

**MINUTES of the Workshop**  
of the BOARD OF TRUSTEES of VICTORIA COLLEGE  
**March 10, 2022**

|                                   |                                      |                                 |                 |                   |                  |            |
|-----------------------------------|--------------------------------------|---------------------------------|-----------------|-------------------|------------------|------------|
| V. Bland Proctor,<br><i>Chair</i> | Luis A. Guerra,<br><i>Vice-Chair</i> | John Zacek,<br><i>Secretary</i> | Dr. Daniel Cano | Catherine McHaney | Dr. Josie Rivera | Ron Walker |
| √                                 | √                                    | √                               | √               | √                 | √                | √          |

**Also in attendance:** VC Staff: Dr. Jennifer Kent, Mary Ann Rodriguez, Keith Blundell, Cindy Buchholz, Terri Kurtz, and Amy Mundy. Visitors: Jesus Garza, City Manager, Gilbert Reyna, Danielle Williams and Travis James, City Consultant.

The Victoria College Board of Trustees met for a board workshop on Thursday, March 10, 2022, at 3:00 PM in Corporate Training Room 101 in the Academic Building of Victoria College located at 2200 E. Red River, Victoria, TX. Mr. Bland Proctor, Chair, presided over the meeting.

**A. Call to Order:**

**1. Quorum Call:**

Mr. Bland Proctor called the meeting to order at 3:03 p.m. and announced that a quorum of board members was present.

**2. Certification of the Posting of the Notice of the Agenda**

Dr. Jennifer Kent certified that the agenda had been properly posted per Texas statute also in accordance with the provisions of Sections 551.125 and 551.127 of the Texas Government Code.

**B. Citizen Communication:**

**1. At this time, the public is invited to address the Board of Trustees.**

No members of the public spoke to the Board

**C. ITEMS FOR DISCUSSION:**

**Mr. Bland Proctor informed the board that the meeting would begin with item #7 and #8 since we had visitors present for those two discussion items, the board would then proceed with the rest of the agenda after their presentations.**

**Facilities Committee:**

**1. DISCUSS William Wood Building Naming Considerations**

Ms. Amy Mundy presented. She shared the following details with the board. All naming considerations will go before the board for approval at the March 21, 2022 board meeting.

**a. Formosa Plastics PLC Lab**

Formosa Plastics made a donation of \$250,000. The gift amount is in line with the Victoria College Board of Trustees Philanthropy Naming and Sponsorship Policy for classrooms and labs.

**b. ConocoPhillips Motor Control Lab**

ConocoPhillips has been a generous supporter of Victoria College. The ConocoPhillips donation helped with the improvements to the Wood Building (which houses Instrumentation & Electronics [I&E] and Welding) and to acquire state-of-the-art training equipment that has enhanced curriculum aligned with the skillsets employers need. In addition to the \$25,100 for the ConocoPhillips Motor Control Lab an additional \$50,000 was donated to support I&E and Process Technology students through scholarships.

**c. Cloyde and Ethel Lee Tracy Foundation Welding Fabrication Lab**

Cloyde and Ethel Lee Tracy Foundation has been a generous supporter of Victoria College. The Cloyde and Ethel Lee Tracy Foundation donation helped with the improvements to the Wood Building (which houses Instrumentation & Electronics [I&E] and Welding) and to acquire state-of-the-art training equipment that has enhanced curriculum aligned with the skillsets employers need.

**d. Marsha Shanklin Foundation Welding Lab**

The Marsha Shanklin Foundation made a donation of \$97,000. The gift amount is in line with the Victoria College Board of Trustees Philanthropy Naming and Sponsorship Policy for classrooms and labs. The Marsha Shanklin Foundation has been a generous supporter of Victoria College. The Marsha Shanklin Foundation Welding Lab donation helped with the improvements to the Wood Building (which houses Instrumentation & Electronics [I&E] and Welding) and to acquire state-of-the-art training equipment that has enhanced curriculum aligned with the skillsets employers need.

**2. DISCUSS Student Center Naming Considerations**

Ms. Amy Mundy presented.

