

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

March 21, 2017

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, March 21, 2017, with the following present:

From the Board:

Mr. Trey McCampbell, Dr. Nicholas Adame, Mr. Ed Bennett, Ms. Elva Estrada, Ms. Susan Hutchinson, Mr. Gabriel Rivas, Ms. Carol Scott and Mr. Guy Watts.

From the College:

Dr. Mark Escamilla, President; Dr. Beth Lewis, Provost and Vice President for Academic Affairs; Ms. Lenora Keas, Vice President of Workforce Development and Strategic Initiatives; Dr. Rito Silva, Vice President for Student Affairs; Mr. Augustin Rivera, Jr., General Counsel; Ms. Claudia Jackson, Executive Director of Strategic Communication and Government Relations; Ms. Tammy McDonald, Executive Director of Human Resources and Administration; Mr. August Alfonso, Chief Information Officer; Ms. Mary McQueen, Executive Director of Development; Dr. Catherine West, Interim Chief Financial Officer; Ms. Delia Perez, Board Liaison; and other staff and faculty.

Others:

Mr. Dave Gordon, Estrada, Hinojosa & Co.
Mr. Tom Spurgeon, McCall, Parkhurst & Horton L.L.P.
Mr. Phillip Ramirez, Turner Ramirez Architects

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

Mr. McCampbell called the meeting to order with a quorum present. He requested a moment of silence followed by the Pledge of Allegiance and Mission Statement.

RECOGNITIONS:

Faculty.....Dr. Beth Lewis

- Dr. David Abarca, recognized by the American Cancer Society for being the top “Real Men Wear Pink” fundraiser last October during Breast Cancer Awareness Month
(Goal 3. Professional Initiatives: Provide Innovative, Relevant, and Meaningful Opportunities)

Dr. Lewis introduced Ms. Kayla Hansen, with the American Cancer Society, who was present to assist in honoring Dr. David Abarca, Associate Professor of Computer Science, for his participation in the “Real Men Wear Pink” fundraiser during October 2016.

Ms. Hansen spoke about the Real Men Wear Pink campaign they began two years ago, with Dr. Abarca being their top ambassador for two years in a row, raising a little over \$5,000 in those two years for the American Cancer Society.

BOARD NOTIFICATIONS:

- Policy Notification A6.36.2 Overloads Approvals Policy
(Goal 3. Professional Initiatives: Provide Innovative, Relevant, and Meaningful Opportunities)

Dr. Lewis reported that the current overload policy states that only the President can sign off on more than one overload and their recommendation is that the revised policy move the limit up to more than two for Presidential approval, two or fewer can be approved by the Dean or Provost.

Dr. Escamilla informed the Board that it is an efficiency and a process they are streamlining,

STAFF REPORTS:

- Construction Methodology and Procurement for Future Southside Campus
.....Mr. August Alfonso
(Goal 7. Resources: Ensure Strong Financial and Operational Capacity)

Mr. Alfonso reported that on February 28th at the Board Workshop they discussed construction delivery methods for the Board’s consideration for the 2016 Bond. The panel was composed of John Strybos, Associate Vice Chancellor of Facilities Operation and Construction Management, Alamo College District, Jimmy Martin, Vice Chancellor, Facilities Planning and Construction (retired 11/2016), Lone Star College, Dr. Beth Lewis, Provost and VP of Academic Affairs, who has experience in building a new college, and himself. The three possible delivery methods discussed were Design-Bid-Build, which is the College’s current construction delivery method and has been in practice for the last three bonds, Construction Management at-Risk and Design-Build. Mr. Alfonso described the structure for each method and responded to questions from the Board members throughout his presentation. He stated that the recommendation by administration is the Construction Management At-Risk (CMAR) Method.

Dr. Escamilla stated that today is part of the communications process with the procurement and construction methodology item for today’s topic and is a follow-up from the Retreat, if they have more questions they want to ask today, that would be great but if more questions come up, they can meet individually and get into the details of this because they want everyone to be comfortable with this concept and he realizes there are still questions. They want to resolve questions, concerns, thoughts, they may have. This is their official notice of their recommendation as they move ahead; this is what they are moving toward.

