

**COMMITTEE OF THE WHOLE
OF THE BOARD OF TRUSTEES
HOUSTON COMMUNITY COLLEGE**

May 14, 2015

Minutes

The Board of Trustees of Houston Community College met as a Committee of the Whole on Thursday, May 14, 2015, at the HCC Administration Building, Second Floor Auditorium, 3100 Main, Houston, Texas.

MEMBERS PRESENT

Zeph Capo, *Chair*
Robert Glaser, *Vice Chair*
Carolyn Evans-Shabazz
Eva Loredo
Sandie Mullins
Neeta Sane
David Wilson

ADMINISTRATION

Cesar Maldonado, Chancellor
Shantay Grays, Chief of Staff
E. Ashley Smith, Acting General Counsel
Kimberly Beatty, Vice Chancellor, Instructional Services, Chief Academic Officer
William Carter, Vice Chancellor, Information Technology
Butch Herod, Vice Chancellor, Innovation, Planning and Institutional Analytics
Irene Porcarello, Interim Vice Chancellor, Student Services
Teri Zamora, Vice Chancellor, Finance and Administration
Michael Edwards, Acting President, Coleman College
Margaret Ford Fisher, President, Northeast College
Fena Garza, President, Southwest College
Zachary Hodges, President, Northwest College
Rudy Soliz, Interim President, Southeast College
Janet May, Chief Human Resources Officer

OTHERS PRESENT

Derrick Mitchell, Board Counsel, Bracewell & Giuliani
Susan Goll, President, Faculty Senate
Other administrators, citizens and representatives from the news media

CALL TO ORDER

Mr. Zeph Capo, Chair, called the meeting to order at 5:00 p.m. and declared the Board convened to consider matters pertaining to Houston Community College as listed on the duly posted Meeting Notice.

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(The following Trustees were present: Capo, Evans- Shabazz, Glaser, Loredo, Mullins, Sane, and Wilson)

Mr. Capo welcomed Dr. Carolyn Evans-Shabazz, newly appointed Trustee for District IV and apprised that Dr. Evans-Shabazz was sworn in the office of Houston Community College Board of Trustee, District IV at a Special Meeting held prior to the Committee of the Whole.

Mr. Capo noted that the ceremonial swearing-in will be held on Thursday, May 21, 2015.

UPDATE ON BOND CAPITAL IMPROVEMENT PLAN (CIP) RELATED MATTERS

Dr. Maldonado noted that Mr. Chuck Smith would provide the report.

Mr. Smith presented a Bond summary to include small business participation at 38%. He informed that there was a recalculation regarding the soft costs; the average is 14%. Mr. Smith apprised that the overall program is within budget; however, individual projects are being reviewed for adjustments.

Mr. Capo requested to identify the number of apprentices that are HCC students and the number from the project in his district in particular. Mr. Smith noted that the information could be provided and informed that the apprentices work different from the interns as they are connected to the contractor and not the project.

Mrs. Sane requested the project schedule for the Missouri City campus. Mr. Smith apprised that once all the preliminary work has been completed, the schedule will be developed.

(Dr. Evans-Shabazz stepped out at 5:11 p.m.)

RIG-ONE DRILLING TRAINING CENTER (PROJECT NO. CSP 15-11)

Motion – Mrs. Sane motioned and Ms. Loredo seconded.

Dr. Maldonado provided an overview of the contract and warranty period. He noted the summary of ratings for the proposers and informed that Verizon International Group is being recommended.

Mr. Wilson apprised that the project totaled 130 points with price being 50 points, and noted that he would like price to carry a heavier weight.

Vote - The motion passed with a vote of 6-0.

INVESTMENT REPORT FOR THE MONTH OF MARCH, 2015

Motion – Ms. Mullins motioned and Mrs. Sane seconded.

Mrs. Teri Zamora provided an overview of the investments for the month of March 2015.

Vote - The motion passed with a vote of 6-0.

MONTHLY FINANCIAL STATEMENT AND BUDGET REVIEW FOR MARCH 2015

Motion – Mrs. Sane motioned and Ms. Mullins seconded

(Dr. Evans-Shabazz returned at 5:19 p.m.)

Mrs. Zamora informed that 85% of the revenues have been recorded and 50% of the budget has been expended.

Vote - The motion passed with a vote of 7-0.

