



TEXAS SOUTHMOST COLLEGE DISTRICT

THE UNIVERSITY OF TEXAS AT BROWNSVILLE and TEXAS SOUTHMOST COLLEGE

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Texas Southmost College District

Minutes of the Regular Meeting of the Board of Trustees

September 1, 2011

The Board of Trustees of the Texas Southmost College District convened in open session on September 1, 2011, at 5:30 p.m., in the Gorgas Board Room at The University of Texas at Brownsville and Texas Southmost College. Board members present were Francisco G. Rendon, Chair; Dr. Roberto Robles, Vice Chair; Adela G. Garza, Secretary; Trey Mendez; Dr. Robert A. Lozano and René Torres. Board member David Oliveira and Dr. Juliet V. García, President of The University of Texas at Brownsville and Texas Southmost College were absent. Dr. Alan Artibise, Provost of The University of Texas at Brownsville and Texas Southmost College was present representing Dr. García.

Call to Order

The meeting was called to order by Chairman Rendon at 5:35 p.m.

1. Announcements

There were no announcements.

2. Transition Team Status Report

Chairman Rendon called on Dr. Robert Furgason and Dr. John Anthony, TSC Consultants for the Transition Team. Dr. Furgason reported that the Transition Team met on August 3, 2011 and information was shared between the two teams. A preview of the Lower Rio Grande Valley Plan was presented by the UT System Board of Regents to the Transition Team.

Budget issues and priorities were discussed. UTB is currently preparing an inventory of all of the spaces on the campus and how they are being utilized. This inventory will be the foundation on how both institutions will operate in the future.

Dr. Furgason reported that they have been working on the virtual enrollment projections for the Spring 2012. He stressed the importance because the current enrollment is difficult to use for the future and refining enrollment projections is beneficial for both institutions. Dr. Furgason also reported that the TSC transition team met with Fitch and the report showed no downgrade and gave a better outlook description. Dr. Furgason reported that this meeting was similar to an earlier meeting with Standard and Poor's on the same aspects.

Regarding the Presidential Search, Dr. Furgason reported that Dr. Anthony had done a fantastic job in recruiting some high quality candidates. The community is looking forward to a final decision on the presidential candidate this evening.

Dr. Robles questioned the positive rating received from Fitch.

Dr. Furgason responded that the rating was not downgraded and stayed the same. He said that in the beginning TSC was placed on a warning list and the outlook was improved to give a longer horizon for the bond rating on the institution.

Dr. Furgason called on Chet Lewis, Interim Vice President for Administration and Finance to give an explanation on the bond rating. Mr. Lewis explained that the most important aspect was that the bonds were not downgraded. He said that in the beginning of the partnership separation, Fitch had given a negative warning because there was an event that happened, and it was likely that they might downgrade the stock. However, they wanted to revisit the issue in six months. After his most recent visit with Fitch, they did not downgrade the stock and they placed TSC on a negative outlook. They will revisit the issue again in one to two years. Mr. Lewis reported that the next time they visit TSC; they will be looking for a financial plan, reviewing the negotiations made with UT System, and revisiting the space issue on how TSC will share the space, if it is going to be shared. Mr. Lewis reported that at that time, there will be better indication on enrollment based on when the separation is in place.

3. Opening Statement by Trustees

Chairman Rendon thanked Dr. Anthony, Dr. Furgason, and Mr. Lewis for their outstanding work in the Presidential screening process. He also thanked the TSC Presidential Screening Committee members who spent many long hours in forming the recommendations that were made to the Trustees. They were: Mr. Jeff Roerig, Mr. Dino Chavez, Mr. Ygnacio Garza, Mr. Ed Rivera, Ms. Leslie Bingham, Dr. Rey Garcia, Mr. Luis de la Garza, Ms. Nora Montalvo, Ms. Laura Villarreal, Ms. Blanca Bauer, and Ms. Kim Sanchez.

4. Speakers to Agenda Items and Public Discussion

There were no speakers.

5. Approval of Minutes of Previous Meetings

**Consideration and Possible Action on Approval
of Minutes of the Regular Meeting on July 28, 2011**

Mr. Mendez requested one change to the minutes on page eight, number ten states "consideration and possible action on first reading" he believes that was the "second reading". The Board agreed that it was indeed the second reading.

