

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

October 13, 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 1:01 p.m. on Tuesday, October 13, 2020 by video and/or teleconference.

Due to health and safety concerns related to the Coronavirus Pandemic Crisis, this meeting was conducted by video and/or teleconference in accordance with guidance from the Texas Governor's Office and the Texas Attorney General's Office. Provisions were made for the public to participate in this meeting with public comments via livestream and/or telephonically.

The following were present:

From the Board:

Ms. Carol Scott, Dr. Nicholas Adame, Ms. Libby Averyt, Mr. Ed Bennett, Mr. Rudy Garza, and Dr. Mary Sherwood.

Ms. Susan Hutchinson and Mr. Hector Salinas joined the meeting in progress.

From the College:

Dr. Mark Escamilla, President and CEO; Mr. Raul Garcia, Vice President and CFO; Ms. Lenora Keas, Executive Vice President and COO; 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 Physical Facilities Officer; Ms. Lorette Williams, Executive Director of Strategic Communication and Government Relations; Dr. Natalie Villarreal, Director of External & Board Relations; Ms. Mary McQueen, Executive Director, Development; Ms. 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.

DISTRICT 1 BOARD OF REGENT VACANCY:

Swearing in of the appointed District 1 Board of Regent:

The oath of office was administered by Ms. Jessica Alaniz to newly appointed District 1 Regent, Mr. Rudy Garza, Jr.

GENERAL PUBLIC COMMENTS – 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 made for this meeting.

RECOGNITIONS:

Dr. Jonda Halcomb presented Dr. Lucy James and Ms. Maria Cruz who received recognition for their accomplishments. Dr. James was awarded the 2020 Aileen Creighton Recipient award and Ms. Cruz was awarded the 2019-2020 Circle of Price Non-Exempt Recipient award. The honorees expressed their gratitude for their honors.

STUDENT SUCCESS REPORT.....Dr. Rito Silva

- Department of Nurse Education Annual NCLEX Pass Rate
(Goal 1: Completion)

Dr. Escamilla provided opening remarks. Dr. Halcomb reviewed the national and state pass rates for Del Mar College’s Registered Nurse and Vocational Nurse from 2016 to 2019. The 2019 national pass rate for Registered Nurses is 88.07% and Del Mar College’s pass rate is 93.10%. The 2019 Del Mar College pass rate for Vocational Nurses is 100% up from 87.50% in 2016. Dr. Halcomb stated that the success is attributed to cohesive diversified faculty, nursing success centers, concept-based curriculum, and clinical simulations that help prepare students.

- SACSCOC Awarded Del Mar College membership of Level II, offering Bachelor of Science in Nursing Degree
(Goal 3: Academic Preparedness and Student Learning)

Dr. Escamilla provided opening remarks and Dr. Jonda Halcomb introduced Dr. Evangeline DeLeon and Dr. Jennifer McWha who provided information regarding SACSCOC awarding Del Mar College membership of Level II for the Bachelor of Science in Nursing Degree. Dr. DeLeon advised that they plan on opening the application process in February of 2021 and have the first cohort to begin the Fall of 2021. Dr. McWha stated that the Bachelor of Science in Nursing Degree will be a three-semester full-time program.

COLLEGE PRESIDENT'S REPORTDr. Mark Escamilla

- College Update Relating to COVID -19
(Goal 4: Learning Environments)

Dr. Escamilla provided an update regarding the College’s COVID-19 current condition and campus operations. Dr. Escamilla stated that the College is operating under Phase II of the Return-To-Campus protocol. The College has approximately

60% instruction online and approximately 40% face-to-face instruction with the majority of face-to-face students attending class on the West campus. Del Mar College is providing alternative class schedules and shorter semester options for students. Dr. Escamilla stated he has asked the Administration to prepare multiple contingency plans for returning to campus which includes status quo, reducing face-to-face instruction, and expanding face-to-face instruction. Planning is key to get through the circumstances the College is currently under. Dr. Escamilla announced that the Fall commencement will be held virtually and will be broadcast on Friday, December 11, 2020 at 7 p.m. Also, Dr. Escamilla continues to work with TACCA in preparation for the 87th Texas Legislature and will be fully involved to provide information and advocacy for Del Mar College. He will provide the Board details at a future Board meeting.

