

**SPECIAL MEETING  
OF THE BOARD OF TRUSTEES  
BOARD RETREAT  
HOUSTON COMMUNITY COLLEGE**

**March 23, 2013**

**Minutes**

The Board of Trustees of Houston Community College held a Special Meeting on Saturday March 23, 2013 at the Hyatt Regency, 1200 Louisiana St., 2nd Floor, Arboretum V, Houston, Texas.

**MEMBERS PRESENT**

Bruce Austin, *Chair*  
Sandie Mullins, *Vice Chair*  
Eva Loreda, *Secretary*  
Leila Feldman  
Yolanda Navarro Flores  
Herlinda Garcia  
Neeta Sane

**ADMINISTRATION**

Renee Byas, Acting Chancellor  
Art Tyler, Deputy Chancellor/COO  
Destinee Waiters, Acting General Counsel  
Karla Bender, Executive Director, Financial and Budget Control  
Shantay Grays, Executive Officer to the Chancellor

**OTHERS PRESENT**

Jarvis Hollingsworth, System Counsel, Bracewell & Giuliani  
Clarence Grier, RBC Dain Rauscher  
Brian Jacobowski, RBC Dain Rauscher  
Tina Peterman, RBC Dain Rauscher  
Other administrators, citizens and/or representatives from the news media

**CALL TO ORDER**

Mr. Bruce Austin, Chair, called the meeting to order at 9:06 a.m. and declared the Board convened to consider matters pertaining to Houston Community College as listed on the duly posted Meeting Notice.

**ADJOURNED TO CLOSED SESSION**

Mr. Austin adjourned the meeting to Executive Session at 9:09 a.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. Mr. Austin 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.

Mr. Austin reconvened the meeting in Open Session at 11:21 a.m. and entertained motions on pending matters.

*(Trustees Present: Austin, Feldman, Flores, Garcia, Loreda, and Mullins)*

**LONG-TERM LEASE OF LAND FOR CONSTRUCTION OF NORTHLINE EARLY COLLEGE SCHOOL AND SOUTH EARLY COLLEGE HIGH SCHOOL**

Motion – Mrs. Flores moved and Ms. Mullins seconded. The motion passed with a vote of 6-0.

Mrs. Flores requested that a response be provided expeditiously to make certain Houston Independent School District (HISD) be informed of the intent and noted that the community is interested in making certain the project is a reality.

**BUDGET WORKSHOP**

Dr. Art Tyler informed that the budget process begins with planning and apprised that this is the first of three workshops with the Board to introduce assumptions regarding the budget. He presented an outline of the entire integrated process in macro form. He noted that the steps are not individual; and that the planning and budget steps are inclusive in the diagram.

Dr. Karla Bender provided an overview of the budget process to include the following:

- Budget Cycle
- Strategic Review Process
- Annual Planning and Budget Development Process
  - Introduction of Annual Planning & Budget Development Process
  - Pre-Development Activities
  - Budget Development Process (Unit Level)
  - Review & Reallocation (Executive Level)
  - Annual Unit Plan and Requests for Additional Funds Deadline
  - Budget Data Collection
  - Review Process Begins

Ms. Mullins inquired if there is one common priority for secretaries as well as directors so every department understands the focus. Dr. Bender informed that the focus is student success.

Ms. Mullins noted that the simple term needs to be instilled as the culture to make certain the basic goal of the institution is to move students towards graduation and being fiduciary responsible. She apprised that it is imperative that everyone understands the focus of the institution.

Mrs. Flores inquired of the underlying efforts regarding the development process to determine industry needs for scheduling of classes. Dr. Tyler noted that there are two parts, which include (1) offering the right sequence of classes and (2) offering courses

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and curriculum that provide current skills and learning opportunities to match industry needs. He informed that the academic side is similar and is driven by faculty based on a curriculum that has been approved and accredited.

Ms. Loredó inquired if there is a tracking mechanism regarding completion of each course. Dr. Tyler apprised that presidents, professors, chairs and deans have access to the information to review how well the institution is doing in comparison to peer institutions.

