

WESTERN COMMUNITY COLLEGE AREA

BOARD OF GOVERNORS

PROPOSED AGENDA

PUBLIC HEARINGS ON BUDGETS

September 12, 2012

A. Call to Order, Dr. Gramberg

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 2012 - 2013 Budgets, Pursuant to Sections 13-501 to 13-513, R.R.S., and Section 85-1517, R.R.S. Supp. 2010, 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 2012 - 2013 Budgets

- 1) General Fund
- 2) Capital Improvement and Bond Fund
- 3) Designated Funds
- 4) Restricted Fund
- 5) Agency Fund

c. Public Comments

d. Close Public Hearing

e. Adoption of 2012 - 2013 Budgets

- 1) General Fund - \$24,887,610.00
- 2) Capital Improvement and Bond Fund - \$4,471,527.00

F. Public Hearings on Budgets – Cont

e. Adoption of 2012 – 2013 Budgets – Cont

- 3) Designated Fund - \$ 5,795,967.00
- 4) Restricted Fund - \$8,517,424.00
- 5) Agency Fund - \$385,000.00

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 2011 - 2012 Property Tax Request – \$8,735,294.37

c. Presentation of 2011 Tax Rate - \$0.100259

d. Property Tax Rate (2011 - 12 Request/2012 Valuation) – \$0.095755

e. Presentation of 2012 – 2013 Property Tax Request – \$9,146,220.78

f. Presentation of 2012 Tax Rate - \$ 0. 100259

g. Public Comments

h. Close Public Hearing

i. Adoption of Final 2012 - 2013 Property Tax Request and Rate

- 1) General Fund - \$7,704,764.59 - \$0.084458
- 2) Capital Improvement and Bond Fund - \$1,441,457.19 - \$0.015801

G. Next Regular Meeting: Wednesday, September 12, 2012, immediately following the Public Hearings on the Proposed 2012 - 2013 WCCA Budgets (at approximately 1:45p.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 2012 - 2013 Western Community College Area Budgets were held at 1:04 p.m., on Wednesday, September 12, 2012, 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 6, 2012, with the following members present: Timothy H. Daniels, F. Lynne Klemke, L. Paul Leseberg, Jack L. Nelson, Jecca R. Ostrander, Alexander D. Pavlista, M. Thomas Perkins, Richard G. Stickney, Julie K. Walworth, Jane N. Wisniewski, Merlyn L. Gramberg, Chairperson. Absent: None. Student Representatives present: None. Faculty Representatives present: Guy Wylie, Scottsbluff Campus; Richard Cecava, Sidney Campus. College staff present: Todd R. Holcomb, William D. Knapper, Coral E. Richards, David E. Groshans, Terry B. Gaalswyk, Susan K. Yowell, Paula J. Abbott, Garry R. Alkire, Mary K. Barkeloo, Roger L. Hovey, James I. Schmucker, Erin E. Stinner, Susan Verbeck. College Attorney present: Philip M. Kelly. A current agenda was available in the College President's office and Board Secretary's office, on the Scottsbluff Campus at the time of the publicized notice.

QUORUM

Dr. Gramberg declared a quorum was present for the transaction of business.

Dr. Gramberg 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: Joe Dutton, Scottsbluff.

APPROVAL OF AGENDA

Ms. Wisniewski moved the agenda be approved as presented. Seconded by Mr. Stickney. The vote was, Yes: Daniels, Klemke, Leseberg, Nelson, Ostrander, Pavlista, Perkins, Stickney, Walworth, Wisniewski, Gramberg. No: None. Absent: None. Motion carried.

EXCUSE ABSENT BOARD MEMBERS

All Board members were present.

PUBLIC HEARINGS ON
BUDGETS

Pursuant to Section 13-501 to 13-513, R.R.S., and Section 85-1517, Supp, 2010, Dr. Gramberg 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 1:04 p.m.

Mr. Knapper referred Board members to the handout material which includes the Western Community College Area 2012 – 2013 Budget information. Mr. Knapper briefly reviewed the processes used in the preparation of the 2012 - 2013 WCCA Budgets. Mr. Knapper reported the College has a budget process that involves many within the institution and, hopefully, a process that also keeps the organization informed about the budget preparation. He commented the Board has held Informal meetings for the purpose of Budget Work Sessions for the past four months.

