

MINUTES of the Finance & Resources Committee MEETING
of the BOARD OF TRUSTEES of VICTORIA COLLEGE
August 17, 2020

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

STAFF

√ Dr. Jennifer Kent	√ Mary Ann Rodriguez
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MEDIA

Samantha Douty
(VA)

Also in attendance: *InPerson:* Matt Wiley, Cindy Buchhoz, Dr. Edrel Stoneham, Darin Kazmir, Amy Mundy, Terri Kurtz, Keith Blundell, Lydia Huber and Tracey Bergstrom. *The Finance Meeting was also Livestreamed.*

The Finance & Resources Committee met for an open meeting on Monday, August 17, 2020 at 3:30 PM in the Meeting Hall 101 of the Emerging Technology Complex located at 7403 Lone Tree Rd, Victoria, TX. Mr. Bland Proctor, Chair, presided over the meeting.

A. Call to Order:

1. Mr. Luis Guerra, Committee Chair, called the meeting to order at 3:38 p.m. and announced that a quorum of board members was present.
2. Dr. Jennifer Kent certified that the agenda had been properly posted per Texas Government Code 551.043 and the Texas Open Meetings Act.

B. Citizen Communication:

1. No members of the public spoke to the Board.

C. Items for Discussion:

1. DISCUSS 2020 June Financial Statements

Keith Blundell presented. He discussed the Statement of Net Assets as compared to the same time last year, noting most balances are comparable. Cash and cash equivalents are at \$12.1 million and restricted is at \$5.6 million. Total net position is \$15.8 million as compared to \$17.1 million the same time last year. 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. He compared current year actual to 2019 actual and explained any differences. Tuition and fees for credit classes are at approximately 94% of budget and non-credit is at 65%. Total expenses in the consolidated funds are at 79% of budget. Mr. Blundell noted on page 18 of 21, budget adjustments are at net \$0. He also noted the increase on page 20 of 21 in the Project Funds statement was at \$3.4 million compared to \$3K last year. This increase

was due to gifts, grants and other designated funds for our upcoming Master Plan projects. The June Financial Statements will go before the board at the 4PM Board Meeting for review and approval.

2. DISCUSS Proposed College Tax Rate for 2020

Mr. Keith Blundell presented. He reminded the board that in July, they approved Rena Scherer to calculate the no-new-revenue rate (NNR) and voter-approval rate (VAR) for the college. The appraisals were completed by the VCAD and Ms. Scherer has performed those calculations.

The taxable values increased by 2.38%. New improvements are exempted from the NNR calculation and were at \$70,516,094. The NNR assessment of \$0.2203 per \$100 valuation would generate \$354,039 more than what has been budgeted. The current rate of \$0.2206 per \$100 valuation would generate \$373,195 more than the proposed budget. The voter-approval rate of \$0.2365 per \$100 valuation would generate \$737,156 more than the proposed budget.

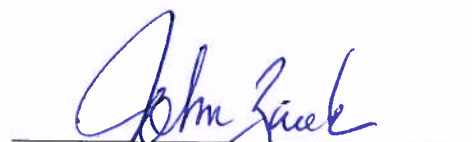
Mr. Blundell reminded the board that at the August 10, 2020 board meeting, they voted to propose a tax rate of \$0.2203. Since this rate is equal to the NNR, the Board is required to hold a public hearing on the proposed tax rate. That hearing will be held today at 4PM. The Board is required to adopt the tax rate within 7 days after the public hearing. The proposed college tax rate will go before the board for approval at today's 4PM Special Board Meeting and Public Hearing.

3. DISCUSS 2020-221 Operating Budget

Mr. Keith Blundell presented. He shared with the board that the attached proposed budget summary was presented and discussed in detail at the Board Workshop on June 20th and at the Finance and Resource Committee meetings on August 10th and August 17th. The total budget increased \$338,361 or 1.00%. There are approximately \$94,000 in operational budget reductions over prior year. State Appropriations did not change. There were changes to the required tuition and fee rates, which was approved in March. As a result, there is an increase in tuition and fee revenues of \$55,000. In this budget the pay scale includes a step increase of 1.5% and a cost of living increase of 1.63%. After netting added employees, retirements and terminations, the cost of salaries increased \$264,000. The Board will be recommending the adoption of a tax rate of \$0.2203/\$100 which would be a \$0.0003 decrease in the tax rate. However, due to a 2.38% increase in the taxable values, property taxes will increase by \$354,000. The college's 1999 revenue bonds of \$6 million matured in August 2019. The college will continue to fund the annual payment of \$442,000 into the project fund until the time comes to re-issue the revenue bonds for a future project. The proposed budget will be go before the board for approval at today's 4PM Special Board Meeting.

There being no further business, the meeting was adjourned at 4:03 PM.


Bland Proctor, Chair


John Zacek, Secretary