

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

August 8, 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, August 8, 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; Dr. Beth Lewis, Provost and Vice President for Academic Affairs; Ms. Lenora Keas, Vice President of Workforce Development and Strategic Initiatives; Dr. Rito Silva, Vice President for Student Affairs; Ms. Claudia Jackson, Executive Director of Strategic Communication and Government Relations; Ms. Tammy McDonald, Executive Director of Human Resources and Administration; Ms. Mary McQueen, Executive Director of Development; Dr. Catherine West, Interim Chief Financial Officer; 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.

REGULAR AGENDA

1. Discussion and possible action related to the adoption of the Order to Conduct a Public Hearing on the 2017-2018 College Budget.....Ms. Lenora Keas
(*Goal 7. Resources: Ensure Strong Financial and Operational Capacity*)

Ms. Keas stated that the group that put together today's budget presentation included herself, Ms. Tammy McDonald, Dr. Catherine West, and John Johnson. The presentation included information on the following:

- Review Projections and Taxable Valuations
- Discuss an Overview of Enrollment Trends
- Review 2018 Strategic Initiatives, including
Budget for Police Department;
Faculty Survey of Salaries for 50 Community Colleges;
Proposed Faculty Salaries; and
Proposed Staff Salaries – Exempt and Non-Exempt
- Review of 2018 Proposed Expenditure
- Discussion Types of Revenue and Budget Revenue
- Review Maintenance and Operations Tax Rate Related to Budget

- Discuss Debt Service Budget and Rate
- Board Considers Recommendation for Combined Tax Rate

Ms. Keas and Dr. Escamilla responded to questions and comments from the Regents during the presentation. See included presentation: See included [Budget Presentation](#).

Mr. Augustin Rivera, Jr. read the Order of the Regents of the Del Mar College District, 2017-2018 Budget, which contained information that the Board would conduct a meeting and public hearing on August 21, 2017 at 5:30 p.m.

Mr. Rivas made a motion to approve the Order.
Ms. Estrada seconded the motion. There was no further discussion from the Board.

Dr. James Klein made a public comment, expressing concern about the legislature reducing funding for community colleges and higher education in general.

There were no additional public comments.

Ms. Carol Scott made a public comment regarding the percentage of increase that will come from local property taxes to the budget presented; she prefers smaller increments yearly instead of a significant increase in the tax rate.

Dr. Escamilla responded that he looks forward to more dollars from the legislature in the future.

Mr. Ed Bennett asked how much interest expense was included in the budget.

Dr. Escamilla responded that they need to break up the 3/10 of the penny to show the interest. They will bring that analysis back to the Board.

There was no further discussion from the Board.
Mr. McCampbell asked for additional public comments. There were no additional public comments.
A roll-call was taken and the motion carried unanimously, 9-0, with Regents McCampbell, Adame, Bennett, Estrada, Hutchinson, Messbarger, Rivas, Scott and Watts in favor.

2. Discussion and possible action related to the adoption of the Order to Conduct Public Hearings on the 2017-2018 Tax Rates.....Ms. Lenora Keas
(Goal 7. Resources: Ensure Strong Financial and Operational Capacity)

Ms. Keas introduced this agenda item which sets Public Hearing dates for the 2017-2018 Tax Rates.

Mr. Augustin Rivera, Jr. read the Order of the Regents of the Del Mar College District, 2017-2018 Tax Rates, which contained information relating to the 7.9% increase in total tax revenue from properties and stated that the Board would conduct meetings and public hearings on August 21, 2017 at 5:30 p.m. and August 24, 2017 at 5:30 p.m.

Ms. Messbarger made a motion to increase the property tax rate by adoption of a tax rate of \$0.259163 which is effectively a 7.95 percent increase in the tax rate. There was no further discussion from the Board. Mr. McCampbell asked for additional public comments. There were no additional public comments. A roll-call 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 RECESSED FOR LUNCH AT 11:51 a.m.

