

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

July 14, 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, July 14, 2020, by video teleconference, with the following present:

From the Board:

Ms. Carol Scott, Ms. Libby Averyt, Mr. Ed Bennett, Ms. Susan Hutchinson, and Dr. Mary Sherwood.

Regents Elva Estrada and 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; 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.

Due to the health and safety concerns and the Coronavirus Pandemic Crisis, this meeting was conducted by video and/or teleconference and was conducted in accordance with 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.

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.

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

- President Escamilla provided an update regarding Del Mar College’s restricted accessibility status and stated that the College is in Return-to-Campus Phase II. He reiterated that the health and safety of the students, staff and employees remains the top priority. Del Mar College employees have been asked to work from home, if possible and Summer II courses have been adjusted due to the rise of COVID-19 positive cases in our community.
- Summer graduation will be held on Friday, August 14, 2020 at 7:00 p.m. and will be broadcast on the College’s Facebook and YouTube channels. The ceremony will be a virtual graduation and there are already 381 applicants for the summer graduation.

STAFF REPORTS:

- Return to Campus Committee Update...Ms. Lenora Keas and Ms. Tammy McDonald
(Goal 3: Academic Preparedness and Student Learning)

Ms. Tammy McDonald provided an overview of the Return to Campus Plan (RTC) Operating Under COVID-19 Conditions. The purpose of the RTC is to assist with ongoing, college-wide COVID-19 planning and response efforts. The RTC Committee consists of the Return to Campus Planning Team and a Return to Campus Advisory Committee that assists the RTC Team and includes Faculty Council, Student Government, Exempt Council, Non-exempt Council, Chairs Council, Library Services, Planning/IE and Safety Committee. The RTC Committee reviews and discusses campus health and safety protocols from all local, state, and federal guidelines as well as Orders from Governor Abbott, County Judge Canales, THECB, Center for Disease Control, and local medical specialists. The review and discussions developed the processes for the Campus RTC protocols with the health and safety of all accessing campus as the primary focus.

Ms. McDonald discussed details about the RTC processes for student, faculty, and staff.

Ms. Keas discussed the RTC process for employees and their work area requirements including meetings. Departments will continue planning and implementing on site transition with staggered start times, rotated schedules, and continue to work remotely. Changes and modifications will be implemented accordingly as conditions within the College and community evolve. Ms. Keas further discussed the College’s Return-to Campus Plan Health and Safety protocols and implementation dates.

To assist with COVID-19 related expenses, the College has identified available financial resources including the CARES Act, FEMA Grant, and Family First Act.

College Relations helped with developing the framework for the College’s Return to Campus Plan.

Ms. McDonald, Ms. Keas and Dr. Escamilla responded to questions from the Board.

- Risk Management Reserves.....Mr. Raul Garcia
(Goal 6: Financial Effectiveness and Affordability)

Dr. Escamilla began by stating that the Risk Management Reserves fund came up as a result of the COVID-19 pandemic crisis and will be folded into the FY 2021 budget to be used for the current crisis, and also the impending results our economy will be facing in the next biennium.

Mr. Garcia stated that Del Mar College is in the midst of a two-prong crisis. First the health and safety of students and employees due to the COVID-19 pandemic and second, the recession and related financial implications that may continue through the end of FY 2025. The object is to maintain a \$5 to \$7 million risk management reserve throughout the crisis.

Mr. Garcia provided detailed information relating to a financial resource risk assessment completed by the College which contained risks that could potentially erode the College's liquidity levels during the duration and following the crises.

Dr. Escamilla stated that these plans are part of the Financial Stabilization Plan for the College for the next two years.

Mr. Garcia and Dr. Escamilla 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)

Today's budget presentation was facilitated by Mr. Garcia, Dr. Catherine West, Mr. John Johnson and Ms. Jackie Landrum; they provided included detailed information on:

- Strategic Plan Initiatives: Goal One, Completion: \$172K for 2020, Goal Two, \$140K for 2020; Recruitment and Persistence; Goal Four, Learning Environment: \$1M for 2020 and \$1.9M for 2021; and Goal Five, Workforce Development, Community Partnership and Advocacy: \$368K for 2020 and \$160K for 2021; Goal Three, Academic Preparedness and Student Learning, ERP – Campus Management System \$4.2M; Goal Four, Learning Environment: \$9.85M: Southside campus FF&E; Goal Six, Financial Effectiveness and Affordability: approx. \$9M, Risk Reserve Fund Mr. Garcia provided detailed information relating to the amounts allocated for each goal.
- Operating Revenue Budget: Preliminary Revenue Assumptions including Tuition and Fees, Tax Assumptions, and State Appropriations. Total projected revenues for FY 2020-2021 \$107,876,641 (same as last FY). Property Tax: FY 2020 - \$465, FY 2021 - \$478, based upon 2020 average taxable homestead value of \$172,000. FY 2021 Revenues: M&O \$58,222,474, Debt \$23,476,669, for a total of \$81,699,143. FY 2021 combined tax rate of 0.288436/\$100.
- Operating Expense Budget: FY 2021 total salaries and benefits = \$80,287,230, FY 2020 total salaries and benefits = \$79,322,117, increase of \$965,113, 1% change. Total non-salary expenses

for FY 2021 \$23,020,261, FY 2020 \$23,984,574, decrease of \$964,313. -4% change. Total expenditures for FY 2020: \$107,876,641 (same as last year).

