

MINUTES of the Workshop
of the BOARD OF TRUSTEES of VICTORIA COLLEGE
August 7, 2023

V. Bland Proctor, <i>Chair</i>	Luis A. Guerra, <i>Vice-Chair</i>	John Zacek, <i>Secretary</i>	Dr. Daniel Cano	Catherine McHaney	Dr. Josie Rivera	Ron Walker
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Also in attendance: VC Staff: Dr. Jennifer Kent, Mary Ann Rodriguez, Keith Bundell, Cindy Buchholz, Terri Kurtz, Brittany Mace and Amy Mundy.

The Victoria College Board of Trustees met for a board workshop on Monday, August 7, 2023, 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 workshop to order at 3:07 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:

1. DISCUSS No-New-Revenue Tax Rate and Voter-Approval Tax Rate Calculations Performed by Ashley Hernandez, Victoria Tax Assessor-Collector for 2023

Mr. Keith Blundell presented. He reminded the board that in July, the board approved Ashley Hernandez 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. Hernandez has performed those calculations. He went over the 8-page handout page by page. On page 1, he pointed out that the taxable values increased by 16.00%. New improvements are exempted from the NNR calculation and were at \$113,492,136. Land increased 24.29%. Homesites increased 13.07% while Non-Homesites increased 11.82% and Personal Property increased 13.08%. Minerals decreased 25.65%, but only represent 1.38% of the total appraisals for the County. He reminded the board that VC gets majority of their money from new properties. On page 4, Mr. Blundell shared that the NNR assessment of \$0.1690 per \$100 valuation would generate \$273,634 less than what has been budgeted. The proposed rate of \$0.1722 per \$100 valuation would generate \$3,242 more than the proposed budget. The voter-approval rate of \$0.1856 per \$100 valuation would generate \$1,162,655 more than the proposed budget.

If the board recommends the tax rate adoption of \$0.1722 per \$100 valuation, this will be a 12.10% decrease from the prior year. The Debt Service rate includes the first payment on the new \$10 million tax bond issue and the college applied \$200,000 from its reserves to reduce the amount required for the new

bond payment. He also reminded the board that during the bond presentations the goal was to keep the Debt Service rate below \$0.0341 per \$100 valuation for the first three years. The new Debt Service rate would be \$0.0296 per \$100 valuation, which is a below the goal of \$.0341 per \$100 valuation. Instead of staying flat or slightly increasing, the new Debt Service rate would decrease by 7.96%. These calculations will be going before the board at the 4PM Special Board Meeting following this workshop for approval. Mr. Blundell also reviewed the 2023 Tax Planning Calendar dates.

2. DISUSS Proposed 2023-24 Operating Budget

Mr. Keith Blundell presented. He shared with the board that the 28-page attachment behind tab #2 is the proposed budget that has been reviewed and approved by VC Administration. He informed the board that the total budget increased \$1,574,000 or 4.58%. State Appropriations increased \$232,000. 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% with a 2% cost of living increase. After netting added employees, retirements and terminations, the cost of salaries increased \$593,000. Due to the colleges reserve balances and increased interest rates, the investment income increased \$700,000. If the Board recommends the adoption of a tax rate of \$0.1722/\$100, this would be a \$0.0237 decrease in the tax rate (12.10%). The college's 1999 revenue bonds of \$6 million matured in August 2019. The college issued a tax bond of \$10,000,000 and the budget for debt service increased by \$420,000. 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. There was an increase in property tax revenues of \$511,000. The cost of health insurance increased \$108,000. The fiscal impact would be \$35,911,659.

3. DISCUSS Proposed College Tax Rate for 2023

Mr. Keith Blundell presented. He reiterated that if the board recommends the proposed rate of \$0.1722 per \$100 valuation, this will be a 12.10% decrease from the prior year. The proposed college tax rate for 2023 will be going before the board at the 4PM Special Board Meeting for recommended approval, at which time, a special public hearing will need to be scheduled on August 14th before the board can approve. The board may approve the proposed college tax rate immediately following the public hearing on August 14, 2023 if they so choose.

There being no further business, the workshop was adjourned at 4:14 PM.


Bland Proctor, Chair


John Zacek, Secretary