



## **AGENDA**

### **BOARD OF TRUSTEES REGULAR BOARD MEETING**

**May 21, 2015  
4:00 p.m.**

**HCC Administration Building  
3100 Main, 2<sup>nd</sup> Floor Auditorium  
Houston, Texas**



## **Strategic Plan 2012-2015**

Creating Opportunities for Our Shared Future  
(Approved by the HCC Board of Trustees, June 22, 2012)

### **Mission**

Houston Community College is an open-admission, public institution of higher education offering a high-quality, affordable education for academic advancement, workforce training, career and economic development, and lifelong learning to prepare individuals in our diverse communities for life and work in a global and technological society.

### **Vision**

HCC will be a leader in providing high quality, innovative education leading to student success and completion of workforce and academic programs. We will be responsive to community needs and drive economic development in the communities we serve.

### **Strategic Initiatives**

- Initiative #1: Increase Student Completion
- Initiative #2: Respond to Business and Industry
- Initiative #3: Develop 21st Century Learners
- Initiative #4: Support Faculty/Staff Professional Development and Student Leadership
- Initiative #5: Support Innovation
- Initiative #6: Support Entrepreneurialism
- Initiative #7: Leverage Partnerships

**AMENDED  
NOTICE OF A REGULAR MEETING  
OF THE BOARD OF TRUSTEES**

**HOUSTON COMMUNITY COLLEGE**

**May 21, 2015**

Notice is hereby given that a Regular Meeting of the Board of Trustees of the Houston Community College will be held on Thursday, the twenty-first (21<sup>st</sup>) day of May 2015 at 4:00 p.m., or after, and from day to day as required, at the HCC Administration Building, 2<sup>nd</sup> Floor Auditorium, 3100 Main, Houston, Texas. The items listed in this notice may be considered in any order at the discretion of the Chair or Board and items listed for closed session discussion may be discussed and/or approved in open session and vice versa as permitted by law.

**I. Call to Order**

**II. Prayer and Pledge of Allegiance**

**III. Approval of Minutes**

Approval of Minutes from Meetings of Academic Affairs/Student Services Committee, Audit Committee, Board Governance Committee, Board Self-Evaluation Committee, and Committee of the Whole on April 9, 2015, Board Self-Evaluation Committee and Regular Meeting on April 16, 2015, and Board Self-Evaluation Committee on April 28, 2015.

**IV. Awards, Presentations, and Recognitions**

- A. Check Presentation by Bank of America to HCC Foundation in Support of Accelerate TEXAS Program in Adult Education.

**V. Chairman's Report and/or Action**

- A. Announcement of Dr. Carolyn Evans-Shabazz as the Appointment to the Position of Houston Community College Trustee, District IV.
- B. Trustees District Reports.

**VI. Chancellor's Report**

- A. Faculty Senate Report (President of Faculty Senate).

**VII. Hearing of Citizens**

Houston Community College  
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**VIII. Consent Agenda**

**A. Academic Affairs/Student Services**

1. Fourier Transform Spectrometer for Northeast College.
2. ENGL 1301 Student Online Instructional Package and Course Fee for Northwest College.

**B. Facilities and Finance**

3. Rig-One Drilling Training Center (Project No. CSP 15-11).
4. Investment Report for the Month of March, 2015.
5. Monthly Financial Statement and Budget Review for March 2015.

**IX. Topics for Discussion and/or Action**

**A. Board Governance**

1. Personnel Agenda (Faculty).

**B. Facilities and Finance**

2. Approval of Lease Agreement for 5505 West Loop South, Houston, Texas.
3. Proposed Settlement Between Margaret D. Thibodeaux-Woody and HCC.
4. Resolution Authorizing the Issuance of Combined Fee Revenue and Refunding Bonds, Series 2015 and Redemption Prior to Maturity of Certain Outstanding Bonds.

**X. Adjournment to closed or executive session pursuant to Texas Government Code Sections 551.071; 551.072 and 551.074, the Open Meetings Act, for the following purposes:**

**A. Legal Matters**

1. Consultation with legal counsel concerning pending or contemplated litigation, a settlement offer, or matters on which the attorney's duty to the System under the Texas Disciplinary Rules of Professional Conduct clearly conflicts with the Texas Open Meetings Laws.

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**B. Personnel Matters**

1. Deliberated Proposed Settlement Between Margaret D. Thibodeaux-Woody and HCC.
2. Deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee, or to hear complaints or changes against an officer or employee, unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing.

**C. Real Estate Matters**

1. Lease Agreement for 5505 West Loop South, Houston, Texas.
2. Deliberate the purchase, exchange, lease, or value of real property for Agenda items if deliberation in an open meeting would have a detrimental effect on the position of the System in negotiations with a third person.