- 2019-2020 Statistical Profile
(Goal 1: Completion)

The 2019-2020 Statistical Profile has been printed and will be mailed to each Board of Regent. An electronic version will be provided in compliance with ADA guidelines upon completion of technology concerns.

- CEO Report to Board for Title IX reporting under Texas Education Code – FY20 Annual Report
(Goal 5: Workforce Development, Community Partnerships, and Advocacy)

Dr. Escamilla provide information regarding the requirements for Title IX reporting under Texas Education Code - FY20 Annual Report. Dr. Escamilla also provided the Summary Data Report for the 2019-2020 Academic Year which shows the number of incidents during the September 1, 2019 through the August 16, 2020 time frame.

REGENT REPORT:

- ACCT Leadership Congress Virtual Meeting, October 5 – October 8, 2020
(Goal 5: Workforce Development, Community Partnerships, and Advocacy)

Chair Scott stated that a few of the Board of Regents attended the virtual Leadership Congress of the Association of Community College Trustees on October 5-8, 2020. Regents Scott and Averyt provided detailed information regarding several of the leadership sessions they attended.

STAFF REPORTS:

- Student Enrollment Report.....Dr. Rito Silva and Ms. Lenora Keas
(Goal 2: Recruitment and Persistence)

Dr. Escamilla provided introductory remarks and introduced Ms. Lenora Keas. Ms. Keas stated the presentation will include discussion of the following: State of Texas biennium, base year for contact hours, formula funding, credit headcount and contact hours, initiatives to increase access for students Viking Islander Program and Dual Credit, credit and continuing education and corporate services. Ms. Keas stated that the Texas Legislature funds community colleges on a base year during periods beginning the summer semester of the even numbered years prior to a legislative session. The base year begins in the Summer I semester and continues through the end of the following spring semester. Funding is calculated on certified contact hours earned during a semester. Contact hours are based on the total number of hours of instruction for each student and for each course that is taken. The census date for counting contact hours varies depending upon the variety of enrollment periods during a semester such as 16 weeks, 15 weeks, 8 weeks, Rapid Track, and Maymester.

Ms. Keas provided information regarding the \$107,876,641 budget revenue for 2019-2020 and 2020-2021. The budget is made up of 15.3% from state appropriations which is funded by state reimbursement of contact hours generated by instruction. State funding is based on contact hours generated by all instruction. The combination of credit courses and continuing education provided over \$16.4M for this biennium. For base year funded contact hours, Ms. Keas stated that from 2016-2021, Del Mar College's contact hours were up 6.5% compared to the large college group contact hours which were down 4.2%.

Ms. Keas introduced Dr. Rito Silva, Dr. Silva stated that another revenue source is success points which the College has seen a 3-year average of 4.2% in success points which also matches the statewide average. Colleges receive success point after students reach certain milestones like completing developmental work, completing 15 and 30 credit credential hours and receiving a credential.

Dr. Silva reviewed the Spring Credit Headcount showing an increase from 11,250 in 2019 to 11,316 in 2020. Dr. Silva continued with the Fall Credit Headcount. A student is counted only once regardless of the number of classes enrolled in as reported on CBM0001. Fall 2020 headcount decreased by 11.6% from Fall 2019 for a total of 11,246 individual students which includes 3,048 flex students. The College is also continuing to register students until October 19, 2020. Del Mar College tripled the number of courses offered in second 8-week courses which resulted in over 300% increase in flex headcounts. The Fall 2020 shows a 12% decrease in contact hours however, there is an additional 259,040 flex contact hours generated from this Fall 2020 which is a 374% increase from the Fall of 2019. Dr. Silva reviewed the Large Colleges Enrollment Headcounts with Del Mar College's cohorts across the state. Dr. Silva discussed initiatives to provide increased student access with the Viking Islander Program (VIP) and the Dual Credit Program. The College has 125 students co-enrolled in the VIP and 2,826 students co-enrolled. Currently there are thirty-five high schools participating in the Dual Credit Program. Dr. Silva also advised that the President of Texas A&M-Kingsville requested a meeting with Del Mar College to discuss collaborations with their institution.

