



**GENEDGE ALLIANCE
Board of Trustees Meeting
Friday, September 16, 2016**

Charlottesville, VA

Members Present

Mr. Jonathan Alger (Rep)
Dr. James Atkinson
Dr. Kevin Creehan
Dr. John Dever
Ms. Tamea Franco
Mr. Doug Frost
Mr. Aviv Goldsmith
Ms. Marilyn Hanover
Mr. Roy C. Irvine
Mr. Kevin Mumpower
Dr. Bruce Scism
Dr. Wayne P. Stilwell
Ms. Anna Yarashus

Members Absent

Dr. Makola Abdullah (Rep)
Mr. Ed Albrigo
Mr. Hans de Koning
Dr. John A. Downey (Rep)
Mr. Marc Foglia
Dr. Tiffany McKillip Franks (Rep)
The Hon. Todd Haymore (Rep)
The Hon. Karen Jackson
Mr. David Lohr
Mr. Meiky Tollman

Representative Present

Dr. Jaime Camelio

Representative Absent

Others Present: Mr. Michael Bollinger, Mr. Bill Donohue, Ms. Cindy Glisson, Mr. Charles Harris (representing Dr. Franks), Ms. Aimee McCarthy, Dr. Kevin Ratliff (representing Dr. Downey), Mr. Dan Roberts (representing Dr. Abdullah) Mr. Larry Wilder (representing Secretary Haymore), Ms. Cindy DeOms

~Call to Order~

Dr. Atkinson, called the meeting to order at 11:07 a.m.

~Welcome~

Dr. Atkinson welcomed everyone and thanked them for attending.

~Approval of Minutes~

Dr. Atkinson asked the board members to review the minutes from the June 17, 2016 meeting. Dr. Atkinson next asked for any additions, corrections, changes, or discussion to the minutes. A motion was made by Ms. Hanover, seconded by Ms. Franco and was approved.

~Introduction of New Board Members~

Dr. Atkinson asked Mr. Donohue to introduce the new board members. Mr. Donohue began with Dr. Makola Abdullah, President of Virginia State University (VSU), who was unable to attend the meeting due to a scheduling conflict. Dr. Abdullah was represented by Mr. Daniel Roberts at the meeting, who manages the GENEDGE internship program at VSU. Mr. Roberts reviewed the relationship between GENEDGE and the VSU interns, noting that feedback from clients has been very positive. Mr. Donohue thanked Mr. Roberts and expressed appreciation for his attendance and Dr. Abdullah's appointment to the board.

Mr. Donohue next introduced Mr. Aviv Goldsmith, an entrepreneur from Spotsylvania, VA focused on alternative energy initiatives. Mr. Goldsmith elaborated on his 30+ years' experience of developing independent power projects focusing on geothermal, wind, solar and biomass with a heavy emphasis in environmental matters.

Mr. Donohue finished with introducing Mr. Kevin Mumpower, Vice President of Engineering at Bristol Compressors. Mr. Donohue and Mr. Mumpower gave a brief overview of Bristol Compressor and the changes they have recently underwent to stay competitive in today's market.

~Financial Update – FY16~

Mr. Bollinger stated that Fiscal Year 2016 had been excellent for GENEDGE and reviewed fiscal year-end operating metrics. Gross bookings (new contracts) totaled \$3,271,699. Gross billings totaled \$ 2,693,049. Net billings were \$ 1,657,727. Contract backlog (unbilled) was \$720,453 and the year-end cash position was \$1,380,606.

The number of clients served for the year (127) and MEP CORE score (55) were deficient under the NIST MEP metrics. NIST MEP is in process of modifying the metrics used to evaluate centers. NIST MEP representative Mr. Jeff Lucas was scheduled to attend the meeting to provide clarity regarding metrics and the coming changes but was unable to attend.

Innovation business growth represented 69% and continuous improvement represented 19% of FY16 contract bookings, based on dollar values. Mr. Bollinger highlighted booking and billing by program including MEP, DMEP and non-manufacturers. For the year, 183 proposals were made to clients resulting in 149 contacts booked and 41 new manufacturers contracted.

The statement of revenue, expenditures and change in net position (cash basis) was provided for the year ended June 30, 2016. Revenues collected totaled \$4,866,145 and expenses paid totaled \$4,656,238 resulting in an increase in net position of \$209,907.

~Financial Update – FY17~

Mr. Bollinger reviewed the operating metrics for the two months ended August 31, 2016. Gross bookings were \$624,966, significantly ahead of target primarily due to DMEP program extensions. Gross billings totaled \$256,386, which was below target due to providing services to smaller clients. Net billings were \$232,210 and 33 manufacturers were served. Backlog stayed strong at \$973,492 and net cash position was \$1,885,151, a significant change solely due to the increase in state funding this year. Mr. Bollinger then reviewed the billings and bookings by program and noted that fiscal year 2017 had started strong with 51 proposals in the pipeline.

The statement of revenue, expenditures and change in net position (cash basis) for the two months ended August 31, 2016 showed revenue collections of \$1,589,282 and expensed paid of \$1,084,737 which increased net position by \$504,545.

Mr. Alger questioned if the potential state revenue shortfall might impact GENEDGE. Mr. Bollinger responded that there has been no indication of such risks or potential reversion of allocations. A discussion ensued regarding how GENEDGE state funding is allocated. Mr. Donohue and Mr. Bollinger provided clarification that GENEDGE state funding is a footnote under the Higher Education budget, through the Virginia Community College System (VCCS) to Patrick Henry Community College (PHCC). PHCC functions as fiscal agent and processes all transactions for GENEDGE. Funds are allocated specifically by the General Assembly for GENEDGE, one line item for center operations and a second increase as a provision for cash match to federal funds. The latter funds are not released until documentation of the federal funding is provided each year.

