

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

December 12, 2017

The Regular Meeting of the Board of Regents of the Del Mar College District convened in the Center for Economic Development, 3209 S. Staples, Room 106, Del Mar College, Corpus Christi, Texas at 1:00 p.m. on Tuesday, December 12, 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, Ms. Carol Scott, and Mr. Guy Watts.

From the College:

Dr. Mark Escamilla, President and CEO; Dr. Beth Lewis, Provost and Vice President for Academic Affairs; 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.

Others:

Facilities Programming & Consulting Staff:

Doug Lowe
Terry Phillips
Molly Cundari
Amanda Crawley

Scott Meares, President, AG/CM, Inc.

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.

STAFF REPORTS:

- Student Enrollment and Achievement Update

.....Dr. Beth Lewis, Dr. Rito Silva, and Sushil Pallemoni
(*Goal 1. Student Learning: Ensure Exceptional Educational Opportunities for All Students*)

Dr. Lewis, Dr. Silva, and Sushil Pallemoni shared information with the Board regarding the College's tableau dashboard. Mr. Pallemoni explained that Tableau creates interactive data visualization and helps users understand the data in the form of trends and patterns by connecting to several data sources. The key areas they discussed were student enrollment, student profile (demographics), degrees and certificates, and student course success.

The team presenting responded to questions from the Regents throughout the presentation.

Dr. Escamilla thanked Mr. Pallemo and informed the Board that they will have further updates and information to Tableau in the Spring.

See included [Enrollment Presentation](#).

- Over the Edge Update.....Ms. Mary McQueen
(Goal 5. Advocacy: Utilize Technology to Enhance Academic and Institutional Services and Processes)

Ms. McQueen reported on the Over the Edge fundraiser held in October. There were 26 rappellers, with \$92,200 raised which includes in kind, with \$45,835 net. The money raised will go towards student scholarships. She thanked the participants and sponsors and they are excited about next year's event.

- Review of Health Plan-ERS HealthSelect and Changes Effective 9/1/17
.....Ms. Tammy McDonald
(Goal 3: Professional Initiatives: Provide Innovative, Relevant, and Meaningful Opportunities)

Dr. Escamilla reported that there have been some effects from the change in medical health providers in the way of insurance that they had not anticipated. There have been serious changes affecting many of the employees. They have gone to great lengths to figure out what the situation is because it is having a dramatic effect with the level of medical service in the way of doctors being available to employees.

Ms. McDonald reviewed the ERS Health Select Medical Plan and changes that went into effect September 1, 2017. The College participates in group benefits through the Employer Retirement System of Texas. Ms. McDonald stated that two main changes to the Plan are: decrease of Primary Care Physicians and Specialists that are on the new Network List in our area, and employees have experienced delay in service and denial of service; and free standing emergency rooms (one not associated with a hospital) are out of network and the cost will be a significant amount more out of pocket. Ms. McDonald discussed next steps.

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

- Update: Associate in Science Degree in Chemistry with a Concentration in Chemical Engineering to become an Associate in Science in Chemical Engineering
.....Dr. Beth Lewis
(Goal 1. Student Learning: Ensure Exceptional Educational Opportunities for All Students)

Dr. Lewis reported that the College has offered an Associate in Science Degree in Chemistry with an emphasis in Chemical Engineering for many years and students have successfully transferred to Texas A&M Kingsville, University of Houston and University of Texas with this degree but recently the Texas Higher Education Coordinating Board issued a field of study curriculum in chemical engineering so the College is modifying the degree to become

an Associate in Science in Chemical Engineering. Texas A&M Kingsville has an articulation agreement with Del Mar College to accept all the courses into their BS degree and Texas A&M Corpus is applying for a Chemical Engineering Degree and will accept all of our courses in the degree and this change will go into effect in the Fall of 2018

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

- December 14, 2017: Season Celebration
(Goal 3: Professional Initiatives: Provide Innovative, Relevant, and Meaningful Opportunities)

Dr. Escamilla invited the Boards and College community to attend the Season Celebration on Thursday, December 14 at 10:00 a.m. at ET 124.

- December 15, 2017: Graduation
(Goal 1. Student Learning: Ensure Exceptional Educational Opportunities for All Students)

Dr. Escamilla announced that the Graduation speaker on December 15th will be Chairman of Higher Education, J. M. Lozano.

REGENT’S REPORTS

- THECB Leadership Conference, November 30 – December 1, 2017
(Goal 3: Professional Initiatives: Provide Innovative, Relevant, and Meaningful Opportunities)

Several of the Regents along with Dr. Kristina Wilson and Natalie Villarreal attended the Texas Higher Education Leadership Conference on November 30th through December 1st.

Regents Messbarger and Estrada provided highlights of the conference.

