



TEXAS SOUTHMOST COLLEGE DISTRICT

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Board of Trustees

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Texas Southmost College District

Minutes of the Regular Meeting of the Board of Trustees

March 22, 2012

Robert A. Lozano, M.D., Ph.D.

David G. Oliveira

Rene Torr s

TSC President

Lily F. Tercero, Ph.D.

The Board of Trustees of the Texas Southmost College District convened in open session on March 22, 2012, at 5:30 p.m., in the Gorgas Board Room at Texas Southmost College. Board members present were Francisco G. Rendon, Chair; Adela G. Garza, Secretary; Trey Mendez; and Dr. Robert A. Lozano. Also present was Dr. Lily F. Tercero, President of Texas Southmost College. Board members absent were Dr. Roberto Robles, Vice Chair, David Oliveira and Ren  Torres.

1. Call to Order

The meeting was called to order by Chairman Rendon at 5:33 p.m.

2. Announcements

Chairman Rendon called on Dr. Tercero to make the announcement. Dr. Tercero announced that Dr. Robert Aguero has been re-appointed to the Texas Higher Education Coordinating Board Undergraduate Education Advisory Committee (UEAC). It is a state wide committee that consists of community college and university faculty and administrators, whose main charge is recommending a new core curriculum to the Texas Higher Education Coordinating Board. The committee has been called to order again for a special purpose. She congratulated Dr. Aguero for his commitment to continue to serve on this state wide committee representing Texas Southmost College.

Dr. Tercero also announced the passing of Dr. Alberto Alfonso Besteiro. Dr. Besteiro was a proud native of Brownsville and was very committed to this community. Dr. Besteiro became president of Texas Southmost College where he served for eight years. He termed it one of his proudest accomplishments. A resolution honoring Dr. Besteiro will be presented to his family at the May 17, 2012 Board of Trustees meeting.

3. Speakers to Agenda Items and Public Discussion

Chairman Rendon called on Mr. Dino Chavez, community member. Mr. Chavez addressed the board regarding insurance.

4. Mission Statement

Chairman Rendon read the existing mission for the Texas Southmost College District as follows:

“Texas Southmost College is a comprehensive open admissions public community college whose mission comports with Texas Statute Subchapter A, Section 130. Texas Southmost College offers programs leading to certificates of completion and associate degrees, developmental education to prepare students for college-level work, occupational and technical programs to prepare students for immediate employment, academic courses of study to develop the core skills, understandings, and knowledge appropriate for baccalaureate programs, and continuing education, counseling, guidance, adult literacy and personal enrichment.

Texas Southmost College advances economic and social development, enhances the quality of life, encourages respect for the environment, cultivates personal enrichment, and expands knowledge in service to its community. It convenes the cultures of its community and fosters an appreciation for the unique heritage of the Lower Rio Grande Valley. It provides academic leadership in the intellectual, social, cultural, and economic life of the region it serves.

Texas Southmost College places excellence in teaching and learning at the core of its commitments. It seeks to help students at all levels develop the skills which will sustain life-long learning while respecting the dignity of each learner and the needs of the entire community.”

5. Approval of Minutes of Previous Meetings

Consideration and Approval of Minutes of the Regular Meeting on February 29, 2012

A motion was made by Mr. Mendez to approve the Minutes of the Regular Meeting on February 29, 2012 as presented. The motion was seconded by Dr. Lozano and carried. Mrs. Garza abstained from the vote.

6. Windstorm and Hail Property Insurance

Consideration and Approval of Proposal for Windstorm and Hail Property Insurance

Chairman Rendon called on Mr. Chet Lewis, Vice President for Administration and Finance, to present the item. Mr. Lewis gave a brief overview of the insurance being considered. He reminded the Board that TSC participated in the pool with UT System for five years where they provided insurance for Fire and All Other Perils, and excess coverage for wind and flood. TSC is not participating this year. The current policy ends March 31, 2012, so a new policy must be in place by April 1, 2012.

Mr. Lewis explained that there are two aspects to Wind coverage. The first is covered by TWIA, who will ensure up to a certain maximum amount of \$4.42 million per building. Beyond that, excess wind coverage is necessary because some of our buildings are more than the threshold. Additional coverage beyond the limits is recommended. TSC has historically purchased the TWIA and participated with the UT system pool for the excess coverage.

Mr. Lewis explained that there were three bids received for the TWIA coverage, which is provided through the state of Texas. After a formal analysis and review of each proposal, staff recommends to continue with RN Jones Agency, Inc., the current policy holder at a 1% deductible in the amount of \$827,789. Mr. Lewis noted that pricing for TWIA would be the same regardless of the agent selected.

The second insurance policy for consideration is the excess wind premium insurance. Mr. Lewis reported only one bidder, which was Shepard Walton King Insurance Group. Mr. Lewis informed the Board that excess wind is a blanket coverage for all facilities. Staff recommends to approve the excess wind insurance bid received from Shepard Walton King Insurance Group at a 1% deductible in the amount of \$359,316.75. This bid will provide an additional \$50 million dollars in excess wind coverage. Mr. Lewis noted that not all insurance agents were able to bid on the excess wind coverage and staff will request formal bids for the excess wind coverage next year.

