

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

August 27, 2019

The Called Meeting of the Board of Regents of the Del Mar College District convened at 11:00 a.m., Tuesday, August 27, 2019, in the Isensee Board Room, Harvin Student Center, Del Mar College East Campus, Corpus Christi, Texas, with the following present:

From the Board:

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

Ms. Hutchinson arrived at 11:15 a.m.

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; 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 Knioum, 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/MISSION STATEMENT

Ms. Scott called the meeting to order with a quorum present. She requested a moment of silence, the Pledge of Allegiance and Mission Statement.

ITEMS FOR DISCUSSION AND POSSIBLE ACTION:

1. Discussion and possible action related to the Order of the Board of Regents of the Del Mar College District: 2019-2020 Maintenance and Operations Budget and the 2019- 2020 Debt Service Budget.....Mr. Raul Garcia
(Goal 7. Resources: Ensure Strong Financial and Operational Capacity)

Mr. Garcia stated that throughout the budget process the College engaged various budget stakeholders in the spirit of governance to build the fiscal year 2019-2020 budget. The College is proposing the adoption of a \$107.8 million budget which includes the following three major sources of revenue funding: tuition, fees and contracts; base state appropriations; and property taxes. The College is proposing the allocation of financial resources to the following categories: \$79.3 million in salary and benefits; \$23,984,574 in non-salary expenses; \$1 million for South Campus; \$1.9

million bond payment; and \$1.6 million contingency for a balanced budget of \$107.8 million.

Mr. Augustin Rivera, Jr., General Counsel read the proposed Order of the Board of Regents of the Del Mar College District, 2019-2020 Maintenance and Operations Budget and the 2019-2020 Debt Service Budget:

ORDER OF THE BOARD OF REGENTS
OF THE DEL MAR COLLEGE DISTRICT
MAINTENANCE AND OPERATIONS BUDGET
and DEBT SERVICE BUDGET
2019-2020

BE IT ORDERED by the Board of Regents of the Del Mar College District (“District”) that,

WHEREAS, budgets for the Del Mar College District have been prepared and submitted to the Board of Regents of the District in the manner required by law; and

WHEREAS, a meeting has been called and held as public hearing for the purpose of considering the adoption of a maintenance and operation budget and debt service budget, after public notice of such meeting as required by law; and

WHEREAS, all taxpayers and other persons of the District desiring to do so have been given the opportunity to be present and to participate in such hearing;

THEREFORE, that certain budgets presented to the Board at this meeting and filed among the official documents of this District, be and it is hereby adopted as the budgets for the Del Mar College District for the fiscal year beginning September 1, 2019, and ending August 31, 2020.

Mr. Rivas made a motion to adopt the 2019-2020 Maintenance and Operations Budget and the 2019-2020 Debt Service Budget. Ms. Estrada 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 carried unanimously, 8-0, amongst Regents present, with Regents Adame, Averyt, Bennett, Estrada, Rivas, Salinas, Scott, and Sherwood in favor.

2. Discussion and possible action related to the Order of the Board of Regents of the Del Mar College District: Tax Rates for 2019-2020.....Mr. Raul Garcia (*Goal 7. Resources : Ensure Strong Financial and Operational Capacity*)

Mr. Garcia discussed the proposed 2019-2020 tax rates. The College is proposing a combined tax rate of 0.280665 in order to achieve the strategic activities built into the

board-approved M&O Budget of \$107.9 million and the general obligation debt service of \$19 million. The annual tax is \$465 on property with an appraised value of \$165,000.

The proposed M&O rate of .21 cents will be used to fund various student-focused activities. This rate represents a change of 4.97 above the effective rates. The proposed combined rate of .28 cents will generate \$77.3 million in revenue for the College which includes \$58.2 million to fund operations and \$19 million to fund the general obligation debt service.

