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Texas Southmost College District

Minutes of the Regular Meeting of the Board of Trustees

June 15, 2017

The Board of Trustees of the Texas Southmost College District convened in open session on June 15, 2017, at 5:30 p.m., in the Gorgas Board Room at Texas Southmost College. Board Members present were Adela Garza; Chair, Trey Mendez, Vice Chair; Ruben Herrera, Secretary; Dr. Reynaldo García, Ramon Champion Hinojosa, Art Rendon, and Dr. Tony Zavaleta. Also present was Mr. Mike Shannon, Interim President of Texas Southmost College.

1. Call to Order

The meeting was called to order by Chair; Adela Garza at 5:30 pm.

2. Pledges of Allegiance

Dr. Tony Zavaleta led the United States Pledge of Allegiance and the Texas Pledge of Allegiance.

3. Public Comment

No public speakers today.

4. President's Report

Mr. Shannon gave a report in regards to enrollment. He reported that Summer enrollment is up about 10%. TSC Dual Enrollment and Early College High School is up by 34% for the Summer. He stated that currently TSC is putting different strategies in place to reach out to high school graduates. TSC is going to add some additional registration dates to the calendar which typically brings good results.

Mr. Shannon provided an update on Texas Senate Bill (SB) 2118. He stated that SB2118 relating to authorization by the Texas Higher Coordinating Board for certain public junior colleges to offer baccalaureate degree programs has been signed by the Governor and will go into effect immediately. This will allow TSC to pursue bachelor degree programs. Mr. Shannon thanked Dr. Zavaleta for proposing that TSC seek approval for a baccalaureate degree program, and also thanked the entire Board of Trustees for approving for TSC to support the bill. Mrs. Garza took a moment to thank the Legislators; Mr. Rene Oliveira, Senator Lucio and Representative Lucio.

Mr. Shannon stated that the substantive change submissions were sent to Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) regarding our Early College High Schools (ECHS) programs. He read an excerpt from an email that Mr. Donald Crouse, Associate Vice President of Instruction, received.

"The substantive change submissions concerning the Lopez ECHS, Hanna ECHS, Pace ECHS, Rivera ECHS and Veterans Memorial ECHS have been reviewed by staff, and the draft approval letters will be forwarded to the Executive Council on June 27, 2017 for final approval. Approximately three to four weeks after that date, you will receive letters detailing final disposition concerning all the submissions."

The Committee that does the review is sending it to SACSCOC for their vote and it will be three to four weeks before TSC will see the official notification from them. He thanked Mr. Crouse and all the staff that was a part of this submission. Mr. Mendez asked about Porter ECHS in which, Mr. Crouse explained that only five schools are allowed to be submitted at a time. He stated that Porter ECHS

along with Harlingen CISD and Los Fresnos CISD will get submitted together for the December meeting.

This concluded the President's Report.

5. Consideration and Approval of the Regular Meeting of May 25, 2017.

**Consideration and Approval of
the Regular Meeting of May 25, 2017**

A motion was made by Mr. Herrera to Approve the Minutes of the Regular Meeting of May 25, 2017. The motion was seconded by Mr. Hinojosa, motion passed. Mr. Mendez abstained.

6. Consideration and Approval of a Resolution Authorizing the Issuance of "Texas Southmost College District Limited Tax Refunding Bonds, Series 2017"; Delegating the Authority to Certain District Officials to Execute Certain Documents Related to the Sale of the Bonds; Entering into a Bond Purchase Agreement, and Escrow Agreement, and a Paying Agent/Registrar Agreement; Approving an Official Statement; and Authorizing and Approving Other Matters Related Thereto

Chair Mrs. Garza called on Mr. Santos Alarcon, Vice President of Finance and Administration, to present this item. Mr. Alarcon introduced Mr. Dave Gordon, Estrada-Hinojosa Investment Bankers Firm. Mr. Gordon discussed the refinancing of four bonds to the Board. The Limited Tax Bonds, Maintenance Tax Bonds, Combined Fee Revenue Bonds and Wellness Center Revenue Bonds. Mr. Gordon stated that the College has \$3.7 million in unspent bond proceeds. These funds will be either contributed to the refundings or deposited into the associated debt service fund. Mr. Gordon gave a summary presentation discussing the transactions regarding the refunding of the bonds.

