

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

June 9, 2020

The Regular Meeting of the Board of Regents of the Del Mar College District convened at the Isensee Board Room, Del Mar College, Corpus Christi, Texas at 1:00 p.m. on Tuesday, June 9, 2020, video and/or teleconference.

Due to health and safety concerns related to the Coronavirus Pandemic Crisis, this meeting was conducted by video and teleconference and in accordance with guidance from the Texas Governor's Office and the Texas Attorney General's Office.

Members of the public were not be able to attend this video/telephonic meeting in person, but could view this meeting by going to the livestream of the meeting available online at www.delmar.edu/webcast/ or listen to the audio of this meeting by calling in a toll-free number previously provided.

Present:

From the Board:

Ms. Carol Scott, Dr. Nicholas Adame, Mr. Ed Bennett, Ms. Elva Estrada, Ms. Susan Hutchinson, Mr. Gabe Rivas, Mr. Hector Salinas, and Dr. Mary Sherwood.

From the College:

Dr. Mark Escamilla, President and CEO; Mr. Raul Garcia, Vice President and CFO; Ms. Lenora Keas, Executive Vice President and Chief Operating Officer; Ms. Tammy McDonald, Vice President of Administration and Human Resources; Mr. August Alfonso, Vice President And Chief Information Officer; Dr. Rito Silva, Vice President of Student Affairs; Mr. Augustin Rivera, Jr., General Counsel; Mr. John Strybos, Vice President and Chief Facilities Officer; Ms. Lorette Williams, Executive Director of Strategic Communication and Government Relations; Dr. Natalie Villarreal, Director of External & Board Relations; Mary McQueen, Executive Director, Development; Delia Perez, Executive Administrative Assistant to the President & Board Liaison, and other staff and faculty.

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

Ms. Scott called the meeting to order with a quorum present. She requested a moment of silence followed by the Pledge of Allegiance and Del Mar College Vision Statement.

GENERAL PUBLIC COMMENTS – Due to the health and safety concerns related to the Coronavirus Pandemic Crisis, the public was given the opportunity to provide public comments (both general and specific to any agenda item) by calling a toll-free phone line prior to the Board meeting and registering with their name and subject of public comment.

There were no public comments.

COLLEGE PRESIDENT’S REPORT..... Dr. Mark Escamilla
(Goal 4: Learning Environment)

- President Escamilla stated that he is preparing a statement specifically from his Office to address the Black Lives Matter movement. Del Mar College has long been a part of the efforts for advancing Civil Rights. He stated that “We do not remain separate of the travesties and will not ignore them because we know it affects our faculty, staff, and our community.”

On May 20, 2020, the College received a letter from the Governor of Texas, Lieutenant Governor and the Speaker of the House directing state agencies to implement cost savings measures to offset revenue losses due to COVID-19 pandemic. They designated state agencies to receive funds that must achieve a 5% savings on appropriations for the 2020-2021 biennium. The directive applies to institutions of higher education, but community colleges were exempt. The State leaders see community colleges as essential for the comeback of the Texas economy.

Despite the COVID-19 impact, the spring 2020 final enrollment for Summer I increased 3% from previous years and even the base year. The non-certified enrollment was 2 ½% to 3% increase which is higher than 2018 and 2019. Summer I enrollment held onto the 8% increase in contact hours and 97% of Summer I students were persisting from the Spring semester. Summer II courses will begin July 6, 2020 and the instructional format will be determined according to the evolving health and safety guidelines. The Return to Campus Committee continues to meet and monitor the situation, day by day and hour by hour. July 9, 2020 will be the census day for Summer II which is important to enable the College to have comparative data for Summer I and Summer II to forecast for Fall enrollment.

The Return to Campus Committee is developing health and safety protocols to support transition to face-to-face instruction. The plan for instructional delivery continues to develop for the Fall semester. The College is currently operating on the Return to Campus Phase One conditions meaning the College remains closed to the public and only selected areas are open with restricted access. Selected essential employees and faculty have returned to campus to provide support for Summer sessions and all other employees continue to work remotely. Dr. Escamilla described the protocols in place at the College. He stated that they continue to stay in touch with local and state officials.

Dr. Escamilla responded to questions by the Board of Regents.

STAFF REPORTS:

- SACSCOC Reaffirmation and QEP Update.....Dr. Kristina Wilson
(Goal I. Completion)

Dr. Wilson provided an update on the College’s ten-year SACSCOC reaffirmation and the

Quality Enhancement Plan (QEP) including information regarding the work that has been done up to today's date and the future deadlines the College is to meet for reaffirmation. The components for reaffirmation include a compliance certification, an off-site Committee review and a Quality Enhancement Plan & Focused Report. In late October 2020 the College will have an on-site Committee visit to look at any areas of concern and federal requirements by the Department of Education, and the Committee also reviews and assists us with the QEP. The SACSCOC Board reviews our reports and makes a decision regarding reaffirmation in June 2021. The Compliance Certification is like an audit of all the College functions. There are seventy-four SACSCOC standards and the College provides evidence for each of those standards. It was a huge team effort to provide almost 10,000 items or 6.5 GB of data as evidence that was submitted in March of 2020. Out of all information provided to support the seventy-four standards, the SACSCOC Board only had one standard in which they had minor questions. The SACSCOC Vice President Dr. Hoefler told Dr. Wilson and Dr. Escamilla that Del Mar College's report was the best he had ever seen as a SACSCOC Vice President.