**XI. Additional Closed or Executive Session Authority**

If, during the course of the meeting covered by this Notice, the Board should determine that a closed or executive meeting or session of the Board should be held or is required in relation to any items included in this Notice, then such closed or executive meeting or session as authorized by Section 551.001 et seq. of the Texas Government Code (the Open Meetings Act) will be held by the Board at that date, hour and place given in this Notice or as soon after the commencement of the meeting covered by the Notice as the Board may conveniently meet in such closed or executive meeting or session concerning:

Section 551.071 – For the purpose of a private consultation with the Board's attorney about pending or contemplated litigation, a settlement offer, or matters on which the attorney's duty to the System under the Texas Disciplinary Rules of Professional Conduct clearly conflicts with the Texas Open Meetings Laws.

Section 551.072 – For the purpose of discussing the purchase, exchange, lease or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person.

Section 551.073 – For the purpose of considering a negotiated contract for a prospective gift or donation to the System if deliberation in an open meeting would have a detrimental effect on the position of the System in negotiations with a third person.

Section 551.074 – For the purpose of considering the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear complaints or charges against a public officer or employee,

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unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing.

Section 551.076 – To consider the deployment, or specific occasions for implementation of security personnel or devices, or a security audit.

Section 551.082 – For the purpose of considering discipline of a student or to hear a complaint by an employee against another employee if the complaint or charge directly results in a need for a hearing, unless an open hearing is requested in writing by a parent or guardian of the student or by the employee against whom the complaint is brought.

Section 551.084 – For the purpose of excluding a witness or witnesses in an investigation from a hearing during examination of another witness in the investigation.

Should any final action, final decision, or final vote be required in the opinion of the Board with regard to any matter considered in such closed or executive meeting or session, then such final action, final decision, or final vote shall be at either:

- A. The open meeting covered by this Notice upon the reconvening of the public meeting, or
- B. At a subsequent public meeting of the Board upon notice thereof, as the Board shall determine.

**XII. Reconvene in Open Meeting**

**XIII. Adjournment**

**XIV. Dinner**

Following the conclusion of all business, the Board of Trustees will meet for dinner in the Chancellor's Conference Room, 12<sup>th</sup> Floor, Suite 12D15, System Administration Building, 3100 Main, Houston, Texas 77002, where the Board may generally discuss System business, but will not take action on such business.

Houston Community College  
Regular Board Meeting (Amended) – May 21, 2015

**CERTIFICATE OF POSTING OR GIVING NOTICE**

On this 18<sup>th</sup> day of May 2015 at or before 4:00 p.m., this Notice was posted at a place convenient to the public and readily accessible at all times to the general public at the following locations: (1) the HCC Administration Building of the Houston Community College, 3100 Main, First Floor, Houston, Texas 77002; (2) the Harris County's Criminal Justice Center, 1201 Franklin, Houston, Texas 77002; (3) the Fort Bend County Courthouse, 401 Jackson, Richmond, Texas 77469; and (4) the Houston Community College's website, [www.hccs.edu](http://www.hccs.edu). The Houston Community College's Fort Bend County public meeting notices may be viewed after hours (*i.e.* between the hours of 5:30 p.m. and 7:30 a.m.) on the kiosk located on the west side of the new Fort Bend County Courthouse (the "William B. Travis Building"), located at 309 South Fourth Street, Richmond, Texas 77469.

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Sharon R. Wright, Manager  
Board Services

# Minutes



**MEETING OF THE  
ACADEMIC AFFAIRS/STUDENT SUCCESS COMMITTEE  
OF THE BOARD OF TRUSTEES  
HOUSTON COMMUNITY COLLEGE**

**April 9, 2015**

**Minutes**

The Academic Affairs/Student Success Committee of the Board of Trustees of Houston Community College held a meeting on Thursday, April 9, 2015, at the HCC Administration Building, Second Floor Auditorium, 3100 Main, Houston, Texas.

**MEMBERS PRESENT**

Eva Loreda, *Committee Chair*  
David B. Wilson, *Committee Member*  
Zeph Capo, *Alternate Committee Member*  
Robert Glaser  
Sandie Mullins  
Neeta Sane

**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  
Irene Porcarello, Interim Vice Chancellor, Student Services  
Teri Zamora, Vice Chancellor, Finance and Planning  
Cheryl Peters for Dr. William Harmon, President, Central College  
Michael Edwards, Acting President, Coleman College  
Margaret Ford Fisher, President, Northeast College  
Julian Fisher for Fena Garza, President, Southwest College  
Zachary Hodges, President, Northwest College  
Rudy Soliz, Interim President, Southeast College  
Janet May, Chief Human Resources Officer  
Carme Williams, Executive Director, HCC Foundation

**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**

Ms. Eva Loreda, Committee Chair, called the meeting to order at 3:02 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: Capo, Glaser, Loreda, Sane and Wilson)*

Dr. Cesar Maldonado announced the following administrative appointments:

- Dr. Irene Porcarello, Acting Vice Chancellor of Student Success
- Dr. Raul Soliz, Interim President, Southeast College
- Dr. Butch Herod, Vice Chancellor, Innovation and Institutional Analytics

*(Mr. Capo stepped out at 3:03 p.m.)*

### **REPORT ON INTERNATIONAL TRAVEL STUDENT TRIP TO SALZBURG GLOBAL SEMINAR**

Dr. Irene Porcarello informed that five students will travel to the Salzburg Global Seminar and will attend plenary lectures, participate in small group work, and benefit from cultural exchange. She apprised that the students are required to take the summer Government class.

