

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

February 16, 2016

Minutes

The Board Governance Committee of the Board of Trustees of Houston Community College held a meeting on Tuesday, February 16, 2016, at the HCC Administration Building, Second Floor Auditorium, 3100 Main, Houston, Texas.

MEMBERS PRESENT

Zeph Capo, *Committee Chair*
Eva Loreda, *Committee Member*
Robert Glaser, *Committee Member*
John P. Hansen, *Alternate Committee Member*
Adriana Tamez
Carolyn Evans-Shabazz
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
Janet May, Chief Human Resources Officer
Madeline Burillo, Interim President, Southwest College
William Harmon, President, Central College
Zachary Hodges, President, Northwest College
Kenneth Holden for Margaret Ford Fisher, President, Northeast College
Phillip Nicotera, President, Coleman College
Irene Porcarello, President, Southeast College

OTHERS PRESENT

Jarvis Hollingsworth, Board Counsel, Bracewell & Giuliani
Other administrators, citizens and representatives from the news media

CALL TO ORDER

Mr. Capo, Committee Chair, called the meeting to order at 3:07 p.m. and declared the Board convened to consider matters pertaining to Houston Community College as listed on the duly posted Meeting Notice.

ADOPT REVISIONS TO HCC POLICY: BOARD APPROVAL AND SIGNATURE AUTHORITY

Motion - Mr. Glaser moved and Dr. Tamez seconded.

Dr. Maldonado stated this is a revision to increase the Chancellor's signature approval from the current \$75,000 limit to \$100,000.

Dr. Hansen asked for clarification on the cooperative, inter-local, and job order contracts under \$500,000 limit. Mr. Jarvis Hollingsworth, Board Counsel, Bracewell & Giuliani, clarified the \$500,000 limit is driven by statute on job orders and cooperative and inter-local are included for efficiency purposes.

Mr. Capo reiterated all the other limits remain the same as set by the Board and noted the only change is the signature authority amount.

Mr. Hollingsworth pointed out under policy B.17, pursuant to the Board's direction, item 3 includes a revision of removing the exclusion of legal services contracts to come before the board. The board will be required to approve the language in the bylaw, requiring the transparency of the board to approve legal contracts.

Vote - The motion passed unanimously with a vote of 3-0.

(Dr. Evans-Shabazz joined the meeting at 3:11 pm)

PROPOSED REVISIONS TO TASB POLICIES: SECTION A, SECTION B, & SECTION C

Dr. Maldonado stated that the update moving relate to the TASB policy and aligns with the compliance required.

Mr. Hollingsworth stated TASB policy, sections A & B, had revisions made as requested by Dr. Hansen and approved by the committee last month.

Motion - Ms. Loreda moved to open section C for discussion, and Mr. Glaser seconded.

ADOPT REVISIONS TO HCC NAMING OPPORTUNITY POLICY (Section C)

Dr. Maldonado stated the HCC Foundation works diligently to develop resources for the institution and having a naming opportunity is a great advantage in seeking community support. He noted the Foundation needs a policy to use to show what is required regarding naming opportunity.

Dr. Hansen asked if the donations are for Foundation purposes. He questioned if the monies would funnel through the Foundation and then be sent to the general fund of the college.

Dr. Maldonado stated the donations would be separate and labeled for what the donor express to fund with the contribution.

Dr. Hansen asked if the monies for the naming donations would be for construction of buildings. Dr. Maldonado noted this was not the intent.

Mr. Capo apprised this is something the board can discuss further. He further stated the board determines how to handle the naming and funding policies. Mr. Hollingsworth stated the board loses control of the use of the funds once it goes to the Foundation, subject to the Foundation Board. He noted revenues donated for a naming opportunity have no restrictions, but if placed in the Foundation, they can set those restrictions.

Dr. Maldonado stated the policy does not prevent a donor wanting to fund a building, but provides the foundation with a policy book for going forth and obtaining funds. Dr. Maldonado stated the policy provides a policy book for the Foundation to move forward in seeking contributions in absence of a policy.

