

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

February 14, 2013

Minutes

The Board of Trustees of Houston Community College met as a Committee of the Whole on Thursday, February 14, 2013, at the HCC Administration Building, 2nd Floor, 3100 Main 2nd Floor in Seminar Room A, Houston, Texas.

MEMBERS PRESENT

Bruce Austin, *Chair*
Eva Loreda, *Secretary*
Leila Feldman
Herlinda Garcia
Yolanda Navarro Flores
Carroll G. Robinson
Neeta Sane

ADMINISTRATION

Renee Byas, Acting Chancellor
Art Tyler, Deputy Chancellor/COO
Destinee Waiters, Acting General Counsel
Shantay Grays, Chief of Staff
William Carter, Vice Chancellor, Information Technology
Charles Cook, Vice Chancellor, Instruction
Diana Pino, Vice Chancellor, Student Services
Margaret Ford Fisher, President, Northeast College
Fena Garza, President, Southwest College
William Harmon, President, Central College
Zachary Hodges, President Northwest College
Irene Porcarello, President, Southeast College
Betty Young, President, Coleman College of Health Sciences
Karen Edwards, Interim Chief Human Resource Officer
Dan Arguijo, Chief Communications Officer
Ron Defalco, Chief Financial Officer
Winston Dahse, Chief Administration Officer
Remmele Young, Executive Director, Government Relations & Sustainability
Belinda Brockman, Internal Auditor

OTHERS PRESENT

Jarvis Hollingsworth, System Counsel, Bracewell & Giuliani
Tom Sage, Bond Counsel, Andrews Kurth
Brad Deutser, Yaffe|Deutser
Clarence Grier, RBC Capital
Tod Bisch, President, Faculty Senate
James Walker, President, COPA
Other administrators, citizens and representatives from the news media

CALL TO ORDER

Mr. Austin, Chair, called the meeting to order at 4:12 p.m. and declared the Board convened to consider matters pertaining to Houston Community College as listed on the duly posted Meeting Notice.

PRESENTATION BY SUPERINTENDENT H. D. CHAMBERS, ALIEF INDEPENDENT SCHOOL DISTRICT CONCERNING HB5

Mrs. Sane introduced H. D. Chambers, Superintendent of Alief ISD. Mr. Chambers provided an outline House Bill (HB) 5 and noted that the effort is to introduce provisions related to graduation requirements. Mr. Chambers provided an outline of a graduation plan with meaningful flexibility to Texas students and communities. He informed that the plan calls for every student to graduate on the grounds of earning a foundation diploma with a career cluster endorsement.

Mr. Chambers apprised that the purpose of presenting the plan is to receive support of the concept from the HCC Board.

Mrs. Garcia inquired of the demographics of Alief ISD and the graduation rate. Mr. Chambers provided an overview of the demographics and noted that the four-year graduation rate is ninety-one percent and the five-year graduation rate is ninety-three percent. He informed that these results are due to students being prepared to pass tests. He noted that the goal is not to just graduate students but to make certain they are college and/or workforce ready. He apprised that the request of the bill is to remove from the strict State of Texas Assessment of Academic Readiness (STAAR) testing.

Dr. Charles Cook noted that the plan aligns with the presentation and reorganization of the College's programs to create meaningful pathways to produce graduation and job skills.

Mr. Austin apprised that the Board would hold discussion with legal counsel and governmental affairs to provide a recommendation for the Board's for consideration.

Mr. Robinson expressed appreciation of the efforts and noted that there is a problem and something has to be done to fix the problem. He mentioned that he is supportive of HB5 and the ideas provided. He informed that partnerships are needed as well.

3100 MAIN BUILDING ROOFING

Motion – Ms. Loreda moved and Mrs. Feldman seconded.

Dr. Tyler apprised that the item is to request authorization for a contract, since the project amount exceeds that of the Job Order Contract (JOC).

Ms. Garcia inquired what constitutes the necessity of a bid. Mrs. Byas noted that the Board set a limit on the JOC of \$500,000 and anything over that amount must have approval by the Board.

Mrs. Garcia inquired when does the Board get the opportunity to see how the committee evaluates the bids and inquired of the expertise of the evaluators. Mrs. Garcia inquired as to who conducts the assessment to determine that the repairs are necessary. She apprised that she is concerned about the process, in particular, who assesses the need. She noted that there are two parts to her inquiry: (1) does the facilities department conduct an assessment and then pass to the procurement department and (2) who assesses the roofing. Dr. Tyler informed that the in-house staff, which consists of engineers and project managers, conducts an assessment and estimate to determine the needs.

Mrs. Garcia apprised that she would like to have an orientation with the facilities staff.