Mrs. Garza suggested giving a local company the opportunity to do business with the District and have the opportunity to prove themselves. Dr. Tercero explained that staff reviewed all proposals from a business continuity stand point, however, the bids were so closely related that staff would be able to work with either company. Mr. Lewis reported that none of the agencies are homed within the taxing district. Two are from Harlingen which is our service territory, but not in our taxing district. The Klement Agency is associated with an agency that is located in the taxing district. Once adjustments are made by TWIA on the bid received from The Klement Agency, the bid will be exactly the same as the bid

received from RN Jones Agency, Inc., which is a 1% deductible in the amount of \$827,789. Mr. Mendez asked that staff let him know, if this is not the case.

A motion was made by Mrs. Garza to select The Klement Agency and to authorize the President to execute the contract at approved terms and deductibles. The motion was seconded by Mr. Mendez and carried. Dr. Lozano voted nay. Exhibit "A"

A motion was made by Mr. Mendez to select Shepard Walton King Insurance Group for the Excess Wind Coverage with a 1% deductible and \$50 million excess wind coverage. The motion was seconded by Dr. Lozano and carried unanimously. Exhibit "B"

7. Contract for Election Services

Consideration and Approval of Contract for Election Services

Chairman Rendon called on Mr. Lewis, to present the item. Mr. Lewis reported that this item is to approve the lease of equipment with Cameron County for the May 2012 Election. In prior years Cameron County has provided all services to TSC, however this year, they are only providing the use of their equipment. The lease amount is \$27,540 and includes all equipment that is typically used by Cameron County to conduct an election. Mr. Lewis explained that the amounts to lease the equipment are fair because of the discount Cameron County receives for equipment. Mr. Lewis explained that TSC is currently in the process of obtaining a company to administer the election.

A motion was made by Mr. Mendez to accept the Lease Agreement with Cameron County in the amount of \$27,540 for the Lease of Election Equipment and authorize the President to execute the contract. The motion was seconded by Mrs. Garza and carried unanimously. Exhibit "C"

8. Comprehensive Insurance Protection Plan through the Interlocal Agreement with TASB Risk Management Fund

Consideration and Approval of Proposal for a Comprehensive Insurance Protection Plan through the Interlocal Agreement with TASB Risk Management Fund

Chairman Rendon called on Mr. Lewis, to present the item. Mr. Lewis reported that, as previously stated, Fire and All Other Perils coverage had been placed with UT System. A new insurance policy is needed by April 1, 2012. The TASB insurance governmental pool services ten other community colleges for Fire and

All Other Perils. TASB has an outstanding reputation within the State of Texas. The proposal from TASB Risk Management Fund includes property coverage based on a blanket replacement cost limit on buildings, personal property and auxiliary structures at a cost of \$235,293,457. Staff recommends accepting the proposal from TASB Risk Management Fund at a \$50,000 deductible for a total cost of \$245,646.

A motion was made by Mrs. Garza to accept the proposal from TASB Risk Management Fund to provide Property Casualty Coverage and authorize the President to enter an Interlocal Agreement with TASB Risk Pool with a \$50,000 deductible at a rate of \$245,646. The motion was seconded by Mr. Mendez and carried unanimously. Exhibit "D"

9. Budget Amendment for FY 2012

Consideration and Approval of Budget Amendment for FY 2012

Chairman Rendon called on Mr. Lewis to present the item. Mr. Lewis reported that the adjustment reduces the transfer to campus facilities due to revenue from the sale of brick, records the revenue from the sale of brick and reduces the transfer from the General Fund, and transfers funds from REK Bond Proceeds to Campus Facilities fund to pay for an invoice from ACR Engineering.

A motion was made by Mrs. Garza to approve Budget Amendment #12-003 for Fiscal Year 2012 as presented. The motion was seconded by Dr. Lozano and carried unanimously. Exhibit "E"

10. Report on Transition Team

Chairman Rendon called on Dr. Leonardo de la Garza, TSC Consultant for the TSC Transition Team to provide an update on the transition process. Dr. de la Garza reported that negotiations with UT System have been scheduled for May or June, 2012 for campus facilities. This schedule accommodates the ongoing assessment of the inventory of campus facilities by the TSC Transition Team, and will allow their very important work to be completed. This timeframe also allows Dr. Tercero to involve the TSC Trustees in regards to ownership or divesting of any campus facilities.

Dr. de la Garza reported that the next Transition Team meeting has been scheduled for April 16, 2012 in Austin. The negotiations process will be discussed at this meeting as well as the schedule for negotiations.