Ms. Keas continued the presentation discussing Continuing Education and Corporate Services. For the first quarter in Continuing Education, the College has 2,417 enrollments which generated over 158,940 contact hours. Ms. Keas provided insight to the Adult Education Programs offered such as Industrial Technology, HSE Graduation Ceremony, and Certified Nurse's Aide. Accelerated Pathways programs are made possible with two grants awarded by the Texas Workforce Commission: 1) Ability to Benefit, and 2) Accelerate Texas. The largest growing program in Continuing Education is the Certified Nurse Aid program at nineteen school districts and twenty-five high schools. Ms. Keas then discussed the Rebuild Texas Carpentry Program which resulted from a \$1.2 Million grant to the Continuing Education Program and the Del Mar College Foundation. The Program targeted 120 students and ended up serving 327 students. There will be 31 students completing the current session and there are 43 students enrolled for the October 19, 2020 session.

Corporate Services Workforce Development works with regional and industrial partners to deliver on demand training. The combination of contracting training generated over \$1.2 million. Together with Texas Workforce Commission grants and apprenticeships almost \$3.1 million in revenues for the year 2019-2020. Ms. Keas further discussed the three areas of contract training over a five-year period which included grants and apprenticeships and also reviewed a summary of last five years for Corporate Services an\ Workforce Development has generated over \$14 Million in revenue to the College in contracts, grants, and apprenticeships.

Ms. Keas, Dr. Silva and Dr. Escamilla responded to questions from the Board of Regents.

- Write-offs of Account Receivables.....Mr. Raul Garcia
(Goal 6: Financial Effectiveness and Affordability)

Mr. Garcia provided information regarding student account receivable balances to write-off for Fiscal Year 2017 per the College policy B4.20. Mr. Garcia stated that the accounts receivable has been delinquent for three years are valued at \$215,887.00. All collection efforts have been exhausted. A hold will be placed on the accounts that have balances and students will not be able to access their academic records unless the balance is settled.

PENDING BUSINESS:

Status Report on Requested Information
(Goal 5: Workforce Development, Community Partnerships, and Advocacy)

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:

Called Meetings, August 25, 2020 (10 a.m., Adoption of Budget, Tax Rate, and 12 p.m.)
(Goal 5: Workforce Development, Community Partnerships, and Advocacy)

2. Acceptance of Investments for September 2020

(Goal 6: Financial Effectiveness and Affordability)

Regent Adame made a motion to approve the Consent Agenda items. Regent Sherwood seconded the motion. There was no further discussion from the Board. A show of hands vote was taken, and the motion passed unanimously, 7-0 amongst Regents present, with Regents Adame, Averyt, Bennett, Garza, Hutchinson, Scott, and Sherwood in favor.

REGULAR AGENDA

3. Discussion and possible action regarding the College’s Quarterly Investment Report for the period ending August 31, 2020.....Mr. Raul Garcia
(Goal 6: Financial Effectiveness and Affordability)

Mr. Garcia made introductory remarks and introduced Linda Patterson and David McElwain from Patterson & Associates. Ms. Patterson stated that the Corona Virus and the upcoming election would be the biggest factors affecting the markets and will continue to be into the 4th quarter. Mr. McElwain reviewed the College’s Portfolio for period ending May 31, 2019 to August 31, 2020.