A motion was made by Mr. Torres to approve the Minutes of the Regular Meeting, with the amendment as stated by Trustee Mendez, on July 28, 2011 as presented. The motion was seconded by Dr. Robles and carried unanimously.

6. Executive Session

as provided by Government Code,
Chapter 551.071, 551.072 and 551.074.

The Board convened in Executive Session at 5:46 p.m.

The Board reconvened in Regular Session at 7:56 p.m.

7. Consideration and possible action on matters discussed in Executive Session

Approval of TSC Legal Counsel Invoices

A motion was made by Mr. Torres to approve TSC Legal Counsel Invoices as presented. The motion was seconded by Mrs. Garza and carried unanimously. *Exhibit "A"*

**Discussion and Review
of Golf Course Contract**

A motion was made by Mr. Mendez to table the item as presented. The motion was seconded by Mrs. Garza and carried unanimously.

**Approval of Lease Agreement
with HPR International, LTD, Co. at
the ITEC Center Business Incubator**

Chairman Rendon called on Mr. Irv Downing, Vice President for Economic Development and Community Services. Mr. Downing reminded the Board that they had agreed to review lease terms if proposed for longer than one year. Mr. Downing presented a lease agreement for HPR International, LTD, which involves exportation of motor vehicles requiring them to acquire a commercial motor vehicle license from the state, which requires a two year lease agreement. Mr. Downing reported that they still have a thirty day out clause. The only change for this agreement is the term of the lease.

A motion was made by Mrs. Garza to approve a two year lease term for HPR International, LTD, Co. as presented. The motion was seconded by Mr. Torres and carried unanimously. *Exhibit "B"*

**Discussion Regarding the
TSC Fort Brown Condos Villas I and II**

A motion was made by Mr. Mendez to have Mr. Chet Lewis investigate possible sale of units at the Fort Brown condo Villas I as presented. The motion was seconded by Dr. Lozano and carried unanimously. *Exhibit "C"*

**Discussion and Possible Action on The
Village at Fort Brown Student Housing Property**

A motion was made by Mrs. Garza to authorize Mr. Chet Lewis to enter into negotiations with UTB regarding the best future use of The Village of Student Housing property as presented. The motion was seconded by Dr. Lozano and carried unanimously. *Exhibit "D"*

**Discussion and Possible Action on the
Property Appraisal of the Dyna-Go Properties,
Inc. dba Rivercentre Plaza Land of 7.33 acres**

No action was taken.

**Discussion and Possible Action on
the Property Appraisal of Cueto Building**

A motion was made by Dr. Robles to authorize Mr. Chet Lewis to enter discussion with the City of Brownsville with a possible action on TSC ancillary properties which includes the Cueto Building and others as presented. The motion was seconded by Dr. Lozano and carried unanimously. Exhibit "E"

Selection of President Elect

Chairman Rendon thanked again the screening committee members: Mr. Jeff Roerig, Mr. Dino Chavez, Mr. Ygnacio Garza, Mr. Ed Rivera, Ms. Leslie Bingham, Dr. Rey Garcia, Mr. Luis de la Garza, Ms. Nora Montalvo, Ms. Laura Villarreal, Ms. Blanca Bauer, and Ms. Kim Sanchez for all the work that was done. He also thanked Dr. Anthony, Dr. Furgason, and Mr. Chet Lewis for all their hard work.

Dr. Lozano was very impressed with the presidential candidate process. There were some very excellent and high qualified professionals that could work well as a community college president. He thanked all the candidates that applied and expressed his appreciation for their interest in Texas Southmost College.

Mrs. Garza thanked Max Roca, TSC staff, for his assistance in the process. She also thanked the presidential screening committee that did an awesome job of uniting all the parts of the community and bringing everyone together. She thanked Dr. Furgason and Dr. Anthony for a wonderful job well done. Mrs. Garza also thanked Chet Lewis and Kim Sanchez for assisting with the entire process.

Mr. Rendon thanked all the presidential candidates that applied and those that had the opportunity to get to know the Board and participate in the interview process. Every single candidate was very talented.

