



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

May 25, 2011

The Board of Trustees of the Texas Southmost College District convened in open session on May 25, 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; René Torres and David Oliveira. Dr. Juliet V. García, President of The University of Texas at Brownsville and Texas Southmost College was absent. Dr. Alan A. 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 5:34 p.m.

1. Announcements

There were no announcements.

2. Transition Team Status Report

Chairman Rendon called on Dr. John Anthony and Dr. Robert Furgason Consultants for the Texas Southmost College (TSC) Transition Team. Dr. Anthony reported that the presidential search is moving forward. An advertisement has been placed in the Chronicle of Higher Education, which is a national publication. In addition, there were one hundred and sixty letters sent to colleagues and professionals across the country requesting applications and nominations

accompanied by the TSC Presidential Brochure. Twenty-four applications have been received, and three are sitting presidents. The applicants represent institutions across the country including Oregon, New York, McAllen, Laredo, Brownsville and Harlingen. By July, the screening committee will be working with the TSC Consultants to screen candidates. He reported that the overall process is on schedule and the decision will be a difficult one judging by the qualifications of the applicants. Dr. Anthony stated that he cannot disclose any information from the candidates until finalists are identified, but can answer any other questions that the Board may have.

Dr. Robles requested a "Plan B" from the TSC Consultants. He stressed his concern of hiring a finance person immediately to work on budgets. Dr. Anthony suggested that a President should be hired before a finance person; however, he and Dr. Furgason have discussed the necessity of hiring a financial consultant, or someone in an acting position prior to the president being hired. Dr. Robles stressed his concerns of not having a budget.

Dr. Furgason reported his awareness of the financial element and its need in order to move forward. He stated that one major activity is to identify and prioritize the issues that need to be addressed for the process of the separation and the creation of the administrative structure for TSC. He believes that both Transition Teams are in agreement on how to approach the infrastructure issues that are necessary as TSC becomes its own entity. The Transition Teams have established that Dr. David Prior, Executive Vice Chancellor and Dr. Martha Ellis will be the major contact people for the UT Transition Team. He stated both Transition Teams have agreed to assure the community and student body that the programs will be continued until the separation occurs.

Dr. Furgason reported that he has been working with Mr. Michael Putegnat and Institutional Research on how students are differentiated between UTB and TSC. Although it is still a working progress, the differentiation between students will not translate upon separation. He stressed the importance of knowing the number of students TSC will have because that will determine how many classrooms and faculty will be needed. Dr. Furgason reported on his work with Mr. Putegnat of the possibility of a student trial run to get a better feel for what will be expected when the two institutions are separated.

Dr. Furgason reported on his work on time schedules. Once the administrative structure for TSC is in place, certain academic elements and divisions can be transferred intact to TSC. Those divisions are being identified as well as the appropriate time for such a movement between the two entities. He stated that the two Transition teams will have monthly meetings and the next scheduled meeting will be in June.

Another area of importance is the contractual arrangements that are necessary to determine which building belongs to UTB or TSC and the determination of the need to exchange facilities services starting August. Dr. Furgason reported that he

has been asked by the Standard and Poor's to conduct a tour of campus of the facilities that have bonding requirements this summer.

Mr. Oliveira asked if the level of cooperation with UT System have been cooperative. Dr. Furgason believes that both teams understand that the most important thing that can be done by the Transitions teams is meet the needs for the Brownsville Community for Higher Education. He ensured the Board that the responsibility is for the students and higher education. Mr. Oliveira asked if Mr. Putegnat has been helpful. Dr. Furgason responded that he has been very helpful and knowledgeable.

Mr. Torres expressed that he is very pleased on the relationship with Mr. Putegnat and believes that he is very knowledgeable. Dr. Furgason agreed and stated that there is an overall desire for both institutions to work together.

Chairman Rendon stated the importance of the success of both UTB and TSC. Dr. Furgason agreed that a community college is the greatest asset for a university because they are a big feeder to the university and anticipates that to happen in the Brownsville Community.

Mr. Mendez expressed his concerns regarding the faculty on the separation and asked how that was being addressed. Dr. Furgason responded that the faculty has concerns about their positions during transition period and what the future holds. The determination of the number of UTB/ TSC will be the key in determining the need of faculty members in the institution.

3. Opening Statement by Trustees

Chairman Rendon stated that last October, the first-ever White House Summit on Community Colleges was presented by Dr. Jill Biden. President Barack Obama has set a goal to lead the world with the highest proportion of college graduates by 2020 emphasizing the importance of Community Colleges. A short video was shown to highlight the critical role that community colleges play in developing America's workforce.

4. Speakers to Agenda Items and Public Discussion

There were no speakers.

5. Appearance before the Board

Chairman Rendon called on Mr. Antonio Del Pozo, Grupo Ayusa to give a presentation. Mr. Del Pozo gave a presentation regarding the TSC Student Housing.

6. Approval of Minutes of Previous Meetings

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

A motion was made by Mr. Mendez to approve the Minutes of the Regular Meeting on April 28, 2011 as presented. The motion was seconded by Mr. Torres and carried unanimously.