THE BOARD RECONVENED AT 1:00 p.m.

Mr. Watts left prior to 1:00 p.m.

RECOGNITIONS:

Students and Staff

- Certificate of Achievement for Excellence in Financial Reporting for fiscal year ended August 31, 2016, Comprehensive Annual Financial Report (CAFR)
.....Ms. Lenora Keas
(Goal 7. Resources: Ensure Strong Financial and Operational Capacity)

Ms. Keas recognized Dr. Cathy West, John Johnson and the Institutional Research staff because the Government Finance Officers Association (GFOA) has for the sixth time awarded to the College the Certificate of Achievement for Excellence in Financial Reporting for fiscal year ended August 31, 2016. It is a great recognition for the College for the Comprehensive Annual Financial Report. It is the highest form of recognition in governmental accounting and financial reporting. It represents open disclosure and transparency for the College's accounting practices.

STAFF REPORTS:

- Professional Service Contract Review by the Board of Regents....Ms. Tammy McDonald
(Goal 7. Resources: Ensure Strong Financial and Operational Capacity)

Ms. McDonald reported that every several months they bring to the Board the master list of professional services contracts and these contracts are broken down into different categories and added different information the Board has requested.

Ms. McDonald responded to questions from the Regents. The Regents provided their input about what they would like to see included in this document when it is brought back to them periodically.

- Legislative Update.....Ms. Claudia Jackson
(Goal 5. Advocacy: Advance the College Mission Through Effective Governance and Positioning)

Ms. Jackson provided information regarding the special session of the legislature. She indicated that any bills that have not gotten to a conference committee report, meaning both sides of the House have taken some type of action by Monday, they will not be going forward because the 18th is the deadline. Ms. Jackson provided information regarding the tax rate bill, SB1, SB3, and bills that could impact community colleges.

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

REGENT REPORTS:

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

Ms. Scott serves on the Board of the Community College Association of Texas Trustees, which is made up of trustees and regents from Texas community colleges. She will begin her second year on that Board and has been working on the Legislative Committee on the College's behalf. She reminded them of the good, close working relationship between TACC, CCATT, and TCCTA. All three entities were in lock step during the legislative session and that has been a great foundation and provided some benefit for the community college family in general. Ms. Scott provided additional information relating to the recent conferences. She thanked the Board for allowing her to serve the Regents across the state.

Dr. Escamilla stated that it has been a remarkable two years with representation on the CCATT Board with Regent Scott's efforts. He thanked her for making a huge difference and rising to the top, because the community colleges are listening and to have the Del Mar College name at the forefront of all the efforts is much appreciated from the President's Association across the state.

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

- SACSCOC Fifth-Year Interim Report
(Goal 1. Student Learning Success: Ensure Exceptional Educational Opportunities for All Students)

Dr. Escamilla reported that the College has received the final letter from the Southern Association of Colleges and Schools Commission on College's for the fifth-year report with nothing more to do, and that's a big deal. The College continues with its standards of excellence in accreditation and reaffirmation. The team that handed Dr. Lewis this report was led by Lenora Keas and much of the academic leadership at the College, he thanked them all for getting the College to its first fifth-year report. It is the foundation upon which they will continue building to the 10-year report. Much of the College's time, energy and resources will be required for the 10-year report.

- July 12 – 15, 2017: TACC Summer Conference, San Antonio
(Goal 5. Advocacy: Advance the College Mission Through Effective Governance and Positioning)

Dr. Escamilla reported that on July 12th he attended the Texas Association of Community Colleges Summer Conference in San Antonio. Regent Scott and the CCATT leadership team was also in attendance for a portion of that conference. It was a great conference focused on the legislative efforts and the special session. Next year TACC's summer conference will be held in Corpus Christi and it will be a tremendous opportunity to showcase the College and community.