Mr. Donohue expressed appreciation to the board for providing support during the General Assembly session and budgetary challenges.

Ms. Franco inquired about the status of DMEP funding and Mr. Bollinger stated that DMEP III ends June 30, 2017, with extensions possible.

~Nomination Committee Report and Election of Board Officers~

Dr. Atkinson called upon Dr. Scism to give the nomination committee report. Dr. Scism explained that the committee chair is Mr. David Lohr, who was unable to attend this meeting and asked Dr. Scism to represent. Ms. Hanover is also on the committee. Dr. Scism stated that Mr. Lohr and / or Ms. Hanover spoke with each nominee and they have indicated their willingness to serve as follows: BOT Chair: Ms. Tamea Franco, BOT Vice-Chair: Mr. Marc Foglia (who was not in attendance due to a family emergency), HR & Compensation Committee Chair: Dr. Wayne Stillwell, Secretary: Mr. Bill Donohue, Treasurer: Mr. Michael Bollinger.

Dr. Atkinson thanked Dr. Scism and called for any discussion or additional nominations. There being none, Dr. Scism made a motion to accept the slate of nominees, Dr. Alger seconded and was approved.

Mr. Donohue stated that volunteers are needed from the board to fill out committees, including the HR & Compensation Committee which usually has two members in addition to the chair. Due to the new performance management system, the time commitment for this committee will be focused in April through July of each year. Additionally, the Strategic Planning Committee will be re-activated in the 4th quarter of FY17 for completion in FY18 with details to be discussed at the December 2016 board meeting. A further opportunity will be an Advisory Panel to assist with the planned replacement of the center's existing client relationship management system (CRM) and general Enterprise Resource Planning (ERP). This will be a significant undertaking and financial investment for GENEDGE with input from the board highly desired and will also be solicited at the December meeting.

Dr. Stillwell suggested that committees or panels could be formed around the geographical locations of board members to make face to face meetings more efficient. Mr. Frost volunteered to serve on the HR & Compensation committee. Mr. Donohue stated that Mr. Foglia has verbally expressed his willingness to serve as chair on the CRM/ERP committee or panel. Dr. Atkinson proposed that additional board members willing to serve should contact Mr. Donohue.

The difference between committees and advisory panels was clarified by Mr. Donohue, with committees being more formal and subject to the Freedom of Information Act (FOIA) requirements per the board bylaws. Advisory panels are less formal and do not require announcements or public posting.

~Annual Report Review~

Ms. McCarthy began by providing copies of the draft annual report to the board and naming the Advisory Panel members. The board was encouraged to write comments and suggestions on the draft copies to be returned after discussion. An overview of the issues and challenges faced was detailed, along with the board directives issued in terms of overall look, length and content.

Dr. Alger commented that understanding the target audience would be helpful and various groups were identified, primarily investors such as legislators and other officials but also including economic development organizations, partners, higher education institutions, etc. Various board members made numerous suggestions regarding content and visual considerations, as well as distribution methods (electronic as well as printed).

Dr. Stillwell made a motion that the board approve the general content of the annual report, with the changes discussed to be incorporated. The revised draft will be brought before the advisory panel for review and be ready for distribution by October 15, 2016. Ms. Franco seconded and the motion was approved by unanimous vote.

~Manufacturing Day~

Ms. McCarthy reviewed the purpose of Manufacturing Day, which is to provide information and generate interest in the manufacturing industry. This national initiative involves many other entities from manufacturing companies who sponsor events at their facilities to community colleges who provide technical training showcases. Numerous events are planned in Virginia and a full list is available at www.mfgday.com.

~NIST Update~

Mr. Donohue reviewed the current federal funding through the NIST MEP. GENEDGE has a 50% cash match for eligible expenses up to 1.722MM. Under the current cooperative agreement, in year four that cash match will reduce to 40%, then reduce again to 33 1/3%. The National Institute of Standards and Technology (NIST) Improvement Act of 2016 will change this model to a permanent 50% match. The House has approved the bill and it currently is in the Senate. NIST MEP funding to be expected to remain flat.

~Organization, New Business Opportunities~

Mr. Donohue reviewed personnel issues with five vacancies left to fill. Mindy Priddy has accepted the position of Marketing and Outreach Specialist and will help the day to day marketing tasks, such as website updates. Dean Young has accepted the position of Engagement Manager in Richmond. The hiring process has begun for the position of Project Manager with the Technology Application Center (TAC) at Old Dominion University. Wayne Smith has joined GENEDGE as a part time program manager, who will provide support to staff as Industry Liaison as well as help manage the NASA initiative.

Mr. Donohue gave an overview of the NASA Space Act program, expected to finalize soon and focused on regional economic development (RED) growth. GENEDGE will be the “Tech Conduit” for this program statewide in Virginia, working to identify companies that would benefit and provide support and project management.

Mr. Donohue then discussed new opportunities including: DOE Hydronex Grant, due October 25, 2016 that will identify existing unused mines able to be re-purposed into storage tanks for use in hydro-power systems. MedAccred is a medical device industry standardization and certification initiative through the Performance Review Industry with consulting opportunities available through NIST MEP.

Mr. Donohue announced the selection of Access, Inc., to provide website services for GENEDGE and finished with a review of the 2017 business schedule

~Operations Update~

Ms. Glisson began with reviewing staffing issues, noting that the hiring process for the two open Project Manager positions is ongoing with interviews scheduled for early October. Further, new employee onboarding and ongoing staff training is in the planning and scheduling stage.

Ms. Glisson continued with updates to the EDGE and DMEP programs, reviewed future sales outlooks and finished with an update on the Healthcare services.

~Adjournment~

Dr. Atkinson asked if there was any new business. There being none, the Chairman adjourned the meeting.