

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

July 10, 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, July 10, 2018, with the following present:

From the Board:

Mr. Trey McCampbell, Dr. Nicholas Adame, Mr. Ed Bennett, Ms. Elva Estrada, Ms. Sandra Messbarger, Mr. Gabe Rivas, Ms. Carol Scott, and Dr. Mary Sherwood.

From the College:

Dr. Mark Escamilla, President and CEO; Dr. Beth Lewis, Executive Vice President and Chief Academic Officer; Ms. Lenora Keas, Vice President and CFO; Mr. Augustin Rivera, Jr., General Counsel; Dr. Rito Silva, Vice President for Student Affairs; Mr. August Alfonso, Vice President for Facilities and Chief Information Officer; Ms. Claudia Jackson, Executive Director of Strategic Communication and Government Relations; Ms. Mary McQueen, Executive Director of Development; Ms. Natalie Villarreal, Director of External and Board Relations, Ms. Jessica A. Alaniz, Risk Manager; 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:

**Students and Staff:**

- Mr. Victor Davila, Director of Title V ..... Dr. Rito Silva  
(Goal 3. Professional Initiatives: Provide Innovative, Relevant, and Meaningful Opportunities)

Elected as Vice President of Finance for the Alliance of Hispanic Service Institution Educators (AHSIE).

Dr. Silva congratulated Mr. Davila on his appointment to the executive committee of the AHSIE national organization.

**Faculty:**

- Mr. Luke Markert, Clinical Coordinator/Instructor of Physical Therapy Assistant  
..... Dr. Beth Lewis  
(Goal 3. Professional Initiatives: Provide Innovative, Relevant, and Meaningful Opportunities)

Elected as Nominating Committee Member for the PTA Educator Special Interest Group, a component of the APTA Academy of Education.

Dr. Lewis congratulated Mr. Markert on his appointment to the organization in recognition of his commitment to the academy and professional field. Mr. Markert expressed his appreciation to the Board for the recognition at the meeting.

- Nursing faculty who earned their doctoral degrees: Sandra Dawod, Linda Earwood, Darla Green, Casey Moebius and Dr. Helen Manibusan.....Dr. Beth Lewis  
*(Goal 3. Professional Initiatives: Provide Innovative, Relevant, and Meaningful Opportunities)*

Dr. Lewis recognized the faculty members for their recent completion of their doctoral programs in Nursing Practice in Educational Leadership from American Centennial University. The faculty members were conferred their degrees on June 15, 2018 in Denver, Colorado. Dr. Dawod and Dr. Earwood expressed their appreciation to the Board and the College for the support during their studies.

#### STAFF REPORTS:

- Stringer for Scholarships Update ..... Ms. Mary McQueen  
*(Goal 6. Partnership: Expand Opportunities for Mutually-Beneficial Alliances)*

Ms. McQueen reported on the 5<sup>th</sup> Annual Stringers for Scholarships event where 49 teams and 205 anglers participated in the annual fishing tournament scholarship fundraiser. This year's event raised a little over \$42,000 for scholarships. Evaluations from participants showed a positive experience and continued support for this event.

Ms. Scott also mentioned that the Foundation also received another gift recently from a local bank. Ms. McQueen reported that Kleberg Bank donated \$50,000 to Del Mar College Foundation for scholarships in honor of their new location that opened on the south side of Corpus Christi. Kleberg bank is a community bank that encourages and promotes the area community and supports the mission of Del Mar College with this donation. Ms. Messbarger expressed thanks to Mr. Joe Hinkle and Ms. Estrada also expressed thanks to Mr. Gabe Guerra, who became President of the Del Mar College Foundation Board as of July 1, 2018.

#### COLLEGE PRESIDENT'S REPORT .....Dr. Mark Escamilla

- June 18, 2018: Meeting with Governor Abbot's Chief Policy Staff (Del Mar College, Collin College, Lone Star College System, and Wharton County Junior College)  
*(Goal 3. Professional Initiatives: Provide Innovative, Relevant, and Meaningful Opportunities)*

Dr. Escamilla met with the Governor's Chief of Policy Staff, as part of the Taskforce with Texas Association of Community Colleges, to talk about community college issues and develop a relationship as the legislative session approaches. Attended with members of Collin County Community College, Lone Star College and Executive Director of TACC, Mr. Jacob Fraire.

