

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

January 10, 2006

The Regular Meeting of the Board of Regents of the Del Mar College District convened in the Isensee Board Room, Harvin Student Center, Del Mar College East Campus, Baldwin and Ayers, Corpus Christi, Texas, at 1:05 p.m. on Tuesday, January 10, 2006, with the following present:

From the Board:

Mr. Gabriel Rivas III, President; Mrs. Chris Adler, Mrs. Minerva Arriaga, Mr. Bill Chriss, Dr. Haysam Dawod, Mrs. Olga Gonzales, Mr. Bill Martin, Mr. Trey McCampbell, and Mr. Guy Watts (left the meeting at 4:05 p.m.).

From the College:

Dr. Carlos A. Garcia, College President; Mr. Joe Alaniz, Vice President, Business and Finance; Mr. José Rivera, Vice President of Student Development; Dr. Blanca “Rosie” Garcia, Interim Vice President of Instruction; Ms. Vickie Natale, Dean of Administrative Services; Mrs. Susie Kaspar, Executive Administrative Assistant to the President; and other administrators, faculty, and staff.

From the Attorney’s Office:

Mr. Augustin Rivera, Jr.

Others:

Mr. Noe Hinojosa and Mr. Dave Gordon with Estrada, Hinojosa & Company, Inc.; Mr. Tom Spurgeon, with McCall, Parkhurst and Horton.

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

Mr. Gabriel Rivas, Board President, called the meeting to order. With a quorum present, he requested a moment of silence followed by the Pledge of Allegiance.

RECOGNITION/AWARDS AND INNOVATION

The Program of Excellence and Innovation was rescheduled for March 2006.

PUBLIC COMMENTS

Ms. Carmel Alvarado expressed concerns regarding the nursing program. Ms. Kimberly Arevalo also addressed the nursing program.

Mr. Mike Westergren, In-house Counsel, responded to the comments of Ms. Alvarado and Ms. Arevalo.

Ms. Tamatha Jackson, chair of the Del Mar College Diversity and Ethnic Awareness and Training Committee, invited the Board to the 2006 Unity March on Wednesday, February 1, 2006, 12:30-2:30 p.m., beginning at the Peace Pole on East Campus.

COMMITTEE REPORTS

Audit Committee

Mr. McCampbell, chair, reported that the committee had heard and accepted the annual audit report. He expressed appreciation to the staff for the timeliness of the report.

Buildings and Grounds Committee

Mr. Martin, Chair, reported on the Buildings and Grounds Committee meeting held that day and provided an update on the construction of the Public Safety complex and other West Campus projects, as well as some East Campus needs.

Investments Committee

Dr. Dawod, Chair, reported that the Investments Committee had met earlier that day. The committee had approved the minutes of its December 13, 2005 meeting. Ms. Linda Patterson, with Patterson & Associates, had provided the committee with a favorable report on 2005 investments.

REGENTS' REPORTS

Mr. Rivas mentioned the death of his grandmother.

Mr. Watts complimented the historical quality of the nursing program and congratulated Dr. Rosie Garcia.

STAFF REPORTS

In the absence of Mr. Jesse Garcia, Foundation President, Ms. Patricia Townsend, Executive Director of the Office of Development, presented a quarterly report on the Foundation.

COLLEGE PRESIDENT'S COMMENTS

Dr. Carlos Garcia introduced Andrea Newell, a member of the speech forensics team. Ms. Newell shared her positive experience as a Del Mar College student and expressed appreciation to Del Mar College faculty and administration.

PENDING BUSINESS

Mr. Rivas reviewed the list of pending business.

ACTION ITEMS

1. Approval of Minutes: Regular Meeting – December 13, 2005

Mr. Martin made a motion, seconded by Dr. Dawod, to approve the minutes of the regular meeting of December 13, 2005. The motion passed unanimously.

2. Discussion and possible action related to capital leasing and/or other funding options for the purpose of acquisition of furniture and equipment for the Health Sciences and other instructional programs.

Mr. Joe Alaniz noted a spreadsheet with equipment and furniture financing option analysis, and suggested that it would be to the College's advantage to use Banc of America Leasing. Mr. Alaniz then introduced Mr. Noe Hinojosa and Mr. Dave Gordon, financial advisors.

Mr. Gordon discussed the summary of options, particularly the proposals received from Banc of America and Wells Fargo. In their analysis of rate comparison, it was determined that a capital lease would be the most economical option. Mr. Gordon stated that a resolution before the Board would allow the College to negotiate final terms with Banc of America Leasing & Capital. Mr. Gordon stated that an \$8-million lease agreement is being considered, rather than \$7 million, depending on equipment prices.

