

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

October 10, 2017

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 10:00 a.m. on Tuesday, October 10, 2017, 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.

Ms. Carol Scott arrived at 1:02 p.m.

From the College:

Dr. Mark Escamilla, President and CEO; Dr. Beth Lewis, Executive Vice President & Chief Academic Officer; Mr. Augustin Rivera, Jr., General Counsel; Ms. Lenora Keas, Vice President and CFO; Dr. Rito Silva, Vice President for Student Affairs; Ms. Tammy McDonald, Vice President of Administration and Human Resources; August Alfonso, Vice President for Facilities and Operations & Chief Information Officer; Ms. Claudia Jackson, Executive Director of Strategic Communication and Government Relations; Ms. Mary McQueen, Executive Director of Development; Ms. Jessica Alaniz, Risk Manager; and other staff and faculty.

Others:

Mr. Scott Meares, President, AG/CM
Mr. Ron Ross, Patterson & Associates

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

- Ms. Carol Scott, honored as Distinguished Alumni 2017, by the Javelina Alumni Association of Texas A&M Kingsville
(Goal 3. Professional Initiatives Provide Innovative, Relevant, and Meaningful Opportunities)

Mr. McCampbell congratulated Regent Carol Scott which was recognized as distinguished alumni by the Javelina Alumni Association of Texas A&M Kingsville. He stated that they are very proud of her accomplishments and participation as an alumni and all she does for Del Mar College.

- Mr. Marty Sepulveda, Scout Executive, South Texas Council of the Boy Scouts
(Goal 6. Partnerships: Expand Opportunities for Mutually-Beneficial Alliances)

Mr. Rivera introduced Mr. Sepulveda, and stated that he and his family are truly committed to the mission of scouting. Mr. Sepulveda is an Eagle Scout and has several Eagle Scouts in his family. Mr. Sepulveda had an opportunity to work at one of the largest councils in the United States, Sam Houston Council, and a few months ago Corpus Christi had the opportunity to get him back. Recently, South Texas Council of Boy Scouts hosted a Merit Badge College and University of Scouting; Mr. Rivera participated alongside many Del Mar faculty members.

Mr. Sepulveda thanked the College for what it does to partner in the community with organizations like the Boy Scouts of America. Del Mar College has been a great supporter of the South Texas Council of Boy Scouts and has hosted several events. He thanked Chuck McKinny and the Public Safety Staff who have given of their time to make their youth and volunteers welcome, he also thanked our food service, and Dr. Leonard Rivera and his staff.

Mr. Sepulveda introduced David Hebert, the Program Director. They provided each Regent with a scouting patch with the new Del Mar Viking Mascot in appreciation of the College's partnership.

Faculty

- Introduction of Dean of Institutional Effectiveness and Assessment, Dr. Kristina Wilson, and Cody Gregg, Dean of Learning Resources.....Dr. Beth Lewis
(Goal 3. Professional Initiatives Provide Innovative, Relevant, and Meaningful Opportunities)

Dr. Lewis introduced Dr. Kristina Wilson, Dean of Institutional Effectiveness and Assessment. She stated that Dr. Wilson has 11 years of expertise in higher education assessment and leadership. Her vast experience will play a pivotal role in ongoing College initiatives regarding program review, assessment of student learning outcomes, pathway reform efforts and institutional effectiveness. Dr. Wilson was recently the Associate Dean of Curriculum and Student Learning at South Texas College.

Dr. Lewis introduced Cody Gregg, the Dean of Learning Resources, with over twenty years of experience in management and administrative positions including instructional technologies, open resource labs, library services and active learning spaces. They look forward to his direction in the expansion of the library and learning support services. Prior to coming to Del Mar College, Mr. Gregg was the Dean of Learning and Support Services at South Texas College.

Dr. Wilson and Mr. Gregg briefly addressed the Board, and shared their excitement of being part of the Del Mar team.

STAFF REPORTS:

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

Dr. Silva presented student enrollment information for Fall 2017. He thanked the offices of Dean Patricia Benavides-Dominguez and Dr. Leonard Rivera for the data and graphs for today's presentation.

