

## COUNTY OF HOWARD

The Board of Trustees of the Howard County Junior College District met for an executive session, budget workshop and special meeting in the Fireplace Room in the Student Union Building on the Big Spring site and by telephone conference call on Thursday, August 20, 2020.

The following members of the Board and District Administration were present:

Dr. John Freeman, Chairman  
Maxwell Barr, Vice-Chairman  
Adrian Calvio, Secretary  
Patricia Bennett by phone  
Michael Flores  
Mark Morgan by phone  
Ben Zeichick

Cheryl T. Sparks, Ed.D., President  
Amy Burchett, Ed.D., Vice-President Academic and Student Affairs  
Danny Campbell, Administrative Dean Instruction, SWCD by phone  
Pam Callan, Administrative Dean for Instruction and Student Services, San Angelo by phone  
Brenda Claxton, Chief Fiscal Officer/Controller  
Terry Hansen, Chief Athletic and Special Projects Officer  
Jamie Rainey, Workforce and Community Development Officer, San Angelo by phone  
Steve Smith, Chief Business Officer/Internal Auditor by phone

Others present were:

Julie Bailey, Assistant to the President  
Lee Bryant, Security  
Kym Clark, Director eLearning Services by phone  
Emma Garcia, Executive Assistant  
Eric Hansen, Dean Information Technology Systems by phone  
Rhonda Kernick, Director Human Resources by phone  
Iris Rangel, *Big Spring Herald*  
Cindy Smith, Director Information and Marketing  
Quintinn Stewart, Director Network Administration

Dr. Sparks initiated the telephonic meeting. Chairman John Freeman called the meeting to order at 10:00 a.m. in accordance with Texas Government Section, 551.045 with Board of Trustees members Patricia Bennett and Mark Morgan positioned in remote connections and Dr. Freeman, Maxwell Barr, Adrian Calvio, Michael Flores and Ben Zeichick with Dr. Sparks located in the Fireplace Room in the SUB on the Big Spring campus. Roll call was taken by voice response. Based on the suspended proceedings of the Open Meetings Act in accordance with Section 418.016 of the Texas Government Code, the meeting was open to the public through remote connection utilizing a toll-free number for audio purposes and visual presentation available through GoToMeetings and on the website. The public was also entitled to participate and address the Board onsite. The meeting was recorded and will be available on the website.

Trustees moved into executive session to discuss personnel. Trustees closed the executive session and held the budget workshop. Trustees were updated on information relative to challenges and opportunities to serve our students including who will make it happen, where will we make it happen and how will we make it happen as part of the budgeting process.

Dr. Sparks then outlined the HC (Big Spring, Lamesa and San Angelo) and SWCD preliminary budget preparations for Board consideration. The four strategic goals and focus recommended by Trustees for the budget preparation are student success, employees, workforce training and operations/safety and security. She explained that four campus budgets (Big Spring/District, Lamesa, San Angelo and SWCD) are "balanced" for daily operations and included initiatives addressing the areas of focus. She further explained revenue had been decreased anticipating downturn in enrollment affected by COVID-19. In addition, budget expenditures were also reduced. However, a planned deficit budget is proposed using monies from fund balance as follows: Big Spring/District (-\$1,750,000) roof project, San Angelo (-\$193,000) bond debt retirement and construction trades building project and SWCD (-\$324,000) roof project.

Finally, Dr. Sparks shared the certified tax base information for 2020. The adjusted value of the tax base has increased from \$5,611,824,928 to \$5,693,338,703. She then shared that the resultant no-new-revenue maintenance and operation (NNR M&O) tax rate for 2020 would be \$0.1850350 (\$0.1866450 in 2019) and the interest and sinking rate (I&S)/debt rate was \$0.0279390 (\$0.0239920 in 2019), resulting in a 2020 total effective tax rate for \$0.212974. Last year's total tax rate was \$0.210637. Due to the increase in the debt rate which is the rate needed to generate tax levy to pay the general obligation bond, the total 2020 tax rate and levy exceed last year's total tax rate and levy. As a result of new legislation, one tax hearing would be required. The budget was prepared using the no-new-revenue rate for maintenance and operation. She also shared information regarding costs to the taxpayers and additional information concerning tax history relative to tax base, levy, and tax rates. Trustees then discussed the maintenance and operation tax rate options and what increases in the M&O rate could accomplish in the college's budget to address deferred maintenance and potential state budget cuts as well as decreased enrollment.

After a brief recess for lunch, Chairman Freeman reconvened the meeting and Maxwell Barr led the invocation. The public was given the opportunity to communicate with the board. There were no comments.

The Board moved to New Business. The first item was Visioning/Future Directions. During the preliminary budget discussion relative to the determination of the tax rate for maintenance and operation, Trustees proposed an increase in the maintenance and operation rate at 3% to address deferred maintenance, potential state budget cuts and decreased enrollment. The maintenance and operation (M&O) no-new-revenue rate would be increased from \$0.1850350 to \$0.1905861. Factoring in the increase in the interest and sinking rate to \$0.0279390, the total tax rate would be increased from \$0.210637 in 2019 to \$0.2185251 for 2020. Due to the fact the average homestead taxable value increased by 11.03%, and even though the tax base increased slightly, the average homeowner would have to pay \$20.30 more this year for maintenance and operations. When you add the cost for the debt rate, it would be \$26.01. Mr. Zeichick made the motion for consideration of raising the M&O rate 3% or \$0.1905861. Mr. Barr seconded the motion. All Trustees present voted in favor of the motion with Trustee Michael Flores abstaining.

Next, Trustees considered the proposed budgets for 2020-2021 as presented during the workshop. The proposed budgets included a step raise on all salary schedules. The 9-month faculty schedule will result in greater raises for faculty on contracts greater than 9-months. Mr. Barr made the motion to approve the proposed budgets. Mr. Zeichick seconded the motion. All Trustees present voted in favor of the motion.


Next, since the tax rate proposed will increase levy, a tax hearing had to be scheduled according to required guidelines. Mr. Flores made the motion to hold the tax hearing on August 27<sup>th</sup>, at 5:30 p.m.; and hold the budget hearing, approve the budget, and adopt the final tax rate at the August 31<sup>st</sup> board meeting at 12:30 p.m. Mr. Zeichick seconded the motion. All Trustees present voted in favor of the motion.

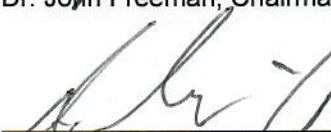
The second item under New Business was Monitoring. Dr. Sparks gave a brief overview on the status of *Open Howard College* and reviewed the Board calendar of significant events.

The third item under New Business was Board Education and Development. Dr. Sparks shared legislative and general updates including preliminary information concerning the Legislative Appropriation Request which is due September 18.

Lastly, Trustee Ben Zeichick reported that he had completed the required training for new trustees including Public Funds Investment Act, Open Meetings Act, Texas Higher Education Coordinating Board New Trustee Training and Cyber Security Awareness.

There being no other business, Trustees adjourned at 1:13 p.m.

  
\_\_\_\_\_  
Dr. John Freeman, Chairman

  
\_\_\_\_\_  
Adrian Calvio, Secretary  
By Julie Bailey, Recorder