

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

June 11, 2015

Minutes

The Board of Trustees of Houston Community College met as a Committee of the Whole on Thursday, June 11, 2015, at the HCC Administration Building, Second Floor Auditorium, 3100 Main, Houston, Texas.

MEMBERS PRESENT

Zeph Capo, *Chair*
Robert Glaser, *Vice Chair*
Adriana Tamez, *Secretary*
Carolyn Evans-Shabazz
Eva Loreda
Sandie Mullins
Christopher W. Oliver
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
Margaret Ford Fisher, President, Northeast College
Fena Garza, President, Southwest College
Dr. Kathleen Fleming for William, Harmon, President, Central College
Zachary Hodges, President, Northwest College
Phillip Nicotera, President, Coleman 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 Capó, Chair, called the meeting to order at 4:02 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: Capó, Evans- Shabazz, Glaser, Loredó, Mullins, Sane, Tamez and Wilson)

REPORT FROM BOARD GOVERNANCE COMMITTEE

Dr. Tamez noted that the following items were approved at the Board Governance Committee:

- Approval of Administrative Form for Trustee Requests for Documents.
- Board Counsel Review of Certain Categories of Contracts Above Chancellor's Signature Authority

Dr. Tamez informed that the committee also reviewed the Board Expenditure report.

Mr. Capó recessed the meeting at 4:08 p.m. and reconvened at 4:12 p.m.

REPORT FROM ACADEMIC AFFAIRS/STUDENT SERVICES COMMITTEE

Ms. Loredó provided a report from the Academic Affairs/Student Services Committee Meeting and noted that item A. Approve Tuition and Fees for Non-Credit Classes was pulled. She informed that the following reports were presented:

- Student Success Update
- Update on Institutional Transformation Plan
- HCC Report on Smoking Policy and Procedure
- Establishment of Environmental Enhancement Committee
- Update on Athletics Program

ADOPTION OF FORT BEND AND HARRIS COUNTY LOCAL OPTION EXEMPTIONS TAX YEAR 2015

Motion – Ms. Mullins moved and Dr. Tamez seconded.

Dr. Maldonado apprised that the Board requested a review of various scenarios regarding the local homestead exemptions for tax year 2015. He noted that Ms. Zamora would provide an overview of the recommendation.

Mrs. Zamora informed that in review of the various scenarios the increase in exemption would save homeowners \$5 annually and would cost the college of approximately \$7 million.

Ms. Mullins requested an explanation regarding the local homestead exemption. Mrs. Zamora apprised that if the homestead exemptions were raised from 10% to 15%, it would only save the homeowner \$3 but would cost the college approximately \$3.7 million.

Mr. Glaser expressed appreciation to the administration for reviewing the various scenarios for the assisting the homeowners. He noted that the college was moving in the right direction.

Mr. Wilson inquired as to what initiated the discussion of reviewing the various scenarios. Mrs. Zamora noted that the college has to provide the local option exemptions to the county by July 1, 2015.

Mrs. Sane inquired of the number of households that would benefit. Mrs. Zamora informed that approximately 87,000 households are in the college's taxing district and noted that approximately 45,000 would benefit once the 65 and older is netted out.

Ms. Loredo apprised that any assistance that can be provided to seniors and disabled would be greatly appreciated.

Mr. Wilson noted that there is a report from the compensation committee and buildings coming online that will need to be financed. He informed that he supports a tax break; however, it is a complicated puzzle.

Vote – The motion passed with a vote of 7-0-1 with Mr. Wilson abstaining.

AUTHORIZE TRANSFER OF FUNDS BETWEEN BOND CIP PROJECTS

Motion – Ms. Mullins moved and Ms. Loredo seconded.

Dr. Maldonado apprised that the item is to level the funding of the Capital Improvement Plan (CIP) projects. He noted that efforts have been taken to optimize the return on investment for the properties. He informed that there is a zero effect on the total CIP projects.

Mr. Chuck Smith provided an overview of the justifications for the budget transfer regarding the CIP projects. He informed that extraordinary amount of effort has been expended to ensure that all the programs needs of the original CIP are met and to honor the commitment to complete the projects within budget.

Ms. Mullins inquired if the 4th floor for the Alief project was originally a part of the current CIP. Mr. Smith apprised that he would have to review the project scope and provide an answer.