- June 21, 2018: Update on AEL/GED Grant  
(Goal 6. Partnerships: Expand Opportunities for Mutually-Beneficial Alliances)

Dr. Escamilla announced that after almost five years, the College did not receive the grant award to continue the AEL/GED program. The original grant was received in 2014, which included two extensions and the College develop a very successful model. The College will continue to seek associated grants and continue helping students. Assistance will be given to help students transition to the new grant awardee, Education Service Center Region 2, and partner with the ESC moving forward. The College was a sub-award recipient with CCISD in previous years, instead of being the lead, and the model moving forward may be similar to that. Dr. Escamilla has a meeting next week and will provide an update at the next Board meeting with additional information and developments.

Mr. Rivas asked whether students were currently attending classes. Dr. Escamilla stated that students are currently on intercession and are being transitioned over to the ESC for the start of the semester in August. The College is also sharing resources to ensure that ESC has what they need to accommodate students.

- June 25, 2018: TACC/CCATT/TCCTA Joint Meeting, Austin  
(Goal 5. Advocacy: Advance the College Mission through Effective Governance and Positioning)

Dr. Escamilla stated that this important meeting took place with the leadership of these organizations to set the legislative agenda and priorities for the upcoming session. The legislative agenda will be presented to the Board during the August meeting.

- June 25, 2018: Texas House Criminal Jurisprudence Committee  
(Goal 5. Advocacy: Advance the College Mission through Effective Governance and Positioning)

Dr. Escamilla and Ms. Scott attended, along with Chairman Todd Hunter, this committee meeting that is focused on school safety. The meeting was an opportunity to hear what school districts are doing in the area of safety and security in schools.

#### 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 ACTIONS:

- 1. Approval of Minutes:  
Regular Board Meeting, May 8, 2018  
Called Meeting, June 5, 2018  
*(Goal 5. Advocacy: Advance the College Mission Through Effective Governance and Positioning)*
- 2. Acceptance of Investments for June 2018  
*(Goal 7. Resources: Ensure Strong Financial and Operational Capacity)*

Public comments for consent agenda items

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, with Regents McCampbell, Adame, Bennett, Estrada, Messbarger, Rivas, Scott and Sherwood in favor.

REGULAR AGENDA

- 3. Discussion and possible action related to the College’s Quarterly Investment Report for the period ending May 31, 2018..... Ms. Linda Patterson  
*(Goal 7. Resources: Ensure Strong Financial and Operational Capacity)*

Ms. Keas introduced Ms. Patterson with Patterson & Associates to conduct the presentation on the quarterly investment report.

Ms. Patterson discussed the volatility in the market and how the markets are becoming more normalized. The market responds with the current international movement in the world and money goes to safety in response to that movement. The market has shown strength and passed the stress in recent times.

The yield is going up from February 2017, which was at .640%, and now at 1.999% on a six-month bill. Fiscal year quarter earnings in February 2017 were \$127,224 and are now up to \$395,490. WAM was brought down a little due to the liquidity needed for construction. Next quarter should bring a benchmark yield and yield on portfolio of over 2%. Allocations haven’t changed much in portfolio.

Ms. Patterson stated that the tax bond funds are at a WAM of 50 days due to construction with the benchmark at the 6-month T-bill at 1.990% to hold up at 1.75% yield on funds, to show fiscal quarter earnings at \$247,038.

Ms. Patterson responded to questions for the Regents.

Mr. Rivas made a motion to approve the agenda item. 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, 8-0, amongst Regents present, with Regents McCampbell, Adame, Bennett, Estrada, Messbarger, Rivas, Scott and Sherwood 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)

Ms. Keas read the following resolution adopting the investment policy as required on an annual basis:

***A RESOLUTION ADOPTING INVESTMENT POLICY AND STRATEGY***

*WHEREAS, the Public Funds Investment Act (Texas Government Code, Chapter 2256) governs local government investment; and*

*WHEREAS, the Public Fund Investment Act (Section 2256.005a) requires the governing body to adopt an investment policy and investment strategies by rule, order, ordinance or resolution governing the investment of funds under its control; and*

*WHEREAS, the Public Fund Investment Act (Section 2256.005e), requires the resolution approving the policy and strategy to record any changes made thereto; and*

*WHEREAS, the College has chosen to make certain changes material to the Policy to include the following;*

- extending the maximum maturity of commercial paper from 90 days to 180 days, while retaining the requirement that Commercial paper can only represent 25% of the portfolio at time of purchase*

***NOW, THEREFORE, BE IT RESOLVED***

*That Del Mar College District has complied with the requirements of the Public Funds Investment Act and the Investment Policy and Strategy, as amended, is hereby adopted as the Investment Policy of the Del Mar College District.*

***PASSED, ADOPTED AND APPROVED*** by Board of Trustees of the Del Mar College District this the 10th day of July, 2018.

Ms. Keas stated that this policy change has been sent to all respective councils for notification.

Ms. Keas responded to questions from the Regents.

