

## 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 Monday, August 16, 2021.

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

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

Cheryl T. Sparks, Ed.D., President  
Amy Burchett, Ed.D., Executive Vice-President  
Danny Campbell, Executive Dean, SWCD by phone  
Brenda Claxton, Chief Fiscal Officer/Controller  
Eric Hansen, Chief Technology Systems/Data Security Officer by phone  
Rhonda Kernick, Chief Human Resources Officer by phone  
Fabian Serrano, Chief Operations and Safety/Security Officer  
Steve Smith, Chief Business Officer/Internal Auditor

Others present were:

Julie Bailey, Chief of Staff  
Jim Brundage, Insurance Agent by phone  
Lee Bryant, Security  
Monica Castro, Executive Director/Lamesa by phone  
Roger Cline, *Big Spring Herald*  
Emma Garcia, Executive Assistant  
Terry Hansen, Chief Special Projects  
Cindy Smith, Dean Student Success/Public Information Officer  
Quintinn Stewart, Director Tech Support Services  
Shane Taiclet, District Director Administrative Services by phone

Chairman John Freeman called the meeting to order at 10:20 a.m. in accordance with Texas Government Section, 551.045 with Adrian Calvio positioned in remote connection and other Trustees located in the Fireplace Room in the SUB on the Big Spring campus. 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 on the website. Due to technical difficulties, the telephonic connection could not be used beginning at the time of the call to order. Immediately, Trustees moved into Executive Session to discuss evaluation of the president. Upon conclusion of the Executive Session at 11:45 a.m., the Board had lunch and then reconvened at 12:35 p.m. with the telephonic connection issue resolved and the connection activated. The Workshop and Special Meeting sections of the meeting then followed and were recorded.

At the Budget Workshop, Trustees were informed that the new Vision and Values recently approved were the backbone of the budgeting process with the strategic goals of access, student success, community and workforce development and performance excellence at the forefront of budget planning as directed by the Board at an earlier planning meeting. Dr. Sparks shared that the people who would make the plan happen were the employees of the Howard County Junior College District. She also pointed out the updated HCJCD Projects, Deferred and Preventative Maintenance plan contained budgeting needs relative to the physical resources located on each campus of the college district that could be included in the budget.

Dr. Sparks then provided an overview of the HC (Big Spring, Lamesa and San Angelo) and SWCD preliminary budget preparations for Board consideration. She explained that the four campus budgets (Big Spring/District, Lamesa, San Angelo and SWCD) are "balanced" for daily operations with specific initiatives included for the strategic goals on the different campuses. Unrestricted revenue in all budgets was downsized conservatively as we proceed with the COVID-19 second academic year and its uncertainties. Expenditures were also reduced in many instances.

Each campus budget was discussed based on its budget revenue and expenditure needs. The San Angelo and SWCD budgets are deficit budgets utilizing monies from excess reserve funds in the specific campus fund balance to address some campus-specific projects and needs. The Big Spring and Lamesa budgets will be finalized without funds from the specific campus reserve. The preliminary budgets were prepared with step raises according to each schedule. There were some point adjustments made for certain positions based on responsibility changes. Recognition of specialized credentials were also addressed for employees as appropriate. Dr. Sparks shared that the years of service cap had been at ten years of experience for new employees when beginning employment at Howard College for decades. That 10-year cap had been a recruitment barrier in many instances. Based on certain criteria, the years of service cap was increased from 10 to 20 years for new employees to enhance competitiveness. With this change, the years of service determination of current employees capped at ten years of experience upon employment was analyzed using the same criteria and adjusted accordingly in the budgeting process. Based on the directions received at the Board meeting, the budgets will continue to be prepared and finalized for presentation at the August 30<sup>th</sup> Board meeting.

