

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

December 10, 2019

The Regular Meeting of the Board of Regents of the Del Mar College District convened in the Isensee Board Room, Del Mar College, Corpus Christi, Texas at 1:00 p.m. on Tuesday, December 10, 2019, with the following present:

From the Board:

Dr. Nicholas Adame, Ms. Libby Averyt, Mr. Ed Bennett, Ms. Elva Estrada, Ms. Susan Hutchinson, Mr. Gabe Rivas and Mr. Hector Salinas.

From the College:

Dr. Mark Escamilla, President and CEO; Mr. Raul Garcia, Vice President and CFO; Ms. Lenora Keas, Vice President Workforce Development and Strategic Initiatives; Ms. Tammy McDonald, Vice President of Administration and Human Resources; Mr. Augustin Rivera, Jr., General Counsel; Ms. Mary McQueen, Executive Director of Development; Ms. Lorette Williams, Executive Director of Strategic Communication and Government Relations; Ms. Natalie Villarreal, Director of External and Board Relations; Ms. Delia Perez, Board Liaison, and other staff and faculty.

CALL TO ORDER/QUORUM CALL/MOMENT OF SILENCE/PLEDGE OF ALLEGIANCE/VISION STATEMENT

Dr. Adame called the meeting to order with a quorum present. He requested a moment of silence followed by the Pledge of Allegiance and Del Mar College Vision Statement.

RECOGNITIONS:

Students and Staff:

- DMC participated with CCREDC and TAMUCC at a national convention for UAVs (drones) in Las Vegas.....Ms. Lenora Keas
(Goal 5: Workforce Development, Community Partnerships, and Advocacy)

Ms. Keas recognized Dara Betz, Director of Corporate Services, she stated that Ms. Betz is a Major in the US Army Reserves and has extensive background in GIS/drones. Ms. Betz was invited to attend the 2019 Commercial UAV Expo of the Americas in Las Vegas to represent Del Mar College along with Corpus Christi Regional Economic Development Corporation, Texas A&M University Corpus Christi, and the Lone Star UAV Center.

Get Air is one of the leading conferences and trade shows focusing on the integration and operation of commercial UAS with more exhibitors than any other commercial drone

event in the country. The event covers industries including process, power and utilities, civil infrastructure, construction, aggregates and mining, surveying and mapping, public safety and security and precision agriculture. Ms. Betz met with numerous companies involved in the field of GIS/UAV/drones.

Ms. Betz briefly addressed the Board and stated that the purpose of Del Mar College, CCREDC and Texas A&M Corpus Christi and Lone Star being invited to the conference was to attract business to the Coastal Bend area.

- Architecture/Drafting Technology Program students participated in the Texas Society of Architects Student Design Competition.....Ms. Laura Wright
(Goal 5: Workforce Development, Community Partnerships, and Advocacy)

President Escamilla introduced Laura Wright, Associate Professor of Architecture and Drafting. Ms. Wright stated that at The Texas Society of Architects Annual Convention in Galveston, Texas, the Student Design Competition known as a design charrette was held. Design charrette is a project that is done in a very short amount of time (48 hours). This competition was the first time a community college was allowed to participate. Other schools that competed were Rice University, UTSA, Texas Tech and Texas A&M- College Station. The College's second year students competed against graduate students or fifth year architectural students.

Ms. Wright described the project in detail. The jury was incredibly impressed with Del Mar College's team's submission. The jury commented that the students had the best presentation of all submissions, they were the only team that addressed the humanity aspect, the only team that provided a real, current solution addressing architectural resiliency for the duration and aftermath of a storm, and the students showed impressive work for a short 48-hour design charrette. The team made a statement for all community college architecture programs in the state and received much recognition.

President Escamilla thanked and congratulated the team for their work.

GENERAL PUBLIC COMMENTS (Non-Agenda Items) – 3-minute time limit

Dr. Gerald Sansing made a general public comment pertaining to a grievance and policy.

Mr. Jack Gordy made general public comments regarding expenses.

STAFF REPORTS:

- Foundation Yearly Update.....Ms. Mary McQueen
(Goal 6: Financial Effectiveness and Affordability)

Ms. McQueen introduced Mr. Gabe Guerra, President of the Del Mar College Foundation Board, who joined her at the podium. Ms. McQueen provided an overview of the fundraising component of what the office provides such as donor development, stewardship, special events, annual campaigns, major gifts, planned giving, corporate foundation and grants wherein the Foundation is the fiscal agent. For Foundation Services, they manage scholarships for the College and students, donor database, DMCF financials and asset investment.