Mr. Mendez expressed his amazement of the talent pool of the applicants. There were more than fifty applicants that expressed interest in the job which says a lot about our institution. Each candidate knew what our situation was and was willing to accept the challenge. Mr. Mendez expressed that the hardest part is to tell five people they are not getting the job. Personally, the person we are looking for is intelligent, energetic, knowledgeable, fearless and likable. He expressed his hopes that our future president fits all those criteria. Mr. Mendez expressed his

excitement for the future of TSC and his opinion that it is not really about a win-lose, it is a win-win from this point forward for all the students, faculty, and staff and especially the community.

A motion was made by Mrs. Garza to appoint Dr. Lily Tercero as the President Elect and empower the TSC Transition Team to negotiate the contract and the conditions as presented. The motion was seconded by Dr. Lozano and carried unanimously. Exhibit "F"

8. Renewal of Insurance Policy

Consideration and Possible Action on Renewal of General Liability, Educator's Legal, Crime, and Auto Insurance Policies

Chairman Rendon called on Mr. Chet Lewis, Interim Vice President for Administration and Finance to present the item. Mr. Lewis reported that it is the annual renewal of general liability, educator's legal, crime, and auto insurance policies. Three items are through an insurance cooperative that has been competitively bid. Only one falls outside the insurance cooperative which is the educator's legal liability policy, which is under the \$25,000 amount. He reported that the total amount is as follows:

- General Liability Policy through Texas Political Subdivisions for a premium of \$19,069;
- Crime Policy through Texas Political Subdivisions for a premium of \$414;
- Automobile Policy through Texas Political Subdivisions for a premium of \$5,814 and
- Educators Legal Liability Policy through Diamond State Insurance Co. for a premium of \$14,400.

Mr. Lewis reported that all are within the amount budgeted and very comparable to the policy presented last year.

A motion was made by Mr. Torres to approve the Renewal of General Liability, Educator's Legal, Crime, and Auto Insurance Policies in the amount of \$39,697 as presented. The motion was seconded by Mrs. Garza and carried unanimously. Exhibit "G"

9. TSC District Budget

Consideration and Possible Action on Second Reading of the TSC District Budget for Fiscal Year 2011-2012

Chairman Rendon called on Mr. Chet Lewis, Interim Vice President for Administration and Finance to present the item.

Mr. Lewis reminded the Board that the first reading of the budget was done at the last board meeting. One item that needs to be addressed is in regards to the scholarships. To clarify, the TSC Scholarship amount does not include assisting the 3,000 and 4,000 level courses, but it does include all qualifying students who are within in the 1,000 and 2,000 level courses, regardless if they are UTB or TSC. Mr. Lewis also addressed the line item regarding Scorpion Scholars. He suggested that they combine the amounts and rename those to a line item called UTB Commitments. They will still provide the same purpose and same intent, however, it will be an accounting clean up, but will still provide the same benefit to the same students.

Mr. Lewis reported the next item for discussion is the line item referring to Grant Writers, which is budgeted at \$150,000. A request has been made to UTB to change the way grant writers are paid based on an allocation of time method. UTB requested that approach not be used so that they can provide a guarantee towards the grant writer's salaries. They would like to have the \$150,000 as a flat commitment and utilize the remaining fund balance towards the grant writer's salaries. They will continue to work towards grants in the current fashion. Mr. Lewis reported that he has received information indicating that in the previous year, UTB applied for \$2 million dollars' worth of grants and received approximately \$1.4 million dollars worth of grants.

Mr. Rendon questioned the total number of grants applied for by UTB.

Mr. Lewis responded that in total the UTB website reported \$87 million. The UTB total is higher because it is a four year university and they have grants that are associated with programs and will only be available for a four year institution. Michael Putegnath reported that the grant writer department was going to focus on delivering more grants to TSC. If UTB is not able to perform in a satisfactory way it will not be readjusted for the budget in the next fiscal year. Mr. Lewis reported that the UTB website indicates that UTB has applied for 140 grants and that 20 were related to TSC. There were other grants related to the Performing Arts, bringing the number to 14 for TSC.

Mr. Mendez mentioned that it is disturbing to him is that one institution had \$85 million dollars' worth of grants and the other had \$2 million.

Mr. Rendon asked of the grant writer budget what percentage is paid for by TSC.