*(Mr. Capo returned at 3:04 p.m.)*

Mr. Wilson inquired if one of the students could provide a report to the Board to give an overview of the experience.

Ms. Loreda noted that the students who travel to Spain should also be invited to provide a report to the Board.

### **UPDATE ON STUDENT SUCCESS**

Dr. Maldonado informed that the effort is to develop more data driven metrics and present to the Board the levels of performance administration will be held accountable for. He apprised that Dr. Kimberly Beatty would provide an overview of the measurements.

Dr. Beatty provided an overview as follows:

- Measurements
  - College Readiness
  - Success
  - Retention
  - Completion
- Alignment
  - Instructional Goals
  - State Funding Model
  - SACS Requirements
- Three-Year Targets
  - College Readiness
    - § Decrease in students requiring developmental education
- Increase in Transfer (7%)
- Persistence
  - Increase in Fall-Spring persistence
  - Increase in Fall-Fall persistence

- Completion
  - Course Completion

Mr. Capo applauded the aggressive goal setting especially in the college readiness areas. He informed that assistance is going to be needed from the Board to meet those goals through budget and policy priorities. Mr. Capo apprised that he is excited to see the breakout between academics and workforce developmental courses. He requested to see a baseline breakdown by college.

Dr. Maldonado noted that the college is pleased that approximately 2,000 students will be informed that they qualify to receive a degree and apprised that he is even more pleased to see that a system is in place to identify qualifiers.

Mrs. Sane inquired what is needed to allocate resources to make certain the targets are met. She apprised that there needs to be some idea before the budget workshop to align resources and inquired of the plan. Dr. Maldonado noted that the plan moving forward is to come back to the Board with each budget item tied back to the element of the overarching plan.

Ms. Loredó stated that she has been informing students that they need to stop moving around and noted that she is glad to see the system in place to identify qualifiers.

#### **UPDATE ON INSTITUTIONAL TRANSFORMATION PLAN**

Dr. Maldonado informed that the Transformation Plan is continuing to be implemented. He apprised that the roll out of organizational changes began on April 8, 2015. He noted that the announcement was moving the academic resources from being regional to a central resource to allow for better scheduling and faculty utilization. Dr. Maldonado apprised these changes will be completed by June 15, 2015. He noted that the effort is to proceed and not affect registration with organizational changes taking place in the middle of June. Dr. Maldonado apprised that the organizational structure will be announced during the All College Day on April 10, 2015. He noted that a presentation will be provided on a monthly basis as the transformation proceeds.

Ms. Loredó informed that when a new leader is brought in there is a desire to see changes. She apprised that there will be some moaning and groaning and the Board will probably receive inquiries regarding the change. Ms. Loredó apprised that the changes are for the betterment of the college.

Mr. Capo informed that changes are not always easy, but believes everyone agrees on wanting to see the results. He apprised that one of the issues is how to keep communication flowing. Mr. Capo noted that there must be thoughtful communication.

#### **REPORT ON LIBRARY SERVICE PLAN FOR TRANSFORMATION**

Ms. Loredó informed that the library item is one that she has continuously communicated. She inquired of the status regarding the library transformation.

Dr. Maldonado apprised that the effort is to provide the students with a learning environment and yielded to Dr. Beatty to provide an overview of the library transformation to include:

- Comparison of Current Library Services Versus Future:
  - Centralized
  - Efficient services and collection offerings
  - Consistent services (i.e., library hours)
  - Consistent training opportunities
  
- Next Steps to Include Development of Library Staffing and Operations Plan
  - Staffing
  - Collections and resources
  - Facilities
  - Expansion to meet the needs of students

Mr. Capo inquired as to how to ensure that there is an understanding of what goes on in the community and on the campuses. He noted that he is interested in making certain there is a review of these issues with as the transformation moves forward. Dr. Maldonado informed that the example is Board policies versus procedures. He apprised that the presidents will be empowered and informed that centralized management will allow changes according to what is happening in their environment. He noted that the objective is to provide what is needed for student success.

Mr. Capo informed that his concern would be the review of the usage report to include all facilities.

Mr. Wilson apprised that he has an issue with centralization or decentralization. He noted that that the balance between authority and accountability needs to be taken into consideration.

Ms. Loredo recommended increasing the library hours during testing periods. She expressed appreciation to the presidents for providing the calendar information to show what is happening on the campuses. She apprised that when visiting the campus, she asks the students how things are going.

Mr. Glaser expressed appreciation regarding the library services. He inquired as to how the library will reform and reshape in the format of student success. He recommended thinking out of the box regarding what a library really is for a community and for an institution.

Ms. Loredo noted that the library hours need to be announced.

#### **UPDATE ON ATHLETICS PROGRAM**

Dr. Porcarello provided an update on the Athletic program regarding the recreation sports and wellness goals for FY14-15 and outcomes for FY14-15. She informed that there is a form online where the data can be captured and the status documented. She

noted that there is \$828,000 in the account and \$200,000 is allocated for recreation specialists and facilities rental fees.