- July 31 – August 1, 2017: Legislative Meetings, Austin
(Goal 5. Advocacy: Advance the College Mission Through Effective Governance and Positioning)

Dr. Escamilla attended legislative meetings on July 31st through August 1 because they continue to be in touch with the Capitol during the special session either by phone or physically present, which makes a big difference. Our local delegation, including Senator Hinojosa, Chairman Hunter, Chairman Herrero, and Chairman Lozano are a great asset to our state and region.

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:

- 3. Approval of Minutes
Regular Board Meeting, June 13, 2017
Workshop, July 11, 2017
(Goal 5. Advocacy: Advance the College Mission Through Effective Governance and Positioning)
- 4. Acceptance of Investments for July 2017
(Goal 7. Resources: Ensure Strong Financial and Operational Capacity)
- 5. Acceptance of Financial Statement for June 2017
(Goal 7. Resources: Ensure Strong Financial and Operational Capacity)

Ms. Messbarger made a motion to approve the consent agenda items with one correction to the June 13 Meeting, Ms. Hutchinson was present during that meeting. 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 with Regents McCampbell, Adame, Bennett, Estrada, Hutchinson, Messbarger, Rivas, and Scott in favor.

REGULAR AGENDA

- 6. Discussion and possible action related to the College’s Quarterly Financial Statement for the period ending May 31, 2017.....Dr. Catherine West
(Goal 7. Resources: Ensure Strong Financial and Operational Capacity)

Mr. Johnson reviewed the income/expense statement for the period ending May 31. The revenue totals of \$80,900,717 are in line with last year’s. The expenses are approximately \$5M higher than last year, with a difference of \$4.2M in salaries and benefits. They are on track of where they should be and expect at year end having their contingency balance left over.

Ms. Scott made a motion to approve this 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, with Regents McCampbell, Adame, Bennett, Estrada, Hutchinson, Messbarger, Rivas, and Scott in favor.

7. Discussion and possible action related to the College’s Quarterly Investment Report for the period ending May 31, 2017.....Mr. Ronald Ross
(Goal 7. Resources: Ensure Strong Financial and Operational Capacity)

Mr. Ross with Patterson and Associates provided the Quarterly Investment Report. He thanked Dr. West for helping them get the portfolio structured. He discussed last year’s rates compared to this year; the rates have gone up but there has been a flattening of the yield curve. He provided an overview of pooled funds, excluding the Series 2016 Tax Bond, the fiscal quarter earnings at the end of May were \$136,348. The Series 2016 Tax Bond pooled funds fiscal quarter earnings were \$195,305. He discussed their continued effort to diversify the portfolio.

Mr. Ross responded to questions from the Regents.

Mr. Rivas made a motion to approve this 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, with Regents McCampbell, Adame, Bennett, Estrada, Hutchinson, Messbarger, Rivas, and Scott in favor.

8. Discussion and possible action related to approval of the new certificate program in Medical Assisting.....Dr. Beth Lewis
(Goal 1. Student Learning Success: Ensure Exceptional Educational Opportunities for All Students)

Dr. Lewis presented information relating to the new certificate program in Medical Assisting. She introduced Mr. Glen Madden, Chair of Allied Health and Program Director and Associate Professor of Surgical Technology. Mr. Madden and Dean Shannon Ydoyaga put together this program. The Medical Assisting Level II Certificate will begin in Fall of 2018, or Spring 2018, if possible. Dr. Lewis’s presentation included information on job duties, job market, certificate requirements, and institutional capacity.

Dr. Lewis and Mr. Madden responded to questions from the Regents.

Ms. Estrada made a motion to approve this 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, with Regents McCampbell, Adame, Bennett, Estrada, Hutchinson, Messbarger, Rivas, and Scott in favor.

9. Discussion and possible action related to the use of the Emerging Technology Expansion project surplus funds and authorizing the administration to include such building additions and site enhancements to the Emerging Technology Expansion project.....
.....Mr. August Alfonso
(Goal 7. Resources: Ensure Strong Financial and Operational Capacity)

Dr. Lewis reminded the Board that on May 9, 2017 the Board authorized administration to expend the \$478,500 surplus budget for the Emerging Technology Expansion project for academic learning space additions as well as building and site improvements. After looking at different options, today's presentation will detail the best use of that money to get the best experience for the students. Dr. Lewis introduced the project architects, Raymond and Nick Gignac.