Mr. Knapper remarked the General Fund is the heart of the College's operations. The preparation of the 2012 – 2013 budget had challenges; but, the College staff worked together to develop a financial plan for the 2012 – 2013 year.

Presentation of Proposed
2012 – 2013 WCCA
General Fund Budget

Mr. Knapper presented the proposed 2012 - 2013 General Fund Budget in the amount of \$24,295,000.00. Mr. Knapper reported the total General Fund Budget request is \$24,887,610.00 which includes \$592,610 for tuition remissions. He reported the proposed budget reflects a 2.08 percent increase over the previous year.

Mr. Knapper reviewed the primary revenue sources for the 2012 - 2013 General Fund Budget. He reported revenue generated from tuition and fees is budgeted at the same amount as last year. The tuition and fee increase to \$96.50 per credit hour is offset by a decrease in enrollment. The fees for consumable materials costs for courses with significant consumable supplies also increased. He remarked that because of the increase in the tuition and fee rate, the tuition remissions have also increased. Revenue from Business and Industry training is also projected to be flat.

Mr. Knapper reported state aid revenue will increase \$147,578 or 1.28 percent. The state-wide appropriation increase is 1.3 percent for 2012 – 2013. An agreement between the six Nebraska Community Colleges determined the amount of state aid each college would receive of the total amount appropriated. As stipulated by the 2011 Legislative Session in LB 946, the College will receive 13.27

PUBLIC HEARINGS ON
BUDGETS
Presentation of Proposed
2012 – 2013 WCCA
General Fund Budget

percent or \$11,660,368 of the total state appropriation. Mr. Knapper remarked state aid represents 48 percent of the total general fund revenue for the College. The increase in state aid provided less than 30 percent of the new funds needed to underwrite a modest 2012 – 2013 budget.

Mr. Knapper reported revenue from miscellaneous sources, which includes the fees for consumable supplies, decreased because there was no insurance dividend paid this year. He reported there is a transfer to help fund the budget of \$142,000 from Scholarship fees collected and not disbursed. There is also a one-time draw from cash reserves in the amount of \$290,000 to fund improvements to an aging bus and the vehicle fleet used to transport student groups.

Mr. Knapper reported the net ad valorem property tax request of \$7,480,353 represents \$399,790 or a 5.65 percent increase over the past year. He commented out of concern for property taxpayers both the Board and the College administration agreed to hold the total property tax request to no more than the increase in assessed valuation.

Mr. Knapper reported the taxable valuation of all property within the Western Community College Area increased 4.7 percent. The increased valuation will generate a total of \$410,926 additional revenue for both the General Fund and the Capital Improvement and Bond Fund.

Additional revenue sources include: Interest - \$60,000; Transfers - \$85,085.

Mr. Knapper reported there are five expenditure categories: Personnel Costs - \$15,133,364; Operating Expense - \$7,559,058; Travel - \$603,729; Equipment - \$908,199; and a Contingency of \$90,650. Mr. Knapper remarked, as a result of consolidation and elimination of some positions, personnel expenses increased 2.67 percent, which is less than the percentage of the salary increase negotiated with faculty and the Board approved increase for College staff. Mr. Knapper reported there is an additional \$30,000 included in the Operating Expense for facility maintenance items that were identified in the recently completed Facility Condition Assessment. He reported travel expenditures have been increased by 11.95 percent. This expenditure includes several categories within the budget including Professional Development. Nearly one-half of the increase for the 2012 – 2013 travel budget will be used for staff development so

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Presentation of Proposed
2012 – 2013 WCCA
General Fund Budget

that the College's software capabilities can be better utilized. There is also additional travel expense budgeted for the Retention Initiative.

