

**WESTERN COMMUNITY COLLEGE AREA
BOARD OF GOVERNORS
PUBLIC HEARINGS / ADOPTION
PROPOSED BUDGETS**

MINUTES

Wednesday, September 11, 2019
1:05 p.m.

The Western Community College Area Board of Governors held a meeting for the purpose of Public Hearings and Adoption of the Proposed 2019-2020 Western Community College Area Budgets at 1:05 p.m. on Wednesday, September 11, 2019, in the Twin City Café, SWBC Building, located at 2617 College Park, in the City of Scottsbluff, in the County of Scotts Bluff, in the State of Nebraska, as per the Notice of Budget Hearing and Budget Summary and Notice of Special Hearing to Set Final Tax Request published in the Star-Herald, on Thursday, September 5, 2019.

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.

AREA BOARD

Karen S. Anderson.....	Present
Merlyn L. Gramberg.....	Absent
Linda A. Guzman-Gonzales	Present
F. Lynne Klemke, Chairperson.....	Present
Allan D. Kreman.....	Present
Kimberly A. Marcy.....	Present
William M. Packard.....	Present
M. Thomas Perkins.....	Present
Coral E. Richards.....	Present
R. J. Savely, Jr	Present
Richard G. Stickney, Vice-Chairperson	Present

OTHERS PRESENT

Kathy A. Ault, Human Resources Executive Director
John N. Harms, Interim President
Brian Croft, Faculty Representative
Philip M. Kelly, College Attorney
William D. Knapper, Administrative Services Vice President and Board Treasurer
Nina K. Grant, Vice President of Student Services
Lynne Koski, Vice President of Finance
John T. Marrin, Interim Executive Vice President
Susan L. Verbeck, Executive Administrative Assistant to the President and Board Secretary

QUORUM

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

BOARD CHAIRPERSON COMMENTS

Ms. Klemke asked for a few moments of silence in recognition of 9-11 to honor of all those who lost their lives and those who still continue to lose their lives as a result of being first responders on that day. This is now called National Patriot Day, and, on this day, people are asked to volunteer in many arenas, so she thanked all serving on the Board for volunteering their time and effort to serve all of the communities in the Panhandle.

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

APPROVAL OF AGENDA

Ms. Guzman-Gonzales MOVED the agenda be approved as presented. SECONDED by Ms. Anderson.

Voting Yes: Anderson, Guzman-Gonzales, Kreman, Marcy, Packard, Perkins, Richards, Savely, Stickney, Klemke

Voting No: None

Abstain: None

Absent: Gramberg

MOTION CARRIED

EXCUSE ABSENT BOARD MEMBER(S)

Ms. Klemke reported Dr. Gramberg notified the Secretary that he would be unable to attend the meeting today because of Personal Business.

Mr. Stickney MOVED Dr. Gramberg be excused from the meeting. SECONDED by Mr. Savely.

Voting Yes: Guzman-Gonzales, Kreman, Marcy, Packard, Perkins, Richards, Savely, Anderson, Stickney, Klemke

Voting No: None

Abstain: None

Absent: Gramberg

MOTION CARRIED

PUBLIC HEARINGS / ADOPTION OF 2019-2020 WCCA BUDGETS

Pursuant to Section 13-501 to 13-513, R.R.S. and Section 85-1517, R.R.S., Ms. Klemke 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 1:08 p.m.

Presentation of Proposed 2019-2020 Budgets

Ms. Klemke asked Mr. Knapper to present the Proposed 2019-2020 Budgets.

Mr. Knapper remarked that over the past four months the Board has held Informal meetings for the purpose of budget work sessions. During those meetings the budgets were presented and considered in detail. Preparation of the 2019-2020 budget was notably influenced by funding from the State of Nebraska and a modest projected enrollment increase.