Dr. Wilson provided a summary of the actions taken regarding the QEP to date. The QEP is a key component of reaffirmation which allows us to focus on student success and is part of the comprehensive planning and evaluation process. After surveys and focus groups, the topic selected was "advising." The project was titled "GPS: Goals + Planning = Success." Through the Spring and Summer semesters, the QEP goals and strategies will be finalized. The work is a collaboration between the College's Guided Pathways work and the SENDA Grant which are about student success, advising and helping their students from the beginning to graduation.

Dr. Wilson described the QEP goals and plan.

Dr. Wilson provided information regarding alignment to strategic plan Key Performance Indicators (KPI):

Goal One

- Number of degrees and certificates awarded
- graduation rates
- average time to a degree
- average semester credit hour (SCH) to a degree

Goal Two

- fall-to-fall persistence

Dr. Wilson, Dr. Silva and Dr. Escamilla responded to questions from the Board.

- 2014 Capital Improvement Program Update.....Mr. John Strybos
(Goal 6: Financial Effectiveness and Affordability)

Dr. Escamilla introduced Mr. Strybos who further discussed the reconciliation of the 2014 Bond. Mr. Strybos provided an update and listed the completed projects. The subtotal for the amount used for the completed projects is \$96,931,035 which is 61.77% completion of the 2014 Capital Improvement Program. Mr. Strybos provided an overview of the projects currently in progress

which total \$60,010,694. There is still about \$8.2 million dollars of contingency funds that can be used on the different projects.

Mr. Strybos provided detailed information including budget amount, start and completion dates and project size regarding updates on the Central Plant upgrades – East & West Campuses, improvements and provided photographs showing Emerging Technology Center – West Campus, Workforce Development Center – West Campus, and the Academic and Music Building – East Campus.

The next steps include Indefinite Delivery Indefinite Quality (IDIQ) Request for Qualifications (RFQ) No. 2019-20 for architectural and engineering services to support various Del Mar College projects to identify project architects and engineers. Also, upon completion of the construction documents, solicit a competitive seal proposal for the construction of the new projects. Mr. Strybos stated that they are working to finalize the space programming reports for renovation projects, complete the definition of scope of work for the projects, begin the design work, advertise for asbestos abatement services, if needed, as well as for building demolition. Mr. Strybos provided a preliminary schedule for the 2014 bond projects.

Mr. Strybos, Mr. August Alfonso, Dr. Cathy West, and Dr. Escamilla responded to questions from the Board of Regents.

- Del Mar College Bond Ratings.....Ms. Lenora Keas and Mr. Raul Garcia (*Goal 6: Financial Effectiveness and Affordability*)

Mr. Garcia provided information regarding a meeting between Del Mar College and the three bond rating agencies, Standard & Poor’s Global, Moody’s Investment Service and Fitch Ratings. At the meeting, the three bond rating agencies were provided financial and non-financial data about the College. The analysts responded very well to the College’s budget management, financial performance, financial strengths, the new CARES Act funding, and financial stability plan that includes the establishment of a risk management reserve. Talking points included liquidity levels which has increased by as much as \$18.3 million since fiscal year 2017 and the College’s unrestricted net position before the OPEB and Pension GASB adjustments. The College’s quick response to the COVID-19 crisis that included transitioning our academic programs to an online platform was equally important to the analysts.

Ms. Lenora Keas discussed the impact on the local economic impact of COVID-19. Even though the local oil and gas industry had been hit hard in their area, they were still able to maintain 10,000 construction jobs. Also included in the local economic impact is the tourist industry. It is expected that local tourist industry and retailers will benefit from the area being a summer destination. Overall, their economic activity looked very strong in relation to the rest of the country.

Mr. Garcia went on to state that all three rating agencies rated the College’s bonds as AA with a stable outlook and the College’s bonds have been classified as the highest investment grade. These results will make the 2020 AMB Bond issuance more attractive to the investor and will

reduce the total interest financing costs.

Mr. Garcia and Ms. Keas responded to questions from the Board of Regents.

- Budget Report Update for Fiscal Year 2020-2021.....Mr. Raul Garcia
(Goal 6: Financial Effectiveness and Affordability)

Dr. Escamilla introduced the next topic regarding the budget and stated that updates will continue monthly until the time to approve the budget. Mr. Garcia stated that the economy has shifted gears into a recovery after reopening the economy. Mr. Garcia reviewed the 2021 Budget Timeline and Process and stated that community colleges will play an important role to the economic recovery. Mr. Garcia discussed the upcoming budget workshops and tax rate hearings scheduled for July and August 2020. The College is planning for a \$107,876,641 expense budget for 2021 which is zero change to the 2020 budget.

