

VIRGINIA MILITARY INSTITUTE
Lexington, Virginia
Board of Visitors
Audit, Finance and Planning (AFP) Committee
Tuesday, 17 September 2024

MINUTES

Board Members Present:

Mr. John D. Adams '96 (President)
Mr. Quintin D. Elliott '85
Mr. Hugh M. Fain III '80
Mr. J. Clifford Foster IV '93
Mr. J. Conrad Garcia
Mr. Thomas E. Gottwald '83 (Vice-President, Committee Chair)
Ms. Kate Todd
Mr. Thomas R. Watjen '76 (Vice-President)
Mr. Damon A. Williams '90

Others Present:

MG Cedric T. Wins '85, Superintendent
BG Dallas B. Clark '99, Deputy Superintendent for Finance and Support
LTC Collin A. Bissell, Assistant Operations and Planning Officer
COL Jeffrey R. Boobar '86, Senior Director, Finance and Support
Ms. Pamela S. Brown, Assistant Director, Finance and Budget
Mr. Darrell C. Campbell, Chief Information Officer
Mr. Howard L. Clark '93, Director of Auxiliary Services
Mr. Andrew C. Deal '12, Chief Operating Officer, VMI Keydet Club
LTC Michelle T. Ellwood, Associate Director, Communications and Marketing
COL Shannon M. Eskam, Assistant Superintendent for Enrollment
Management and Director of Financial Aid
Ms. Emily Fulton '18, Associate Athletic Director for Internal Operations/SWA
COL Keith E. Gibson '77, Executive Director, Museum System
Mr. Thomas K. "Keith" Jarvis '82, Director, Facilities Management
Mr. Paul T. Kastner, Director of Emergency Management
Mr. Jeffrey L. Lawhorne, Director, Finance and Budget
Mr. Michael L. Marshall, Chief, VMI Police
LTC Michael T. McCarthy '78, Strategic Planning Officer to the Superintendent

COL Kimberly C. Parker, Director, Government Relations
Mr. David L. Prasnicky, Chief Executive Officer, VMI Alumni Agencies
Mr. David G. Sigler, Financial Analyst
COL Kathleen H. Tomlin, Director of Procurement and Accounts Payable
COL William “Bill” J. Wyatt, Executive Officer to the Superintendent, Secretary to the
Board of Visitors

Mr. Gottwald, AFP Committee Chair, presided and called the meeting to order at 3:00 PM in the Turman Room in Preston Library.

In preliminary comments, Mr. Gottwald acknowledged the robust agenda and stated all items would not be covered during the day’s meeting. He shared that an additional meeting would likely be called before the end of 2024 to discuss the FY 2026 budget and future years.

1. *Minutes from the 2 May Work Session and 3 May BOV AFP Committee Meeting.*

The committee unanimously approved the minutes from the 2 May and 3 May meetings.

Board Motion

2. *Approval of Small, Woman, and Minority Owned (SWaM) Business Plan 2024-2025*

BG Clark introduced the plan and explained VMI’s annual goal of having 42%, as set by the State, of discretionary expenditures conducted with SWaM businesses. In FY 2024, VMI finished below the goal at 40.93%. State-wide, all higher education spending finished at 35.64%, and all State spending finished at 32.11%. Looking outward, BG Clark explained that numerous FY 2025 contracts had been awarded to SWaM businesses and that many of the contractors who will work on key capital projects were also SWaM businesses.

The 2024-2025 SWaM Business Plan was adopted unanimously following the APA’s presentation.

3. *FY 2023 Audit Findings & Recommendations, Report on Audit, Financial Statements*

Mr. Gottwald adjusted the agenda and invited representatives from the Auditor of Public Accounts to present information related to the FY 2023 audit. Ms. April Cassada, Director, Data Analysis, and Ms. Sydney Rampey, Audit Supervisor, joined via TEAMS. Mr. Gottwald shared that he had met previously with Ms. Cassada and Ms. Rampey to go over the audit and then Ms. Cassada explained the report to the Committee. The Committee learned that multiple complex topics contributed to the delay in completing the audit but a

clean unmodified audit opinion was issued. Additionally, one material weakness dealing with a new GASB (Governmental Accounting Standards Board) Standard #96 on SBITAs (Subscription-Based Information Technology Arrangement), as well as five significant deficiencies were reported. In closing, Ms. Cassada shared that the APA staff enjoyed working with the VMI staff.

Additional Board Motion

4. VMI's Six-Year Plan FY 2024

BG Clark shared that VMI made its even-year submittal (“amend and affirm”) to the Op-Six (Secretary of Finance, Secretary of Education, Director of the Department of Planning and Budget, Staff Director of the House Committee on Appropriations, and the Staff Director of the Senate Committee on Finance and Appropriations) during the summer and that his request is for the Board to review and approve the Plan. In odd years, VMI’s Six-Year Plan is submitted and an in-person presentation to the Op-Six occurs in Richmond. BG Clark reminded the Committee that approval of the plan does not bind the Board to any projections or information contained within the Plan since each year’s tuition, fees and overall budget must be approved by the Board.

