

**SPECIAL MEETING
OF THE BOARD OF TRUSTEES
HOUSTON COMMUNITY COLLEGE**

September 10, 2015

Minutes

The Board of Trustees of Houston Community College held a Special Meeting on Thursday, September 10, 2015 at the HCC Administration Building, Second Floor, Seminar Room B, 3100 Main, Houston, Texas.

MEMBERS PRESENT

Zeph Capo, *Chair*

Robert Glaser, *Vice Chair*

Carolyn Evans-Shabazz

Eva Loreda

Sandie Mullins

Neeta Sane

David Wilson

ADMINISTRATION

Cesar Maldonado, Chancellor

Shantay Grays, Chief of Staff

Ashley Smith, Acting General Counsel

Kimberly Beatty, Vice Chancellor, Instructional Services, Chief Academic Officer

William Carter, Vice Chancellor, Information Technology

Butch Herod, Vice Chancellor, Innovation, Planning and Institutional Analytics

Irene Porcarello, Interim Vice Chancellor, Student Services

Teri Zamora, Senior Vice Chancellor, Finance and Administration

Margaret Ford Fisher, President, Northeast College

William Harmon, President, Central College

Fena Garza, President, Southwest College

Zachary Hodges, President, Northwest College

Phillip Nicotera, President, Coleman College

Rudy Soliz, Interim President, Southeast College

Janet May, Chief Human Resources Officer

OTHERS PRESENT

Jarvis Hollingsworth, Board Counsel, Bracewell & Giuliani

David White, President, Faculty Senate

Lillie Aranda, President, COPA

Other administrators, citizens and representatives from the news media

CALL TO ORDER

Mr. Zeph Capo, Chair, called the meeting to order at 3:38 p.m. and declared the Board convened to consider matters pertaining to Houston Community College as listed on the duly posted Meeting Notice.

(The following Trustees were present: Capo, Evans-Shabazz, Glaser, Loredo, Sane, and Wilson).

EFFECTIVE, ROLLBACK AND DEBT SERVICE TAX RATES CALCULATIONS

Motion – Mrs. Sane moved and Ms. Loredo seconded.

Dr. Cesar Maldonado noted the recommendation for the 2015 tax rate is .103366 which is lower than last year's adopted rate. He informed that the recommendation for the Maintenance & Operations (M&O) tax rate is to leave at current rate and to reduce the debt service tax rate by .003524. Dr. Maldonado apprised that difference in tax generated revenue by leaving the M&O rate the same is approximately \$2,560,000.00 which would be used for debt service.

Mrs. Teri Zamora noted the effective rate of .99595 which has been calculated through the Truth and Taxation methods and will provide the same amount of tax revenues as last year.

Mrs. Zamora informed that the proposed rollback rate will provide an eight percent increase over last year's revenues. She apprised that the college must stay below that rate or other provisions kick in allowing the taxpayers to begin rollback procedures.

Mrs. Zamora provided alternative options for ad valorem tax rates. She noted that the estimation to generate \$138,560,000 in M&O tax is if the rate remains the same, which is the recommendation from administration. She informed that the second option is to reduce the rate to collect the \$136 million as that was assumed in the approved budget.

Mr. Glaser referred to the original budget for FY 2015 and noted that the year-end projection for ad valorem tax collections was \$21 million higher than estimated due to increased valuations. He recommended reducing the M&O rate to align with approved budget.

Ms. Loredo inquired of other options to utilize the additional \$2 million other than reducing the debt. Mrs. Zamora informed that it could be allocated as the Board desires.

(Ms. Mullins joined the meeting at 3:47 p.m.)

Mrs. Sane requested administration make a recommendation of the best use for the extra \$2.5 million. Dr. Maldonado informed administration would bring an amended budget to include the recommended allocation for approval.

Mr. Capo inquired if a budget amendment is necessary. Mrs. Zamora apprised that the amended budget needs to be submitted by December 1, 2015.

Mr. Capo confirmed that the difference between option one and two is two tenths of a penny, which is approximately \$3.00 on a home valued at \$200,000.

Ms. Mullins noted that the big picture should be viewed, keeping the rate the same and reducing the debt is great; however, keeping the rate the same continues to bring in more funds. She informed that she is taking into consideration the significant increase in tax valuations and noted that homeowners and taxpayers will carry the burden.

Mr. Wilson informed he is concerned that the budget is approved before the tax rate. He apprised that the institution needs to be fiscally responsible. Mr. Wilson apprised that he believes the best use of the \$2.5 million is to give it back to the taxpayers and present to the public and the bond rating agencies that the Board is fiscally responsible.

Mr. Capo noted that he understands the position to lower the tax rate. He inquired if the better option is to lower the tax rate or pay down debt. Mrs. Zamora informed that paying down debt reduces operating cost for the future.

Dr. Evans-Shabazz apprised that in her district that there is a lot of distressed property, low income and elderly and noted that she is in favor of providing relief to taxpayers. Mrs. Zamora informed that anyone over 65 or is disabled with a property value of \$120,000 or lower is exempt from paying taxes.

Mrs. Sane requested clarification for the recommendation from administration. Dr. Maldonado apprised that the recommendation is fiscally responsible and does not increase operational expenses. He noted that the recommendation provides the opportunity to focus on debt reduction as previously requested by the Board.

Motion to amend – Ms. Mullins motioned to amend to lower the M&O rate (alternative 2) and Mr. Glaser seconded. The amended motion passed with a vote 5-2 with Trustees Capo and Sane opposing.

Vote – The motion passed with a vote of 5-2 with Capo and Sane opposing

ADJOURNED TO CLOSED SESSION

Mr. Capo adjourned the meeting to Executive Session at 4:06 p.m. notice having previously been given and reiterated in accordance with Sections 551.071, 551.072, and/or 551.074 of the Open Meetings Law. Mr. Capo stated that any final action, vote or decision on any item discussed in Executive Session would be taken up in Open Session or in a subsequent Public Meeting.

Mr. Glaser reconvened the meeting in Open Session at 5:04 p.m. and entertained any motions on pending matters.

(The following Trustees were present: Evans-Shabazz, Glaser, Mullins, Sane and Wilson)

ADJOURNMENT

With no further business coming before the Board, the meeting adjourned at 5:04 p.m.

Minutes recorded, transcribed & submitted by:

Melinda Davila, Executive Secretary, Board Services

Minutes Approved as Submitted: _____