Presentation of Proposed
2012 - 2013 WCCA
Capital Improvement
And Bond Fund

Mr. Knapper presented the 2012 – 2013 Capital Improvement and Bond Fund Budget in the amount of \$4,471,527.00. Mr. Knapper reported the tax levy of \$0.09326 for capital projects will generate net funding of \$826,000 dedicated to the College's facility needs. The two largest capital expenditures are the close-out costs for the Science Lab Renovation, and the East Parking Lot construction. Mr. Knapper commented the needs of the College facilities continue to be a challenge to the organization. The main campus building and Pioneer Residence Hall are more than 40 years old. Neither facility has had a major refresh of HVAC, plumbing, electrical and other infrastructure since the original construction. The recent facility condition assessment will provide a blueprint for addressing the needs of an aging facility. A contingency account of \$2,023,289 has been established to begin addressing the financial requirements to respond to these needs.

Mr. Knapper reported the 2012 – 2013 Capital Improvement and Bond Fund Budget also includes \$573,473 for debt retirement. This amount will require a tax levy of \$0.006475.

Mr. Knapper reviewed the Western Area Property Tax Levy History for the period of Fiscal Year 1992 – 1993 through the current year. The highest tax levy request of \$0.127600 occurred in 1993 – 1994. In 2002 – 2003, the only year which the formula was fully funded, the levy was \$0.077270.

Mr. Knapper reviewed the supporting schedules which show the College budget is within the legal limits of Restricted Funds Authority and also the Levy Limit Authority. These supporting schedules are required to be filed as a part of the Budget Document that is submitted to each County Clerk and the State Auditor's Office on or before September 20 of each year.

Mr. Knapper reported the College has \$5,439,129.16 in Unused Restricted Funds Authority. For the 2012 – 2013 Fiscal Year, the only allowable increase the College will receive is the base limitation percentage of 2.5 percent. Other allowable increases are growth in student enrollment, a one percent increase by a seventy-five percent vote of the

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governing body or a voter approved increase through a special election. Mr. Knapper commented the administration is not requesting the Board approve an additional one percent or a voter approved increase.

Mr. Knapper pointed out the College has a levy limit of 10.25 cents for the General Fund and a one cent levy limit for the Capital Improvement and Bond Fund. He reported the one cent levy limit may be exceeded by the amount necessary to retire debt. Mr. Knapper reported the proposed total 2012 – 2013 tax levy request is \$0.100259. This request is the same levy as the prior year.

Presentation of Proposed
2012 – 2013 WCCA
Designated Fund,
Restricted Fund, and
Agency Fund Budget

Mr. Knapper reported the College also had 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.

Mr. Knapper reported the Designated Fund Budget in the amount of \$5,795,967.00 is comprised of enterprise funds which are internally restricted for a specific purpose such as student housing, food service and the bookstore.

Mr. Knapper reported the Restricted Fund Budget in the amount of \$8,571,424.00 is comprised of monies which are externally restricted for a specific purpose such as state and Federal funds.

Mr. Knapper reported 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 \$385,000.00.

Mr. Knapper recognized and thanked Dr. Holcomb for his early and committed response to the financial challenges that became evident during the past 12 months, and for the formation of a cabinet-level Budget Committee which meets monthly to address budget topics from a long range as well as a near term perspective. Mr. Knapper also thanked Mr. Goshans for his assistance in budgeting for personnel costs. Mr. Knapper also thanked all the College staff members who had budget responsibilities including the members of the budget committee.

PUBLIC HEARINGS ON BUDGETS

Mr. Knapper commented the financial plan developed for the 2012 – 2013 fiscal year aligns the resources of the institution with the College's commitment to making a difference in the futures of everyone attending the institution and to improving the quality of life throughout the area.

Public Comments

Dr. Gramberg asked for comments from the Board members concerning the proposed 2012 – 2013 Western Community College Area Budgets. There were none.

Dr. Gramberg asked for comments from the public concerning the proposed 2012 – 2013 Western Community College Area Budgets. There were none.

Close Public Hearing

Dr. Gramberg declared the Public Hearing for the purpose of hearing support, opposition, criticism, suggestions or observations of taxpayers relating to the 2012 - 2013 Western Community College Area Budgets closed at 1:23 p.m.