*(Ms. Mullins joined the meeting at 3:53 p.m.)*

**ADJOURNMENT**

With no further business coming before the Board, the meeting adjourned at 3:54 p.m.

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

Minutes Approved as Submitted: \_\_\_\_\_

DRAFT

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

**April 9, 2015**

**Minutes**

The Board Governance Committee of the Board of Trustees of Houston Community College held a meeting on Thursday, April 9, 2015, at the HCC Administration Building, Second Floor Auditorium, 3100 Main, Houston, Texas.

**MEMBERS PRESENT**

Robert Glaser, *Committee Chair*  
Zeph Capo, *Committee Member*  
Neeta Sane, *Committee Member*  
Eva Loredo  
David B. 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  
Irene Porcarello, Interim Vice Chancellor, Student Services  
Teri Zamora, Vice Chancellor, Finance and Planning  
Michael Edwards, Acting President, Coleman College  
Margaret Ford Fisher, President, Northeast College  
Julian Fisher for Fena Garza, President, Southwest College  
Zachary Hodges, President, Northwest College  
Rudy Soliz, Interim President, Southeast College  
Janet May, Chief Human Resources Officer  
Carne Williams, Executive Director, HCC Foundation

**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. Robert Glaser, Committee Member, called the meeting to order at 2:05 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: Capo, Glaser, Loredo, Sane, and Wilson)*

**MODIFICATION TO BOARD BYLAWS: ARTICLE E, SECTIONS 3 AND 4; ARTICLE G, SECTIONS 5 AND 7**

Motion – Ms. Loredo moved and Mr. Glaser seconded.

Article E, Sections 3

Mrs. Belinda Brockman informed that the external auditors do not develop the internal audit plan. She noted that the external auditor provides a report regarding the annual audit. She apprised that the internal auditor reports administratively to the Chancellor and functionally to the Board.

Article E, Section 4

Mr. Derrick Mitchell noted that the revision provides a direct relationship with the Board Counsel and Board removing the Chancellor.

Article G, Section 5

Mr. Mitchell informed that the revision to Section 5 is a clean up to confirm that five votes are required for an item to pass.

Article G, Section 7

Mr. Capo apprised that there was a discussion regarding the naming of the institution and noted that the practice has been that when there is a discussion regarding an item, the item is pulled for administration to revisit and bring back to the Board. He noted that he was informed that the revision provides for the pulling of agenda items since modified Robert's Rules of Order is being used.

Mr. Wilson inquired as how to distinguish if the process would be used to eliminate an item being voted down.

Mr. Capo apprised that a provision has been included to denote that the revision does not apply to items added to the agenda by three Trustees.

Mr. Wilson noted that all members of the Board should be interested in moving things forward.

Ms. Loredo inquired if a quorum is not available, would you still be able to do a majority of those present. Mr. Mitchell informed that there needs to be at least five votes for the item to pass. He apprised that if there are not five votes, the item fails.

Mrs. Sane noted that the action provides balance because the Chair has the ability to pull an item but at the same time, members have the opportunity to add an item.

Vote – The motion passed with a vote of 2-0.

**MODIFICATION TO BOARD POLICY B:1.9-DEBT MANAGEMENT POLICY**

Motion – Ms. Loredo moved and Mr. Glaser seconded.

Dr. Cesar Maldonado informed that from time to time there are opportunities for private placement that could eliminate overhead costs as well as realize short and long-term savings. He apprised that the proposal is to allow for future private placement and noted that this does not apply to current situations.

Mr. Capo inquired of an explanation regarding private placement specifically regarding bond security issues. He inquired if there is a difference in liability regarding the level of security of private versus public.

Mrs. Zamora noted that it depends, as it could not be subject to the same United States Securities and Exchange Commission (SEC) disclosure requirements and informed that self-disclosure would still be made. Mrs. Zamora apprised that the private placing was possibly not contemplated in 2013 when the policy was adopted but given the current rate, opportunities may be available to benefit the college.

Mr. Wilson inquired if bonds are issued in a private area, would it have an effect on the bond rating. Ms. Zamora noted that there is uncertainty as to how the bond market would review it but noted self-disclosure would still be made.

Mr. Capo informed that the policy changes did not state that there would be public disclosure and apprised that he would be more comfortable adding the language that there would be a disclosure.

Mr. Mitchell noted that it does not mean non-public. He informed that the only difference is the reporting requirements in the future. He apprised that with private placement the bank may not require that the information to be reported.

Mr. Capo noted that his recommendation is to make certain there is disclosure. Mr. Mitchell informed that the college has to disclose the amount of debt regardless if it is public or private.

Mr. Wilson informed that the college received a warning letter because of refinancing. He apprised that he is asking questions to make certain that he is aware of any possible adverse effects.

Dr. Maldonado noted that the college's debt is disclosed annually. He informed that reporting issues and impact are considered when bringing debt discussions before the Board.