Dr. Tyler noted that there was an assessment completed by ESPA Corporation approximately three years ago. Mrs. Garcia inquired of the document. Dr. Tyler informed that it was a facilities audit.

Vote - The motion passed with a vote of 5-0-1 with Mrs. Garcia abstaining.

CONTRACT EXTENSION FOR FINANCIAL ADVISORY SERVICES FROM MARCH 2, 2013 TO AUGUST 31, 2013

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

Dr. Tyler apprised that the item is to extend the contract for RBC Capital (RBC) who have been engaged as Financial Advisors. He noted that the request is to extend the contract until after the bond sale.

Mr. Robinson inquired as to who tracks when contracts expire so that there is no gap in service and need for extensions. He informed that taxpayer funds are expended and there needs to be some form of a database that tracks the contract expirations. He noted that the contract extension should not be coming before the Board with the bond having just passed in November 2012. He noted that there was a previous inquiry if the financial advisors would be the team in place throughout the bond process. He asked that someone review all the contracts and put a tickler in place. He apprised that he is a “no” vote on all the extensions because he is not supporting if a process is not in place.

Mrs. Sane associated with Trustee Robinson’s concern. She noted that there was discussion at the Board Governance meeting regarding providing a list of contract expirations and the estimated cost for the contracts. She inquired if there is something in the Board bylaws requiring the task. Mr. Hollingsworth informed that instructions were given to the administration. He apprised that it is a policy issue.

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Mrs. Byas noted that procurement has a list of contracts with expiration dates. She informed that there is a job description being developed for a contract coordinator to maintain the database to provide notification of contract expirations.

Mrs. Sane inquired that if instructions were given over eight months ago, why the instructions were not followed. Mr. Rogelio Anasagasti informed that the discussion was to project on a quarterly basis for the calendar year. He apprised that an earlier version was provided regarding the bond projects. He noted that the document has been consolidated into one document to include all contracts.

Mrs. Byas informed that the information would be provided on a monthly basis. She apprised that the current information provided is a listing of all contracts.

Mrs. Sane noted that the contracts that should be reviewed are those approved by the Board.

Mrs. Garcia informed that she asked that two contracts be placed on the agenda for today. She apprised that the issue is not with the recommendation, but is regarding the process. She noted that the issue is more of perception. She informed that these types of items cannot continue to come before the Board and corrective action needs to be taken today.

Mrs. Feldman apprised that the contract would expire on March 2, 2013 and if not approved, there will not be financial advisors. She inquired if RBC will receive any consideration for a new RFP. Dr. Tyler noted that RBC is not eligible to apply because of the contract limitations.

Mrs. Feldman inquired of the consequences if the contract is not extended. Dr. Tyler informed that HCC is scheduled to go to market within the next thirty days and will be at a disadvantage, without financial advisors to assist with strategy and structure of the bonds.

Mr. Robinson apprised that the procurement process should have begun in sufficient time so that the expiration was not an issue. He also noted that the other issue is that bonds will be sold in two tranches and noted that if the contract is extended until August 31, 2013, this possibly eliminates someone else getting an opportunity to sale the remaining \$125 million. Mr. Robinson informed that he has nothing against RBC.

Mrs. Sane apprised that internal operations need to be streamlined. She inquired if the college work should be halted for six months because the financial advisors will not be in place. She noted that it is time to get the procedures in place.

Mrs. Garcia inquired of the timeline regarding the RFP for the Financial Advisors. Mr. Anasagasti informed that there will be the element to end the contract sooner; the only complexity is the blackout period. He apprised that the funding of the bond would need to be completed because some of the potential respondents could be involved in the bond sale process. Dr. Tyler noted that the bond sale could take approximately 6-8

weeks. Mr. Anasagasti informed that the RFP process could be completed within the six-month extension period.

Mrs. Garcia inquired if preparation would have taken place in sufficient time if the contract expiration was knowledgeable. Mr. Anasagasti apprised that the active contract list allows for monitoring of the contracts. He noted that the recruitment of a contract administrator is underway.

Mrs. Garcia informed that her concern is that the procurement department is autonomous. Mrs. Byas apprised that the procurement department is autonomous. She noted that procurement has hired a contract administrator to track contracts and noted that that a contract coordinator will also be hired to review all contracts for the college.

Vote – The motion failed with a vote 4-2 with Trustees Austin, Feldman, Loredo and Sane in favor and Trustees Garcia and Robinson opposing.

Mr. Austin apprised that every time there is a delay regarding going to the market, the interest rates increase.

INVESTMENT REPORT FOR THE MONTH OF JANUARY 2013 AND MONTHLY FINANCE REPORT FOR JANUARY 2013

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

Dr. Tyler noted that investments continue to be positive. He informed that the reserves have almost doubled after expenses.