Current assets for DMC Foundation:

- Assets
 - 2019: \$23.478 million (FY 2019)
 - 2010: \$8.6 million (FY 2010)
- 2019 Fundraising
 - \$3.797 million
 - 96% increase over 2018
- 5-Year Average
 - \$2.645 million (2015-2019)

A Planned Giving component initiated in January 2017 received \$6.693 million in deferred gifts, which is a 608% increase. In 2018-2019, the Foundation gave out \$1.8 million in scholarships with over 1850 students being served. A couple of the special projects that the Foundation provided funds was for Workforce equipment (\$6 million) for the new Workforce Development Center, Hurricane Harvey Relief (\$250,000), and Rebuild Texas Carpentry training (\$879,000). Most programs were for rebuilding homes and businesses and this program was for training the workforce to help people trying to do the rebuilding because there was a challenge to find people who were skilled in carpentry.

Fundraising goals included increasing face-to-face fundraising, reducing event fatigue, and increasing effectiveness of staff/trustee time.

Previous fundraisers figures include:

Bernie's Crawfish Boil:

- \$128,117 gross 2-year average
- \$98,843 net 2-year average

Stringer for Scholarships:

- \$62,620 gross 2-year average
- \$50,671 net 2-year average

Over the Edge:

- \$82,858 gross 2-year average
- \$49,117 net 2-year average

Ms. McQueen and Mr. Guerra responded to questions from the Board of Regents and President Escamilla.

- 2019-2024 Strategic Plan Implementation and Monitoring.....Dr. Kristina Wilson
(Goal 1: Completion)

Dr. Kristina Wilson presented an overview of the development of a new Strategic Plan. Dr. Wilson also reviewed the planning cycle utilized to organize the process which is based on the Society of College University Planners (SCUP).

Dr. Wilson stated that the College will be implementing the Strategic Plan through August of 2024. During the development of the Strategic Plan “Aspire. Engage. Achieve,” stakeholders (students, faculty, staff and community members) wanted to ensure it was not a shelf document but a living document that can be utilized, measured, and tweaked. The Strategic Plan includes KPI targets and the Operational Plan includes targets and thresholds for those KPIs. The Operational Plan will be reviewed annually including monitoring progress on data and activities. Progress toward meeting goals will be measured by establishing thresholds and targets. The Strategic Planning Committee looked at trend data for a minimum of five years to see what the College’s trends are as well as to establish a baseline and compare themselves to their peer colleges.

The Operational Strategic Plan includes Institutional Strategies on how to accomplish goals and objectives. During the last few months, the Strategic Planning Committee has refined these strategies, assigned these strategies, and they have been incorporated them into our annual planning process.

Every College Unit (Instructional, Administrative, & Academic Support Services) maintains an annual plan. We will be embedding the strategies within individual unit plans. They will be reporting on institutional strategies every year by February 1st. We will evaluate our KPI progress and provide updates to the Board every year in the fall. Refinement and adjustment of strategies will be made as needed.

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

- 2020-2021 Budget Calendar and Tuition Update.....Mr. Raul Garcia
(Goal 6: Financial Effectiveness and Affordability)

Dr. Escamilla introduced the presentation regarding the 2020-2021 Budget Calendar and Tuition Update.

Mr. Garcia stated that for the fiscal year 2021 budget, they are working on calendaring the budget activities and following with a discussion on tuition and fees. Mr. Garcia provided a summary regarding the budget that included comparison with peer groups

with similar characteristics, including annual cost of attendance, college's tuition and fee rate changes over a period of time, and factors influencing tuition and rate changes.

Mr. Garcia stated that changes to the tuition and fee structure is a delicate balance between maintaining student affordability and resources needed to fulfill the college's mission. Mr. Garcia stated that their goal is to have a 2021 budget approved by the July Board meeting.

