

LAREDO COMMUNITY COLLEGE DISTRICT
Laredo, Texas

The regular meeting of the Laredo Community College Board of Trustees convened on Thursday, June 30, 2016, beginning at 6:16 p.m. in the Samuel A. Meyer Board Room at the Elpha Lee West Building room 105 at the Fort McIntosh Campus.

	<u>MEMBERS PRESENT</u>	<u>OTHERS</u>
ROLL CALL	Mercurio Martinez Jr, President Cynthia Mares, Secretary Leonides G. Cigarroa Jr. (arrived at 6:36 p.m.) Rene De La Viña Jackie Leven-Ramos Tita C. Vela Chris Turner, Ex-officio	Rusty Meurer, College Attorney Luciano Ramon Nora Stewart Deirdre Reyna Orlando Zepeda Lupe Carbajal Cesar Vela Jr. Robert Sepulveda Robby Sepulveda Alicia Carrillo Yesenia Sandoval
	<u>MEMBERS ABSENT</u> Allen Tijerina, Vice President Gilberto Martinez Jr. Michelle De La Pena Juan L. Maldonado	

CALL TO ORDER

Judge Mercurio Martinez Jr., Board President, called the meeting to order. Board Secretary, Ms. Cynthia Mares called the roll. A quorum of the members was present.

**APPROVAL OF MINUTES
FOR: REGULAR BOARD OF
TRUSTEES MEETING OF
MAY 26, 2016, AND
SPECIAL BOARD OF
TRUSTEES MEETING OF
JUNE 15, 2016**

Mr. Meurer, College Attorney, mentioned an item on the agenda calls for a possible amendment of the minutes and suggested the Board move this item to the end of the meeting. Board Member, Mr. Rene De La Viña, so moved. The motion was seconded by Board Member, Ms. Tita C. Vela; motion carried.

PUBLIC TESTIMONY

No one signed up for public testimony.

**RECOGNITIONS/
INTRODUCTIONS/
COMMUNICATIONS**

Mr. Luciano Ramon, Information Technology Officer, introduced Mr. Javier M. Hinojosa – Network Technician, a new employee in his area.

Ms. Nora Stewart, Chief Financial Officer, introduced Ms. Claudia Monica Rodriguez – Payroll Manager.

Ms. Deirdre Reyna, Communications and Institutional Effectiveness Officer, reviewed the reaffirmation process and its status, reported the Southern Association of Colleges and Schools Commission on Colleges Board met on June 16th, and confirmed LCC has been fully approved and accredited.

**FACULTY ASSEMBLY
SENATE REPORT**

Mr. Chris Turner, Government Instructor and Faculty Senate Vice President, acknowledged the presence of his brother visiting from Arizona, reported the Faculty Senate continues to work on: 1) the

Upward Evaluation Instrument of Deans to be implemented this coming year, reported the Upward Evaluation of Chairs went very well; 2) the Memorial Hall Brick project for which funds are needed; 3) faculty titles and ranks (it will not affect pay in any way but recognizes years of service); and 4) recommended that the Board table the D and E policies that are on the agenda for changes. Discussion followed. Mr. Meurer mentioned to the Board that this could be considered when Item 16 comes up. Mr. Turner reported the faculty back pay continues to be a constant issue which the Faculty Senate has tasked their Finance Committee and sub-committee. He announced the committee would like to present their findings to the Board during the Board's late August meeting.

**DISCUSSION AND
POSSIBLE ACTION**

**PRESENTATION BY
CONSTRUCTNET
INTERNATIONAL, INC. ON
DISTANCE EDUCATION
MODULES AND POSSIBLY
APPROVING A
MEMORANDUM OF
UNDERSTANDING**

