

WESTERN COMMUNITY COLLEGE AREA

BOARD OF GOVERNORS

PROPOSED AGENDA

PUBLIC HEARINGS ON BUDGETS

September 15, 2010

A. Call to Order, Ms. Wisniewski

1:00 P.M. - PUBLIC HEARINGS

B. Roll Call

Boardroom
Western Nebraska Community College
Scottsbluff Campus
1601 East 27th Street
Scottsbluff, NE

C. Introduction of Visitors

D. Approval of Agenda

E. Excuse Absent Board Member(s)

F. Public Hearings on Budgets

1) Public Hearing on Proposed 2010 - 2011 Budgets, Pursuant to Sections 13-501 to 13-517, R.R.S., 1943, and Section 85-1517, R.R.S. Supp. 2007, for the purpose of hearing support, opposition, criticism, suggestions or observations of taxpayers relating to the following budgets and consider amendments relative thereto.

a. Open Public Hearing

b. Presentation of Proposed 2010 - 2011 Budgets

- 1) General Fund
- 2) Capital Improvement and Bond Fund
- 3) American Disabilities Act/Hazardous Materials Budget
- 4) Designated Funds
- 5) Restricted Fund
- 6) Agency Fund

c. Public Comments

d. Close Public Hearings

e. Adoption of 2010 - 2011 Budgets

- 1) General Fund - \$23,477,367.00
- 2) Capital Improvement and Bond Fund - \$4,925,015.00

F. Public Hearings on Budgets – Cont

e. Adoption of 2010 - 2011 Budgets – Cont

- 3) American Disabilities Act/Hazardous Materials Budget - \$3,350.00
- 4) Designated Fund - \$4,665,627.00
- 5) Restricted Fund - \$7,732,918.00
- 6) Agency Fund - \$380,000.00

2) Public Hearing Pursuant to Section 77-1601.02, for the purpose of hearing support, opposition, criticism, suggestions or observations of taxpayers relating to setting the tax request at a different amount than the prior year tax request.

a. Open Public Hearing

b. Presentation of 2009 - 2010 Property Tax Request – \$8,087,084.14

c. Presentation of 2009 Tax Rate - \$0.104854

d. Property Tax Rate (2009 Request/2010 Valuation) – \$0.097819

e. Presentation of 2010 – 2011 Property Tax Request – \$8,401,501.94

f. Presentation of 2010 Tax Rate - \$0.101622

g. Public Comments

h. Close Public Hearing

i. Adoption of Final 2010 – 2011 Property Tax Request and Rate

1) General Fund - \$7,012,479.99 - \$0.084821

2) Capital Improvement and Bond Fund - \$1,389,021.95 - \$0.016801

G. Next Regular Meeting: Wednesday, September 15, 2010, immediately following the Public Hearings on the Proposed 2010 - 2011 WCCA Budgets (approximately 1:30 p.m.), Boardroom, Western Nebraska Community College, Scottsbluff Campus, 1601 East 27th Street, Scottsbluff, NE.

H. Adjournment

PUBLIC HEARINGS
PROPOSED BUDGETS
BOARD OF GOVERNORS
WESTERN COMMUNITY COLLEGE AREA

TIME AND PLACE
ROLL CALL
NOTICE OF MEETING

Public Hearings for the proposed 2010-2011 Western Community College Area Budgets were held at 1:00 p.m., on Wednesday, September 15, 2010, in the Boardroom, Western Nebraska Community College, Scottsbluff Campus, located at 1601 East 27th Street, in the City of Scottsbluff, in the County of Scotts Bluff, in the State of Nebraska, as per the Notice of Budget Hearings and Budget Summary and Notice of Special Budget Hearings published in the Star-Herald, on Thursday, September 9, 2010, and Saturday, September 11, 2010, with the following members present: Jacqueline M. Cervantes-Guzman, Timothy H. Daniels, Merlyn L. Gramberg, L. Paul Leseberg, Dennis W. Miller, Jr., Jack L. Nelson, Jecca R. Ostrander, M. Thomas Perkins, Darrell E. Roberts, Richard G. Stickney, Jane Wisniewski, Chairperson. Absent: None. Student Representatives present: None. Faculty Representatives present: Guy Wylie, Scottsbluff Campus; Von Schlaman, Sidney Campus. College staff present: Todd R. Holcomb, William D. Knapper, Coral E. Richards, David E. Groshans, Terry B. Gaalswyk, Kathryn J. Shirley, Paul G. Jacobsen, Dayle L. Wallien, Judith L. Amoo, Garry R. Alkire, Roger S. Hovey, John D. Corum. College Attorney present: Richard A. Douglas. A current agenda was available in the College President's office and the Board Secretary's Office on the Scottsbluff Campus at the time of the publicized notice.