Mr. Wilson noted that it was his understanding that the 3rd and 4th floors were supposed to be built with other bond projects. He inquired if a contact hour analysis has been reviewed. He apprised that he has other questions regarding the item.

Mr. Capo requested clarification as to how the Construction Manager at Risk (CMAR) process was designed to allow funds to be pulled from savings on one project and transferred to other bond projects as needed. Mr. Smith noted that the CMAR process allows the adjustment of details of the project to remain under budget as opposed to the

design bid build process, which builds according to the plans regardless of the cost. He informed that the effort is to hold the commitment made to the taxpayers.

Mr. Capo referenced the transfer of \$3.6 million to Central Campus and inquired if this would make up for the loss taken by the culinary project. Mr. Smith apprised that the transfer would allow for the completion of the culinary project.

Dr. Tamez noted that the workforce building is needed at Southeast as well as the funding for the culinary program at Central. She informed that the space is needed for preparing the workforce students.

Mrs. Sane apprised that she agrees with both Dr. Tamez and Ms. Mullins that the promises need to be fulfilled in all the areas but would like to know why some projects fall short of the budget, but not all, as construction costs should rise for all the projects. She referenced the percentage that is being moved around and noted that it now appear as if the recommendation is changing the bond project all together.

Dr. Maldonado apprised that the big changer in the bond project was the decision by the Board to acquire property with bond funds that was not part of the original CIP concept.

Mrs. Sane noted that she is aware of the approval but informed that she does not want to compromise West Loop or any projects. She inquired if other avenues could be considered to fund the differences.

Mr. Smith informed that the Board could decide on funding and apprised that the effort is to use the funds for the CIP to complete the CIP projects to optimize the results. He noted that in the case of West Loop, the review depicted that there were going to be classrooms in the parking garage and informed that he held a discussion with the college president regarding the vacant building near the campus. Mr. Smith apprised that the Board approved the purchase of the building allowing for the usage of the facility for classrooms and the parking garage would be for parking only.

Mrs. Sane noted that she is uncomfortable with approving the item at this time and would like to see more information on what the completed CIP will look like.

Ms. Loreda inquired how it will be certain that the funds will not be needed for the project if the project has not been completed.

Dr. Evan-Shabazz inquired if there are any projects losing contents. She informed that she does not have a problem approving the item if all the projects will be completed according to what was promised to the taxpayers.

Mrs. Sane inquired as to what has been compromised at Coleman College. Mr. Smith apprised that nothing will be compromised at Coleman since some of the floors have been shelled and noted that the building has been moved down to 10 floors with a tunnel to the current Coleman building.

Vote – The motion passed with a vote of 6-2 with Ms. Mullins and Mr. Wilson opposing.

Mr. Capo informed that Trustee Glaser would preside over the remainder of the meeting.

(Mr. Capo left at 5:00 p.m.)

UPDATE ON BOND CAPITAL IMPROVEMENT PLAN (CIP) RELATED MATTERS

Dr. Maldonado noted that Mr. Chuck Smith would provide a summary of the CIP projects.

Mr. Smith provided the monthly CIP update to include the following:

- Internships
- Small Business Enterprise Outreach Effort
- Gamechanger and Groundbreaker Brand
- Challenges
 - Funding and cost escalation
 - Recommend amounts of rain
- Upcoming Events

PLANNED ROOF REPLACEMENTS

Dr. Maldonado informed that Mr. Chuck Smith would provide a report regarding roof replacements.

(Dr. Evans-Shabazz and Dr. Tamez stepped out 5:06 p.m.)

Ms. Loreda inquired if quality material is purchased for roofing. Mr. Smith apprised that the manufacturer is required to warranty the roof and to have a person on site while the roof is being installed.

(Dr. Evans-Shabazz and Dr. Tamez returned at 5:09 p.m.)

Mr. Wilson inquired why a new roof is being put on a building that is a tear down. Mr. Smith noted that it is not a guarantee that the building is a tear down.

Dr. Evans-Shabazz inquired if there is a way to access buildings to determine if it would be a tear down or possible sale before making the roof repairs. Mr. Smith informed that replacement was recommended for buildings that are going to be kept in service and the recommendation for repair was strategic to ensure no facilities degrade in condition.

APPROVAL OF MIDTOWN MANAGEMENT DISTRICT SERVICE AND IMPROVEMENT PLAN FOR FISCAL YEARS 2015-2024

Motion – Dr. Tamez moved and Ms. Loreda seconded.