-DR. JUAN L. MALDONADO

Mr. Orlando Zepeda, Chief Officer for Facilities and Oil & Gas Institute, introduced Mr. Loui Olivas and Mr. Lupe Carbajal, CEO for ConstructNET International, Inc. Mr. Carbajal reviewed a PowerPoint presentation and provided in-depth information regarding online education and training for the oil & gas and construction workforce. At 6:36 p.m., Judge Martinez acknowledged the arrival of Board Member, Dr. Leonides G. Cigarroa Jr., for the record. Mr. Carbajal answered questions from the Board, explained the revenue sharing model, enrollment projections, and reported the program would be designed to align with the College's mission, vision, and core values. ConstructNET would design, produce, manage and maintain the courses. Ms. Mares made a motion to move forward with the memorandum of understanding to be reviewed and include all the data. Ms. Vela seconded the motion; discussion followed. Mr. Meurer asked for clarification from the Board regarding the motion. Ms. Mares amended her motion to add that the final draft be prepared by legal counsel and be brought back to the Board for final approval. The motion was seconded by Mr. De La Viña. A vote was taken on the amended motion; motion carried. A vote was taken on the first motion; the motion carried unanimously.

**APPROVAL OF
GUARANTEED MAXIMUM
PRICE (GMAX) FOR YEARY
LIBRARY PROJECT FOR
THE FACILITIES MASTER
PLAN PHASE III**

- MR. CESAR E. VELA JR.

Mr. Cesar E. Vela Jr., Comptroller, reported administration is requesting Board approval of the guaranteed maximum price of \$11,275,800.73 for the Yearly Library Project for Phase III of the LCC's Facilities Master Plan and reviewed the budgetary consideration for the project. Mr. Robert Sepulveda, Project Architect, introduced the project manager - Robby Sepulveda, acknowledged the committee members present, distributed and reviewed the project's design and answered questions from the Board. Board Member, Dr. Leonides G. Cigarroa Jr., moved to accept the GMAX as presented. Ms. Mares seconded the motion; motion carried unanimously.

**RENEWAL OF THE EARLY
COLLEGE HIGH SCHOOL
MEMORANDUM OF
UNDERSTANDING**

- DR. VINCE SOLIS

Dr. Vince Solis, Vice President for Instruction and Student Services, mentioned they have a report, introduced Dr. Alicia Carrillo and Yesenia Sandoval, Dean of Early College at U.I.S.D. Ms. Sandoval provided the Board with an update report and the status of this

project (which included a video of testimonials from the students and parents). Ms. Mares moved to renew the MOU for the Early College with U.I.S.D. Board Member, Ms. Jackie Leven-Ramos, seconded the motion; motion carried unanimously.

APPROVAL OF STUDENT HANDBOOKS FOR: HEALTH SCIENCES PROGRAMS, HONORS PROGRAM, SOUTH TEXAS BORDER REGIONAL POLICE ACADEMY, CULINARY ARTS PROGRAM, AND DISTANCE LEARNING
- DR. VINCE SOLIS

Ms. Mares moved to approve the student handbooks as presented. The motion was seconded by Dr. Cigarroa; motion carried.

BOARD APPOINTMENT OF A COMMITTEE TO EVALUATE, SCORE, AND RANK PROPOSALS RECEIVED FOR THE RFQ FOR THE SELECTION OF EXTERNAL AUDITOR
- MS. NORA STEWART

Judge Martinez appointed the following to participate in this committee: Cynthia Mares, Mercurio Martinez Jr., and Ms. Jackie Leven-Ramos. Ms. Stewart, CFO, inquired on which date the committee would meet. Judge Martinez indicated he wanted the new president to participate in this and the committee could meet after August 1st.

BOARD APPOINTMENT OF A COMMITTEE TO EVALUATE, SCORE, AND RANK PROPOSALS RECEIVED FOR THE RFQ FOR THE SELECTION OF A FIRM FOR FINANCIAL ADVISOR SERVICES
- MS. NORA STEWART

Ms. Stewart inquired if the same committee would also handle this. Judge Martinez indicated the same committee would apply for this matter.

MAY 2016 MONTHLY FINANCIAL REPORT
- MR. CESAR E. VELA JR.