QUORUM

Ms. Wisniewski declared a quorum was present for the transaction of business.

Ms. Wisniewski announced that for public information, there is a copy of the Nebraska Open Meetings Act available on the table at the back of the room.

VISITORS

Visitors were: Becky McMillen, Maunette Loeks, Scottsbluff; Casey Hendersen, Hyannis

APPROVAL OF AGENDA

Mr. Stickney moved the agenda be approved as presented. Seconded by Dr. Perkins. The vote was, Yes: Cervantes-Guzman, Daniels, Gramberg, Leseberg, Miller, Nelson, Ostrander, Perkins, Roberts, Stickney, Wisniewski. No: None. Motion carried.

EXCUSE ABSENT BOARD MEMBERS

All Board members were present.

PUBLIC HEARINGS ON BUDGETS
Presentation of Proposed WCCA 2010 Budgets

Pursuant to Section 13-501 to 13-517, R.R.S. 1943, and Section 85-1517, Supp. 2007, Ms. Wisniewski declared the Public Hearing for the purpose of hearing support, opposition, criticism, suggestions or observations of taxpayers relating to the following budgets and consider amendments relative thereto open at 1:02 p.m.

Mr. Knapper reviewed the processes used in the preparation of the 2010-2011 WCCA Budgets which began early in 2010. He reported the preparation was significantly influenced by funding from the State of Nebraska, and concern regarding property tax increases. He reported expenditure budgeting reflected the realities of reduced revenue projections. Mr. Knapper reported the resolution adopted by the Board of Governors provided the administration with guidance concerning the budget development. Mr. Knapper reported the College has a budgeting process that involves many within the institution and hopefully a process that also keeps the organization informed about the budget.

Presentation of Proposed 2010 – 2011 WCCA General Fund Budget

Mr. Knapper presented the proposed 2010-2010 General Fund Budget in the amount of \$22,942,976. Mr. Knapper reported the total General Fund Budget request is \$23,477,367 which includes \$534,391 for tuition remissions. He reported the proposed budget reflects a 0.16 percent increase over the previous year.

Mr. Knapper reported the 2010 – 2011 General Fund Budget is primarily funded from state-aid in the amount of \$11,715,515, ad valorem property tax in the amount of \$6,808,233, tuition and fees in the amount of \$3,375,276. Other revenue sources includes: Business and Industry Training - \$1,231,557; Interest Income - \$60,000; Miscellaneous - \$201,400; and Transfers \$85,386. Mr. Knapper reported overall General Fund Revenue was projected at a net decrease of \$339,779 which is 1.46 percent less than the prior year.

Mr. Knapper reported as a result of revenue shortfalls occurring at the state level, there is a decrease in state aid. He reported further impacting the decrease from State aid was an accord reached regarding a dispute between the six Nebraska Community Colleges. He reported the Western Area will pay Metropolitan Community College

PUBLIC HEARINGS ON
BUDGETS
Presentation of Proposed
2010 – 2011 WCCA
General Fund Budget
Cont

\$194,465 in Fiscal Year 2010 as a part of the Nebraska City Accord. Mr. Knapper reported this payment will be treated within the accounting records as a decrease in state aid. The net change in state aid for Fiscal year 2010 is a decrease of \$304,570. Mr. Knapper commented the total settlement due to Metropolitan Community College was \$1.8 million. The Western Area share of the settlement is \$269,465. A payment of nearly \$75,000 made in Fiscal Year 2009-2010.

Mr. Knapper reported that the Board and College administration out of concern for property taxpayers, developed budget models holding property tax to a four percent increase. He reported further the level of funding from property tax to the General Fund in order was also decreased to return funding to the Capital Improvement Fund. He reported the Capital Improvement Fund received no property tax revenue in Fiscal Year 2009 – 2010 except that which was necessary to service debt obligations. The property tax in Fiscal Year 2009-2010 had been directed to the General Fund budget. The decrease in property tax revenue for the General Fund in Fiscal Year 2010 – 2011 is \$460,576.