- Five Year Financial Outlook: Review of 5-year financial forecast for revenues and expenses for FY 2021-2025.

The presentation also included the budget timeline and process calendar.

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

- Electric Service Contract Update.....Mr. Raul Garcia
(Goal 6: Financial Effectiveness and Affordability)

Mr. Garcia provided a history of electricity usage and presented information regarding the new electrical service contract for all campuses and locations except the Northwest Center. Traditions Energy is the College’s utility advisor through the US Community’s Cooperative Purchasing Program and assisted the College in obtaining competitive bids from various electricity suppliers. TXU Energy stood out with an 84-month contract at a reduced rate of 0.3 cents per kilowatt hour. This amount represents a 30% reduction from the current contract rate of 0.5 cents per kilowatt hour. This will save the College an estimated \$500,000 per year and \$3.5 million for the duration of the contract. Traditions Energy also negotiated a rebate called “Greenback” valued at \$48,000.00.

Mr. David Davila provided a background and information regarding Traditions Energy.

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

- Manual of Policies and Procedures FY 2021 Project Update...Ms. Tammy McDonald
(Goal 4: Learning Environments)

Ms. Tammy McDonald provided a brief overview of previous policy and procedure discussions and update on plans going forward. Ms. McDonald stated that administration will assign primary policy owners to all “B” policies; this is in process and near completion and that administration will determine best practice to conduct review and engage external expertise as needed. By September or October of 2020 this project is anticipated to begin. The current process for new policies, or to revise policies, is prompted by state and federal mandates; accreditation requirements; internal audit; and at the request of the Board, CEO, administration or councils.

The next step for the project update is to conduct a Board workshop in September 2020, continue review of draft policy B3.16, set policy priorities, develop policy review, and engage external expertise as appropriate. Ms. McDonald provided an example of a proposed Policy Review Schedule.

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

- 2014 Bond East and West Campus Programming.....Mr. John Strybos
(Goal 4: Learning Environments)

Mr. Strybos stated that his presentation was in response to a request from the Board at last month's meeting for information regarding the 2014 Bond East and West Campus Programming. Mr. Doug Lowe continued the presentation with the proposed overall plan for renovations and what is included in the program for the East and West Campuses. Mr. Lowe further discussed what was included in the program and how it is grounded in the vision and goals important to the College. Mr. Lowe gave detailed information regarding the proposed plan for renovations of the East Campus in 3 different phases that include the Heldenfels Administration Building (will become a One Stop Enrollment Center), Fine Arts Music (will be renovated for general academics), White Library renovations, Memorial Classroom Building (will become the Executive Administration Building), Harvin Student Center (will expand for student services and student life), and the Multiservice Center (will be renovated). Included in the renovations of the 2014 Bond is a project to work on the campus' edge to identify Del Mar College as a place that is more distinct when arriving onto the East campus. Additionally, there will also be roofing updates to the East and West Campuses and to the West Campus General Purpose Building. Improvements to landscaping, sidewalks, paving, and signage is planned as well. Mr. Lowe further discussed the budget for the total project of \$42 million and reviewed the proposed schedule and calendar for the 2014 Bond renovations.

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

PENDING BUSINESS:

- Status Report on Requested Information.....Ms. Carol Scott
(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:
Board Retreat, May 28-29, 2020
Regular Board Meeting June 9, 2020
(Goal 5: Workforce Development, Community Partnerships, and Advocacy)

2. Acceptance of Investments for June 2020
(Goal 6: Financial Effectiveness and Affordability)

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

REGULAR AGENDA

3. Discussion and possible action regarding Order Calling 2020 Regent General Election and Candidate InformationMs. Tammy McDonald and Ms. Jessica Alaniz
(Goal 5: Workforce Development, Community Partnerships, and Advocacy)

Ms. McDonald introduced Augustin Rivera, Jr., General Counsel, who read the Order Calling the 2020 Del Mar College District Board of Regents General Election.

Regent Hutchinson made a motion to approve the Order Calling the 2020 Del Mar College District Board of Regents General Election. Regent Sherwood seconded the motion. There was no further discussion from the Board. A roll call vote was taken, and the motion passed unanimously, 7-0, amongst Regents present, with Regents Averyt, Bennett, Estrada, Hutchinson, Salinas, Scott, and Sherwood in favor.

Ms. Jessica Alaniz presented information regarding the application information. The filing period for potential candidates begins July 18, 2020 and ends August 17, 2020. In lieu of obtaining an election packet in person, a candidate may request a packet via email, request a packet to be mailed via the United States Postal Service, or may also access a complete packet online.