**a. James and Catherine McHaney Family Courtyard**

Consider naming the **James and Catherine McHaney Family Courtyard** at the Comprehensive Student Center. Upon completion of construction, the James and Catherine McHaney Family Courtyard will appear prominently in or near the courtyard at the newly constructed Comprehensive Student Center.

Catherine McHaney made a generous gift to support the Victoria College Master Plan and name the new courtyard. The gift amount is in line with the Victoria College Board of Trustees Philanthropy Naming and Sponsorship Policy.

Catherine McHaney has been a generous supporter of Victoria College and has served on the Victoria College Board of Trustees for 37 years. The funds will support the construction of the Comprehensive Student Center project which will bring all elements of Learning Services (learning commons, library, tutoring and testing center), Student Services (financial aid, advising, counseling, recruiting, admissions and records, counseling and wrap-around services), and Student Life (food services, bookstore, student activities and campus events) into one central location. Consolidation of the services will provide a more seamless experience for students.

### Personnel & Policy Committee –

#### **3. DISCUSS TASB 42 Policy Updates (Legal and Local)**

Terri Kurtz presented. She went over all recommended changes listed below in detail for items #3 and item #4. She shared with the board that most changes in Update 42 are based on legislation from the 87<sup>th</sup> Regular Legislative session; they also include changes from the second special session and federal and state rulemaking authorities. Ms. Kurtz went over the explanatory notes in detail, answered a few questions on clarification.

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|-----------------|---|
| a. BBD (Local)  | Board Members: Orientation and Training   |
| b. CF (Local)   | Purchasing and Acquisition  |
| c. CHA (Local)  | Site Management: Security   |
| d. CHF (Local)  | Site Management: Weapons  |
| e. CKD (Local)  | Insurance Annuities Management: Health and Life Insurance                       |
| f. CM (Local)   | Facilities Construction   |
| g. DEC (Local)  | Compensation and Benefits: Leaves and Absences                                  |
| h. DIAA (Local) | Freedom From Discrimination, Harassment, & Retaliation: Sex and Sexual Violence |
| i. DK (Local)   | Professional Development  |
| j. DMD (Local)  | Termination of Employment: Resignation  |
| k. ECC (Local)  | Instructional Arrangements: Course Load and Schedules                           |
| l. FFDA (Local) | Freedom From Discrimination, Harassment, & Retaliation: Sex and Sexual Violence |
| m. FLB (Local)  | Student Rights and Responsibilities: Student Conduct                            |
| n. GCB (Local)  | Public Information Program: Requests for Information                            |

#### **4. Internal TASB Policy Changes –**

- a. DC (Local) Employment Practices
- b. EA (Local) Academic Year and Calendar

### Finance & Resources Committee

#### **5. DISCUSS 2021 December and 2022 January Financials**

Mr. Keith Blundell presented. He shared with the board that the financials are cumulative; therefore, he would review only the January financials in detail. He discussed the Statement of Net Assets as compared to the same time last year, noting an increase of about \$2.1 million compared to last year. Cash and cash equivalents are at about \$24,484 million. No changes in GASB or OPEB since the August audit. He noted that current liabilities are favorably to prior year. Total net position is at \$29.227 million compared to \$22.283 million the same time last year in 2021. Mr. Blundell then reviewed the Statement of Revenues, Expenditures and Changes in Net Assets for the consolidated fund and the Gonzales Center and other projects funds in detail, asking if any clarification was needed as he proceeded. He compared current year actual to 2021 actual and explained any differences, state appropriations are coming in as planned. Tuition and fees for credit classes are at about 75% of budget. Credit hours are flat. Non-credit is at about 64.8% of budget, which is very good since we are at about 41% of the year right now. Mr. Blundell also made note of “other income” which is HEERF funds of \$1.291 million, which normally would not be there. Currently, the net increase in net assets is at \$5.187 million compared to \$5.662 same time last year. Mr. Blundell noted on page 13 the TPEG transfer of \$160K that is noted as “state funded” but Victoria College pays this. Mr. Blundell also noted on page 15 of 21 that Auxiliary is at \$1.136 million increase compared to a deficit of \$293K same time last year. He moved on to page 18 of 21, pointed out that budget adjustments are at net \$0. We currently have around \$9.842 million in the master plan budget with about \$852K already expended leaving us at about \$8.990 million. He clarified that this total does not include pledges. The financial statements will go before the board for approval at the March 21, 2022 board meeting.

