

MINUTES of the BOARD WORKSHOP
of the BOARD OF TRUSTEES of VICTORIA COLLEGE
June 27, 2019

√ V. Bland Proctor	√ Daniel Cano
√ Luis A. Guerra	√ Catherine McHaney
√ John Zacek	Dr. Josie Rivera
	√ Ron B. Walker

STAFF

√ Dr. David Hinds	√ Jennifer Yancey
Mary Ann Rodriguez	

MEDIA

Also in attendance: Keith Blundell, Cindy Buchholz, Dr. Edrel Stoneham, and Terri Kurtz

The Victoria College Board of Trustees met Thursday, June 27, 2019 at 8:00 a.m. in Room 201 of the Emerging Technology Complex. Mr. Bland Proctor, Chair, presided over the meeting.

A. Call to Order:

1. Mr. Bland Proctor called the meeting to order at 8:11 a.m. and announced that a quorum of board members was present.
2. Dr. David Hinds certified that the agenda had been properly posted per Texas statute.

B. Citizen Communication:

1. No members of the public spoke to the Board.

C. Workshop Discussions

1. Finance & Resources Committee

a. March, April and May 2019 Financials

Keith Blundell presented the financials. Since the financials are cumulative, he asked that members review the May financials in detail. He discussed the Statement of Net Assets as compared to the same time last year, noting most balances are comparable. Cash and cash equivalents, both unrestricted and restricted, are combined into one account and are at \$4.7 million. Excess operating funds are invested in TexPool and are at \$13.3 million. There are no long-term investments.

Total net position is \$18.8 million as compared to \$45.6 million the same time last year. Mr. Blundell reminded members of the new reporting requirement for Optional

Retirement Employee Benefits (OPEB for retirees) under GASB 75 that is similar to the existing requirement under GASB 68, which reports the State's liability for employee pensions in TRS. The combined effect on total net position is a negative \$29.3 million.

Mr. Blundell then reviewed the Statement of Revenues, Expenditures and Changes in Net Assets for the unrestricted, federal/state/local, auxiliary and debt service funds, budget adjustments and the Gonzales and other projects funds. He compared current year actual to 2018 actual and explained any differences, noting most are comparable to last year. State appropriations and ad valorem taxes are coming in as scheduled. Tuition and fees for credit classes are at approximately 95% of budget and non-credit is at 86%. Some summer registrations are not yet included in the revenue. Total expenses are at 73% of budget, which is in line with May being 75% of the fiscal year.

Members discussed the auxiliary enterprises financials in detail. The largest contributors to this budget are the bookstore, the Emerging Technology Complex and the Welder Center. Potential changes to bookstore operations due to UHV building its own facility were discussed. Additionally, information on usage of the ETC and Welder Center by external constituents versus internal usage was examined.

A summary of the financials will be presented to the full board for consideration at its July 15th meeting.

b. 2019-2020 Student Services Test Fee

Dr. Edrel Stoneham presented a change to two testing fees, both of which are simply pass through costs. The CLEP placement test fee was increased last year from \$85-\$87 by the vendor. It is being increased again this year to \$89. We are trying to negotiate this fee, but if unsuccessful, it will become effective in the fall. The ATI test fee, which is used by nursing students for their exams, is increasing from \$80 to \$87. We have seen a steady increase in this fee over the past few years. Staff are trying to negotiate this fee as well. The fee changes will be presented to the full board for consideration at its July 15th meeting.

c. Representative to perform the Effective Tax Rate and Rollback calculations

Mr. Blundell discussed this item. The board is required to annually select someone to perform the calculations and collect the ad valorem taxes. Administration is again recommending Rena Scherer, Victoria County Tax Assessor, for this role. This item will be presented to the full board for consideration at its July 15th meeting.

d. 2019 Tax Planning Calendar

The effective and rollback calculations are due to the college early August. The board will meet on August 12th to discuss the calculations and propose a tax rate. Members reviewed the calendar for special meetings and public hearings to be held should the board recommend a tax rate that exceeds the effective or rollback rate.

e. 2019-2020 Preliminary Operating Budget

Mr. Blundell presented. Members reviewed a reconciliation of the proposed budget to the last fiscal year budget with supporting schedules for each category. The draft budget for 2019-2020 is \$33,638,570, a decrease of 1.09% from 2018-2019. Items of note included a decrease of \$87,661 in state appropriations, a decrease in net bookstore

operations of \$175,000 due to UHV's new operations and approximately \$100,000 in lost rental revenue when UHV vacates the library. The budget also includes a 1.38% cost of living adjustment and funding of the salary scale. Ad valorem taxes were estimated as we are awaiting valuations. Dr. Hinds noted that administrators worked diligently with faculty and staff to reduce expenses where possible. This has been accomplished through attrition and efficiency of operations.

Informational Item

Mr. Blundell provided information on a new electricity provider contract. The college has selected Direct Energy again with a 3.97¢ kwh rate, down from 4.6¢. The new ten year contract begins December 2019.

2. Facilities Committee

a. 2016-2025 Facilities Master Plan

Dr. Hinds discussed the status of the various projects in the Facilities Master Plan and outstanding grant applications. We are awaiting a decision from the Economic Development Administration on a \$4 million request to renovate the Wood Building. If awarded, the grant requires a 20% match. Dr. Hinds, Jennifer Yancey and Amy Mundy have been meeting with and touring representatives of the petro-chemical partners to discuss donation opportunities. Members were provided an update on the Welder Center Annex project. Plans to apply for funds from the Texas Historical Commission did not come to fruition as the building was not deemed eligible for listing on the Texas Registry. Members did feel it appropriate to move forward with the minor repairs needed to the back wall of the Annex to prevent future water penetration.

3. Personnel & Policy Committee

a. TASB Policies

Member reviewed drafts of seven policies as part of the TASB localization project. Minor editing suggestions were made. These will be presented to the full board for consideration at its July 15th meeting. The remaining policies will be brought to the Personnel & Policy Committee in August for review and consideration at a future board meeting.

4. Executive Session

An Executive Session was called at 11:17 a.m. under authority of the Texas Open Meetings Act, in accordance with Texas Government Code, Section 551.087, to discuss the offer of a financial or other incentive to a business prospect.

The meeting was called back into open session at 11:38 a.m. No action was taken in open session.

There being no further business, the meeting adjourned at 11:40 a.m.

Bland Proctor, Chair

John Zacek, Secretary