

MINUTES OF THE REGULAR MEETING DEL MAR COLLEGE DISTRICT

December 10, 2024

The Regular Meeting of the Board of Regents of the Del Mar College District convened on Tuesday, December 10, 2024 at 1:00 p.m., at the Center for Economic Development, 3209 S. Staples, Room 106, Corpus Christi, Texas with the following present:

From the Board:

Present:

Ms. Carol Scott, Dr. Nicholas Adame, Dr. Anantha Babbili, Mr. Carl Crull, Mr. Rudy Garza, Jr., Mr. Bill Kelly, and Mr. David Loeb

Absent:

Ms. Libby Averyt and Dr. Laurie Turner

From the College:

Dr. Mark Escamilla, President and CEO; Ms. Lenora Keas, Executive Vice President and COO; Mr. Raul Garcia, Vice President and CFO; Mr. Ali Kolahdouz, Vice President and Chief Information Officer; Dr. Jonda Halcomb, Vice President and Chief Academic Officer; Ms. Tammy McDonald, Vice President of Administration and Human Resources; Dr. Patricia Benavides-Dominguez, Vice President for Student Affairs; Ms. Cheryl Sanders, Associate Vice President for Student Affairs; Mr. Augustin Rivera, Jr., General Counsel; Mr. John Strybos, Vice President and Chief Physical Facilities Officer; Mr. Matthew Busby, Vice President of Development and Donor Advising; Ms. Delia Perez, Director of CEO Office and Board Relations, and other staff and faculty.

CALL TO ORDER/QUORUM CALL

Chair 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 – The public was given the opportunity to provide public comments (both general and specific to any agenda item).

There were no public comments.

NOVEMBER BOARD OF REGENTS ELECTION:

The meeting began with the swearing in of the three re-elected regents, Dr. Babbili, Mr. Garza, and Mr. Kelly, who each expressed gratitude for the opportunity to serve. The substantial cost

savings from unopposed elections (\$175,000) was noted. The Honorable Inna Klein, Judge of the 214th State District Court, administered the oaths of office to the re-elected regents.

Reorganization of the Board of Regents – Election of Officers:

Board of Regents Chair: Regent Crull nominated Carol Scott for Chair of the Del Mar College Board of Regents. There were no other nominations for Chair. Regent Crull moved to adopt the motion by acclamation. Regent Kelly seconded the motion. A vote was taken by a show of hands and the nomination carried unanimously, 7-0, with Regents Scott, Adame, Babbili, Crull, Garza, Kelly, and Loeb in favor. Regent Scott was elected as the Chair of the Del Mar Board of Regents.

Board of Regents First Vice Chair: Regent Kelly nominated Dr. Nick Adame for First Vice Chair of the Del Mar College Board of Regents. There were no other nominations for Vice Chair. Regent Kelly moved to adopt the motion by acclamation. Regent Babbili seconded the motion. A vote was taken by a show of hands and the nomination carried unanimously, 7-0, with Regents Scott, Adame, Babbili, Crull, Garza, Kelly, and Loeb in favor. Regent Scott was elected as the Chair of the Del Mar Board of Regents.

Board of Regents Second Vice Chair: Regent Loeb nominated Libby Averyt for Second Vice Chair of the Del Mar College Board of Regents. There were no other nominations for Second Vice Chair. Regent Kelly moved to adopt the motion by acclamation. Regent Babbili seconded the motion. A vote was taken by a show of hands and the nomination carried unanimously, 7-0, with Regents Scott, Adame, Babbili, Crull, Garza, Kelly, and Loeb in favor. Regent Scott was elected as the Chair of the Del Mar Board of Regents.

Board of Regents Secretary: Regent Loeb nominated Rudy Garza for Secretary of the Del Mar College Board of Regents. There were no other nominations for Secretary. Regent Loeb moved to adopt the motion by acclamation. Regent Babbili seconded the motion. A vote was taken by a show of hands and the nomination carried unanimously, 7-0, with Regents Scott, Adame, Babbili, Crull, Garza, Kelly, and Loeb in favor. Regent Scott was elected as the Chair of the Del Mar Board of Regents.

