

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

August 13, 2024

The Regular Meeting of the Board of Regents of the Del Mar College District convened on Tuesday, August 13, 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, Ms. Libby Averyt, Dr. Nicholas Adame, Dr. Anantha Babbili, Mr. Carl Crull, Mr. Rudy Garza, Jr., Mr. Bill Kelly, Mr. David Loeb, 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; Ms. 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; Ms. Mary McQueen, Vice President of Advancement and Government Relations; 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 made for this meeting.

RECOGNITIONS:

- Dr. Bryan Stone, Professor of History, recipient of the ACCT 2024 Western Regional Faculty Award.....Dr. Jonda Halcomb
(I: Communicate – Goal 2: Connect beyond the College)

Dr. Halcomb recognized Dr. Bryan Stone, Professor of History who was chosen as the recipient of the Association of Community College Trustees 2024 Western Regional Faculty Award. After providing Dr. Stone’s teaching experience and education

background, Dr. Halcomb stated the ACCT Committee evaluated nominations based on categories such as excellence in teaching, development of innovative programs, service on committees, leadership, and development organization support for two-year institution associations. Dr. Stone is a leading scholar in Jewish history in Texas and has authored three books, numerous book chapters and scholarly articles. In addition, he's given presentations locally and throughout the country and serves as Managing Editor of Southern Jewish history. Dr. Stone has been recognized with many teaching honors that as well as being awarded the prestigious Piper Professor. Dr. Halcomb thanked Dr. Stone for his commitment to the profession and his students. Dr. Stone thanked the Board of Regents, Dr. Halcomb, and Dr. Escamilla and provided words of appreciation and gratitude for this honor.

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

- Appointed to Texas Higher Education Coordinating Board’s HB8 Regulatory Review Committee
(Goal 1: Communicate – Goal 2: Connect beyond the College)

Dr. Escamilla announced he has been appointed to the Texas Higher Education Coordinating Board’s HB8 Regulatory Review Committee. Dr. Escamilla stated he will be working into the next legislative session in conjunction with the Coordinating Board and the leadership at Texas Association of Community Colleges regarding a supplemental bill of \$40 million and future opportunities for our students and community colleges across Texas.

- July 31 – August 1, 2024: TACC Summer Conference, Austin
(Goal 1: Communicate – Goal 2: Connect beyond the College)

Dr. Escamilla attended the TACC Summer Conference in preparation for the 89th legislative session.

- August 19, 2024: Fall Convocation
(Goal 1: Communicate – Goal 1: Collaborate across the College)

Dr. Escamilla announced the Fall Convocation scheduled for August 19, 2024 at 9:00 a.m.

REGENTS REPORT.....Ms. Carol Scott

- CCATT Trustee Leadership Seminar, Gainesville, TX, June 26-28, 2024
(I: Communicate – Goal 2: Connect beyond the College)

Chair Scott announced she attended the CCATT Trustee Leadership Seminar in Gainesville, Texas. Chair Scott stated they are working on data-informed governance and looking at regional information as to how it compares across the state. Chair Scott provided

information regarding the NCTC participating in the Red River Promise Program which is also part of the National College Promise Program. The program is funded by local foundations and provides regional high school graduates with a full ride to college (without cost from a community college degree) through a bachelor’s degree.

- 2024 ACCT Board of Directors Summer Retreat, Waterloo, IA, July 18-21, 2024
(I: Communicate – Goal 2: Connect beyond the College)

Chair Scott announced she attended the 2024 ACCT Board of Directors Summer Retreat in Waterloo, Iowa.

STAFF REPORTS:

- Discussion and announcement related to the new nomination and appointment process for candidates to the Nueces County Appraisal District Board, including application process, qualifications, election, and deadlines.....Mr. Augustin Rivera, Jr.
(I: Communicate – Goal 2: Connect beyond the College)

Mr. Rivera provided information regarding the 88th legislature’s rewrite of how board members are placed on Appraisal District Boards. On January 1, 2025, the Nueces County Appraisal District (NCAD) Board will convert to a 9-member board, with 5 members appointed by the taxing entities under a new election process, 3 elected as “at large” members, and the Nueces County Tax Assessor-Collector continuing to serve “ex officio” but will be a full voting member. The new process and board resolution now required was explained by Mr. Rivera and he asked the Board to call or email him with any questions. Mr. Rivera explained that the Board would have the opportunity to nominate candidates at the September 10th Board meeting.

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

- FY 2024 – 2025 Budget Update.....Mr. Raul Garcia
(II: Elevate – Goal 2: Maximize resources entrusted to the College)

Dr. Escamilla provided introductory remarks and introduced Mr. Raul Garcia. Mr. Garcia stated the proposed budget update is built on the backdrop of multiple factors like financial constraints caused by lawsuits that contested property valuations filed by major petro companies in our district. Mr. Garcia stated that they have prepared two budget proposals for the Board to consider. Mr. Garcia introduced Ms. Jackie Landrum.

