

Texas Southmost College District

Minutes of the Regular Meeting of the Board of Trustees

March 23, 2006

The Board of Trustees of the Texas Southmost College District convened in open session March 23, 2006 at 5:30 p.m. in the Board Room of Gorgas Hall, Texas Southmost College. Board members present were Mr. Chester Gonzalez, Chair, Ms. Rosemary Breedlove, Vice Chair, Mr. Eduardo A. Campirano, Secretary, Ms. Dolly Zimmerman, Mr. David Oliveira, Dr. Roberto Robles and Mr. Roman "Dino" Esparza. Also present was Dr. Juliet V. García, President of The University of Texas at Brownsville and Texas Southmost College.

Regular Meeting

Call to Order

The meeting was called to order by Chairman Gonzalez at 5:35 p.m.

1 **Executive Session As provided by Government Code, Chapter 551.072**

Real Estate

Contract and Resolution for Purchase of
Lot 19, Block 10, Colonia Alta Vista,
Brownsville, Texas

Contract and Resolution for Purchase of
Lot 20, Block 10, Colonia Alta Vista,
Brownsville, Texas

Discussion and Possible Action on
Lot 1, Block 1, Lots 1-9, Block 2 and
Lots 1-10, Block 4, University Park

Discussion and Possible Action on Los
Tomates Banco #122, 84.15 Acres

Discussion and Possible Action on Abs 6 –
J Y Trevino Share 6 E 8.7240 Acres

The Board convened in Executive Session at 5:37 p.m.

The Board reconvened in Regular Session at 6:00 p.m.

2 Consideration and possible action on matters discussed in Executive Session

**Consideration and possible action on
Contract and Resolution for Purchase of
Lot 19, Block 10, Colonia Alta Vista, Brownsville, Texas**

A motion was made by Ms. Breedlove to approve the contract and resolution for the purchase of Lot 19, Block 10, Colonia Alta Vista, Brownsville, Texas as presented; seconded by Mr. Campirano motion carried unanimously. Exhibit "A"

**Consideration and possible action on
Contract and Resolution for Purchase of
Lot 20, Block 10, Colonia Vista, Brownsville, Texas**

A motion was made by Mr. Campirano to approve the contract and resolution for the purchase of Lot 20, Block 10, Colonia Alta Vista, Brownsville, Texas as presented; seconded by Ms. Breedlove motion carried unanimously. Exhibit "B"

**Discussion and Possible Action on
Lot 1, Block 1, Lots 1-9, Block 2 and Lots 1-10, Block 4, University Park**

No action was taken.

**Discussion and Possible Action on
Los Tomates Banco #122, 84.15 Acres**

No action was taken.

**Discussion and possible action on
Abs 6 – JY Trevino Share 6 # 8.7240 Acres**

No action was taken.

3 Approval of Minutes from Previous Meeting

**Consideration and possible action on
Minutes of Regular Meeting February 16, 2006**

A motion was made by Ms. Breedlove to approve the minutes of the Regular Meeting of February 16, 2006, as presented; seconded by Mr. Oliveira; motion carried unanimously.

4 Speakers to Agenda Items and Public Discussion

There were no speakers.

5 Board Briefing

Use of MyUTBTSC Blackboard for Distance Education

Dr. Ruth Ann Ragland, Vice President for Academic Affairs introduced Mr. Doug Ferrier, Dean of Instructional Support. Mr. Ferrier introduced the Distance Education staff to make a presentation regarding the use of MyUTBTSC portal for Distance Education.

Mr. Rene Sainz, Assistant Director for Distance Education, narrated a timeline of major milestones of the services provided by Distance Education (DE). He reported that UTB/TSC has been a pioneer in technology and has one of the best DE departments in the UT System. Mr. Sainz reported that there are currently 10 video conferencing rooms, one telemedicine room and over 28 T1 lines. He reported that enrollment in DE courses has increased from 586 in the year 2000 to 5150 in 2006. Some of UTB/TSC degrees offer several of their core courses online including: Bachelor of Science in Nursing, Bachelor of Science in Criminal Justice, Bachelor of Applied Technology, Workforce Leadership, Technology Application/Training, Computer Information Systems Technology, and Health Services Technology. There are also some graduate programs that offer online courses such as the Master of Education in Education Technology, the Master Technology Teacher and the Master of Business Administration.