A motion was made by Mr. Herrera to Approve the Resolution Authorizing the Issuance of "Texas Southmost College District Limited Tax Refunding Bonds, Series 2017"; Delegating the

Authority to Certain District Officials to Execute Certain Documents Related to the Sale of the Bonds; Entering into a Bond Purchase Agreement, and Escrow Agreement, and a Paying Agent/Registrar Agreement; Approving an Official Statement; and Authorizing and Approving Other Matters Related Thereto. The motion was seconded by Dr. Zavaleta and carried unanimously.

- 7. Consideration and Approval of a Resolution Authorizing the Issuance of “Texas Southmost College District Maintenance Tax Refunding Bonds, Series 2017”; Delegating the Authority to Certain District Officials to Execute Certain Documents Related to the Sale of the Bonds; Entering into a Bond Purchase Agreement, an Escrow Agreement, and a Paying Agent/Registrar Agreement; Approving an Official Statement; and Authorizing and Approving Other Matters Related Thereto**

A motion was made by Dr. Zavaleta to Approve the Resolution Authorizing the Issuance of “Texas Southmost College District Limited Tax Refunding Bonds, Series 2017”; Delegating the Authority to Certain District Officials to Execute Certain Documents Related to the Sale of the Bonds; Entering into a Bond Purchase Agreement, and Escrow Agreement, and a Paying Agent/Registrar Agreement; Approving an Official Statement; and Authorizing and Approving Other Matters Related Thereto. The motion was seconded by Mr. Herrera and carried unanimously.

- 8. Consideration and Approval of a Resolution Authorizing the Issuance of “Texas Southmost College District Combined Fee Revenue Refunding Bonds, Series 2017;” Delegating the Authority to Certain District Officials to Execute Certain Documents Related to the Sale of the Bonds; Entering into a Bond Purchase Agreement, an Escrow Agreement, and a Paying Agent/Registrar Agreement; Approving an Official Statement; and Authorizing and Approving Other Matters Related Thereto**

A motion was made by Mr. Mendez for the Consideration and Approval of a Resolution Authorizing the Issuance of “Texas Southmost College District Combined Fee Revenue Refunding Bonds, Series 2017;” Delegating the Authority to Certain District Officials to Execute Certain Documents Related to the Sale of the Bonds; Entering into a Bond Purchase Agreement, an Escrow Agreement, and a Paying Agent/Registrar Agreement; Approving an Official Statement; and Authorizing and Approving Other Matters Related Thereto. The motion was seconded by Mr. Hinojosa and carried unanimously.

- 9. Consideration and Approval of a Resolution Authorizing the Issuance of “Texas Southmost College District Wellness Center Revenue Refunding Bonds, Series 2017;” Delegating the Authority to Certain District Officials to Execute Certain Documents Related to the Sale of the Bonds; Entering into a Bond Purchase Agreement, an Escrow Agreement, and a Paying Agent/Registrar Agreement; Approving an Official Statement; and Authorizing and Approving Other Matters Related Thereto**

A motion was made by Mr. Rendon for the Consideration and Approval of a Resolution Authorizing the Issuance of “Texas Southmost College District Wellness Center Revenue Refunding Bonds, Series 2017;” Delegating the Authority to Certain District Officials to Execute Certain Documents Related to the Sale of the Bonds; Entering into a Bond Purchase Agreement, an Escrow Agreement, and a Paying Agent/Registrar Agreement; Approving an Official Statement; and Authorizing and Approving Other Matters Related Thereto. The motion was seconded by Mr. Mendez and carried unanimously.