Ms. Landrum reviewed the budget plan calendar for Fiscal Year 2025 that included August dates for actions items that include Debt Service Proposed Budget, M&O Proposed Tax Rate, and Proposed Tax Exemptions. Ms. Landrum September 1, 2024 is the deadline to approve the budget with September 30, 2024 is the deadline to approve the tax rate. Ms. Landrum introduced Ms. Lenora Keas.

Ms. Keas provided information regarding the FY 2025 HB8 Performance Funding Peer Comparison. Del Mar College had the highest total weighted outcomes but ranked third in total funding.

Dr. Escamilla provided commentary regarding the numbers identifying students in the past valuing them equally.

Ms. Keas continued and reviewed peer comparisons where the College ranked highest in high-demand associate's degrees and high-demand institutional credential's leading to licensures. Future opportunities where the College will improve will be for high-demand certificates and associate's degrees (non-high demand). Ms. Keas stated that programs like welding were not included on the State's high-demand list, and they are working on getting welding on the high-demand list for 2026. Ms. Keas provided information regarding College goals to align with HB 8 which include to increase completion for all students, optimize the Viking student experience, and maximize resources entrusted to the College. Ms. Keas provided examples of HB 8 initiatives and embedded increases in HB 8 initiatives such as Occupational Skills Awards, instructional equipment for high-demand and workforce programs, and identifying student cohorts who are nearing completion and providing increased advising and access.

Ms. Landrum continued the presentation regarding tuition fees and stated the tuition and fees will have 2% increase over current enrollment, \$2 in-district tuition rate increase. For property tax assumes a 4.15% net valuation decrease, \$950 million in new construction, 4.97% over the M&O no-new revenue rate, 2.15% over the total no-new revenue rate. For State Appropriations that is a flat change based on current data and financial simulation model, and FAST-based on Fall 2023 and Spring 2024.

Ms. Landrum continued with providing information regarding the certified values and stated they are proposing an increase of 4.97% over the no-new revenue rate which is well below the 8% that we're allowed. The total increase in our total tax rate will be 2.15% over that total no-new revenue rate. Ms. Landrum introduced Ms. Tammy McDonald.

Ms. McDonald began her presentation regarding proposed salary and benefit increases by stating supporting the College's faculty and staff is the best way to support HB 8. Ms. McDonald reviewed Option 4 of the proposed salary and benefit increase options with the Board of Regents which included 1 year experience pay of \$829, 6% to schedule for rank, education and base, including promotions and summer pay for full-time faculty. A 5% to schedule increase for adjunct/overload faculty, 5% increase for exempt employees, 6% increase for full-time and part-time non-exempt employees and 3% increase to work-study and student assistants. The total salary and benefit investment into the College's employees is \$4.1 million.

Ms. McDonald reviewed the proposed changes in expenses for salaries and benefits stating they have embedded some dollars to have additional instructors to support HB 8 initiatives. Ms. Landrum reviewed the non-salary expenses that included some specific line items – equipment, student recruiting and marketing, audit and legal tax appraisal and collection fees,

and for computer software among others. The total non-salary \$5 million for proposed expense budget which includes a 9% increase.

An in-depth discussion was held among the Board of Regents, Ms. Landrum, Dr. Halcomb, Dr. Escamilla, Mr. Garcia, and Mr. Strybos regarding the proposed expense budget for non-salary items.

Ms. Landrum concluded the presentation by provided information on a second scenario of the Operating Budget of reducing the 2025 FY budget by \$1 million, the total tax rate would decrease to .258827 instead of .261740 with the first scenario and would be a change of 8% versus 9%.

Ms. Landrum, Dr. Jonda Halcomb, Ms. Keas, Ms. Tammy McDonald, Mr. Raul Garcia, Mr. John Strybos, and Dr. Escamilla responded to questions from the Board of Regents.

PENDING BUSINESS:

Status Report on Requested Information

(Goal 5: Workforce Development, Community Partnerships, and Advocacy)

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:
Workshop, June 11, 2024
Regular Board Meeting, June 11, 2024
(I: Communicate – Goal 2: Connect beyond the College)
2. Acceptance of Quarterly Investment Report March – May 2024
(II: Elevate – Goal 2: Maximize resources entrusted to the College)
3. Acceptance of Investments for June and July 2024
(II: Elevate – Goal 2: Maximize resources entrusted to the College)
4. Acceptance of Quarterly Financial Report March - May 2024

(II: Elevate – Goal 2: Maximize resources entrusted to the College)

5. Acceptance of Financials for June 2024

(II: Elevate – Goal 2: Maximize resources entrusted to the College)

Regent Babbili made a motion to adopt the Consent Agenda. 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 9-0, amongst Regents present, with Regents Scott, Adame, Averyt, Babbili, Crull, Garza, Kelly, Loeb, and Turner in favor.

