

MINUTES of the FINANCE & RESOURCES COMMITTEE
of the BOARD OF TRUSTEES of VICTORIA COLLEGE
September 16, 2019

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

STAFF

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

MEDIA

√ Stephanie Douty
Victoria Advocate

Guests: Keith Blundell, Cindy Buchholz, Dr. Edrel Stoneham, Terri Kurtz

A meeting of the Finance & Resources Committee of the Victoria College Board of Trustees met Monday, September 16, 2019 at 3:30 p.m. in the Executive Conference Room – 102A of the Academic Building.

A. Call to Order:

1. Mr. Luis Guerra, committee chair, called the meeting to order at 3:30 p.m.
2. Jennifer Yancey 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. Discussions:

1. Discuss 2018-2019 Fourth Quarter Investment Report

Keith Blundell presented the required quarterly disclosure of the investments for the quarter ended August 31, 2019. The majority of the investments remain in TexPool Prime. The accounts eared \$84,660.75 (2.46%) for the quarter. Mr. Blundell then presented the cumulative report covering all four quarters. For the year, the accounts earning \$312,448.50 (2.48%). Both reports will be presented to the full board at the 4:00 pm meeting for consideration.

2. Discuss July 2019 Financials

Keith Blundell presented the July 2019 financials. 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 \$11.4 million. There are no long-term investments. He explained the \$3.5 million in deferred revenues. He noted that registration for fall opened in April. All tuition and fees received are put in the deferred account. These accumulated amount will be zeroed out on 9/1/19.

Total net position is \$15.1 million as compared to \$47.6 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 \$32.3 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. State appropriations and ad valorem taxes are coming in as scheduled, 100.12% and 90.53% of budget, respectively. Tuition and fees for credit classes are at approximately 89% of budget and non-credit is at 103%. Some fall credit course registrations are not yet included in the revenue. These will be reflected in the August financials. Total expenses are at 88% of budget, which is in line with July being 92% of the fiscal year.

Mr. Blundell noted that the net decrease in the Auxiliary Fund is due to timing. The majority of textbook sales for the fall semester occur in August. Additionally, the August financials will reflect the bookstore inventory adjustments.

A summary of the financials will be presented to the full board at the 4:00 pm meeting for consideration.

3. Discuss College Tax Rate for 2019

Mr. Blundell provided a recap of the meeting dates, discussions and public hearings held to propose the 2019 tax rate. The Board voted to propose a tax rate of \$.2206 at its August 12th meeting. Because this rate was above the effective tax rate calculated by the Victoria County Tax Assessor Collector, two required public hearings were held on August 26th and September 3rd. The Board is required to adopt a rate within 3-14 days of the second public hearing. He presented the Resolution that would be presented for consideration at the 4:00 pm meeting.

There being no further business, the committee meeting adjourned at 3:55 p.m.

V. Bland Proctor, Chair

John Zacek, Secretary