Mr. Raymond Gignac explained to the Board that the four elements they will discuss today were originally in the project, and they were asked to take them out because of budget concerns. Their recommendation would be to include the following to the budget: Improvements to West Entry (GMP), \$110,000; Corridor Ceramic Wainscot (1st/2nd Floors) \$18,081; Sage Glass at Large Glazing, \$203,581; and the remaining balance of \$146,838 added to project contingency.

Mr. Nick Gignac and Mr. Polo Esquivel presented their recommendations to the Regents and responded to questions from the Regents. See included [Emerging Technology Expansion Presentation](#).

Ms. Scott made a motion to use the project surplus funds and authorize administration to approve the three building additions as proposed and the remaining to go into contingency. 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, with Regents McCampbell, Adame, Bennett, Estrada, Hutchinson, Messbarger, Rivas, and Scott in favor.

The Board took a brief recess at 2:25 p.m.

The Board reconvened the meeting at 2:29 p.m.

10. Discussion and possible action related to proposed Third Resolution of Censure of Regent Guy WattsMr. Trey McCampbell
(Goal 5. Advocacy: Advance the College Mission Through Effective Governance and Positioning)

Mr. McCampbell reminded the Regents and viewing public that several months ago, after receiving reports of questionable activity, the Board requested a third investigation which resulted in a third censure and it has taken several months to get to it due to schedules, but it will be addressed today.

Mr. Rivera presented for the Regent's consideration a Proposed Third Resolution of Censure of Regent Guy L. Watts which was similar to two other Resolutions of Censure the Board has voted on and approved. On May 9, 2017, the Board was presented with an Investigation Report that looked into activity and communication that took place earlier this year between Regent Watts and staff members at the Kinesiology Department. The Resolution of Censure tracks the other Resolutions of Censure and includes a full copy of the May 9, 2017 Report of Investigation in case the Regents would like to refer to it or look at the specific findings. At the May 9th Meeting the Board accepted the findings and further directed him to draft a Resolution of Censure for their consideration.

Mr. Rivera indicated that Regular Agenda Item #11 today relates to another matter and another investigation report that he will present to them.

Mr. Rivera read the text of the Proposed Third Resolution of Censure. See included [Third Resolution of Censure](#).

Ms. Messbarger made a motion to accept the Third Resolution of Censure. Ms. Hutchinson seconded the motion.

Mr. Rivas stated that it is unfortunate they have gone through so many times and have talked to him several times and he wishes Mr. Watts would remain in the meeting for the discussion instead of leaving.

Mr. McCampbell stated that when he gets asked in the public why the Board continues to do this, he responds that Mr. Watts continues to engage in the same conduct and because it is part of their responsibility under SACS accreditation to hold each of them on the Board accountable to their bylaws and ethical standards, the Board needs to take the responsible action under their bylaws and SACS standards.

There was no further discussion from the Board.

Mr. Jack Gordy made a public comment regarding freedom of speech, he asked "what did Guy Watts do, what kind of lies did he tell about Del Mar". He said if they voted for this they do not believe in freedom of speech. He stated that Guy Watts did nothing wrong and if he did asked them to prove it.

Mr. McCampbell stated that for the record, the material presented and the approach they have taken is not a matter of trying to violate anyone's freedom of speech but instead, a matter of Regent Watts violating bylaws and ethics standards and they are accountable for holding him up to that.

Mr. Rivera stated that each Regent enjoys freedom of speech like every other citizen but when they decide to step in that chair and take the oath as a Regent, they are a public official and they have duties and responsibilities that other citizens do not have. Mr. Rivera said the Board doesn't just "talk the talk", they "walk the walk" and he is proud of the Board for making sure their words mean something. Mr. Rivera clarified the complaint process.