Mr. Knapper presented the 2019-2020 General Fund Budget, which is the heart of the College's operations, in the amount of \$32,230,438. General Fund revenue saw an increase in state aid as the state increased the overall appropriation for community colleges. The statewide appropriation increased to \$100,547,391 from a prior year's appropriation of \$98,075,874. The improvement of funding to Western Nebraska Community College between the two budget years was \$197,948.

The distribution formula for state aid was defined in LB-946 of the 2012 Legislature. The first \$87,870,147 (the amount of the Fiscal 2012-2013 funding) is to be allocated based on each college's share of the 2012-

2013 funding. This feature of the formula provides Western Nebraska Community College with \$11,660,368. The balance of the appropriation, or \$12,677,244 and any future increases will be divided according to a formula of 25% of the balance divided evenly between the colleges which will yield \$528,219 for Western, 45% divided on the proportionate preceding 3-year average of FTE (Full Time Equivalent Student Enrollment) and 30% divided on the proportionate preceding 3-year average of REU's (Reimbursable Educational Units). The FTE and REU portion of the formula will provide WNCC with \$552,570 for a total funding amount of \$12,741,157 for the General Fund. This represents a 1.58% increase. State aid represents slightly more than 39.5% of total general fund revenue for Western Nebraska Community College.

Total tuition and fee revenue were budgeted at an increased amount from the prior year due to increasing enrollment and increased tuition. Tuition increased by \$4.00 per credit hour for residents and held static per credit hour for non-residents. Total tuition and fees are set at \$121.50 per credit hour for resident rates compared to \$117.50 for the previous year. Non-resident total tuition and fee rates were unchanged at \$122.00 per credit hour. Tuition for border states was raised \$4.00 to \$105.00 per credit hour. Total tuition and fees for border states was set at \$122.50 for the new year compared with \$118.50 for the previous year.

Charges were increased marginally for consumable material costs for courses with significant consumable supplies. Fees vary according to the supply costs per course.

Concern regarding increases in property tax was a further consideration during budget preparation. The Board and administration developed General Fund and Capital Improvement Fund budget models holding property taxes to no more than that necessary to fund the budgets out of concern for property taxpayers. The total property tax request for Fiscal 2019-2020 will show a 2.76% increase to \$13,270,360 from \$12,914,375.

Overall, General Fund Revenue was projected at a net increase of \$1,937,733 or 6.58% more than the prior year. One revenue source of note is included, a draw from cash reserves in the amount of \$550,000 for contingency funding and an amount of \$4,229,202 is also proposed to be drawn from cash reserves to address costs associated with the Main Building Addition and Renovation. Significant in the costs associated with the construction are rental office space, furniture, moving expenses and additional part-time staff. Total expenditures are budgeted at \$31,385,135, a 6.58% increase. Excluding the project related costs, the General Fund or operating budget increased by 3.96% or \$1,049,904.

Mr. Knapper reported there are notable changes in the Capital Improvement and Bond Fund (CIF). He reported the 2019-2020 Capital Improvement and Bond Fund Budget request is \$8,063,399.00. The CIF property tax levy will provide \$177,628 for debt service and \$2,581,800 for funds dedicated to the institution's facility needs. An inter-fund transfer of \$236,517 from the Residence Hall account will provide debt service for Conestoga Hall revenue bonds, a similar transfer of \$121,197 will provide debt service for the Pioneer Hall revenue bonds.

The CIF budget of expenditures is set at \$8,063,399 of which \$1,818,674 is funded through facility fees paid by students.

The Capital Improvement Fund will see the continuation of \$18,500,000 addition and renovation to the Main Building. An amount of \$3,200,000 is allocated in the Fiscal 2019-2020 budget in order to conclude these construction activities.

The facility needs of the College continue to challenge the organization. The main campus building is now over forty-five years old and has not had a major refresh of the electrical, HVAC, plumbing, window systems and other infrastructure. A facility condition assessment study was concluded in 2012 that provides a blueprint for addressing the needs of an aging facility. A Master Facility Plan study concluded in 2013 provides guidance for updating educational, residential and office spaces. Accordingly, a contingency account has been established to begin addressing the financial requirements of responding to those studies.

