

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF REGENTS OF THE DEL MAR COLLEGE DISTRICT

February 13, 2018

The Regular Meeting of the Board of Regents of the Del Mar College District convened in the Isensee Board Room, Del Mar College, Corpus Christi, Texas at 1:00 p.m. on Tuesday, February 13, 2018, with the following present:

From the Board:

Mr. Trey McCampbell, Dr. Nicholas Adame, Mr. Ed Bennett, Ms. Elva Estrada, Ms. Susan Hutchinson, Ms. Sandra Messbarger, Mr. Gabriel Rivas, and Mr. Guy Watts.

From the College:

Dr. Mark Escamilla, President and CEO; Dr. Beth Lewis, Executive Vice President and Chief Academic Officer; Mr. Augustin Rivera, Jr., General Counsel; Ms. Lenora Keas, Vice President and CFO; Dr. Rito Silva, Vice President for Student Affairs; Mr. August Alfonso, Vice President for Facilities and Operations & Chief Information Officer; Ms. Claudia Jackson, Executive Director of Strategic Communication and Government Relations; Ms. Natalie Villarreal, Director of External and Board Relations; Ms. Delia Perez, Board Liaison; and other staff and faculty.

CALL TO ORDER/QUORUM CALL/MOMENT OF SILENCE/PLEDGE OF ALLEGIANCE/MISSION STATEMENT

Mr. McCampbell called the meeting to order with a quorum present. He requested a moment of silence followed by the Pledge of Allegiance and Mission Statement.

RECOGNITIONS:

Special Recognition

- Dr. Nicholas Adame, awarded 2017 Best of the Best Community Advocate by Corpus Christi Caller Times.....Mr. Trey McCampbell
(Goal 3. Professional Initiatives: Provide Innovative, Relevant and Meaningful Opportunities)

Mr. McCampbell recognized Dr. Nicholas Adame for being awarded 2017 Best of the Best Community Advocate by the Corpus Christi Caller Times. He stated that it was long overdue; Dr. Adame has been extremely involved for many years in the community including serving as President of the Tejano Civil Rights Museum Resource Center and his active involvement with LULAC, including serving as President, among other recent newspaper articles of his initiatives in the community.

Dr. Adame stated that behind any individual is a driving force of volunteers, and that's what it's about, community involvement and core values instilled by his mother are on the top of his list.

Mr. McCampbell thanked Dr. Adame for his service to the College's Board of Regents.

STAFF REPORTS:

- Student Enrollment Report.....Dr. Rito Silva
(Goal 2. Student Access and Support Services: Maximize Affordable Access and Excellence in Student Services)

Dr. Escamilla stated that Dr. Silva and Ms. Keas have two separate staff reports but they are inextricable from each other in data and information relating to enrollment and revenues. These presentations were made in close unison in an effort to produce a single message relating to enrollment and revenues.

Dr. Silva reported that it had been a different and challenging academic year and the events of the Fall, specifically Hurricane Harvey, impacted Spring.

Dr. Silva’s presentation included the following information:

- Fall 2016/2017 Credit Headcount: Total of 12,050 in Fall 2017;
- Fall 2016/2017 Credit Headcount Post Harvey;
- Fall Credit Enrollment: Unduplicated headcount 11,833, a 1% decrease from 2016;
- Harvey Relief Efforts, with 243 students assisted, and a full refund to 89 students;
- Spring Credit Enrollment: Unduplicated headcount 11,796 (Preliminary number);
- Continuing Education Courses Annual Enrollments: 24,744;
- Total Annual Unduplicated Headcount for Credit and Continuing Education Courses: 25,673 Total, 9,673 CE, and 16,000 Credit; and
- Reenrollment Initiatives

Dr. Escamilla and Dr. Silva responded to questions from the Regents throughout the presentation.

- Mid-Year Budget Update FY 2017-2018
.....Ms. Lenora Keas
(Goal 7. Resources: Ensure Strong Financial and Operational Capacity)

Dr. Escamilla said today’s report is a follow-up from their conversations last Fall, they are providing a mid-year budget update to talk about the effects of Hurricane Harvey and enrollment and the impact on the College’s budget.

