

BOARD FINANCE COMMITTEE
SAN JACINTO COMMUNITY COLLEGE DISTRICT
August 31, 2021

Members Present: Keith Sinor, Dr. Ruede Wheeler, and Larry Wilson

Members Absent: Marie Flickinger

Other Trustees Present: None

Others Present: Brenda Hellyer, Teri Zamora, Linda Torres, Carin Hutchins, and Rosselle Helms

- I. Dr. Ruede Wheeler called the meeting to order at 5:01 p.m.
- II. Roll call of the Committee members was taken:
 - Keith Sinor, present
 - Dr. Ruede Wheeler, present
 - Larry Wilson, present
 - Marie Flickinger, absent
- III. Approval of Minutes from the August 27, 2019, Finance Committee Meeting
 - K. Sinor presented the minutes from the August 27, 2019, Finance Committee Meeting.
 - A motion was made by L. Wilson and seconded by R. Wheeler to accept the minutes as presented.
- IV. Review and Discussion of Annual Internal Audit Report:
 - L. Torres shared results from the Annual Internal Audit Report for the 2020-2021 audit year with corresponding recommendations by the Internal Audit Department.
 - The total number of audits for the year included:
 - Six Audit/Review Projects
 - Five Projects
 - One Follow-Up Audit
 - Six Cash Counts
 - Statuses for Audit/Review, Projects, Follow-Up Audits and Cash Counts were listed in detail to the Committee.
 - The audit team activity also included several unscheduled consulting and management projects during the year and service on six committees, councils, and task forces.
 - The Internal Audit Department updated the Ethics training, completed the annual risk assessment project, and managed the collection of conflict of interest disclosure statements.
 - L. Torres shared the 2021-2022 Audit Plan with the Committee.
 - The Committee agreed with the 2021-2022 Audit Plan which includes:
 - Finalizing audits in progress at the end of FY21
 - Initiating new audits based on risk assessment
 - Consulting and other activities
 - Follow-up on the outstanding corrective actions on prior audits

V. Review and Discuss 2021-2022 Property Tax Rate

- T. Zamora reviewed the 2021-2022 Property Tax calculations.
 - The final certified taxable values for tax year 2021 are estimated at \$66.6 billion, demonstrating a 2.0% increase over tax year 2020.
 - There are currently 1,300 unsettled appeal cases and a backlog in the courts due to COVID-19 having the courts down for some time.
 - L. Wilson asked if the appeals consisted primarily of industry.
 - K. Sinor asked if these would get settled in 2022.
 - T. Zamora replied that our tax district does have a large percentage of industrial properties, and many of the appeals are in that category. Additionally, although the amount of total disputed tax values and appeals continues to grow annually, it is anticipated that the number of unsettled cases will decline as the court system returns to a pre-COVID level of activity.
 - The potential liability if all cases are lost in their entirety is approximately \$4.3 million in tax revenue, although the College's historical experience is that cases are generally settled for about half of that amount. To compensate for that potential loss, a collection rate of 98.16 percent will be utilized for this tax year.
 - The recommended, proposed tax rate is \$0.167967, a 0.82% decrease.
 - The proposed rate is higher than the no-new-revenue rate of \$0.162566.
 - The proposed rate is lower than the voter-approval rate of \$0.171125, and the 2020 rate of \$0.169358.
 - T. Zamora added that the College refinanced and restructured the bond debt in February 2021, resulting in the lower debt portion (I&S) of the tax rate.
 - The proposed, tentative timeline was shared with the Committee:
 - September 13, 2021 Board Meeting
 - Discuss the Tax Rate, and approve the Proposed Tax Rate
 - September 27, 2021
 - Publish the "Notice of Public Hearing to Adopt Tax Rate"
 - October 4, 2021 Public Hearing regarding adoption of tax rate
 - Hearing will be held prior to scheduled Board Meeting
 - October 4, 2021 Board Meeting
 - Adopt the Tax Rate

VI. The meeting adjourned at 5:37 p.m.