Final assessed valuations were certified by the county assessors within the Western Community College Area on August 20, 2019 in the amount of \$13,038,135,875. Valuations decreased by .15%. The proposed total levy for the Area of 10.1781 cents reflects an increase from the prior year's levy. The General Fund levy is proposed at 8.0405 cents. The Capital Improvement Fund Levy is proposed at 2.1376 cents, which is made up of 2.0000 cents for capital projects and 0.1376 cents for debt service.

Mr. Knapper presented the 2019-2020 Designated Fund Budget in the amount of \$4,968,856.00. This fund is comprised of proprietary or enterprise funds that are internally restricted for a specific purpose such as the bookstore, food service and student housing. These funds are segregated by campus.

Mr. Knapper presented the 2019-2020 Restricted Fund Budget in the amount of \$7,575,589.00. This fund is comprised of monies which are externally restricted for a specific purpose, primarily state grants and direct Federal grants.

Mr. Knapper presented the 2019-2020 Agency Fund Budget in the amount of \$450,000.00. This fund is comprised of monies which the College holds in a fiduciary capacity for others, primarily student organizations.

College personnel charged with budget duties were asked to develop division and department financial plans with no increase in operational budgets in response to the challenges in developing the General Fund 2019-2020 budget. The preparation of the 2019-2020 budget had challenges but the College staff worked together to develop a financial plan for the upcoming year.

Mr. Knapper thanked Ms. Kathy Ault for her assistance in budgeting personnel costs, Ms. Lynne Koskie and Ms. Nina Grant for their assistance in budget preparation as administration sought adjustments to the budget to align with Board directives. Additionally, the help of all staff members who had budget responsibilities including anyone who served on the budget committee or filled out a budget worksheet is very much appreciated. The College has a budgeting process that involves many within the institution and hopefully that process also keeps the organization well informed about the budget.

Mr. Knapper stressed that the Western Community College Area Board, faculty and staff is committed to serving the area by making a difference in the futures of everyone attending the institution and improving the quality of life throughout the area. The financial plan developed for the 2019-2020 Fiscal Year aligns the resources of the institution with that commitment.

Ms. Klemke thanked Mr. Knapper for his presentation of the budget funds. Ms. Klemke stated that at this time the floor is open for public comments with the reminder, pursuant to Board Policy, that conversation is limited to five minutes. There were no public comments.

Ms. Klemke declared the Public Hearing for the Adoption of 2019-2020 WCCA Budgets closed at 1:10 p.m.

Adoption of 2019-2020 Budgets

Ms. Klemke entertained motions for the adoption of the individual budget funds, starting with the General Fund.

Dr. Perkins MOVED the Board adopt the 2019-2020 Western Community College Area General Fund Budget in the amount of \$32,230,438.00 which will require funding from ad valorem property tax in the amount of \$10,483,338.43 generating net ad valorem property tax receipts of \$10,379,543,00. He further moved, pursuant to Section 85-1517(2)(a), the Board set the property tax levy for the 2019-2020 General Fund Budget at \$0.080405 on each one hundred dollars on the taxable valuation of property subject to the levy within the Western Community College Area. SECONDED by Mr. Savely.

Voting Yes: Marcy, Packard, Perkins, Richards, Savely, Stickney, Anderson, Guzman-Gonzales, Kreman, Klemke
Voting No: None
Abstain: None
Absent: Gramberg

MOTION CARRIED

Ms. Klemke entertained a motion for the adoption of the Capital Improvement and Bond Fund Budget.

Ms. Guzman-Gonzales MOVED the Board adopt the 2019-2020 Western Community College Area Capital Improvement and Bond Fund Budget in the amount of \$8,063,399.00 which will require funding from ad valorem property tax in the amount of \$2,787,022.28 generating net ad valorem property tax receipts of \$2,759,428.00. She further moved, pursuant to Section 85-1517(2)(b) and Section 13-520, the Board set the property tax levy for the 20019-2020 Capital Improvement and Bond Fund at \$0.021376 on each one hundred dollars on the taxable valuation of property subject to the levy within the Western Community College Area. SECONDED by Mr. Stickney.

