

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

April 11, 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 1:02 p.m. on Tuesday, April 11, 2017, with the following present:

From the Board:

Mr. Trey McCampbell, Dr. Nicholas Adame, Mr. Ed Bennett, Ms. Elva Estrada, Ms. Susan Hutchinson, Ms. Sandra Messbarger, 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.

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:

Special Recognition:

- Gene and Ellen Seaman, GED Endowed Scholarship for \$100,000
(Goal 2. Student Access and Support Services: Maximize Affordable Access and Excellence in Student Services)

Dr. Escamilla announced the College's press conference held on April 10th in celebration of Gene and Ellen's generosity, public service and big hearts as members of the community.

Ms. McQueen reported that the announcement yesterday was for the \$100,000 Endowment from Gene and Ellen Seamen for GED students. She thanked the Seaman's for allowing the College to do this recognition because neither of them likes this kind of recognition and attention, but Mr. Seaman is a member of the Foundation Board and understands that getting the information to the community is a powerful way to change people's lives. Ms. McQueen shared a success story of a recipient of the Gene and Ellen Seaman GED Scholarship Program, this student is now level II in the Nursing Program.

Mr. Seaman briefly addressed the Board and indicated he was embarrassed at the attention received yesterday and today but understands the importance of GED and helping individuals who have fallen out and want to get back into the system. He read a quote from the Wall Street Journal, the American Dream “You can start from anywhere and become anything” “You can go from the bottom to the top”.

Students and Staff:

- Recognition of Small Business Development Center for City of Corpus Christi resolutionMs. Lenora Keas
(Goal 6. Partnerships: Expand Opportunities for Mutually-Beneficial Alliances)

Ms. Keas asked Dan Korus and Ann Fierova to join her at the podium. She also asked the Small Business Development Center (SBDC) staff and leadership to stand and be recognized. The SBDC started over 20 years ago and Ann Fierova has served as the Director. This past month they finally had a day of national recognition for small business development centers. Mayor Pro Tem Lucy Rubio had a proclamation for the College’s SBDC staff. Ms. Keas shared some of their accomplishments, including assisting 514 businesses in Corpus Christi and the Gulf Coast area, with over \$10M in new financing, and over \$24M in created additional sales, which is a direct impact to our local economy; 34 new businesses, and 22 business expansions. Ms. Keas read a portion of the proclamation and thanked the SBDC staff for their commitment.

STAFF REPORT:

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

Ms. Jackson provided the Board a spreadsheet with the information they are watching that is really moving forward quickly. She provided highlights, including budget bill information. There are two bills that Dr. Escamilla and TACC are watching carefully, one is HB 2994 that formalizes the reimbursement statutes for providing workforce continuing education for 16 and 17 year old students in programs such as welding and certified nurse aid certification. The other one was HB 961 which relates to changes in Regent elections, she briefly talked about components to the bill that are problematic. Ms. Jackson also provided an update on federal items.

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

- March 23, 2017, Pizza with the President
(Goal 2. Student Access and Support Services: Maximize Affordable Access and Excellence in Student Services)

Dr. Escamilla reported that 136 students showed up for Pizza with the President on March 23rd at varying times. There were great questions asked, individuals who are interested in

everything from financial aid, tuition cost, and concealed carry issues. Someone asked him in passing how important he thought that activity was, he responded that “it is critical, if we are not listening to our students, what are we doing here”. He knows that the Board feels he same but it is important for the viewers listening to know how important it is to them.

- March 29, 2017, Testify on HB 2994
(Goal 5. Advocacy: Advance the College Mission Through Effective Governance and Positioning)

On March 29th Dr. Escamilla was privileged and honored to represent not only Del Mar College but the Texas Association of Community Colleges at the House Higher Ed Committee, chaired by J. M. Lozano. He testified on House Bill 2994 regarding opening up the ages for continuing education opportunities. It is a critical piece of legislation that will have a huge impact on this College and community. It was nice to be with his colleague, Mike Simon, President of Angelina College, as well as State Representative Trent Ashby, who sponsored the legislation on the House side. Things have changed so much and there is lots of goodwill in support of our colleges, and this legislation is evidence of that.