Mr. Rivas stated that the Board as a whole voted to pursue an investigation, and authorized Mr. Rivera to proceed with this investigation. The complaint came from the Board.

There were no additional public comments. A roll-call vote was taken and the motion carried 7-1, amongst Regents present, with Regents McCampbell, Adame, Estrada, Hutchinson, Messbarger, Rivas, and Scott in favor; Mr. Bennett was opposed.

11. Discussion and possible action on report of investigation into whether Regent Guy Watts violated any duties under specific statute or law, Board Bylaw or Board Policy, including censure under Section 1.J, Board Bylaws and B2.1.4, College Policy and other appropriate action.....Mr. Trey McCampbell
(Goal 5. Advocacy: Advance the College Mission Through Effective Governance and Positioning)

Mr. McCampbell said after the last investigation and the censure process were already started, there were additional concerns that surfaced.

Mr. Rivera presented the Board with an Investigation Report that was authorized on May 9, 2017 as a result of correspondence and activity by Regent Guy L. Watts. There is a flyer, or card, or document that is two sided and has been handed around the community. The investigation confirmed that the document is being handed out by Mr. Watts. The document has been a source of inquiry and part of their prior investigations as well. This investigation is the fourth time since January 2016 that the Board has been compelled to pursue a formal inquiry into ethical conduct on the part of Mr. Watts. The conduct has arisen in different settings but the ethical issues have been the same in each instance and stem directly from Regent Watts' refusal to respect the traditional and time honored roll of the Board as the keystone of the governance structure of the College. Regent Watts has repeatedly insisted on imposing a purely personal agenda that consists of two things, 1.) his continued insistence to be able to name the new campus the way he wants it named and that is the recurring theme in what he is handing out 2.) segregating what Regent Watts calls "unprepared students" away from the anticipated new campus.

Mr. Rivera explained that in the course of this investigation, the correspondence was looked at, the bylaws and code of ethics were reviewed, policies, minutes of prior Board Meetings, and the prior investigations, were all taken into account. In addition, this investigation took

into account negative community feedback on Regent Watts' flyer and also included a consultation with a representative of the Padre Island Business Association, which previously asked Mr. Watts to discontinue using the PIBA name in his materials. As with every prior investigation, Regent Watts was provided an opportunity to respond to the investigation but in this instance he did not reply. Mr. Rivera reviewed the Investigation Report and his findings. See included [Report of Investigation](#).

Mr. Rivera reassured the Board that what they are doing is in accordance with the highest and best ethical practices that are followed nationwide.

Mr. Rivera responded to questions from the Regents and each Regent provided comments regarding this agenda item.

Ms. Messbarger made a motion to accept the findings and conclusions of the investigation and direct General Counsel to prepare a Resolution of Censure for the Board's consideration. Ms. Scott 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 Scott in favor.

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

Mr. Jack Gordy made a general public comment regarding his opposition to the raise in property taxes.

Ms. Vangie DeLeon announced the 50th Anniversary Celebration of the RN Program.

12. CLOSED SESSION pursuant to:

- A. **TEX. GOV'T. CODE § 551.071**: (Consultation with legal counsel), regarding pending or contemplated litigation, or a settlement offer, with possible discussion and action in open session; and, the seeking of legal advice from counsel on pending legal or contemplated matters or claims, with possible discussion and action in open session; and

- B. **TEX. GOVT. CODE § 551.074(a)(1)**: (Personnel Matters), regarding the employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; including 1.) Review of Regent's Duties, Responsibilities and Statement of Ethics (Regent Watts); and, 2.) Annual Evaluation of College President, with possible discussion and action in open session.

The Board went into Closed Session at 3:27 p.m.

The Board reconvened in Open Session at 5:02 p.m.

CALENDAR: Discussion and possible action related to calendaring dates.

ADJOURNMENT: The meeting was adjourned at 5:06 p.m.

MINUTES REVIEWED BY GC: /s/AR