Judge Martinez acknowledged receipt, for the record, of the Webb County Appraisal District Year 2017 Proposed Budget (1st budget draft). Mr. Vela reported that as of May 31, 2016, the revenue was \$54,744,436 equal to 101.1% of the budget, noted this did not reflect the payments needed to be transferred for the revenue bonds and the maintenance tax bonds. He reviewed the tuition & fees revenue and local tax collection. He reported the expenses are \$36,299,323 equal to 67.06% of the budget and noted that last year at this point expenses were 71.34%. He noted the salary savings due to vacancies have helped offset the expense of the salary adjustment approved by the Board in November and stated there were no other variances to report at this point. He reviewed the tax collection, investment report, fund balance, and reported GASB 75 will have an impact on the fund balance. Ms. Mares made a motion to acknowledge receipt of the May 2016 monthly financial report. The motion was seconded by Ms. Leven-Ramos; motion carried.

APPROVAL OF \$428,711 FOR EQUIPMENT PURCHASES USING FISCAL YEAR 2016 SAVINGS
- MS. NORA STEWART

Ms. Mares moved to approve. Dr. Cigarroa seconded the motion; motion carried.

Ms. Stewart, CFO, reviewed the PowerPoint presentation on the FY 2017 proposed budget, answered questions from the Board, and acknowledged the Budget Committee Members present. Below are some slides of that presentation:



FY 2017 General Operating Budget

<p>FY 2017 Budget Committee</p> <ol style="list-style-type: none"> 1. Cin Bickel, Faculty Senate President 2. Norma Cano-Sifuentes, Bursar 3. Bonifacio Escobedo, CSO President 4. Diana Espinoza, Psychology Instructor 5. Dr. Nora Garza, VP for Resource Development 6. Alfredo Iniguez, Dean of Health Sciences 7. Patricia Lopez, Administrative Assistant I 8. Norma Moore, MA Program Director/ Instructor 9. Robert Ochoa, Associate Vice President for Student Services 10. Dr. Armando Perez, Mathematics Instructor/ Department Chair 11. Luciano Ramon, Information Technology Officer 12. Deirdre Reyna, Communications and Institutional Effectiveness Officer 13. Dahlia Silva, Faculty Secretary – Transportation Technology 14. Dr. Fred Solis, Associate Vice President for Instruction 15. Dr. Vincent Solis, Vice President for Instruction and Student Services 16. Nora Stewart, Chief Financial Officer/Budget Committee Chair 17. Orlando Zepeda, Chief Officer for Facilities & Oil and Gas Institute 	<p>FY 2017 Budget Resource Team</p> <ol style="list-style-type: none"> 1. Veronica Cardenas, Human Resources Director 2. Andres Fuentes, Web Technician 3. Lynda Gomez, Accounting Manager 4. Raul Gonzalez, Web Services Coordinator 5. Ricardo Iniguez, Fine Arts Center/ TV Director 6. Cesar Vela, Comptroller
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Planning Factors

Revenues

1. No Tuition or Fee increases.
2. State Appropriations –no change.
3. 4% decrease in traditional/academic semester credit hour generation and enrollment.
4. 33% growth in dual enrollment.
5. Increase in Assessed Valuation of 3%.
6. Increase in frozen accounts in assessed valuation of 5%.
7. Collection rate is set at 97.5%.

Expenditures

1. One Step increase to eligible employees, an average of 1.65% translating into \$459,886.
2. Reduction to salary expenditures due to savings (\$847,538)
3. Cover \$428,711 of equipment for the FY2017 budget requests from FY2016 savings
4. No new positions.
5. 3.5% increase in College paid health insurance premiums



FY 2017 Projected Revenue

Prior Year Adjusted Revenue Budget		\$ 54,131,509	
Projected Revenue Changes:	<u>FY2016</u>	<u>FY2017</u>	<u>Net Change</u>
State Funds	\$ 10,159,927	\$ 10,159,927	\$ 0
Tuition	\$ 8,077,971	\$ 7,548,141	\$ (529,830)
Tuition Dual Enrollment	\$ 488,000	\$ 1,183,953	\$ 695,953
General Use Fee	\$ 7,633,997	\$ 6,770,208	\$ (863,789)
Other Student Fees	\$ 6,013,443	\$ 5,381,983	\$ (631,460)
Current Taxes (Maintenance & Operations)	\$ 27,760,533	\$ 30,096,821	\$ 2,336,288
Transfer—Plant Fund Oper./Bond Payment	\$ (5,132,080)	\$ (5,202,413)	\$ (70,333)
Taxpayer Refunds & Debt Notes	\$ (4,045,657)	\$ (3,559,494)	\$ 486,163
Prior Year Carry Over—Adj. of Salaries	\$ 1,601,375	\$ 0	\$ (1,601,375)
Projected Revenue Budget		\$ 53,953,126	
		Projected Revenue Change	\$ (178,383)