10. Academic Subcommittee Report

Chair Mrs. Garza called on Mr. Herrera to give the report. Mr. Herrera reported that the Academic Subcommittee met on June 7th and are recommending Approval of item 10a. Affiliation Agreement; 10b. Closing of Programs; 10c. Memorandum of Understanding; and 10d. Academic Agreement.

Mr. Rendon questioned why these programs were closing. Dr. Fuentes, Dean of College Preparatory Studies, provided an explanation to the Board. Dr. Fuentes explained that these programs were being restructured. The programs were now going to roll into an Associate Degree program which would benefit the students.

A motion was made by Mr. Herrera to Approve Items 10 a. – d. and Authorize the Interim President to execute the Agreements and Closing of the Programs, as presented. The motion was seconded by Mr. Rendon and carried unanimously.

11. Budget/Finance Subcommittee Report

Chair Mrs. Garza called on Dr. Zavaleta to give the report. Dr. Zavaleta reported that the Budget/Finance Subcommittee met on June 7th and are recommending Approval for item 11 a. Approval to Purchase Workstations and Monitors for Computer – Aided Drafting Technology Program.

A motion was made by Dr. Zavaleta to Approve the purchase of 23 workstations and 46 monitors in the total amount of \$47,678 from Summus Industries and authorize the Interim President to execute the purchase, as presented. The motion was seconded by Mr. Hinojosa and carried unanimously.

12. Second Quarter Investment Report

Chair Mrs. Garza called on Mr. Alarcon to give the report. Mr. Alarcon reported his Investment Report for the Quarter Ending February 28, 2017, he also shared the Total Investment Report Summary where he noted that \$36,144 was the total earned in interest for TSC. Mr. Alarcon shared with the Board that staff is looking for better investment strategies for TSC. Board requested that a budget workshop be scheduled in the next couple of months.

13. Monthly Budget Report

Chair Mrs. Garza called on Mr. Alarcon to give the report. Mr. Alarcon reported that the Budget to Actual Report dated September 1, 2016 to May 31, 2017. Mr. Alarcon explained the budget variance from present to end of year. Mr. Alarcon also provided the Board a spreadsheet of Multi-Year Contracts over \$25,000 which, has the Vendor name, description of service, purchasing method, date Board approved, initial term of contract, renewal years, contract expiration, contract amounts and Board consideration.

14. Executive Session

The Board convened in Executive Session at 6:52 p.m.

The Board reconvened in Regular Session at 7:47 p.m.

15. Action on Executive Session Matters

**Consultation with Attorney on
Pending or Contemplated Litigation, Section
551.071, Texas Government Code.**

No action was taken.

**Consultation with Attorney on
Pending Real Estate Issues, Section
551.072, Texas Government Code.**

A motion was made by Mr. Herrera to approve the Resolution Regarding 0.2 acre portion of the Coast Guard Station at South Padre Island, Texas, to return the property from the care, custody and control of the Texas Southmost College District to the United States of America, the original land holder. The motion was seconded by Mr. Hinojosa. Voting against the resolution was Mr. Mendez, Dr. Zavaleta and Mr. Rendon. Motion passed.

**Deliberation on Personnel Matters,
Section 551.074, Texas Government Code**

No action was taken.

16. Proposed Meeting Dates

Thursday, July 20, 2017 –

Special Board Meeting – Budget Workshop

Thursday, July 27, 2017 -

Special Board Meeting (First Reading of Budget)

Special Board Meeting – Tax Rate

Thursday, August 10, 2017 –

Special Board Meeting – Tax Rate (1st Public Hearing, if needed)

Thursday, August 17, 2017 –

Special Board Meeting – Tax Rate (2nd Public Hearing, if needed)

Thursday, August 31, 2017 –

Regular Board Meeting (Second Reading of Budget, Adoption of the Budget, Adoption of Tax Rate)

Adjournment

The meeting was adjourned by Chair, Mrs. Garza at 7:53 p.m.