Dr. Maldonado apprised that the Midtown Management District (Management District) is required to present its plan to the college. He noted that the Management District is different from the Midtown Tax Increment Reinvestment Zone (TIRZ). He apprised that the

Management District finds and recommends projects to the TIRZ; the relationship is similar to the Public Facility Corporation.

Mrs. Zamora noted that the citizens of the Midtown area pay an assessment fee to the Management District. She informed that the Midtown Management District is related to the Midtown TIRZ.

Dr. Tamez inquired as to how the Midtown Management District is different. Dr. Maldonado apprised that the Management District is a separate organization than the Midtown TIRZ.

Mr. Mitchell noted that the TIRZ receives the funds and the Management District maintains the projects after they are in place. He informed that the projects are completed by TIRZ and then turned over to the Management District.

Ms. Loreda inquired as to who are the HCC representatives for the Midtown TIRZ. Dr. Maldonado noted that Trustees Glaser, Loreda and Tamez are the Trustees serving on the TIRZ along with Mrs. Zamora for the college.

Ms. Mullins expressed appreciation to those members serving on the Board. Mr. Glaser informed that the Trustees appointed to the Board have not been notified of the meetings. Dr. Tamez apprised that she is receiving notices regarding the meetings and noted that she will provide the information.

(Mr. Oliver arrived at 5:27 p.m.)

Dr. Maldonado informed that the estimate regarding the tax base increase is available. Mr. Smith apprised that it is approximately \$1.5 billion.

Mr. Oliver noted that he does not see a detailed listing of the CIP items, including the Master Plan as requested.

Mr. Glaser informed that he would like to receive a briefing regarding the interactions of the entities that HCC foregoes tax revenue. He apprised that an executive summary could be provided to give an update.

Vote – The motion passed with vote of 6-2 with Mr. Oliver and Mr. Wilson opposing.

AMENDMENT TO URBAN REDEVELOPMENT INTERLOCAL AGREEMENT

Motion – Mrs. Sane moved and Dr. Tamez seconded.

Dr. Maldonado noted that the item allows the college to join all taxing entities. He informed that the item allows delinquent properties to be placed back on the tax roll. He apprised that sale of any of the properties would allow for distribution from the proceeds amongst those entities on the tax roll. Mrs. Zamora noted that the college is giving permission to allow the properties to be sold below value. She informed that HCC would receive approximately \$90 from each property sold.

Dr. Evans-Shabazz apprised that the effort should be to give the property owner every opportunity to pay the back taxes before selling the property. Dr. Tamez inquired as to how the process is handled. Dr. Maldonado noted that the effort is to get the property back on the tax roll and informed that he would review to ensure that every effort is given to making certain the individuals are able to maintain the property.

Vote – The motion passed with a vote of 8-0.

(Ms. Mullins stepped out at 5:44 p.m.)

(Dr. Evans-Shabazz stepped out at 5:44 p.m.)

ENERGY ENGINEERING CONSULTING SERVICES (PROJECT RFQ 15-18)

Motion – Dr. Tamez moved and Ms. Loredo seconded.

Mr. Smith apprised that the item relates to the energy efficiency improvements. He noted the fiscal impact will result in an annual savings of approximately \$668,000 annually in operating expenses.

(Ms. Mullins returned at 5:45 p.m.)

Mr. Oliver inquired of the relations with the energy project approved last month. Dr. Maldonado explained that this is the consulting firm that will monitor and report on the project.

(Ms. Loredo stepped out at 5:46 p.m.)

Mr. Smith informed that the consultant will prepare the Utility Assessment Report as well as the periodic reports, which will be provided to State Energy Conservation Office (SECO). He apprised that approximately \$4 million of the funds borrowed will be placed back into infrastructure.

Mr. Oliver inquired is there is an option to opt out of the SECO contract. Mr. Smith noted that there is an opt-out regarding the SECO contract; however, the legal obligation is to pay off any funds borrowed.

(Ms. Loredo returned at 5:48 p.m.)

Mr. Wilson informed that 195 firms were solicited and five firms responded. He inquired if the lowest bid firm had an advantage over any of the others. Mr. Smith apprised that they did not have any advantage and noted that the scores were close.

Mr. Wilson inquired if the firm has done work in Harlingen. Mr. Smith responded that he is not aware. Dr. Maldonado noted that he was not certain.

(Dr. Evans-Shabazz returned at 5:50 p.m.)