RECOGNITIONS:

- Del Mar College received the Government Finance Officers Association (GFOA) Award for Outstanding Achievement in Popular Annual Financial Report (PAFR) for Fiscal Year 2023.....Mr. Raul Garcia
(II: Elevate, Goal 2: Maximize resources entrusted to the College)

Mr. Garcia recognized his team for receiving the Government Finance Officers Association (GFOA) Award for Outstanding Achievement in Popular Annual Financial Report for Fiscal Year 2023.

- Jessie Chrobocinski, Digital Services Specialist, and Tania Shumaker, Graphic Design Specialist, recently won awards from National Council for Marketing and Public Relations (NCMPR)Mr. Jeff Olsen
(I: Communicate, Goal 2: Connect beyond the College)

Mr. Olsen recognized Jason Houlihan, Jessie Chrobocinski, and Tania Shumaker from College Relations for winning awards from the National Council for Marketing and Public Relations (NCMPR). Mr. Houlihan offered words of gratitude to his team.

- Del Mar College Hospitality Management Program, led by Lisa Pollakis, Professor/Program Director of Hospitality Management, received one of this year's three Awards of Excellence presented at the annual State of Tourism event on November 21, 2024
.....Dr. Jonda Halcomb
(II: Elevate, Goal 1: Increase completion for all students)

Dr. Halcomb recognized Ms. Lisa Pollakis, Professor/Program Director of Hospitality Management, for receiving a Leadership Award at the State of Tourism event, highlighting the program's 60th anniversary and its impact on the Corpus Christi tourism industry. Ms. Pollakis accepted the award on behalf of all her predecessors, faculty, former students, alumni and staff that made the program so successful for 60 years.

- Melissa Stuive, Chair of the Public Service Department, Associate Professor/Program Co-Director of Emergency Medical Services Professions, was appointed to the Emergency Medical Services (EMS) Education Committee for a three-year term ending in December 2027.....Dr. Jonda Halcomb
(I: Communicate, Goal 2: Connect beyond the College)

Dr. Halcomb recognized Ms. Stuive, Chair of the Public Service Department, who was appointed to the Emergency Medical Services Education Committee that overseen by the Governor's Emergency Medical Services and Trauma Advisory Council. Ms. Stuive thanked Administration and the Board of Regents for their support.

- Cheryl Sanders, Associate Vice President of Student Affairs, was selected to participate in the American Association of Colleges and Universities (AACU) 2025 New Leadership Academy.....Dr. Patricia Benavides-Dominguez
(III: Cultivate, Goal 1: Nurture our faculty and staff to achieve their full potential)

Ms. Rita Hernandez on behalf of Dr. Benavides-Dominguez recognized Cheryl Sanders, Associate Vice President of Student Affairs who was selected for the American Association of Colleges and Universities New Leadership Academy. This Academy is a six month online and in-person leadership academy that will focus on Fellows' development. Ms. Sanders thanked the Board of Regents and Administration for their support and promoting professional growth and development of faculty and staff.

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

- Introduction of Conrado Garcia, Superintendent in Residence
(I: Communicate, Goal 2: Connect beyond the College)

Dr. Escamilla introduced Conrado Garcia as a new team member to Del Mar College as the Superintendent in Residence.

- November 15, 2024: Texas Higher Education Coordinating Board has selected Dr. Wynn Rosser as the new Commissioner of Higher Education
(I: Communicate, Goal 2: Connect beyond the College)

Dr. Escamilla provided details of Dr. Wynn Rosser’s career; he is the new Commissioner of the Texas Higher Education Coordinating Board.

- November 20, 2024: West Oso State of the District Breakfast, Retama Room
(I: Communicate, Goal 2: Connect beyond the College)

Dr. Escamilla stated that the College held the West Oso ISD State of the District at Heritage Campus in the Retama Room with a packed house. Dr. Escamilla thanked Superintendent Kim Moore and the West Oso Board of Trustees for their attendance.

- December 8-9, 2024: SACSCOC Annual Conference, Austin, TX
(I: Communicate, Goal 2: Connect beyond the College)

Dr. Escamilla attended the SACSCOC Annual Conference in Austin, Texas. He met Dr. Ray Marr, the new Vice President and Liaison for SACSCOC.