Mr. McElwain reviewed the make-up of the entire portfolio; provided an overview of pooled funds, excluding the Series 2018 and 2020 (A & B) bond funds, with Total Fiscal Year Earnings of \$574,936.00. The Series 2018 (A & B) Tax Bond Funds had Total Fiscal Year Earnings of \$249,169.00. The Series 2020 (A & B) Tax Bond Funds had earnings of \$69,890.00 at the end of August, 2020.

Regent Averyt made a motion to approve the College’s Quarterly Investment Report. Regent Bennett seconded the motion. There was no further discussion from the Board. A show of hands vote was taken, and the motion passed unanimously, 7-0 amongst Regents present, with Regents Adame, Averyt, Bennett, Garza, Hutchinson, Scott, and Sherwood in favor.

4. Discussion and possible action regarding College’s Quarterly Financial Report for the period ending August 31, 2020.....Mr. Raul Garcia
(Goal 6: Financial Effectiveness and Affordability)

Dr. Escamilla made introductory remarks.

Mr. Garcia stated that the College ended up the fiscal year financially sound despite the uncertainty on the longevity of the COVID-19 crisis. The College financial stability plan was redesigned to include reduced spending, a risk fund reserve, and revision to the cash reserve policy B4.1.1 relating to risk fund reserves.

As planned in the August Board meeting, the fiscal year 2020 financial surplus of \$9.1 million is available for the risk reserve fund. The College's revenues added \$807,000.00 to the surplus stemming from interest income and state appropriations. The College reduction in expenses added \$8.3 million to the surplus comprised of \$5 million from operating expenses and \$2.6 million from contingencies.

Mr. Garcia reviewed the Balance Sheet –Current Operating Funds. Mr. Garcia reported that the College ended the fiscal year with an operating cash and investment position of \$54.2 million which makes the College able to meet its obligations valued at \$23.1 million which includes accounts payable, sick leave, vacation payable, deferred tuition, and annual estimated pension.

Regent Bennett made a motion to accept the College's Quarterly Financial Report. Regent Sherwood seconded the motion. There was no further discussion from the Board. Regents Adame, Averyt, Bennett, Garza, Hutchinson, Scott, and Sherwood voted by a show of hands and voted in favor of the motion. Regent Salinas audibly voted in favor of the motion. The motion passed unanimously, 8-0.

5. Discussion and possible action related to Internal Audit Follow-Up Report and Fiscal Year 2020 Annual Internal Audit Report.....Ms. Tammy McDonald (Goal 4: Learning Environments)

Ms. McDonald began her presentation and stated that Dan Graves and W. Brandon Tanous from Weaver would present the 2020 Internal Audit Follow-up Reports in the Admission and Registrar area and 2020 Internal Audit Annual Report.

Mr. Tanous reported that the follow-up audit fieldwork was executed during the period of April 13, 2020 through April 22, 2020, related to the findings from the 2016 Internal Audit Report over Admissions and Registrar. The exit meeting was held on August 5, 2020, and additional procedures were performed following the exit meeting, upon receipt of additional documentation and information, to support the status of the findings presented. The follow-up procedures focused on the remediation efforts taken by Del Mar management to address the findings included in the 2016 Internal Audit Report over Admissions and Registrar, and to validate that appropriate corrective action had been taken. They evaluated the corrective action of the 2 partially remediated internal audit findings from the 25 overall findings identified in the 2016 Internal Audit Report over

Admissions and Registrar. The partially remediated findings at a moderate risk included advisor training and advisor continuing education.

Mr. Graves continued with his presentation regarding the Annual Internal Audit Report which is due to state oversight agencies and posted on the College’s website by November 1, 2020. Mr. Graves provided a summary of the report which included compliance with Texas Government Code 2102.015; compliance with Texas Government Code 2102.015; internal audit plan for Fiscal Year 2020; consulting services and non-audit services completed; external quality assurance review; internal audit plan for Fiscal Year 2021; external audit services performed for the College; and reporting suspected fraud and abuse.