7. Executive Session

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

The Board convened in Executive Session at 6:29 p.m.

The Board reconvened in Regular Session at 8:27 p.m.

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

**Litigation Regarding 0.96 Acres of Land
Cause No. 1:08-CV-232 United States of America vs.
0.96 Acres of Land More or Less, et al.**

Chairman Rendon called on Frank Perez, TSC Attorney to explain the litigation. Mr. Perez explained that he spoke with the United States Attorney office and was informed that there were eight separate lawsuits in different stages of litigation that involved the restrictive covenant of the Amigoland area. At least four of the lawsuits that were sent already had final orders and have been administratively closed. Mr. Perez reported that the pieces of property are on Sam Perl Boulevard between the Gateway International Bridge and B & M Bridge and that TSC is not involved. He stated that he will talk to the US Attorney office on the four that are closed administratively and sign the waivers that state that TSC has no involvement or interest getting involved in the lawsuit.

A motion was made by Mr. Torres to allow Frank Perez, TSC Attorney, to discuss with the United States Attorney office and ensure TSC properties are not involved, and to authorize Frank Perez to sign waivers on those properties that are already closed. The motion was seconded by Mrs. Garza and carried unanimously. *Exhibit "A"*

**Legislative Update to
House Bill 3689 and Senate Bill 1909**

Chairman Rendon called on Mr. Perez to give the update. Mr. Perez reported that language was added to the bill that is included in section V-D and reads as follows: "The University of Texas at Brownsville and Texas Southmost College District shall submit to the Legislature a semi-annual report status of the partnership until each institution achieves separate accreditation and the existing partnership agreement is terminated." He stated that the language was added to the bill of Senator Eddie Lucio and Representative Rene Oliveira.

**Discussion with TSC Legal Counsel
Regarding Pending Litigation vs. TSC**

Mr. Perez stated that Daniel Rentfro is lead counsel for TSC in the Joe Lee Rubio case and the case is pending in the Texas Supreme Court. He reported that Mr. Rubio filed a petition for review in Texas Supreme Court and a waiver for a response to the petition for review. He confirmed that was the appropriate thing to do and it reserved TSC's right to respond if the Texas Supreme Court requests.

**Discussion with TSC Legal Counsel
Regarding Contract Negotiations with UT System**

No action was taken.

**Approval of TSC
Legal Counsel Invoice**

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

**Discussion on Authorizing Staff to bid the
Sale of Property Located at 1027 E. 17th Street on E.
Jackson Street (a Rear 1/2 Lot 5, Block 7, Paredes
Track Additon, Brownsville, Texas)**

Mr. Oliveira expressed his concerns of selling property belonging to TSC. The program for the last twenty years has been to acquire as many lots adjacent to campus as needed for parking. He understood that it was not a full size lot; however lots are needed adjacent to campus for parking. The area next to Tandy Hall is a high congested area.

Mr. Mendez understood Mr. Oliveira's concern, however the lot is a half lot, therefore, not many cars will fit in the lot. Also, it is surrounded by other lots that do not belong to TSC. Mr. Mendez stated that it is his belief that TSC is not currently looking to purchase any lots in that area and the selling of this property would be advantageous for the District.

Dr. Robles also expressed concerns on selling property that is adjacent to Tandy Hall.

Ms. Garza agreed with Mr. Mendez that there is no use for the lot at the moment.

A motion was made by Mr. Mendez to authorize TSC Staff to begin a bidding process to sell the property located at 1027 E. 17th Street on E. Jackson Street (a Rear ½ Lot 5, Block 7, Paredes Track Addition, Brownsville, Texas) that it being a sealed bid and the Board have the choice to accept the bid. The motion was seconded by Mr. Torres. The motion was carried. Those voting in favor of the motion were Mrs. Garza, Mr. Mendez, Mr. Torres, Dr. Lozano and Mr. Rendon. Dr. Robles and Mr. Oliveira voted against. Exhibit "C"

Discussion Regarding Dyna-Go Properties, Inc. dba Rivercentre Plaza Land Sale of 9.4 Acres

Mr. Torres reported that TSC is not in the situation to buy or sell property. He reported that this particular property in question is 9.4 acres located next to La Estancia. He stated that TSC is not committed to buying or committed exchanging the property. Mr. Torres expressed his support to secure a list of appraisers and get appraisals for both the Rivercentre property and the Cueto Building property in order to make an informed decision. He believes that this property is valuable to TSC in the future and also valuable for UTB.

Chairman Rendon explained that the TSC District owns the Cueto Building and there is an option that is being discussed to exchange the Cueto Building for the Rivercentre property, which will be valuable to the District for parking.

Mr. Oliveira expressed his concerns with purchasing the property at this time. If the board is inclined to purchase, he requested that the Board choose the appraiser and not the legal counsel.

Dr. Robles agreed with Mr. Torres but expressed his concerns that TSC is digressing from the focus of the Transition Team. Mrs. Garza expressed her support for the opportunity to find out how much the property is worth.

Mr. Mendez stated that it is a unique opportunity to possibly exchange one piece of property that TSC owns for the lots. Depending on the fair market values, it could be an even exchange. We could be acquiring a key piece of property, without

costing the District at this time. He believes this is worth assessing the value of both properties.