**6. DISCUSS 2021-2022 Second Quarter Investment Report**

Mr. Keith Blundell presented. He shared that this is the required quarterly disclosure of our investments for the quarter ended 02-28-22. Due to the current interest rate environment, the majority of the College's excess funds are deposited with the College's depository accounts at Prosperity Bank. The Endowment Fund, General Fund, Auxiliary Fund, Debt Service Fund and Construction Fund accounts are earned \$0.00 for the quarter due to balances being below the minimum for earnings. Texpool Prime accounts earned 0.102% for the quarter. The investment report will go before the board for approval at the March 21, 2022 board meeting.

7. **DISCUSS Tax Increment Reinvestment Zones (TIRZ)** – Mr. Jesus Garza shared a power point presentation highlighting the downtown renovation project and how it will be funded. There are several to fund the project, one of them being with the TIRZ. This allows cities to set aside funds to encourage development without creating a new tax. It would work something like this, after the TIRZ is established, when property values go up within the TIRZ (whether because of the addition of new properties or an increase in value of existing properties), taxes that are collected on this additional value must be used for development within the TIRZ. TIRZ programs tend to have a cyclical growth effect, with reinvestment of funds encouraging private development, creating new property value that generates more funds to be invested, and so forth. The TIRZ is a temporary designation: Once it is finished, all of that new property value will be used to generate taxes that can be used throughout the city. The TIRZ funding will be managed by a newly created board, with members appointed by the City of Victoria and other taxing entities like Victoria College, that choose to participate in the TIRZ. Each entity will have the option of setting aside all or part of newly generated taxes for TIRZ development. The City plans to set aside 100% of available funding for the TIRZ. They will also be applying for grants with EDA. Mr. Garza shared that he will also be presenting to the County Commissioners court sometime in April or May. The board will discuss this further before making their final decision on participating. If board chooses to move forward, they will approve and sign a resolution at future board meeting.

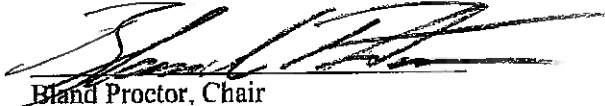
8. **DISCUSS Refinancing Plan – Tax Supported Bonds** – Mr. Thomas with Specialized Public Finance Inc. presented in the absence of Mr. Victor Quiroga, Managing Director. The two bonds in discussion are from 2012 and 2013. They will nearing their "Call Date" of August 15, 2022. To replace the old Bonds, the College would issues Limited Tax Refunding Bonds, Series 2022 only if the net present value savings ratio is no less than 3%. The next steps would be for the board to allow the staff and consultants to proceed with the preparation of the necessary documents, in April they enter the bond market and lock-in a lower interest rate, in May we would have the closing of the refinancing transaction and in August of 2022, the series 2012 and series 2013 bonds would be redeemed. The consultant recommends the competitive bond sale.

9. **DISCUSS 2022-2023 Preliminary Operating Budget** – Mr. Keith Blundell went over the preliminary operating budget. He went over the handouts in detail. First going over state appropriation showing a ten-year history. They decreased from 24.8% in 2012-13 to 16.7% in 2021-22. He also went over a 5-year history on ad valorem tax. Mr. Blundell moved to page 6 of 11, if we moved forward with no changes in 2022-23, our deficit would be about \$306,810. Page 7 proposed a few tuition and fee increases that will be recommended for approval at the March 16 Board Meeting. If all increases are approved, we will be in the plus about \$470,733. Mr. Blundell went over some other historical numbers for the board. He also shared our cost comparison to our neighbor, UHV. VC is still at about 1/3 of their cost even with proposed changes. Mr. Blundell reminded board that last year VC employees did not receive COLA. He would present different scenarios at the board workshop for them to take into consideration as the preliminary budget continues to be discussed before final approval in August.


10. 2022-2023 Proposed Tuition & Fees – COVERED IN #9 by Mr. Keith Blundell.

- a. Credit
- b. Non-Credit

There being no further business, the meeting was adjourned at 5:15 PM.



David Proctor, Chair



John Zacek, Secretary