
Jake Schrum (Emory & Henry)
Susan Short (Virginia Tech)

Board Members/Designees Absent:

Steve Cochran
Saul Hernandez
Christine Kinser
Lindy White
Delegate Joseph Yost

Others Present:

Joyce Brooks
Shirley Carlson
Duffy Carmack
Courtney Conner
Angela Cvetkovski
Elizabeth Griffin
Ashley Hartless
Debbie Hensley
Hannah Hietala
Kathy Hietala
Brenda Justus
Jeanette Kennedy
David Matlock
Penny McCallum
Ed Rogers
Karen Sorber
Deborah Sproles
Brad Stallard
Adam Tolbert
Sonia Vanhook
Sean Webb
Janet Williams
Alicia Young

Approval of Minutes

The Chairman called for approval of the Minutes for the December 10, 2015, meeting. **They were unanimously approved upon motion by Delegate Kilgore, seconded by Jake Schrum.**

Executive Director's Report

David Matlock's report to the Board included the following matters:

- Presentation of Governor's appointments to new Board members **Cheryl Carrico, Danny Dixon** and **Aviva Frye.**

People, Place, Programs

- An update on his transition plan, a draft of which had been provided to Board members at the December 2015 meeting. Mr. Matlock said that in

reflecting upon the plan, he realized that the things he hoped to accomplish fell into three categories: *People, Place, and Programs*.

- With regard to *people*, a number of goals set forth in the plan were accomplished, including:
 - One-on-one interviews with all direct reports;
 - Interviews with all staff members;
 - Weekly meetings with leadership team;
 - Meetings with all departments;
 - Open forum meetings with all building residents;
 - Monthly meetings with institutional partners;
 - Meetings with regional K-12 partners.

- As a result of information gleaned from the meetings and interviews, the Center:
 - Developed an emergency closing schedule;
 - Participated in an active shooter drill;
 - Participated in multiple tornado drills;
 - Conducted mandatory staff training with respect to fire and other potential building emergency situations;
 - Hired two part-time police officers who will provide 58 hours of coverage for the Center weekly;
 - Implemented Fun Fridays, a wellness/mental health activity that takes place for an hour on the last Friday of each month;
 - Scheduled monthly Center Celebrations (an hour on the first Thursday of each month) to recognize birthdays and other celebratory events and activities throughout the building, and to strengthen the spirit of camaraderie and community among building residents;
 - Encouraged a walking/relaxation program to promote wellness among staff.

- With respect to *place*, the Center has taken action as follows:
 - Leadership Team conducted a walk around of the facility and grounds and made a comprehensive list of repairs, replacements and/or upgrades that need to be addressed.
 - Replaced cooling tower, which was 17 years old, at a cost of approximately \$80,000.
 - Currently replacing roof, at a cost of \$600,000.

- Anticipate replacement of ceiling tiles where leaks have developed over time upon completion of roof.
 - Upgraded a number of interior door locks throughout the building as a result of findings from the active shooter drill (\$12,500).
 - Implemented a new alert system.
 - Completed some painting; planning to replace some molding; considering purchasing some new furniture; anticipate replacing Grand Hall carpeting.
- Mr. Matlock reported that once *people* and *place* had been addressed, the focus was turned to *programs*. Speaking to Board members who represent the Center's academic partners, he praised their representatives at the Center and the hard work they do.
 - He directed the Board to the college and university reports contained in the board folders, and referred them to the enrollment report that reflects 483 unduplicated headcount. Matlock added that new Center partner Mt. Rogers Regional Adult Education program served 80 students during the current semester, as well. Matlock estimated that over 4,000 students from the region have been served at the Center this semester through business, institutional and professional partners, and non-credit professional development courses.
 - Since beginning his tenure as Executive Director, Mr. Matlock had visited the campuses of Center partners UVa-Wise, Radford, Bluefield College, UVa, VCU, ETSU, King and ODU to meet with leadership and explore, renew and strengthen partnerships.
 - Director Matlock encouraged the Center's institutional partners to continue to work with the Center and seek new ways to serve the citizens of the region. He said that partnerships are vital to accomplishing the right things at the right time for the right reasons for the community.

New Initiatives

Mr. Matlock highlighted several new programs and/or initiatives that have commenced since his hiring, as well as potential future initiatives:

- King University's Family Nurse Practitioner program, which is going strong with 18 students, and will have 24 when the second class begins.

- On the horizon are a couple of new programs: social work with ETSU and King, and a hybrid chemistry program with Bluefield.
- Mt. Rogers Regional Adult Education is now located in the Center, allowing students without a high school diploma to pursue a GED.
- An expansion of STEM offerings to Region 7 schools, primarily in the form of coding and robotics, a potential drone flying league, and development of a STEM academy in partnership with Virginia Tech. Such initiatives would introduce students and their parents to STEM and STEM opportunities that could ultimately lead to a fine career in southwest Virginia.
- Creation of a speaker series for the Center that would provide an opportunity for citizens in the region to hear elected officials, as well as major athletes and other notable individuals.