Mr. Knapper reported revenue from tuition is budgeted to increase by \$494,601 due to increased enrollment and increases in the tuition and fee rates. He reported tuition increased by \$2.00 per credit hour and fees increased by \$2.00 per credit hour. For budgeting purposes, enrollment was projected to increase at 3.75 percent.

Mr. Knapper reported the expenditures reflect a decrease in personnel costs of 1.48 percent or \$210,352. Key points in the resolution which the Board of Governors' adopted in April 2010 were a salary/wage freeze, and restructuring of staffing. He reported overall College staffing was reduced by a net of 9.9 positions. Mr. Knapper reported full-time equivalent positions that were reduced totaled 14.2. He reported 3.0 full-time equivalent faculty positions were returned to reflect faculty needed due to increased enrollment. He reported further 1.3 full-time equivalent administrative positions were added to reflect reorganizations of staffing for better efficiency after reduction were made in several areas across the institution.

Mr. Knapper reported College staff members with budget responsibilities were asked to make reductions of six percent in operational budgets in response to the revenue challenges in developing the 2010-2011 budget.

PUBLIC HEARINGS ON
BUDGETS
Presentation of Proposed
2010 – 2011 WCCA
General Fund Budget
Cont

Mr. Knapper reported the General Fund is the heart of the institution's operations. As preparation of the 2010-2011 budget had challenges, the College staff worked to develop a financial plan for the year. The current financial plan includes an appropriation for contingencies that appear to be looming as the State continues to experience revenue shortfalls. Challenges for the College include managing an increasing enrollment, and dealing with an aging facility and infrastructure as well as ADA needs.

Mr. Knapper reported even as the College faces challenges, there are positive developments. Enrollment increased 5.07 percent in the prior academic year, and the Fall Semester enrollment is showing growth of a similar magnitude. Several staff members have responded to Dr. Holcomb's leadership to work on a retention initiative program. The College is working to develop a Strategic Plan for the institution as well as plans within several key areas.

Mr. Knapper recognized and thanked Dr. Ely for her early and committed response to the financial challenges facing the institution, Mr. Groshans for his assistance in budgeting for personnel costs, and Dr. Holcomb for his assistance on enrollment management/forecasting. Mr. Knapper also particularly thanked Dr. Holcomb for the smooth transition that has occurred in the middle of the budgeting process.

Presentation of Proposed
2010 – 2011 WCCA
Capital Improvement
and Bond Fund

Mr. Knapper presented the 2010 – 2011 Capital Improvement and Bond Fund Budget in the amount of \$4,925,015. He reported this fund will benefit from the return of property tax levy from the General Fund. This levy return will provide \$768,000 in revenue dedicated to the College's facility needs. He reported there is projected revenue from a grant in the amount of \$300,000 from the State of Nebraska to apply toward implementing energy conservation. Mr. Knapper reported projects included in the budget include remodeling the Science Lab on the Scottsbluff Campus, and the conclusion of the primary phases of the external main campus front entrance renovations. Mr. Knapper commented the facility needs of the College are a continuing challenge. The Scottsbluff Campus Main Building and Pioneer Residence Hall are 40 years old and have not had a major upgrade of the electrical, plumbing, and heating/ventilation/air conditioning as well as window systems and other infrastructure. He reported a facility assessment review is planned to provide a blueprint to address the needs of aging facilities. He reported the proposed Capital Improvement and Bond Fund Budget

PUBLIC HEARINGS ON
BUDGETS
Presentation of Proposed
2010 – 2011 WCCA
General Fund Budget
Cont

includes a contingency account which will be used to begin addressing the financial requirements of responding to those needs. The property tax request to fund this budget \$1,389,021.95. He reported \$791,040 will be used for Capital projects which will require a levy of \$0.009568. He reported further \$597,981.95 is needed for debt service which will require a levy of \$0.007233.

Presentation of Proposed
2010 - 2011 WCCA
American Disabilities Act/
Hazardous Materials
Budget

Mr. Knapper presented the American Disabilities Act/Hazardous Materials Budget in the amount of \$3,350.00. He reported this budget will be used to comply with ADA Accessibility requirements to complete Phase I and Phase II of the Scottsbluff Campus Main Entrance. He reported this budget is funded from a Cash Forward balance, and a small amount that will be collected from past due ad valorem property tax receipts. He reported the College has, pursuant to Section 85-117-02(b), the authority to levy a tax on each one hundred dollars on the taxable valuation on all property within the community college area; however, there is no ad valorem property tax request to fund the 2010 – 2011 budget.