The presentation included details on the following:

- Strategic Initiatives
- Pre-Registration
- Registration Week
- Credit Enrollment by Term
- Credit Enrollment: First Time in College
- Credit Enrollment: Full Time Status
- Annual Enrollments in Continuing Education Courses
- Total Annual Unduplicated Headcount for Credit and Continuing Education Courses
- Re-Enrollment Initiatives

See attached presentation: [Student Enrollment Presentation](#)

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

- Mascot Naming Contest Update.....Dr. Rito Silva
(Goal 2. Student Access and Support Services: Maximize Affordable and Excellence in Student Services)

Dr. Silva reported that the Viking Mascot joined the College in April, 2017 and has been a great addition to the Del Mar family. He has made several appearances including elementary schools, graduation and orientation, and has been on the Over the Edge commercial.

Ms. Jackson described the Viking naming process, emphasizing that it is student driven although they take input from faculty, staff, alumni, and community members. They received over 800 submissions of names, the Mascot Committee narrowed it down to 200 names, and the Mascot Panel narrowed it down to 16 names. Students will vote each week to narrow the names to four. On November 16, they will announce the Viking name at the "Big Reveal" celebration at the Harvin Center. The prize for the individual naming the Viking will receive \$1,000 which can be used on campus at the bookstore, or for tuition.

Dr. Escamilla reminded everyone that this idea came about a few years ago and much work has gone into getting them to this point. Dr. Silva and his team are taking the mascot out to the elementary schools and that is critical, they light up and have fun but it is serious business as they think of reaching out and recruiting those future students.

- Update on Offering Bachelor’s Degrees at Del Mar College.....Dr. Beth Lewis
(Goal 1. Student Learning Success: Ensure Exceptional Educational Opportunities for All Students)

Dr. Lewis discussed legislation passed by the Texas Legislature in the past session, Bill 2118. This Bill permits The Texas Higher Education Coordinating Board to authorize community colleges to offer baccalaureate degrees in applied science, applied technology, and nursing which have demonstrated a workforce need.

Dr. Lewis reviewed the requirements and factors in THECB’s decision to approve the request.

Dr. Escamilla and Dr. Lewis responded to questions from the Regents.

- Development Office Updates.....Ms. Mary McQueen
Hurricane Harvey Emergency Assistance
Over the Edge, October 20-21, 2017
(Goal 6. Partnerships: Expand Opportunities for Mutually-Beneficial Alliances)

Ms. McQueen provided information to the Board regarding the Foundation. She indicated that after Hurricane Harvey they focused on the communities highly affected. They contacted students in these communities to check on their well-being and reallocated funds for each student attending in order to bring their annual scholarship up to \$2,000. The Foundation reallocated \$65,000 to 69 students that were staying in school. They have also created the Harvey Relief Fund, these are grants the students apply for, to offset their personal costs with Harvey, with a maximum award of \$500. The Foundation did online fundraising and also spoke to a very generous benefactor who had given them a \$100,000 grant for another initiative and she spoke to them about refocusing the grant for Harvey Relief and they agreed. To date they have provided \$24,850 to 59 students and currently are processing ten to twenty applications per week.

Ms. McQueen discussed the rappelling fundraiser, Over the Edge, which is scheduled for October 21, 2017, with the media event on October 20, 2017.

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

- October 20, 2017, Over the Edge
(Goal 6. Partnerships: Expand Opportunities for Mutually-Beneficial Alliances)

Dr. Escamilla stated that he will be going “Over the Edge” on October 20th and appreciates all the brave souls that have signed up to rappel in this event.

- September 25-27, 2017, ACCT Leadership Congress
(Goal 5. Advocacy: Advance the College Mission Through Effective Governance and Positioning)

Dr. Escamilla attended the ACCT Leadership Congress Conference on September 25-27 in Las Vegas. It was time well spent; it was productive and nice to catch up with colleagues from all over the country, with 1600 institutions represented.

