

LAREDO COMMUNITY COLLEGE DISTRICT
Laredo, Texas

The meeting for the PUBLIC HEARING ON THE PROPOSED FISCAL YEAR 2017 BUDGET AND ON THE PROPOSED 2016 PROPERTY TAX RATE of the Laredo Community College Board of Trustees convened on Thursday, August 18, 2016 beginning at 6:24 p.m. in the Elpha Lee West Building room 105 at the Fort McIntosh Campus.

ROLL CALL

MEMBERS PRESENT

Mercurio Martinez Jr., President
Allen Tijerina, Vice President
Cynthia Mares, Secretary
Rene De La Viña
Jackie Leven-Ramos
Tita C. Vela

OTHERS

Ricardo J. Solis
Rusty Meurer, College Attorney
Nora Stewart
Patricia Barrera, Webb County
Tax Assessor-Collector

MEMBERS ABSENT

Leonides G. Cigarroa Jr.
Michelle De La Peña
Gilberto Martinez Jr.
Cin Bickel, Faculty Representative

CALL TO ORDER

**PUBLIC HEARING ON THE
PROPOSED FISCAL YEAR
2017 BUDGET AND 1ST
PUBLIC HEARING ON THE
PROPOSED 2016
PROPERTY TAX RATE –
MS. NORA STEWART,
DR. RICARDO J. SOLIS**

Judge Mercurio Martinez Jr., Board President, welcomed all present and called the hearing to order. Ms. Cynthia Mares, Board Secretary, called the roll. A quorum of the members was present.

Judge Martinez, Board President, introduced himself, indicated the Board is now convening today's First Public Hearing on the proposed 2016 Laredo Community College Property Tax Increase and the proposed FY 2017 Budget. He presided as Chair of the Hearing and provided the following background information:

- Laredo Community College published in the Laredo Morning Times on August 3, 2016, a Notice of the 2016 Effective Property Tax Rate for Laredo Community College.
- Afterwards, on August 11, 2016, the Laredo Community College Tax Assessor Collector published in the Laredo Morning Times a Notice of Public Hearing advising that the First Public Hearing on the proposed 2016 Property Tax increase would take place today in this room at 6:00 p.m.
- The following is information related to the proposed tax increase. The Laredo Community College 2016 effective property tax rate for maintenance and operations and debt service is \$0.318164 per \$100 valuation. The 2016 property tax rollback rate for maintenance and operations and debt service is \$0.343162 per \$100 valuation. If the Board of Trustees approves this tax rate increase, the proposed 2016 property tax rate for maintenance and operations and debt service would be \$0.343000 per \$100 valuation. This rate is less than the rollback tax rate but more than the effective tax rate.
- Our first public hearing today allows the proponents and opponents of the tax increase and budget to present their views to the Board of Trustees.
- Each proponent and opponent may now step up to the podium to express his or her views regarding the proposed tax increase and/or budget to the Board of Trustees, one at a time. The Board will allow each proponent and opponent up to three minutes of time to present his or her views. According to Board of Trustees policy CC (Local), no officer or employee from the College is required to respond to questions from speakers.

There being no comments or testimony, he announced the second public hearing on the proposed tax increase is scheduled to take place on August 25, 2016 at 6:00 p.m. at the Laredo Community College Campus, Elpha Lee West Building room 105, West

End Washington St., Laredo, TX. Judge Martinez concluded the Laredo Community College First Public Hearing on the 2016 proposed property tax increase and FY 2017 budget and entertained a motion to close the public hearing.

ADJOURN PUBLIC HEARING

At 6:30 p.m., Mr. Rene De La Viña, Board Member, moved to adjourn the public hearing. The motion was seconded by Board Member, Ms. Tita C. Vela; motion carried.

The special meeting of the Laredo Community College Board of Trustees convened at 6:31 p.m. immediately following the public hearing. Judge Martinez asked Ms. Mares to call the roll. A quorum of the Board was present.

ROLL CALL

MEMBERS PRESENT

Mercurio Martinez Jr., President
Allen Tijerina, Vice President
Cynthia Mares, Secretary
Rene De La Viña
Jackie Leven-Ramos
Tita C. Vela

OTHERS

Ricardo J. Solis
Rusty Meurer,
College Attorney
Nora Stewart
Patricia Barrera, Webb County
Tax Assessor-Collector

MEMBERS ABSENT

Leonides G. Cigarroa Jr.
Michelle De La Peña
Gilberto Martinez Jr.
Cin Bickel, Faculty Representative

DISCUSSION AND POSSIBLE ACTION

Judge Martinez reported the percentages as they currently appear contain a typographical error. A correction as noted in **bold** below will reflect the actual percentages presented, approved by the Board, and as adjusted effective September 1st:

CORRECTION TO MINUTES FOR SPECIAL BOARD MEETING OF NOVEMBER 12, 2015 - JUDGE MERCURIO MARTINEZ JR.