Dr. de la Garza confirmed that Dr. Tercero and Dr. Aguero will be traveling to Atlanta to visit with the Southern Association of Colleges and Schools for a

planning activity meeting on April 11-12, 2012. SACS will review and approve a timeline for TSC to become fully operational by Fall 2013. TSC will be able to offer instruction and all support services needed to operate effectively and efficiently by Fall 2013 and comply with SACS requirements. Dr. de la Garza explained that this is necessary for TSC to achieve full accreditation by August 2015. Dr. Tercero reminded the Board that this will occur under the existing UTB/TSC accreditation. Both entities are still accredited under UTB/TSC, but TSC has the opportunity to move forward with operations in Fall 2013, which is also necessary to be able to achieve full accreditation by Fall 2015. Dr. de la Garza confirmed that the accreditation is for both institutions at the end of the separation. If there is an issue, both UTB and TSC would continue to be accredited under UTB/TSC until such time as both institutions are accredited.

11. Report on Tuition and Fees

Chairman Rendon called on Dr. Lily Tercero, President, to present the item. Dr. Tercero provided a report on the Tuition and Fees across the State of Texas in regards to community colleges. She explained that this is a very important element of the planning process in regards to financial elements, and what we will be able to provide to our students. She reported that the in-district and out-of-district tuition and fees have increased 24% between 2009 -2012. The majority of the increases took place between fiscal year 2011-2012 because of the reduction in state appropriations. Many community colleges had to address the lack of state funding.

Dr. Tercero presented the comparison for the Texas Higher Education Coordinating Board's "Large" Peer Group Classification, plus South Texas College. The tuition and fees are calculated for a student enrolled for 12 semester credit hours. UTB/TSC is currently ranked first having the highest tuition rate of \$208 per semester credit hour. Dr. Tercero reported that UTB/TSC is almost three times the state average, and double the tuition rate per semester credit hour compared to STC. Dr. Tercero also reported on the comparisons for out-of-district within the same THECB classification. UTB/TSC is ranked second at \$208 per semester credit hour. The State average is \$112 per semester credit hour. UTB/TSC currently does not have a differential between in-district and out-of-district tuition. Normally, community colleges have a differential of approximately 53% for in-district and out-of-district students.

Dr. Tercero also presented the comparison for Non-Resident tuition and fees. She reported that the non-resident tuition and fees for UTB/TSC is \$521 per semester credit hour. The state average is \$164 per semester credit hour. The non-resident tuition and fees includes anyone outside the State of Texas. Dr. Tercero stressed one last comparison for Spring 2012. UTB/TSC students taking 12 semester credit hours are paying almost as much tuition and fees as students taking the same number of hours at UT Pan American. This relates to in-district, out-of-district, and non-resident.

The findings based on the research indicate that UTB/TSC has the highest In-District and Non-Resident tuition and fees among all 50 Texas community college districts. UTB/TSC has the second highest Out-Of-District tuition and fees, behind Austin Community College's rate of \$215 per semester credit hour. Dr. Tercero reported that UTB/TSC's tuition and fees are more closely aligned with those of regional universities than Texas public community colleges. Dr. Tercero reported that new tuition and fees tables will be completed over the summer, as part of the financial modeling currently underway. These tables will include both an in-district and out-of-district tuition and fees table and will be presented for approval by the Board of Trustees this coming fall.

Dr. Tercero explained that recommendation for tuition and fees will be made this fall, to be in effect by Fall 2013. Mr. Rendon recommended that a sub-committee be formed to assist in the process of analyzing the new tuition rate. Dr. Tercero announced that several workshops will be held over the next several months. The members will be Mrs. Garza, Mr. Mendez and Mr. Rendon. Dr. Tercero stressed that a lot of work lays ahead on the analysis of the financial situation, including the modeling that needs to be done to prepare for a tuition rate review. Dr. Tercero expressed the importance of bringing forth accurate data for consideration. *Exhibit "F"*

12. Annual Report on the TSC Foundation, Inc.

Dr. Tercero announced that the report will be rescheduled for a future Board meeting because the TSC Foundation Chairman Rev. Monsignor Heberto Diaz was not able to attend.

13. Executive Session as provided by Government Code, Chapter 551.071 and Chapter 551.072.

The Board convened in Executive Session at 6:35 p.m.

The Board reconvened in Regular Session at 7:00 p.m.

14. Consideration and possible action on matters discussed in Executive Session

Consultation with Attorney on Pending or Contemplated Litigation Section 551.071, Texas Government Code

No discussion or action was taken.

**Update on Real Property Regarding the Sale of
Property Located at 1027 E. 17th Street on E. Jackson Street
(Rear 1/2 Lot 5, Block 7, Paredes Track Addition Brownsville,
Texas), Section 551.072, Texas Government Code**

No discussion or action was taken.

15. Proposed Meeting Dates

**Thursday, April 19, 2012
Thursday, May 17, 2012**

Adjournment

The meeting was adjourned by Chairman Rendon at 7:01 p.m.



Mr. Francisco G. Rendon
Chairman, Board of Trustees



Ms. Adela G. Garza
Secretary, Board of Trustees

NOTE: The tape of the Regular Board of Trustees meeting held on March 22, 2012, is on file at the District Office of the Texas Southmost College District. The master tape is on file at UTB/TSC Media Services. These minutes were taken and transcribed by Max E. Roca, Administrative Assistant. Videotaping of the Board of Trustees' meetings began on April 11, 1996. They are aired on Channel KBSD in cooperation with the Brownsville Independent School District.