

MINUTES of the WORKSHOP
of the BOARD OF TRUSTEES of VICTORIA COLLEGE
August 10, 2015

√ Ronald B. Walker	√ Catherine McHaney
√ Luis A. Guerra	√ V. Bland Proctor
√ Robby Burdge	√ John A. Villafranca
	Michelle Yates

STAFF

√ Dr. David Hinds	√ Dr. Pat Vandervoort
√ Jennifer Yancey	√ Dr. Florinda Correa
√ Debbie Rains	√ Keith Blundell
	√ Dr. Tom Butler

MEDIA

√ Carolina Astrain

The Victoria College Board of Trustees met Monday, August 10, 2015 at 4 p.m. in the Corporate Training Room, Academic Building, Room 101. Mr. Ron Walker, Chair, presided over the meeting.

A. Call to Order:

1. Mr. Ron Walker called the meeting to order at 4:00 p.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. The Public was invited to address the board. No public comments were heard.

C. Workshop Discussions:

1. Financial statements for June 2015. Keith Blundell presented the financial statements for June 2015. He began his overview with the Statement of Net Assets, reviewing the current and non-current assets as well as liabilities, pointing out the Cash and Cash Equivalents and total assets, noting that Net Assets are up compared to June 2014. Mr. Blundell referred to the Annotations breaking down the individual line items. He walked through the Statement of Revenues, Expenditures and Changes to Net Assets (Unrestricted Funds), noting that we are at 81% in State Appropriations and that Ad Valorem tax receipts are over 100% of budget due to receipt of payments for current, plus previous years. Under Tuition-credit courses he noted that we are in a true decline, pointing out the Non-credit courses are up at \$1,432,999.57. Under Fees-Credit Courses, he reminded the board of the \$5.00 increase made to the General Fee in 2014 and are at 92.02% compared to 102.80% of June 2014. He informed the board that the expenditures reflected

are mostly systematic and salaries, and are at 83.3% of the fiscal year, which is in normal range. He reminded the board that inventory of the bookstore will be taken August 31, 2015 which will include book sales for the fall semester; resulting in an increase to the budget. Mr. Blundell briefly walked through the Budget Adjustments and noted that all are zeroed out. The next item he covered was the Gonzales Center Expansion, pointing out that it received \$34,000 in resources and had a net balance of \$27,927.37. He concluded the financials with the Emerging Technology Complex resources and expenditures, reminding the board that under the bond election, the Master Plan and Campus Safety & Infrastructure items are included as well; with net resources available in the amount of \$4,144,800.77.

2. FY 2015-2016 Operating Budget. Keith Blundell reminded the board that the proposed budget was discussed at the workshop held on Monday, July 20, 2015 based on a tax value estimate, leaving a budget cut of \$320,000 and would have caused VC to hit the rollback rate. In order to cut the budget and get under the rollback rate, the Wood Building roof replacement project was removed from the proposed budget and the special projects director's salary was moved to the construction fund. Keith informed the board that since the workshop was held on July 20th, he had received the certified tax rates from the Tax Assessor-Collector and the values came in substantially better than previously estimated. The disputed values of \$396 million were settled at \$18 million, which apparently a lot of those were settled in our favor. This result will allow us to add the Wood Building roof replacement project back into the proposed 2015-16 Operating Budget. Fall enrollment could come in lower than anticipated and State appropriations were cut by \$459,321 over last year. Taxable values have increased to 5.10%. Mr. Blundell referred to the Property Tax Scenarios worksheet and informed the board that in order for VC to make its budget, VC would need a 18.95 cent tax rate, and in order to meet the budget and to have some extra in case of a continued decline in enrollment, the tax rate would need to be raised by a half cent to 19.25 cents from the current rate of 18.75 cents. Keith Blundell informed the board that we are proposing the half cent increase to the VC tax rate in order to meet the upcoming operating budget and provide a \$200,000 contingency which would compensate for any enrollment decline. Dr. Pat Vandervoort informed the board that we are currently 1% under enrollment from last year at this time. Dr. Butler reminded the board that the tax payers approved a 3 cent increase under the 2012 bond election. Rate changes since that time total 2.5 cents and the proposed half cent increase would bring us to the 3 cents total increase. This would allow us to stay within the bond agreements and provide a cushion for enrollment decline. A tax rate of 19.25 cents would also allow us to go forward with the necessary Wood Building roof replacement under the proposed FY 2015-16 Operating Budget. Ron Walker, Chair reminded the board that Community College enrollment decline is a state/nationwide problem due to the economy and believes that providing a contingency for the anticipated enrollment decline is in the best interest of VC. Mr. Walker also mentioned that VC was named 1 of the top 5 Community Colleges in the State.

There being no further business, the meeting adjourned at 4:41 p.m.

Ron Walker, Chair

V. Bland Proctor, Secretary