BG Clark also explained that VMI submitted a letter, which was in the Committee’s handout, as part of the summer’s Six-Year Plan that was required to discuss several topics such as VMI’s use of the Fact Pack, the impact of the new FAFSA’s delay, Admissions and Financial Aid data, Key Metrics at Glance, Title IX regulations, Financial Value and Transparency, and VMI’s key funding priorities, including VMI’s anticipated operational requests.

Mr. Gottwald shared comments regarding the Board’s responsibility to approve General Assembly budget requests. Although the approval does occur via the Six-Year Plan process, he said a more proactive discussion should occur in the future regarding VMI’s requests. BG Clark provided a more in-depth overview of the planned General Fund requests to the Committee and discussion occurred regarding future steps the Committee might undertake to provide better oversight and understanding of the requests. Mr. Elliott requested that the Board of Visitors review and approve the Institute’s Six-Year Plan priorities at the fall meeting of each year. Following additional discussion, the Committee approved the Six-Year Plan unanimously.

Discussion Items

5. Budget Performance Reports FY 2024 and Key Financial Indicators

Key Financial Indicators and Budget Performance Reports were provided as supplementary information to the Committee.

6. *Post Safety/Security and Emergency Management*

BG Clark introduced VMI Police Chief Michael L. Marshall and VMI Director of Emergency Management Paul T. Kastner to provide an overview of VMI's Post Safety and Security operations.

Chief Marshall explained that Post Safety and Security is a joint concept, where everyone has a role – from the Commandant to VMI Police. He highlighted the Department's qualifications, his emphasis on officer career development, and the recent addition of a bomb dog that accompanied a recently hired officer to VMI. He then summarized the regional relationships the Department has with the City of Lexington, Rockbridge County, and Virginia State Police that help support active shooter training as well as training for sexual assault investigations. Chief Marshall also discussed how national (FBI and Homeland Security) and State-wide (Virginia Fusion Center) intelligence is shared and how State campus police chiefs approached recent on-campus protests throughout Virginia.

Questions and discussions occurred regarding staffing (12 full-time, 2 part-time, and 4 security guards), Barracks and Post-wide Safety and Security projects, the Emergency Operations Center (EOC), and the need for operational redundancy during large events.

Mr. Kastner then provided an overview of his approach to Emergency Management: *Response, Recovery, Resiliency* – and the importance of prevention, detection, and awareness. He discussed Post-wide training related to the recently passed HB713, dealing with higher educational institutions, campus safety, and emergency preparedness training.

Mr. Kastner also discussed the importance of communication across Post and the use of RAVE (communications software) for mass notifications. He provided an overview of VMI's Continuity of Operations Plans (COOP) and also discussed the importance of lightning detectors, given the considerable amount of organized physical training on Post, along the Chessie Trail, and at McKethan Park.

Mr. Kastner received several questions from Committee members and Mr. Gottwald thanked him and Chief Marshall for their reports.

7. *Information Technology Report*

The Information Technology Report was provided to the Committee. A more detailed discussion was scheduled to occur at an interim meeting in November 2024.

8. *VMI Alumni Agencies Report*

Agencies staff were present at the meeting providing salient details to discussion topics. A more detailed report and discussion was scheduled at the interim meeting in November 2024.

9. *ARMICS FY 2024 Assessment and Certification*

A summary of activity was included in board materials and provided in advance as an informational agenda item.

Supplemental Information

10. *Arlington National Cemetery Monument Relocation*

An update on the Arlington National Cemetery monument was included in the Agenda book as an informational item for the Board.

11. *Financial Dashboards*

Charts depicting key operating metrics were included in the Agenda book as an informational item for the Board.

12. *Compliance Reporting*

An overview of Compliance Reporting, resulting from the VMI Accounting Policies and Procedures was included in the Agenda book provided to the Committee.

13. *Capital and Non-Capital Projects and Planning Update*

The Capital Projects and Non-Capital Projects Update were included in the Agenda Book provided to the Committee.

14. *Real Estate Update*

The Real Estate Update was included in the Agenda Book provided to the Committee.

15. *Master Water Meter MOU with Lexington*

An update on the Master Meter MOU with the City of Lexington was included in the Agenda Book provided to the Committee.

16. *Carilion / VMI Mental Health MOU*

An update on the VMI and Carilion MOU for Mental Health Services was included in the Agenda Book provided to the Committee.

17. *AFP Committee Charter*

The AFP Committee charter was included in the Agenda Book provided to the Committee as information.

18. AFP Motions and Standing Reporting Summary

The AFP Duties Summary chart was included in the Agenda Book provided to the Committee as information.

Prior to the meeting's conclusion, BG Clark provided a brief summary of the conclusion of FY 2024 and highlighted that actual current enrollment compared favorably to budgeted enrollment in FY 2025.

In closing, Mr. Gottwald thanked BG Clark and his staff for the information and said he looked forward to an additional meeting later in the fall.

There being no further business to come before the Committee, the meeting adjourned at 4:31 PM.