

MINUTES of the WORKSHOP
of the BOARD OF TRUSTEES of VICTORIA COLLEGE
July 20, 2015

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

STAFF

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

MEDIA

√ Carolina Astrain

The Victoria College Board of Trustees met Monday, July 20 2015 at 3 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 3:14 p.m. and announced that a quorum of board members was present.
2. Dr. Tom Butler 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 May 2015. Keith Blundell presented the financial statement for May 2015. He began his overview with the Statement of Net Assets, reviewing the current and non-current assets as well as liabilities. He moved onto Statement of Revenues, Expenditures and Changes to Net Assets noting that we are at 71.50% in State Appropriations and ahead of budget in Non-credit courses at 119.49%. He noted that Ad Valorem tax receipts are at 100% of budget and does anticipate additional receipts prior to year-end. May is 75% of the academic year and is in a good financial position. The expenditures reflected under Auxiliary services has a lot to do with timing and book store sales. Inventory will be taken August 31, 2015. Mr. Blundell also explained the 559.50% budget adjustment under professional and contracted services was due to the search for the new president, which was not anticipated in last year's budget when it was approved. He reviewed the Gonzales Center Expansion data and noted the net resources available

in the amount of \$28,493.69 and that more funding is expected. Mr. Blundell concluded the financials with the ETC resources and expenditures; discussing the rentals for ETC/ITC and informing the board that the rentals for the complex have individual statements. He noted that the available Net Resources for the complex is at \$4,343,135.79.

2. FY 2015-2016 Operating Budget. Dr. Butler and Keith Blundell discussed the process for developing the 2015-2016 Operating Budget and walked the board through several items that will need to be considered. Dr. Butler reminded the board that the State Legislative session has ended and because of cuts in state funding VC expects a decrease of \$459,321 in State Appropriations. Mr. Blundell walked through the Operating Budget Summary 2015-16 and reviewed the Reconciliation of Proposed to Prior Year 2015-2016 data sheet, pointing out the proposed total Operating Budget amount of \$32,410,858.

A. Ad Valorem Taxes. Dr. Butler explained that the tax rate plays a major role in determining the budget. The board was reminded that Rena Scherer, Victoria County Tax Assessor-Collector prepares the annual Effective Tax Rate (ETR) and Rollback calculations for VC. We do not have the final numbers as of yet, as there are currently 900 property appraisal appeals pending. The assessment that will be discussed in this meeting is based on preliminary numbers from the appraisal office. Mr. Blundell walked through the Property Tax Scenarios, reviewing 3 years of tax history and the tax appraisal comparison. We are currently expecting a 6.9% increase in taxable values. With the current numbers, we could possibly lower our tax rate by at least a half cent, but with the anticipated increase, the new lower rate will generate more tax revenue. The projected ETR calculation for 2015 is \$0.1698 per \$100 valuation and would come in under budget; the current rate of \$0.1875 per \$100 valuation would generate more than is budgeted, and the projected rollback rate of \$0.1822 per \$100 valuation would generate more than is budgeted with \$9.8 million in M&O assessment.

B. New Position/Changes. Mr. Blundell walked through the new positions/changes since submitted for FY 2015. Pointing out the new hires in instruction and technology and market adjustments of \$115,014, and positions that were institutionalized in the amount of \$85,361.

C. Technology Plan. Mr. Blundell reminded the board that the proposed budget of \$1.6 million for the 2014-15 budget was reduced to \$1 million, which included cutting labs and printers on campus. VC still has some computer labs on campus with 4 print areas. The BYOD program was introduced with the addition of the Paper Cut printing program. Each student begins the semester with a \$2.00 credit for printing. The number of “end-of-life” replacement electronic devices is down this year. Most PC’s have hard drives and will be replaced with fixed drives. The proposed change in the Technology Plan is an increase of \$350,085 from the previous year for a total amount of \$1,379,453.

D. Tuition & Fee Analysis. Mr. Blundell walked through the Tuition and Fee Analysis for 2015-16. He pointed out the increase in the Differential Tuition of \$886,260 and the decrease in the estimated student credit hours with no changes to out-of-district, general or technology fees.

E. PARS Separation Incentive Plan. Mr. Blundell reminded the board that the employees that participated in this plan were all instructors. In the first year VC will recognize a \$136,000 savings, with a projected savings of \$520,593 over a 5 year period.

F. Deferred Maintenance. Mr. Blundell briefly walked through the change in Deferred Maintenance, pointing out that the roof restore for the William Wood building will be deferred to a later date and the roof restore for Johnson Hall will remain on schedule. This will result in a \$280,000 decrease in deferred maintenance expenses.

G. Campus Safety & Security Plan. Mr. Blundell explained to the board that this item has been moved to the bond project and includes placement of internal and external cameras on all VC campus, access control and equipment for the electronic elements, door hardware and change in structure of the key system, and AED's placed in all buildings

H. Salary & Benefits estimates. Mr. Blundell walked through the FY 2015-16 Estimated Cost of Raises and History of Salaries Increase recommending a 3% increase for all faculty and staff of \$435,102.40.

3. BoardBook program. This item was not reached during the workshop and the board agreed to discuss in the regular board meeting immediately following this workshop.

There being no further business, the meeting adjourned at 4:05 p.m.

Ron Walker, Chair

V. Bland Proctor, Secretary