REGULAR AGENDA

6. Discussion and possible action related to the Order of the Board of Regents of the Del Mar College District: 2024-2025 Maintenance and Operations Budget and the 2024-2025 Debt Service Budget.....Mr. Raul Garcia
(II: Elevate – Goal 2: Maximize resources entrusted to the College)

Mr. Garcia began by stating the College is mandated by Texas Tax Code 26 to hold a public hearing on the proposed Fiscal Year 2025 budget. Mr. Garcia states they are asking for the Board’s approval for a hearing on August 27, 2024 at 11:30 a.m. on the proposed M&O and debt service budgets. Once an option of A or B is decided and approved, the College will publish the hearing in the Caller-Times Newspaper.

An in-depth discussion was held among the Board of Regents and College employees regarding salaries and benefits, tax rate, and non-salary expenses.

Regent Crull made a motion to hold a public hearing for the total fiscal year budget, a balanced budget of \$125,262,877, (Scenario A) to go forward for the order for conducting of a public hearing on the budget. Regent Babbili seconded the motion. There was no further discussion from the Board. There were no public comments. A roll call vote was taken, and the motion passed 7-2, amongst Regents present, with Regents Scott, Adame, Averyt, Babbili, Crull, Loeb, and Turner in favor and Regents Garza and Kelly voting against.

7. Discussion and possible action related to the adoption of the Order to Conduct Public Hearings on the 2024-2025 Tax Rates.....Mr. Raul Garcia
(II: Elevate – Goal 2: Maximize resources entrusted to the College)

Chair Scott called for a motion to adopt the order to conduct a public hearing on the 2024-2025 tax rates.

Regent Adame made a motion that the property tax rate be increased by the adoption of a tax rate of 0.261740, which is effectively a 2.15% increase in tax rate. 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 passed 7-2, amongst Regents present, with Regents Scott, Adame, Averyt, Babbili, Crull, Loeb, and Turner in favor and Regents Garza and Kelly voting against.

8. Discussion and possible action related to a Resolution Adopting Investment Policy and Investment Strategy.....Mr. Raul Garcia
(II: Elevate – Goal 2: Maximize resources entrusted to the College)

Mr. Garcia began by providing introductory remarks regarding the College’s written investment policy and introduced Ms. Linda Patterson. Ms. Patterson stated there are no changes recommended to the current policy in place. Although it is a conservative policy, it gives the College flexibility to use what’s available and very safe under Public Funds Investment. The maturity length is five years which allows investments and extensions of those investments.

Regent Babbili made a motion to adopt the Investment Policy as presented. 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 9-0, amongst Regents present, with Regents Scott, Adame, Averyt, Babbili, Crull, Garza, Kelly, Loeb, and Turner in favor.

9. Discussion and possible action related to a Resolution adopting the authorized Broker/Dealer list.....Mr. Raul Garcia
(II: Elevate – Goal 2: Maximize resources entrusted to the College)

Mr. Garcia Provided introductory remarks regarding the College’s requirement to review, revise and adopt a list of qualified brokers that are authorized to engage in investment activity for the College on an annual basis. Ms. Linda Patterson who stated there were a few changes made to the list provided to the Board. Ms. Patterson stated the brokers and

dealers are vetted by Meeder Investments and gave assurance the College was getting competitive on every buy and sell.

Regent Adame made a motion to adopt the Broker Dealer list 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 9-0, amongst Regents present, with Regents Scott, Adame, Averyt, Babbili, Crull, Garza, Kelly, Loeb, and Turner in favor.

10. Discussion and possible action regarding the designation of a depository bank for the College for a five-year term, September 1, 2024 to August 31, 2029.....Mr. Raul Garcia (*II: Elevate – Goal 2: Maximize resources entrusted to the College*)

Mr. Garcia stated the four-year contract with Wells Fargo for bank depository services will expire at the end of the month. Mr. Garcia introduced Ms. Patterson to discuss the results of the RFP with recommendations for future bank depository services.

Ms. Patterson stated looking for banking services is critical part for the flow of funds and to make sure the College is up to date with the best technology. The RFP process was started in May of 2024 with several questions for banking services from collection to disbursement. The College received responses in mid-June 2024 from Wells Fargo, Plains Bank, and Frost Bank. After evaluating the responses which included service analysis, cost of service analysis, earnings potential analysis, and net contract impact, major differences were discussed, and Wells Fargo Bank's score was the highest. The scores included gross monthly fees, incentives offered, and fees adjusted for incentives and compared with all known fees. The recommendation is to award the banking contract to Wells Fargo Bank.