Ms. Loreda apprised that maybe additional information should be provided as it relates to public versus private. Dr. Maldonado noted that a more detailed report could be provided and informed that the practice is not new as it is done throughout the state.

Mr. Glaser inquired if a package would be presented and allow for bidding regarding rates. Mrs. Zamora apprised that is correct.



Dr. Maldonado noted that the Federal Reserve announced that it would be reviewing interest rates in June. He informed that the revision would allow for acceleration regarding timing.

Mr. Capo inquired if the item report requested by Ms. Loreda would be available prior to the Board considering it on next week. Dr. Maldonado apprised that the report could be provided.

Vote - The motion passed with a vote of 2-0.

#### **UPDATE ON COMPLIANCE PLAN**

Dr. Maldonado noted that Ms. Valerie Simpson has been appointed as the Compliance Officer and informed that she is responsible for developing a plan regarding compliance.

Ms. Simpson provided an overview of the process regarding the efforts for implementing the Compliance Plan to include:

- What is Compliance
- Where We Are
- What We Need
- Where We are Going
- Status

Ms. Simpson informed that the culture at the institution is that people want to comply with policies and procedures but they are not aware of the policies. She apprised that there needs to be more evaluation, communication and information regulations. She noted that the efforts are to see a minimization of risks, better image, greater efficiency, accountability and transparency.

Ms. Simpson informed that the process is currently in the evaluation stage of the process. She apprised that the future steps include communication training, oversight, and enforcement.

Mr. Capo inquired as to the status of working with Board Counsel as it relates to local policies through Texas Association of School Boards (TASB). Ms. Simpson noted that the process with TASB could take approximately six months and informed that the alternative would be to do it internally. She apprised that the process regarding TASB would include submitting the institution policies to TASB for them to customize and localize.

Mrs. Sane inquired of the benchmark that would be used in developing the plan. Ms. Simpson noted that a risk assessment has not been conducted and informed that she would also work with the internal audit to identify the categories. Ms. Simpson apprised that the objective is to minimize the risks.

Mrs. Sane inquired as to how is it currently monitored. Ms. Simpson noted that the current situation does not have a functional system-wide communication.

Dr. Maldonado informed that the effort is to get a systemic process and noted that procedures are followed but the framework under review would expand the rubric of compliance.

Ms. Loreda inquired as to who would be responsible for the compliance. Ms. Simpson stated that it would be under her purview.

**ADJOURNMENT**

With no further business coming before the Board, the meeting adjourned at 2:47 p.m.

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

Minutes Approved as Submitted: \_\_\_\_\_

DRAFT

**MEETING OF THE  
BOARD SELF-EVALUATION COMMITTEE  
OF THE BOARD OF TRUSTEES  
HOUSTON COMMUNITY COLLEGE**

**April 9, 2015**

**Minutes**

The Board Self-Evaluation Committee of the Board of Trustees of Houston Community College held a meeting on Thursday, April 9, 2015, at the HCC Administration Building, Second Floor Auditorium, 3100 Main, Houston, Texas.

**MEMBERS PRESENT**

Robert Glaser, *Committee Chair*  
Zeph Capo, *Committee Member*  
Neeta Sane, *Committee Member*  
Eva Loredo  
David B. Wilson

**ADMINISTRATION**

Cesar Maldonado, Chancellor  
Shantay Grays, Chief of Staff  
E. Ashley Smith, Acting General Counsel  
Kimberly Beatty, Vice Chancellor, Instructional Services, Chief Academics Officer  
William Carter, Vice Chancellor, Information Technology  
Irene Porcarello, Interim Vice Chancellor, Student Services  
Teri Zamora, Vice Chancellor, Finance and Planning  
Michael Edwards, Acting President, Coleman College  
Margaret Ford Fisher, President, Northeast College  
Julian Fisher for Fena Garza, President, Southwest College  
Zachary Hodges, President, Northwest 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. Robert Glaser, Committee Chair, called the meeting to order at 1:42 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: Capo, Glaser, Loredo, and Sane)*

**DISCUSS BOARD SELF-EVALUATION AND RELATED MATTERS**

Mr. Glaser inquired if the Board is required to conduct a self-evaluation on an annual basis. Mr. Mitchell informed that it is required annually.

Mr. Glaser noted that the other discussion is the process to use for identifying a facilitator. He informed that the intent is to get the input from the committee as to whether to utilize a Request for Information (RFI) process.

Mr. Capo apprised that the discussion regarding the use of the RFI was to gain information. Mr. Mitchell noted that the RFI would allow procurement to send out the request to obtain information, for the Board to review to determine who would be selected to provide the services.

Mrs. Sane informed that the scope should include expectations and goals. She inquired as to who would assist in drafting the RFI because it would drive achieving the goal desired of the Board. She apprised that the dynamics are different and noted that a different criteria and scope is needed.

Mr. Mitchell informed that Bracewell & Giuliani will assist in drafting the RFI. He apprised that a framework is available.

Dr. Maldonado noted that in regards to the RFI, it is used to gather information to craft the scope of work to be used in the Request for Quote (RFQ).

