

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

October 8, 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, October 8, 2019, with the following present:

From the Board:

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

From the College:

Dr. Mark Escamilla, President and CEO; Dr. Beth Lewis, Executive Vice President and Chief Academic Officer; Mr. Raul Garcia, Vice President and CFO; Ms. Lenora Keas, Vice President Workforce Development and Strategic Initiatives; Dr. Rito Silva, Vice President for Student Affairs; Ms. Tammy McDonald, Vice President of Administration and Human Resources; Mr. Augustin Rivera, Jr., General Counsel; Ms. Mary McQueen, Executive Director of Development; Mr. Jay Knoum, Interim 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

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.

STAFF REPORTS:

- Clery Act Statistics.....Dr. Beth Lewis/Ms. Lauren White  
(*Goal 4: Learning Environments*)

Dr. Escamilla introduced Dr. Lewis and Ms. White regarding the College's federal responsibility to present Clery Act Statistics.

Dr. Lewis provided background and requirements regarding the Jeanne Clery Act. The 2019 Annual Security and Safety Report is available online on the College's website.

Ms. White presented the report and reviewed the crime statistics and comparisons for the years 2016 through 2018. Ms. White also provided an update regarding the establishment of DMC's Police Department stating that the needs assessment has been drafted and in final process for approval. The physical location is complete except for the Operations Center where the video cameras and computer will be going. The general rules manual is being drafted and the proposed administration

structure required by TCOLE has been proposed. They are establishing a working relationship with Metrocom for 911 calls and also with Nueces County for housing of prisoners, if needed. Ms. White expects to submit all paperwork turned into the State in the next couple of months and have a licensing agreement in the first part of 2020.

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

- Enrollment Update.....Dr. Rito Silva  
(Goal 2: Recruitment and Persistence)

Dr. Escamilla introduced Dr. Silva and stated that the College is not in a funding cycle and this presentation is a snapshot of the activities occurring that affect the fall semester.

Dr. Silva reported that 12,205 is the preliminary number of students for Fall 2019. The all-time high number of students enrolled is 12,236 in Fall of 2010. There has been a steady increase over the last five years in enrollment except for 2017 which was the year of Hurricane Harvey. The two groups that are reported traditionally are the Viking Islander Program (VIP) and the Dual Credit Program. This year there are 182 students in the Viking Islander Program. Both institutions are very happy and supportive with this program and expect the program to grow. There are 2,543 dual credit students which encompasses 29 independent school districts and 36 high schools. This program has resulted in a great financial benefit for students and parents in our area.

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

- Write-Offs of Accounts Receivables.....Mr. Raul Garcia  
(Goal 6: Financial Effectiveness and Affordability)

Mr. Garcia stated that in accordance with College policy B4.20, he is recommending the write-offs of receivables for financial reporting purpose valued at \$232,231. The receivables relate to operating activities from Fall 2015 to Summer 2016. The receivables represent less than 1% of the annual gross tuition and fee revenues. During the three-year period ending today, the College has attempted various collection efforts on these receivables that included student billing, sending collection letters and placing student account holds preventing the College from issuing student related records. A student account hold does remain in place until an outstanding financial obligation is paid in full.

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

- Book Store Update.....Mr. Raul Garcia  
(Goal 6: Financial Effectiveness and Affordability)

Mr. Garcia stated that a request for proposals for the management of the Del Mar College Bookstore Operations was issued on August 19, 2019. The College has completed the vendor selection process with a recommendation by unanimous vote of the committee to award the contract to Texas Book Company. Mr. Garcia elaborated on the terms of the contract and stated that the estimated commission for the seven-year period of the contract is projected at \$2,400,000 for the College. The next step will be to finalize the terms and conditions of the contract agreement. From a student affordability solution perspective, Texas Book Company offers the sale of used books, book rentals, and book buyback programs. Also, Texas Book Company has an all-inclusive access program which delivers a digital material eBook solution that can be used with multiple technology devices. The College also received proposals from Follett and Barnes & Noble College. Each vendor was assessed on their financial health, textbook cost and price, operating concepts and financial considerations.

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

- Review of Professional Service Contracts.....Ms. Tammy McDonald  
(*Goal 6: Financial Effectiveness and Affordability and Goal 4: Learning Environments*)

Ms. McDonald presented and reviewed the list of the professional service contracts. Ms. McDonald stated that there are provisions in place should there be a need for the College to extend contracts. A new item was added to reflect the contract with Fulton for Phase One of the Southside Campus.

Ms. McDonald and Mr. Alfonso responded to questions from the Board of Regents.

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

- U.S. Department of Education Grant – Project SENDA  
(*Goal 1: Completion*)

Dr. Escamilla stated that the U. S. Department of Education awarded Del Mar College \$2,800,000 grant that will support advising for the College by way of Hispanic Serving Institutions Title V designated grant. The number of advisors on the campus is in the hundreds and Del Mar is one of the colleges that offers a Faculty Advising Model.

