

The Board of Trustees of the Howard County Junior College District held a public hearing on tax increase in the Fireplace Room in the Student Union Building Thursday, August 27, 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
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
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
Fabian Serrano, Chief Operations and Safety/Security Officer
Steve Smith, Chief Business Officer/Internal Auditor

Others present were:

Julie Bailey, Assistant to the President
Lee Bryant, Security
Jacob Cerda, Guest
Pete Cerda, Guest
Kym Clark, Director eLearning Services by phone
Amanda Duforant, *Big Spring Herald*
Scott Emerson, Guest
Terrah Fryer, Security
Emma Garcia, Executive Assistant
Patsy Garza, Guest
Michael Gomez, Guest
Renee Gould, Interpreter
Eric Hansen, Dean Information Technology Systems by phone
Jan Hansen, Guest
Hamilton Hartfield, Guest
Brandon Hite, Guest
Christi Mikeska, Dean Student Services
Debbie Rodriguez, Guest
Adriel Saldivar, Guest
Hannah Saldivar, Guest
Nati Saldivar, Guest
Ramon Saldivar, Guest
Zachary Saldivar, Guest
Cindy Smith, Director Information and Marketing by phone
Marian Williams, Guest
Tonya Wombuell, Guest
Diana Yanez, Guest
Veronica Zuniga, Guest

Dr. Sparks initiated the telephonic meeting. Chairman John Freeman called the public hearing on tax increase to order at 5:30 p.m. in accordance with Texas Government Section, 551.045 with Board of Trustees member Mark Morgan positioned in a remote connection and Dr. Freeman, Maxwell Barr, Patricia Bennett, 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 hearing 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 hearing was recorded and will be available on the website.

Dr. Freeman read the hearing procedures and invited citizens to present their views concerning the proposed tax revenue increase. Scott Emerson, Nati Saldivar, Marian Williams, Tonya Wombuell, Zachary Saldivar and Jacob Cerda addressed the board to voice their opinions regarding the proposed tax revenue increase and requested Board members to vote against the increased tax rate. Speakers pointed out that no other taxing entity had gone over the No-New-Revenue rate. The impact of the pandemic and oil downturn on the local taxpayers and businesses were cited by several as reasons to not increase this year. Citizens implored the Board to hold the line as businesses and families had to do. The impact on those with set incomes was also pointed out. Speakers requested that other means of increasing available funds to address deferred maintenance and anticipated budget cuts be considered, pointing out next year could be a better year to increase tax revenue than this year. The vote to adopt the tax rate would be considered at the August 31, board meeting, beginning at 12:30 p.m. in the Fireplace Room of the Student Union Building following the Budget Hearing.

Dr. Sparks then provided an overview of the budgeting process and recap of the Budget Workshop. In addition, she provided an explanation of the tax increase proposal. She stated that tax rate calculations are based on a worksheet provided by the state. She further stated with the recent legislative changes the Effective Tax Rate has been renamed the no new revenue tax rate, meaning the rate will allow the taxing entity to bring in the same amount of revenue as the previous year. For 2020 the No New Revenue tax rate is calculated at \$0.207979 which includes the Maintenance and Operations (M&O) rate and the Interest and Sinking (I&S) rate or debt rate. The debt rate is the rate needed to generate the monies needed to pay the annual cost for the General Obligation Bond approved by the voters in 2007. The annual debt rate continues until the bond is paid off. The rollback rate which is now called the Voter-Approval rate is the highest rate the college may adopt without holding an election to seek voter approval of the rate. In the past a petition had to be circulated with enough signatures to require an election. It is automatic now based on state legislation. The No-New Revenue (NNR) M&O rate is \$0.185035. The voter-approval M&O rate is \$0.199837. The debt rate is \$0.027939. The total Voter-Approval Tax Rate or Rollback Rate is set at \$0.227776.

In addition, Dr. Sparks shared that in the last legislative session there were changes made to the configuration tax worksheet. With changes in the Interest and Sinking section relative to anticipated collection rate and the way the Debt rate was figured, the college's No New Revenue rate was going to increase regardless of any increase in the M&O rate. Now it is based on an average collection rate for debt over a three-year period which figures a 96% collection rate. Factoring in a decrease in collected funds last year, the new debt rate is \$0.027939. With the No New Revenue Rate M&O rate and the increase in the debt rate added together, the college is automatically over the total No New Revenue Rate and must go thru the process of holding a public hearing on a tax increase.


This year the average homestead taxable value increased by 11.03%. The average home value is \$90,252. Based on that average home increase plus the change in the debt rate, the increase in tax on the average home is \$21 without any increase in M&O. On a \$100,000 static property, the increase in tax was \$2.34 due to the increase in the debt rate. The proposed 3% increase on the M&O tax rate will generate an increase of an additional \$5.01 tax for the year on the average homestead/total \$26 and \$5.55/total \$7.89 on the \$100,000 static property. If the 3% increase on M&O is approved, it will generate \$608,256 with a little over \$290,778 going to pay for the bond. Last year's total tax rate was \$0.210637, and the total tax rate proposed is \$0.218525, an increase of 3.74%. The budget presented at the Workshop was figured with business running as usual with no visioning requiring additional revenue being added to the budget.

After Dr. Sparks concluded the explanation to the updated worksheet and configurations, Trustee Ben Zeichick, addressed the audience and the reasoning behind his support of the proposed 3% increase to maintenance and operation. Then, Trustee Michael Flores said that no one wants to raise taxes, but over the past eight or nine years the legislature has cut funding and in doing so has basically let the taxpayer foot the bill.

Finally, Trustee Flores asked Michael Gomez to stand and be recognized as the grandson of the first Hispanic member on the Board, David Gomez. There being no further comments, Dr. Freeman closed the public hearing at 6:40 p.m. and the meeting adjourned.



Dr. John Freeman, Chairman



Adrian Calvio, Secretary
By Julie Bailey, Recorder