- Legislative Update.....Ms. Claudia Jackson
(Goal 5. Advocacy: Advance the College Mission Through Effective Governance and Positioning)

Ms. Jackson provided a legislative update. She provided information on several bills they are tracking which are making progress and could potentially impact the College. Del Mar’s

legislative focus this session aligns with the TACC's agenda; number one is seeking additional funding for core operations that would provide another half million for each community college for the biennium and the second major focus is solidifying funding for workforce courses taught to high school students such as beginning welding and certified nurse aid courses.

Ms. Jackson responded to questions from the Regents.

Dr. Escamilla reported that they received news that Summer Pell is receiving very positive attention; they will be reaching out to their local congressman and his staff for more information. Summer Pell is so important, when it was instituted back in 2011-12, or 2012-13, the country experienced an all-time high enrollment. The efficiencies gained by providing access to students over the summer had a national impact and Del Mar College had the highest enrollment just like the rest of the country. Summer Pell from the federal perspective is absolutely critical. On the state level, he received news yesterday that Senate Bill 1, and its version of finance for community colleges is coming out on the positive, it has approximately \$50M to focus on the area of performance based funding, the fact that they have dollars from the Senate side is very positive news at this point. The House version should come soon but there may be no new dollars and they may wait to go to committee to hash out any possibilities of new dollars.

Mr. McCampbell stated that when you see the number of bills that impact them, some favorable, and many of them that have negative impacts, it reinforces staying on top of legislation, with the work that Dr. Escamilla does representing community college presidents, and the work that Regent Scott does representing trustees and regents on state matters, because there is continued movement to push back the burden locally.

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

- San Patricio County Day in Austin, February 15, 2017
(Goal 5. Advocacy: Advance the College Mission Through Effective Governance and Positioning)

Dr. Escamilla and Vice President Keas attended San Patricio County Day in Austin on February 15th. It was a great time spent with their service area constituents to the north. They were able to speak with the Speaker of the House and staff members of the Lt. Governor and Governor's office. It was a great day spent developing those relationships. He thanked Ms. Keas for all the work she has done in San Patricio County.

- Community and Technical College Leadership Council Meeting, March 2, 2017
(Goal 6. Partnerships: Expand Opportunities for Mutually-Beneficial Alliances)

On March 2nd he attended one of his last meetings as part of the Community and Technical College Leadership Council, he has been on that Board now for several years and this summer will be his last meeting. A couple of sessions ago the Governor asked the Coordinating Board to get together with the trustees and presidents, a think tank of sorts, to talk about issues of community colleges. He will be stepping off and if there are any

Regents interested in joining that particular group, there will be some openings and he will find out if that can happen. There will be a couple of presidents and a couple of trustees cycling off this committee.

REGENT REPORTS:

- Report/Discussion on CCATT & Community College Day in Austin, February 6 & 7
.....Ms. Carol Scott
(Goal 5. Advocacy: Advance the College Mission Through Effective Governance and Positioning)

Regent Scott provided a quick recap of Community College Day in Austin, and on the heels of that was Coastal Bend Day in Austin. Several of them were there for those events. Shortly after they got back Chairman Lozano was named as Chair of Higher Education, they had an opportunity to meet with him separately on behalf of the Community College Association of Texas Trustees shortly after he was announced Chairman of Higher Ed. She encouraged them to support him as their Chairman of Higher Ed.

The Trustee's group is meeting every week or every other week, they have regular meetings of the lobbyists both internal and external of the governmental affairs folks that are internal to TACC and CCATT as well as external lobbyists. They also include the Community College Teachers Association, TCCTA, CCATT, and TACC, all three organizations are meeting on a regular basis and working in lock-step with each other on these issues. She will be communicating to the Regents via email as things move quickly on specific bills, and they can contact local state reps they may know, so they all have common talking points.

- Report/Discussion on the ACCT National Legislative Summit, February 13-16
.....Ms. Carol Scott
(Goal 5. Advocacy: Advance the College Mission Through Effective Governance and Positioning)

Ms. Scott attended the Association of Community College Trustees Legislative Summit in Washington; there were concerns from a funding standpoint. The packet contains the federal legislative priorities for ACCT and the number one priority was supporting the Pell Grant Program, primarily to expand it back to year round Pell and not to raid the Pell Grant reserve funds that are there. Other priorities are education and workforce training.

