

**MEETING OF THE
BOARD GOVERNANCE COMMITTEE
OF THE BOARD OF TRUSTEES
HOUSTON COMMUNITY COLLEGE**

May 18, 2017

Minutes

The Board Governance Committee of the Board of Trustees of Houston Community College held a meeting on Thursday, May 18, 2017 at the HCC Administration Building, Second Floor Auditorium, 3100 Main, Houston, Texas.

MEMBERS PRESENT

Zeph Capo, Committee Chair
Robert Glaser, Committee Member
Neeta Sane, Alternate Member
Carolyn Evans-Shabazz
John P. Hansen
Eva Loreda
Adriana Tamez
Dave Wilson

ADMINISTRATION

Cesar Maldonado, Chancellor
Melissa Gonzalez, Vice Chancellor/Chief of Staff
Ashley Smith, General Counsel
Teri Zamora, Senior Vice Chancellor, Finance and Administration
Kimberly Beatty, Vice Chancellor, Instructional Services/Chief Academic Officer
Athos Brewer, Vice Chancellor, Student Services
William Carter, Vice Chancellor, Information Technology
Kurt Ewen, Vice Chancellor, Planning and Institutional Effectiveness
Remmele Young, Associate Vice Chancellor, External Relations
Julian Fisher for Madeline Burillo, President, Southwest College
Margaret Ford Fisher, President, Northeast College
Zachary Hodges, President, Northwest College
Phillip Nicotera, President, Coleman College
Irene Porcarello, President, Southeast College
Muddassir Siddiqi, President, Central College
Robert King, Interim Executive Director, HCC Foundation
Terrence Corrigan, Director, Internal Audit

OTHERS PRESENT

Melissa Mihalick Board Counsel, Bracewell LLP
Melissa Miller-Waters, President, Faculty Senate

Other administrators, citizens, and representatives from the news media

CALL TO ORDER

Mr. Zeph Capo, Committee Chair, called the meeting to order at 2:11 p.m. and declared the Board convened to consider matters pertaining to Houston Community College as listed on the duly posted Meeting Notice.

(The following Trustees were present: Capo, Evans-Shabazz, Glaser, Hansen, Loreda, Tamez, and Wilson)

(Mrs. Sane joins the meeting at 2:12 p.m.)

TOPICS FOR DISCUSSION AND/OR ACTION

PROPOSED AMENDMENT TO ARTICLE E, SECTION 5 OF THE BOARD BYLAWS RELATING TO FINANCIAL ADVISOR

Motion: Mr. Capo motioned and Mrs. Sane seconded.

Mr. Capo noted the revisions are presented out of a previous discussion regarding the Financial Advisor and requested Board Counsel to explain the revisions.

Ms. Mihalick noted the revisions requested were for clarification on the Financial Advisor reporting process. She noted provisions were added to include the evaluation of the advisor, the agreement and additional duties for consistency to the provisions that apply to the external audit function.

Mr. Capo requested the rationale be explained regarding the deletion of items B and C. Mrs. Zamora noted the removal of the items were due to the Financial Advisor not being utilized in the role of an investment advisor.

Mr. Capo inquired if the investment advice is coming from internal individuals or a separate advisor engagement. Mrs. Zamora noted there is no separate engaged investment advisor and apprised it is done internally along with the investment partners to establish a consistent role for the advisor based on what is practiced.

Mr. Glaser noted the revisions were not aligned to what he envisioned as discussed in previous meetings. He apprised he envisioned the Board Financial Advisor would advise the Board on debt financing handled by Administration and not have an active position in the financing activities. He noted the Board Financial Advisor would be similar to that of Board Counsel. Mr. Glaser added that he prefers to have two independent advisors.

Mr. Capo noted there was discussion to allow the Administration to have access to the Financial Advisor to remove the duplication of cost.

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Mr. Wilson inquired as to the need of a Financial Advisor when there are qualified individuals on staff. He noted that if a Financial Advisor is going to be engaged, they should be separate from administration and not paid on a commission basis.

Mr. Capo inquired if the compensation process for the Financial Advisor be added to the Board Bylaws. Ms. Mihalick noted the compensation should not be included in the Bylaws as it would require the Bylaws to be revised each time there is a change in the fee structure and/or contract.

Mr. Capo inquired about the staff decisions outlined in the Financial Advisor section of the Bylaws. Mrs. Zamora noted the college has always functioned with one Financial Advisor. She apprised that the goal was to clarify the Bylaws to reflect what is currently being practiced. She noted the Financial Advisor has multiple functional roles and has access to things that internal staff does not. She noted the staff does need access to a Financial Advisor for functionality purposes. She added that it is unusual for the Financial Advisor to report to the Board.

Mrs. Zamora noted her understanding regarding the item was to clean up the Bylaws and apprised that she was not aware that the request was for two advisors.

Mrs. Sane inquired of the actual role of the Financial Advisor and if there are going to be monitoring the activities of administration and what is being achieved with one individual. Dr. Maldonado noted the relationship that exists has not been a problem from a functional standpoint. He noted the change discussed with the committee Chair was to edit the Bylaws to reflect the current practice.

Mr. Capo noted there are three options:

- Keep the current structure and not adhere to the Bylaws;
- Allow Administration to engage their own Financial Advisor to answer to administration only; or
- Engage one Financial Advisor for both Board and administration.