Mr. Lewis said historically approximately 50%, but that is the direct cost of the salaries and does not include any management or maintenance and operation. Mr. Lewis reported that if the Board does not want to continue with the \$150,000 grant writer commitment, then TSC would hire their own grant writer's to pursue grants, however, prior approval to apply for and accept any grants would be needed from UTB, because authority to apply for certain grants resides under the partnership. TSC would also be required to cover any additional financial burdens that the grant would require to operate. Mr. Lewis presented all options to the Board.

Mr. Rendon requested that Mr. Lewis to talk to UTB again and see if billing using the allocation of time method is possible, because if not it makes it hard to explain to the taxpayers that TSC is over paying.

Mr. Lewis reported that with the assumption of the \$150,000 commitment to UTB, the same level grant efforts would continue. UTB has indicated that the grant writers will be focusing more on TSC grants. Mr. Lewis reported that if there is a grant that is not being pursued by the grant writers under UTB, it would be addressed and every effort to pursue the grant would be made to benefit the community college.

Mr. Rendon stressed that the budgeted amount of \$150,000 and the fund balance amount of \$60,000 would be available to UTB.

Mr. Lewis reported that the \$150,000 commitment is still a reduction from \$262,000 annual amount that has been committed in previous years. Mr. Lewis will continue discussions with UTB about potential options and report back to the Board in the next Board meeting.

Another item regarding the budget is the BUS system that TSC has with the City of Brownsville (COB). Mr. Lewis reported that TSC budgeted \$227,500 for the BUS. The COB participates with a contribution, and there is a federal grant that is contributing fifty percent of the total cost of operating the BUS. Mr. Lewis approached UTB on their willingness to participate with half the operating cost of the BUS. Also, the COB looked at efficiencies and how the BUS was running. The COB addressed efficiencies from a scheduling stand point and eliminated summer, because the parking situation is not a major issue in the summer compared to the fall and spring.

Mr. Lewis received a new proposal of reduced breaks and summer hours for the upcoming year of \$89,745.99. He also reported that UTB has agreed to split the cost to participate fifty percent. Mr. Lewis projected that with the revised schedule continuing the routes for summer will be reducing the \$227,500 to \$59,508 and eliminating the summer routes will take the budget amount to \$44,873. The grant that COB has is for three years. Mr. Lewis recommended that this proposal be accepted for one year, with the ability to review the issue again after another year.

Mr. Lewis proposed the new line item for BUS in the budget, including continuing the summer route, will be \$59,508 with UTB participating at the same level. With elimination of summer routes it will be \$44,873.

Mr. Rendon asked if the ridership had been low in the summer.

Mr. Lewis reported that it had, which is why he proposed this recommendation. Mr. Lewis suggested that one of the advantages of continuing during the summer is that students are allowed to use their ID to ride the bus anywhere within the BUS system. However, regarding the campus, there is very little ridership during the summer. The Board recommended the elimination of summer routes proposal.

Mr. Lewis final item regarding the budget was the management contract with Spire Consulting Group, LLC. Mr. Lewis reported that if this item moves forward, it has been budgeted in the next fiscal year; however, the contract has not been finalized. Sufficient funding is available to address the contract. If the Board proceeds, the estimated amount will be \$36,000, which will consist of a basic review of the Bond Projects plus a number of expenses and estimates around \$45,000 after completed. The amount could change slightly because of hourly rates, times and travel commitments; however, this is their best estimate. Mr. Lewis reported that there is money to move forward to continue and if that's the indication he will need some direction for the budget. If the Board does want to proceed with the audit the amount will be reported before entering a contract with Spire. Mrs. Garza asked if a motion to approve the Spire contract was needed. Mr. Rendon clarified that by virtue of approving the budget, the Spire line item will move forward. Mr. Lewis clarified that the approval of this budget would be an assumption that the Spire contract would be one of the projects addressed within the facilities budget.

Mr. Lewis finalized the budget presentation with a budget that is balanced without an increase in taxes.

The Board agreed with the budget that was presented by Mr. Lewis

A motion was made by Mrs. Garza to adopt the amended TSC District Budget for Fiscal Year 2011-2012 as presented. The motion was seconded by Mr. Torres and carried unanimously. Exhibit "H"

10. Tax Rate**Consideration and Possible Action on
Adoption of 2011 TSC District Ad Valorem Tax Rate**

Chairman Rendon called on Mr. Lewis to present the item. Mr. Lewis reminded the board that the Effective Tax Rate is the rate calculation that generates the same number of dollars as the previous year's actual tax rate. The effective rate may be higher or lower than the previous year's actual rate. If the board chooses to adopt a rate that is higher from the effective tax rate, then two public hearings and a final vote would be required to adopt the higher tax rate. Mr. Lewis reported that the current budget is based on revenues that are calculated from the current effective tax rate. At this point, there is no requirement or need to increase the tax rate in order make up for budget deficiencies.