*(Mr. Wilson arrived at 1:47 p.m.)*

Mr. Mitchell informed that with the RFQ, the respondent expects to be notified of the selection, and then negotiations begin. He apprised that the RFI allows for request of information but the Board does not need to select from the respondents.

Mr. Capo inquired if there is anything that would prevent the RFI process. Mr. Mitchell confirmed that the RFI is an option.

Mrs. Zamora informed that for the dollar amount an informal quote could be sent out. She apprised that normally with the RFI there is an expectation to follow-up with a RFQ or RFP. She noted that an informal quote process could be utilized.

Ms. Loreda informed that historically the Association of Community College Trustees (ACCT) has been used based on their experience with community colleges.

Mr. Capo apprised that it sounds like there is an informal process to allow the Board to submit information regarding the scope that could be provided to procurement to include in the informal letter.

Mrs. Sane noted that she would like to see a defined description of what is expected and a monitoring process. She informed that a measuring instrument needs to be developed. She inquired of the process for providing input.

Houston Community College  
Board Self-Evaluation Committee Meeting – April 9, 2015 - Page 3

Mr. Glaser apprised that the comments could be provided to him.

Mr. Mitchell noted that the matrix will be developed by the facilitator.

Mr. Capo informed the committee could provide a description as to what will be looked for in the consultant such as that mentioned by Ms. Loredo regarding the experience. He apprised that his concerns would be traits relating to the ability to discuss student success measures. He noted that facilitating communication between Board members and with administration is another key component.

Mrs. Sane informed that she has some potential concerns and noted that she could send it to the committee chair.

Mr. Capo inquired of Mrs. Zamora if the process could be quickly. Mrs. Zamora apprised that based on the information provided, an informal request could be sent out.

Ms. Loredo inquired if there is a deadline. Mrs. Sane noted that the Board evaluation should be done in tandem with the Chancellor's evaluation.

Mrs. Sane inquired if the Self-Evaluation Committee could meet prior to the Regular meeting to provide input regarding the desired criteria. Mr. Glaser informed that the committee could meet.

Mr. Capo apprised that input from the Chancellor would assist as it relates to the milestones regarding the transformation. He noted that he personally would like to tie the Board evaluation into the expectations of transformation.

**ADJOURNMENT**

With no further business coming before the Board, the meeting adjourned at 2:02 p.m.

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

Minutes Approved as Submitted: \_\_\_\_\_

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

**April 9, 2015**

**Minutes**

The Board of Trustees of Houston Community College met as a Committee of the Whole on Thursday, April 9, 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*

Eva Loredo

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

Irene Porcarello, Interim Vice Chancellor, Student Services

Teri Zamora, Vice Chancellor, Finance and Planning

Cheryl Peters for Dr. William Harmon, President, Central College

Michael Edwards, Acting President, Coleman College

Margaret Ford Fisher, President, Northeast College

Julian Fisher for Fena Garza, President, Southwest College

Zachary Hodges, President, Northwest College

Rudy Soliz, Interim President, Southeast College

Janet May, Chief Human Resources Officer

Carme Williams, Executive Director, HCC Foundation

**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 Capo, Chair, called the meeting to order at 4:21 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: Capo, Glaser, Loredo, Mullins, Oliver, Sane, Tamez, and Wilson)*

Mr. Capo requested to move item II.4 to the beginning of the agenda.

**NAMING OPPORTUNITY FOR ROBERT GARNER FIREFIGHTER ACADEMY AT HCC NORTHEAST COLLEGE**

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

Ms. Carme Williams informed that the Robert Garner Firefighter Foundation came to the Foundation to request the opportunity to name the firefighter academy at HCC Northeast College as the Robert Garner Firefighter Academy.

Mr. Oliver inquired if this is a typical naming opportunity. Ms. Williams noted that it is not the typical.

Mr. Oliver requested that the HCC Foundation complete due diligence regarding the naming opportunity. Ms. Williams informed that the value, sentiment and benefits for students are an opportunity to have community presence. Ms. Williams apprised that if the Robert Garner Firefighter Foundation were unable to fulfill the requirements, the academy name would revert to HCC.

Mrs. Sane recommended that the item be consistent with the naming policy. Dr. Cesar Maldonado noted that the naming policy is currently under review but noted that the recommendation presented on the item is consistent with the naming policy adopted.

Ms. Loredo expressed appreciation in the establishment of the partnership and informed that the firefighters going through the academy will benefit.

Dr. Tamez apprised that she is glad that the Chancellor moved on the discussion held with Robert Garner Firefighter Foundation regarding the opportunity.

Vote – The motion passed with a unanimously 8-0.

**AUTHORIZATION TO FINANCE ENERGY EFFICIENCY PROJECT THROUGH A LOAN FROM THE STATE ENERGY CONSERVATION OFFICE**

Motion – Mr. Oliver moved and Ms. Mullins seconded.

