

MINUTES OF THE CALLED MEETING
FISCAL YEAR 2022-2023 BUDGET ADOPTION

August 23, 2022

The Called Meeting of the Adoption of Budget for Fiscal Year 2022-2023 of the Board of Regents of the Del Mar College District convened at 1:00 p.m. on Tuesday, August 23, 2022, at the Center for Economic Development, 3209 S. Staples, Room 106, Corpus Christi, Texas, with the following present:

From the Board:

Ms. Carol Scott, Dr. Nicholas Adame, Ms. Libby Averyt, Mr. Rudy Garza Jr., Ms. Susan Hutchinson, Mr. Bill Kelly, and Dr. Linda Villarreal.

Mr. Ed Bennett joined the meeting virtually.

From the College:

Dr. Mark Escamilla, President and CEO; Mr. Raul Garcia, Vice President and CFO; Ms. Lenora Keas, Executive Vice President and COO; Dr. Jonda Halcomb, Vice President and Chief Academic Officer; Ms. Tammy McDonald, Vice President of Administration and Human Resources; Ms. Patricia Benavides-Dominguez, 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 Communication and Marketing; Ms. Mary McQueen, Executive Director of Development; Ms. Delia Perez, Director of CEO Office and Board Relations, and other staff and faculty.

Regent Scott called the meeting to Order with a quorum present.

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.

ITEMS FOR DISCUSSION AND POSSIBLE ACTION:

1. Discussion and possible action related to approval of Administration’s recommendation for a one-time employee payment and funding source.....Ms. Tammy McDonald (*Goal 4: Learning Environments and 6: Financial Effectiveness and Affordability*)

Dr. Escamilla stated that he was grateful to the staff regarding the amount of work to prepare for today’s presentation.

Ms. Tammy McDonald provided a review of the August 9, 2022 Board meeting regarding the request for a one-time payment to the employees and a recommended funding source. The funding source would be the use of the current Fiscal Year 2022 Budget Contingency line item

of \$1.6 million to fund this expense. Upon presenting the information requested, the administration recommended a proposed one-time employee payment as follows: 1) all full-time employees employed on the day of the payment distribution receive a one-time payment through payroll of \$1,000 gross (before applicable employee taxes are deducted); and 2) all part-time employees that are active on the day of payment distribution receive a payment through payroll of \$500 gross (before applicable employee taxes are deducted).

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

Regent Adame made a motion to adopt the recommendation from administration for a one-time payment to employees and use the funding source as discussed. Regent Hutchinson 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 8-0, amongst Regents present, with Regents Scott, Adame, Averyt, Bennett, Garza, Hutchinson, Kelly, and Villarreal in favor.

2. Discussion and possible action related to the Order of the Board of Regents of the Del Mar College District: 2022-2023 Maintenance and Operations Budget and the 2022-2023 Debt Service Budget.....Mr. Raul Garcia

(6: Financial Effectiveness and Affordability)

Mr. Garcia stated that the College has complied with all the state statute requirements in terms of advertising and placing the information for the public, as well as having a public hearing earlier today. Mr. Garcia stated that the College has worked with various budget stakeholders including budget managers, faculty, staff, and the various College Councils to align financial resources with strategic initiatives and deliver a balanced budget for fiscal year 2022-2023. A public Budget Workshop was held for the Board of Regents on July 26, 2022, with an update on August 9, 2022, to receive comments from the Board of Regents and the public on the College's proposed budget. The proposed 2022-2023 Maintenance and Operations Budget is \$114.7 million. The proposed 2022-2023 Debt Service Budget is \$22.5 million dollars which represents the principal interest obligations for 2022-2023 on the College's existing general obligation bond debt.

Mr. Augustin Rivera, Jr., General Counsel read the proposed Order of the Board of Regents of the Del Mar College District Budgets 2022-2023:

ORDER OF THE BOARD OF REGENTS
OF THE
DEL MAR COLLEGE DISTRICT
BUDGETS
2022-2023

BE IT ORDERED by the Board of Regents of the Del Mar College District ("District")
that,

WHEREAS, budgets for the Del Mar College District have been prepared and submitted
to the Board of Regents of the District in the manner required by law; and

WHEREAS, a meeting has been called and held as a public hearing for the purpose of
considering the adoption of a maintenance and operation budget and debt service budget, after
public notice of such meeting as required by law; and

WHEREAS, all taxpayers and other persons of the District desiring to do so have been
given the opportunity to be present and to participate in such hearing;

THEREFORE, that certain budgets presented to the Board at this meeting and filed among
the official documents of this District, be and it is hereby adopted as the budgets for the Del Mar
College District for the fiscal year beginning September 1, 2022 and ending August 31, 2023.

Regent Averyt made a motion to adopt the Order of
the Board of Regents of the Del Mar College District
Budgets 2022-2023. Regent Garza seconded the
motion. There was no further discussion from the
Board. There were no public comments. A roll call
vote was taken the motion carried unanimously 8-0,
amongst Regents present, with Regents Scott,
Adame, Averyt, Bennett, Garza, Hutchinson, Kelly,
and Villarreal in favor.

