

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

April 14, 2016

Minutes

The Board of Trustees of Houston Community College met as a Committee of the Whole on Tuesday, April 14, 2016, at the HCC Administration Building, Second Floor Auditorium, 3100 Main, Houston, Texas.

MEMBERS PRESENT

Adriana Tamez, *Chair*
Robert Glaser, *Vice Chair*
Carolyn Evans-Shabazz, *Secretary*
Zeph Capo
John P. Hansen
Eva Loreda
Christopher W. Oliver
Neeta Sane
Dave Wilson

ADMINISTRATION

Cesar Maldonado, Chancellor
Melissa Gonzalez, Chief of Staff
Ashley Smith, General Counsel
Teri Zamora, Senior Vice Chancellor, Finance and Administration
Kimberly Beatty, Vice Chancellor, Instructional Services, Chief Academic Officer
William Carter, Vice Chancellor, Information Technology
Butch Herod, Vice Chancellor, Innovation, Planning and Institutional Analytics
Madeline Burillo, Interim President, Southwest College
William Harmon, President, Central College
Zachary Hodges, President, Northwest College
Margaret Ford Fisher, President, Northeast College
Phillip Nicotera, President, Coleman College/Interim Vice Chancellor, Student Services
Irene Porcarello, President, Southeast College
Janet May, Chief Human Resources Officer
Carme Williams, Executive Director, HCC Foundation

OTHERS PRESENT

Jarvis Hollingsworth, Board Counsel, Bracewell & Giuliani
David White, President, Faculty Senate
Other administrators, citizens, and members of the press

CALL TO ORDER

Dr. Tamez, Chair, called the meeting to order at 4:10 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, Oliver, Sane, Tamez, and Wilson)

Dr. Tamez apprised that the representatives were present to provide an overview of the Land Study regarding agenda item III.A-Report on Real Estate Study. She noted the agenda would be taken out of order to allow for the presentation.

REPORT ON REAL ESTATE STUDY

Dr. Maldonado apprised that the Board has been requesting the real estate study for some time to provide guidance on moving forward with long range planning.

Ms. Jamie Flatt, from Page Southerland Page, provided an overview of the HCC Strategic Real Estate Study that included the following:

Executive Summary

- Key Questions Driving Study
- Study Context
- Review of Published Literature
- Current Use Analysis
- Demographics and Geographic Analysis
- Conclusions
- Recommendations

Study Contents:

- Definitions, Funding, and Oversight
- HCC Real Estate Property Summary
- Academic Property Usage
- Student Characteristics and Local Demographics
- Predictive Indicators
- Distribution, Area Coverage, and Competition
- Analysis and Conclusions
- Appendix

Ms. Flatt noted the following recommendations:

Specific recommendations for the properties under review are:

- Westheimer - Divest property: Location covers high priority geography, but has extensive overlap with existing and planned HCC campuses.

- Katy and Katy Mills - Divest property: Evaluate the potential to ultimately divest Katy Mills and the current Katy campus, in favor of a new campus better serving the western reaches of the service area. The current placement of the Katy campus means roughly, the Spring Branch Campus already serves half of its 15-minute drive radius. At the same time, the Katy Mills property, which covers geography well to the west of and distinct from Spring Branch, is too small to support substantial development.
- 288/MacGregor - Divest property: Location covers high priority geography, but is very close to numerous existing campuses, which already serve the priority geography well.
- E. Little York - Divest property: Location is well located with respect to priority geography on the northeast side of the service area, but is very close to numerous existing campuses and would not serve a new population from that location.
- Midtown Purchase - Hold as parking and future expansion for Central campus: location is sufficiently close to the existing Central campus to realize efficiencies in operation, and investment as inexpensive overflow surface parking in the immediate, and future expansion space for the Central Campus in the future.
- Delano Warehouse - Divest property.

Specific recommendations for consolidation of existing properties are:

- Gulfton - Divest property: Location has heavy overlap with the West Loop campus and a small student body, suggesting that consolidation with the West Loop location and the new center at Brays Oaks will utilize resources more effectively.
- Pinemont (Leased) - When lease is up, look for opportunities to either consolidate operations with Northline, or shift the campus west to improve geographic coverage and reduce the overlap with the ATTC/Northline campus facility.

The recommendation also included that future property location opportunities may be evaluated against the established geographic priority map, and the overlapping existing campus drive-radius map to determine whether the real estate represents an objective opportunity to serve the target HCC student population effectively.

Mr. Capo inquired of the rationale of the seven (7) indicators; who was involved in the process to determine with those indicators; what is the outreach approach for students who would attend community colleges, and what further evaluation is recommended on this type of analysis.