- Packery Channel TIRZ #2 Update.....Mr. Gabriel Rivas
(Goal 7. Resources: Ensure Strong Financial and Operational Capacity)

Mr. Rivas reported on the Park Road 22 Bridge at the last meeting. The Packery Channel TIRZ #2 group had a follow-up meeting and discussed extending the contract they have with Texas A&M to do the monitoring of the local inlets and beaches in Mustang Island and Padre Island. Although there was opposition from the Island Strategic Action Committees,

they decided to extend the contract with Texas A&M on a yearly basis and the next step will be for it to go before City Council.

PENDING BUSINESS:

Status Report on Requested Information

(Goal 5. Advocacy: Advance the College mission through effective governance and positioning)

CONSENT AGENDA

Notice to the Public

The following items are of a routine or administrative nature. The Board of Regents has been furnished with background and support material on each item, and/or it has been discussed at a previous meeting. All items will be acted upon by one vote without being discussed separately unless requested by a Board member or a citizen, in which event the item(s) will immediately be withdrawn for individual consideration in their normal sequence after the items not requiring separate discussion have been acted upon. The remaining items will be adopted by one vote.

CONSENT MOTIONS:

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

ITEMS FOR DISCUSSION AND POSSIBLE ACTION:

1. Approval of Minutes:
Workshop, February 14, 2017
Regular Board Meeting, February 14, 2017
Board Retreat, February 28, 2017
(Goal 5. Advocacy: Advance the College Mission Through Effective Governance and Positioning)
2. Acceptance of Investments for February 2017
(Goal 7. Resources: Ensure Strong Financial and Operational Capacity)
3. Acceptance of Financial Statement for January 2017
(Goal 7. Resources: Ensure Strong Financial and Operational Capacity)

Public comments for consent agenda items

Mr. Rivas made a motion to approve the consent agenda items. Ms. Scott 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, 8-0 with Regents McCampbell, Adame, Bennett, Estrada, Hutchinson, Rivas, Scott, and Watts in favor.

REGULAR AGENDA

4. Discussion and possible action regarding a resolution authorizing the issuance of up to \$10,000,000 in principal amount of Del Mar College District Limited Tax Bonds, Series 2017 for the purpose of financing a portion of the capital improvements approved by the voters at the November 8, 2016 Bond Election; approving and authorizing the execution of a paying agent/registrars agreement, a purchase contract, and other instruments and procedures related thereto; delegating authority to certain district officials to approve all final terms of the bonds; and approving an official statement.....Dr. Catherine West
(Goal 7. Resources: Ensure Strong Financial and Operational Capacity)

Dr. West reported that they are preparing for Del Mar College District Limited Tax Bonds that were approved by the voters on November 8th for the 2016 Bond Election. The Series 2017 Bonds will be used to fund the design phase of the new college campus located on the southside of Corpus Christi. Dave Gordon of Estrada Hinojosa and Tom Spurgeon of McCall, Parkhurst & Horton will present the recommendation of the resolution to authorize the issuance of these bonds.

Mr. Gordon's presentation included an update on the market. He stated that presently they are at a low interest rate environment just not as good as it was last year. He also provided information on outstanding debt, they issued some Series 2016 bonds last summer, they are over \$12M in debt service general obligation through 2023 and then it drops off significantly from there. It is a benefit that the College has outstanding credit ratings. The College also has some revenue bonds outstanding, this was also refinanced last year, it was significantly higher debt service for two years and then it dropped off last year when this debt was restructured. These bonds are secured from the College's revenues, tuition and fees versus taxes. These are just under \$2M through 2028. He described the tax rate impact, with the tax analysis prior to the issuance of the debt, and after the transaction. Unless rates move higher or if there is no property value growth, there is an opportunity to manage this within the 5 cent rate promised to taxpayers. There is uncertainty but there are things built in here to allow the College to manage the 5 cent objective.

They are proposing an issue of \$10M, there is actually a provision in the tax code that if they issue slightly less than \$10M they can get good rates and that is what they are counting on, it would be somewhere between \$9.7 and \$9.8M, it would be just shy of the \$10M limit.

Mr. Gordon responded to questions from the Regents during his presentation.

Mr. Rivas made a motion to approve the resolution.
Ms. Hutchinson 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, 7-0-1, with Regents McCampbell, Adame, Bennett, Estrada, Hutchinson, Rivas, and Scott in favor; Mr. Watts abstained.