1. Discussion and possible action related to the Order of the Board of Regents of the Del
Mar College District: Tax Rates for 2022-2023.....Mr. Raul Garcia
(6: *Financial Effectiveness and Affordability*)

Mr. Garcia presented information regarding the adoption of the 2022-2023 tax rate. The College conducted a Budget Workshop on July 26, 2022, to review the proposed 2022-2023 Budget for Maintenance and Operations and the proposed 2022-2023 Budget for Debt Service, including the respective tax rates necessary to generate the ad valorem revenues to support each budget. The \$114,706,068.00 proposed Maintenance and Operations Budget has a proposed M&O Tax Rate of \$0.196870 per \$100 of taxable value. The \$22,518,888.00 proposed Debt Service Budget has a proposed Debt Service Tax Rate of \$0.069234 per \$100 of taxable value.

The proposed Combined Tax Rate for 2022-2023 is \$0.266104 per \$100 taxable value, which is \$0.17236 less than the previous year. This combined tax rate represents a 5.79% increase in total tax revenues (percentage by which the proposed tax rate exceeds the lower of the voter-approval tax rate or the no-new-revenue tax rate calculated under Chapter 26, Texas Tax Code) from properties on the tax roll in the preceding tax year due to the increase in appraisal values within the College District.

The appropriate Public Notices of Tax Revenues Increases have been published and the College held a Public Hearing on the Proposed Tax Rates on Tuesday, August 23, 2022, at 12:30 p.m. to receive public comments.

Mr. Augustin Rivera, Jr., General Counsel read the proposed Order of the Board of Regents of the Del Mar College District Tax Rate 2022:

ORDER OF THE BOARD OF REGENTS
OF THE
DEL MAR COLLEGE
TAX RATE
2022

BE IT ORDERED by the Board of Regents ("Board") of the Del Mar College District ("District") that,

WHEREAS, the Board has duly and properly considered a proposal to increase total tax revenues from properties on the tax roll in 2022 by 5.79 percent; and

WHEREAS, the Board has duly and properly called and held the public hearing required by the Texas Property Tax Code ("Code") after giving the public notice required by the Code and by law; and

WHEREAS, all taxpayers and other persons desiring to do so have been given the opportunity to be present and to participate in such hearing; and

WHEREAS, the Board has duly and properly given and published notice of these meetings as required by law;

NOW THEREFORE, the Board hereby approves and adopts the proposal to increase total tax revenues from properties on the tax roll in the preceding year by 5.79 percent, thereby increasing the total combined tax rate to be levied for 2022 to Twenty-six and 6104/10,000 (\$0.266104) on each One Hundred Dollars (\$100.00) property valuation in the District. THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 7.94 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$-8.43.

Regent Kelly made a motion to adopt the tax rate as presented. Regent Hutchinson seconded the motion. There was no further discussion from the Board. There were no public comments. A roll call vote was taken the motion carried unanimously 8-0, amongst Regents present, with Regents Scott, Adame, Averyt, Bennett, Garza, Hutchinson, Kelly, and Villarreal in favor.

1. Discussion and possible action related to the Order of the Board of Regents of the Del Mar College District: 2022-2023 Tax Levy of \$0.266104 per \$100 of taxable value for the Del Mar College

District.....Mr. Raul Garcia
(6: *Financial Effectiveness and Affordability*)

Mr. Garcia introduced an action item for the fiscal year 2022-2023 tax levy and stated the College has complied with all legal state mandates for the purpose of adopting the M&O and Debt Service tax levy. The proposed combined tax levy of \$0.266104 is a reduced tax levy to prior years.

Mr. Augustin Rivera, Jr., General Counsel read the Order for Tax Levy for 2022 of the Del

Mar College District:

TAX LEVY FOR 2022
OF THE
DEL MAR COLLEGE DISTRICT

BE IT ORDERED by the Board of Regents of the Del Mar College District that the following taxes are hereby levied for the year 2022 on all property, real, personal and mixed, located within the boundaries of the Del Mar College District and subject to taxation by it for the year 2022 under the laws of this State, and of the United States; a total ad valorem tax of Twenty Six and 6104/10,000 Cents (\$0.266104) on each One Hundred Dollars (\$100.00) property valuation in the District, for the purposes and in the specific amounts which follow:

I.

An ad valorem tax of Nineteen and 6870/10,000 Cents (\$0.196870) on each One Hundred Dollars (\$100.00) property valuation for the local maintenance fund of the Del Mar College District.

II.