Mr. Wilson informed that he is reluctant because the Chevron contract did not produce savings.

Mr. Oliver inquired as to what does small business practices mean. Mr. Rogelio Anasagasti apprised that the points are allocated for the firm's commitment to use small businesses to perform the work.

Mr. Oliver inquired as to how no one was given points for the small business portion. Mr. Anasagasti noted that the turnaround time was short and informed that there was no firm commitment. Mr. Smith apprised that the appearance is that no attention was given to small business participation but noted that the firms would have an opportunity to participate under the \$4 million borrowed.

Dr. Tamez inquired as to when small business opportunities are brought forward such as with the Gamechanger. Mr. Anasagasti informed that small businesses do compete in other projects. He apprised that the effort is to set a goal on every project and noted that in this case the market yielded what was available.

Dr. Tamez requested an update on who is receiving the work. Dr. Maldonado informed that an update can be provided similar to the one provided under the CIP.

Dr. Evans-Shabazz inquired as to how it is determined what newspapers are used. Dr. Maldonado apprised that HCC assists with outreach through programs, such as Gamechanger. He asked Mr. Anasagasti to provide clarification regarding this specific RFQ. Mr. Anasagasti noted that three minority publications as well as the major circulation newspaper are used and informed that the effort is utilize major papers of circulation with the broadest distribution to expand outreach.

Dr. Evans-Shabazz apprised that she is not familiar with the African American Newspaper used. She noted that consideration may need to be given to other African American newspapers. Mr. Anasagasti informed that the message is also pushed to about sixty online media.

Ms. Loreda apprised that the recommended firm has previous experience with HCC and inquired if the firms are evaluated. She inquired if there is a follow-up evaluation with the firm providing services to HCC.

(Mrs. Sane stepped out at 6:07 p.m.)

Dr. Tamez requested the number of individuals participating in the Gamechanger who are submitting proposals and actually receiving contracts.

Mr. Wilson inquired of Mr. Smith if he knew the company prior to his arrival at HCC. Mr. Smith noted that his first acquaintance with the recommended firm was at HCC.

Vote – The motion passed with a vote of 6-1 with Mr. Wilson opposing.

(Mrs. Sane returned at 6:10 p.m.)

(Dr. Evans-Shabazz left at 6:10 p.m.)

INVESTMENT REPORT FOR THE MONTH OF APRIL, 2015

Motion – Ms. Loredo moved and Dr. Tamez seconded. The motion passed with vote of 7-0.

MONTHLY FINANCIAL STATEMENT AND BUDGET REVIEW FOR APRIL 2015

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

Ms. Loredo requested the highlights.

Mrs. Zamora informed that revenues are approximately 6% ahead of this time last year. She noted that approximately 95% of the revenue has been recorded.

Mr. Wilson referenced the transfer in and out and requested clarification. Mrs. Zamora informed that the large amount is transferring of bond payments for the revenue bonds so that the payment could be made. She apprised that the remaining is from the Capital and Technology funds used for instructional and IT items. She noted that the moves are to record the expenditures.

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

UPDATE ON 2012-2015 STRATEGIC PLAN

Dr. Maldonado informed that the report carries over the conversation held earlier regarding the Transformation Plan. He noted that Dr. Herod would provide an update on the status.

Dr. Herod apprised that the 2012-15 Strategic Plan is being closed out. He noted that the report is regarding the three remaining initiatives as follows:

Goal #5: Support Innovation as a Way to Improve Institutional Resilience

Goal #6: Cultivate an Entrepreneurial Culture across the Organization

Goal #7: Leverage Local and International Partnerships for Institutional and Community Development

Ms. Loredo inquired of the number of students that graduated from the UT-Tyler program. Dr. Herod informed that he is not certain of the number of graduates but noted approximately 25 students moved through the first cohort.

Mr. Oliver requested to receive a copy of the Master Plan and a detailed breakdown of each item for the CIP list. He informed that he would like to receive the report as soon as possible.

Mrs. Sane noted that there was extensive involvement of the Board regarding the current plan. Dr. Maldonado noted that Dr. Herod will provide an overview with the next slide.

Dr. Herod noted that the Transformation Plan is a bridge to the new strategic plan. He informed that internal and external stakeholders will be engaged.

(Dr. Tamez stepped out at 6:27 p.m.)