Mr. Graves responded to questions from the Board of Regents.

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

Regent Bennett made a motion to approve the Internal Audit Follow-up Report and acceptance of the 2020 Annual Internal Audit Report. Regent Averyt seconded the motion. There was no further discussion from the Board. Regents Adame, Averyt, Bennett, Garza, Hutchinson, Scott, and Sherwood voted by a show of hands and voted in favor of the motion. Regent Salinas audibly voted in favor of the motion. The motion passed unanimously, 8-0.

6. Discussion and possible action regarding proposed Del Mar College District Policy on Tax Abatement Agreements, Policy B4.37

.....**Ms. Lenora Keas and Mr. Augustin Rivera, Jr.**
(Goal 5: Workforce Development; Community Partnerships, and Advocacy)

Mr. Augustin Rivera, Jr. began the presentation by providing a background of the proposed Del Mar College District Policy on Tax Abatement Agreements - Policy B4.38. Mr. Rivera continued the presentation regarding Consideration of Abatement Requests which include Agreements for the abatement of ad valorem taxes assessed and levied by the District for maintenance and operation of the District and which may be authorized by the Board based on specific conditions and subject to the applicant demonstrating compliance with the minimum criteria: authorized facilities, creation of new values, new and expansion of existing facilities, eligible property and value and term of abatement.

Mr. Rivera reported that the proposed project minimum criteria includes the covered area located within the District, projected increase of appraised property valuations, create more jobs (by contractual agreement), and no adverse impact on existing facilities. In addition to other requirements pursuant to policy and regarding scope, term and amount of Abatement.

The proposed policy outlines the following in order to facilities an orderly and transparent process for considering authorized Tax Abatement agreements: application and contents; agreement

execution; recapture; administration responsibilities; assignment based on Board's discretion; and review of provisions.

Under the procedure, the College receives a request to participate in Tax Abatement projects, administration notifies the Board and provides an estimate of when a report can be presented. The Administration evaluates the request in accordance with the application consideration and prepares a report and recommendation for consideration. A report and recommendation are then presented to the Board for deliberation and action at a public Board meeting.

Mr. Rivera reviewed the chart that shows the Policy Recommendation has been passed on to the different Councils as well as the President's Executive Team. Mr. Rivera stated that there are no abatement requests pending.

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

Regent Adame made a motion to approve Del Mar College District Policy on Tax Abatement Agreements, Policy B4.38. Regent Hutchinson seconded the motion. There was no further discussion from the Board. A roll call vote was taken and the motion passed unanimously, 8-0, with Regents Scott, Adame, Averyt, Bennett, Garza, Hutchinson, Salinas, and Sherwood in favor. The motion passed unanimously, 8-0.

7. Discussion and possible action regarding proposed Del Mar College participation in Tax Increment Reinvestment Zone #5 Bohemian Colony

.....**Ms. Lenora Keas and Mr. Augustin Rivera, Jr.**
(Goal 6: Financial Effectiveness and Affordability)

Dr. Escamilla provided opening remarks. Ms. Lenora Keas began the presentation by providing an overview regarding the City of Corpus Christi Ordinance #032183 which was passed on August 18, 2020 which created Tax Increment Reinvestment Zone #5 (TIRZ #5). The purpose of TIRZ #5 is to promote development by reimbursing the development of infrastructure improvements.

Tax Increment financing is a tool authorized by Chapter 311 of the Texas Tax Code by which local governments can reinvest tax revenues from certain taxable property in the District to fund the costs of certain public works, or other projects that benefit a specific geographical area.

TIRZ #5's duration will be 20 years from 2020 through 2040, and both the City of Corpus Christi and Nueces County are participating. The majority of the acreage has an agricultural tax exemption and is valued at \$825,000.00. The development is expected to add \$320 Million in value to the TIRZ over the 20-year term.