REGENT’S COMMENTS:

- 2017 ACCT Leadership Congress
(Goal 5. Advocacy: Advance the College Mission Through Effective Governance and Positioning)

Mr. McCampbell stated that six of the Regents attended the Association of Community College Trustees Annual Conference. With six Regents attending for 3 ½ days, they were able to cover upward of 100 educational sessions.

Regents Watts, Rivas, Scott, Adame, Messbarger, and McCampbell provided a brief overview of one or two of the sessions they attended.

- CB to DC.....Ms. Carol Scott
(Goal 5. Advocacy: Advance the College Mission Through Effective Governance and Positioning)

Regent Scott represented Del Mar College at the United Chamber of Commerce Coastal Bend to DC trip last week. She provided a brief overview of her trip, which included discussions of Pell Grant, Perkins Act, and higher education in general.

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:
Minutes of Budget Workshop, July 28, 2017
Minutes of Regular Board Meeting, August 8, 2017
(Goal 5. Advocacy: Advance the College Mission Through Effective Governance and Positioning)
2. Acceptance of Investments for September 2017
(Goal 7. Resources: Ensure Strong Financial and Operational Capacity)

Ms. 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, 9-0 with Regents McCampbell, Adame, Bennett, Estrada, Hutchinson, Messbarger, Rivas, Scott, and Watts in favor.

REGULAR AGENDA

3. Discussion and possible action related to the College’s Quarterly Investment Report for the period ending August 31, 2017.....Ms. Lenora Keas
(Goal 7. Resources: Ensure Strong Financial and Operational Capacity)

Ms. Keas introduced Ron Ross who represented Linda Patterson of Patterson and Associates at today’s meeting.

Mr. Ross discussed the elevated tension that ruled the months of August and September with hurricanes and things going on in North Korea. He discussed a few of the topics that were discussed at the FOMC Committee Meeting, Federal Chair Yellan indicated at the FOMC meeting that they would start with the unwinding of the balance sheet, which is known as quantitative tightening and she also indicated that people were not expecting a rate increase in December 2017 and a possibility of three more rate increases in 2018, and these things surprised markets. There are many underpinnings of the economy getting better.

Mr. Ross provided an overview of pooled funds, excluding the Series 2016 Tax Bond, the fiscal quarter earnings at the end of August were \$164,115. The Series 2016 Tax Bond pooled funds fiscal quarter earnings were \$203,106. He discussed their continued effort to diversify the portfolio.

Ms. Estrada made a motion to accept the investment report. 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, 9-0, with Regents

McCampbell, Adame, Bennett, Estrada, Hutchinson, Messbarger, Rivas, Scott and Watts in favor.

4. Discussion and possible action related to a Resolution Adopting Investment Policy and Investment Strategy.....Ms. Lenora Keas
(Goal 7. Resources: Ensure Strong Financial and Operational Capacity)

Mr. Ross reported that after Ms. Patterson reviewed the College’s investment policy, he discussed the proposed minor clarifications and revisions made to this policy.

Mr. Ross responded to questions from the Regents.

Mr. Rivas made a motion to accept the resolution adopting the investment policy and investment strategy. Ms. Scott 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, 9-0, with Regents McCampbell, Adame, Bennett, Estrada, Hutchinson, Messbarger, Rivas, Scott and Watts in favor.

5. Discussion and possible action related to a Resolution adopting the authorized Broker/Dealer list.....Ms. Lenora Keas
(Goal 7. Resources: Ensure Strong Financial and Operational Capacity)

The Public Investment Act, Section 2256.025, requires that local governmental entities annually review/revise/adopt a list of qualified broker/dealers authorized to engage in investment transactions.

Ms. Keas read the list of broker/dealers recommended for addition which included the following: Cantor/Fitzgerald, Nomura Securities, Vining Sparks, and Williams Capital Group.

Mr. Rivas made a motion to accept the resolution adopting authorized broker/dealer list. Ms. Estrada 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, 9-0, with Regents McCampbell, Adame, Bennett, Estrada, Hutchinson, Messbarger, Rivas, Scott and Watts in favor.