6 Business Affairs Partnership Committee

Mr. Campirano reported that the Business Affairs Partnership Committee met on March 20, 2006 and discussed the following items:

Consideration and possible action on Bid for Demolition of Vacant Buildings

Mr. Campirano explained that the scope of work includes removal of buildings, foundation, slab and fill. He reported that a total of five bids were received with the lowest bid from R.L. Abatement of Weslaco in the amount of 159,700.

A motion was made by Mr. Campirano to accept the bid from R.L. Abatement of Weslaco, Texas in the amount of \$159,700 for the Demolition of Vacant Buildings as presented; seconded by Dr. Robles; motion carried unanimously.
Exhibit "C"

**Consideration and possible action on
Bid for Hydronic Piping Upgrade**

Mr. Campirano reported that the hydronic piping upgrade consists of the addition of new chilled water lines to alleviate the “bottleneck” effect that restricts the flow of chilled water to campus buildings. He stated that three bids were received with the lowest bid from Victoria Air Conditioning in the amount of \$183,000.

A motion was made by Mr. Campirano to accept the bid from Victoria Air Conditioning for the Hydronic Piping Upgrade in the amount of \$183,000 as presented; seconded by Ms. Zimmerman; motion carried unanimously. Exhibit “D”

**Consideration and possible action on
Job Order Contract for Pedestrian Bridge**

Mr. Campirano reported the contract with Jamail Construction is for the construction of a pedestrian bridge from the Village at Fort Brown to the island on the north bank of the Fort Brown Resaca, west of the Amphitheatre. He stated that plan and profile drawings will be provided to the District for review and approval prior to start of construction.

A motion was made by Mr. Campirano to approve the contract with Jamail Construction Company for the construction of the pedestrian bridge in the amount of \$528,000 as presented; seconded by Mr. Esparza; motion carried unanimously. Exhibit “E”

**Consideration and possible action on
Contract for Construction Manager at Risk for
Wellness, Recreation and Kinesiology Complex**

Mr. Campirano reported that the contract has been reviewed by the District’s legal counsel, the UT System Office of Facilities Planning and Construction, as well as District staff. He mentioned that staff recommends approval of the contract and authorization for the Assistant Vice President for Construction to negotiate a Guaranteed Maximum Price for Construction Services with J.E. Dunn-Terry Ray, a Joint Venture, for Construction Manager of Risk services for the Wellness, Recreation and Kinesiology Complex.

A motion was made by Mr. Campirano to approve the contract with J.E. Dunn – Terry Ray, a Joint Venture, for Construction Manager of Risk services for the Wellness, Recreation and Kinesiology Complex and authorize the Assistant Vice President for Construction to negotiate a Guaranteed Maximum Price as presented; seconded by Dr. Robles; motion carried unanimously. Exhibit “F”

**Consideration and possible action on
Substantial Completion and Final Payment for
University Blvd. Parking Lot Improvements**

Mr. Campirano reminded the Board that G&T Paving Company was awarded the bid for the University Boulevard Parking Lot Improvements. He stated that the scope of work in the contract included the construction of 1,200 parking spaces, landscaping, electrical and irrigation services. Mr. Campirano reported that the project is substantially complete and recommended the release of final payment to G&T Paving Company in the amount of \$266,661.69.

A motion was made by Mr. Campirano to accept the Substantial Completion of the University Boulevard Parking Lot Improvements and release final payment to G&T Paving Co. in the amount of \$266,661.69 as presented; seconded by Ms. Breedlove; motion carried unanimously. Exhibit "G"

**Consideration and possible action on
Substantial Completion and Final Payment for
Temporary Cooling Tower for ITEC Campus**

Mr. Campirano reminded the Board that Tex Air Company Inc. was hired to install a new temporary cooling tower to service the ITEC Campus. This tower will eventually be moved to the roof as part of the Phase II Thermal Plant project currently underway with REC Industries. Mr. Campirano reported that Tom Green, the engineer of record, and Broaddus and Associates determined the project to be substantially complete and recommend release of final payment to Tex Air Company Inc. in the amount of \$19,583.70.