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, October 10, 2017
(Goal 5. Advocacy: Advance the College Mission Through Effective Governance and Positioning)
2. Acceptance of Investments for November 2017
(Goal 7. Resources: Ensure Strong Financial and Operational Capacity)
3. Acceptance of Financial Statement for October 2017
(Goal 7. Resources: Ensure Strong Financial and Operational Capacity)

Mr. Rivas made a motion to approve the consent agenda items. 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, Hutchinson, Messbarger, Rivas, and Watts in favor.

REGULAR AGENDA

- 4a. Discussion and possible action related to review and adoption of updated Tax Abatement Guidelines and Criteria, including overview of prior tax abatements
.....Mr. Mike Culbertson/Mr. Augustin Rivera, Jr.
(Goal 7. Resources: Ensure Strong Financial and Operational Capacity)

Mr. Rivera stated that Mr. Culbertson was present to address any questions related to the updated guidelines for the Board’s consideration and approval as well as the specific Application for Tax Abatement received by the College.

Mr. Culbertson provided a short history of DMC tax abatements and gave information relating to how CCREDC handles tax abatement process. He explained that tax abatements are to incentivize companies to come and locate here and once they are here they are in the College’s tax base the entire time. CCREDC will run reports on the principals, they want to make sure that people that come to them have a real project, have a good track record, and if they are able to actually do the work. They will do an economic impact model to check if the incentive given is less than the money they will get back in the 5 year payback. After the tax abatement is approved by the taxing entities Mr. Culbertson will check a year later to verify they are on track with the agreement, he will go through their financials, and he will check with the companies they contracted with, inquiring about what they were paid. He

handles the compliance for Del Mar College, Nueces County, San Patricio County, the City of Corpus Christi, and the Type A Board of Corpus Christi.

The College has had six tax abatements:

- o Topaz Power, two CPL plants, they had to invest \$670M and by the time they were finished they invested \$900M. They had a requirement to maintain a certain level of value and one year they did not maintain the level of value and CCREDC recovered the money for the College (\$37,000);
- o M&G Resins: They are in bankruptcy.
- o Castleton has a tax abatement but never did anything, and that abatement is over;
- o Cheniere Docks: He will do the first compliance on them.
- o Voestalpine Docks: For this tax year, they finished their docks and said they would invest \$56.7M and they invested \$67M

The tax abatement policy the College has is the same as Nueces and San Patricio Counties. The guidelines are even and collaborative throughout the taxing entities.

Mr. Culbertson responded to questions from the Regents.

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 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.

- 4b. Discussion and possible action related to Application for Tax Abatement of EPIC Y-Grade Logistics, LP and proposed Tax Abatement Agreement
.....Mr. Mike Culbertson/Mr. Augustin Rivera, Jr.
(Goal 7. Resources: Ensure Strong Financial and Operational Capacity)

Mr. Culbertson stated that EPIC (Eagleford Premium Ingleside Corpus Christi) is a pipeline in New Mexico and comes all the way to Corpus Christi. They are asking to incentivize them to locate in the Del Mar College District. They will increase the value by \$200M and have a minimum of 10 jobs. The company has the money to complete the project and they will have an 18 month construction. Nueces County approved this abatement last week and now they are asking if Del Mar College will approve this abatement.

Mr. Culbertson responded to questions from the Regents.

Ms. Scott made a motion to accept the application for tax abatement for EPIC Y-Grade Logistics, LP.
Ms. Hutchinson 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 7-2, with Regents McCampbell, Adame, Estrada, Hutchinson, Messbarger, Rivas, and Scott in favor, Regents Bennett and Watts were opposed.

5. Discussion and possible action regarding the College’s Comprehensive Annual Financial Report (CAFR) for the fiscal year ending August 31, 2017.....Ms. Brigid Cook (*Goal 7. Resources: Ensure Strong Financial and Operational Capacity*)

Ms. Brigid Cook presented a brief overview of the College’s Comprehensive Annual Financial Report (CAFR) for the fiscal year ending August 31, 2017. See included [Comprehensive Annual Financial Report](#).

They had an unmodified opinion which means that the financial statements are fairly presented and all material respects in accordance with GAP and the governmental auditing standards. In addition they do part of the single audit which is the federal and state awards, and there are three reports, the first one being Internal Control Over Financial Reporting and there were no material weaknesses identified. Under “Other Matters” they did have a compliance issue pertaining to a federal grant.

Ms. Keas thanked Ms. Cook and her staff, as well as the College’s staff, including John Johnson, Dr. Catherine West, their staff and Sushil Pallemoni and the Institutional Research staff. This will be the 7th Certified Annual Financial Report the College will submit to GFOA.

Dr. Escamilla thanked the staff and every year at this time it is extensive work. It is the College’s 7th year and not all community colleges produce a CAFR but this is a way of doing business that presents the College’s information in the most transparent, up front manner.

Mr. Rivas made a motion to accept the audit report.
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.