Mr. Augustin Rivera, Jr., General Counsel read the proposed Order of the Board of Regents of the Del Mar College District, 2019-2020 Tax Rate:

ORDER OF THE BOARD OF REGENTS
OF THE
DEL MAR COLLEGE DISTRICT
TAX RATE 2019-2020

BE IT ORDERED by the Board of Regents (“Board”) of the Del Mar College District (“District”) that,

WHEREAS, the Board has duly and properly considered a proposal to increase total tax revenues from properties on the tax roll in 2019 by 4.31 percent; and

WHEREAS, the Board has duly and properly called and held the public hearings required by the Texas Property Tax Code (“Code”) after giving the public notice required by the Code and by law; and

WHEREAS, all taxpayers and other persons desiring to do so have been given the opportunity to be present and to participate in such hearing; and

WHEREAS, the Board has duly and properly given and published notice of these meetings as required by law;

NOW THEREFORE, the Board hereby approves and adopts the proposal to increase total tax revenues from properties on the tax roll in the preceding year by 4.31 percent, thereby increasing the total tax rate to be levied for 2019 to Twenty-Eight and 0665/10,000 (\$0.280665) on each One Hundred Dollars \$100.00) property valuation in the District. THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR’S TAX RATE.

THE TAX RATE WILL EFFECTIVELY BE RAISED BY 4.97 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$1.57.

Dr. Sherwood made a motion to adopt the 2019-2020 Tax Rate. Dr. Adame 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 carried unanimously, 8-0, amongst Regents present, with Regents Adame, Averyt, Bennett, Estrada, Rivas, Salinas, Scott, and Sherwood in favor.

3. Discussion and possible action related to the Order of the Board of Regents of the Del Mar College District: 2019-2020 Tax Levy of \$0.280665 per \$100 of taxable value for the Del Mar College District.....Mr. Raul Garcia
(Goal 7. Resources: Ensure Strong Financial and Operational Capacity)

Mr. Augustin Rivera, Jr., General Counsel read the proposed Order of the Board of Regents of the Del Mar College District, 2019-2020 Tax Levy:

TAX LEVY FOR 2019
OF THE
DEL MAR COLLEGE DISTRICT

BE IT ORDERED by the Board of Regents of Del Mar College District that the following taxes are hereby levied for the year 2019 on all property, real, personal and mixed, located within the boundaries of the Del Mar College District and subject to taxation by it for the year 2019 under the laws of this State, and of the United States; a total ad valorem tax of Twenty Eight and 0665/10,000 Cents (\$0,280665) on each One Hundred Dollars (\$100.00) property valuation in the District, for the purposes and in the specific amounts which follow:

I.

An ad valorem tax of Twenty-One and 1260/10,000 Cents (\$0.211260) on each One Hundred Dollars (\$100.00) property valuation for the local maintenance fund of the Del Mar College District.

II.

An ad valorem tax of Six and 9405/10,000 Cents (0.069405) on each One Hundred Dollars (\$100.00) property valuation for the interest and sinking fund of the Del Mar College District Bonds, Del Mar College District Limited Tax Refunding Bonds, Series 2011 (\$36,330,000.00); Del Mar College District Limited Tax Refunding Bonds, Series 2013 (\$9,010,000); Del Mar College District Limited Tax Refunding Bonds, Series 2014 (\$8,995,000); Del Mar College District Limited Tax Refunding Bonds, Series 2015 (\$23,580,000); Del Mar College District Limited Tax Bonds, Series 2016 (467,645,000); Del Mar District Tax Bonds, Series 2017 (\$9,070,000); Del Mar College District Limited Tax Bonds, Series 2018A (\$44,275,000); and Del Mar College District Limited Tax Bonds, Series 2018B (\$57,305,000).

Ms. Averyt made a motion to adopt the 2019-2020 Tax Levy. Ms. Estrada 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 carried unanimously, 8-0, amongst Regents present, with Regents Adame, Averyt, Bennett, Estrada, Rivas, Salinas, Scott and Sherwood, in favor.