Voting Yes: Packard, Perkins, Richards, Savely, Stickney, Anderson, Guzman-Gonzales, Kreman, Marcy, Klemke
Voting No: None
Abstain: None
Absent: Gramberg

MOTION CARRIED

Ms. Klemke entertained a motion for the adoption of the Designated Fund Budget.

Ms. Anderson MOVED the Board adopt the 2019-2020 Western Community College Area Designated Fund Budget in the amount of \$4,968,856.00. SECONDED by Ms. Guzman-Gonzales.

Voting Yes: Perkins, Richards, Savely, Stickney, Anderson, Guzman-Gonzales, Kreman, Marcy, Packard, Klemke
Voting No: None

Abstain: None
Absent: Gramberg

MOTION CARRIED

Ms. Klemke entertained a motion for the adoption of the Restricted Fund Budget.

Mr. Savely MOVED the Board adopt the 2019-2020 Western Community College Area Restricted Fund Budget in the amount of \$7,575,589.00. SECONDED by Ms. Guzman-Gonzales.

Voting Yes: Richards, Savely, Stickney, Anderson, Guzman-Gonzales, Kreman, Marcy, Packard, Perkins, Klemke
Voting No: None
Abstain: None
Absent: Gramberg

MOTION CARRIED

Ms. Marcy MOVED the Board adopt the 2019-2020 Western Community College Area Agency Fund Budget in the amount of \$450,000.00. SECONDED by Ms. Anderson.

Voting Yes: Savely, Stickney, Anderson, Guzman-Gonzales, Kreman, Marcy, Packard, Perkins, Richards, Klemke
Voting No: None
Abstain: None
Absent: Gramberg

MOTION CARRIED

Special Hearing to Set Final Tax Request

Ms. Klemke reported that this is a 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.

Ms. Klemke declared the Special Hearing to Set the Final Tax Request Open at 1:15 p.m.

Ms. Klemke asked Mr. Knapper to share information concerning this item.

Mr. Knapper reported numbers will be presented differently than past years. He explained that there are new numbers in this presentation that lead the numbers into the record that will be utilized in the resolution to follow. The resolution, mandated by LB-103 was passed in the last Legislative session.

The first number is the property tax request from the prior fiscal year, 2018-2019. That Property Tax Request was \$12,914,375.10. The tax rate for the previous fiscal year was \$0.098904. The valuation from 2018, the prior fiscal year was \$13,057,515,801. The valuation for the new year budget is \$13,038,135,875. The Change in Valuation is a decrease of \$19,379,926 or 15 hundredths of one percent. The Property Tax

Request for the new budget, the 2019-2020 budget, is \$13,270,360.71. The Property Tax Rate, using the new valuation and the prior year's tax request would be \$0.099051. The 2019 Tax Rate, using the new valuation and the proposed Property Tax Request would be \$0.101781.

Mr. Knapper requested a correction to agenda item #8 that reads Property Tax Rate (2019 - 20 Request/2019 Valuation) to read Property Tax Rate (2018-19 Request/2019 Valuation).

Mr. Knapper stated that concluded his remarks.

Ms. Klemke asked if there were any Public Comments. There were no Public Comments.

Ms. Klemke declared the Special Hearing to Set the Final Tax Request closed at 1:18 p.m.

Adoption of Final 2019-2020 Property Tax Request and Rate

Ms. Klemke stated the next action is to adopt the Final 2019-2020 Property Tax Request and Rate. Ms. Klemke entertained a motion to adopt the General Fund – \$10,483,338.43 - \$.080405.