- Tenured Faculty – ~~7.5~~ **7.53%**,
- Non-Tenured Faculty – 5.08%,
- Classified staff - 5.23%,
- Professional/Technical/Administrative – ~~3.35~~ **3.25%**

He asked for a motion to acknowledge these corrections. Ms. Mares so moved; motion was seconded by Trustees Ms. Vela and Ms. Jackie Leven-Ramos; motion carried.

REVIEW PRESENTATION OF FY 2017 BUDGET - Ms. Nora Stewart, Chief Financial Officer, thanked the Budget Committee members for their contribution, presented the following proposed budget information and answered questions from the Board.

FY 2017 Planning Factors and Assumptions

Revenues

1. No Tuition or Fee increases.
2. State Appropriations – no change.
3. 4% decrease in traditional/academic semester credit hour generation and enrollment.
4. 33% growth in dual enrollment
5. Increase in Assessed Valuation of 5.16%.
6. Increase in frozen accounts in assessed valuation of 5%.
7. Collection rate is set at 97.5%

Expenditures

1. One step increase to eligible employees translating into \$451,453.
2. No new positions.
3. 3.5% increase in College paid health insurance premiums.

**Laredo Community College
General Operating Fund Budget
Fiscal Year 2017
Highlights**

Revenues

Prior Year Revenue Budget \$ 54,131,509

<u>Projected Revenue Changes:</u>	<u>From</u>	<u>To</u>	<u>Change</u>
State Appropriations	\$ 10,159,927	\$ 10,159,927	\$ -
Tuition	\$ 8,077,971	\$ 7,548,141	\$ (529,830)
Tuition Dual Enrollment	\$ 488,000	\$ 1,183,953	\$ 695,953
General Use Fees	\$ 7,633,997	\$ 6,770,208	\$ (863,789)
Other Student Fees	\$ 6,013,443	\$ 5,381,983	\$ (631,460)
Current Taxes (Maintenance & Operations)	\$ 27,760,533	\$ 30,487,565	\$ 2,727,032
Transfer - Plant Fund Oper./Bond Payment	\$ (5,132,080)	\$ (5,202,413)	\$ (70,333)
Taxpayer Refunds & Debt Notes	\$ (4,045,657)	\$ (3,559,494)	\$ 486,163
Prior Year Carry Over - Adj. of Salaries	\$ 1,601,375	\$ -	\$ (1,601,375)

Projected Revenue Budget	\$ 54,343,870
Projected Revenue Change:	\$ 212,361

Expenses

Prior Year Expense Budget \$ 54,131,509

<u>Estimated Expense Changes:</u>	<u>From</u>	<u>To</u>	<u>Change</u>
Salaries	\$ 34,039,427	* \$ 33,670,955	\$ (368,472)
Fringe Benefits	\$ 8,911,828	\$ 8,862,097	\$ (49,731)
Equipment includes Lease Purchase, Maintenance Agreements, Rentals, Repairs	\$ 2,590,877	\$ 2,460,803	\$ (130,074)
Contracted Services (Utilities, Advertising, Professional Services, Insurance, etc.)	\$ 6,331,337	\$ 6,756,040	\$ 424,703
Miscellaneous:			
Bad Debt Expense	\$ 175,000	\$ 150,000	\$ (25,000)
Unallocated	\$ 121,818	\$ 137,085	\$ 15,267
Travel & Professional Dev.	\$ 389,091	\$ 443,131	\$ 54,040
Student Expenses	\$ 676,414	\$ 715,542	\$ 39,128
Supplies	\$ 895,717	\$ 1,148,217	\$ 252,500

*Includes salary savings due to vacancies \$401,380

Projected Expense Budget	\$ 54,343,870
Projected Expense Change:	\$ 212,361

Board members expressed their views and concerns regarding the proposed tax and the budget preparation process. Discussion focused considering a lower tax rate. After an extensive deliberation, Ms. Mares moved to instruct administration and staff to go back to the drawing board, as has been stipulated, and provide the Board more options regarding the tax rate, possible cuts, consolidation of programs in order to make an informed decision. Ms. Leven-Ramos seconded the motion. Mr. De La Viña stated for the record, "We need to file a lawsuit against the State for cutting funds." The vote was taken; motion carried unanimously. Ms. Stewart inquired if the Board wants another presentation on the 25th. Judge Martinez indicated yes.

**BOARD
CONSIDERATION OF
THE AD HOC
COMMITTEE'S
RANKINGS OF THE
PROPOSALS RECEIVED**

Ms. Stewart presented the staff recommendations:

1. That the Board approve the Ad Hoc Committee's Rankings of the qualifications received for the selection of an External Auditor and Financial Services Advisor.
2. That the Board take action to select an External Auditor and Financial

**FOR THE SELECTION
OF AN EXTERNAL
AUDITOR AND
FINANCIAL SERVICES
ADVISOR, AND BOARD
ACTION TO SELECT AN
EXTERNAL AUDITOR
AND FINANCIAL
SERVICES ADVISOR –
MS. NORA STEWART,
DR. RICARDO J. SOLIS**

Services Advisor by directing administration to negotiate a contract with the most qualified Auditing and Financial Advisor.