Dr. Maldonado noted the analysis is a starting point of a real estate land study to open new locations in the future.

Dr. Tamez recessed at 4:55 p.m. and reconvened at 5:16 p.m.

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

MARKETING REPORT

Dr. Tamez provided an update on HCC Communications, and noted we continue to make progress on many important fronts across the college with a continuation of placing great focus on student achievement yielding strong results. She commented that it is encouraging to see everyone beginning to work together across the system to ensure student success. Dr. Tamez provided the following update:

- Community Engage Campaign Schedule for April – June 2016
- Television Commercial
- Sample Print Ads
- Radio Ads
- Trustee Newsletters
- Meetings and Presentations
- PR pitches and Trustee Television Commercials
- Collateral Created
- Areas of Focus Forward

UPDATE ON BOND CAPITAL IMPROVEMENT PLAN (CIP) RELATED MATTERS

Dr. Maldonado invited Mr. Charles Smith, Chief Facilities Officer, to provide a status update of the bond projects.

Mr. Smith provided an update on the following:

- CIP Update Report
- CIP Project Details Summary

Mr. Smith noted that \$272 million is expected to be expended by March 2017 to meet the spending requirements.

REPORT ON HCC FOUNDATION

Dr. Maldonado informed that HCC is working with HCC Foundation to carry forward the alignment of the two entities to further student success. He apprised that Ms. Carme Williams, Executive Director, HCC Foundation would provide a quarterly report on the HCC Foundation current financials through February 2016 and scholarships awarded through March 2016.

Ms. Williams provided an update on the following:

- Revenues as of February 2016
- Net Asset Balances
- Scholarship Dollar Awarded
- Numbers of Scholarships Awarded
- 2014-2015 Workforce Scholarships Awarded
- 2015-2016 Workforce Scholarships Awarded

Ms. Williams informed that the efforts are to focus on the students.

Dr. Hansen noted that the College provides funding to the Foundation. Dr. Maldonado informed that the College provides in-kind funding to the Foundation.

Dr. Hansen inquired of the process for determining scholarship awards. Mrs. Williams explained there is an online process using the Award Springs System where students complete an application through the system. She noted that each of the scholarships have a particular criteria.

Mr. Oliver inquired if there are thank you notes received from the scholarship recipients. Ms. Williams informed the students do send thank you notes that are shared with the donors. She noted a luncheon is held in November that provides an opportunity for the donors to meet with the students.

REPORT ON COMMUNITY COLLEGE FUNDING

Dr. Maldonado apprised that the funding for community colleges from State Appropriations has decreased in proportion of the college budgets. He apprised that Mrs. Teri Zamora, Senior Vice Chancellor, Finance and Administration would provide a report on funding for community colleges in Texas.

Mrs. Zamora provided an update to include the following:

- HCC Revenue Sources
- Texas State Investment Compared to Enrollment varies greatly by Higher Education Institution.
- Annual State Cost per FTSE for Higher Education Institutions Varies Greatly
- Students First Two Years: Majority of enrollment at Public Community Colleges
- Expenses Compared to Formula Allocation for Selected Disciplines: Gap Widening – Welding Technology
- Expenses Compared to Formula Allocation for Selected Disciplines: Gap Widening – Dental Hygiene
- Expenses Compared to Formula Allocation for Selected Disciplines: Gap Widening – Physical Therapist Assistant

Mr. Wilson inquired of the operating budget for 1995 and 2015. Mrs. Zamora noted that the amount for 1995 could be provided. She advised that amount for 2015 was \$208 million.

(Ms. Loreda stepped out at 6:12 p.m.)

Mr. Wilson noted the dollar amount is the same, but the operating budget continues to increase. Mrs. Zamora noted the operating budget has increased; however, the College is much larger than it was in 1995.

Mrs. Sane noted that the student revenues appear to remain the same, and noted that the student revenue needs to increase. Dr. Maldonado noted the only way to get significant increase is to increase the tuition and fees. He noted administration is reviewing a fiscal plan in the future.

Dr. Hansen noted that Academic Affairs committee approved fees for non-credit courses with no increase, and noted that there is no option for increasing and that next year's fees have been adopted; however, the year following will be open for discussion since the fees have not been adopted.

REPORT ON USE OF COLLEGE AUXILIARY REVENUES

Dr. Maldonado noted that the report continues the dialogue on funding. He noted Mrs. Zamora would provide a report on the auxiliary funds.