The College will scale back on operating expenses by freezing open positions, hiring essential positions, consolidate open positions, broaden staff responsibilities, travel reduction, and critical equipment purchase reduction. The College is funding a Risk Management Reserve with an estimated value of \$5 to \$7 million and the purpose is to manage unexpected revenue shortfalls. The budget plan includes a change in employee compensation valued at \$750,000 consisting of faculty compensation valued at \$505,284 and non-exempt compensation valued at \$245,464. The proposed change in employee compensation hinges on prudent fiscal management efforts, the final 2021 budget revenue plan, and the amount set aside for the Risk Management Reserve. The budget includes an increase in other maintenance and operations expenses in the amount of approximately \$1.2 million which include expenses for insurance, electricity, and election. The College is planning for a flat tuition and fee revenue which is subject to change depending on the spring and fall term enrollment with considerations given to historical enrollment trends. The College's enrollment will change in concert with the unemployment rate. This trend is attributed to students wanting to retool their skills and retain entry into the workforce.

The 2021 preliminary revenue challenges and assumptions include:

Tuition & Fees Assumptions

- \$2 in-district tuition rate increase
- enrollment growth projections-flat

Tax Assumptions

- 1% decrease in collection rate
- 4.25% increase in net taxable value
- maintenance and operations tax rate will decrease by 0.6 cents
- debt service rate increases by 1.4 cents attributable to new tax bond issue
- overall tax increase of 0.8 cents

State Appropriations

- flat

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

- Review of Professional Service Contract List.....Ms. Tammy McDonald
(Goal 4: Learning Environments)

Dr. Escamilla introduced the professional service contract pending list review and Ms. Tammy McDonald who provided information regarding the Board’s review. Ms. McDonald reviewed the changes regarding contracts that are expiring or have expired.

Ms. McDonald stated that a lot of Del Mar College projects have ended so numerous contracts are going to end or have ended. Ms. McDonald stated that Richter/BRW Architects who were the architects for the GAMB project and Turner Ramirez whose contracts will expire August 1, 2020. Ms. McDonald also reviewed the 2016 bond contracts upcoming expiration dates.

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

PENDING BUSINESS:

Chair Scott reviewed the list of pending business.

CONSENT AGENDA

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 May 19, 2020
(Goal 5: Workforce Development, Community Partnerships, and Advocacy)
2. Acceptance of Investments for May 2020
(Goal 6: Financial Effectiveness and Affordability)
3. Acceptance of Financials for May 2020
(Goal 6: Financial Effectiveness and Affordability)

Regent Rivas made a motion to approve the Consent Agenda items. Regent Estrada seconded the motion. There was no further discussion from the Board. A roll call vote was taken, and the motion passed unanimously, 8-0,

amongst Regents present, with Regents Adame, Bennett, Estrada, Hutchinson, Rivas, Salinas, Scott, and Sherwood in favor.

REGULAR AGENDA

4. Discussion and possible action related to the designation of a depository bank for the College for a two-year term, September 1, 2020 to August 31, 2021.....Mr. Raul Garcia (*Goal 6: Financial Effectiveness and Affordability*)

Mr. Garcia introduced Ms. Linda Patterson with Patterson and Associates. Ms. Patterson provided a background regarding the RFP process to select a bank depository service. The College received two proposals. The proposal analysis process included comparing service capabilities and level of service, comparison of direct and indirect costs, inclusive transaction incentives, comparison of earnings potential, netting costs, and earnings potential. Ms. Patterson provided information regarding the gross monthly fees, incentives offered and incentive adjustments which were all considered in the College's cost analysis. Compensating balances rates as well as fee basis rates were compared.

Ms. Patterson recommended that the Board award the banking service contract to Wells Fargo Bank based on services, fees, and no transition cost to the College.

Ms. Patterson and Mr. Garcia responded to questions by the Board of Regents.

Regent Bennett made a motion to award the banking service contract to Wells Fargo Bank with initial service to begin September 1, 2020 and extend through August 31, 2022 with one possible two (2) year extension to August 31, 2024. Regent Adame seconded the motion. There was no further discussion from the Board. A roll call vote was taken, and the motion passed unanimously, 8-0, amongst Regents present, with Regents Adame, Bennett, Estrada, Hutchinson, Rivas, Salinas, Scott, and Sherwood in favor.

At 3:54 p.m., the Chair announced the Board was going into Closed Session pursuant to:

5. 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, with possible discussion and action in open session; and, the seeking of legal advice from counsel, with possible discussion and action in open session; and
 - 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; and, 2.) Annual Board Self-Evaluation; with possible discussion and action in open session.

The Board reconvened in Open Session at 5:12 p.m.

Regent Estrada made a motion to adopt the Board of Regents Action Plan for 2021 developed during the recent Board Retreat. Regent Bennett seconded the motion. There was no further discussion from the Board. A roll call vote was taken, and the motion passed unanimously, 8-0 amongst Regents present, with Regents Adame, Bennett, Estrada, Hutchinson, Rivas, Salinas, Scott, and Sherwood in favor.

CALENDAR: Discussion related to calendaring dates.

ADJOURNMENT: The meeting was adjourned at 5:14 p.m.

MINUTES REVIEWED BY GC: /s/ARjr