Mr. Austin noted that the Board requested a dashboard be established to provide the opportunity to review information in real time. Dr. Tyler informed that the dashboard is underway.

Mrs. Garcia apprised that time should be allotted to review the information provided. She inquired if there is verification regarding needs for the colleges such as enrollment, counseling, faculty, etc. She noted that there are needs that must be addressed and a need to make certain that tools and resources are available at the campuses.

Mrs. Garcia informed that clarification must be made regarding counseling availability to the students. She inquired if the presidents are meeting with the Chancellor to make certain discussions are held regarding needs. She apprised that the focus should be on academics and students to ensure the right courses are being offered.

Mrs. Garcia apprised that the bottom line is making certain funds are allocated where needed and accountability for the funds that are available.

Mrs. Flores associated with Mrs. Garcia and noted that she would like to meet with the presidents to provide an overview of the academics that are offered. She requested a dialogue with the community regarding student services and academics to inform what is available to the students.

Dr. Bender apprised that similar considerations were taken regarding the budget process. She noted that the budget process includes review of the class scheduling.

Mrs. Garcia inquired if there was a survey regarding what the community needs and wants.

Mr. Austin informed that a true engagement with the Board and the presidents has not been fully implemented to discuss the combination needed and focus.

Mrs. Garcia apprised that the presidents should be able to meet with the Board prior to finalizing the budget. Mr. Austin noted that the Board works with the Academic Affairs committee to engage the discussions to be aligned with the Southern Association of Colleges and Schools (SACS) requirements.

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Mrs. Garcia noted that she is requesting a report on the number of students who received certificates and associate degrees for District III. Mrs. Byas informed that the information would be provided.

Ms. Loreda requested that specific requests regarding academics be submitted to Board Services to be considered by the Academic Affairs Committee.

Mr. Austin requested that the Diversity Committee review possible programs that promote diversity of various populations gaining exposure.

Dr. Tyler provided an overview of Board and Administration issues for biennium budget for fiscal years 2013-14 and 2014-15 as follows:

- Economic conditions
- Change in State allocation model
- Program growth and development
- Enrollment flattening
- Tax rate and debt management
- Local tax valuation increase
- Tuition and fees
- Increased benefit costs

Dr. Tyler asked the Board to review the information provided by RBC Dain Rauscher (RBC) regarding debt management (Appendix C) for consideration of a debt management policy.

Ms. Mullins inquired as to where program review/cancellation falls under the budget. She asked that a process be established to inform the Board when programs will be eliminated or revised and how the funds are redistributed. Dr. Tyler apprised that briefing on the programs is presented at the Academic Committee meetings.

*(Mrs. Garcia stepped out at 12:03 p.m.)*

Dr. Tyler provided an overview of budget elements to include revenues and expenses projected.

Mrs. Flores noted that the college will have to repay the state approximately \$6 million and noted that a vast amount of the repayment funds could be recouped by streamlining expenses such as traveling, food and excessive expenditures.

Dr. Tyler informed that salaries make up approximately 56% of the budget expense and debt expense is approximately 11% of the budget.

Mr. Austin apprised that the Board previously discussed a debt eradication program. Dr. Tyler noted that the information is included in the material provided by the Financial

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Advisors. He informed that the Financial Advisors are prepared to provide available options.

Dr. Tyler apprised of the budget assumptions and noted that the State is reviewing a new model for base funding. He provided an overview of the changes in state allocation:

- Base funding decrease
- \$1 million administrative allocation
- 10% success based formula funding which must be earned

*(Mrs. Garcia returned at 12:16 p.m.)*

Dr. Tyler noted that the budget is built regarding 80% of total success funding. Dr. Tyler provided an overview of the new algorithm based on criteria of success 10.25 points.

Ms. Loreda inquired of the percentage of developmental students. Dr. Tyler informed that he does not have the number at the time but noted that 60% of students enrolled take a developmental education course.

Ms. Mullins apprised that the developmental course fees should be discussed during the budget process because the cost should be fostered to the students instead of the institution.