Mrs. Zamora noted the auxiliary enterprise is an entity that exists to furnish goods or services to students, faculty, or staff, and that charges a fee directly related to, although not necessarily equal to, the cost of the goods or services. Auxiliaries are generally expected to provide quality services to students at rates competitive with the private sector, to maintain adequate but not excessive reserves, to satisfy expectations of ongoing fiscal solvency, and to use a portion of their resources for the broader purposes of the institution.

Dr. Tamez inquired what is being done regarding the loss on Café Club NEO. Dr. Maldonado noted it is under review, and apprised the culinary program is currently housed there. He noted a more accurate view would be possible once culinary program moves out.

Mr. Wilson noted there is revenue from the tenant. He expressed appreciation regarding the transparency by presenting the numbers regarding the auxiliary funding. Dr. Tamez noted the auxiliary fund report is provided in the monthly financial reports.

APPROVE TUITION AND FEE OPTIONAL EXEMPTIONS AND WAIVERS FOR FISCAL YEAR 2016-2017 Motion – Ms. Loreda motioned and Mr. Oliver seconded.

Dr. Maldonado noted the item regarding tuition and fees exemption as waivers, of which some are mandatory and some are optional.

(Mr. Oliver stepped out at 6:56 p.m.)

Mrs. Zamora noted the total exemption and waivers for 2014-15 were \$7.07 million, and noted the amount waived for 2016-17 will be approximately \$7.9 million.

Vote - Motion passed with vote of 7-0.

(Mrs. Sane stepped out at 7:01 p.m.)

BODY INTERACT TABLE MEDICAL SIMULATOR

Motion – Dr. Evans-Shabazz motioned and Ms. Loredo seconded.

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

INTERNET SERVICE PROVIDER AND SIP TRUNKING SERVICES (PROJECT NO. 16-27)

Motion – Mr. Glaser motioned and Dr. Evans-Shabazz seconded.

Ms. Loredo inquired of the cost. Dr. Maldonado noted the equipment purchase is \$132,700 through the Carl Perkins Grant.

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

(Mr. Oliver returned at 7:05 p.m.)

REAL ESTATE BROKER & CONSULTING SERVICES (PROJECT NO. 16-19)

Motion – Ms. Loredo motioned and Mr. Oliver seconded.

Dr. Hansen inquired of the reason for three firms. Dr. Maldonado noted the firms are selected based on rankings. He requested Mr. Rogelio to provide an overview of the RFQ on the item.

(Mrs. Sane returned at 7:08 p.m.)

Dr. Hansen inquired why three companies were selected as opposed to one or two. Mr. Rogelio noted the decision is within historical practice of using three firms, and the recommendation was based on the composite score of the three highest firms.

Vote - The motion passed with a vote of 5-3, with Mr. Glaser, Dr. Hansen, and Mr. Wilson opposing.

Motion – Mr. Oliver moved to combine items K through N. Dr. Hansen seconded. The following items were presented:

- Investment Report for the Month of January 2016
- Investment Report for the Month of February 2016
- Monthly Financial Statement and Budget Review for January 2016
- Monthly Financial Statement and Budget Review for February 2016

(Mr. Oliver stepped out at 7:16 p.m.)

Mrs. Zamora provided an overview of the Investment Reports and Financial Statement/Budget Review.

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

REPORTS FROM APPOINTED AND AD HOC COMMITTEES

The following Committee Chairs provided a report on their committee meetings:

- **Academic Affairs/Student Services**
Ms. Loredo noted two items were approved to include honorary degrees and tuition/fees.
- **Audit**
Mr. Glaser noted the audit committee received an update regarding the internal auditor position.
- **Board Governance**
Dr. Tamez reported in the absence of Mr. Capo, that the Committee had approved revisions to the bylaws regarding committee structures and heard a report regarding proposed revisions to TASB Policies Section D.

ADJOURNED TO CLOSED SESSION

Dr. Tamez adjourned the meeting to Executive Session at 7:19 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. Dr. Tamez 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.

Dr. Tamez reconvened the meeting in Open Session at 8:35 p.m. and entertained any motions on pending matters.

(The following Trustees were present: Evans-Shabazz, Hansen, Loredo, Sane, Tamez, and Wilson).

AUTHORIZATION TO NEGOTIATE AND EXECUTE SETTLEMENTS WITH WOODRIDGE PLAZA TENANTS

Motion – Dr. Evans-Shabazz moved and Ms. Loredo seconded.

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

ADJOURNMENT

With no further business coming before the Board, the meeting adjourned at 8:38 p.m.

Minutes submitted by Sharon R. Wright, Director, Board Services.

Minutes Approved as Submitted: May 19, 2016