5. Discussion and possible action related to the designation of General Contractor Services for Workforce Development Center Project in response to RFCSP #2017-04 and authorizing the administration to proceed with awarding a contract.....Mr. August Alfonso (*Goal 7. Resources: Ensure Strong Financial and Operational Capacity*)

Mr. Alfonso stated that on December 11, 2016 the College issued RFCSP #2017-04 for General Contractor for the Workforce Development Center Project. The Workforce Development Center will be 48,000 Gross Square Feet and will be located adjacent to the newly constructed Pilot Plant and directly south of the Flato Building on the West Campus.

The following three firms submitted Statement of Qualifications (SOQs) and Competitive Sealed Proposals for consideration: Teal Construction Company; Weaver & Jacobs Contractors, Inc.; and Summit Building & Design.

Mr. Alfonso listed the Evaluation Committee members. The Committee evaluated the respondent SOQs interviewed the respondents on March 1, 2017 in the Isensee Board Room. Sealed competitive price proposals were opened and read aloud to the public at 2:00 p.m., March 1, 2017 in the Isensee Board Room. The Evaluation Committee was charged with selecting the most highly qualified respondent based on demonstrated competence and qualifications equivalent to 60% and the respondent's competitive pricing proposal equivalent to 40%. The Evaluation Committee's recommendation for the General Contractor Services for Workforce Development Center Project is Weaver & Jacobs Contractors, Inc. The pricing proposals are base bid of \$12,600,000. The Committee also recommends that the Board approve the inclusion of the five alternate bids along with the base bid: two additional classrooms: \$251,000; operable partitions: \$142,000; additional brick paving and site improvements between Flato and the new building: \$110,000; additional 100 parking spaces: \$238,000. With all of these alternate bids along with the base bid, he is happy to inform the Board that upon their approval, the College will still have \$1,398,000 surplus budget for the Workforce Development Center Project. The administration also recommends Board authorization to expend the \$1,398,000 surplus budget back into the Workforce Development Center Project for additional academic learning spaces and site improvements.

Mr. McCampbell asked how they will do that, why they do that, and if they are sure they don't need the money somewhere else.

Ms. Keas, Dr. Escamilla, and Phillip Ramirez of Turner Ramirez Architects responded to Mr. McCampbell's question.

Dr. Escamilla asked August Alfonso to discuss what is in the budget for contingencies.

Mr. Alfonso responded that there are contingencies of 14% for inflation and 10% administration cost, therefore \$18M of unallocated funding in the West Campus.

Dr. Escamilla emphasized that the West Campus needs the classroom space and that is why they are recommending that this budget item be considered.

Dr. Escamilla and Mr. Alfonso responded to additional questions from the Regents.

Mr. McCampbell recognized representatives from Weaver & Jacobs Contractors, Inc. who were present in the meeting.

Mr. Rivas made a motion to approve this agenda item which includes the base bid and alternate bids. Mr. Watts 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, amongst Regents present, 8-0, with Regents McCampbell, Adame, Bennett, Estrada, Hutchinson, Rivas, Scott, and Watts in favor.

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

Ms. Mary McQueen reminded the Board and community of Bernie's Crawfish Boil which raises scholarships for students, it will be held on March 29, 2017 beginning at 5:30 p.m.

The Chair announced that the Board was going into Closed Session as follows:

6. 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; and,
- B. **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.) Regent's Duties, Responsibilities and Statement of Ethics (Regent Watts), with possible discussion and action in open session.

Mr. Watts left the meeting.

The Board went into Closed Session at 3:09 p.m.

The Board reconvened in Open Session at 4:17 p.m.

Ms. Scott made the following motion "Under Board Bylaw 1.J, move that the Board authorize General Counsel and Board Chair or the Chair's Designee to investigate recent conduct by Regent Watts and whether Regent Watts has violated

any duties or responsibilities under College Policy, Board Bylaws, or other law. Mr. Rivas 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, amongst those present, 7-0, with Regents McCampbell, Adame, Bennett, Estrada, Hutchinson, Rivas, and Scott in favor.

CALENDAR: Discussion and possible action related to calendaring dates.

ADJOURNMENT: The meeting was adjourned at 4:19 p.m.

MINUTES REVIEWED BY GC: /s/AR