Mr. Alaniz stated that \$7 million at this time would adequately complete the West Campus projects. The loan would require a debt-service payment of \$1.5 million, which is manageable as part of the budget process.

Mr. Gordon explained that the loan would have an attractive interest rate of 3.5907%, which would be held constant for 45 days. Once the agreement is signed, the rate would be locked in. He stated that this would be a revolving line of credit and funds would be secured by the property. Then at the end of the term (each sub-lease), the College would purchase the equipment for \$1.00.

Mr. Hinojosa continued discussion with the Board regarding the difficulty of smaller banks or consortiums to offer this type of loan. He responded to further questions of the Board.

Mr. McCampbell made a motion, seconded by Ms. Gonzales, that the Board approve capital leasing and/or other funding options for the purpose of acquisition of furniture and equipment for the Health Sciences and other instructional programs. The motion carried by unanimous vote.

3. Discussion and possible action related to “Resolution Authorizing the Issuance of \$53,000,000 in Principal Amount of Del Mar College District Limited Tax Bonds, Series 2006, Authorizing the Execution of a Paying Agent/Registrar Agreement and a Purchase Contract, Approving an Official Statement, and Containing Other Matters Related to the Subject.”

Mr. Alaniz introduced Mr. Hinojosa, who announced that the bonds had been pre-sold the day before. He distributed and discussed a pamphlet entitled “51,060,000 Limited Tax Bonds, Series 2006 Pricing Report.” He stated that the firm had solicited bids from all six Aa3 credit insurance companies. Mr. Hinojosa further discussed the process and then responded to Regents’ concerns and questions.

Ms. Arriaga made a motion, seconded by Ms. Gonzales, to approve the “Resolution Authorizing the Issuance of \$53,000,000 in Principal Amount of Del Mar College District Limited Tax Bonds, Series 2006, Authorizing the Execution of a Paying Agent/Registrar Agreement and a Purchase Contract, Approving an Official Statement, and Containing Other Matters Related to the Subject.” The motion carried unanimously.

4. **Update, discussion and possible action related to Board Policy B2.2 *Official Name/Seal of the College.***

Dr. Carlos Garcia introduced Ms. Claudia Jackson, Assistant to the President for Community Relations. Ms. Jackson presented a color rendition proposed revised seal including the founding date, 1935.

Dr. Dawod made a motion, seconded by Mr. Martin, that the Board approve the proposed revision to Board Policy B2.2 *Official Name/Seal of the College.* The motion carried unanimously.

5. Discussion and possible action related to acceptance of the Audit Report for Fiscal Year ending August 31, 2005.

Mr. McCampbell made a motion, seconded by Mr. Martin, that the Board accept the Audit Report for Fiscal Year ending August 31, 2005. The motion carried unanimously.

6. Discussion and possible action related to approval of the Quarterly Investment Report for the period September 1, 2005 through November 30, 2005.

Dr. Dawod made a motion, seconded by Ms. Gonzales, that the Board approve the Quarterly Investment Report for the period September 1, 2005 through November 30, 2005. The motion carried unanimously, with Regents Adler, Arriaga, Dawod, Gonzales, Martin, McCampbell, Rivas and Watts in favor; Mr. Chriss abstained.

7. Acceptance of Investments for December 2005.

Ms. Gonzales made a motion, seconded by Dr. Dawod, that the Board accept the Investments for December 2005. The motion carried unanimously.

8. Acceptance of Financial Statement for November 2005.

Following discussion, Mr. McCampbell made a motion, seconded by Dr. Dawod, that the Board accept the Financial Statement for November 2005. The motion carried unanimously; Mr. Watts had left the meeting prior to the vote.

9. CLOSED SESSION pursuant to a.) **Tex. Gov't Code** § 551.071 (Consultation with legal counsel), regarding pending or contemplated litigation, with possible discussion and action in open session; and b.) **Tex. Gov't Code** § 551.074(a)(1) (Personnel Matters) regarding the employment, evaluation, performance, or duties of a public officer or employee, with possible discussion and action in open session.

Mr. Rivas announced that the Board would convene in closed session at 3:05 p.m. The Board reconvened in open session at 3:25 p.m. No action was taken.

10. CALENDAR: Discussion and possible action related to calendaring dates.

Wednesday, January 24, 2006

12:00 noon	Lunch
12:30 p.m.	Mini-retreat
2:30 p.m.	Academic and Student Issues Committee meeting

ADJOURNMENT

The meeting adjourned at 3:27 p.m.