

**BOARD FINANCE COMMITTEE
SAN JACINTO COMMUNITY COLLEGE DISTRICT
November 30, 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, Carin Hutchins, and
Rosselle Helms

- I. The meeting was called to order at 5:01 p.m. by Keith Sinor, Chair, Finance Committee.
- II. Roll Call of the Committee Members
 - Keith Sinor, present
 - Dr. Ruede Wheeler, present
 - Larry Wilson, present
 - Marie Flickinger (Ex-officio member), absent
- III. Approval of Minutes from the August 31, 2021 Finance Committee Meeting
 - K. Sinor presented the minutes from the August 31, 2021, Finance Committee Meeting.
 - i. A motion was made by L. Wilson and seconded by R. Wheeler to accept the minutes as presented.
- IV. Comments regarding 2020-2021 Annual Comprehensive Financial Report
 - T. Zamora shared that the final draft of the report will be sent electronically in later this week for review before the December 14, 2021 Board Meeting.
 - The external auditor will present findings at the December 14th Board Workshop.
 - L. Wilson suggested that the structure of the presentation focus more on any negative findings to streamline the presentation.
 - T. Zamora noted the request.
- V. Discussion of the Harris County Appraisal District (HCAD) Board of Directors Election
 - At the December 14, 2021 Board Meeting, there will be an action item to vote on the HCAD incumbent, who was the only nominee.
 - The San Jacinto Community College District (SJCCD) shares one vote collectively as one of four colleges within the appraisal district.
 - K. Sinor asked who can nominate an HCAD Board member.
 - T. Zamora states that any community college or ISD Board can nominate someone.
 - B. Hellyer added that a lot of times it is the school district boards.
 - K. Sinor asked what the HCAD Board does.

- T. Zamora responded that it is similar to the roles of the SJCCD Board but in a different setting.

VI. Review and Discuss upcoming Debt Issuance, Refinancing and Defeasance

- T. Zamora recapped the timeline of events.
 - At the November 1st Board Meeting, the team was approved.
 - At the December 14th Board meeting, the Board will be asked to approve the transactions.
- T. Zamora shared three key components of the January 2022 transaction for limited tax general obligation bonds (GOB) and refunding bonds, series 2022.
 - There will be an issuance of \$40 million in new money GOB to fund voter-approved projects.
 - There is refunding (refinancing) of \$7.95 million of existing GOB for debt service savings.
 - There will be a \$2.9 million defeasance (prepayment) of bonds due in 2023.
- T. Zamora shared related details.
 - Voters previously approved \$425 million in general obligation debt.
 - We have issued \$385 million and will issue the remaining \$40 million in February 2022.
 - This final portion of authorized bonds are expected to be spent on ongoing construction projects, deferred maintenance projects under development, and Generation Park opportunities.
 - Refunding of approximately \$7.975 million in 2012 GOBs have a call date of February 15, 2022 and a final maturity date of February 15, 2033.
 - Refunding will generate debt service savings of \$1.4 million (17.89 percent) in anticipated net present value of savings over the life of refunding bonds.
- The defeasance reduces debt service by \$2.9 million for FY 2023, which assists in managing the tax rate
 - This action aligns with our Policy III.3001.B, Finance Standards and maintains the College's Day Cash on Hand from four to six months of the annual current unrestricted and auxiliary funds budget.

VII. Review San Jacinto Community College District Foundation Annual Audit Report

- This audit is now included in the SJCCD Annual Comprehensive Financial Report as a component unit.
 - Net assets at the end of the 2021 year without donor restrictions totals \$35,193,863.
 - Net assets at the end of the 2021 year with donor restrictions totals \$14,933,493.
 - R. Wheeler asked if there were more plans for the \$30 million donation
 - B. Hellyer replied that the intention is to expand the Promise Program and to raise another \$10 million to keep the program going.
 - R. Wheeler asked what the response has been this year.
 - B. Hellyer responded that communications with the Independent School Districts (ISDs) and roll out for the Promise Program has begun. It will kick off in January 2022. For the 21 Forward Program, there have been approximately 2,600 students participating this fall.

- T. Zamora shared that a 30 percent projected capture rate is expected for the Promise Program.
- B. Hellyer explained that the audit was accepted and approved by the Foundation Board on November 18, 2021.

VIII. The meeting adjourned at 5:26 p.m.