Adoption of 2012 - 2013 WCCA General Fund Budget

Mr. Daniels moved the Board adopt the 2012 - 2013 Western Community College Area General Fund Budget in the amount of \$24,887,610.00 which will require funding from ad valorem property tax in the amount of \$7,704,763.59 generating net ad valorem property tax receipts of \$7,480,353.00. He further moved, pursuant to Section 85-1517(1), the Board set the property tax levy for the 2012 – 2013 General Fund Budget at \$0.084458 on each one hundred dollars on the taxable valuation of property subject to the levy within the Western Community College Area. Seconded by Mr. Nelson. The vote was, Yes: Klemke, Leseberg, Nelson, Ostrander, Pavlista, Perkins, Stickney, Walworth, Wisniewski, Daniels, Gramberg. No: None. Absent: None. Motion carried.

Adoption of 2012 - 2013 WCCA Capital Improvement and Bond Fund

Ms. Wisniewski moved the Board adopt the 2012 – 2013 Western Community College Area Capital Improvement and Bond Fund Budget in the amount of \$4,471,527.00 which will require funding from ad valorem property tax in the amount of \$1,441,457.19 generating net ad valorem property tax receipts of \$1,399,473.00. She further moved, pursuant to Section 1517(2) and Section 13-520, the Board set the property tax levy for the 2012 - 2013 Capital Improvement and Bond Fund at \$0.015801 on each one hundred dollars on the taxable valuation of property subject to

PUBLIC HEARINGS ON BUDGETS
Adoption of 2012 - 2013 WCCA Capital Improvement and Bond Fund - Cont

the levy within the Western Community College Area. Seconded by Mr. Stickney. The vote was, Yes: Leseberg, Nelson, Ostrander, Pavlista, Perkins, Stickney, Walworth, Wisniewski, Daniels, Klemke, Gramberg. No: None. Absent: None. Motion carried.

Adoption of 2012 - 2013 WCCA Designated Fund

Mr. Nelson moved the Board adopt the 2012 - 2013 Western Community College Area Designated Fund Budget in the amount of \$5,795,967.00. Seconded by Ms. Ostrander. The vote was, Yes: Nelson, Ostrander, Pavlista, Perkins, Stickney, Walworth, Wisniewski, Daniels, Klemke, Leseberg, Gramberg. No: None. Absent: None. Motion carried.

Adoption of 2012 - 2013 WCCA Restricted Fund

Ms. Walworth moved the Board adopt the 2012 - 2013 Western Community College Restricted Fund Budget in the amount of \$8,517,424.00. Seconded Mr. Daniels. The vote was, Yes: Ostrander, Perkins, Stickney, Walworth, Wisniewski, Daniels, Klemke, Leseberg, Nelson, Gramberg. No: None. Absent: None. Motion carried.

Fiduciary Authority 2012 - 2013 Agency Funds

Ms. Klemke 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 \$385,000 for the 2012 - 2013 Fiscal Year. Seconded by Ms. Walworth. The vote was, Yes: Pavlista, Perkins, Stickney, Walworth, Wisniewski, Daniels, Klemke, Leseberg, Nelson, Ostrander, Gramberg. No: None. Absent: None. Motion carried.

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

Pursuant to Section 77-1601.02, Dr. Gramberg 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 1:27 p.m.

Presentation of 2011 - 2012 Property Tax Request and Tax Rate

Mr. Knapper presented the 2011 - 2012 Tax Requests and Property Tax Rates for the Western Community College Area Budgets as follows:

<u>Budget</u>	<u>Tax Request</u>	<u>Tax Rate</u>
General Fund	\$7,292,980.22	\$0.083705
Capital Improvement And Bond Fund	\$1,442,314.15	\$0.016554
Total	\$8,735,294.37	\$0.100259

Mr. Knapper reported the 2012 Assessed Valuation for the Western Community College Area is \$9,122,593,677 as

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

certified by the County Assessors of the Western Area on August 20, 2012. The assessed valuation of property within the Western Community College Area increased by 4.70 percent above the previous year. Mr. Knapper commented in 2012, the property valuations increased 5.39 percent, and in the two prior years (2010 and 2011) property valuations increased in excess of seven percent. He reported three counties certified assessed valuation increases in excess of seven percent: Banner County – 7.55 percent; Box Butte County – 9.75 percent; and Deuel County – 7.84 percent. Assessed property valuations decreased in two counties within the Western Community College Area: Dawes County decreased 1.57 percent; and Sioux County decreased 0.53 percent.