6. Discussion and possible action related to the College’s Quarterly Financial Statement for the period ending August 31, 2017.....Ms. Lenora Keas
(Goal 7. Resources: Ensure Strong Financial and Operational Capacity)

Ms. Keas stated that they are presenting for the quarterly financial report which includes June through August 31 for the Board’s consideration. She noted that revenues for the quarter are at 101% and expenditures are at 100% for the quarter. The budgeted amount was \$91,146,180 and \$91,063,117 was expended as of the end of the quarter. At this point and time they are projecting net income of \$660,991. The contingency fund is \$1,335,217. Even though they are at 100% utilization within the budget, the difference is in pension funds which has to do with a \$682,000 pension adjustment due to GASB 68, and is always calculated at the end of the year.

Mr. McCampbell recommended that in the future this should be included in the budget, contingency and since it is not budgeted, it ends up coming out of the contingency fund and they are unable to put away as much in reserves.

Dr. Escamilla stated that because it is a moving target, they will work with the agencies in charge to include an estimate in future budgets.

Ms. Keas responded to questions from the Regents.

Ms. Keas reviewed the balance sheet.

Mr. Rivas made a motion to accept the agenda item. Mr. Bennett 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, 9-0, with Regents McCampbell, Adame, Bennett, Estrada, Hutchinson, Messbarger, Rivas, Scott and Watts in favor.

7. Discussion and possible action regarding the Internal Audit Follow-Up Reports and Annual Report.....Ms. Tammy McDonald
(Goal 7. Resources: Ensure Strong Financial and Operational Capacity)

Ms. McDonald stated that as they continue evaluating the College processes, Ms. Alyssa Martin and Mr. Dan Graves with Weaver, the College’s Internal Audit group, will be presenting the follow-up audit reports for Admissions and Registrar, Financial Aid, and IT internal controls. The audits were conducted initially in 2016 and they will also provide the Board with an annual report. The Board packet contained the Admissions and Registrar report, the Financial Aid report and the annual report but due to the sensitive information with the IT report, that will be provided to the Board in Closed Session.

Ms. Martin reported that the last time they addressed the Board was in June and they had several internal audits and today's presentation is the wrap-up for fiscal year 2017. The internal audit plan for FY 2017 has been completed; they have completed all audits that were planned and the follow-up procedures and will report the results of the follow-up procedures and conclude their period-ended.

They performed an audit over Admissions and Registrar in the 2016 audit year. They had 25 findings from that audit. Some of the findings were high, medium and some were low with common themes in some of the findings regarding data entry, review, documentation, and IT access, these were the four broad categories in the findings. Their recommendation is always to give management and those responsible for that activity time to put corrective action in place and they validate that the corrective action has occurred and the condition they initially found has been remediated. They evaluated the 25 findings with management to determine the progress. They reviewed with management the progress made and the steps that are in place. Nineteen of the findings were ready for them to perform audit procedures on. One internal audit finding was closed based on College Management's acceptance of the risk. They were aware that six were not completed and they did not perform procedures on these. There were nine partially closed findings and the six they expected to remain not completed.

Mr. Dan Graves reviewed the nine findings for Admissions and Registrar that had partial progress in order for the Board to see the extent of effort that has been put in place.

Dr. Silva reviewed management's response and also described one of the findings in more detail. He explained that management has responded and is continuing to work to remediate these efforts.

Ms. Martin reported that the next follow-up procedure was on the Financial Aid audit, the audit was also performed in 2016. They identified six findings which had active management remediation participation. There were two moderate findings that were identified to be partially completed. Mr. Graves reviewed why these two were partially completed. Dr. Silva provided an update on the two findings.

Ms. Martin reported that they also performed follow-up procedures on the IT General Controls audit. Those procedures were completed in August and of those findings they have similar results of remediated and partially remediated. Based on Texas Government Code § 552.139, the findings will be communicated in Closed Session due to the sensitive and confidential nature of the information.