- March 30, 2017, Meeting with Chairman Todd Hunter, TACC CEO, J. Fraire, and TACC Executive Committee
(Goal 6. Partnerships: Expand Opportunities for Mutually-Beneficial Alliances)

The following morning, on March 30th, Dr. Escamilla was honored to host a meeting with Chairman Todd Hunter, Chairman of Calendars, hosting Texas Association of Community Colleges Executive Committee. The meeting was to let him know what they’ve done, what they’ve heard, and to listen. The Chairman and his staff were gracious, not only hosting them, but giving them valuable time and opinions about the direction they ought to be headed.

- March 30, 2017, TACC Legislative Committee Meeting
(Goal 5. Advocacy: Advance the College Mission Through Effective Governance and Positioning)

After the meeting with Chairman Hunter, they went to the TACC headquarters and had a legislative committee update. He will be returning Thursday for another meeting with the legislative committee.

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:
Regular Board Meeting, January 24, 2017
(Goal 5. Advocacy: Advance the College Mission Through Effective Governance and Positioning)

2. Acceptance of Investments for March 2017
(Goal 7. Resources: Ensure Strong Financial and Operational Capacity)

Mr. Rivas made a motion to approve the consent agenda items. 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, 9-0, with Regents McCampbell, Adame, Bennett, Estrada, Hutchinson, Messbarger, Rivas, Scott, and Watts in favor.

REGULAR AGENDA

3. Discussion and possible action related to the designation of General Contractor Services for the New General Academic/Music Building, Phase II Project in response to RFCSP #2017-01 and authorizing the administration to proceed with awarding a contract.
.....Mr. August Alfonso
(Goal 7. Resources: Ensure strong financial and operational capacity)

Mr. Alfonso reported that on November 1, 2016, the College issued RFCSP # 2017-01 for General Contractor Services for the New General Academic/Music Building, Phase II. This building project will be 127,000 Gross Square Feet (GSF) and will be located in the heart of the East Campus where the current English Building is located and spanning close to the Harvin Center in the north and close to the Heldenfels Administration Building towards the south.

The design of this new facility was done by Richter Architects in partnership with Brown Reynolds Watford Architects. The following three firms submitted Statement of Qualifications (SOQs) and Competitive Sealed Proposals (CSPs) for consideration and were

interviewed in the following sequence: Bartlett Cocke/Beecroft, a joint venture; Fulton General Contractors/Sedalco, a joint venture; and SpawGlass.

Mr. Alfonso named the Evaluation Committee Members. The Committee evaluated the respondent SOQs and interviewed the respondents on March 30, 2017 in the Isensee Board Room. Sealed competitive proposals were opened and read aloud to the public at 2:00 p.m. on March 30, 2017 in the Isensee Board Room. The Evaluation Committee was charged with selecting the most highly qualified respondent based on the demonstrated competence and qualifications which represents 60% of the total scoring criteria. He described the breakdown of the 60% of the scoring criteria which is the responsibility of the selection committee. The pricing proposal represents 40% of the remaining score. Mr. Alfonso provided additional details on the selection process.

The Regents were given an opportunity to ask general questions and provide comments about the process.

Mr. Alfonso announced that the Evaluation Committee's recommendation for the General Contractor Services for the new General Academic/Music Building Phase II project is Bartlett Cocke/Beecroft. The base bid from Bartlett Cocke/Beecroft is \$45,500,000. The total authorized budget for this project is \$46,375,000, which leaves \$875,000 excess funds available for alternates. Mr. Alfonso provided administration's recommendations for alternate bids. If alternate bids are approved by the Board the project will have \$399,925 in surplus funds.

Mr. Alfonso recognized representatives from the three firms that were in attendance at the meeting.

Dr. Escamilla thanked everyone who assisted with the process.

Mr. Rivas made a motion to approve the recommendation of the Evaluation Committee of Bartlett Cocke/Beecroft as contractors of this project. 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, 9-0, with Regents McCampbell, Adame, Bennett, Estrada, Hutchinson, Messbarger, Rivas, Scott, and Watts in favor.

