

MINUTES of the REGULAR MEETING
of the BOARD OF TRUSTEES of VICTORIA COLLEGE
January 28, 2019

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

STAFF

√ Dr. David Hinds	√ Jennifer Yancey
√ Mary Ann Rodriguez	

MEDIA

√ Amber Aldaco

Guests: Keith Blundell, Jerry Hamilton, Babette Lowe, Shari Gould, Matt Wiley, Cindy Buchholz, Dr. Edrel Stoneham, Terri Kurtz, Lydia Huber, Tracey Bergstrom, Dr. Helen Dvorak, Jacob Flores, Amy Mundy and Sharon Hyak.

The Victoria College Board of Trustees met Monday, January 28, 2019 at 4:00 p.m. in the Corporate Training Room - 101 of the Academic Building.

A. Call to Order:

1. Mr. V. Bland Proctor 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 at this time.

C. Consider Board of Trustees Committee Reports:

N/A

D. Items for Consideration:

1. **CONSIDER Minutes of the Finance & Resources Committee Meeting held on 11.26.18**

Mr. John Zacek moved to accept the minutes as presented. Mr. Luis Guerra seconded the motion. Motion carried unanimously.

2. **CONSIDER Minutes of the Regular Board Meeting held on 11.26.18**

Mrs. Catherine McHaney moved to accept the minutes as presented. Mr. Luis Guerra and Dr. Josie River both seconded the motion. Motion carried unanimously.

3. CONSIDER First Quarter Investment Report 2018-2019

Keith Blundell presented the required quarterly disclosure of the investments for the quarter ended November 30, 2018. The majority of the investments remain in TexPool Prime accounts. The accounts eared \$43,505 (2.312%) for the quarter.

Mrs. Catherine McHaney moved to accept the report as presented. Mr. John Zacek seconded the motion. Motion carried unanimously.

4. CONSIDER September 2018 – December 2018 Financial Statements

Mr. Blundell presented the financial statements for months ending September 2018 through December 2018. He noted the financials are cumulative and referred members to the December financials for a detailed discussion. He discussed the Statement of Net Assets as compared to the same time last year, noting balances are comparable. He noted cash and investments are \$10.2 million, an increase of \$1.8 million over 2017. Excess cash continues to be invested in TexPool. There are no long-term investments.

Mr. Blundell discussed three new line items on the financials, reminding members of a similar accounting change in 2016, GASB 68, related to reporting the State's liability for employee pensions in TRS.

GASB 75 now requires institutions report the State's liability for Other Postemployment Benefits (OPEB) related to retirees. Reporting this liability also has a negative impact on net position. The effect of GASB 68 and 75, \$5.4 million and \$26.9 million respectively, results in a total net position of \$13.7 million compared to \$39.1 million in 2017.

Mr. Blundell then reviewed the Statement of Revenue, Expenses and Net Assets for the unrestricted, federal/state/local, auxiliary and debt service funds, budget adjustments and the Gonzales and ETC construction funds. He compared current year actual to 2017 actual and explained any differences, noting most are comparable to the same time last year. State appropriations and ad valorem taxes are coming in as scheduled. Total expenses are at 34.73%, which is in line with December being 33% of the budget year.

Mr. Luis Guerra reported out that the Finance & Resources committee had discussed the detailed financials during the 3PM meeting and members recommended approval of the financial statements as presented, therefore no second was needed. Motion carried unanimously.

5. CONSIDER Resolution Approving Investment Policy and List of Eligible Brokers

Mr. Blundell presented the Investment Policy and list of proposed eligible brokers for approval, as required by the Public Funds Investment Act. He recommended only minor grammatical/punctuation changes to the policy. No new brokers were recommended, but the name of Coastal Securities (existing approved broker) was changed to FTN Financials. Dr. Daniel Cano moved to accept the resolution and list as presented. Dr. Josie Rivera seconded the motion. Mr. John Zacek abstained from the vote. Motion carried unanimously

6. **CONSIDER Amendment to Unrestricted Net Assets Policy**
Mr. Blundell presented an amendment to the Unrestricted Net Asset Policy. With the implementation of GASB 75, the college is required to restate its beginning unrestricted net position to record its portion of the State's liability for Other Post-Employment Benefit liability (OPEB) related to ERS eligible retirees. This new liability is for reporting purposes only and should not be considered when analyzing the college's minimum requirements for unrestricted net position. The proposed revision to the policy will exclude any effect of OPEB assets or liabilities from the calculation.
Mrs. Catherine McHaney moved to accept the policy as presented. Mr. John Zacek and Dr. Daniel Cano seconded the motion. Motion carried unanimously.

7. **CONSIDER Pipeline Easement with Citgo Products Pipeline Company**
Keith Blundell presented. There has not been a clearly defined description of the liquid product pipeline that runs throughout the main campus. The proposed easement defines the pipeline's points across the campus including depth. It grants a fifty-foot right-of-way which will allow the college to better plan facilities without interfering with the pipeline. Mr. John Zacek moved to accept this recommendation as presented. Dr. Daniel Cano seconded the motion. Motion carried unanimously.

8. **CONSIDER Easement and Right of Way with AEP Texas, Inc.**
Keith Blundell presented. This easement is in response to UHV's construction project needs. The new STEM building construction will require electrical connections from across Red River Street and crossing VC property. Members reviewed the maps and it was noted that all electrical conduit will be underground. Mrs. Catherine McHaney moved to accept the recommendation as presented. Dr. Josie Rivera seconded the motion. Motion carried unanimously.

9. **CONSIDER Dedicated Water Line Easement with City of Victoria**
Keith Blundell presented. This easement is in response to UHV's construction project needs. The new STEM building construction will require underground water line connections from across Red River Street and crossing VC property. Members reviewed the maps and it was noted that this easement will assure the responsibility of future water line repairs will rest with the City of Victoria. Mr. John Zacek shared with the board that the facilities committee had reviewed all recommendations, they had been legally reviewed and defined by counsel. Dr. Josie Rivera moved to accept the recommendation as presented. Dr. Daniel Cano seconded the motion. Motion carried unanimously.

There being no further business, the meeting adjourned at 4:38 p.m.


V. Bland Proctor, Chair


John Zacek, Secretary