

**San Jacinto College District Board Workshop
September 11, 2017
District Administration Building, Suite 201**

MINUTES

	Board Workshop Attendees:	Board Members: Erica Davis Rouse, Marie Flickinger, Dan Mims, John Moon, Jr., Dr. Ruede Wheeler, Larry Wilson Board Members Absent: Keith Sinor Chancellor: Brenda Hellyer Others: Chet Lewis, Mandi Reiland, Steve Trncak, Laurel Williamson
	Agenda Item:	Discussion/Information
I.	Call the Meeting to Order	Board Chair, Marie Flickinger called the workshop to order at 4:46 p.m.
II.	Roll Call of Board Members Absent:	Erica Davis Rouse (arrived during closed session), Marie Flickinger, Dan Mims, John Moon, Jr., Dr. Ruede Wheeler, Larry Wilson Keith Sinor
III.	Adjournment to closed or executive session pursuant to Texas Government Code Section 51.074 of the Texas Open Meetings Act, for the following purposes: Personnel Matters	Adjourned to closed session at 4:47 p.m. Brenda Hellyer was present for the closed session. a. Personnel Matters - For the purpose of considering the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear complaints or charges against a public officer or employee. - Validation of evaluation ratings for members of the Strategic Leadership Team - Other Personnel Matters
IV.	Reconvene in Open Meeting	Reconvened in open meeting at 6:06 p.m.
V.	Property Tax Discussion and Vote	Chet Lewis gave an overview of the Property Tax discussion presentation. Chet explained the basic terms

	<p>to Place a Proposal for the Adoption of an Ad Valorem Tax Rate at a Future Meeting</p>	<p>involved in property tax basics. The Property Tax Rate consists of the Maintenance and Operation (M&O) Rate and the Debt Tax Rate. The Effective Tax Rate is a calculation that essentially provides the same total revenue as the prior year on the same taxable valuations. The Rollback Rate is a combined rate of the Effective Tax Debt Rate and a M&O rate that is eight percent (8%) higher than the Effective Tax M&O Rate.</p> <p>Chet reviewed the current 2016 rate that supports the Fiscal Year (FY) 2016 budget is \$0.182379 per \$100 of valuation. The M&O rate is \$0.129194 per \$100 of valuation. The Debt Rate is \$0.053185 per \$100 of valuation. He also explained the property tax history for the last three years for San Jacinto College and the effect of the preparation and approval of the 2015 Bond Program on the tax rates. Brenda Hellyer explained that in preparation in 2014 for the 2015 Bond, she promised the community that we would not raise the tax rate more than three cents.</p> <p>Chet explained the effective tax and rollback tax rates which are as follows:</p> <p>Effective Tax Rate -</p> <ul style="list-style-type: none"> • The Effective Property Tax Rate consists of a Maintenance and Operation (M&O) Rate and the Debt Tax Rate. • The 2017 Effective Tax Rate is \$0.183335 per \$100 of valuation • The 2017 Effective M&O Tax Rate is \$0.128840 per \$100 of valuation • The 2017 Effective Debt Service Rate is \$0.054495 per \$100 of valuation <p>Rollback Tax Rate -</p> <ul style="list-style-type: none"> • The Rollback Property Tax Rate consists of a Maintenance and Operation (M&O) Rate and the Debt Tax Rate. • The 2017 Rollback Tax Rate is \$0.194756 per \$100 of valuation • The 2017 Rollback M&O Tax Rate is \$0.140261 per \$100 of valuation • The 2017 Rollback Debt Service Rate is \$0.054495 per \$100 of valuation
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	<p>Chet reviewed the taxable valuations for 2016 and 2017. The total taxable valuation was \$50.64 billion for 2016 and \$52.44 billion for 2017, which is a difference of \$1.80 billion, or 3.6 percent. Chet noted the portions that are protested as well as those that are not under protest.</p> <p>Dr. Wheeler asked what is anticipated due to Hurricane Harvey. Chet explained that it is too early to predict the effect on assessed values, but many properties were affected by the storm. He stated the impact depends if the house is repairable or destroyed. Those that are repairable will stay on our tax roll, and those that were destroyed will not. We will know more in the next few months and provide updates to the Board as needed.</p> <p>Dr. Wheeler asked if industry or businesses shut down, will effect San Jacinto College's property values. Chet answered that if the businesses and properties are still viable and working, they will stay on our tax roll.</p> <p>Larry Wilson asked what happens if repairs are not finalized by January 1st. Chet explained that the tax rates will shift based on residential areas that are under repair, and we will continue to closely monitor this.</p> <p>Chet reviewed the proposed property tax rate of \$0.183 and noted that the proposed rate for 2017 is very close to the tax rate for 2016. The Adjusted Debt Service Requirements and the 2017 Debt Tax Revenue are the same because the 2017 certified anticipated collection rate is 100.00%, as reported from the Harris County Tax Assessor-Collector's office. The Total Proposed Tax Rate is \$0.18335 which includes the 2017 Debt Tax Rate of \$0.054495 and the same M&O rate as last year of \$0.128840. The budgeted M&O tax revenue for FY 2017 is \$66,740,000. The FY 2017 M&O tax revenue is \$67,561,309 which is a difference of only \$821,309 from the budgeted amount.</p> <p>Chet explained that the proposed rate equals the effective tax rate so no action is necessary by the Board tonight, if the Board agrees to the proposed tax rate. On September 15th, the College will publish the effective and rollback tax rates, statement, and schedules. The members of the Board saw no issues, and it is anticipated that the Board will adopt the effective tax rate at the next regular meeting on October 2, 2017.</p>
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<p>VI.</p>	<p>Review Proposed 2008 Bond Contingency Purchases</p>	<p>Brenda explained that in April 2017, the Board reviewed possible uses for the remaining contingency from the 2008 Bond Program. When we went through the 2017-2018 budget process, there were several recommendations that were brought forward. These recommendations have been reviewed with the Finance Committee and are coming forward for the full Board to review so that we can continue to move the purchases forward. Chet explained that some of the purchases are in process and some will begin at a future date. Chet stated that each campus identified the need for funds for equipment for various programs. The majority of the remaining dollars of approximately \$3 million will be used for various equipment, software, switches related to information technology projects and required upgrades. Brenda said Chet is working on a budget model that includes recurring costs and schedule models for this type of equipment. Replacement in the future. It is not recommended to use bond dollars for these type of purchases because they have replacement needs of every four to six years.</p>
<p>VII.</p>	<p>Review Disaster Recovery Actions</p>	<p>Brenda reviewed the current enrollment. Enrollment is up 3.9 percent or approximately 1200 students from last year. Unduplicated students totals 31,589. During the recovery efforts we have been focusing heavily on maintaining enrollment, and with classes underway we will be focused on student success through retaining students and completion.</p> <p>Larry Wilson asked why technical enrollment at central campus is down so much. Brenda explained that we are not taking additional enrollment in the aeronautical program and the fire protection cohort runs on the funding years so there is no new enrollment currently. Nondestructive testing and electrical enrollments are down because we were unable to get faculty member for both programs. Nursing had been down slightly but is coming back. Brenda and Laurel reviewed several programs that alternate cohort start dates which cause enrollment to go up one year for one campus and down for another (i.e. cosmetology).</p> <p>Brenda explained that the dual credit and early college high school enrollment is up significantly causing the majority of the enrollment growth for this year. . We built this growth into our revenue models, and as previously discussed,</p>

