

**MINUTES of the SPECIAL MEETING**  
of the BOARD OF TRUSTEES of VICTORIA COLLEGE  
**December 17, 2014**

- √ Ronald B. Walker    √ Catherine McHaney
- √ Luis A. Guerra      √ V. Bland Proctor
- √ Dr. Josie Rivera    √ John A. Villafranca
- √ Robby Burdge

STAFF

- √ Dr. Tom Butler
- √ Jennifer Yancey
- √ Debbie Rains

MEDIA

- √ Carolina Astrain      Victoria Advocate

**Guests:** Dr. Pat Vandervoort, Dr. Florinda Correa, Dr. Larry Garrett, Keith Blundell, Lydia Huber, Tracey Bergstrom, Terri Kurtz, Ed Byerly, Betsy Crane, Amy Mundy, Sherri Pall, Jerry Hamilton, Helen Dvorak, Darin Kazmir, Bobby Cubriel, Kim Obsta, Dr. Bill Coons, Patricia Rehak, Dr. Mike Hummel, Betty and Gary East, Dion Papafote, PARS representative, Carlos Pecero, Pattillo, Brown & Hill, Independent Auditors.

The Victoria College Board of Trustees met Wednesday, December 17, 2014, at 4:00 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 4:02 p.m.
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. Consider Board of Trustees Committee Reports:**

1. **Facilities Committee.** Robby Burdge, Chair of the committee, reported that the committee met on December 2, 2014 at the ETC to discuss furniture and audio visual equipment as well as an update on the budget and timeline of the ETC project. He noted that the ETC is on schedule and budget and commended the community for its outstanding support and stewardship. He asked Larry Garrett to report further to the board. Dr. Garrett informed the board that the ITC has passed its substantial completion and it is fully furnished and CATT training classes will begin in February

at the complex. He anticipates the ETC opening in May or June and Tempy McLeod has informed him that she has received booking requests for later in 2015 for conference rentals. He reiterated that the project is on budget with only minimal change orders and there will be budgeted construction contingency funds left over which can be used for other master plan projects.

2. **Finance & Resources.** Mr. Luis Guerra, Chair of the committee, reported that the committee met on November 17<sup>th</sup> and today, just prior to the board meeting. At the November meeting details of the proposed Separation Incentive Plan were discussed as drafted by PARS (Public Agency Retirement Services) and Keith Blundell presented the August financials as well. Mr. Guerra also informed the board that the 2013-14 Audited Financial Statement was presented to the committee today and that the College had good audit results and earned an unqualified opinion, which is the best to receive. Mr. Blundell also presented the September and October financials in detail. Mr. Guerra informed the board that the committee recommends approval of the 2013-14 Annual Audit as well as the financials for September and October 2014, which are both up for consideration later in this board meeting.

3. **Personnel & Policy.** Mrs. Catherine McHaney, Chair of the committee, reported that the committee met on December 4, 2014 to discuss the proposed Separation Incentive Plan drafted by PARS. The construction timeline for the ITC was also discussed along with an update on fundraising and naming for the ETC.

#### **D. Items for Consideration:**

1. **CONSIDER renaming the Tutoring Center to the Betty East Tutoring Center.** Dr. Butler opened this item congratulating Betty East on her service and dedication. Dr. Florinda Correa reminded the board that Ms. East recently retired as Tutor Coordinator from VC after 23 years of service. She continually provided needed academic support and a nurturing environment for students. Mrs. East's "open door" and gentle, but firm approach spread quickly and annual surveys consistently rated the satisfaction with overall quality of tutoring above 90%. A humble Mrs. East rarely accepted recognition for the success of the tutoring services. Evident that it was her guiding hand that was the key, we find it would be fitting to acknowledge her contributions to the college by renaming the Tutoring Center in her honor. Dr. Josie Rivera moved to approve the renaming of the Tutoring Center to the Betty East Tutoring Center. The motion was seconded by Mrs. Catherine McHaney. Motion carried unanimously.

2. **CONSIDER Minutes of the regular meeting held on November 17, 2014 and workshop held December 5, 2014.** Mr. Robby Burdge moved to accept the minutes of the regular meeting held on November 17, 2014 and workshop of December 5, 2014 as presented. The motion was seconded by Mr. Bland Proctor. Motion carried unanimously.

