



TEXAS SOUTHMOST COLLEGE DISTRICT

THE UNIVERSITY OF TEXAS AT BROWNSVILLE and TEXAS SOUTHMOST COLLEGE

80 Fort Brown • Brownsville, Texas 78520 • (956) 882-3879 • Fax: (956) 882-8811 • www.utb.edu

Board of Trustees

Francisco G. Rendon
Chair

Roberto Robles, M.D.
Vice Chair

Adela G. Garza
Secretary

Trey Mendez

Robert A. Lozano, M.D., Ph.D

David G. Oliveira

René Torres

UTB/TSC President

Juliet V. García, Ph.D

Texas Southmost College District

Minutes of the Regular Meeting of the Board of Trustees

December 8, 2010

The Board of Trustees of the Texas Southmost College District convened in open session on December 8, 2010, at 5:30 p.m., in the Board Room of Gorgas Hall 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 David Oliveira. Board member René Torres and Dr. Juliet V. García, President of The University of Texas at Brownsville and Texas Southmost College were absent. Dr. Wayne Moore, Special Assistant to the Provost was present representing Dr. Juliet V. García.

Call to Order

The meeting was called to order by Chairman Rendon at 5:33 p.m.

1. Announcements

There were no announcements.

2. Speakers to Agenda Items and Public Discussion

Chairman Rendon called on Mr. Jorge Muñoz. Mr. Muñoz requested that the Board consider having a UTB/TSC student on the Transition Team.

3. Approval of Minutes of Previous Meetings

**Consideration and Possible Action on Approval
of Minutes of the Regular Meeting on November 18, 2010**

A motion was made by Mr. Oliveira to approve the Minutes of the Regular Meeting on November 18, 2010 as presented. The motion was seconded by Dr. Robles and carried unanimously.

4. Executive Session

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

The Board convened in Executive Session at 5:37 p.m.

The Board reconvened in Regular Session at 6:37 p.m.

**5. Consideration and Possible Action on Matters Discussed in Executive
Session**

**Discussion with TSC District Counsel and Possible
Action Regarding The University of Texas System and Texas
Southmost College Educational Partnership Agreement**

No action was taken.

**Discussion and possible action of lump sum
payment of remaining balance under paragraph VII (b)
of the Second Amendment to Contract between
Texas Southmost College and Robert J. Lucio.**

Mr. Oliveira explained that Mr. Lucio has agreed to a discount on an accelerated amount of \$25,000 to release TSC's obligations. TSC agreed to build a pond that would cost \$90,000, and have been paying towards that. The balance owed is \$28,000. This accelerated payment would save the college \$3,000. Mr. Mendez stressed that they also discussed a provision to pay the money back, in the event that Mr. Lucio would default under his obligations. Mr. Oliveira agreed and suggested that Mr. Rentfro include that in his negotiations.

A motion was made by Mr. Oliveira to approve the accelerated payment of \$25,000 to Mr. Lucio and to authorize Mr. Rentfro to negotiate a release of the obligation to build the pond. The motion was seconded by Dr. Lozano.

Mr. Rentfro asked that the motion authorize the chair to sign the agreement once it's ready because of the next meeting date being in late January.

An amended motion was made by Mr. Oliveira to approve the accelerated payment of \$25,000 to Mr. Lucio and to authorized Mr. Rentfro to negotiate a release of the obligation to build the pond, and to authorize the Chair to sign the agreement. The motion was seconded by Dr. Lozano and carried. Dr. Robles abstained from the vote. *Exhibit "A"*

Discussion of Candidates for Appointment to the Transition Team

No action was taken.

Approval to advertise for an Executive Director position for the TSC District Office

Mr. Mendez requested that an item be placed on the agenda for the next meeting to formally amend the policy manual to include the Executive Director position in the manual. Mr. Mendez requested that the salary be commensurate with experience.

A motion was made by Mr. Mendez to approve the advertisement for the Executive Director position for the TSC District Office and to post the advertisement as soon as possible. The motion was seconded by Mrs. Garza and carried unanimously. *Exhibit "B"*

Update on advertisement of Assistant Vice President of Finance position

Chairman Rendon called on Dr. Moore to give an update on the advertisement and applications that have been received for the Assistant Vice President of Finance position. Dr. Moore stated that the advertisement was placed in the Brownsville Herald, Valley Morning Star, McAllen Monitor, and the San Antonio Express News on October 31st. The ad was also placed in the Chronicle of Higher Education on November 12th and remains online for thirty days. It is also located on the Texas Workforce Commission and the UTB/TSC website. There have been four applications, none of which have a CPA and only two of which have an MBA.