Dr. Escamilla congratulated the College and Project SENDA for the Title V grant.

- September 12, 2019: Gulf Coast Growth Ventures Site Tour and Groundbreaking Ceremony  
(*Goal 5: Workforce Development, Community Partnerships, and Advocacy*)

Dr. Escamilla, Chair Scott, Regent Averyt, and Lenora Keas attended the September 12, 2019 Groundbreaking Ceremony at Gulf Coast Growth Ventures.

- September 17, 2019: DMC Creative and Scholarly Works  
(Goal 4: Learning Environments)

Dr. Escamilla attended the DMC Creative and Scholarly Works which was also attended by many Regents. It was an opportunity to celebrate what some faculty and staff members do best and express their creative side.

#### REGENT'S REPORTS:

- Draft Policies for Discussion  
(Goal 5: Workforce Development, Community Partnerships , and Advocacy)

Chair Scott stated there have been a couple of requests from Regents to look at the Public Comment Policy. A draft policy was provided for review. Chair Scott went over a few of the proposed changes and updates to the Public Comment Policy. There was also discussion about a policy establishing a process for the Board to review policies on a regular basis. This item is directly related to the Board self-evaluation. These items will be on the agenda for adoption at next month's meeting.

Chair Scott, Dr. Escamilla and Mr. Rivera commented and responded to questions from the Board of Regents.

- Financial Board Training  
(Goal 6: Financial Effectiveness and Affordability)

Chair Scott stated that this item is also related to the Board's self-evaluation in wanting to specifically address opportunities for the Board to have training in their fiduciary responsibilities. Chair Scott mentioned the session at the upcoming ACCT annual conference regarding five-year budget modeling, performance metrics, and board policy being led by Lone Star College. The College has arranged for a webinar by Roland Gilmore, Senior Program Director at the Texas Higher Education Coordinating Board and he will provide specific training for the College's Regents which will be held on November 14, 2019 at 10 a.m. Mr. Garcia will present information at the December Board of Regents Meeting regarding the financial indicators and the new KPIs that are part of the strategic plan.

Chair Scott provided comments and responded to questions from the Board of Regents.

CONSENT AGENDA

CONSENT MOTIONS:

(At this point /he Board will vote on all motions not removed for individual consideration.)

ITEMS FOR DISCUSSION AND POSSIBLE ACTION:

- 1. Approval of Minutes:  
Called Meeting, August 27, 2019  
Regular Board Meeting, September 10, 2019  
(Goal 5: Workforce Development , Community Partnerships, and Advocacy)
- 2. Acceptance of Investments for September 2019  
(Goal 6: Financial Effectiveness and Affordability)

Public comments for consent agenda items.

Regent Rivas made a motion to approve the Consent Agenda items. Dr. Sherwood 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, 9-0, with Regents Scott, Adame, Averyt, Bennett, Estrada, Hutchinson, Rivas, Salinas, and Sherwood in favor.

REGULAR AGENDA

- 3. Discussion and possible action regarding the College's Quarterly Investment Report for the period ending August 31, 2019.....Mr. Raul Garcia  
(Goal 6: Financial Effectiveness and Affordability)

Mr. Garcia introduced David McElwain from Patterson & Associates. Mr. McElwain reviewed the Quarterly Investment Report for period ending August 31, 2019. He stated that it has been a challenging year for the financial markets and although the US remains the healthiest economy in the world, it too is slowing. He provided detailed information relating to the global economy.

Mr. McElwain reviewed the make up of the entire portfolio; provided an overview of pooled funds, with Total Fiscal Year Earnings of \$2,127,319; and the Series 2016, 2017, and 2018 Tax Bond Funds with Total Fiscal Year Earnings of \$3,482,498.

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

Regent Bennett made a motion to accept the College's Quarterly Investment Report. Regent Salinas 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, 8-0, amongst Regents present, with Regents Scott, Adame, Averyt, Bennett, Estrada, Hutchinson, Rivas, and Salinas in favor. (Dr. Sherwood was temporarily out of the room).

4. Discussion and possible action related to acceptance of the FY 2020 Internal Audit Plan and the FY 2019 Annual Internal Audit Report.....Ms. Tammy McDonald  
(Goal 4: Learning Environments)

Ms. McDonald stated that Dan Graves with Weaver would present the Fiscal Year 2020 Internal Audit Plan and the Fiscal Year 2019 Annual Internal Audit Report. It is a requirement to submit the Internal Audit Report to the State Auditor's Office, Governor's Office – Budget and Policy Division, and Legislative Budget Board by November 1, 2019. Also, the Fiscal Year 2020 Internal Audit Plan and Fiscal Year 2019 Annual Internal Audit Report must be posted on Del Mar College's website by November 1, 2019.