Dr. Lozano expressed his concern that the Board should be focused on the Transition and long term goals at this time. The hiring of a President is extremely important. He expressed his lack of confidence that this piece of property is part of the long term plan for TSC. He expressed his concerns of keeping with the motions passed in March of not committing to purchase any further properties.

Mr. Torres reaffirmed that purchasing the property is not an option; it is simply a request for an appraisal. Mr. Mendez expressed that assessing the market does not leave anything committed to in the future. Mr. Oliveira reminded the Board that the District obligated by law to pay fair market value, whether it's a purchase or a swap. In proposing the spirit of cooperation with UT System, he expressed his concern of sending a wrong message with competing with UT System.

A motion was made by Mr. Torres to authorize staff to secure a list of appraisers to be presented at the next Board meeting and if motion passes to have the Cueto and Dyna-Go property appraised. The motion was seconded by Mrs. Garza. The motion was carried with Mrs. Garza, Mr. Mendez, Mr. Torres and Mr. Rendon voting in favor of the motion. Dr. Robles, Dr. Lozano, and Mr. Oliveira voted nay. Exhibit "D"

TSC Transition Team Contracts Negotiations Timeline, Programs and Schedule

A motion was made by Dr. Lozano to authorize Dr. Anthony and Dr. Furgason, TSC Transition Team to negotiate a contract for a Financial Consultant to help TSC District matters up to a year contract. The motion was seconded by Mr. Torres and carried unanimously.

Update on Presidential Search

Chairman Rendon stated that the Board was updated in the beginning of the meeting by Dr. Anthony.

Approval of Presidential Screening Committee Members

Chairman Rendon reported that the Board will form a presidential screening committee of nine to ten members. These committee members will assist in the process of the selection of a TSC President. The names of the Presidential Screening Committee Members will be announced at the next Board meeting.

Discussion of TSC District Office Personnel

Chairman Rendon reported recommendations for staff changes and adjustments to the TSC District office personnel have been made by Dr. Anthony and Dr. Furgason.

Dr. Lozano agreed that the TSC District office personnel have been working very hard and agreed to accept the recommendations as presented.

Mrs. Garza and Mr. Rendon agreed with Dr. Lozano and thanked the TSC District Office staff for their hard work and dedication.

A motion was made by Mr. Torres to accept the recommendation of the TSC District Office Personnel as presented. The motion was seconded by Mrs. Garza and carried unanimously.

9. External Audit

Consideration and Possible Action on Selection External Auditors for FY 2011 Audit

Chairman Rendon stated that in May 2010, the Board approved the hiring of Patillo, Brown & Hill, LLP to provide auditing services for Fiscal Year 2010 with an option to extend each year for up to a maximum of four years. Staff is recommending that the Board extend its contract with Patillo, Brown & Hill, LLP to provide auditing services for Fiscal Year 2011 in the amount of \$30,000.

A motion was made by Mr. Torres to extend the contract with Patillo, Brown & Hill, LLP to provide auditing services for Fiscal Year 2011 in the amount of \$30,000 as presented. The motion was seconded by Dr. Robles and carried unanimously. *Exhibit "E"*

10. Budget Amendment

Consideration and Possible Action on Approval of Budget Amendments for Fiscal Year (FY) 2011

Chairman Rendon stated that two budget amendments are being presented for consideration. Budget Amendments 11-005 and 11-006 both adjust funds to cover invoices that were not received until after the 2011 budget was made and both expenses were previously approved by the board.

Ms. Nancy Saldaña reported that budget amendment #11-005 is to cover the TSC runoff election expenses. Budget amendment #11-006 is to cover the Campus Facilities funds and all funds are being moved from the FY 2010 to FY 2011

A motion was made by Mrs. Garza to approve budget amendments #11-005 and #11-006 for Fiscal Year 2011 as presented. The motion was seconded by Mr. Torres and carried unanimously. Exhibit "F"

11. 2nd Quarter Financial Statements and Investment Report

Chairman Rendon called on Ms. Nancy Saldaña, Director of Finance, to provide a brief report on the Second Quarter Financial Statements and Investment Report for FY 2011. Ms. Saldaña stated that the reports are provided for informational purposes only, and no action is required by the Board. The interest earned for the 2nd quarter investment report totaled \$20,762.35. The interest is being generated in the various checking and cd's with Compass Bank. The financial statements are for FY 2010-2011 and cover operations from December 2010 thru February 2011. She stated that the general fund revenue received is from state appropriations and Ad Valorem taxes. She also stated that 88% of the taxes has been collected which comparable to last year collection rate of 90%. During the 2nd quarter TSC paid their first semi-annual principle interest payment due on the bonds totaling 4.7 million and the next payment of approximately 3.1 million is due in August 2011.

12. Proposed Meeting Dates

Thursday, June 16, 2011

Thursday, July 21, 2011

Thursday, August 18, 2011

Thursday, September 15, 2011

Thursday, October 20, 2011

Adjournment

The meeting was adjourned by Chairman Rendon at 9:11 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 May 25, 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.