4. Discussion and possible action related to the Resolution of the Board of Regents of the Del Mar College District: 2019-2020 Tax Exemptions.....Mr. Raul Garcia (*Goal 7. Resources: Ensure Strong Financial and Operational Capacity*)

Mr. Garcia discussed the proposed tax exemptions by the College:

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|----|--|---------------------|
| 1) | Homestead Exemption | \$ 5,000 |
| 2) | Persons 65 years or older | \$ 50,000 |
| 3) | Qualified Disabled Veterans | Statutory Exemption |
| 4) | Person under 65 years, qualified Disability benefits | \$ 50,000 |
| 5) | Qualified Charitable Organizations | Statutory Exemption |

Mr. Augustin Rivera, Jr., General Counsel read the proposed Order of the Board of Regents of the Del Mar College District, 2019-2020 Tax Exemptions:

RESOLUTION OF THE BOARD OF REGENTS OF THE
DEL MAR COLLEGE DISTRICT

RESOLVED, that for the year 2019 all persons who qualify by law are granted an exemption in the amount of Five Thousand Dollars (\$5,000.00) of the appraised value of their homestead property; and

RESOLVED FURTHER, that for the year 2019 persons of the age of sixty-five (65) or older are granted an additional exemption in the amount of Fifty Thousand Dollars (\$50,000.00) of the appraised value of their homestead property, and qualified disabled veterans are granted the statutory exemption; and

RESOLVED FURTHER, that for the year 2019 each person under sixty-five (65) years of age who is qualified for the payment of disability insurance benefits as defined under Federal Old-Age, Survivors, and Disability Insurance (or its successor) is hereby granted an additional exemption from taxation, in accordance with Section 11.13(d) of the Property Tax Code (“Code”), the total amount of which is equal to Fifty Thousand Dollars (\$50,000.00) of the appraised value of such person’s residence homestead property, as that term is defined by the State Constitution and law, provided the owner of such residence homestead property, or his or her duly authorized agent or attorney, applies at the office of the Nueces County Tax Appraisal District for said exemption in accord with the requirements established by the Tax

Assessor-Collector of the Nueces County Tax Appraisal District, as permitted by law; and

RESOLVED FURTHER, that for the year 2019 each disabled veteran is entitled to the mandatory exemption provided in Section 11.22 of the Code; and

RESOLVED FURTHER, that for the year 2019 each qualified charitable organization that has been granted exemption by the City of Corpus Christi is entitled to the tax exemption provided under Section 11.184 of the Texas Tax Code.

Mr. Rivas made a motion to adopt the 2019-2020 Tax Exemption. Dr. Adame 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 carried unanimously, 8-0, amongst Regents present, with Regents Adame, Averyt, Bennett, Estrada, Rivas, Salinas, Scott and Sherwood, in favor.

5. Discussion and possible action related to revisions proposed to Policy B6.12 Tenure- Track Faculty Salary Structure, section B6.12.1

.....Ms. Tammy McDonald
(Goal 3. Professional Initiatives: Provide Innovative, Relevant, and Meaningful Opportunities)

Dr. Escamilla stated that the proposed revision is a customary follow-up to make sure the faculty salaries are adjusted.

Ms. McDonald stated that following the adoption of the budget for fiscal year 2019-2020, policy B6.12 requires revision: section B6.12.1 for faculty rate schedule, section B6.12.1 for faculty common base and B6.12.2.1 for tenured faculty rank schedule.

Dr. Adame made a motion to adopt the 2019-2020 revisions to Policy B6.12 Tenure-Track Faculty Salary Structure. Mr. Salinas 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 carried unanimously 9-0, with Regents Adame, Averyt, Bennett, Estrada, Hutchinson, Rivas, Salinas, Scott and Sherwood, in favor.