Mr. Graves reviewed the Annual Internal Audit Report. This report contains the overview of what they have done for 2017 and any other consulting services performed for the College. Their quality review report is incorporated into that report as well as the 2018 Internal Audit Plan, and any external audit services. Mr. Graves reviewed the 2018 Internal Audit Plan.

Ms. Martin and Mr. Graves responded to questions from the Regents during and after their presentations.

The Board went into Closed Session at 3:26 p.m.

The Board reconvened in Open Session at 4:58 p.m.

Ms. Scott made a motion that the Board accept the Internal Audit follow-up report and Annual Report. 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, 9-0, with Regents McCampbell, Adame, Bennett, Estrada, Hutchinson, Messbarger, Rivas, Scott and Watts in favor.

The Board Chair reordered the meeting (with no objection) and opened the floor for General Public Comments.

GENERAL PUBLIC COMMENTS:

- Mr. Jack Gordy: Bylaws for complaints be placed in writing
- Mr. Marco Luna: Regarding DACA students and concerns about current situation
- Mr. Jarred Romero: His experience at Del Mar College
- Delia Rios: Her experience at Del Mar College
- Lilia Rios: Parent of student, Delia Rios, following up on College's process and procedures regarding registration

- 8. Discussion and possible action related to the issuance of a Request for Qualifications to solicit Architectural/Engineering Services for Indefinite Delivery/Indefinite Quantity (IDIQ) for the new Del Mar College South Side Campus.....Mr. August Alfonso
(Goal 7. Resources: Ensure Strong Financial and Operational Capacity)

Mr. Alfonso reported that the Request for Qualifications (RFQ) for Architectural/Engineering Services for use for the College's 2014 and 2016 Capital Improvement Programs has been finalized. This new Request for Qualifications also incorporates a comprehensive change and brings about a new evaluation criteria. Feedback was received from the Board from prior presentations and discussions have been incorporated. Administration is seeking Board approval for the issuance of Indefinite Delivery/Indefinite Quantity (IDIQ) Request for Qualifications for architectural and engineering services for the 2014 Capital Improvement Program as well as the Request for Qualifications for architectural and engineering services for the new Del Mar College South Side Campus. He introduced Scott Meares, President of AG/CM, the College's construction management firm, who will discuss the RFQs and evaluation criteria.

Mr. Meares addressed the Board and described the Architectural/Engineering RFQs for both Bond 2014 and Bond 2016, describing the difference between both programs.

Mr. Meares responded to questions from the Regents.

Ms. Scott made a motion to approve the issuance of Request for Qualifications to solicit architectural/engineering services for Indefinite Delivery/Indefinite Quantity for Bond 2014 and the process approved for Bond 2016. 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, 9-0, with Regents McCampbell, Adame, Bennett, Estrada, Hutchinson, Messbarger, Rivas, Scott and Watts in favor.

9. CLOSED SESSION pursuant to:

- A. **Tex. Gov't. Code § 551.071**: (Consultation with legal counsel), regarding pending or contemplated litigation or claims, or a settlement offer; and, the seeking of legal advice from counsel on pending legal or contemplated matters or claims, with possible discussion and action in open session;
- B. **Tex. Gov't. Code § 551.074(a)(1)**: (Personnel Matters), regarding the employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee, including 1.) appointment of representative to Nueces County Appraisal District Board; and, 2.) Review of Regent's Duties, Responsibilities and Statement of Ethics and potential Board action for violation of Regent's Duties and Responsibilities, with possible discussion and action in open session; and,
- C. **Tex. Gov't Code § 551.087**: (Deliberation Regarding Economic Development), regarding the discussion or deliberation of information and/or an offer of a financial or other incentive received from a business prospect engaged in economic development negotiations with Del Mar College, with possible discussion and action in open session.

The Board went into Closed Session at 5:24 p.m.

The Board reconvened in Open Session at 5:40 p.m. with no action.

ADJOURNMENT: The meeting was adjourned at 5:41 p.m.

MINUTES REVIEWED BY GC: /s/AR