Mr. Robinson inquired of the amount of unrestricted cash in Fund 3. Dr. Tyler informed that the amount is approximately \$8.2 million.

Mr. Robinson inquired of the amount in maintenance tax notes. Dr. Tyler apprised that there is approximately \$604,644 in Series 2008; \$5 million in Series 2011; \$11.3 million in Series 2011A; \$1.5 million in Series 8; and \$19.8 million in Series 2010. He noted that there are remaining projects that are incomplete. He referenced page 29 and noted that the largest portion is allocated to Central College because of the San Jacinto project.

Mrs. Garcia informed that she has questions regarding San Jacinto College. She apprised that she would like Mr. Ron Defalco to come forward because he conducted an orientation for her and noted that he addressed the budget with incredible details and would be able to assist.

Mr. Robinson noted that the maintenance budget is running out of funds. He informed that he is assuming that there will be a discussion at the budget workshop regarding maintenance.

Mrs. Sane apprised that there is a plan in place and asked Dr. Tyler to share the plan with the Board at the Budget Workshop.

Ms. Loreda noted that several Trustees attended the National Legislative Summit and informed that during meetings on Capitol Hill, it was noted that the college is managing grant funds. She apprised that the financial statements show several grants with large amounts unexpended. She apprised that there has to be a concerted effort to utilize grant funds.

Mr. Austin suggested a category for encumbrances. He noted that when purchase orders are signed, there is a contractual obligation. Dr. Tyler informed that it is done for the Capital Improvement Plan (CIP) but not on all funds. He noted it can be done.

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

REVIEW STATUS OF SECURITY GUARD SERVICES CONTRACT WITH ALLIED BARTON SECURITY SERVICES

Dr. Tyler asked Chief Greg Cunningham to provide a report regarding the hiring of security guards services.

Mr. Austin noted that Trustee Garcia inquired of the report. Mrs. Garcia informed that she has specific questions.

Mr. Robinson inquired of the eight unfilled regular full-time positions in the police department budget. Mr. Cunningham confirmed that there are funded unfilled positions.

Mrs. Garcia inquired if the security guards are paid hourly and if the contract is for three years. Mr. Cunningham apprised that the contract was awarded in October 2012.

(Mr. Robinson stepped out on 5:31 p.m.)

Mrs. Garcia informed that the contract calls for security services at different campuses. Mr. Cunningham noted that the actual contract was for the security guard services at 3100 Main only.

Ms. Garcia informed that it was her understanding that a security person would be placed at each college. Mr. Cunningham apprised that the contract would provide for the opportunity to expand. Dr. Tyler noted that the security officers were always a part of the security teams and noted that the effort was to increase and enhance the presence at 3100 Main.

Mrs. Garcia inquired of the amount the contract and number of security officers. Dr. Tyler informed that the contract is not to exceed \$1 million for the entire three-year period.

Mrs. Garcia inquired of the number of companies who own the firm. Mr. Cunningham apprised that the firm is AlliedBarton, which is a national company.

(Mrs. Robinson returned at 5:34 p.m.)

Mrs. Garcia inquired of the benefit of having security guards who do not carry weapons.

(Mrs. Flores arrived at 5:36 p.m.)

Mrs. Garcia inquired how the contract benefits the college. Mr. Cunningham noted that the contract has increased the number of security professionals whose jobs are to observe and report to the police department.

Mrs. Garcia requested administration to research if other colleges and/or universities have hired security guards that do not carry weapons.

(Mrs. Sane stepped out at 5:37 p.m.)

Mrs. Garcia apprised that it does not benefit the college. She noted that the contract and the budget need to be reviewed and recommended hiring police officers that carry weapons.

(Ms. Loreda stepped out at 5:39 p.m.)

Mrs. Flores inquired of the annual contract expiration. Mrs. Byas informed that the contract is a three-year contract with a thirty-day notice to cancel provision.

REVIEW STATUS OF CONSULTING SERVICES CONTRACT WITH YAFFE|DEUTSER, LLC REGARDING MARKETING AND COMMUNICATION SUPPORT SERVICES

(Mrs. Sane returned at 5:40 p.m.)

Dr. Tyler apprised that Dan Arguijo, Chief Communications Officer and Brad Deutser, President, Yaffe|Deutser are present to provide to report on the status of Yaffe|Deutser services contract.

Mrs. Garcia noted that she reviewed the contract and mentioned that she noticed that there are monthly reporting requirements. She informed that the person who the reports should be provided to is no longer with the college and noted that Mrs. Byas apprised that the reports should be provided to Dr. Tyler.

Mr. Deutser noted that reports are provided to the areas for which the service is provided and noted that reports have been provided to the Chancellor, Dr. Tyler as well as procurement.