Mr. Knapper reviewed the Western Area Property Tax Levy History for period of Fiscal year 1992 – 1993 through the current year. The highest levy request of .127600 occurred in 1993-1994. In 2002 – 2003, the only year when the formula was fully funded, the levy was .077270.

Mr. Knapper reviewed the supporting schedules which show the College budget is within the legal limits of Restricted Funds Authority and also levy limit authority. Mr. Knapper pointed out the College has a Levy limit of 10.25 cents for the General Fund, and 1 cent for the Capital Improvement Fund. He reported the one cent levy may be exceeded by the amount necessary to retire debt. Mr. Knapper reported the total 2010-2011 Levy request is \$0.101622 cents on each one hundred dollars on the taxable valuation of all property within the community college area. This is a reduction of .3232 cents from the prior year's levy.

Presentation of Proposed
2010 – 2011 WCCA
Designated, Restricted,
And Agency Fund
Budgets

Mr. Knapper reported the College also has additional funds which are supported by non-tax dollars. The Board of Governors approves the claims for the Designated Fund Restricted Fund and Agency Fund each month. These funds are self-supporting.

Presentation of Proposed
2010 – 2011 WCCA
Designated, Restricted,
And Agency Fund
Budgets

Mr. Knapper reported the Designated Fund Budget is comprised of monies which are internally restricted for a specific purpose such as student housing, food service and the bookstore. Mr. Knapper requested spending authority in the amount of \$4,665,627.

Mr. Knapper reported the Restricted Fund Budget is comprised of monies which are externally restricted for a specific purpose such as state and Federal Funds. He requested spending authority in the amount of \$7,732,918.

The Agency Fund Budget is comprised of monies which the College holds in a fiduciary capacity for others, primarily student organizations. Mr. Knapper requested authority to act in a fiduciary capacity for the Agency Fund Budget in the amount of \$380,000.

Public Comments

Ms. Wisniewski asked for comments from the Board members concerning the proposed 2010 - 2011 Western Community College Area Budgets. There were none.

Ms. Wisniewski acknowledged receipt of letters from Ms. Mickie Hebbert, of Hyannis, and Mr. Al Davis, of Hyannis. Both individuals expressed concern over increases in the valuation of rangeland in Grant County which will result in large increases in their property tax. They requested the Board study the budget thoroughly, and to hold the 2010 – 2011 Property Tax request at the prior year level. (A copy of their letters is attached in the official minute book.)

Ms. Casey Hendersen, of Hyannis, addressed the Board. She is a fifth generation rancher, and a single mother. She has seen the valuation of her property increase from \$183 to \$235. She remarked that compared to others in Grant County, she has a small operation which she is hopeful can be passed on to her daughter. She reported her operation, as well as others in Grant and Cherry County, will be unable to sustain their operations if tax property tax requirements continue to increase beyond the operations ability to produce. She appealed to the Board to take into consideration the concerns of the constituents and not increase the 2011 property tax request.

Ms. Wisniewski thanked Ms. Hendersen and those individuals who sent letters to the Board. Ms. Wisniewski assured them the issue of increased property tax is one the Board has discussed on several occasions and takes very seriously as the budget is prepared.

PUBLIC HEARINGS ON
BUDGETS
Close Public Hearing

Ms. Wisniewski declared the Public Hearing for the purpose of hearing support, opposition, criticism, suggestions or observations of taxpayers relating to the 2010 – 2011 Western Community College Area Budgets closed at 1:43p.m.

Adoption of 2010 - 2011
WCCA General Fund
Budget

Mr. Miller moved the Board adopt the 2010 - 2011 Western Community College Area General Fund Budget in the amount of \$23,477,367 which will require funding from ad valorem property tax in the amount of \$7,012,479.99 generating net ad valorem property tax receipts of \$6,808,233 He further moved pursuant to Section 85-1517(1) set the property tax levy for the 2010 - 2011 General Fund Budget at \$0.084821 on each one hundred dollars on the taxable valuation of property subject to the levy within the Western community College Area. Seconded by Mr. Daniels. The vote was, Yes: Daniels, Gramberg, Leseberg, Miller, Nelson, Ostrander, Perkins, Roberts, Stickney, Cervantes-Guzman, Wisniewski. No: None. Absent: None. Motion carried.