PRESENTATION OF RECOMMENDATIONS FROM THE COMPENSATION ADVISORY COMMITTEE

Dr. Maldonado apprised that a compensation review was conducted by a consultant and noted that the Compensation Advisory Committee (CAC) was engaged. He informed that Dr. Steve Levey and Dr. Tod Bisch would provide a summary of the recommendations from the Compensation Advisory Committee.

Dr. Levey apprised that Fox Lawson was commissioned in 2014 to review the salary structures of the college and noted that there were three phases of the study:

- Study Initiation and Compensation Philosophy of HCC
- Conduct a Comprehensive Compensation Study
- Provide a Report and Recommendations for the College

(Dr. Tamez returned at 6:29 p.m.)

Dr. Levey informed that the primary finding was HCC salaries are below the 50th percentile of the market as follows:

- Faculty: -13%
- Pro/Technical: -7%
- Sec/Clerical: -9%

Dr. Levey apprised that the recommendation is that a salary increase be phased over a three-year period. He noted that Dr. Bisch would provide an overview of the recommendations as it relates to the charges provided by the Chancellor.

(Mr. Oliver stepped out at 6:36 p.m.)

Dr. Bisch presented a summary of the recommendations relating to the following charges:

- Recommend a Multiple Fiscal Year Plan to Address Increasing Salary Structures for Faculty, Secretarial & Clerical, and Professional & Technical Positions
- Review and Recommend a Schedule for Placement of Incoming FT Faculty on the Salary Schedule to Support Talent as a World Class Institution
- Review and Recommend a Recognition of Certifications Along with Work Experience for Staff and Faculty Positions where Advance Degrees are Neither Available nor Necessarily Indicative of Expertise
- Recommend Additional Pay Components for Faculty/Staff Who Teach/Work in High Demand Industries

- Additional CAC Recommendations
 - Recommend Human Resources facilitate a comprehensive review of all HCC job descriptions
 - Recommend an annual review of compensation “outliers”

(Mr. Oliver returned at 6:38 p.m.)

Dr. Levey informed that the recommendation is to identify the high demand industry and that it is reviewed annually. He noted that additional recommendations are included in the report.

Dr. Tamez inquired if the recommendations regarding the outliers are reviewed individually. Dr. Levey noted that is correct.

PRESENTATION OF RECOMMENDATIONS FROM THE PROCUREMENT REVIEW COMMITTEE

Dr. Maldonado introduced the Small Business Advisory Committee members and informed that the Co-Chairs were Mr. Arturo Michel and Ms. Linda Toyota.

Dr. Maldonado apprised of the recommendations from the committee and noted that some of them have already been implemented:

- Process Improvements in Developing Scope of Services
- Standardizing Evaluation Criteria and Points
- Developing a Procurement Plan to be Posted Online
- Continuation of Small Business Development and Outreach
- Updating Procedures Manual to be Posted Online
- Prioritizing Hiring of Key Staff
- Developing Performance and Monitoring Tools
- Developing Additional Training Tools

Dr. Maldonado informed that Mr. Anasagasti would provide an overview of the Procurement Review Committee Report.

Mr. Anasagasti noted that the report included recommendations for the following areas:

- Administrative
- Procurement Cycle
- Publicity and Transparency
- Small Business Enterprise
- Bid/Proposal Evaluation System
- Contract Award
- Compliance
- Training

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Mrs. Sane inquired if there are any policy implications that need to be approved and implemented. Dr. Maldonado informed that there will be a process of updating the procurement manual as well as making information available online. He apprised that as recommendations are reviewed for implementation, there may be some alignment items needing policy approval.

Dr. Tamez inquired if the committee will continue to exist. Dr. Maldonado noted that the committee will remain in place. Mr. Anasagasti informed that the committee will meet periodically and agreed to meet via conference calls to collaborate.

Mr. Oliver inquired if the committee had recommended dismantling the current process would it have been done. Dr. Maldonado informed that the short answer is no. Dr. Maldonado informed that the committee recommendations are for transparency. He apprised that if a recommendation adds value, it would be implemented.

Ms. Loreda expressed appreciation to the Committee but noted that more small business/minority participation needs to be visible.

Mr. Wilson noted that the best value process is subjective and noted that he would like a system where bidders are pre-qualified and the low bidder would be awarded the job.

ADJOURNMENT

With no further business coming before the Board, the meeting adjourned at 7:10 p.m.

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

Minutes Approved as Submitted: August 20, 2015