3. **CONSIDER the FY 2013-2014 Audited Financial Statements.** Mr. Keith Blundell walked through this item with the board. He explained that he and Mr. Carlos Pecero of Pattillo, Brown & Hill (independent auditors) presented this report to the Finance Committee just prior to this meeting. Mr. Blundell pointed out the total net assets of \$79,470,770 and total net position of \$36,807,425. Mr. Pecero informed the board that Victoria College had good audit results and earned an unqualified opinion, which is the best result to receive. Mr. Pecero explained the procedures taken which included grant compliance. He informed the board that VC staff assisted in providing vital documentation and information required to conduct the audit and commended them on their assistance. With no additional questions from the board, Mr. Luis Guerra reminded

the board that the Finance Committee recommended acceptance of the auditor's report as presented at their committee meeting held just prior to this meeting. The board voted unanimously to accept the committee's recommendation.

**4. CONSIDER Financial statements for September and October, 2014.** Keith Blundell presented the financials for September and October 2014, discussing in detail the October statements, as they are cumulative and October is the most current. Mr. Blundell 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 and comparing the totals for 2014 to 2013 noting that the total net assets are very near last year's total. He also reminded the board that the total current assets of 2013 included the construction bond funds. He walked through the Statement of Revenues, Expenditures and Changes in Net Assets reminding the board that these financials were discussed in detail with the Finance Committee just prior to this meeting. Mr. Blundell informed the board that the Gonzales Center Expansion project, Phase I is complete and zeroed out. He closed with the financial status of the ETC showing a net resource of \$8,399,296.23 available as of October 31, 2014. Mr. Bland Proctor moved to approve the financial statements for September and October 2014 as presented. The motion was seconded by Mr. Luis Guerra. Motion carried unanimously.

**5. CONSIDER First Quarter Investment Report FY 2014-15.** Dr. Butler presented the Investment Report for the First Quarter FY 2014-15 as required under the Public Funds Investment Act. He reported that the majority of the funds are in DDA accounts at the depository bank due to minimum interest rates higher than most investment rates. The remaining investments include a few Texpool accounts that are kept open in case the market turns around and the rates earned at Texpool become higher than our depository bank. He informed the board that as of November 30, 2014, VC securities (including Texpool accounts) had a book value of \$450 and a market value of \$450. No interest was earned for the quarter. Mr. Luis Guerra moved that the First Quarter FY 2014-15 Investment Report be accepted. Mrs. Catherine McHaney seconded the motion. Motion carried unanimously.

**6. CONSIDER Resolution Approving Tax Deferred Separation Incentive Plan.** Dr. Butler reviewed this item with the board, reminding them it was discussed in detail at the December 5<sup>th</sup> workshop during the presentation of the proposed plan made by Dion Papafote, PARS representative. He expressed his concerns as to how VC faculty and staff will accept this offer and doesn't want anyone to think that things are going wrong at VC; it makes good business sense to reduce labor costs. With the continued decline in undergraduate enrollment, the College has been faced with lower than expected tuition and fees revenues. As a result, administration has been considering ways to adjust its expenditures on a long-term basis, without affecting the overall effectiveness of its programs. Approximately 70% of the College's expenditures are salaries and benefits. An effective separation incentive plan could help to lower both salaries and benefits, so we have chosen to propose this offer in an attempt to restructure a positive labor cost budget, which is a totally voluntary plan to those employees that are eligible to participate. The essentials of the plan are to pay 75% of the eligible employee's final pay. The employee can receive the funds over a monthly term of no less than five years and up to a lifetime option. In order to qualify for the plan, the employee must have at least 15 years of service with the college, have a salary of at least \$50,000 and not report to either Student Services or Administrative Services. At the end of the enrollment period the board will have the opportunity to reject the plan if the enrollment objectives are unsatisfactory. If approved, the eligible employees that decide to participate will resign by July

31, 2015 and benefits will commence on September 1, 2015. The College will pay out the benefits into a third party account with Pacific Life over a five year period. PARS will receive a flat 5% of those annual contributions as payment. VC anticipates a savings of approximately \$295,000 over five years. PARS will manage all aspects of this process, including payments to employees. Mr. Blundell informed the board that the enrollment window would open December 18 and enrollment packets mailed to eligible employees by December 20<sup>th</sup>, following with employee orientation meeting(s) to be held on January 15<sup>th</sup>, as well as an enrollment workshop on February 18<sup>th</sup>. The enrollment window will close February 20, 2015. Mr. Robby Burdge moved to approve the Resolution approving the proposed Tax Deferred Separation Incentive Plan with Public Agency Retirement Services (PARS) as presented. Mr. John Villafranca seconded the motion. Motion carried unanimously.