FY 2017 Proposed Expenditures

Prior Year Adjusted Expense Budget		\$ 54,131,509	
Estimated Expense Changes:	<u>FY2016</u>	<u>FY2017</u>	<u>Net Change</u>
Salaries	\$ 34,039,427	\$ 33,308,599	\$ * (708,268)
Fringe Benefits	\$ 8,911,828	\$ 8,870,234	\$ (41,594)
Equipment includes Lease Purchase, Maintenance Agreements, Rentals, Repairs	\$ 2,590,877	\$ 2,460,803	\$ (130,074)
Contracted Services (Utilities, Advertising, Professional Services, Insurance, etc.)	\$ 6,331,337	\$ 6,730,040	\$ 398,703
Miscellaneous;			
Bad Debt Expense	\$ 175,000	\$ 150,000	\$ (25,000)
Unallocated - Restricted	\$ 121,818	\$ 110,000	\$ (11,818)
Travel & Professional Dev.	\$ 389,091	\$ 437,131	\$ 48,040
Student Expenses	\$ 676,414	\$ 715,542	\$ 39,128
Supplies	\$ 895,717	\$ 1,148,217	\$ 252,500
*Includes salary savings due to vacancies \$847,538			
Projected Expense Budget		\$ 53,953,126	
		Projected Expense Change:	\$ (178,383)



Tax History

Fiscal Year	Maint. & Oper.	Debt Service	Total Rate	Taxable Value	Tax Levy	Current Tax Collection	% Current Taxes Collected
2017	\$0.257147	\$0.085189	\$0.342336	\$12,206,405,194	\$40,893,065	\$39,870,738	97.5% (1)
2016	\$0.245265	\$0.084979	\$0.330244	\$11,837,735,796	\$38,323,985	\$37,174,236	97.0% (1)
2015	\$0.234410	\$0.062753	\$0.297163	\$11,359,617,483	\$33,254,867	\$32,715,191	98.4%
2014	0.222647	0.032570	0.255217	10,980,953,476	27,788,748	\$27,464,326	98.8%
2013	0.223541	0.034223	0.257764	10,627,870,460	27,182,685	26,872,064	99.0%
2012	0.218988	0.039552	0.258540	10,614,922,560	27,235,091	26,592,800	97.6%
2011	0.199850	0.038270	0.238120	10,663,550,947	25,302,300	24,629,434	97.3%

(1) Projected Collection Rates for Fiscal Year 2016 & 2017

Ms. Mares inquired about the timeline. Ms. Stewart mentioned administration is waiting to receive the certified tax rolls expected to come in by the end of July and at that time a presentation will be provided to the Board. Ms. Leven-Ramos confirmed work on the appeals is on-going and should be complete by the end of the month. The Board acknowledged the presentation.

REVIEW AND ACT ON PROPOSED REVISIONS, ADDITIONS, OR DELETIONS TO THE FOLLOWING LAREDO COMMUNITY COLLEGE BOARD OF TRUSTEES LOCAL POLICIES AS PER TASB UPDATE 31 RECOMMENDATIONS
- DR. JUAN L. MALDONADO
AND MR. RUSTY MEURER