Finally, Dr. Sparks shared the certified tax base information for 2021. The adjusted value of the 2021 tax base is \$5,700,710,013 which is a decrease from the 2020 final adjusted taxable value of \$6,235,790,215. She then shared that the No-New-Revenue rate is based on the final adjusted taxable value for 2020. The No-New-Revenue rate is the tax rate for the 2021 tax year that will raise the same amount of property tax revenue for the Howard County Junior College District from the same properties in both the 2020 tax year and the 2021 tax year. Of the total tax rate, the 2020 debt rate was \$0.027939. After adjusting for the excess received for debt and factoring a collection rate of 97%, the 2021 debt rate is \$0.020769. The debt rate is subtracted from the Total NNR, and the balance of maintenance and operation rate equals the Total NNR. Due to the decrease in the tax base value which is reflective of the downturn in the energy industry pricing during that snapshot as well as the change in value based on new production leveling off, the tax rate would increase to bring in the same amount of tax revenue. Thus, the No-New-Revenue rate is \$0.237548 as compared to the adopted tax rate of \$0.216675 last year which is a 9.28% increase in the tax rate to bring in the same amount of tax levy as last year. She also shared information regarding costs to the taxpayers for the average home. The average home value increased by 7.35% or \$6,631. Utilizing that factor, a taxpayer with that increase in value would see an increase of \$33.85 for the year which is a 17.31% increase. The annual amount would be \$229.40. She shared that the preliminary budget was being prepared based on a rate of \$0.236777 which is a rate slightly below the No-New-Revenue rate of \$0.237548 plus below the Total Voter Approval Tax Rate of \$0.244764. Thus, a tax hearing would not be required if the Board chooses to go with the rate as the budget has been prepared or if the NNR rate is proposed. By Board policy, a budget hearing would still be scheduled.

At the conclusion of the Budget Workshop, the Board reconvened and moved to New Business. The first item was Visioning/Future Directions. Trustees considered insurance policies and premiums. Jim Brundage, Insurance Agent joined the meeting and provided information concerning the premium proposed for the next year as well as a wind/hail 2% buydown option to mitigate the damages experienced and resultant claims over the last few years. Mr. Brundage detailed the number of carriers unwilling to offer an insurance package based on the history. After further discussion, Mr. Barr made the motion to approve the property and casual renewal as well as the wind/hail 2% buydown. Mr. Morgan seconded the motion. All Trustees present voted in favor of the motion.

Next, Trustees considered the preliminary budgets for 2021-2022 as currently prepared for the workshop utilizing the No-New-Revenue rate and final completion of the budget to include focus discussed in the meeting as well as decisions made relative to insurance being included for final budget adoption at the August 30<sup>th</sup> meeting. Mr. Zeichick made the motion to approve the budget as proposed. Mr. Barr seconded the motion. All Trustees present voted in favor of the motion.

Next, Trustees considered the proposed tax rate. Mr. Zeichick made the motion to propose a \$0.236777 tax rate for the 2021-2022 year. Mrs. Bennett seconded the motion. All Trustees present voted in favor of the motion. Since the tax rate proposed would not increase levy, a tax hearing would not have to be held. Trustees will hold a budget hearing, approve the budget, and adopt the final tax rate at the August 30<sup>th</sup> board meeting.

Next, Dr. Sparks shared that the *Open Howard College* plan is being updated considering suggested changes from the Coordinating Board and TEA.

The second item under New Business was Monitoring. Trustees passed on handbook and catalog changes.

Next, Trustees considered grant submissions to the San Angelo Health Foundation and the San Angelo Area Foundation. Mr. Zeichick made the motion to approve the grant submissions. Mr. Morgan seconded the motion. All Trustees present voted in favor of the motion.


Next, Trustees considered a faculty retirement resolution. Mrs. Bennett made the motion to approve the resolution. Mr. Zeichick seconded the motion. All Trustees present voted in favor of the motion.

Next, Dr. Sparks reviewed the Board calendar of significant events and recognized Travis Hunter, Director of the EMS program for the district on the excellent accreditation review.

Lastly, under legislative and general updates, Dr. Sparks shared updates on the special session in progress and the one being planned for the fall.

There being no other business, Trustees adjourned at 2:25 p.m.

  
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Dr. John Freeman, Chairman

  
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Adrian Calvio, Secretary  
By Julie Bailey, Recorder