6. Discussion and possible action regarding General Contractor for the South Campus Phase 1A Project (Main, STEM, Culinary Arts, Site - Package 2)

.....Mr. August Alfonso
(Goal 7. Resources: Ensure Strong Financial and Operational Capacity)

Mr. Alfonso stated that on June 10, 2019, the College issued Request for Competitive Sealed Proposal #2019-12 regarding construction of South Campus Phase 1A, Package 2 consisting of building of the main building; library; STEM building, Culinary Arts building and some site development located at the corner of Rodd Field Rd. and Yorktown Blvd., Corpus Christi, Texas. The design was done by Gensler Architects and Turner-Ramirez Architects and construction management was provided by AG/CM. Mr. Alfonso stated that the Evaluation Committee members that reviewed and evaluated the three submitted Competitive Sealed Proposals (“CSP”) were Dr. Beth Lewis, Ms. Lenora Keas, Dr. Leonard Rivera, Dr. Jonda Halcomb, Mr. Robert Duffie, Regent Susan Hutchinson, Regent Libby Averyt, Regent Carol Scott and August Alfonso. The CSPs were opened and Statement of Qualifications were reviewed on August 1, 2019 as well as interviews of the respondents. The process was facilitated by Mr. David Davila, Director of Purchasing. The Evaluation Committee selection ranking that offered the best value for the College is as follows: 1) Fulton Coastcon Construction; 2) SpawGlass Construction; and 3) SUNDT Construction. Results of the negotiations will be brought back to the Board for final approval.

Mr. Rivas made a motion that based on the review and ranking of the Evaluation Committee and the Administration’s recommendation, the Board should accept the selection, ranking and recommendation as presented and select Fulton Coastcon Construction as the offer with the proposal offering the best value for the College and further authorize Administration and its designated agents to attempt to negotiate a contract with Fulton Coastcon Construction. And, if necessary, to proceed to the next offer in the order of the selection ranking until a contract is reached or all proposals are rejected. Dr. Adame and Ms. 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 carried unanimously, amongst Regents present, 9-0, with Regents Adame, Averyt, Bennett, Estrada, Hutchinson, Rivas, Salinas, Scott, and Sherwood in favor.

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

Ms. Susie Luna Saldaña thanked the Board of Regents for their work and diligence to prosper Del Mar College. She also thanked Dr. Escamilla for the help he has given to the students.

The Board Chair announced that the Board was going into Closed Session at 11:27 a.m. pursuant to:

7. CLOSED SESSION:

- 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 § 551.074(a)(1),(2):** (Personnel Matters), regarding the employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; including Annual Evaluation and Contract of the College President, with possible discussion and action in open session.

The Board reconvened in Open Session at 11:37 a.m.

Dr. Adame made a motion for the Board, based on the Board's positive annual evaluation of the College President, to amend the employment contract between Del Mar College and President Mark Escamilla as follows:

- re-appoint Dr. Escamilla and add an additional year to contract term;
- increase Fiscal Year 2019 annual base salary by 3%; and
- roll current allowances into base salary for total compensation of \$321,374.76 for Fiscal Year 2019-2020.

The terms are effective September 1, 2019 and all other terms and conditions in the contract remain unchanged, and in full force and in effect. Ms. Estrada seconded the motion. Ms. Scott commented that on behalf of the Board, the Board is very pleased with Dr. Escamilla's work and that of his staff. The Board continues to be very proud of Dr. Escamilla's representation of the College at the local, state and national levels and the Board looks forward to working with Dr. Escamilla over the coming years. There were no further comments from the Board. There were no public comments. A roll call vote was taken and the motion carried unanimously, 9-0 with Regents Adame, Averyt, Bennett, Estrada, Hutchinson, Rivas, Salinas, Scott and Sherwood, in favor.

CALENDAR: The next Regular Board meeting will be September 10, 2019 at 1 p.m. in the Isensee Board Room, Harvin Center, Del Mar College East Campus, Corpus Christi, Texas.

ADJOURNMENT: The Called Meeting was adjourned at 11:39 a.m.

MINUTES REVIEWED BY GC: /s/AR