Mrs. Garcia noted that when the meeting is held with Houston Independent School District (HISD), statistics need to be considered. She informed that the developmental program must be discussed because the students are coming to HCC not prepared. She apprised that the student should not be taking on the cost for repeating developmental courses.

Dr. Tyler provided the challenges and issues regarding the assumptions. He noted that the projection is to have a balanced budget. He informed that three proposals are on the table from the state level.

Dr. Tyler apprised that the Board was asked to submit their priorities.

Mrs. Garcia recommended reducing costs as much as possible and noted that there needs to be approval regarding the usage of credit cards for travel. She noted that a recommendation should be made by administration regarding costs from an administrative point but not from academics.

Mrs. Byas informed that a meeting will be held with the presidents to discuss supply expenses at the campuses.

Dr. Bender apprised that the colleges inform of their supply budget and needs. She noted that a process implemented two to three years ago should be catching up with their needs in comparison to the previous years.

Mr. Austin requested a summary from the Financial Advisors regarding the options for the debt expense.

Mr. Clarence Grier introduced Tina Peterman and Brian Jacobowski with RBC. Mr. Grier referred to the combined revenue and Public Facilities Corporation (PFC) refunding and restructuring under Tab 4 on page 27 to address the question regarding debt expense. He noted that the last workshop contemplated transferring debt from maintenance and operations (M&O) to interest and sinking (I&S) fund. He informed that instead of a transfer, a restructuring was completed on approximately \$137 million.

Ms. Peterman apprised that the institution selected a great day for going to market. She noted that HCC was out before many other sellers and received an amazing interest rate.

Mr. Grier concluded with what the Board can expect in the future. He mentioned that the structure utilized could possibly turn a thirty-year bond into a fifteen-year bond.

Mr. Austin referred to a previous budget item relating to a salary increase in the amount of \$1,836,560 that was approved on June 22, 2012 and informed that Counsel is requesting the Board to vote on the item as the original posting needed to be more specific. Dr. Tyler noted that the percentage provided was against the total annual salary of 2% and the financials represent a monthly calculation.

Mrs. Renee Byas informed the Board that the question is if the Board approved the additional salary increase and there is \$1,836,560 available to complete the base salary increase. For clarification purposes, Mrs. Byas asked General Counsel if the Board minutes as written allow for the Chancellor to sign-off on the increase. Ms. Destinee Waiters, Acting General Counsel responded that on the meeting minutes reflect that it was only approved for the specific fiscal year.

Mr. Austin requested Board Counsel to review and provide a recommendation to the Board.

#### **ADJOURNED TO CLOSED SESSION**

Mr. Austin adjourned the meeting to Executive Session at 12:55 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. Mr. Austin 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.

Mr. Austin reconvened the meeting in Open Session at 1:16 p.m. and entertained motions on pending matters.

*(Trustees Present: Austin, Feldman, Flores, Garcia, Loreda, and Mullins)*

Mr. Austin recessed the meeting at 1:16 p.m. and reconvened at 2:02 p.m.

**CONSIDER EMPLOYMENT CONTRACT OF HOUSTON COMMUNITY COLLEGE  
CHANCELLOR DR. MARY SPANGLER AND ANY OTHER RELATED  
AUTHORIZATION NECESSARY FOR FURTHER ACTION**

Motion – Mrs. Feldman moved that as requested by Chancellor Mary S. Spangler that the Board approve the mutual separation of her employment with Houston Community College, and compensate her pursuant to her February 2, 2007 contract, including the Eighth Addenda, effective April 1, 2013 through May 31, 2014 in the amount of \$650,541.89 and further, the Board finds that this action is in the best interest of Houston Community College. Ms. Mullins seconded. The Motion passed with vote of 6-0.

Mrs. Garcia stated that the Board should be encouraged to speak with one voice, through the Chair or in his absence, the Vice Chair, regarding college matters before the press.

**ADJOURNMENT**

With no further business coming before the Board, the meeting adjourned at 2:05 p.m.

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

Minutes Approved as Submitted: April 18, 2013