

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

August 9, 2022

The Regular Meeting of the Board of Regents of the Del Mar College District convened at the Center for Economic Development, 3209 S. Staples, Room 106, Corpus Christi, Texas, at 12:00 p.m. on Tuesday, August 9, 2022, with the following present:

From the Board:

Ms. Carol Scott, Ms. Libby Averyt, Mr. Ed Bennett, Mr. Rudy Garza, Jr., Ms. Susan Hutchinson, and Dr. Linda Villarreal.

Dr. Nick Adame joined the meeting virtually via TEAMS.

From the College:

Dr. Mark Escamilla, President and CEO; Ms. Lenora Keas, Executive Vice President and COO; Mr. Raul Garcia, Vice President and CFO; 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; 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, CEO Office and Board Relations, and other staff and faculty.

AGENDA

CALL TO ORDER QUORUM CALL

Ms. 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 made for this meeting.

Chair Scott announced an adjustment to the order of the Agenda.

At 12:05 p.m., the Chair announced that the Board was going into Closed Session.

12. CLOSED SESSION pursuant to:

- A. 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.) 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 1:01 p.m.

Regent Villarreal made a motion regarding three amendments to the College President's contract: 1) adding a year to President Escamilla's rolling contract; 2) providing the same raise as all exempt staff at Del Mar College for the upcoming school year, and 3) reimbursing cost of the "buy back" of two years of service to be paid over three fiscal years to begin this year, 2021/22, 2022/23, and 2023/24, up to \$135,000.00. General Counsel will prepare documents for signature. Regent Hutchinson seconded the motion. A vote was taken by show of hands and the motion carried unanimously 7-0, amongst Regents present, with Regents Scott, Adame, Averyt, Bennett, Garza, Hutchinson, and Villarreal in favor.

COLLEGE PRESIDENT'S REPORTDr. Mark Escamilla
(*Goal 4: Learning Environments*)

Dr. Escamilla reported the construction on the Oso Creek Campus continues and they have offered a limited number of classes for the second summer session which will begin July 11, 2022. There are 1,567 enrollments for fall classes for the Oso Creek Campus as of August 5, 2022. Dr. Escamilla thanked the coordinated efforts by all departments for their work in enrolling students. The grand opening for the Oso Creek Campus is anticipated for Spring of 2023.

The Summer Commencement will be held at the Selena Auditorium on Friday, August 19, 2022, beginning at 7 p.m. The keynote speaker will be Mr. Richard Morin, President of Christus Spohn Hospital, Alice, and Kleberg. The first class of Bachelor of Nursing Students will be graduating during the Summer Commencement, and it will be livestreamed on the College's website and social media channels.

Fall Convocation will be held on Monday, August 22, 2022, at 10 a.m. in the Richardson Performance Hall on the Heritage Campus and will be held in person. The Fall 2022 classes begin August 29, 2022.

4. Discussion and possible action relating to the Election Order on the Petition submitted by "Robstown for Del Mar College" pursuant to Texas Education Code § 130.065, calling for an election to annex the territory comprising the Robstown Independent School DistrictMs. Lenora Keas and Mr. Augustin Rivera, Jr. (*Goal 5: Workforce Development, Community Partnerships, and Advocacy*)

Mr. Rivera provided background information pertaining to the Robstown ISD Annexation by Election petition. Mr. Rivera reviewed the timeline, the Texas Education Codes, the projected impact of taxes on Robstown ISD, and tuition and fees.

Ms. Keas began by reviewed the Service Plan which identifies the existing tax rate. Presently, the debt service tax rate is assessed at 0.078044, and the maintenance and operation tax rate is 0.205296 per \$100 of assessed valuation which gives a combined property tax rate of 0.283340.

Mr. Rivera discussed the next steps to order an election which included review of upcoming deadlines, required voting location, eligible voters, and order declaration. The ballot language, as required by statute Texas Education Code § 130.065(g), was presented to the Board.

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

Ricardo Bosquez provided public comments pertaining to this agenda item:

Regent Averyt made a motion to adopt the Order calling for the Special Election pursuant to the Texas Education Code 130.065(g) regarding the annexation of territory comprising the Robstown Independent School District as presented. Regent Villarreal seconded the motion. Regent Averyt provided additional comments. There were no public comments. A vote was taken by show of hands and the motion carried unanimously 7-0, amongst Regents present, with Regents Scott, Adame, Averyt, Bennett, Garza, Hutchinson, and Villarreal in favor.

5. Discussion and possible action relating to the approval of the Order Calling 2022 Regent General Election and Candidate Information.....Ms. Tammy McDonald/Ms. Jessica Alaniz (*Goal 5: Workforce Development, Community Partnerships, and Advocacy*)

Ms. McDonald addressed the Board regarding the upcoming election for three (3) Board of Regent positions on the November 8, 2022 ballot. Positions available include District 2 Regent, single member district; District 5 Regent, single member district, and At-Large

Regent, at-large district. Election packet availability and deadline information were posted to the Del Mar College website. The Texas Election Code requires that the Board adopt orders calling for the November election and provide details of polling places, election judges, and early voting locations. Ms. McDonald stated that the proposed Order also includes appointing Jessica Alaniz as the College’s Election Manager Administrator.