Ms. Vela moved to defer to the next meeting as a courtesy for when the new president comes in. Mr. De La Viña seconded the motion. During discussion Ms. Leven-Ramos noted the revisions were mostly TASB recommended and should have been adopted earlier in the year. Mr. Meurer mentioned this TASB Update was issued on March 24, 2016, confirmed the Program Policy Committee had not reviewed it, and acknowledged the proposed changes were minor, nonsubstantive in nature. A vote was taken. The motion did not pass. Ms. Mares and Ms. Leven-Ramos voted against. Ms. Mares asked that the Board consider taking action at this meeting. Mr. Turner mentioned he agreed with legal counsel that the changes were minor. Ms. Mares moved to approve the proposed revisions as presented. The motion was seconded by Ms. Leven-Ramos. During discussion Mr. Meurer asked the Board that in addition to the policies presented the following be considered for revision: LOCAL policies DIAA and DIAB – Page 4 of 4 at APPEAL, delete “the appropriate level.” Change to read “at level 2.” Dr. Cigarroa moved to amend the motion and was seconded by Ms. Leven-Ramos. A vote on the amendment was taken; motion carried. A vote was taken on the original motion; motion carried unanimously.

EXECUTIVE SESSION

At 8:28 p.m., Judge Martinez entertained a motion that the Board go into executive session as noted below:

CLOSED SESSION MEETING TO DISCUSS ACTION TAKEN BY THE BOARD OF TRUSTEES ON FEBRUARY 15, 2016 RELATING TO THE TERMS AND CONDITIONS UNDER WHICH THE CHIEF FINANCIAL OFFICER WILL RETURN TO WORK, PURSUANT TO TEXAS GOVERNMENT CODE SECTIONS 551.071 AND 551.074

CLOSED SESSION MEETING TO DISCUSS ACTION TAKEN BY THE BOARD OF TRUSTEES ON JUNE 15, 2016, RELATING TO THE EMPLOYMENT CONTRACT WITH THE COLLEGE PRESIDENT, PURSUANT TO TEXAS GOVERNMENT CODE SECTIONS 551.071 AND 551.074

Ms. Mares so moved. Mr. De La Viña seconded the motion; motion carried. At 9:07 p.m., the Board reconvened to open session. Judge Martinez noted for the record that no action took place in executive session.

DISCUSSION AND POSSIBLE ACTION

PRIOR ACTION TAKEN BY THE BOARD OF TRUSTEES RELATING TO THE TERMS AND CONDITIONS UNDER WHICH THE CHIEF FINANCIAL OFFICER WILL RETURN TO WORK – JUDGE MERCURIO MARTINEZ JR.

Ms. Leven-Ramos moved “that legal counsel contact counsel for Chief Financial Officer, Ms. Nora Stewart, to advise that she sign the release agreement prepared by the College Attorney this afternoon no later than July 14, 2016.” The motion was seconded by Ms. Mares; motion carried unanimously.

PRIOR ACTION TAKEN BY THE BOARD OF TRUSTEES ON JUNE 15, 2016, RELATING TO THE EMPLOYMENT CONTRACT WITH THE COLLEGE PRESIDENT – JUDGE MERCURIO MARTINEZ JR.

Dr. Cigarroa moved “that the Laredo Community College Board of Trustees amend the motion passed by the Board of Trustees on June 15, 2016, relating to the agreement entered into with the current College President to reflect that he will retire early and not resign. The College President and the Board President will agree to a written statement reflecting this change. Additionally, payment under the agreement for Dr. Maldonado’s early retirement will be disbursed as discussed in executive session and as recommended by Dr. Maldonado’s financial advisor.” The motion was seconded by Ms. Vela; motion carried unanimously.

APPROVAL OF MINUTES FOR: REGULAR BOARD OF TRUSTEES MEETING OF MAY 26, 2016, AND SPECIAL BOARD OF TRUSTEES MEETING OF JUNE 15, 2016

Mr. Meurer reminded the Board the approval of the minutes was to be handled at the end of the meeting. Dr. Cigarroa moved to approve the minutes with the correction as amended by his motion above. Mr. De La Viña seconded the motion; motion carried unanimously.

PRESIDENT’S REPORTS CAMPUS POLICE, PERSONNEL, TRAVEL, AND OTHER REPORTS

The reports were provided for information purposes.

NEXT MEETING DATE: Thursday, August 4, 2016, at 6:00 p.m. in ELW 105.

ADJOURNMENT At 9:10 p.m., Mr. De La Viña moved to adjourn the meeting; Ms. Vela seconded the motion; motion carried.