Adoption of 2010 - 2011
WCCA Capital
Improvement and
Bond Fund

Mr. Gramberg moved the Board adopt the 2010 - 2011 Western Community College Area Capital Improvement and Bond Fund Budget in the amount of \$4,925,015 which will required funding from ad valorem property tax in the amount of \$1,389,021.95 generating net property tax receipts of \$1,348,565. He further moved, pursuant to Section 85-1517 and Section 13-520 the Board set the property tax levy for the 2010 - 2011 Capital Improvement and Bond Fund at \$0.016801 on each one hundred dollars on the taxable valuation of all property subject to the levy within the Western Community College Area. Seconded by Mr. Leseberg. The vote was, Yes: Gramberg, Leseberg, Miller, Nelson, Ostrander, Perkins, Roberts, Stickney, Cervantes-Guzman, Daniels, Wisniewski. No: None. Absent: None. Motion carried.

Adoption of 2010 - 2011
WCCA American
Disabilities Act and
Hazardous Materials
Budget

Dr. Stickney moved the Board adopt the 2010 - 2011 Western Community College Area American Disabilities Act and Hazardous Materials Budget in the amount of \$3,350 which will not require funding from the ad valorem property tax. He further moved the Board approve spending authority in the amount of \$3,350. Seconded by Dr. Perkins. The vote was, Yes: Leseberg, Miller, Nelson, Ostrander, Perkins, Roberts, Stickney, Cervantes-Guzman, Daniels, Gramberg, Wisniewski. No: None. Absent: None. Motion carried.

PUBLIC HEARINGS ON BUDGETS
 Spending Authority
 2010 - 2011 WCCA
 Designated Fund
 Budget

Mr. Daniels moved the Board authorize spending authority in the amount of \$4,665,627 for the 2010 - 2011 Western Community College Area Designated Fund Budget. Seconded by Ms. Cervantes-Guzman. The vote was, Yes: Miller, Nelson, Ostrander, Perkins, Roberts, Stickney, Cervantes-Guzman, Daniels, Gramberg, Leseberg, Wisniewski. No: None. Absent: None. Motion carried.

Spending Authority
 2010 - 2011 WCCA
 Restricted Fund
 Budget

Mr. Nelson moved the Board authorize spending authority in the amount of \$7,732,918 for the 2010 - 2011 Western Community College Area Restricted Fund Budget. Seconded by Mr. Roberts. The vote was, Yes: Nelson, Ostrander, Perkins, Stickney, Cervantes-Guzman, Daniels, Gramberg, Leseberg, Miller, Wisniewski. No: None. Absent: None. Motion carried.

Fiduciary Authority
 2010 - 2011 Agency
 Funds

Dr. Gramberg moved the Board authorize the College to act in a fiduciary capacity for the Agency Funds that the College holds for others in the amount of \$380,000 for the 2010 - 2011 Fiscal Year. Seconded by Daniels. The vote was, Yes: Ostrander, Perkins, Roberts, Stickney, Cervantes-Guzman, Daniels, Gramberg, Leseberg, Miller, Nelson, Wisniewski. No: None. Absent: None. Motion carried.

PUBLIC HEARING FOR
 SETTING A TAX REQUEST
 DIFFERENT THAN THE
 PRIOR YEAR

Pursuant to Section 77-1601.02, Ms. Wisniewski declared the Public Hearing for the purpose of hearing support, opposition, criticism, suggestions or observations of taxpayers relating to setting the tax request at a different amount than the prior year tax request open at 1:48 p.m.

PUBLIC HEARING FOR
 SETTING A TAX REQUEST
 DIFFERENT THAN THE
 PRIOR YEAR

Mr. Knapper presented the 2009 - 2010 Tax Requests and Property Tax Rates for the Western Community College Area Budgets as follows:

Presentation of
 2009 - 2010 Property
 Tax Request and Tax Rate

<u>Budget</u>	<u>Tax Request</u>	<u>Tax Rate</u>
General Fund	\$7,486,873	\$0.097072
Capital Improvement and Bond Fund	\$600,211	\$0.007782
Total	\$8,087,084	\$0.104854

The 2010 Assessed Valuation for the Western Community College Area is \$8,267,389,105 as certified by the County Assessor's on August 20, 2010. The valuation of property within the Western Community College Area increased by 7.19 percent above the previous year. He reported the assessed valuation in four counties certified double digit