A motion was made by Mr. Campirano to accept the Substantial Completion of the Temporary Cooling Tower for the ITEC Campus and release final payment to Tex Air Company, Inc. in the amount of \$19,583.70 as presented; seconded by Mr. Esparza; motion carried unanimously. Exhibit "H"

**Consideration and possible action on
Change Order for Additional Chiller at the
Thermal Plant for the ITEC Campus**

Mr. Campirano reminded the Board that the REC Industries was awarded the contract for Phase II of the ITEC Campus Thermal Plant Improvements. He reported that this was Change Order #1 for that project in the amount of \$284,695. The change order is necessary to add a new 1,000 ton Chiller to replace the existing outdated chillers that are in constant need of repair. Mr. Campirano reported that the Change Order includes the cost of the new equipment and pumps offset by credits for base bid work

associated with the old chillers including but not limited to the deletion of new starters for the old chillers, labor credits, electrical and insulation credits.

A motion was made by Mr. Campirano to approve Change Order #1 to the contract with R.E.C. Industries for Phase II of the ITEC Campus Thermal Plant in the amount of \$284,695 as presented; seconded by Ms. Breedlove; motion carried unanimously. Exhibit "I"

**Consideration and possible action on
Resolution Authorizing the Commencement of
Proceedings Relating to the Issuance of Limited Tax Bonds,
Appointing District Advisors and Consultants;
and Other Matters Related Thereto**

Dr. John Ronnau, Vice President for Administration and Partnership Affairs, introduced Ms. Anne Burger Entrekin, the District's Financial Adviser from First Southwest Company. Ms. Entrekin explained that the Tax Bonds authorized by the voters in November of 2004 assumed six series of bonds issuances from 2005-2010 with a projected debt service tax rate increase of 3.8 pennies. She also explained that in 2005 due to lower than projected interest rates and higher than projected growth in the taxable assessed valuation (TAV), the model was revised as follows:

- \$20,000,000 in 2005 – Issues at 4.14% True Interest Cost
- \$20,000,000 in 2006, \$14,000,000 in 2007 and 2008

Ms. Entrekin reported that due to higher than projected TAV after bond sale the actual tax rate increase was 3.69 pennies rather than the 3.8 pennies. She stated that since interest rates continue to be near historical lows TSC has the ability to issue up to \$25 Million of Tax Bonds for approximately the same tax rate impact as that projected for \$20 Million. She also reported that locking in more debt at lower interest rates provides TSC a hedge to rising interest rates.

A motion was made by Mr. Campirano to approve the commencement of proceedings relating to the issuance of not less than \$20 million and not more than \$25 million of Limited Tax Bonds, Appointing District Advisors and Consultants; and Other Matters Related Thereto as presented; seconded by Dr. Robles; motion carried unanimously. Exhibit "J"

**Consideration and possible action on
Resolution Authorizing the Commencement of
Proceedings Relating to the Issuance of Maintenance Tax Notes,
Appointing District Advisors and Consultants;
and Other Matters Related Thereto**

Ms. Entrekin explained that Maintenance Tax Notes is a debt instrument available to the District. Maintenance Tax Notes are unique in that they do not require an election, they can only be used for renovation and maintenance costs, are secured by full faith and credit of the ad valorem tax base and do not have to be calculated in the roll back analysis. Ms. Entrekin mentioned that one option is to utilize Maintenance Tax Notes to fund the estimated costs for renovation budgeted in the Bond Package; thus, "Freeing-up" a like amount for construction or land acquisition. Ms. Entrekin reported that the District has the capacity to issue approximately \$4.85 million in Maintenance Tax Notes. She noted that the next issuance of tax bonds and the Maintenance Tax Notes should be done concurrently so that we are sure not to go over the 3.8 pennies increase in the tax rate promised to the voters.

A motion was made by Mr. Campirano to approve the commencement of proceedings relating to the issuance of Maintenance Tax Notes in an amount that based on current interest rates and taxable assessed valuation when combined with the Tax Bonds, does not increase the tax rate more than 3.8 pennies as presented; seconded by Dr. Robles; motion carried unanimously.