## **7. CONSIDER Purchase of Goods or Services:**

**a. Ratify the purchase of Audio Visual System for ETC's Conference & Education Center and Industrial Training Center.** Dr. Butler presented this item requesting it be ratified. The purchase has already been made to comply with deadlines and to keep the ETC project on time. It was determined that utilizing the State of Texas Department of Information Resources (DIR) is the most cost effective and best value for VC in the amount of \$91,199.28. Mr. Robby Burdge made a motion to ratify the purchase of the Audio Visual System for ETC's Conference & Education Center and Industrial Training Center from Visionality in the amount of \$91,199.28. Mrs. Catherine McHaney seconded the motion. Motion carried unanimously.

**b. Ratify the purchase of Audio Visual System for ETC's Conference and Education Center three first floor conference rooms and banquet hall.** Dr. Butler reviewed this item with the board requesting it be ratified. The purchase has already been made to comply with deadlines and to keep the ETC project on time. Ford Audio Video Systems of Austin, Texas was selected out of three vendors by the committee based on purchase price, reputation, quality of goods and services and total long-term cost to the district. Mr. Bland Proctor made a motion to accept the bid of Ford Audio Video Systems in the amount of \$398,568 for the ETC's Conference and Education Center three first floor conference rooms and banquet hall. Dr. Josie Rivera seconded the motion. Motion carried unanimously.

**c. Purchase of mobile modular classroom building for the Liberty Training Center.** Dr. Butler explained to the board that VC has been leasing this building from Mobile Modular Management Corporation for the Liberty Training Center since April 2012 and has determined that there is a long-term need for the building at this location and that it is in the best interest of VC to purchase this classroom building rather than continue to lease. Mrs. Catherine McHaney made a motion to approve the purchase of the mobile modular classroom building for the Liberty Training Center from Mobile Modular Management Corporation in the amount of \$55,500. Mr. Luis Guerra seconded the motion. Motion carried unanimously.

## **8. CONSIDER Personnel Items:**

**a. New Faculty employees.** Dr. Butler walked through the list of proposed new faculty hires, informing the board that they would only be considering the positions for Associate Degree Nursing, Biology and Physics. Dr. Butler recommended approval of Devoni Borgohain, ADN Instructor, Alejandro Enriquez, Biology Instructor, and Cody Johnston, Physics Instructor. Mr. Robby Burdge made a motion to approve the faculty new hires, Devoni Borgohain, Alejandro Enriquez and Cody Johnston. Mr. Bland Proctor seconded the motion. Motion carried unanimously.

**b. Faculty resignation/retirement.** Dr. Butler informed the board that Mrs. Marilyn Gibbs submitted her resignation as ADN Instructor effective December 18, 2014. The board acknowledged the resignation of Mrs. Gibbs. Motion carried unanimously.

**9. CONSIDER policy prohibiting sexual violence.** Dr. Butler walked through this item with the board informing them that the U.S. Department of Education requires institutions of higher education to revise or develop policies, programs and procedures to comply with the statutory changes of the Violence Against Women Reauthorization Act of 2013 (VAWA) as specified in the policy provided. Mr. Luis Guerra made a motion to approve the policy prohibiting sexual violence as required by the U.S. Department of Education as it pertains to the Violence Against Women Reauthorization Act of 2013. Mrs. Catherine McHaney seconded the motion. Motion carried unanimously.

**E. President's Report:**

**a. Upcoming Events** - Dr. Butler walked through the upcoming events reminding the board of the Police & Fire Academy Graduation following the meeting and the Fall 2014 ADN Pinning Graduation on December 18<sup>th</sup>. He also encouraged the board to consider attending the CCATT & TACC Joint Conference and Community College Day on February 2-3, 2015 in Austin.

**b. Advancement** - Jennifer Yancey informed the board that Janey and Melvin Lack pledged to donate \$200,000 to the ETC for naming of the Executive Conference and Board Rooms and a photo op with a press release is scheduled for tomorrow at the ETC site at 9:00 a.m. The Dickson-Allen Foundation donated \$176,000; \$76,000 to the Gonzales facilities, Phase II (microbiology lab), \$70,000 Workforce/CE, \$10,000 towards dual credit scholarships and \$20,000 to endowed scholarships. Ms. Yancey also reported that to date, the 2014 Annual Giving Campaign had received \$162,000.

**c. Strategic Plan Progress report and End of Year Summary report.** Patricia Rehak, Director of Institutional Effectiveness, Research & Assessment presented the 2012-2015 VC Strategic Plan Year Two Progress report to the board which included an evaluation summary of the second year of the plan, action items and activities, along with key performance indicator findings. Ms. Rehak walked through each goal and its current status. Ms. Rehak also provided each of the board members with the End-of-Year Summary Report 2013-2014 informing them that this report is a very valuable tool in understanding how well VC is doing in carrying out its mission and achieving its goals.

There being no further business, the meeting adjourned at 5:18 p.m.

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Ron Walker, Chair

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