Mr. Mendez asked for the requirements for that position. Dr. Moore explained that an MBA and CPA are required. Mr. Rendon requested that the TSC Audit Committee review the qualified applicants and present a short list to the Board at a later time, when asked, Dr. Moore stated that the salary range is \$80,000's.

6. UT System Negotiations

Dr. Robles explained that he, Trustee Mendez and Chairman Rendon met this past week, and drafted a letter discussing the core concepts as discussed in the November Board Meeting. Dr. Robles clarified that this letter was signed and sent to Chancellor Cigarroa by Mr. Rendon. He congratulated Trustee Mendez and Chairman Rendon for having accomplished this. Mr. Rendon clarified that the letter was not only discussing the core concepts, but also looked forward in the need to analyze all models with the UT System team to see what fit is best for both institutions going forward.

Mrs. Garza expressed her appreciation for the time that was spent on this meeting.

7. Partnership Advisory Committee

Mr. Mendez reported that the TSC members of the Partnership Advisory Committee met and discussed putting together a transition team. Mr. Mendez expressed the prudence of having a Transition Team in place because UT System has already appointed one. He said that the appointment of this team is not with the mentality of separation, but to be ready in the event that UT System does want to continue on that path. Mr. Mendez expressed his concerns that the members of the Transition Team should at least have the same fields of expertise as those that were appointed by UT System. Some of the members discussed include the legal counsel, the Executive Director, and the Assistant Vice President for Finance, once they are hired. Other members are still being evaluated.

Mr. Rendon stressed the importance of covering the areas of budget, academics, finance and legal counsel on the Transition Team. Mrs. Garza said that there are plenty of retired educators that would love to serve.

Mr. Mendez stressed that a big issue is cost containment. The Transition Team appointed by UT System is already staffed; therefore, the cost to them is minimal. Hiring additional staff, other than those already discussed, will not be keeping the costs as low as possible. If there are volunteers that qualify to be a part of this team, that might be an option.

Mr. Rendon announced they will have further meetings of the Trustee members of the Partnership Advisory Committee to continue to advance this issue.

No action was taken.

8. Business Affairs Partnership Committee

Report

Mr. Rendon called on Mrs. Garza to give the report. She reported that the Business Affairs Partnership Committee met on Monday, December 6, 2010 and discussed the following items:

Approval of Budget Amendment for Transition Team

Mrs. Garza asked to table this budget amendment because the Board was trying to look for money somewhere else other than the same budget we already have. She requested that more research be done on this item.

Mrs. Garza reported that she had requested a breakdown on money spent for the 20 year Celebration from Dr. Moore because Rosemary Martinez reported that part of the money had already been spent. Dr. Moore clarified that his understanding was that those activities that had been planned have been put on hold. The money that has been spent was for a video and was spent from the Partnership Budget. No budgeted TSC monies have been spent thus far. Mr. Mendez asked when the celebration was planned. Dr. Moore explained that here were a number of school wide activities that were planned, however, all are on hold at this time because of the cost containment measures. Mr. Rendon asked if there were matching funds from UTB. Dr. Moore replied that he did not know what the amount was, but that UTB did have money in their budget as well.

A motion was made by Mrs. Garza to table this item. The motion was seconded by Mr. Oliveira and carried unanimously. Exhibit "C"

The second item discussed were the budget amendments to adjust expenditures for FY 2010. Mrs. Garza explained that these budget amendments are necessary to cover expenditures through year end and are mainly house cleaning items. Mr. Rendon asked for further clarification. Dr. Moore explained that there were some items budgeted in the funding allocation sheet, approved by the Board in November 2009 that had not been originally in the budget. These amendments simply include those in the budget in order to make an accurate accounting of those funds approved by the Board on construction projects. There were some others that were for fiscal agent fees which are making an accurate accounting in the budget.

Mr. Rendon questioned the athletic zone budget amendment, clarifying that in the future those funds won't be necessary. Dr. Moore explained that those funds were spent in 2010; however, they were budgeted in 2011. This amendment removes it from 2011 and shows them spent in 2010. The athletic zone was not anticipated to finish so quickly.

Mr. Mendez asked if TSC went over budget on any construction items. Dr. Moore replied no.