Dr. Maldonado noted that the recommendation is to approve the state energy conservation loan from LOANStar, which is a state revolving loan program. He informed that the money available through the program varies from time to time. Dr. Maldonado apprised that projects have been identified that should save approximately \$670,000 annually. He noted that the recommendation is to borrow is \$4,271,225.

Mrs. Sane inquired of the existing plan for all of the facilities. Dr. Maldonado informed that the summary of the projects are listed on page three of the supporting documentation. He apprised that the older facilities are the ones to be priorities.

Mr. Oliver inquired as to how the Chancellor became aware of the program. Dr. Maldonado noted that the program was used at his previous institution.

Mr. Oliver inquired of the interest rate on the loan. Mrs. Zamora informed that the rate is 1%.

Mr. Oliver apprised that he was interested in the project as something to do down the line. He noted that he discussed with the Chancellor developing an inventory list picture book of the existing properties. Mr. Oliver informed that it would allow actual pictures of the facilities. He apprised that he would feel more comfortable in taking care of the existing facilities.

Mr. Glaser inquired if there will be an annual comparison review to show the realized savings. Dr. Maldonado noted that an audit will be conducted to show realized savings.

Mr. Wilson inquired of how the assessment will be done to ensure that the program is followed. He informed that he would like to see how it would be quantified. Dr. Maldonado apprised that some of the numbers are projected and noted that reflection of the cost savings should be seen based on those buildings that are metered.

Mr. Wilson informed that he needs assurance that the program works.

Mr. Oliver apprised that he is not certain if savings can be projected without knowing the condition of the current buildings.

Mr. Capo noted that he had an assumption that the group that completed the studies reviewed and made site studies. He inquired if anyone could explain the process of determining the numbers.

Mr. Chuck Smith informed that LOANStar distributes a notice of fund availability twice a year to all public schools and higher education institutions. He noted that a defined program and a preliminary energy assessment are needed in order to participate in the program.

Mr. Smith informed that administration has gone through great length to make certain oversight will be provided.

Mr. Oliver inquired as to how administration qualified the projects that were selected. Mr. Smith apprised that the decision was based on the highest return on investment and the projects that would provide a strategic contribution moving forward.

Mr. Oliver noted that no assessment was presented to the Board. Mr. Smith apprised that an assessment was completed in 2011.

Mrs. Sane noted that her question was regarding the deferred maintenance plan from 2012. Mr. Smith informed that the plan of 2011 was considered in the initial facilities surveyed for this project.



Vote – The motion passed with vote of 6-1-1 with Mr. Oliver opposing and Mr. Wilson abstaining.

**SPECIFIC AUTHORIZATION TO ENTER INTO TRANSMISSION RELATED UTILITY SERVICE EXTENSION CONTRACTS.**

Motion – Mr. Oliver moved and Dr. Tamez seconded.

Dr. Maldonado apprised that the connections were included in the budget but were not included in the contracts. He noted that the job is sole source and that it is normally completed through the Construction Manager at Risk (CMAR) contracts but administration elected to do the contracts separately. He informed that the request is for authorization on all the projects to run cable from service to the buildings.

Mrs. Sane inquired if this has been done before. Mr. Derrick Mitchell apprised that it has not been done before. Dr. Maldonado noted that two of the previous contracts were within the Chancellor's signature authority.

Mr. Wilson informed that with residential properties, there would be a distribution line to access to the power source. He apprised that it appears that this is a similar action. Dr. Maldonado noted that it is similar.

Mr. Wilson informed that it appears that this is an additional cost. Dr. Maldonado apprised that it is not additional cost outside of the project budget.

Mr. Oliver inquired of the amount. Mr. Smith noted that without the contract approval, there would not be service to the building. He informed that the amount is minimal in percentage of the total bond project.

Dr. Maldonado apprised that the contract is normal and noted that the attempt is to be respectable of the Board's time by not bringing each contract for approval.

Mr. Oliver noted that he is more comfortable since the cost is a one-time expense. Dr. Maldonado informed that the cost could be added to the monthly Capital Improvement Plan report.

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

**WASTE COLLECTION AND DISPOSAL SERVICES (PROJECT NO. RFP 15-04)**

Motion – Ms. Mullins moved and Mr. Oliver seconded.

Dr. Maldonado apprised that a request for Waste Collection and Disposal Services approval was brought forth previously and noted that the highest respondent pulled out of consideration. He noted that because of the subsequent withdrawal; the item is being presented again.

Mrs. Teri Zamora informed that because of the withdrawal the ranking order changed because of the dollar amount.

Mr. Rogelio Anasagasti apprised that the number one withdrew which resulted in the number two firm becoming number one. He noted that the item was pulled to clarify.

*(Mr. Oliver stepped out at 5:12 p.m.)*

Mr. Wilson informed that when one was withdrawn, the numbers should be rescored. He apprised that the process needs to revert to the lowest bid.

Mr. Glaser noted that procurement process needs to be simplified. He informed that the system does not have the faith of the community and apprised that there needs to be more clarity.

Mr. Wilson noted that the issue is not the procurement department problem but the problem that the Board needs to address is the policy.