Mr. Capo noted the other option would be to remove the section from the Bylaws. He motioned to strip the Financial Advisor language from the Bylaws altogether and there would not be a financial advisor answering to the Board. Mrs. Sane noted to add that the administration would engage their own Financial Advisor through a procurement process.

Motion: Mr. Capo moved and Mrs. Sane seconded to delete Section 5 of Article E from the Board Bylaws relation to the Financial Advisor.

Mr. Glaser noted the functions are different and it is the responsibility of the administration to get things done and the Board is responsible to see the oversight of the activity performed by the Administration. He noted the current Bylaws shift the responsibilities to the administration.

Ms. Loredo noted she agrees with the motion and noted there should be language included for Administration to report to the Board.

Dr. Tamez inquired what is customary among other institutions. Ms. Mihalick recommended postponing the item to allow for a peer review and noted that Mrs. Zamora had additional information regarding the Financial Advisor.

Mrs. Zamora noted the College would be the only institution with two Financial Advisors and apprised that most institutions have an established longstanding relationship with their Financial Advisors. She apprised that she could not affirmatively speak to whether the Financial Advisor at other institutions is included in the Board Bylaws and noted most Financial Advisors report to Administration.

Dr. Hansen moved to defer consideration until further review.

Mr. Capo noted he would withdraw his motion and requested Mrs. Sane withdraw the second to allow administration the opportunity to review other peer institutions.

Mrs. Sane apprised she does not want two Financial Advisors and noted the Chancellor is ultimately responsible and does not want a person overseeing the operational activities of administration. She inquired as to how the checks and balances would be implemented.

Motion Withdrawn: Mr. Capo and Mrs. Sane withdrew the motion.

Mr. Capo requested Board Counsel and Mrs. Zamora provide an option A and B for the meeting next month to include a comparison of peer institutions. Mrs. Sane recommended contacting ACCT for comparison and best practices.

PROPOSED AMENDMENT TO ARTICLE G, SECTION 5 OF THE BOARD BYLAWS RELATING TO VOTING PROCEDURES

Mr. Capo noted the agenda item is relating to the Article G, Section 5 on Voting Procedures.

Ms. Mihalick apprised the Bylaws revisions are proposed to further ensure the accuracy in Board meeting procedures and the voting process.

Mr. Glaser noted the Bylaws revision appears to be overreached and unnecessary, and noted that there are only nine members.

Ms. Loredo noted she would like to see consistency and that either all members vote electronically or manually. She added that the Board Services should not be put in a position to have to cast a vote on behalf of the Board and apprised that individuals are available to assist members in casting the vote electronically.

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Mr. Wilson noted he has requested the cost for the electronic system and added that the individuals are paid to assist. He apprised that the electronic method takes longer and is burdensome, cumbersome and noted he is opposed to it.

Mr. Hansen noted he associated with Mr. Glaser and that the item should not be included in the Bylaws.

Mr. Capo noted the college is in the 21 Century and less printing of the voluminous books is preferred. Mr. Capo noted the cost of the system is much less costly than having legal counsel review issues relating to the concern. He noted he prefers to see an electronic record of vote.

Mrs. Sane noted she is in favor of electronic voting but noted the agenda should be sent to the Board electronically. She added she does not want a hard copy of the agenda sent to her and recommended adding the language to include that an electronic agenda will be sent to the Trustees.

Mr. Capo recommend the Board Chair have Board Services poll the Trustees electronically regarding their preferred method in receiving the agenda and that the Trustees provide a response in writing.

Dr. Maldonado requested Trustees be polled at the dais as to who prefers printed agendas.

Mrs. Sane noted she does not desire to receive any printed agenda books.

Mr. Wilson requested the Committee Chair stick to the issues and not lower the décor of the Board.

Dr. Hansen noted the issue with the electronic agenda is the inability for note annotation. Mr. Capo noted the system does have the capability for making notes.

Mr. Capo requested a training opportunity be provided prior to the next meeting to allow the Trustees to be more familiar with the NOVUS system components.

Dr. Evans-Shabazz noted that the decision had already been made by Trustees regarding their preferred method of receiving agendas and it was not part of the item.

Ms. Loreda apprised that if a Trustee does not vote electronically the vote is not recorded and noted the willingness to work with Trustee Wilson to have the vote recorded electronically.

Call for the Question: Mrs. Sane called for the question.

Mr. Capo noted there had been a call for the question which supersedes all other activity. He requested from Board Counsel the language regarding electronic voting and whether it is

recorded if not done electronically and if additional specific language needs to be included. Ms. Mihalick noted it is implied but more language can be include for clarity.

Dr. Tamez requested if an amendment could be made to add more language. Mr. Capo noted if amended at the table, a vote to not close debate would have to be made.

Ms. Mihalick requested if Mrs. Sane would like to make a motion to amend with the language she proposed. Mrs. Sane noted she called for the question because the item needs to be amended and she is not ready to vote on the item.

Ms. Mihalick noted there needed to be a vote on the call for the question to end debate.

Vote to Call for the Question to End Debate: The motion passed with a vote of 3-0.

Vote to Withdraw Motion: The motion passed with a vote of 3-0.

Mr. Capo noted the item would be deferred until next month.

ADJOURNMENT

With no further business coming before the Board, the meeting adjourned at 2:57 p.m.

Minutes submitted by Sharon Wright, Director, Board Services

Minutes Approved as Submitted: June 15, 2017