PRESENTATION REGARDING 2016 BUDGET PRELIMINARY INFORMATION AND TIMELINE, INCLUDING HISTORICAL CONTEXT

Dr. Maldonado informed that the effort is to review the timeline and overview of the budget. Mrs. Zamora apprised that the review is preliminary and noted that the information presented will be theory containing no numbers. Mrs. Zamora provided an overview of the following:

- Steps taken during 2015
 - Reset of position budgeting
 - Authorization to post position
 - Sweep of full-time salary accounts
 - Authorization for expenditure
 - Establish budget savings account for each operating unit

Mr. Capo inquired of areas where efficiencies could be established. Mrs. Zamora informed that each Vice Chancellor and President was asked to meet with their staff. She apprised that efficiencies were different at each location. Mrs. Zamora noted that the request was to review what could be eliminated and informed that there were a variety of items.

Mr. Capo noted that the other element is to see if there is a method of collecting input from staff and faculty regarding efficiencies. Mrs. Zamora informed that there has been a budget savings taskforce in place over the last six years. She apprised that the effort allowed for savings to be identified and noted that the process is in place.

Mr. Capo requested to see the cost savings taskforce report.

Ms. Loreda requested the amount received regarding the tax valuation. Mrs. Zamora noted that the tax roll was not received when the budget was approved. Ms. Loreda informed that a company was hired for the collection of delinquent taxes. Mrs. Zamora apprised that approximately \$10 million more was realized than anticipated because the tax valuations were higher and not necessary from delinquent tax collection.

Ms. Loreda requested the percentage of the collection. Mrs. Zamora noted that the percentage on tax collection is approximately 98%.

- Budget Assumptions for 2016
 - State allocations will be slightly down

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- Cost of attendance must remain affordable for students
- Tax rate must remain affordable for district residents
- Faculty and instructional expenses must remain top priority
- Retention and completion must also remain top priority
- Additional space in the amount of 180,000, square feet will come online during FY2016

- Goals for 2016
 - Enhance stability by capturing organizational and operational efficiencies
 - Provide for a consistent high quality student experience at all locations and online
 - Adequately fund new and existing programs of study having external demand from students and/or industry
 - Increase capacity through partnerships and entrepreneur activities
 - Prepare for additional new facilities currently under construction
 - Attract, develop and retain talented faculty and staff
 - Be responsive to recommendations resulting from 2015 Compensation Study
 - Provide Centers of Excellence with state-of-the art equipment and curriculum

Mrs. Zamora provided a review of the next steps with the goal of presenting the preliminary budget at the Regular meeting in June and the final budget recommendation for approval in early August.

Mr. Wilson requested to see a budget for this year that does not rely on the reserve to balance.

Mr. Glaser requested to review tax rate and homestead exemptions for seniors and disabled. He informed that the effort would be to close the gap.

Mr. Capo referenced page 4 and apprised that the effort to have the funding to lower the burden on homeowners, elderly and disabled should not overly tax students with increase tuition and fees or reducing the fund balance. He informed that priorities have not been set for Fund 3 and apprised that there should be a priority and alignment of goals. Mrs. Zamora noted that last year was the first time the Board approved auxiliary budget.

Mrs. Sane informed that the budget needs to be tied to the strategic plan and apprised that a strategic budget is imperative. She asked how administration plans to incorporate goal setting into the budget.

Dr. Maldonado noted that the current strategic plan is about to be closed out and informed that the new strategic plan will be associated with the budget. He apprised that the review will be top down as well as bottom up.

Dr. Maldonado noted that there has been discussion regarding expectations for Fund 3.

Ms. Mullins informed that her anticipation is that all assets are gathered and included in the strategic plan to allow a focus on getting students in and out.

DISCUSS LOCAL OPTION EXEMPTIONS RELATED TO AD VALOREM TAXES

Dr. Maldonado apprised that the position of the item is timely regarding the comments on the budget. Mrs. Zamora noted that the exemptions need to be provided to the taxing agency by the end of June. She provided an overview of the college's position in comparison to other entities and provided scenarios regarding increasing the homestead and over 65 exemptions.

Mrs. Sane inquired as to what factors are considered to decide if it is time to increase homestead exemptions. Mrs. Zamora apprised that it depends on the desired base to fund the institution revenue. She noted that the scenario could be viewed as a give or take situation.

Mr. Capo requested the number of households that would fall in the 65 or older and disabled as well as the location. He requested the numbers for the homestead exemption regarding the tax rate impact and the breakeven number.

Mr. Glaser requested to review the numbers regarding year over year gross tax revenues. He noted that appreciation on properties needs to be reviewed and informed that tax rates cannot continue to be raised.

Ms. Mullins apprised that appraisals have increased significantly and noted that the overall budget needs to be reviewed. She noted that the effort should be to have a lean budget.