**Consideration and possible action on
Resolution Authorizing the Commencement of
Proceedings Relating to the Combined Fee Revenue and
Refunding Bonds, Appointing District Advisors and Consultants;
and Other Matters Related Thereto**

Ms. Entrekin explained that the District has utilized Revenue Bonds several times over the years for projects such as the Student Union Fee Revenue Bonds, the Combined Fee Revenue Bonds for land acquisition and the Wellness Fee Revenue Bonds. Revenue Bonds are secured only by a defined revenue stream and require a coverage factor and reserve fund. Ms. Entrekin reminded the board that the Combined Fee Revenue Bonds, Series 2002 were for \$5,000,000 at an interest rate of 5.50%. The bond structure has a 20 year amortization with a 15 year final maturity (balloon payment). Ms. Entrekin explained that the bond covenants include an extraordinary call language that makes the bond "callable" after the passage of a bond election. She recommended to take advantage of the low interest rate environment by refinancing the 2002 Combined Fee Revenue Bonds. Refinancing the bonds and extending the maturity date to 25 years adds approximately \$1.5 million to the project fund. The annual debt service payment would remain at approximately \$450,000.

A motion was made by Mr. Campirano to approve the refinancing and new money issuance of the Combined Fee Revenue Bonds in an amount that will keep the debt service payments the same, currently estimated to be \$450,000 as presented; seconded by Dr. Robles; motion carried unanimously. Exhibit "K"

**Consideration and possible action on
First Reading Board Policy V-D: Investment**

Mr. Campirano reported that the Public Funds Investment Act requires that the Investment Policy be reviewed annually by the Board. He stated that no changes are being recommended.

A motion was made by Mr. Campirano to approve the Board Policy V-D: Investment as presented; seconded by Ms. Zimmerman; motion carried unanimously. Exhibit "K"

**Consideration and possible action on
TSC District Budget Amendments for
Fiscal Year 2005-2006**

Dr. Ronnau reported that Budget Amendment #06-001 adjusts for additional expenses in the General Fund and deletes from the budget the Coordinating Board appropriation for insurance since it is funded directly to UTB.

Budget Amendment #06-002 sets up revenue and expenses accounts for the Fort Brown Plaza property in the Auxiliary Fund.

Budget Amendment #06-003 rolls over unspent funds in the Campus Improvements account.

Budget Amendment #06-004 recognizes the Wellness, Recreation and Kinesiology Complex revenue bonds.

A motion was made by Mr. Campirano to approve the TSC District Budget Amendments #006-001, #06-002, #06-003, and #006-004 for Fiscal Year 2005-2006 as presented; seconded by Dr. Robles; motion carried unanimously. Exhibit "L"

7 Bond Projects Update

**Consideration and Possible Action on
Selection of Architect for Classrooms Buildings, East Library**

Mr. Oliveira explained that since the library and classroom buildings will be built adjacent to each other. One architect will be hired to design both facilities. He reported that the joint meeting of the Classrooms and Library Board Bond Advisory Committees was held on February 17, 2006. The BBACs interviewed Hermes, Kirksey, Kell Muñoz and Alvidrez architects.

Mr. Oliveira reported that the meeting was attended by community members, students, faculty and staff. He reported that Chairman Gonzalez, Trustee Liaison for the Classrooms Project, was also present.

Mr. Oliveira reported that Kell Muñoz was recommended by the Board Bond Advisory Committees as the best value respondent for the institution because of their vast experience in designing library and classroom facilities. He stated that the BBACs are confident that the design team possesses the ability to deliver state-of-the-art facilities for our students.

A motion was made by Mr. Oliveira to approve the Selection of Kell Muñoz Architects as architects for the Classrooms Buildings and East Library Projects as presented; seconded by Ms. Breedlove; motion carried unanimously.

Dr. John Ronnau provided a brief summary of the Communication Plan for the bond projects. He announced that a website dedicated to the Bond Projects will be online within a week. Through the website, the public can access an overview of all the bond projects including their proposed location, timeline, photos and progress.

Dr. Ronnau reported that presentations regarding the progress of the Bond Projects were made to the Student Government Association, the Staff Senate and Rotary Club. The Academic Senate will receive an update at their next meeting.

Dr. Ronnau stated that a Bond Project Newsletter will be published this semester in conjunction with the Orange & White.

8 Construction Report

Dr. Ronnau reported the following:

- The space in the Rusterberg building that formerly housed the A/C Technical Education Shop is being refurbished by Physical Plant to house the Infrastructure Technology and Networks (ITNet) Department.
- The road connecting University Boulevard to the Life and Health Sciences Building parking lot is underway.
- Many new trees have been planted which increases the amount of shaded walkways in various locations across campus.
- Parking lot improvements to Life Health Sciences, Tandy and Gorgas parking lots were completed during the weekend.
- The pedestrian signal on the crosswalk connecting the University Boulevard parking lot to the Education Business Complex is now operational.