An ad valorem tax of Six and 9234/10,000 Cents (\$0.069234) on each One Hundred Dollars (\$100.00) property valuation for the interest and sinking fund of the Del Mar College District Limited Tax Refunding Bonds, Series 2013 (\$9,010,000); Del Mar College District Limited Tax Refunding Bonds, Series 2014 (\$8,995,000); Del Mar College District Limited Tax Refunding Bonds, Series 2015 (\$23,580,000); Del Mar College District Limited Tax Bonds, Series 2016 (\$67,645,000); Del Mar District Tax Bonds, Series 2017 (\$9,070,000); Del Mar College District Limited Tax Bonds, Series 2018A (\$44,275,000); Del Mar College District Limited Tax Bonds, Series 2018B (\$57,305,000); Del Mar College District Limited Tax Bonds, Series 2020A

(\$22,150,000); Del Mar College District Limited Tax Bonds, Series 2020B (\$56,285,000); and Del Mar District Limited Tax Refunding Bonds, Series 2021 (\$8,435,000).

Regent Garza made a motion to adopt the tax levy Order as presented. Regent Villarreal seconded the motion. There was no further discussion from the Board. There were no public comments. A vote was taken by a show of hands and the motion carried unanimously 8-0, amongst Regents present, with Regents Scott, Adame, Averyt, Bennett, Garza, Hutchinson, Kelly, and Villarreal in favor.

- 1. Discussion and possible action related to the Resolution of the Board of Regents of the Del Mar College District: 2022-2023 Tax Exemptions.....Mr. Raul Garcia (6: Financial Effectiveness and Affordability)

Mr. Garcia provided information regarding the yearly granted specific tax exemptions in accordance with the Texas Property Tax Code Section 11. Traditionally, the College has provided the following tax exemptions:

1. Homestead Exemptions	\$5,000
2. Persons 65 years or Older	\$50,000
3. Qualified Disabled Veterans	Statutory exemption
4. Person under 65 years, qualified disability benefits	\$50,000
5. Qualified Charitable Organizations	Statutory exemption

Mr. Augustin Rivera, Jr., General Counsel read the Resolution of the Board of Regents of the Del Mar College District: 2022-2023 Tax Exemptions:

RESOLUTION OF THE BOARD OF REGENTS
OF THE
DEL MAR COLLEGE DISTRICT

RESOLVED, that for the tax year 2022 all persons who qualify by law are granted an exemption in the amount of Five Thousand Dollars (\$5,000.00) of the appraised value of their homestead property; and

RESOLVED FURTHER, that for the tax year 2022 persons of the age of sixty-five (65) or older are granted an additional exemption in the amount of Fifty Thousand Dollars (\$50,000.00) of the appraised value of their homestead property, and qualified disabled veterans are granted the

statutory exemption; and

RESOLVED FURTHER, that for the tax year 2022 each person under sixty-five (65) years of age who is qualified for the payment of disability insurance benefits as defined under Federal Old-Age, Survivors, and Disability Insurance (or its successor) is hereby granted an additional exemption from taxation, in accordance with Section 11.13(d) of the Property Tax Code ("Code"), the total amount of which is equal to Fifty Thousand Dollars (\$50,000.00) of the appraised value of such person's residence homestead property, as that term is defined by the State Constitution and law, provided the owner of such residence homestead property, or his or her duly authorized agent or attorney, applies at the office of the Nueces County Tax Appraisal District for said exemption in accord with the requirements established by the Tax Assessor-Collector or the Nueces County Tax Appraisal District, as permitted by law; and

RESOLVED FURTHER, that for the tax year 2022 each disabled veteran is entitled to the mandatory exemption provided in Section 11.22 of the Code; and

RESOLVED FURTHER, that for the tax year 2022 each qualified charitable organization that has been granted exemption by the City of Corpus Christi is entitled to the tax exemption provided under Section 11.184 of the Texas Tax Code.

Regent Kelly made a motion to adopt the Resolution of the Board of Regents as presented. Regent Averyt seconded the motion. There was no further discussion from the Board. There were no public comments. A vote was taken by a show of hands and the motion carried unanimously 8-0, amongst Regents present, with Regents Scott, Adame, Averyt, Bennett, Garza, Hutchinson, Kelly, and Villarreal in favor.

At 1:23 p.m., the Chair announced that the Board was going into Closed Session.

2. CLOSED SESSION pursuant to:

- A. **TEX. GOV'T CODE § 551.074(a)(1)**: (Personnel Matters), regarding the appointment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; including, 1.) Annual Evaluation of College President and President's Contract, 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, and the seeking of legal advice from counsel, with possible discussion and action in open session.

The Board of Regents reconvened in Open Session at 2:22 p.m.

Regent Villarreal made a motion to clarify an amendment to the College President's contract previously approved on August 9, 2022, Item No. 8 on the contract, to specify the amount stated therein is "net of taxes," with reimbursement to be made as submitted and to further direct General Counsel to formalize the amendments in writing for signature by the parties. Regent Averyt seconded the motion. There was no further discussion from the Board. There were no public comments. A vote was taken by a show of hands and the motion carried unanimously 8-0, amongst Regents present, with Regents Scott, Adame, Averyt, Bennett, Garza, Hutchinson, Kelly, and Villarreal in favor.

CALENDAR: Discussion and possible action related to calendaring dates.

ADJOURNMENT: The meeting was adjourned at 2:24 p.m.

MINUTES REVIEWED BY GC: /s/ARjr