Mr. Capo apprised that before comments are made regarding the burden is on the back of taxpayers, there must be a review of the best case. He noted that the question is how to reduce the overall burden on homeowners in comparison to non-homeowners.

PRESENTATION REGARDING RECOMMENDATIONS FROM THE PROCUREMENT REVIEW COMMITTEE

Dr. Maldonado informed that the Procurement Review Committee was commissioned to assist with reformulating procedures used in the Procurement Department. He apprised that the recommendation from the Review Committee will be provided in June for implementation. Dr. Maldonado introduced Mr. Rogelio Anasagasti to provide a summary of the following committee recommendations:

- Procurement Cycle and Transparency
- Growing Small Business and Increased Opportunity
- Evaluation and Contract Award Process
- Ongoing Training and Compliance
- Next Steps
 - Incorporate framework of recommendations into new and improved procedures that will be reflected on the website
 - Develop online tools and training materials that will facilitate process and increase accountability
 - Create a tracking and monitoring tool that will ensure ongoing compliance with process
 - Finalize recommendations to the Board in June 2015

Mr. Wilson inquired if there was a misprint regarding the number of meetings as it relates to 30 meetings in 7 months. Mr. Anasagasti informed that there were several sub-committee meetings.

Mr. Wilson apprised that there needs to be qualified bidders and a pre-qualified process. He noted that the lowest bid would get the job and the contractor would have to be bonded. He informed that the only way to get a clean bill of health is to go with a low bid process.

Mrs. Sane referenced slide 4 regarding the creation of a tracking and monitoring tool that will ensure ongoing compliance with the process and inquired as to what would be used. Mr. Anasagasti apprised that B2G would still be used but the effort is to go beyond.

Mrs. Sane noted that she wants to make certain everything is up to date and no clients are on hold. Mr. Anasagasti informed that payment is one of the common questions and apprised that the effort is to identify the root cause of any issues for correction and improvement.

Mr. Capo inquired if a tool is in place. Mr. Anasagasti noted that the tool is in place and informed that the effort to go further. He apprised that the effort allows for the building of history. Dr. Maldonado noted that the tool is to allow access to the information. He informed that the effort is to find a robust tool for placement online.

Ms. Mullins expressed appreciation to the Review Committee and inquired of the timeline regarding the presentation of the recommendations. Dr. Maldonado apprised that the Review Committee will present to the Cabinet. He noted that timeline for implementation will be presented to the Board in June. Dr. Maldonado informed that it will take time to adopt all of the recommendations. He apprised that the Review Committee will be invited to attend the next board meeting.

Ms. Mullins noted that she associates with Mr. Wilson that pricing is imperative. She informed that balance is important and must be reviewed.

Ms. Loreda apprised that she also agrees with the lowest bid process but also wants the best work. She expressed appreciation to the Review Committee.

Mr. Capo requested that the unfiltered report from the Review Committee be provided to the Board.

UPDATE ON 2012-2015 STRATEGIC PLAN

Dr. Maldonado informed that the item is reporting on the current strategic plan approaching close out. He apprised that Dr. Kimberly Beatty would provide the report.

Dr. Beatty provided a report on the strategic plan outcomes to include:

- Industry Engagement to Identify Needs
- Infrastructure of Workforce Programs

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- Ensure Instructional Programs Provide the Knowledge and Skills Required for 21st Century Learners
- Development of 21st Century Learners
- Support Faculty Staff Professional Development and Student Leadership

Mr. Capo announced that the 2015 Commencement Ceremony would be held on Saturday, May 16, 2015

Mr. Capo adjourned the meeting to Executive Session at 6:30 p.m. notice having previously been given and reiterated in accordance with Sections 551.071, 551.072, and/or 551.074 of the Open Meetings Law. Mr. Capo stated that any final action, vote or decision on any item discussed in Executive Session would be taken up in Open Session or in a subsequent Public Meeting.

Mr. Glaser reconvened the meeting in Open Session at 8:27 p.m. and entertained any motions on pending matters.

(The following Trustees were present: Glaser, Loreda, Mullins, Sane, and Wilson)

APPROVAL OF LEASE AGREEMENT FOR 5505 WEST LOOP SOUTH, HOUSTON, TEXAS

Mr. Glaser noted that the item is being pulled.

ADJOURNMENT

With no further business coming before the Board, the meeting adjourned at 8:28 p.m.

Minutes recorded, transcribed & submitted by:
Sharon Wright, Manager, Board Services

Minutes Approved as Submitted: June 23, 2015