

MINUTES OF THE WORKSHOP
OF THE BOARD OF REGENTS OF THE DEL MAR COLLEGE DISTRICT

July 9, 2019

The Workshop of the Board of Regents of the Del Mar College District convened in the Isensee Board Room, Harvin Student Center, Del Mar College, Corpus Christi, Texas at 10:30 a.m. on Tuesday, July 9, 2019, with the following present:

From the Board:

Ms. Carol Scott, Ms. Libby Averyt, Dr. Nicholas Adame, 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; Mr. Raul Garcia, Vice President and CFO; Dr. Beth Lewis, Executive Vice President and Chief Academic Officer; 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; 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 followed by the Pledge of Allegiance and Mission Statement.

ITEMS OF BUSINESS:

1. Discussion related to 2019-2020 Fiscal Year Budget
(Goal 7. Resources: Ensure Strong Financial and Operational Capacity)

Ms. Scott asked Dr. Escamilla to start off the conversation and lay the groundwork for the discussion of the 2019-2020 Fiscal Year Budget.

Dr. Escamilla began the presentation with an overview of all information prepared and steps taken to gather information over the past twelve calendar months in building next year's budget. He thanked the budget team for their efforts, this included Jackie Landrum, Dr. Catherine West, John Johnson, and Roy Greses, and Mr. Raul Garcia.

Dr. Escamilla briefly discussed the following items:

- Del Mar College Employee compensation to retain exceptional faculty and staff:

He stated that by taking care of our employees, our students are taken care of. When it comes to an educational budget, it has a preponderance of its operational costs around its employees. This is at the top of the list to emphasize and focus on taking care of our most valuable assets which are our people.

- **Student Outcomes/Initiatives:** This Board has undergone a robust strategic planning process over the past year. For the first time since Dr. Escamilla has been at the College, student outcomes have been the focus of strategic planning, efforts, initiatives and ideas. He is proud that the budget will be built and tied to the strategic plan that will be launched this Fall.
- **South Side Campus:** It is time to address and begin building the fundamental pieces of the South Side budget. The budget needs to begin reflecting the South Side Campus and the investment that has been made by the community and also needs to coincide with some operational dollars. There will be talk about how that will develop over the next two to three years in a phased process.
- **Technology:** Technology is a ubiquitous part of our operation and it is a technological ecosystem that we have that is so delicately balanced. Mr. Alfonso was not able to be here but will be here at the following meeting to further discuss. He stated that the level of investment and importance of technology and improving processes for whoever steps foot on this campus will be impacted by some sort of technological enhancement. They have learned that it improves efficiencies, it minimizes human error to the degree that we can best apply it and it's an important part of the College's operations. We must stay ahead of the technological curve.

Dr. Escamilla stated that after many discussions with Mr. Garcia, staff and so many other people, that put together thoughts, ideas and requests, that these four underpinnings were the primary pieces of this big puzzle that are reflected in the first Fiscal Year 2020 Operating Budget slide.

Dr. Escamilla introduced Mr. Raul Garcia, CFO, to continue with the budget presentation.

Mr. Garcia provided details on the following Strategic Initiative Funding Goals:

Goal 1: Completion – Create coherent and seamless pathways that guide students to achieve their educational goals. (\$578,000)

Goal 2: Recruitment and Persistence – Recruit and attract students to Del Mar College and provide resources to support continuous enrollment until achievement of their educational goals. (\$1,256,000)

Goal 3: Academic Preparedness and Student Learning – Accelerate student attainment of academic preparedness and ensure optimal levels of learning in all instructional delivery formats. (\$1,900,000)

Goal 4: Learning Environments – Provide engaging, effective, and student-ready environments with accomplished and qualified personnel to facilitate learning and productivity. (\$4,154,000)

Goal 5: Workforce Development, Community Partnerships, and Advocacy – Strengthen support from workforce and community partners, educational agencies, and governmental bodies and officials. (\$440,000)

TOTAL \$8,328,000

Mr. Garcia's presentation included information on the following:

Key Budget Assumptions: Estimated annual revenue changes in the following - Property Taxes \$3,291,065, Tuition and Fees \$1,157,441, and Base State Appropriations - \$611,736 for a total of \$5,060,242;

Annual Operating Revenue: \$107.6M from \$102.4M;

Maintenance & Operations Tax Rates: Tax Revenues of \$57,948,673, Estimated Proposed Tax Rate 0.212693/\$100, Estimated Effective Tax Rate 0.203087;

Maintenance & Operating Revenues: \$57.9M

Base State Appropriations: \$16.4M, an increase of \$612,000

Annual Operating Expenses: \$107.6M

Proposed M&O Budget Detail: Total expenditures 2019: \$102,389,191 2020: \$107,682,840, 5% increase;

Preliminary M&O Tax Rates: Rate Increase of 4.73%

Mr. Garcia also reviewed Forecast Budget Assumptions, Preliminary Financial Forecast and the Budget Plan Calendar.

Dr. Escamilla and Mr. Garcia responded to questions from the Regents throughout the presentation.

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

Mr. Jack Gordy made a general public comment regarding a Public Information Request.

ADJOURNMENT: The meeting was adjourned at 12:12 p.m.

MINUTES REVIEWED BY GC: HR