

MINUTES OF THE WORKSHOP
OF THE BOARD OF REGENTS OF THE DEL MAR COLLEGE DISTRICT

The Workshop of the Board of Regents of the Del Mar College District convened in the Isensee Board Room, Harvin Student Center, Del Mar College, Corpus Christi, Texas at 10:32 a.m. on Tuesday, December 10, with the following present:

From the Board:

Dr. Nicholas Adame, Ms. Libby Averyt, Mr. Ed Bennett, Ms. Elva Estrada, Ms. Susan Hutchinson, and Mr. Hector Salinas.

Note: Mr. Gabriel Rivas arrived at 10:55 a.m.

From the College:

Dr. Mark Escamilla, President and CEO; Mr. Raul Garcia, Vice President and CFO; Ms. Tammy McDonald, Vice President of Administration and Human Resources; Ms. Lenora Keas, Vice President Workforce Development and Strategic Initiatives; Mr. Augustin Rivera, Jr., General Counsel; Ms. Mary McQueen, Executive Director of Development; Ms. Natalie Villarreal, Director of External and Board Relations, Delia Perez, Board Liaison; and other staff and faculty.

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

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

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

There were no general public comments.

ITEMS OF BUSINESS:

1. Discussion related to the College's Financial Condition Assessment Mr. Raul Garcia (*Goal 6: Financial Effectiveness and Affordability*)

Mr. Garcia reported that Mr. Roland Gilmore, Senior Program Director for the Texas Higher Education Coordinating Board presented a Key Performance Indicators (KPIs) Webinar to Regents and Staff on November 14, 2019. During the webinar, Mr. Gilmore noted that he did not have any concerns with Del Mar College's finances.

Mr. Garcia stated that today's KPIs presentation will have a more focused view on Del Mar's finances. KPIs is one of many components to the framework for managing and measuring the financial condition of an institution of higher education.

Mr. Garcia introduced Dr. Cathy West to further discuss KPIs. Dr. West stated that the College recently adopted the 2019-2024 Strategic Plan and in order to carry out the initiatives of this plan, the College must have adequate resources.

The KPIs for Goal Six: Financial Effectiveness and Affordability:

- Composite Financial Indicator (CFI)
 - Return on net position ratio
 - Operating margin ratio
 - Primary reserve ratio
 - Viability ratio
- Average tuition and fees for TX community colleges; comparison to DMC
- Scholarships award by DMC Foundation

The Composite Financial Index (CFI)

- Widely accepted metric to measure the overall financial condition of institution
 - Financial Condition Analysis of Texas Public Community Colleges Report prepared annually by Texas Higher Education Coordinating Board (THECB)
 - Developed by consortium of consulting companies led by KPMG, presented in Strategic Financial Analysis for Higher Education, 7th ed., by Prager, Sealy, & Co., LLC; KPMG LLP
 - THECB removed the implementation of GASB 68 and GASB 75 from calculation of ratios - based on recommendations of KPMG
- Combines four ratios into single metric:
 - Return on net position, DMC's ratio runs consistently higher than State standard of >0
 - Operating margin, DMC's ratio runs consistently higher than State standard of >0
 - Primary reserve, DMC's ratio runs consistently higher than State standard of .14
 - Viability ratio, DMC's ratio runs consistently higher than State standard of .42

Del Mar College's CFI ratio runs consistently higher than the State standard of 2.00 indicating the College is in very good financial condition.

Dr. Escamilla, Dr. West and Mr. Garcia responded to questions from the Board of Regents.

There were no public comments regarding this agenda item.

CALENDAR: Calendar items to be discussed in today's Regular Board Meeting.

ADJOURNMENT: The meeting was adjourned at 11:01 p.m.