4. Discussion and possible action related to request for Partial Assignment and Assumption of Tax Abatement Agreement (M&G Resins).....Augustin Rivera, Jr.
(Goal 7. Resources: Ensure strong financial and operational capacity)

Mr. Mike Culbertson with Corpus Christi Regional Economic Development Corporation, introduced Parish Jones with M&G Resins. He stated that the College currently has a tax abatement with M&G Resins. The tax abatement has in its clauses the ability to assign it to another company for ownership and the tax abatement would continue. This one is different in that they want to assign part of the project, they want to use de-sal to alleviate some of the responsibility for water and they have another entity within M&G, under the same ownership called M&G Waters and they would like to assign those portions of this project to that company. They would still go through the same compliance audit in a unit. Nueces County approved their Agreement the first week of March. Right now, the amount of assets moving over is \$17M and as they grow it will increase but stay at approximately \$17M.

Mr. Rivera indicated that the net effect is that M&G is adding a related company to the Tax Abatement Agreement. He has reviewed it and recommends the Board's approval.

Mr. Culbertson responded to questions from the Regents.

Dr. Adame made a motion to accept this agenda item.
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, 9-0, with Regents McCampbell, Adame, Bennett, Estrada, Hutchinson, Messbarger, Rivas, Scott, and Watts in favor.

5. Discussion and possible action related to the College's Quarterly Financial Statement for the period ending February 28, 2017.....Dr. Catherine West
(Goal 7. Resources: Ensure strong financial and operational capacity)

Dr. West reported that the packet contained the financial statements for the quarter ended February 28, 2017, which includes the income statement, the balance sheet, and the balance sheet for the plant fund. They are now six months into the year and the income statement, both revenues and expenditures are tracking along very similar to last year, with no major variances.

Mr. Rivas made a motion to accept this agenda item.
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, 9-0, with Regents McCampbell, Adame, Bennett, Estrada, Hutchinson, Messbarger, Rivas, Scott, and Watts in favor.

6. Discussion and possible action related to the College's Quarterly Investment Report for the period ending February 28, 2017.....Dr. Catherine West

(Goal 7. Resources: Ensure strong financial and operational capacity)

Dr. West reported that the markets are incredibly interesting. The Fed has begun to raise interest rates and they are able to move some of the funds into investment securities, the yield has gone up to .0721% compared to the benchmark of .0640%, which is the six month treasury T-bill. Dr. West reviewed the Asset Allocations – Pooled Funds, with a large portion in the investment pool, and they are offering .0970 which is almost 1%, and it is totally liquid, with daily access to the funds. Dr. West also reviewed the Series 2016 Tax Bond Allocations, out of the 2014 Bond election.

Mr. Watts made a motion to accept this agenda item.
Ms. Messbarger 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, 9-0, with Regents McCampbell, Adame, Bennett, Estrada, Hutchinson, Messbarger, Rivas, Scott, and Watts in favor.

The Board Chair indicated that upon advice of Counsel, they will defer Item # 7 until after Closed Session.

7. Discussion and possible action on report of investigation into whether Regent Guy Watts violated any duties under specific statute or law, Board Bylaw or Board policy, including censure under Section 1.J, Board Bylaws and B2.1.4, College Policy and other appropriate action.....Mr. Augustin Rivera, Jr./Mr. Trey McCampbell
(Goal 5. Advocacy: Advance the College Mission Through Effective Governance and Positioning)

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

There were no General Public Comments.

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

8. 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;
- B. **TEX. GOV'T. CODE § 551.074(a)(1)**: (Personnel Matters), regarding the employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee, including, 1.) Review of Regent's Duties, Responsibilities and Statement of Ethics (Regent Watts), with possible discussion and action in open session; and 2.) Annual evaluation of College President and 3.) Annual Board Self-evaluation with possible discussion and action in open session.

The Board went into Closed Session at 2:16 p.m.

Mr. Watts left during Closed Session at approximately 3:30 p.m.

The Board reconvened in Open Session at 3:43 p.m.

Ms. Scott made the following motion “Move that the Board authorize General Counsel to expand the scope of the Bylaw 1.J investigation concerning Regent Watts that was previously authorized by the Board on the March 21st Board Meeting to also include other conduct and information.” 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 unanimously, amongst those present, 8-0, with Regents McCampbell, Adame, Bennett, Estrada, Hutchinson, Messbarger, Rivas and Scott in favor.

Mr. McCampbell stated that in light of the motion they would table Item #7 today and move it to a future meeting.

CALENDAR: Discussion and possible action related to calendaring dates.

ADJOURNMENT: The meeting was adjourned at 3:47 p.m.

MINUTES REVIEWED BY GC: /s/AR