

**MINUTES of the SPECIAL MEETING**  
of the BOARD OF TRUSTEES of VICTORIA COLLEGE  
**August 27, 2018**

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

STAFF

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

MEDIA

√ Gabby Canales

**Guests:** Keith Blundell, Sharon Hyak, Pam Neuman, Jerry Hamilton, Babette Lowe, Shari Gould, Darla Strother, Matt Wiley, Keith Blundell, Cindy Buchholz, Dr. Edrel Stoneham, Terri Kurtz, Dr. Patricia Rehak, Lydia Huber, Darin Kazmir, Tracey Bergstrom, Dr. Helen Dvorak, Jacob Flores, and Amy Mundy.

The Victoria College Board of Trustees met Monday, August 27, 2018 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 4:02 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:**

1. **Finance & Resources Committee – 08.27.18**

**D. Items for Consideration:**

1. **CONSIDER Minutes of the Regular Board Meeting held in July 16, 2018**  
Mrs. Catherine McHaney moved to accept the minutes as presented. Mr. John Zacek seconded the motion. Motion carried unanimously.
2. **CONSIDER Minutes of the Special Board Meeting held on August 13, 2018**  
Mr. John Zacek moved to accept the minutes as presented. Dr. Josie Rivera seconded the motion. Motion carried unanimously.

**3. CONSIDER July 2018 Financial Statements**

Mr. Keith Blundell presented. He discussed the Statement of Net Assets as compared to the same time last year, noting most balances are comparable. He noted that the two line items, cash & cash equivalents and restricted cash & cash equivalents are actually consolidated into one bank account and at a positive \$1.4 million. The continued shift from cash to investments is a result of positive interest rates. The excess operating funds have been invested in TexPool at were \$13 million at July 31<sup>st</sup>. There are no long-term investments. Total net position is \$41.6 million as compared to \$39.2 million the same time last year.

Mr. Blundell reminded the board of an upcoming accounting change effective year end. GASB 75 is similar to GASB 68 which was implemented several years ago requiring entities to book deferred pension liability. GASB 75 requires entities to now book postemployment benefits other than pensions, i.e. health insurance. He noted that these entries will affect the college's total net position, but will not negatively affect the unrestricted net position calculation as that is based on core expenditures only. These entries will be made upon completion of the annual external audit.

Mr. Blundell then reviewed the Statement of Revenue, Expenses and Net Assets. He compared current year actual to 2017 actual and explained any variances. State appropriations are coming in on schedule. Ad Valorem tax revenue is at 101%, meaning all have been collected including some prior year delinquent taxes. Credit tuition and fees are at approximately 87% of budget, but 106%-109% compared to last year. He noted that this is a timing issue as fall registration was opened earlier than before. He anticipates the final revenue will come in at approximately 96% of 2017 revenue. Non-credit tuition is at 117% of budget. Other income in 2018 includes approximately \$400,000 from the sale of the Crestwood property, while in 2017 it included the sale of land to UHV. All other items were comparable. Total revenue is 95.8% of budget and 99.7% compared to same time last year. July is 92% of the academic year and expenses are right in line at 86%. Net increase in net assets is \$4,607,078. Mr. Luis Guerra reported out that the finance committee had discussed the financials in detail and they recommended approval of the statements as presented. This is a committee recommendation therefore no second is needed. Motion passed unanimously.

**4. CONSIDER 2018-19 Operating Budget**

Mr. Blundell presented the final draft of the budget. The total budget increased \$590,000 (1.76%) for 2017-2018. He referred members to the budget reconciliation noting changes in various categories from 2017 to 2018. The only change in the budget from that presented at the June workshop was an increase in investment income. The balanced budget includes ad valorem taxes calculated at the effective tax rate. Mr. Luis Guerra thanked Keith Blundell and his staff for their hard work and dedication in getting the budget to where it needed to be. Keith also thanked Tracey Bergstrom publicly as most of the work came from her office. Mr. Guerra reported out that the Finance & Resources Committee had discussed this at length during its meeting and they recommended approval of the 2018-19 Operating Budget as presented. Mr. Bland Proctor also commended Keith Blundell and his staff for their very fine work. He acknowledged the hard work it took to attain the end result and their commitment to the college. "Thank

you all!” Dr. David Hinds also gave Keith Blundell his thanks. This is a committee recommendation therefore no second is needed. Motion passed unanimously.

**5. CONSIDER Proposed College Tax Rate for 2018**

Mr. Keith Blundell presented. He discussed the various property tax scenarios based on the effective and rollback tax rate calculations. The current tax rate is \$.2170/\$100 valuation. The calculated effective tax rate of \$.2235/\$100 valuation would generate sufficient revenue to balance the operating budget. On August 13, 2018 the Finance and Resource Committee reported out that a recommendation would be brought forward to adopt a tax rate of \$.2235. Since this rate is equal to the effective tax rate, the Board was not required to hold any public hearings. Mr. Blundell noted that the board is required to adopt the tax rate by September 30, 2018. Mr. Luis Guerra made the following motion: “I move to set the 2018 tax at \$.2235 per \$100 valuation, with a maximum allowable for bonded debt service to be \$.0407 per \$100 valuation and \$.1828 per \$100 valuation for local maintenance. This year’s proposed tax rate does not exceed the effective tax rate. A motion to adopt an ordinance, resolution, or order setting the tax rate does not require the language about “tax increase” as stated in 26.05(b) of Property Tax Code). Dr. Daniel Cano seconded the motion, all present members unanimously passed the motion.

**6. CONSIDER Offers to Purchase Tax Sale Properties**

Ms. Jennifer Yancey presented. Linebarger, Goggan, Blair & Sampson, LLP has provided VC with offers to purchase four (4) tax sale properties owned in trust by the Victoria County taxing authorities as a result of the property’s failure to sell at a tax sale on the courthouse steps for the entire amount of delinquent taxes and costs owed. Upon approval of the Board, the properties will be sold and added back to the tax rolls. Mr. John Zacek moved to accept the offers as presented. Mrs. Catherine McHaney seconded the motion. Motion carried unanimously.

There being no further business, the meeting adjourned at 4:25 p.m.

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Bland Proctor, Chair

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John Zacek, Secretary