9 President's Report

Dr. García reported the following:

- The M1 building was dedicated today. The M1 building will house the Biomedical Research Department.
- On February 18th, a team of four pre-service teachers traveled to Washington, DC to participate in the 11th Annual NASA Pre-Service Teacher Conference.
- For the third consecutive year, students from the UTB School of Education received first place in the annual NASA Pre-Service Teacher competition. The competition's goal is to develop a teaching lesson that integrates science, mathematics, and technology. The team must then present their project and answer questions posed by judges. Over 60 universities participated in this annual event. Their lesson, "Birds, Beaks, and Eats," was taught to a class of second graders in the Brownsville Independent School District.
- The UTB/TSC campus community welcomed Mr. Amigo, Mexican artist Sergio Bustamante on February 2006. The festivities included a golf cart parade, a pre-program of music and dance at the Fort Brown Memorial Center, followed by the arrival of Mr. Amigo.
- Early voting for the March 7 primary elections was held on campus from February 27th to March 3rd. The lobby of Cardenas Hall North also served as a polling place on Election Day. Numerous county offices and state offices were up for election as well as three congressional district seats. The campus was one of 19 early voting sites and one of 94 precincts for Election Day.
- UTB/TSC hosted the Rio Grande Valley Regional Science and Engineering Fair on March 4th. 356 projects were entered by high school and middle school students in the Rio Grande Valley. Staff distributed brochures regarding programs on campus to students, parents and guests while the students' projects were being judged. UTB/TSC awarded the Raul A. Besteiro Jr. Scholarship to the first-place individual winner in the high school division. The winner was Adan Lopes, from Pace High School.
- You can now purchase tickets for the 2006 Arts and Entertainment Season, the Distinguished Lecture Series or any other event benefiting UTB/TSC online with eVision. UTB/TSC has teamed up with eVision of Corpus Christi in a project that allows community members to buy event tickets on-line, choose their own seating and print their tickets at home. In the near future, the community will be able to make donations to the university's annual fund on-line as well as make reservations to campus rent facilities.

- On Thursday, March 2 a building that once housed a classroom at Episcopal Day School in Brownsville was officially dedicated and named the Bahia Grande Research Station during a ceremony held at the Bahia Grande. The Episcopal Day School, in cooperation with Ocean Trust, gave and turned over the keys to the building to UTB/TSC. The Bahia Grande is located on Highway 48 between the Port of Brownsville and Port Isabel. It is 10,000 acres that will eventually be returned to a saltwater nursery for fish and shell fish and a rich habitat for wildlife.
- A workshop on “Information Technology Protection on the U.S. Mexico Border” took place on Wednesday, March 29 from 8:00 a.m. to 12:30 p.m. The workshop took place at the ITEC Campus. The workshop was hosted by the UTB/TSC Center for Economics and Enterprise Development/CEED in conjunction with the U.S. Federal Bureau of Investigation and industry experts. The workshop delivered information on how to prevent theft of cyber assets.

10 Proposed Meeting Dates

Board of Trustees Meetings:
Thursday, April 13, 2006
Monday, May 22, 2006
Thursday, June 22, 2006
July – no meeting
Thursday, August 17, 2006

11 Announcement

Dr. Robles announced that the Trio Los Panchos will perform on April 28 at 8:00 p.m. at the Jacob Brown Auditorium. The event is being sponsored by the Heart Institute of Brownsville.

Adjournment

The meeting was adjourned by Chairman Gonzalez at 7:30 p.m.

Mr. Chester Gonzalez
Chairman, Board of Trustees

Mr. Eduardo A. Campirano
Secretary Board of Trustees

NOTE: The tape of the Regular Board of Trustees meeting held on March 23, 2006 is on file at the District Office of the Texas Southmost College District. The master tape is on file at the UTB/TSC Media center. These minutes were taken and transcribed by Mari Montelongo, Administrative Secretary. Videotaping of the Board of Trustees’ meetings began on April 11, 1996. They are aired on Channel KISD in cooperation with the Brownsville Independent School District.