A motion was made by Mrs. Garza to approve budget amendments #10-009, #10-010, #10-011, #10-012, #10-013, #10-014, #10-015, #10-016, #10-017 and #10-018 for Fiscal Year 2010 as presented. The motion was seconded by Mr. Oliveira and carried unanimously. Exhibit "D"

The third item discussed was a request for budget amendment FY 2011 #11-001 to adjust expenditures in the Campus Facilities Fund. The purpose of this budget amendment is to reduce the Athletic Zone budget for 2011 and adjust expenses for Athletic Zone made in FY 2010.

A motion was made by Mrs. Garza to approve budget amendment #11-001 as presented. The motion was seconded by Mr. Oliveira and carried unanimously. Exhibit "E"

Mrs. Garza reported that Dr. Wayne Moore, Special Assistant to the Provost, presented the 4th Quarter Financial Statements and Investment Report. The report required no action and is included in the binders for your information.

In addition, the committee received presentation on the following items:

- Rosemary Martinez, Vice President for Business Affairs, made a presentation to the committee regarding the possible budget cuts for FY 2011 and 2012-2013 Biennium.
- Dr. Wayne Moore and Mr. Dan Rentfro, the District's Legal Council, provided an update on the EBS Spectrum Lease Agreement for FCC call sign WLX945.
- Mr. Doug Arney, Associate Vice President for Business Affairs/ Compliance, made a presentation on the new Textbook Rentals program which will be implemented at the Barnes and noble campus bookstore in the spring.

9. Transition Team

Appointment of Additional Legal Counsel to Transition Team

Mr. Mendez explained that at the last meeting, Trustee Oliveira and he were tasked with coming up with some names of attorneys for the transition team. After review, both Mr. Oliveira and he feel that Horacio Barrera would be an asset to the transition team that will be continuing the negotiations with UT system. Mr. Oliveira added that, in addition to being a great attorney, he's been an active member of our community and would be an asset to help negotiate with UT System in trying to reach an amicable solution to a continued partnership endeavor.

A motion was made by Mr. Mendez to retain Horacio Barrera as additional legal council to assist in the negotiations with the UT Partnership and serve on the transition team. Dr. Lozano made a further clarification that Mr. Barrera work with Frank Perez and Daniel Rentfro as our legal counsel towards these negotiations. Mr. Oliveira accepted the amendment. Mr. Mendez re-urged the motion and included the amendment. The motion was seconded by Mr. Oliveira and carried unanimously. Dr. Robles was not present at the time this item was called for a vote.

10. External Audit

Status Report on Request of External Audit for Bond Projects

Dr. Moore explained that the board binders include a status report that was sent to the board on August 10th. There are updates since that report was made. He noted that the Audit Committee lacks a committee member, as soon as one is appointed, that committee can meet.

In addition, there are currently three audits being conducted. The first is an internal management audit, which is typically scheduled when a change in senior management occurs. The results will be presented to the UTB Internal Audit Committee and to the TSC Audit Committee. Since the completion of this audit, several issues with respect to financial procedures have been addressed. A financial procedures manual has been completed with the help of Nancy Saldana and the finance office staff. The financial software had modules that have now been turned on. Training was conducted that has helped with efficiency and financial controls. Separation of duties in the purchasing function has occurred with the Senior Buyer position moving to the District Office. The Senior Buyer currently reports directly to Dr. Moore and will report to the Executive Director, as soon as that person is hired.

TSC also engaged Patillo, Brown & Hill to schedule the regular external audit. The special audit on bond projects has also been requested. We had expected to have the regular external audit complete in December, but will be submitting it in January.

The recommendation for the special audit on the bond projects from Patillo, Brown and Hill is that it will start immediately after the regular audit is complete. Proposals were submitted by both Long Chilton and Patillo, Brown & Hill and both costs were around \$15,000, however, Patillo, Brown and Hill could schedule it sooner. The recommendation to the Audit committee will be to follow this timeline, beginning the special audit on the bond projects after the board meets in January 2011.

Mr. Rendon asked Dr. Lozano to serve on the TSC Audit Committee. He agreed to serve.

11. Proposed Meeting Dates

Thursday, January 20, 2011
Thursday, February 17, 2011
Thursday, March 24, 2011
Thursday, April 28, 2011
Thursday, May 19, 2011
Thursday, June 23, 2011

Adjournment

The meeting was adjourned by Chairman Rendon at 7:15 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 December 8, 2010, 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. Video taping 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.