Ms. Keas presentation included information on the following:

- 2018 Revenue Assumptions & Review: 5% Enrollment Growth Projection, Tuition and Fee Assumptions - \$5 per semester hour increase; and Tax Assumptions which came in right on target;
- 2018 Strategic Initiative Review;
- Operating Budget Revenue: State Appropriations - \$1.8M increase over the previous year; Tuition and Fees – they had predicted a \$1.6M increase if enrollment increased at 5%, mid-year growth projection is 0% enrollment growth, with a possible \$1.9M less revenue in tuition and fees. Discounts, exemptions and waivers to academic credit courses is at a higher rate than predicted, original prediction was 16.5% and mid-year

review projection is 18.41%. Property Tax revenues, miscellaneous and revenue bond transfer are coming in as predicted.

- 2018 Expenditure Budget: Salaries and Benefits mid-year adjustment is \$650K less than budgeted, and Non-Salary Expenditures mid-year adjustment is \$1,25M less than budgeted, which would attain the \$1.9M which is the difference in revenues.

Ms. Keas reviewed the Income/Expense Statement for December 31, 2017 for further clarification/information on the mid-year updates.

Ms. Keas responded to questions from the Regents.

COLLEGE PRESIDENT’S REPORT.....Dr. Mark Escamilla

- January 24, 2018, Legislative Committee Meeting
(Goal 5. Advocacy: Advance the College Mission Through Effective Governance and Positioning)

Dr. Escamilla attended the first Legislative Committee Meeting for the Texas Association of Community Colleges. He will be just as busy in the interim period of the legislative session as he will be in the full session next year because there is much happening that affect the state and ultimately affects the College’s operation such as the continuing education piece he has discussed.

- January 24, 2018, TACC Quarterly Meeting
(Goal 5. Advocacy: Advance the College Mission Through Effective Governance and Positioning)

Dr. Escamilla stated that on that same day they moved into the first TACC Quarterly Meeting for the year. There are many more meetings coming up and much is going on with government relations liaisons at the Association.

PENDING BUSINESS:

Status Report on Requested Information

(Goal 5. Advocacy: Advance the College Mission Through Effective Governance and Positioning)

CONSENT AGENDA

Notice to the Public

The following items are of a routine or administrative nature. The Board of Regents has been furnished with background and support material on each item, and/or it has been discussed at a previous meeting. All items will be acted upon by one vote without being discussed separately unless requested by a Board member or a citizen, in which event the item(s) will immediately be withdrawn for individual consideration in their normal sequence after the items not requiring separate discussion have been acted upon. The remaining items will be adopted by one vote.

CONSENT MOTIONS:

(At this point the Board will vote on all motions not removed for individual consideration.)

ITEMS FOR DISCUSSION AND POSSIBLE ACTION:

1. Approval of Minutes:
Regular Board Meeting, November 14, 2017
Workshop, December 12, 2017
Regular Board Meeting, December 12, 2017
(Goal 5. Advocacy: Advance the College Mission Through Effective Governance and Positioning)
2. Acceptance of Investments for December 2017 and January 2018
(Goal 7. Resources: Ensure Strong Financial and Operational Capacity)
3. Acceptance of Financial Statement for December 2017
(Goal 7. Resources: Ensure Strong Financial and Operational Capacity)

Mr. Rivas made a motion to approve the consent agenda items. Ms. Messbarger seconded the motion. There was no further discussion from the Board. There were no public comments. A voice vote was taken and the motion carried unanimously, 8-0, amongst Regents present, with Regents McCampbell, Adame, Bennett, Estrada, Hutchinson, Messbarger, Rivas, and Watts in favor.

REGULAR AGENDA

4. Discussion and possible action related to the College's Quarterly Investment Report for the period ending November 30, 2017.....Mr. Ronald Ross
(Goal 7. Resources: Ensure Strong Financial and Operational Capacity)

Ms. Keas introduced Mr. Ronald Ross with Patterson & Associates.

Mr. Ross discussed items that happened over the last couple of weeks, discussing the volatility in the income markets versus the volatility in the income markets and the reasons behind this. He described the positive signs.

The fixed income portfolio for the College, it's a positive sign as rates are starting to move up, the investments are at higher levels. The pooled funds excluding the Series 2016 and 2017 bond funds, fiscal quarter earnings for November 2017 were \$150,541. The yield on the portfolio is 1.120% and the WAM was only 46 days for that portion of the portfolio.