4. Discussion and possible action regarding the College's Quarterly Investment Report for Period Ending May 31, 2020Mr. Raul Garcia
(Goal 6: Financial Effectiveness and Affordability)

Mr. Garcia introduced Mr. David McElwain with Patterson & Associates. Mr. McElwain presented his report regarding the College's investments, performance and current economic conditions affecting the investments. Mr. McElwain also reported on the stock market, international markets, and interest rates.

Unemployment rates in January 2020 were 3% and because of the shutdown, the unemployment rate went down to about 15%. Since reopening, there have been about 4.8 million jobs filled which

turned the unemployment rate to 11%. The Federal Reserve has provided money into the economy from relief checks to funding for commercial paper programs. The Federal Fund rate will remain the same until there is a meaningful pickup in the economy. The College's fiscal quarter earnings were \$435,730 in February 2020 and \$405,675 earnings for May 2020. Mr. McElwain stated that they maximized the height of commercial paper in the pool fund group. Series 2018 (A & B) Tax Bond Funds fiscal quarter earnings were \$389,423.00 due to construction projects being paid out. Municipal Bonds are at a 1.906% yield which will be the bright spot of the College's Portfolio for the foreseeable future.

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

Regent Averyt made a motion to adopt the College's Quarterly Investment Report. Regent Bennett seconded the motion. There was no further discussion from the Board. A roll call vote was taken, and the motion passed unanimously, 7-0 amongst Regents present, with Regents Averyt, Bennett, Estrada, Hutchinson, Salinas, Scott, and Sherwood in favor.

5. Discussion and possible action related to a Resolution Adopting Investment Policy and Investment Strategy, 2020Mr. Raul Garcia
(Goal 6: Financial Effectiveness and Affordability)

Mr. Garcia stated that per the Board's Policy B4.6.25, this annual review is required to recommend any changes. Mr. Garcia introduced Mr. McElwain again to further discuss the Quarterly Investment Report dated February 29, 2020-May 31, 2020. Mr. McElwain stated that due to the need to be more flexible and find pockets of value in such a compressed environment, he is recommending to extend the maximum maturity of commercial paper from 180 days to 270 days which is allowed by the Public Funds Investment Act. A second recommendation is to change the percentage from 20% to 30% to take advantage of municipal bonds to give the College better yields.

Regent Salinas made a motion to approve the Resolution adopting Investment Policy and Strategy with suggested changes. Regent Sherwood seconded the motion. There was no further discussion from the Board. A roll call vote was taken, and the motion passed unanimously, 7-0 amongst Regents present, with Regents Averyt, Bennett, Estrada, Hutchinson, Salinas, Scott, and Sherwood in favor.

6. Discussion and possible action related to a Resolution adopting the authorized Broker/Dealer list.....Mr. Raul Garcia
(Goal 6: Financial Effectiveness and Affordability)

Mr. Garcia stated that the annual review is required by Government Code Section 2256.025, the Texas Public Investment Act and in accordance with Board Policy B4.6.25. Mr. Garcia stated that the College is required to revise or adapt a list of qualified brokers authorized to engage in

investment activities on an annual basis. Mr. McElwain discussed the brokers and recommendations. A list of Brokers was provided to the Board for review which included two new additions, Robert Baird and UBS Financial. Additional changes included name changes for companies because of mergers.

Regent Bennett made a motion to approve the Resolution adopting the Broker/Dealer list. Regent Hutchinson seconded the motion. There was no further discussion from the Board. A roll call vote was taken, and the motion passed unanimously, 7-0 amongst Regents present, with Regents Averyt, Bennett, Estrada, Hutchinson, Salinas, Scott, and Sherwood in favor.

The Board of Regents recessed at 4:15 p.m.

The Board of Regents reconvened at 4:26 p.m.

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

Mr. Garcia reviewed the financial statement for the third quarter ending May 2020. The property tax revenue collection rate was 98% through the end of May 2020. The tuition and fees revenue collections rate is 85% through the end of May as well. Mr. Garcia provided an overview of operating revenues, expenses, assets. Mr. Garcia also presented information regarding the College's Current Operating Funds as of May 2020.

Regent Bennett made a motion to approve the College's third quarter ending May 2020. Regent Sherwood seconded the motion. There was no further discussion from the Board. A roll call vote was taken, and the motion passed unanimously, 7-0 amongst Regents present, with Regents Averyt, Bennett, Estrada, Hutchinson, Salinas, Scott, and Sherwood in favor.

At 4:32 p.m., the Chair announced the Board was going into Closed Session pursuant to:

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 government 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; and,

- 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, 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; including, 1.) Annual Evaluation of College President, with possible discussion and action in open session.

The Board reconvened in Open Session at 5:40 p.m.

There was no action taken in Closed Session.

CALENDAR: Discussion related to calendaring dates.

ADJOURNMENT: The meeting was adjourned at 5:41 p.m.

MINUTES REVIEWED BY GC: /s/ARjr