Mr. Lewis reported the maintenance and operation rate is \$0.103723 and the dept tax rate is \$0.060303 per \$100 of valuation for a total tax rate of \$0.164026 per \$100 of valuation. Mr. Lewis recommended the Board adopt the effective tax rate as presented.

A motion was made by Mrs. Garza to adopt a maintenance and operation tax rate of \$0.103723 and a dept tax rate of \$0.060303 per \$100 of valuation for a total rate of \$0.164026 per \$100 of valuation. The motion was seconded by Mr. Mendez and carried unanimously. Exhibit "I"

11. Property Management Services**Consideration and Possible Action on
Selection of Property Management Services**

Chairman Rendon called on Mr. Lewis present the item. Mr. Lewis reported that a request for proposals for property management services was issued. Two bids were received. One bid indicated a charge of 7% of total revenues and the other was 12%. Mr. Lewis recommended that the board accept the bid of 7% for Property Management Services from June Trevino, who is the current manager providing those services.

A motion was made by Mrs. Garza to negotiate a contract with Ms. June Trevino to provide property management services for the condominiums owned at the Fort Brown Villas I and II and authorize the Interim Vice President of Administration and Finance to execute the contract as presented. The motion was seconded by Mr. Torres and carried unanimously. Exhibit "J"

12. Imagine Brownsville Comprehensive Plan

Consideration and Possible Action on Approval of Payment to the City of Brownsville

Chairman Rendon called on Mr. Lewis to present the item. Mr. Lewis reported that a bill was submitted to TSC in February 2011 from Imagine Brownsville in the amount of \$25,000 for payment regarding UTB/TSC's participation to the Imagine Brownsville Comprehensive Plan. After discussions with UTB, they have paid for half of the \$25,000 fee, leaving a \$12,500 balance as TSC's portion of the fee related to this calendar year. Mr. Lewis recommended that TSC make the payment of the additional fifty percent for this purpose. He reported that UTB has indicated that they will be participating on their own next year; therefore TSC will need to make a decision on participating or terminating the relationship with Imagine Brownsville.

Mr. Rendon asked is UTB/TSC shared the cost the first year.

Mr. Lewis reported that TSC paid the full \$25,000 the first year on behalf of the partnership.

A motion was made by Dr. Lozano to approve the fifty percent payment to United Brownsville. The motion was seconded by Mr. Torres and carried unanimously. Exhibit "K"

13. TSC District Website

Mr. Lewis reported that there has been progress on the TSC website. He reported that Job Benavidez, a TSC employee, has continued to work under the direction of UTB staff Meloney Linder, Vice President for Marketing and Communication on developing a web page for TSC. Mr. Lewis presented the webpage giving some idea of color schemes and concept of the home page; however, there will be discussions on future content. Mr. Lewis reported that once the separation has taken place, students will have a choice of the UTB or TSC websites to register and pick their programs.

Mr. Rendon asked who is the person responsible for the developing the web page.

Mr. Lewis reported that it was Job Benavidez who is a TSC employee. Job has done great work.

Mr. Rendon thanked Job Benavidez for his hard work.

No action was taken.

14. Proposed Meeting Dates

Thursday, September 22, 2011

Thursday, October 20, 2011

Thursday, November 17, 2011

Thursday, December 15, 2011

Adjournment

The meeting was adjourned by Chairman Rendon at 8:55 p.m.



Mr. Francisco G. Rendon
Chairman, Board of Trustees



Ms. Adela G. Garza
Secretary, Board of Trustees

NOTE: The tape of the Regular Board of Trustees meeting held on September 1, 2011, is on file at the District Office of the Texas Southmost College District. The master tape is on file at UTB/TSC Media Services. These minutes were taken and transcribed by Max E. Roca, Administrative Secretary. Videotaping of the Board of Trustees' meetings began on April 11, 1996. They are aired on Channel KBSD in cooperation with the Brownsville Independent School District.