Presentation of Property
Tax Rate (2012 Request/
2013 Valuation)

Mr. Knapper presented what the property tax rate would be using the 2011 - 2012 Property Tax Requests and the 2013 Valuation:

<u>Budget</u>	<u>Tax Request</u>	<u>Tax Rate</u>
General Fund	\$7,292,980.22	\$0.079944
Capital Improvement and Bond Fund	\$1,442,314.15	\$0.015810
Total	\$8,735,294.37	\$0.095755

Presentation of
2012 - 2013 Property
Tax Request and
2012 Tax Rate

Mr. Knapper presented the 2012 – 2013 Actual Property Tax Requests and rates as follows:

<u>Budget</u>	<u>Tax Request</u>	<u>Tax Rate</u>
General Fund	\$7,704,763.59	\$0.084458
Capital Improvement and Bond Fund	\$1,441,457.19	\$0.015801
Total	\$9,146,220.78	\$0.100259

Mr. Knapper commented the total tax request includes a one percent collection fee and a two percent delinquent fee allowable by statute.

Public Comments

Dr. Gramberg asked for comments from the Board. There were none.

Dr. Gramberg asked for comments from the public concerning setting the tax request at a different amount than the prior year tax request. There were none.

PUBLIC HEARING FOR
SETTING A TAX REQUEST
DIFFERENT THAN THE
PIOR YEAR
Close Public Hearing

Dr. Gramberg 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 request closed at 1:30 p.m.

Adoption of Final
2012 – 2013 Property Tax
Request and Rate
General Fund

Mr. Daniels moved, pursuant to Section 77-1601.02, the Board set the Western Community College Area General Fund 2012 - 2013 tax request at \$7,704,763.59. He further moved, pursuant to Section 85-1517(1), the Board set the final property tax levy for the 2012 - 2013 Western Community College Area General Fund at \$0.084458 on each one hundred dollars on the taxable valuation of all property subject to the levy within the Western Community College Area. He further moved the Secretary be instructed to certify the final tax request and final tax levy to each county Board of Equalization within the Western Community College Area. Seconded by Dr. Perkins. The vote was, Yes: Perkins, Stickney, Walworth, Wisniewski, Daniels, Klemke, Leseberg, Nelson, Ostrander Pavlista, Gramberg. No: None. Absent: None. Motion carried.

Adoption of Final
2012 - 2013 Property Tax
Request and Rate
Capital Improvement
And Bond Fund

Mr. Nelson moved, pursuant to Section 77-1601.02, the Board set the Western Community College Area Capital Improvement and Bond Fund 2012 - 2013 tax request at \$1,441,457.19. He further moved, pursuant to Section 85-1517(2), and Section 13-520 the Board set the final property tax levy for the 2012 - 2013 Capital Improvement and Bond Fund at \$0.015801 on each one hundred dollars on the taxable valuation of all property subject to the levy within the Western Community College Area. He further moved the Secretary be instructed to certify the final tax request and final tax levy to each county Board of Equalization within the Western Area. Seconded by Dr. Perkins. The vote was, Yes: Stickney, Walworth, Wisniewski, Daniels, Klemke, Leseberg, Nelson, Ostrander, Pavlista, Perkins, Gramberg. No: None. Absent: None. Motion carried.

BOARD MEMBER
COMMENTS

Dr. Gramberg thanked the Board members for their work and guidance in the development of the 2012 - 2013 Western Community College Area Budgets. Dr. Gramberg also commended the College administration, faculty and staff for their diligence in the preparation of the budgets.

NEXT REGULAR MEETING

The next Regular meeting of the Western Community College Area Board of Governors will be held on Wednesday,

NEXT REGULAR MEETING September 12, 2012, immediately following the Public Hear-
Cont ings on the Proposed 2012 – 2013 Western Community Col-
 lege Area Budgets (at approximately 1:45 p.m.), in the
 Boardroom, Western Nebraska Community College,
 Scottsbluff Campus, 1601 East 27th Street, Scottsbluff, Ne-
 braska.

ADJOURNMENT The meeting was adjourned by unanimous consent at 1:33
 p.m.

Merlyn L. Gramberg, Chairperson

Coral E. Richards, Secretary