6. Discussion and possible action related to authorizing the administration to adopt new Board Vision and Campus Design Guidelines in the Request for Qualifications (RFQ)

for the solicitation of Architectural/Engineering (A/E) consulting services for the South Side Campus Phase 1A Project.....Mr. August Alfonso
(Goal 1. Student Learning Success: Ensure Exceptional Educational Opportunities for All Students and Goal 7. Resources: Ensure Strong Financial and Operational Capacity)

Mr. Lowe's presentation was a summary of the feedback received in the morning's Workshop. They summarized the information into a number of campus themes and also summarized the vision/value statements for the South Side Campus Project. See included [Presentation](#).

Mr. Lowe responded to questions from the Regents.

The Regents provided their input and were given an opportunity to ask questions.

Dr. Escamilla stated that if he were a firm looking at this information just knowing that the Board of Regents came together and went through this exercise and produced this will make a bold statement.

Ms. Hutchinson made a motion to accept this agenda item.
Ms. Messbarger 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, 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) as follows:

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

Mr. Jack Gordy: General public comment regarding tax dollars and attorney fees.

Mr. Watts left prior to Closed Session.

8. CLOSED SESSION pursuant to:

- A. **TEX. GOV'T CODE § 551.071**: (Consultation with legal counsel), regarding pending or contemplated litigation or claims (including Cause No. 2012-CCV-61123-2 Bruce Olson vs. Del Mar College and 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;

- C. **TEX. GOV'T CODE § 551.072**: (Real Property Deliberation), regarding the purchase, exchange, lease, or value of real property;
- D. **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 personnel update; 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,
- E. **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 3:36 p.m.

The Board reconvened in Open Session at 4:53 p.m.

- 7. Discussion and possible action related to proposed Board Letter to Regent Watts addressing ethical and legal concerns related to recent emails.....Mr. Augustin Rivera, Jr.
(Goal 5. Advocacy: Advance the College Mission Through Effective Governance and Positioning)

Ms. Hutchinson stated that at the last Board meeting the Board voted to instruct legal counsel to prepare a letter to Regent Guy Watts addressing legal and ethical issues relating to his emails. Ms. Hutchinson moved that the Board approve sending the following letter:

December 12, 2017

Regent Guy L. Watts
Corpus Christi, Texas

Dear Regent Watts,

At last month's meeting, we, the Board of Regents of the Del Mar College District, collectively voted to prepare this letter to you to address our serious concerns with numerous emails you sent to the rest of the Board, as well as other individuals, between November 6th and 11th, 2017. The specific emails are attached to this letter.

We have two main concerns: (1) Your continued and deliberate practice of sending emails discussing college business to more than a quorum of the Board outside a posted meeting; and, (2)

Your unilateral decision to publicly discuss a pending legal matter involving the College, without authorization by the Board.

First, as you and the rest of the Board have been previously advised numerous times, sending an email to more than a quorum of the Board about college business could potentially constitute an illegal meeting in violation of the Texas Open Meetings Act. In the past, you have also been specifically encouraged to confer with the College’s General Counsel if you have any questions or need further clarification. But, instead, you continue to engage in this legally risky email practice, as evidenced from the latest attached email you sent to the Board yesterday evening.

We do not agree with you that this is a “free speech” matter. Instead this is a matter of following the law, as well as our duly adopted Board Bylaws, on the appropriate time, place, and manner for us to deliberate as a Board. We all have the right to meet as a Board and to freely express and debate our opinions on matters affecting the College, so long as it is in a properly noticed meeting, in public, that complies with the law. Your practice of emailing all of us about College business outside of that process, however, undermines the public’s right to know and puts you and the College at risk of violating the Texas Open Meetings Act.

Second, your emails also indicate that you engaged in a public discussion about a pending lawsuit against the College and then attempted to provoke an online discussion about the lawsuit. As you know, we regularly meet in closed session with legal counsel to discuss pending legal and confidential matters. Publicly speaking about such matters risks waiving legal privileges, jeopardizing the College’s position in the lawsuit, and causing confusion among the public about the College’s stance on a given legal matter.

We therefore send this letter to you to formally confirm, in writing, that the Board neither condones nor agrees with your email practices or your public, unauthorized discussion of pending lawsuits against the College. On behalf of the College, we direct you to stop sending emails to more than a quorum of the Board of Regents about College business. And, we likewise request that you refrain from publicly discussing pending lawsuits involving the College, without authorization by the Board.

Respectfully,

Chair, Regent Trey McCampbell

Regent Elva Estrada

Vice-Chair, Regent Gabriel Rivas

Regent Susan Hutchinson

Vice-Chair, Regent Carol Scott

Regent Sandra Messbarger

Secretary, Regent Nick Adame

Regent Ed Bennett

Ms. Messbarger 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, amongst Regents present, 8-0, with Regents McCampbell, Adame, Bennett, Estrada, Hutchinson, Messbarger, Rivas, and Scotts in favor.

CALENDAR: Discussion and possible action related to calendaring dates.

ADJOURNMENT: The meeting was adjourned at 4:58 p.m.

MINUTES REVIEWED BY GC: /s/AR