		<p>Chet's focus this year is on reviewing the models for dual credit and early college high schools.</p> <p>Dr. Wheeler asked if North Campus focuses heaviest on technical. Brenda said it used to be Central that had the heaviest focus but now more it has shifted to North Campus. Laurel also clarified that a technical degree program also includes core academic courses so there are impacts in both areas with enrollment changes.</p> <p>Chet reviewed the facilities damage and stated the insurance claims have been made. Overall, the College had minimal or minor damage. The majority of the risk was at the North campus due to rising water approaching the main tie to CenterPoint. A decision was made to shut down electricity at this campus. This caused additional days to remove water and get the campus back up and running.</p> <p>He explained he estimated total cost for all damage is approximately \$1 million. The majority of this will be covered by insurance claims (if deductibles are met) and the remaining portion should be eligible for FEMA coverage.</p> <p>Brenda reviewed other disaster recovery items which are as follows:</p> <ul style="list-style-type: none">• Waived childcare fees during closure.• Employees received closure pay from the time we closed the Friday before the storm through the following week. This was in compliance with the College policy on closures. She stated that the administration recommends making revisions to the policies to make things clearer and easier in these situations.• Over the closure period, there were employees that were needed on campus to work on repairs, security, payroll, etc. These employees were compensated in addition to the closure pay.• Upon reopening, employees who were affected by the storm were approved to use up to 60 hours of sick pay for repairs on houses and 24 hours of the sick leave could be used for childcare needs while the school districts were still closed.
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VIII.	Review of Calendar	<p>Brenda Hellyer reviewed the calendar with the Board. The group discussed the upcoming ACCT Leadership Congress travel itinerary and voting delegates. It was determined that Marie Flickinger and Larry Wilson would be voting delegates.</p> <p>Brenda reminded the group that flu shots will be available prior to the workshop on October 2, 2017.</p> <p>Brenda explained that due to the hurricane relief efforts, the golf tournament may be postponed.</p>
IX.	General Discussion of Meeting Items	<p>Brenda asked if any of the member had questions regarding the Board book. There were no questions.</p>
X.	Adjournment	<p>Workshop adjourned at 6:59 p.m.</p>