Ms. Richards MOVED, pursuant to Section 77-1601.02, the Board set the Western Community College Area General Fund 2019-2020 tax request at \$10,483,338.43. She further moved, pursuant to Section 85-1517 (2)(a), the Board set the final property tax levy for the 2019-2020 Western Community College Area General Fund at \$0.080405 on each one hundred dollars on the taxable valuation of all property subject to the levy within the Western Community College Area. She further moved the Secretary be instructed to certify the final tax request and final tax levy to each county Board of Equalization with the Western Community College Area. SECONDED by Dr. Perkins.

Voting Yes: Stickney, Anderson, Guzman-Gonzales, Marcy, Packard, Perkins, Richards, Savely, Klemke

Voting No: Kreman

Abstain: None

Absent: Gramberg

MOTION CARRIED

Ms. Klemke entertained a motion to adopt the Capital Improvement and Bond Fund.

Ms. Guzman-Gonzales MOVED pursuant to Section 77-1601.02, the Board set the Western Community College Area Capital Improvement and Bond Fund 2019-2020 tax request at \$2,787,022.28. She further moved, pursuant to Section 85-1517 (2)(b), the Board set the final property tax levy for the 2019-2020 Western Community College Area Capital Improvement and Bond Fund at \$0.021376 on each one hundred dollars on the taxable valuation of all property subject to the levy within the Western Community College Area. She further moved the Secretary be instructed to certify the final tax request and final tax levy to each county Board of Equalization with the Western Community College Area. SECONDED by Ms. Richards.

Voting Yes: Anderson, Guzman-Gonzales, Kreman, Marcy, Packard, Perkins, Richards, Savely, Stickney, Klemke

Voting No: None

Abstain: None

Absent: Gramberg

MOTION CARRIED

Resolution Setting the Property Tax Request per LB 103, First Session of One Hundred Sixth Legislature

Ms. Klemke stated the next item on the agenda is a new piece of legislation which is a resolution setting the property tax request.

Ms. Klemke entertained a motion to adopt the Resolution Setting the Property Tax Request per LB 103, First Session of One Hundred Sixth Legislature

Ms. Guzman-Gonzales MOVED the Board adopt the following Resolution Setting the Property Tax Request per LB 103, First Session of One Hundred Sixth Legislature. SECONDED by Ms. Richards.

WHEREAS, Nebraska Revised Statute 77-1601.02 provides that the Governing Body of the Western Nebraska Community College passes by a majority vote a resolution or ordinance setting the tax request; and

WHEREAS, a special public hearing was held as required by law to hear and consider comments concerning the property tax request;

NOW, THEREFORE, the Governing Body of the Western Nebraska Community College resolves that:

1. The 2019-2020 property tax request be set at \$13,270,360.71.
2. The total assessed value of property differs from last year's total assessed value by - 0.15%.
3. The tax rate, which would levy the same amount of property taxes as last year, when multiplied by the new total assessed value of property, would be \$.099051 per \$100 of assessed value.
4. The Western Nebraska Community College proposes to adopt a property tax request that will cause its tax rate to be \$.101781 per \$100 of assessed value.
5. Based on the proposed property tax request and changes in other revenue, the total operating budget of Western Nebraska Community College will decrease last year's by 15.7%.

Voting Yes: Anderson, Guzman-Gonzales, Kreman, Marcy, Packard, Perkins, Richards, Savely, Stickney, Klemke

Voting No: None

Abstain: None

Absent: Gramberg

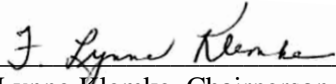
MOTION CARRIED

NEXT REGULAR MEETING

Ms. Klemke reported the next Regular Meeting of the Board is Wednesday, September 11, 2019, immediately following the Public Hearings/Adoption of the Proposed 2019-2020 WCCA Budgets, (at approximately 1:45 p.m.), Twin City Café, SWBC Building, 2617 College Park, Scottsbluff, Nebraska.

ADJOURNMENT

Ms. Klemke declared the meeting for the purpose of the Public Hearings and Adoption of the Proposed 2019-2020 Western Community College Area Budgets adjourned at 1:23 p.m.



F. Lynne Klemke, Chairperson

Susan L. Verbeck, Secretary