Audit

Director Matlock informed the Board that APA auditors have performed a comprehensive audit at the Center, which he welcomed as an opportunity for growth and to identify areas for improvement. The focus of the audit was the period from June 1, 2013 through June 30, 2015. Results of the audit identified 7 possible audit points that the auditors have shared with the Director and which he, in turn, has passed on to members of the Leadership Team for development of a Plan of Corrective Action which is due to the auditors by June 15, 2016. Subsequently, the auditors will complete their full report and schedule an exit interview with the Director, the Leadership Team, and any Board members to review the audit. Once the exit interview is complete and the full audit report written, the Center will begin work on the Corrective Action Plan. Mr. Matlock reported that he has asked the auditors to attend the next board meeting to present their findings to the full board, and describe the corrective actions taken.

In closing, Mr. Matlock stated that it has been an exciting six months. He thanked the Board members for their leadership and the opportunity to work with them. He said he considers it a privilege to be in the opportunity business with great people, and that he is honored to serve.

Financial Reports

Duffy Carmack, Chief Financial Officer, presented the financial reports, highlighting the following:

HirEd Report

- The Center's new fiscal year begins on July 1, and the FY 2017 General Fund Appropriation from the State will be \$2,161,055.
- Mr. Carmack explained that monies that come in to the Higher Education Center that are outside of the General Fund are referred to as Non-General Fund revenues. Primarily those come from partner rents and conference services events, for which the Center is budgeting \$808,906.80 for FY17.
- \$3,749,000 in carryforward funds that the Center has built up over the years in the Non-General Fund.
- A line item has been added for Security; the Center has a contract with VHCC to reimburse the dollar amount for the police officers now working at the Center.
- The Center budgeted 6% in the Contingency Fund for FY17. Carmack explained that these funds are for "rainy day" or emergency situations, and could be impacted by the fluctuation of the Commonwealth's income.
- Total Operating Expenses are \$4,151,021.16, which balances back the total income.

R&D Report

- Mr. Carmack explained that the R&D report is a summary of activity that takes place under the Higher Education Center Foundation, most of which is related to the Tobacco Scholarship program or the Research and Development program.
- A grant is beginning for the newest R&D company, Excavation Alert, which Carmack said the Foundation has been working with for a couple of years.
- The Foundation continues to administer funds for the Tobacco Commission Scholarship programs for Southwest and Southside VA.

Senator Carrico inquired as to the method used to determine the basis on which scholarships are awarded. Mr. Carmack explained that first awarded are seniors who were funded the previous year, followed by juniors. Thereafter, if there are any funds remaining, they drop to sophomores and then to freshmen, at which point scholarship funds are awarded on a first-come, first served basis. If students have received scholarships from other sources, those are applied before any possible tobacco scholarship award. He said that for the first time since the rules change for Southwest, all of the

money had been awarded, leaving approximately \$500,000 in requests from applicants who could not be helped.

The Chairman called for a motion to approve the contingent proposed budget for FY2017. **Upon motion by Marcia Gilliam**, seconded by Sim Ewing, the proposed budget was unanimously approved.

The complete financial reports were available in each member's Board folder.

Officer Nominating Committee Report

Delegate Israel O'Quinn, Chair of the Officer Nominating Committee, presented the following slate of names for consideration by the Board as officers:

- Chairman—Senator Bill Carrico
- Vice Chairman—Saul Hernandez
- Secretary-Treasurer—Chancellor Donna Henry

Term of office to be two years, commencing on July 1, 2016.

Upon motion by O'Quinn, seconded by Jake Schrum, the slate of officers was unanimously approved.

Executive Session

The Chairman announced that the Board needed to go into closed session for the purpose of discussing the performance and compensation of the Executive Director.

Delegate Kilgore made the proper motion, seconded by Delegate O'Quinn, whereupon the Board entered closed session.

Upon return to open session, the Chairman clarified some confusion that had arisen regarding whether the board had properly voted to enter closed session, noting that Senator Chafin had made an acclamation seconded by Delegate Kilgore that the Board enter closed session; there were no objections.

Delegate Kilgore moved that the Board return to open session, seconded by Delegate O'Quinn. The motion passed without opposition.

The meeting continued with a **motion by Delegate Kilgore certifying that the closed session had been conducted in accordance with Virginia law.** Senator Chafin seconded, and a roll call vote was taken. All present voted aye; none opposed. The motion passed unanimously.

Jake Schrum then moved that the Board award a \$2,000 bonus to the Executive Director for his good work at the Higher Education Center during his first six months. Delegate Kilgore made the second. The motion passed unanimously.

Senator Carrico commented that Mr. Matlock represents the Center well, both at the facility and throughout the community, promoting it at all civic, governmental, athletic and social events he attends.

Public Comments

Ed Rogers, former R&D Director, addressed the Board, voicing concerns regarding payments that had not been received by the Foundation under existing grant agreements with multiple R&D companies.

Closing Remarks

In closing, Chairman Carrico congratulated Delegate Yost on the birth of his new baby, whose arrival accounted for Yost's absence at the meeting.

He thanked President Kyle, retiring President of Radford University, for her service and the phenomenal job she has done at Radford. Director Matlock presented Kyle with a gift of appreciation.

Carrico also expressed appreciation and well wishes to Danny Dixon, Director of the Governor's School, who is also retiring, but will continue to serve on the Board.

The Chairman noted that the next meeting of the Board is scheduled for Thursday, December 8, 2016.

Before calling for a motion to adjourn the meeting, Carrico invited those present to attend a welcome reception for new Director Matlock at its conclusion. **Upon motion by Senator Chafin, seconded by Delegate Kilgore, the meeting was adjourned.**