Ms. Carme Williams, Director, HCC Foundation, explained this would give the opportunity to name buildings as they are coming online and generate funds for student scholarships. She recommended that one percent (1%) of every naming gift be set aside as an endowment for use of the maintenance of the area named on behalf of the donor. Dr. Hansen pointed out it is a common practice with endowment funds that specific funds are tagged for specific purposes. He further stated account balance defines how much is available to use.

Mr. Capo stated he would like to see the donation of the naming rights of the college go towards growing the base amount of the donation in the endowment. Dr. Hansen noted the process is to disperse 4 – 5% from the generated income of the investment provided funds are producing more so the principal keeps growing.

Mr. Hollingsworth clarified the naming policy is driven by donor intent. He recommends the Board reserve as much flexibility as possible so the donor can drive the donation.

(Mr. Oliver joined the meeting at 3:35 pm)

Mr. Capo inquired if there would be someone responsible to make sure the endowment grows in exchange for naming the prime property. Dr. Maldonado stated there would be a routine report addressing Mr. Capo's concern.

Ms. Loreda suggested the Board and Foundation keep the flexibility between them and allow the Board to have input with the money placed in the Foundation. Mr. Hollingsworth clarified that the Board would lose the control once the money goes to the Foundation, but the ex-officio members of the Board who sit on the Foundation Board could monitor the figures to grow the endowment.

Mr. Glaser explained this would provide the Foundation with a framework to approach donors with different donation levels. He stated there should be a different discussion on how to manage the funds, but the Board should be actively engaging the Foundation to be in alignment with managing and growing the endowment.

Mr. Capo asked if there is an option in the policy for the administration, donor and Foundation to discuss details. Mr. Hollingsworth stated it would require an agreement from the Foundation to involve them as a necessary party.

Mr. Capo requested HCC's endowment balance and the sustainable target goal. Ms. Williams stated there is currently \$8 million, with a goal of \$100 million.

Dr. Hansen moved to recommit the policy to the Board Governance committee due to unresolved issues. He noted concerns regarding what funds will go to the college and what funds will go to the Foundation. Dr. Maldonado stated there has not been any framework for the Foundation and apprised they are not able to go out and market.

Mr. Capo expressed the trustees have voiced their concerns and would like answers to the concerns posed. He requested Dr. Maldonado establish the framework for the naming policy, to address the specific questions posed by the Board members for the next regular board meeting. Mr. Oliver commented the naming policy should not be rushed and noted to proceed with caution. Mr. Glaser apprises he does not want to delay the issue if the administration can answer the questions raised.

Mr. Hollingsworth stated if the committee is asking for the flexibility based on the donor and the amount, it will require amendment to some of the provisions in the agreement.

Mr. Oliver asked what other opportunities are being reviewing for growing the endowment amounts. Ms. Williams stated the Foundation Board has incorporated "plan giving" and apprised the information is on the Foundation website. She stated there are approximately 20 different endowments within the \$8 million endowment.

Mr. Oliver requested if there is an outreach program with alumni. Ms. Williams commented on the process of the alumni outreach program in place to increase the visibility of HCC. She asked that the agreement remains flexible and allow the donor to drive where to place donation emphasis and be a "donor-centered organization."

Vote - The motion passed with a vote of 3-0.

ADOPT REVISIONS TO BOARD BYLAWS

Motion - Ms. Loreda moved and Mr. Glaser seconded.

Mr. Hollingsworth explained the wording in Article H of the bylaws regarding Counsel changed from "appointed" to "approved".

Vote - Motion carried unanimously, 3-0.

ADJOURNMENT

With no further business coming before the Board, the meeting adjourned at 3:57 pm.

Minutes recorded, transcribed & submitted by:
Rose Sarzoza-Pena, Manager, Board Services

Minutes Approved as Submitted: April 21, 2016