- December 13, 2024: Fall Commencement
(II: Elevate, Goal 1: Increase completion for all students)

Dr. Escamilla reminded everyone of the December 13, 2025 Fall Commencement taking place and Dr. Robert Vela, President of Texas A&M University – Kingsville will be the keynote speaker.

REGENTS REPORT.....Ms. Carol Scott

- Dr. Anantha Babbili was appointed to the 2025 ACCT Finance and Audit Committee
(I: Communicate, Goal 2: Connect beyond the College)

Chair Scott announced that Dr. Babbili was appointed the 2025 ACCT Finance and Audit Committee which looks over the budget and investments for ACCT.

STAFF REPORTS:

- Foundation Annual Update.....Mr. Matthew Busby
(II: Elevate, Goal 2: Maximize resources entrusted to the College)

Mr. Busby provided the Foundation Annual Update, showcasing the Foundation's impressive performance over the past ten years (\$47 million raised, \$17 million in scholarships awarded, \$35 million in net assets). He emphasized the collaborative relationship with the College and highlighted the Foundation's shift to a donor-advising model, resulting in a record \$2.7 million in scholarships awarded in the current fiscal year. A significant bequest of \$1.5 million from the twins Drs. Joyce and Janice twins was announced.

- Annual Review and Discussion of Tax Increment Reinvestment Zones (TIRZ) and Tax Abatements.....Ms. Lenora Keas
(II: Elevate, Goal 2: Maximize resources entrusted to the College)

Ms. Lenora Keas, alongside Mr. Randy Almaguer (Compliance Officer) and Mr. Mike Culbertson (Acting President) of the Corpus Christi Regional Economic Development Corporation (CCREDC), presented an annual review of Tax Increment Reinvestment Zones (TIRZ) and tax abatements. The report detailed compliance efforts, current agreements, and future proposals, particularly concerning CC Polymers' request for an amended tax abatement.

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

- House Bill 8 Update.....Dr. Patricia Benavides-Dominguez
(II: Elevate, Goal 2: Maximize resources entrusted to the College)

Ms. Lenora Keas presented an update on House Bill 8 on behalf of Dr. Benavides-Dominguez, highlighting the submission of over 50 new awards such as Institutional Credentials leading to Licensure or Certification (ICLC), Occupational Skills Awards (OSA), and Workforce Occupational Skills Award (WSA), and their potential impact on college funding (potentially exceeding \$4 million in additional funding).

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

- Legislative Update.....Dr. Natalie Villarreal
(I: Communicate, Goal 2: Connect beyond the College)

Dr. Natalie Villarreal provided a legislative update, covering both the state and federal levels. She also discussed the priorities for the upcoming legislative sessions, emphasizing the need

for advocacy efforts with new legislators and highlighting key areas of focus, including funding models, transfer agreements, and clinical rotations for nursing students.

Dr. Villarreal and Dr. Escamilla responded to questions from the Board of Regents and provided additional commentary.

- Professional Contract Review.....Ms. Tammy McDonald
(III: Cultivate, Goal 1: Nurture our faculty and staff to achieve their full potential)

Ms. Tammy McDonald presented a review of professional service contracts, noting recent contract renewals and mergers/acquisitions among some firms.

- 2025-2026 Budget Calendar and Student Charges.....Mr. Raul Garcia
(II: Elevate, Goal 2: Maximize resources entrusted to the College)

Dr. Escamilla provided opening remarks and Mr. Garcia introduced the 2025-2026 budget calendar and began discussion regarding student charges and possible tuition changes. Ms. Lenora Keas provided information that could impact tuition and fees as follows:

- HB 8 Initiatives – Additional Student Completion Options and Funding Structure
- Expanded Dual Enrollment Offerings and the FAST Program
- Governor’s Order Not to Increase Tuition and Fees
- Pilot Strategies to Support Student Persistence and Completion Tied to Tuition and Fees

Ms. Jackie Landrum reviewed the Fiscal Year 2026 Budget Plan Calendar with the Regents.

Mr. Garcia reviewed the different categories used for measuring student affordability which include low tuition and fee charges, high student financial aid awards, and low student debt. The low cost of attendance is attributed in part to our tuition rate strategy of low and steady increases paired with high levels of student financial aid awarded to our students. Mr. Garcia reviewed the average grant or scholarship award values for a student attending Del Mar College among other colleges in our cohort.