Mr. Ross reviewed the portfolio's asset allocations and the overview of the Series 2016 and 2017 bond funds, with the WAM being longer and the yield being 1.263%, with fiscal quarter earnings of \$228,763.

Mr. Rivas made a motion to approve the agenda item.
Ms. Hutchinson seconded the motion. There was no further discussion from the Board. There were no public comments. A voice vote was taken and the motion carried unanimously, 8-0, amongst Regents present, with Regents McCampbell, Adame, Bennett, Estrada, Hutchinson, Messbarger, Rivas, and Watts in favor.

5. Discussion and possible action related to the College’s Quarterly Financial Statement for the period ending November 30, 2017.....Ms. Lenora Keas and Mr. John Johnson
(Goal 7. Resources: Ensure Strong Financial and Operational Capacity)

Ms. Keas provided highlights of the quarterly financials ending in November 2017:

- Tuition and fees are 4% less
- Total revenues down by 1%
- Salaries and benefits were down by 1%
- Running 1% below in non-salary expenditures compared to the same time in November 2016
- Contingency funds have not been touched
- Total expenditures were at 21% this year compared to 22% last year in November

They will continue to tighten the budget and hold back on spending; they are managing within the budget at the mid-year point.

Dr. Escamilla and Ms. Keas responded to questions from the Regents.

Mr. Bennett made a motion to approve the agenda item.
Mr. Rivas seconded the motion. There was no further discussion from the Board. There were no public comments. A voice vote was taken and the motion carried unanimously, 8-0, amongst Regents present, with Regents McCampbell, Adame, Bennett, Estrada, Hutchinson, Messbarger, Rivas, and Watts in favor.

6. Discussion and possible action regarding tuition rates to increase the per semester hour tuition rate by \$3 for the 2018-2019 academic year.....Ms. Lenora Keas
(Goal 7. Resources: Ensure Strong Financial and Operational Capacity)

Dr. Escamilla stated that Regent Scott could not be at today’s meeting, but he has spoken to her several times about their overall philosophy of adjusting tuition and they realize that every time they do that it affects the lives of students but at the same time it is a necessary process of managing a college and/or university and they do this with the utmost respect and care of their students. One thing they learned over the last three years of adjusting tuition, there were two years where tuition was not adjusted and stayed flat and they came back in a way that seemed inordinate to focus so much of an increase at once. After much debate and

consultation with the Board they are moving back to a philosophy of adjusting tuition in a balanced manner yearly. Ms. Keas will talk about the two different pieces of the \$3 amount and how this works for students.

Ms. Keas shared information of current per semester credit hour tuition. Tuition per credit hour is currently \$61, with the following added fees: matriculation, building use, general use, instructional support and student activity, totaling \$174 per semester credit hour. They are not recommending an increase in any of the fees, just a tuition increase.

Ms. Keas also shared the following information in her presentation:

- Comparison of tuition in the region;
- Academic tuition over five-year period, 2013-2014, increases of \$3, 2014-2015 increase of \$1, 2015-2016, \$0 increase, 2016-2017, \$0 increase, 2017-2018 increase of \$5, bringing the tuition rate to \$61 per credit hour;
- Proposed academic tuition for 2018-2019: With 0% projected enrollment growth, compared to 3% enrollment growth and the amount it would generate per dollar amount increase. Board policy directs \$1 increase and they are recommending an additional \$2 increase for a total of \$3 per semester credit hour increase in tuition.

Dr. Escamilla and Ms. Keas responded to questions from the Regents.

The Regents provided their comments regarding administration's recommendation for the tuition increase.

Ms. Hutchinson made a motion to approve the staff's recommendation of \$3 per semester credit hour increase in tuition. Ms. Messbarger seconded the motion. Ms. Estrada asked if this item could be postponed until the March meeting, Dr. Escamilla addressed her question.

Mr. Jack Gordy made a public comment opposing the tuition increase.

A roll-call vote was taken and the motion carried 5-3 amongst Regents present, with Regents McCampbell, Adame, Estrada, Hutchinson, and Messbarger in favor, Mr. Bennett, Rivas and Watts were opposed.