Regent Hutchinson made a motion to approve the Order Calling for Del Mar College Board of Regents General Election as presented. Regent Garza 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 7-0, amongst Regents present, with Regents Scott, Adame, Averyt, Bennett, Garza, Hutchinson, and Villarreal in favor.

STAFF REPORTS:

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

Mr. John Johnson discussed Revenue Challenges and Assumptions for Fiscal Year Budget 2023. Mr. Johnson discussed the \$2 in-district tuition rate increase; 2019 pre-COVID enrollment reduction by 8%; overall tax rate decreases of .017236; tax rate increase limited to less than 8% over no-new revenue rate by State statute; 11.64% valuation growth; \$537 million in new construction; and increase in insurance and retirement contribution.

Ms. McDonald provided an update regarding the proposed salary and benefit increases in the Fiscal Year 2023 budget. Ms. McDonald stated the following proposals: Faculty to receive the year-of-experience-pay at the current rate of \$829 plus 3% increase to the respective rate schedules; exempt employees to receive a 3% increase; and non-exempt employees to receive a 4% increase. Ms. McDonald provided the Board with amounts regarding the proposed employee compensation changes for Fiscal Year 2023 budget.

Ms. Landrum provided information regarding the proposed non-salary expenses increases for the 2023 Fiscal Year budget explaining the \$2 million increase. The two new increases are attributed to the start of the campus police and election expense. She stated that the total proposed expense budget for Fiscal Year 2023 increase will be \$3,781,909, which is a 3% increase or 3% change from Fiscal Year 2022.

Ms. McDonald discussed the cash reserve goals which included enhancing the College's financial agility and support of the College's mission throughout a crisis, to support the long-range strategy of steady and modest tuition increases and to maintain a good credit status as measured by AA bond rate.

Discussion was held amongst the presenters and the Board regarding the limiting salary

increases to less than half the inflation rate; one-time payment to faculty and staff; with use of the Contingency Fund as approved by the Board.

Ms. McDonald, Ms. Lenora Keas, Mr. Raul Garcia, Mr. John Johnson, and Dr. Escamilla responded to questions and input from the Board of Regents.

PENDING BUSINESS:

Status Report on Requested Information
(Goal 5: *Workforce Development, Community Partnerships, and Advocacy*)

Chair Scott reviewed the list of pending business.

CONSENT AGENDA

ITEMS FOR DISCUSSION AND POSSIBLE ACTION:

1. Approval of Minutes:
Called Meeting, June 2, 2022
Workshop, June 14, 2022
Regular Board Meeting, June 14, 2022
Public Hearing, June 29, 2022
(Goal 5: *Workforce Development, Community Partnerships, and Advocacy*)
2. Acceptance of Investments for June and July 2022
(Goal 6: *Financial Effectiveness and Affordability*)
3. Acceptance of Financials for June 2022
(Goal 6: *Financial Effectiveness and Affordability*)

Regent Garza made a motion to approve the consent agenda items. Regent Hutchinson seconded the motion. There was no further discussion from the Board. 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 7-0, among Regents present, with Regents Scott, Adame, Averyt, Bennett, Garza, Hutchinson, and Villarreal in favor.

REGULAR AGENDA

6. Discussion and possible action related to the adoption of the Order to Conduct a Public Hearing on the 2022-2023 College Budget Mr. Raul Garcia
(Goal 6: *Financial Effectiveness and Affordability*)

Mr. John Johnson stated the College is mandated by Texas Tax Code Section 26 to hold a public hearing on the proposed Fiscal Year 2023 budget. Today's Board action item is to hold a public hearing on August 23rd at noon on the proposed budget. Details of the Fiscal Year 2022 – 2023 budget was presented in today's proposed budget update.

Regent Villarreal made a motion to conduct a public hearing for the Fiscal Year 2022- 2023 Budget as presented. Regent Garza seconded the motion. There were no public comments. A roll-call vote was taken, and the motion carried unanimously 7-0, amongst Regents present, with Regents Scott, Adame, Averyt, Bennett, Garza, Hutchinson, and Villarreal in favor.

7. Discussion and possible action related to the adoption of the Order to Conduct Public Hearings on the 2022-2023 Tax Rates Mr. Raul Garcia
(Goal 6: Financial Effectiveness and Affordability)

Mr. John Johnson stated the College is mandated by Texas Tax Code Section 26 to hold a public hearing on the proposed Fiscal Year 2023 tax rates. Today's Board action item is to hold a public hearing on August 23rd at noon on the proposed tax rates. Details of the Fiscal Year 2022 – 2023 tax rate was presented in today's proposed budget update.