Mr. Garcia stated the College experienced an elevated increase in operating costs from 2021 to 2023, with the inflation rate peaking in 2022 at 9.3%. In contrast, the rate of change in our student tuition and fee charges has been intentionally kept low, resulting in the largest gap in 2022.

Ms. Lenora Keas presented information regarding enrollment sensitivity to changes in unemployment and tuition charges. She also stated the College is rebounding with its headcount as of fall 2024 for credit classes.

An extensive conversation occurred amongst the Regents and presenters regarding this item of the Agenda.

Ms. Keas, Mr. Joseph Ruiz, Director of Financial Aid, Mr. Garcia, and Dr. Escamilla responded to questions from the Board of Regents.

PENDING BUSINESS: Status Report on Requested Information

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, November 12, 2024
(I: Communicate, Goal 2: Connect beyond the College)
2. Acceptance of Investments for November 2024
(II: Elevate, Goal 2: Maximize resources entrusted to the College)
3. Acceptance of Financials for October 2024
(II: Elevate, Goal 2: Maximize resources entrusted to the College)

Regent Crull made a motion to approve the consent agenda items. Regent Loeb seconded the motion. There was no further discussion from the Board. There were no public comments. A vote was taken by show of hands, and the motion carried unanimously 7-0, amongst Regents present, with Regents Scott, Adame, Babbili, Crull, Garza, Kelly, and Loeb in favor.

REGULAR AGENDA

4. Discussion and possible action related to the 2024 Annual Audit, presented as the Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ending August 31, 2024
.....Mr. Raul Garcia
(II: Elevate, Goal 2: Maximize resources entrusted to the College)

Mr. Garcia thanked Dr. Cathy West, Christina Gonzalez, and Jackie Landrum as well as the team engaged in the 2024 year-end financial audit. He introduced Mr. Adam Miller with Collier Johnson & Woods who is presenting results of this year's financial audit.

Mr. Miller shared that the Government Financial Officers Association awarded Del Mar College a Certificate of Achievement of Excellence in Financial Reporting for the annual conference of financial report for the fiscal year ended August 31, 2023.

Mr. Miller continued and stated they have audited financial statements of the College for the years August 31, 2024 and 2023 and June 30, 2024 and 2023. No transactions entered by the College during the year for which there is a lack of authoritative guidance or consensus. He also reviewed certain sensitive accounting estimates that are an integral part of the financial statements prepared by management. No significant difficulties in dealing with management in performing and completing the audit were encountered.

The Statement of Net Position showed the following:

- Cash & Investments decreased from the prior year, \$ 98 MM to \$ 78 MM or (20.2)%
- 2024 Net Investment in Capital Assets was \$ 171.9 MM, representing a \$ 6.5 MM increase from prior year
 - \$ 12.0 MM Depreciation Expense
 - \$ 23.0 MM in additions to capital assets
 - Continued construction & renovation of facilities on the Heritage & Windward Campuses
- Bonds Repayments
 - \$ 11.5 MM Principal Repayments

The Statement of Revenues, Expenses and Changes in Net Position showed the following:

Increase in net position from \$ 142.4 MM to \$ 154.2 MM or 8.3%.

Increase in state appropriations of \$ 5.5 MM or 21.8% due largely to:

- (1) \$ 2.1 MM increase due to performance-based funding system, and

(2) \$ 1.3 MM increase due to FAST dual credit program.

Decrease in federal grants of \$ 4.5 MM or 17.0% due to discontinuation of the HEERF grant programs in 2023.

Mr. Miller concluded his presentation reviewing the required communications and responsibilities with the College.

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

Regent Loeb made a motion to accept the audit as presented. Regent Babbili seconded the motion. There was no further discussion from the Board. There were no public comments. A vote was taken by show of hands, and the motion carried unanimously 7-0, amongst Regents present, with Regents Scott, Adame, Babbili, Crull, Garza, Kelly, and Loeb in favor.