Mrs. Garcia inquired if the reports provide a review of activities for the month along with an expense for the services provided. Mr. Deutser informed that the reports detail the services provided to the Board, Chancellor, Foundation, and Communications. He apprised that the reports currently do not have a dollar amount associated with the services; however, Dan Arguijo approves the monthly dollars expended. Mr. Deutser noted that expenditures would be added to future reports.

Mrs. Garcia inquired of the number of years Yaffe|Deutser has provided services to the college. Mr. Deutser informed that the firm was contracted under the first bond measure.

Mrs. Garcia inquired of small business participation. Mr. Deutser apprised that the small business participation is fulfilled and the Yaffe|Deutser is a small business.

Mrs. Garcia inquired if there are outsourcing efforts to make certain all communities are targeted. Mr. Deutser noted that they work with various firms throughout the community. He informed that there are strong relations with broadcast, which includes Univision and other Hispanic networks in the community.

Mrs. Garcia inquired if the firm is responsible for working with the Board. Mr. Deutser apprised that the work conducted with the Board is done at the discretion of the Board Chair. He noted that there is also outreach work with the colleges on an as needed basis. He informed that the meetings are group efforts; however, one-on-one meetings are held as requested.

Mrs. Garcia apprised that Mrs. Byas informed that meetings would be held with the presidents. She requested an opportunity to meet with Mr. Deutser to receive an overview of the effort.

(Ms. Loreda returned at 5:52 p.m.)

Mrs. Garcia noted that the reports are imperative so that there are measurable objectives and that the marketing efforts result in enrollment increases.

Mr. Austin inquired if there will be a briefing to the full Board of the communications with the colleges. Mr. Deutser informed that the efforts are new and that a tiered communication plan is being developed.

Mrs. Flores apprised that there should be an overview of the last four years regarding recruitment and enrollments. She noted that the Board should be made aware of the details of the reports.

Mrs. Garcia inquired of the public relations (PR) with the Foundation. Mr. Deutser informed that Yaffe|Deutser does not specifically deal with the PR efforts. He apprised that the PR efforts are done through the communication department. Mr. Deutser noted that Yaffe|Deutser supports the Foundation on various initiatives, planning galas, events developing materials, outreach initiatives and scholarship partnerships, such as the partnership with the Houston Texans.

Mr. Robinson inquired if the work with the Foundation is a separate contract. Mr. Deutser noted that the work with the Foundation is part of the deliverables of the initial contract.

Mr. Robinson informed that he asked for information repeatedly and informed that there was a request for an accounting of the \$800,000 educational campaign. He requested that the report be given to Board Services for dissemination. He inquired if all the work completed for the Foundation is included in the information.

Mr. Robinson inquired as to why the Foundations does not assist with all the fundraiser efforts. He apprised that the efforts are one vehicle to market with the goal of HCC scholarships. He informed that other fundraising areas cannot be maximized strictly on certain departments. He apprised that the mindset has to change.

Mr. Robinson noted that he was not aware that Yaffe|Deutser provided services to the Foundation.

(Mr. Robinson stepped out at 6:02 p.m.)

Mrs. Garcia inquired if the firm reports to Mr. Arguijo and inquired about collateral material. Mr. Arguijo informed that there are five divisions under Communications and noted that the custodian needs to be revised. He apprised that the only person who provides directives to the agency is the Chancellor, Communications or Dr. Tyler.

(Mr. Robinson returned at 6:04 p.m.)

Mr. Arguijo provided an overview of the PR efforts.

Mrs. Garcia noted that the scope of work provided in the contract mentions giving services to the Foundation. She informed that the Foundation should be autonomous. She requested a report be provided to the Board on the scholarships and the recipients.

Mrs. Sane apprised that marketing could be discussed at the budget workshop and noted that it should include marketing efforts regarding the branding and enrollment.

ADJOURNED TO CLOSED SESSION

Mr. Austin adjourned the meeting to Executive Session at 6:11 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 9:10 p.m. and entertained motions on pending matters.

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

Mr. Austin informed that all the remaining items will be placed on the agenda for the Regular meeting scheduled for Thursday, February 28, 2013. The following items will be placed on the agenda:

- Project Management of Bond Capital Improvement Plan (CIP)
- Update on Contract with Community College of Qatar
- Report on Proposal for the HCC Global Oil and Gas Drilling Center
- Report on Commencement Ceremony
- Report on Student Success and Enrollment
- Report on Workforce Instruction
- HCC Diversity Plan Progress Report
- Report on Affirmative Action Planning Process

ADJOURNMENT

With no further business coming before the Board, the meeting adjourned at 9:11 p.m.

Minutes recorded, transcribed & submitted by:

Sharon Wright, Manager, Board Services

Minutes Approved as Submitted: April 18, 2013