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

Regent Kelly made a motion to award the banking services contract to Wells Fargo Bank with the initial service to begin September 1, 2024 and extend through August 31, 2029 as presented. Regent Adame 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 passed 8-1, amongst Regents present, with Regents Scott, Adame, Averyt, Babbili, Crull, Garza, Kelly, and Turner in favor and Regent Loeb voting against.

11. Discussion and possible action for the designation of a financial auditor to perform the annual financial audit services for the College and the Del Mar College Foundation for an initial two-year term beginning September 1, 2024 to August 31, 2026, with the option to renew for three additional one-year periods (not to exceed 5 years).....Mr. Raul Garcia *(II: Elevate – Goal 2: Maximize resources entrusted to the College)*

Mr. Garcia began his presentation and stated the College's five-year contract with Collier, Johnson & Woods for annual financial audit service will expire at the end of the month. The College has been working on the Request for Qualification (RFQ) for these services. Mr. Garcia introduced Dr. Cathy West.

Dr. West provided information regarding the RFQ process which included the schedule for submitting questions and a proposal. The contract will be a two-year contract with a three annual option to renew. The selected firm will perform an audit of the College's and Foundation's financial statements in accordance with the auditing standards generally accepted and standards applicable to financial audits contained in the Government Audit Standards issued by the Comptroller General of the United States.

Two proposals were received, one from Carr Riggs & Ingram, CPAs & Advisors and Collier, Johnson & Woods, PC, incumbent. The Evaluation Committee reviewed the SOQ documents in comparison to our RFQ requirements and are recommendation the Board of Regents authorize the administration to proceed with negotiating a contract with the Collier, Johnson & Woods, PC for two-year term beginning September 1, 2024 to August 31, 2026 with the option to renew for three additional one-year periods.

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

Regent Babbili made a motion to enter into negotiations for a contract with Collier, Johnson & Woods for a two-year term, beginning September 1, 2024 to August 31, 2026 with the option to renew for three additional one-year periods 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 show of hands, and the motion passed 9-0, amongst Regents present, with Regents Scott, Adame, Averyt, Babbili, Crull, Garza, Kelly, Loeb, and Turner in favor.

12. Discussion and possible action relating to the approval of the Order Calling the 2024 Board of Regents General Election.....Ms. Tammy McDonald and Ms. Jessica Alaniz
(I: Communicate – Goal 2: Connect beyond the College)

Ms. McDonald stated Administration is requesting an order calling for the 2024 Board of Regents election. The College will have three Board of Regents positions on the November 5, 2024 ballot: District 1 Regent – single member district, District 3 Regent – single member district, and At-Large Regent. Election packets were made available beginning July 22, 2024. The filing deadline is August 19, 2024. Early voting for the November 5th election begins October 21st and ends November 1st.

Regent Garza made a motion to approve the order calling for the election as presented. Regent Turner 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 passed 9-0, amongst Regents present, with Regents Scott, Adame, Averyt, Babbili, Crull, Garza, Kelly, Loeb, and Turner in favor.

At 3:45 p.m., the Chair announced that the Board was going into Closed Session pursuant to:

13. CLOSED SESSION pursuant to:
 - a. **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;
 - b. **TEX. GOV'T CODE § 551.089**: (Deliberation regarding IT security devices or audits), regarding security assessments or deployments related to information, resources, technology, IT and network security information, or the deployment of specific occasions for implementation of security personnel, critical infrastructure, or security devices, including the IT Security Follow-up Audit Report, with possible discussion and action in open session;
 - 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.) Evaluation of College President, and 2.) College President's Contract, with possible discussion and action in open session.

The Board of Regents reconvened in Open Session at 5:12 p.m. Chair Scott stated President Escamilla's performance evaluation was conducted, and the Board has been, is, and continues to be very positively impressed by Dr. Escamilla's performance, his dedication to the College and our community, his integrity and transparency with which he operates with the Board. Chair Scott thanked Dr. Escamilla for all his years of service.

Dr. Escamilla provided words of gratitude to the Board of Regents.

Regent Babbili made a motion to approve a positive performance evaluation of Dr. Escamilla. Regent Adame seconded the motion. There was no further discussion from the Board. There were no public comments. A voice vote was taken, and the motion carried unanimously 9-0, amongst Regents present, with Regents Scott, Adame, Averyt, Babbili, Crull, Garza, Kelly, Loeb, and Turner in favor.

CALENDAR: Discussion and possible action related to calendaring dates.

ADJOURNMENT: The meeting was adjourned at 5:15 p.m.