5. Discussion and possible action on annexation – properties that have not executed a new Industrial District Agreement in Industrial District Numbers 1, 2, 4, 5, 6, 7 and 8
.....Mr. John Strybos
(II: Elevate, Goal 2: Maximize resources entrusted to the College)

Mr. Strybos explained that Texas Education Code, Section 130.066, Automatic Annexation of Certain Territory, allows Del Mar College to annex property as the City of Corpus Christi annexes new property. The City of Corpus Christi annexed property in Districts 1, 2, 4, 5, 6, 7, and 8. The proposed annexation includes property in Tuloso-Midway, Calallen, Corpus Christi, Ingleside, and Gregory-Portland ISD. Staff recommendation is to annex the property annexed by the City of Corpus Christi on December 12, 2024.

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

Item No. 2 was tabled until after Closed Session.

The order of the Agenda was changed by Chair Scott.

At 4:02 p.m., the Chair announced that the Board was going into Closed Session.

8. CLOSED SESSION pursuant to:

- A. **TEX. GOV'T CODE § 551.087**: (Economic Development Negotiations), regarding (1) commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or, (2) the deliberation of an offer of a financial or other incentive to a business prospect described by (1), with possible discussion and action in open session;
- B. **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, including the possible designation of litigation counsel in a pending contract matter, with possible discussion and action in open session; and,
- C. **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, with possible discussion and action in open session.

The Board of Regents reconvened in Open Session at 4:41 p.m. with the following motion for Agenda Item No. 5:

Regent Loeb made a motion to approve areas that have been annexed by the City of Corpus Christi into the College's tax district. Regent Garza seconded the motion. There was no further discussion from the Board. There were no public comments. A vote was taken by show of hands, and the motion carried unanimously 7-0, amongst Regents present, with Regents Scott, Adame, Babbili, Crull, Garza, Kelly, and Loeb in favor.

- 6. Discussion and possible action relating to amended tax abatement with Corpus Christi Polymers, LLC.....Ms. Lenora Keas and Mr. Augustin Rivera, Jr.
(II: Elevate, Goal 2: Maximize resources entrusted to the College)

Ms. Keas provided a history of the College's work with M&G Polymers now known as CC Polymers LLC. CC Polymers has asked for an amendment to the existing tax abatement from 2024 to 2027. Specifically, the request is for an extension to deadlines for adding 200 new fulltime jobs and completion of construction from July and December 2024 to 2027. This is due to the delay in final construction based on the following:

1. Inflation rose significantly and impacted the cost of construction and interest rates on financing.
2. The scope of work on the previous construction was not at the expected level.

Ms. Keas stated CC Polymers has asked the Regents to consider the following:

To authorize College Administration to enter into an amendment with CC Polymers contingent upon the approval of the amendment by Nueces County. To include: 1) The facility will add at least 200 additional net new full-time jobs by July 31, 2027, 2) Construction will be completed by December 31, 2027, and 3) Additional Pilot Payments will include the following: Tax year additional pilot payment due date for 2025 \$400,000.00 due January 31, 2026; 2026 \$350,000.00 due January 31, 2027; and 2027 \$250,000.00 due January 31, 2028.

Ms. Keas responded to questions from the Board of Regents.

Regent Loeb made a motion to approve the extensions as presented, including the extension of time, the pilot payments as outlined by staff, and contingent upon the approval of the amendment and extension by Nueces County as well, and to authorize staff to execute that agreement. Regent Crull seconded the motion. There was no further discussion from the Board. There were no public comments. A vote was taken by show of hands, and the motion carried unanimously 7-0, amongst Regents present, with Regents Scott, Adame, Babbili, Crull, Garza, Kelly, and Loeb in favor.

7. Discussion and possible action related to designation of litigation counsel in pending contract matter.....Mr. Augustin Rivera, Jr.
(II: Elevate, Goal 2: Maximize resources entrusted to the College)

Regent Babbili made a motion to authorize our General Counsel, College President, and Board Chair, to proceed with the process as outlined in Closed Session for the designation and engagement of Litigation Counsel in a pending contract manner. Regent Kelly seconded the motion. There was no further discussion from the Board. There were no public comments. A vote was taken by show of hands, and the motion carried unanimously 7-0, amongst Regents present, with Regents Scott,

Adame, Babbili, Crull, Garza, Kelly, and Loeb in favor.

CALENDAR: Discussion held regarding upcoming calendar dates.

ADJOURNMENT: The meeting was adjourned at 4:51 p.m.

MINUTES REVIEWED BY GC: /s/ARjr