She reported the committee met on August 9, 2016 and asked Judge Martinez how he wanted to proceed. College Attorney, Mr. Meurer, mentioned the ad hoc committee was tasked with evaluating, scoring and ranking the proposals received and the Board reserved the right to make the final selection. He recommended that the Board make a decision on each of the two items, receive a report about what transpired during the committee's meeting, and noted the proposals were before the Board in the event a Board Member had questions about what was discussed should be asked now. He mentioned that ultimately it would be the Board's decision and a well-informed discussion was appropriate. Ms. Stewart reported the committee consisted of the following members: Judge Martinez, Ms. Mares and Ms. Leven-Ramos and read the tallies as noted below for the Request for qualifications #16-0530 issued for the "Annual Financial Audit":

1. Canales, Garza & Baum, PLLC – 214.50
2. Garza/Gonzalez & Associates - 278
3. Martinez, Rosario & Company LLP - 241
4. Patillo, Brown & Hill LLP – 250.5
5. Whitley, Penn LLP - 237

Ms. Mares mentioned the evaluation and review was extensive and based on the criteria outlined on the request for qualifications. Ms. Mares moved to formally approve selection of Garza/Gonzalez & Associates as the firm to do LCC's external audit and authorize administration to pursue negotiations. The motion was seconded by Ms. Leven-Ramos; motion carried. Ms. Stewart announced the tallies as noted below for the two firms who responded to the Request for qualifications #16-0601 issued for "Financial Advisory Services":

1. Cullen/Frost Bankers, Inc. - 249
2. Estrada Hinojosa & Company, Inc. – 290

Ms. Mares mentioned the committee heard presentations and based the evaluations on the criteria on the request for qualifications, she moved that the Board accept and approve Estrada Hinojosa & Company, Inc. as the financial advisors for Laredo Community College and authorize administration to pursue negotiations. Ms. Leven-Ramos seconded the motion; motion carried.

**BOARD APPOINTMENT
OF A COMMITTEE TO
EVALUATE, SCORE,
AND RANK PROPOSALS
RECEIVED FOR THE
REQUEST FOR
PROPOSALS FOR THE
SELECTION OF A FIRM
FOR COPIER SERVICES
FOR LAREDO
COMMUNITY COLLEGE
FORT MCINTOSH
CAMPUS AND LAREDO
COMMUNITY COLLEGE
SOUTH CAMPUS –
MS. NORA STEWART,
DR. RICARDO J. SOLIS**

Ms. Stewart asked the Board to appoint a committee to evaluate, score, and rank the proposals received for the copier services. The following Board Members volunteered: Ms. Mares, Ms. Leven-Ramos, and Mr. Tijerina. Judge Martinez stated they were so appointed. Discussion followed for a proposed meeting date and Committee Members indicated Tuesday would be a good day. It was noted that next week several meetings were already set. Ms. Stewart mentioned, "So we'll do it the following week."

EXECUTIVE SESSION

At 7:25 p.m. Judge Martinez announced the Board would go into executive session for the item below:

CONSULTATION WITH LAREDO COMMUNITY COLLEGE ATTORNEY TO DISCUSS A PROPOSED ADDENDUM TO THE SEPARATION AGREEMENT BETWEEN THE COLLEGE AND THE FORMER COLLEGE PRESIDENT, PURSUANT TO TEXAS GOVERNMENT CODE SECTIONS 551.071 AND 551.074. – *JUDGE MERCURIO MARTINEZ JR.*

Mr. De La Viña so moved and Mr. Tijerina seconded the motion; motion carried.

DISCUSSION AND POSSIBLE ACTION

The Board reconvened to open session at 7:52 p.m. Judge Martinez noted for the record that no action took place in executive session.

ADDENDUM TO THE SEPARATION AGREEMENT BETWEEN THE COLLEGE AND THE FORMER COLLEGE PRESIDENT. – JUDGE MERCURIO MARTINEZ JR.

Ms. Leven-Ramos moved, “that the Laredo Community College amend this separation agreement with Dr. Juan L. Maldonado to reflect that the payment of the sum due be characterized as employer contribution. No additional sums of money are being paid other than the sums already due under the existing separation agreement.” The motion was seconded by Ms. Mares; motion carried unanimously.

NEXT MEETING DATES:

Judge Martinez acknowledged the next meeting dates as noted below:
6:00 p.m. in Elpha Lee West room 105
Wednesday, August 24, 2016 Program/Policy Committee Meeting
Thursday, August 25, 2016 2nd Public Hearing
Thursday, September 1, 2016 Regular Board Meeting

ADJOURNMENT

At 7:54 p.m., Ms. Leven-Ramos moved to adjourn the meeting and Ms. Mares seconded the motion; motion carried.

Judge Mercurio Martinez Jr., President Ms. Cynthia Mares, Secretary