The five phases of the Budget Calendar include: 1) Planning phase: includes discussions around developing the budget calendar, tuition and fees, determining budget assumptions, engaging the budget stakeholders and budget training; 2) Information gathering phase: includes capturing and summarizing financial needs and assessing historical spending trends; 3) Review and recommendation phase: includes capturing and summarizing financial requests, confirming the financial resources are aligned with the strategic objectives between the Budget Office, Chairs, Deans, Directors, Executive Team, President, and the Board; 4) Budget approval process phase: includes the Board, College leadership, and budget stakeholders in lockstep on how the College allocates its financial resources; and 5) Property tax approval phase: per state statute the College goes through this process every year in August.

Mr. Garcia stated that for a tuition and fee rate change there are many data points to consider including information about the College's peer group. They look at seven other colleges with similar characteristics such as student enrollment, student head count, academic programs, technical programs, contact hour generation, and full and part-time students.

Mr. Garcia also discussed student affordability. The College's students have the least amount of student debt. The average annual student loan is \$2,979 and the average amount of student debt is \$12,059. Del Mar College students receive more financial aid relative to students enrolled at most of our peer institutions. The average annual financial aid awarded is \$4,307. The maximum annual Pell Award that a student may qualify for is \$6,195. Also, 38% of our students receive federal financial aid.

Mr. Garcia provided details of the student fee structure. The current semester rate per credit hour is \$67.00 and the current cost for a three semester hour class is \$394.00.

Dr. Garcia provided an overview of the tuition and fee rate change over the past ten years and stated that Del Mar College continues to deliver the best value option with an annual cost of attendance at \$3,260.00. This amount is based on a 30 semester hour for two terms. The average annual financial aid refund is \$1,047 for qualifying students. The maximum annual Pell Award for a qualifying student is \$6,195.00.

The next step will be to present a recommendation of a tuition and rate fee structure for the 2021 fiscal year.

Mr. Garcia, Ms. Keas, and President Escamilla responded to questions from the Board of Regents.

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

- December 2, 2019: Southside Celebration
(Goal 4: Learning Environments)

Dr. Escamilla spoke about the Del Mar College Southside Celebration that was held on December 2, 2019. He thanked the faculty, staff and students who participated in the celebration.

- December 13, 2019: Fall Graduation
(Goal 4: Completion)

Dr. Escamilla stated that the Fall Graduation will be held at the American Bank Center and the keynote speaker will be Mr. Dotson Lewis who is a great friend and community member with lots of interesting stories.

REGENT’S REPORTS:

- Packery Channel TIRZ #2 Update.....Mr. Gabriel Rivas
(Goal 6: Financial Effectiveness and Affordability)

Regent Rivas provided a history of TIRZ #2 and an overview of two different meetings that have been held regarding Packery Channel TIRZ #2.

In 2001, when this TIRZ started, Packery Channel called it the Packery Channel Tax Reinvestment Zone. The assessed value of the land was about \$100,000.00 and today’s assessed value is about \$500,000.00. The whole island is not under the TIRZ. There is about 16,000 acres on the island and the assessed value on the island is about \$2.2 billion dollars whereas the TIRZ area which is mainly around the dunes and around Packery Channel, has an assessed value of only \$513,000.00 for an area of 1,932 acres.

In November of 2019, the Park Road 22 bridge was approved. We are going to be responsible for the Park Road 22 bridge only. Four million was originally allocated for the Park Road 22 bridge and the bids all came in over that amount and they had to come up with another \$2,884,000.00.

- 2019 THECB Leadership Conference, November 21-22, 2019
(Goal 5: Workforce Development, Community Partnerships, and Advocacy)

Regent Averyt stated that she appreciated the opportunity to attend this training. This training was a good reminder on the distinction between governance versus management and helped her better understand her role as a Regent.

Regent Rivas stated a main focus of the conference is always going to be 60x30TX. He noted that we have a new Commissioner of the Texas Higher Education Coordinating Board, Dr. Harrison Keller. Dr. Keller gave his first keynote address which Regent Rivas emailed to all of the other Regents.

PENDING BUSINESS:

Status Report on Requested Information
(Goal 5. Advocacy: Advance the College Mission Through Effective Governance and Positioning)

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:
Regular Board Meeting, November 12, 2019
(Goal 5: Workforce Development, Community Partnerships, and Advocacy)
2. Acceptance of Investments for November 2019
(Goal 6: Financial Effectiveness and Affordability)
3. Acceptance of Financials for October 2019
(Goal 6: Financial Effectiveness and Affordability)

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

REGULAR AGENDA

- 4. Discussion and possible action related to the 2019 Annual Audit, presented as the Comprehensive Annual Financial Report (CAFR) for the fiscal year ending August 31, 2019.....Ms. Brigid Cook
(Goal 6: Financial Effectiveness and Affordability)

Mr. Garcia thanked John Johnson and Kathy West who were instrumental in providing support in putting together the financial statements for the audit process.