Ms. Scott made a motion to approve and adopt the agenda item. 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, Messbarger, Rivas, Scott and Sherwood 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)

Ms. Keas read the following resolution adopting the authorized broker and dealer list:

**RESOLUTION**

**A RESOLUTION ADOPTING AUTHORIZED BROKER/DEALER LIST**

*WHEREAS, the Public Funds Investment Act (Texas Government Code, Chapter 2256) governs local government investment; and*

*WHEREAS, the Public Fund Investment Act (Section 2256.025) requires the governing body or its designated investment committee, no less than annually, to review, revise and adopt a list of qualified broker/dealers authorized to engage in investment transactions; and*

*WHEREAS, the following broker/dealers are recommended for approval:*

*NOW, THEREFORE, BE IT RESOLVED that:*

*Bank of America/Merrill Lynch*

*BOK Financial*

*Cantor Fitzgerald*

*First Tennessee*

*International FC Stone*

*Mizuho Securities*

*Morgan Stanley*

*Mutual Securities*

*Nomura Securities*

*Oppenheimer*

*Piper Jaffray*

*Raymond James*

*RBC Capital*

*Stifel Nicolaus*

*Vining Sparks*

*Williams Capital Group*

*are authorized as broker/dealers for College.*

*A copy of the Investment Policy will be sent to each broker/dealer on the list whenever a material change is made to the Policy.*

*Any qualified Texas bank used for time or demand deposits may be approved by the investment officers as identified through the competitive process without Board action.*

*That the College has complied with the requirements of the Public Funds Investment Act and the list of authorized broker/dealers is hereby adopted.*

*PASSED, ADOPTED AND APPROVED by the Board this the \_\_\_\_ day of \_\_\_\_\_, 2018.*

Ms. Messbarger made a motion to approve and adopt 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, Messbarger, Rivas, Scott and Sherwood in favor.

6. Discussion and possible action related to the College's Quarterly Financial Statement for the period ending May 31, 2018.....Ms. Lenora Keas (*Goal 7. Resources: Ensure Strong Financial and Operational Capacity*)

Ms. Keas reviewed the quarterly financial statement and pointed out several items for review related to tuition and fees, which are running 5% less due to Hurricane Harvey. Expenditures are running very efficiently within categories such as salaries and other expenses. Contingencies remain untouched and total expenditures are 61% for the current fiscal year as of this quarter. A balance is expected as the fiscal year end approaches.

Mr. Rivas made a motion to approve and accept the agenda item. 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, 8-0, amongst Regents present, with Regents McCampbell, Adame, Bennett, Estrada, Messbarger, Rivas, Scott and Sherwood in favor.

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

Mr. James Klein spoke on behalf of the planning committee of the Mandela Day Corpus Christi event taking place on July 21, 2018. A poster contest will take place in coordination with the event taking place in the Harvin Center and all are welcome to attend.

The Board Chair announced the Board was going into Closed Session as follows:

7. CLOSED SESSION pursuant to:
  - A. **TEX. GOV'T. CODE § 551.071:** (Consultation with legal counsel), regarding pending or contemplated litigation or legal claims, or a settlement offer, including, 1.) proposed settlement in Case No. 16-20012, In re SHERWIN ALUMINA COMPANY, LLC, *et al.*, (Chapter 11) and Adv. No. 18-02139, CORPUS CHRISTI ALUMINA, LLC v. DEL MAR COLLEGE, In the United States Bankruptcy Court for the Southern District of Texas (Corpus Christi Division)
  - B. **TEX. GOV'T CODE § 551.074(a)(1):** (Personnel Matters), regarding the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; including, 1.) Annual Evaluation of College President, with possible discussion and action in open session; with possible discussion and action in open session.

The Board went into closed session at 1:45 p.m.

The Board reconvened in Open Session at 4:50 p.m. with the following action:

Ms. Scott made a motion to approve the terms of the proposed settlement as outlined by Mr. Rivera in Closed Session and authorize Dr. Escamilla and Mr. Rivera to proceed with necessary steps to finalize the settlement in connection with Case No. 16-20012, In re SHERWIN ALUMINA COMPANY, LLC, *et al.*, (Chapter 11) and Adv. No. 18-02139, CORPUS CHRISTI ALUMINA, LLC v. DEL MAR COLLEGE, In the United States Bankruptcy Court for the Southern District of Texas (Corpus Christi Division). Mr. Rivas 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, Messbarger, Rivas, Scott and Sherwood in favor.

CALENDAR: Discussion and possible action related to calendaring dates.

ADJOURNMENT: The meeting was adjourned at 4:56 p.m.

MINUTES REVIEWED BY GC: /s/ AR