Regent Averyt made a motion that the property tax rate be increased by the adoption of a tax rate of 0.266104 which is effectively a 5.79% increase in tax rate and to conduct a public hearing. Regent Villarreal seconded the motion. There were no public comments. A roll-call vote was taken, and the motion carried unanimously 7-0, with Regents Scott, Adame, Averyt, Bennett, Garza, Hutchinson, and Villarreal in favor.

8. Discussion and possible action related to the College's Quarterly Investment Report for the period ending May 31, 2022Mr. Raul Garcia
(Goal 6: Financial Effectiveness and Affordability)

Mr. John Johnson introduced David McElwain from Patterson and Associates (A Meeder Investment Company). Mr. McElwain reviewed the Quarterly Investment Report for period ending May 31, 2022. He stated that it has been a challenging year due to inflation. 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, excluding the Series 2018 and 2020 (A & B) bond funds, with Total Fiscal Year Earnings

of \$159,885.00. The Series 2018 (A) Tax Bond Funds had Total Fiscal Year Earnings of \$37,139.00. The Series 2020 (A & B) Tax Bond Funds had earnings of \$50,720.00.

Regent Garza made a motion to accept the College's quarterly investment report. Regent Averyt seconded the motion. There were no public comments. A vote was taken by a show of hands and the motion carried unanimously 7-0, amongst Regents present, with Regents Scott, Adame, Averyt, Bennett, Garza, Hutchinson, and Villarreal in favor.

9. Discussion and possible action related to a Resolution Adopting Investment Policy and Investment StrategyMr. Raul Garcia
(Goal 6: Financial Effectiveness and Affordability)

Mr. John Johnson stated that in accordance with Public Funds Investment Section 2256 and Board Policy B4.6.25, the College is to have a written investment policy regarding the investments of its funds that include investment strategies, investment objectives, preservation, and safety of principal, liquidity, diversification, and yield. The College is required to review its investment policy and strategies at least yearly. Mr. Johnson introduced Mr. McElwain. Mr. McElwain stated Patterson and Associates (A Meeder Investment Company) is recommending very few changes and no material changes from the previous fiscal year.

Regent Villarreal made a motion to approve the adoption of the resolution as presented noted that there are no changes to the policy from previous versions. Regent Hutchinson seconded the motion. There were no public comments. A vote was taken by a show of hands and the motion carried unanimously 7-0, amongst Regents present, with Regents Scott, Adame, Averyt, Bennett, Garza, Hutchinson, and Villarreal in favor.

10. Discussion and possible action related to a Resolution adopting the authorized Broker/Dealer listMr. Raul Garcia
(Goal 6: Financial Effectiveness and Affordability)

Mr. John Johnson stated that in accordance with Public Funds Investment Section 2256 and Board Policy B4.6.25, the College is required 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. This body of work has been performed by Patterson and Associates (A Meeder Investment Company) and on behalf of the College. Mr. McElwain described the results of the body of the work and recommended the updated broker list to the Board.

Regent Bennett made a motion to adopt the resolution authorizing the broker/dealer list for the next fiscal year. Regent Garza seconded the motion. There were no public comments. A vote was taken by a show of hands and the motion carried unanimously 7-0, amongst Regents present, with Regents Scott, Adame, Averyt, Bennett, Garza, Hutchinson, and Villarreal in favor.

11. Discussion and possible action related to the College's Quarterly Financial Statement for the period ending May 31, 2022.....Mr. Raul Garcia
(Goal 6: Financial Effectiveness and Affordability)

Mr. John Johnson stated that the College's financial position continues to weigh on the uncertainty of the effects of the pandemic and student enrollment, and the effects of the upward trajectory of inflation, supply chain, and stress and tight labor markets. Despite these vulnerabilities, the College financial position for the nine months ended May 2022 is relatively stable.

Mr. Johnson stated that the College's state appropriations and property tax revenues is on point relative to the planned budget which is offset by the downward revenue pressures in tuition and miscellaneous income with an estimated shortfall of between 3 and 4 million by year end. The operating expenses, salary and benefits currently valued at \$57.8 million is trending in accordance with the planned budget with a spend rate of 69%. The spending rate is consistent with the prior year. Mr. Johnson reviewed the balance sheets and stated the College had a sound financial position to weather most business interruptions, including the current pandemic, with a cash and investment position of \$77.3 million. In addition, the College has sufficient liquidity to pay its current obligations valued at approximately \$74 million.

Mr. Johnson and Ms. Keas responded to questions from the Board of Regents.

Regent Garza made a motion to accept the College's quarterly financial statement ending May 31, 2022. Regent Villarreal seconded the motion. There were no public comments. A vote was taken by a show of hands and the motion carried unanimously 7-0, amongst Regents present, with Regents Scott, Adame, Averyt, Bennett, Garza, Hutchinson, and Villarreal in favor.

CALENDAR: Discussion and possible action related to calendaring dates.

ADJOURNMENT: The meeting was adjourned at 2:44 p.m.

MINUTES REVIEWED BY GC: /s/ARjr