The TIRZ Board has been created and one position on the Board is designated for Del Mar College. The Administration has evaluated the TIRZ #5 proposal in accordance with Board Policy B4.37. It was recommended that the Board approve TIRZ #5 at 75% contributions for a maximum of 14 years with a maximum contribution of up to \$4,000,000 and will have increased tax valuation to \$277 Million. Contributions to the TIRZ incentives are on a reimbursement basis. The amount of revenue that would be generated to the College at 10-years is \$697,742 and at 14-years the revenue would be \$1.5 million. The project will have an increased impact on the DMC Mission in support of economic development and programs such as construction, management and supervision, accounting, and real estate sales.

It was recommended to the Board that they appoint a representative to serve on the TIRZ #5 Board, and it was also recommended that the Board direct Administration to enter into an Interlocal Agreement with the City of Corpus Christi.

Ms. Heather Hurlbert, Finance Director with the City of Corpus Christi and Mr. Roberto Santos Williams with the Bohemian Colony were introduced to answer questions from the Board and provide further information if needed.

Ms. Keas and Dr. Escamilla responded to questions from the Board of Regents.

Regent Rudy Garza recused himself from discussion and/or voting on this Agenda item.

Regent Hutchinson made a motion to accept the participation in TIRZ #5 for 20 years at 75% with a maximum contribution of \$4 Million, and to authorize the Chair to appoint a Board Representative to the TIRZ #5 Board at a later date. Regent Adame seconded the motion. A discussion was held to clarify the years of participation. A roll call vote was taken, and the motion passed, 7-0 amongst Regents present, with Regents Adame, Averyt, Bennett, Hutchinson, Salinas, Scott, and Sherwood in favor. Mr. Garza abstained.

8. Discussion and possible action related to approval of Construction Contract for Workforce Development Center Upgrades to Support the Pilot Plant Project

.....**Mr. John Strybos**
(Goal 6: Financial Effectiveness and Affordability)

Dr. Escamilla provided opening remarks. Mr. John Strybos began the presentation with providing background and completion status information regarding the Workforce Development Center Pilot Plant Project. Mr. Strybos also provided the Board photographs of the completed building, classrooms, control room, labs and simulators.

Mr. Strybos stated that the next steps needed to support the upgrades to the Workforce Development Center to support the Pilot Pant project and academic programs requirements would be approval of

\$499,367.00 Spaw Glass proposal and approval of \$50,000.00 (10.01%) contingency for project. The \$549,367 is 2014 Bond interest income. The 2014 Bonds have earned \$3,929,021 in interest income through July 28, 2020, none of which has been allocated to any projects.

Mr. Strybos, Ms. Keas, and Dr. Escamilla responded to questions from the Board of Regents.

Regent Sherwood made a motion to approve upgrades to support the pilot plant project. Regent Adame seconded the motion. There was no further discussion from the Board. A show of hands vote was taken, and the motion passed unanimously, 8-0 amongst Regents present, with Regents Adame, Averyt, Bennett, Garza, Hutchinson, Salinas, Scott, and Sherwood in favor.

At 4:03 p.m., the Chair announced the Board was going into Closed Session pursuant to:

9. 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, on pending or contemplated legal matters or claims, with possible discussion and action in open session; and
- B. **TEX. GOV'T CODE § 551.087**: (Economic Development), regarding discussion or deliberation of information received from a business prospect with which the College is conducting economic development negotiations and/or the deliberation of an offer of a financial or other incentive to a business prospect, with possible discussion and action in open session; and,
- C. **TEX. GOV'T CODE § 551.072**: (Deliberation Regarding Real Property), regarding the deliberation of the purchase, exchange, lease or value of real property, with possible discussion and action in open session.

The Board reconvened in Open Session at 5:15 p.m.

There was no action taken during Closed Session.

CALENDAR: Discussion related to calendaring dates.

ADJOURNMENT: The meeting was adjourned at 5:16 p.m.

MINUTES REVIEWED BY GC: /s/ARjr