Mr. Graves reported that the format prescribed by the State Auditor's Office includes:

- Compliance with Texas Government Code 2102.015
- Internal Audit Plan for Fiscal Year 2019
- Consulting Services and Nonaudit Services Completed
- External Quality Assurance Review
- Internal Audit Plan for Fiscal Year 2020
- External Audit Services performed for the College
- Reporting Suspected Fraud and Abuse

The 2020 Internal Audit Plan, Grants Management and Special Projects (as requested) are categories that are planned for an internal audit and consulting for 2020.

In the Fiscal Year 2019 Internal Audit Report, there will be a follow-up verify corrective action for Admissions/Registrar, Accounts Payable and Disbursements, Financial Aid, Human Resources Administration, Grants Managements, IT General Controls, Student Services, and Purchasing.

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

Regent Hutchison made a motion to adopt the College's Fiscal Year 2020 Internal Audit Plan and Fiscal Year 2019 Annual Internal Audit Report. Regent Estrada 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, 9-0, with Regents Scott, Adame, Averyt, Bennett, Estrada, Hutchinson, Rivas, Salinas, and Sherwood in favor.

5. Discussion and possible action regarding the College's Quarterly Financial Report for the period ending August 31, 2019.....Mr. Raul Garcia  
(Goal 6: Financial Effectiveness and Affordability)

Mr. Garcia stated that the total revenues are within the planned budget. Mostly the revenue came in better than expected relative to the planned budget due to improved yields on investments as previously presented by David McElwain. The tuition and fees revenues came in better than expected relative to the planned budget due to increased enrollment, Continuing Education and Corporate Contract Services.

Expenditures are below the planned budget mainly driven by benefit cost. The unspent contingency is \$1,900,000 for a total of \$6,400,000 net income for the period ending August 31, 2019. Mr. Garcia reminded all that the audit has not been completed so there may be some adjustment moving forward but there will be more to come once the audit process is concluded.

Mr. Garcia reviewed the Balance Sheet – Current Operating Funds.

Mr. Garcia reported that he spoke with Dave Gordon from Estrada, Hinojosa & Company and Mr. Gordon described the College’s bonds as investment grade due to its high ratings of AA2 from Moody’s and AA2+ from Fitch. This rating exemplifies how the College manages its financial statement and the strength of the balance sheet as well.

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

Regent Rivas made a motion to accept the College’s Quarterly Financial Report. Regent Bennett 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, 9-0, with Regents Scott, Adame, Averyt, Bennett, Estrada, Hutchinson, Rivas, Salinas, and Sherwood in favor.

6. Discussion and possible action related to “B” Policy revisions and additions for Board review and approval and notification of “A” procedure revisions  
.....Ms. Tammy McDonald/Dr. Beth Lewis  
(Goal 5: Workforce Development, Community Partnerships, and Advocacy)

Ms. McDonald stated that the policy revisions will have a lot of moving parts. The policy work is a continuation of the College's SACSCOC reaffirmation efforts to clarify and better align with current SACSCOC standards.

Dr. Lewis reviewed the proposed revisions in the B Policies regarding Faculty.

Ms. McDonald reviewed the proposed B7 Policies regarding Student Complaint Policy and Standards of Student Conduct Policy.

The following are for revisions to current policy:

- B4.1.1 Cash Reserves
- Chapter 6 – Faculty Various Board “B” Policies for review and approval and notification of Administrative “A” procedure revisions
- B7.12 Student Complaint Policy for review and approval. And notification of various Administrative “A” procedure revisions related to B7.12.
- B7.13 Standards of Student Conduct Policy Various Board “B” sections for review and approval and notification of various Administrative “A” procedure revisions related to B7.13.

The following is a new policy:

- B7.29.4 Graduating from Del Mar College.

Dr. Escamilla, Ms. McDonald, and Dr. Lewis responded to questions by the Board of Regents.

Regent Adame made a motion to accept the “B” Policy revisions and addition. Regent Rivas seconded the motion. There was no further discussion from the Board. Dr. Jim Klein with the Social Sciences Department made a public comment regarding this agenda item. A voice vote was taken and the motion passed unanimously, 9-0, with Regents Scott, Adame, Averyt, Bennett, Estrada, Hutchinson, Rivas, Salinas, and Sherwood in favor.

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

Jack Gordy: General public comment concerning the April 10, 2019 Board of Regents meeting.

Dr. James Klein: General public comment to introduce Professor Kezia Strite Ruiz who is the new incoming President of the Local Chapter of the American Association of University Professors.

At 3:10 p.m., the Chair announced that the Board was going into Closed Session pursuant to:

7. 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 § 551.072**: (Deliberation of Real Property), regarding the purchase, exchange, lease , or value of real property, with possible discussion and action in open session; and,
- C. **TEX. GOV'T CODE § 551.073**: (Deliberation of Prospective Gift), regarding the deliberation of a prospective gift or donation, with possible discussion or action in open session.

The Board reconvened in Open Session at 3:33 p.m. with no action taken.

CALENDAR : Discussion and possible action related to calendaring dates.

ADJOURNMENT: The meeting was adjourned at 3:34 p.m.

MINUTES REVIEWED BY GC: /s/ARjr