7. Discussion and possible action adopting the fee schedule as stated in the State of Texas Education Code at a range of zero to \$24.00 per semester credit hour of laboratory course credit or approved rate by exception to program requirements.....Ms. Lenora Keas (*Goal 7. Resources: Ensure Strong Financial and Operational Capacity*)

Ms. Keas stated that this item is being brought to the Board for review in order to implement the portion of the Education Code pertaining to laboratory fees. This impacts every course that has a lab; the College would have to charge lesser of what the costs are for that lab per

student or \$24 maximum per lab credit. This item reaffirms that the College is complying with that code and that they have updated and reviewed what is in the system.

Mr. Rivas made a motion to approve the agenda item.
Ms. Estrada seconded the motion. There was no further discussion from the Board. There were no public comments. A roll-call vote was taken and the motion carried unanimously, 8-0, amongst Regents present, with Regents McCampbell, Adame, Bennett, Estrada, Hutchinson, Messbarger, Rivas, and Watts in favor.

8. Discussion and possible action related to the approval of the City of Corpus Christi’s request to compensate the College in the amount of \$8,987.00 for .0917 acre Right-of-Way Easement acquisition in the Rodd Field Rd. section of the College’s South Side property.....Mr. August Alfonso
(Goal 7. Resources: Ensure Strong Financial and Operational Capacity)

Mr. Alfonso reported that the City of Corpus Christi was seeking approval for a right-of-way easement on the east side of the Del Mar campus, south side property. He introduced Mr. Sonny Garza, Independent Consultant with the City of Corpus Christi.

Mr. Garza indicated he was present on behalf of the Department of Engineering Services with the City of Corpus Christi, he handles right-of-way acquisition and real estate matters for the City. Mr. Garza explained the parcel that was involved. The City of Corpus Christi is offering to compensate the College in the amount of \$8,987.00 in exchange for .0917 acres out of the 96 acre south side property.

Mr. Garza and Mr. Alfonso responded to questions from the Regents.

Ms. Hutchinson made a motion to approve the agenda item.
Dr. Adame seconded the motion. There was no further discussion from the Board. There were no public comments. A roll-call vote was taken and the motion carried unanimously, 7-0, amongst Regents present, with Regents McCampbell, Adame, Bennett, Estrada, Hutchinson, Messbarger, and Watts in favor.

Note: Mr. Rivas was temporarily out of the room.

9. Discussion and possible action related to written request from Regents Watts and Bennett regarding: “2018 January, February, March, April Third Thursday 2:00 P.M. Meetings With Volunteers from the DMC Board and Academic Faculty to Determine Needed Proposals to Restore Del Mar’s Academic Quality for Academic Students”

.....Regents Guy Watts and Ed Bennett
(Goal 5. Advocacy: Advance the College Mission Through Effective Governance and Positioning)

Mr. McCampbell provided background information pertaining to this agenda item. He indicated that Board policies provide that two Regents may request an agenda item. This was a request from Mr. Watts and Mr. Bennett, it was received in December and due to the fact there was no January meeting, this was placed on today’s agenda.

There was discussion and communication from the Regents, faculty, and administration. Explanation was provided as to communication channels and policies already in place at the College.

Following the discussion Mr. Watts withdrew his motion; there was no further action.

GENERAL PUBLIC COMMENTS (Non-Agenda Items) – 3-minute time limit

Dr. James Klein made a general public comment relating to shared governance.

Ms. Lenora Keas made a general public comment relating to an invitation to a scholarship announcement for Process Technology from Gulf Coast Growth Ventures, February 21, 2018.

10. CLOSED SESSION pursuant to:

A. **TEX. GOV’T CODE § 551.071:** (Consultation with legal counsel), regarding pending or contemplated litigation or claims, or other pending legal matters, or a settlement offer; and, the seeking of legal advice from counsel on pending or contemplated legal matters or claims;

B. **TEX. GOV’T CODE § 552.139 (a) and (b):** (Government information related to security or infrastructure issues for computers), regarding information related to computer network security, to restricted information under Section 2059.055, or to the design, operation, or defense of a computer network; and, information deemed confidential under Section 552.139 (b)(1) and (2), with possible discussion and action in open session.

Note: Mr. Watts left prior to Closed Session.

The Board went into Closed Session at 3:47 p.m.

Note: Mr. Rivas left at 5:07 p.m. during Closed Session.

The Board reconvened in Open Session at 5:13 p.m. with no action.

CALENDAR: Discussion and possible action related to calendaring dates.

ADJOURNMENT: The meeting was adjourned at 5:15 p.m.

MINUTES REVIEWED BY GC: /s/AR