Ms. Cook presented an overview of the College’s financial statements and information included in the CAFR. Total assets increased \$11.4 million partially due to changes in the actuarial assumptions used to report other post-employment benefit (OPEB). Amounts previously recorded as part of the OPEB liability were reclassified and included in deferred inflows related to OPEB. The amount reclassified was approximately \$18.1 million. Offsetting this decrease was an increase in current liabilities of \$9.5 million largely due to construction expenditures and new technical and workforce equipment payables at year-end of \$6.7 million. Total non-operating revenues increased by \$12.6 million primarily due to ad valorem tax collections. \$5.3 million of the amount collected over the preceding year was due to additional debt service requirement for the issuance of the Limited Tax Bonds 2018 A&B. An additional \$2.8 million was due to increased property values.

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

Regent Rivas made a motion to approve the agenda item. Regent Averyt seconded the motion. There was no further discussion from the Board. There were no public comments. A voice vote was taken and the motion passed unanimously, 7-0, amongst Regents present, with Regents Adame, Averyt, Bennett, Estrada, Hutchinson, Rivas, and Salinas in favor.

- 5. Discussion and possible action relating to recommendations for 2016 Bond Professional Services.....Mr. August Alfonso
(Goal 6: Financial Effectiveness and Affordability)

Mr. Alfonso stated that the Administration is seeking Board approval to negotiate contracts for services needed for the 2016 Bond construction of South Campus

Phase 1A project. Budgeted funds were previously approved by the Board. The services are: 1) building envelope services; 2) building commissioning services; and 3) construction materials testing/geotechnical services. The administration is seeking Board approval on the following actions items: 1) to approve the administration's consultant recommendation and authorize administration to negotiate and enter into a contract for Building Envelope Services (See RFQ # 2019-20, Section 1.1 B); 2) to approve the administration's consultant recommendation and authorize administration to negotiate and enter into a contract for Building Commissioning Services (See RFQ # 2019-20, Section 1.1B); and 3) to approve the administration's consultant recommendation and authorize administration to negotiate and enter into a contract for Construction Materials Testing/Geotechnical Services (See RFQ # 2019-20, Section 1.1 B).

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

Regent Estrada made a motion to approve administration's consultant recommendation and to authorize administration to negotiate and enter into a contract with the firm listed for Building Envelope Services (See RFQ # 2019-20, Section 1.1 B).

Regent Rivas seconded the motion. There was no further discussion from the Board. There were no public comments. A voice vote was taken and the motion passed unanimously, 7-0, amongst Regents present, with Regents Adame, Averyt, Bennett, Estrada, Hutchinson, Rivas, and Salinas in favor.

Regent Averyt made a motion to approve administration's consultant recommendation and to authorize administration to negotiate and enter into a contract with the firm listed for Building Commissioning Services (See RFQ # 2019-20, Section 1.1B). Regent Rivas seconded the motion.

There was no further discussion from the Board. There were no public comments. A voice vote was taken and the motion passed unanimously, 7-0, amongst Regents present, with Regents Adame, Averyt, Bennett, Estrada, Hutchinson, Rivas, and Salinas in favor.

Regent Estrada made a motion to approve administration's consultant recommendation and to authorize administration to negotiate and enter into a contract with the firm listed for Construction Materials Testing/Geotechnical Services (See RFQ # 2019-20, Section 1.1 B. Regent Rivas seconded the motion. There was no further discussion from the Board. There were no public comments. A voice vote was taken and the motion passed unanimously, 7-0, amongst Regents present, with Regents Adame, Averyt, Bennett, Estrada, Hutchinson, Rivas, and Salinas in favor.

At 3:16 p.m., Dr. Adame announced that the Board was going into Closed Session pursuant to:

6. 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 or contemplated legal matters or claims, with possible discussion and action in open session.

The Board reconvened in Open Session at 4:27 p.m. with no action taken.

CALENDAR: Discussion and possible action related to calendaring dates.

ADJOURNMENT: The meeting was adjourned at 4:25 p.m.

MINUTES REVIEWED BY GC: /s/ARjr