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

**ACCEPT DONATION OF CISCO WIRELESS LEARNING CREDITS & ACCESS POINTS FROM DATAVOX**

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

Dr. Maldonado informed that the use of the training credits would be to train staff.

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

**INVESTMENT REPORT FOR THE MONTH OF JANUARY, 2015, INVESTMENT REPORT FOR THE MONTH OF FEBRUARY, 2015, MONTHLY FINANCE STATEMENT AND BUDGET REVIEW FOR JANUARY 2015 AND MONTHLY FINANCE STATEMENT AND BUDGET REVIEW FOR FEBRUARY 2015**

Motion- Mrs. Sane moved to take items II.6, II.7, II.8 and II.9 together. Dr. Tamez seconded. The motion passed with a vote of 7-0.

Mrs. Zamora provided an overview of the following items:

- Investment Report for the Month of January, 2015
- Investment Report for the Month of February, 2015
- Monthly Finance Statement and Budget Review for January 2015
- Monthly Finance Statement and Budget Review for February 2015

Mrs. Sane referenced page two of section eight and inquired fund balance. Mrs. Zamora apprised that it is generous at the time but noted that some expenses have not been realized.

Mrs. Sane inquired of the time regarding the dual credit program and inquired of the expansion plan. Dr. Maldonado noted that the college does receive funding for contact hours. He informed that the dollar expenses for dual credit will increase as more students

are identified for the program. Dr. Maldonado apprised that it is an anticipated expense and noted that the increase of the fund balance to-date will go down. He informed that dual credit is not a loss in the revenue stream as a return is expected from college readiness and an increase in graduation rate.

*(Mr. Oliver returned at 5:30 p.m.)*

Mr. Capo apprised that he wants to make certain there is a clear line regarding dual credit and developmental education programs. Dr. Maldonado noted that the college receives contact hours funding and the school districts receive funding by student attendance.

Dr. Maldonado informed that there is some discussion at the state level regarding defining college readiness.

Mr. Capo apprised that there needs to be a review of where developmental students are coming from and noted that the number is even larger than dual credit.

Ms. Loreda inquired grant money is available for dual credit. She informed that HCC is the only college that provides dual credit at no cost.

Mr. Capo recommended that the issue be placed on the agenda for June after the legislative session.

Dr. Kimberly Beatty apprised that the state passed legislature that the institutions have to work with the school districts regarding dual credit. She noted that the students participate by demonstrating college readiness.

Ms. Mullins informed that there needs to be a discussion regarding the cost of the dual credit program. Mr. Oliver apprised that there is concern but recommended not overlooking the purpose.

Dr. Tamez noted that she attended a workforce development event and informed that there needs to be an effort to partner with industry. She apprised that HCC did not have a presence at the event and apprised that there must not be an overlook of industry.

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

### **DISCUSS DEBT REFINANCING**

Mrs. Zamora noted that Financial Advisor, Mr. Jorge Rodriguez with Coastal Securities, Inc. and Bond Counsel, Tom Sage with Andrews Kurth LLP would provide a report on debt refinancing.

Mr. Rodriguez provided a report to include an overview of the following:

- Market Update
- Refunding Opportunities
- Senior Lien Combined Fee Revenue Bonds (Savings Summary)

*(Mr. Capo stepped out at 5:57)*

Mr. Rodriguez informed that in anticipation of selling the bonds, Coastal sent out an RFP for underwriters. He apprised that the ranking was simple and graded for capital. He noted that the effort was to not make capital the overwhelming situation.

*(Mr. Capo returned at 5:58 p.m.)*

Mr. Rodriguez provided the results of the rankings as follows:

- Bank of America Merrill Lynch, 49 points
- Goldman Sachs, 47 points
- Rice Financial Products, 45 points
- BOSCO, Inc, 43 points
- Mesirov, 43 points

*(Dr. Tamez stepped out at 6:07 p.m.)*

*(Mr. Oliver and Mrs. Sane stepped out at 6:08 p.m.)*

Mr. Rodriguez informed that the transaction will not extend the amortization.

*(Dr. Tamez returned at 6:10 p.m.)*

Ms. Mullins inquired of the negative side. Mr. Rodriguez apprised that the market could change. He noted that the effort is to go to market on the revenue bonds within the next forty days.

*(Mrs. Sane returned at 6:11 p.m.)*

Mr. Wilson informed that he needs clarification on the revenue bonds. Mr. Rodriguez apprised that the discussion is regarding three different credits. He noted that if the proposed refinancing is approved, the savings would average to net \$1.2 million annually with the student bonds, \$44 million on the general obligation bond and \$38 million on maintenance tax notes. He informed that the savings are separate because they are separate legal transactions.

*(Mr. Oliver returned at 6:13 p.m.)*

Ms. Loredo apprised that decisions were made based on information that is provided at the time of consideration and noted that the Board places trust in the financial advisors. She informed that the decisions were based on the rates at that time.

Mr. Oliver apprised that the Board made the best decision based on the real time information provided. He noted that he supports the opportunity to experience savings regarding the debt.

Mrs. Sane requested that a summary be provided regarding the expectations for the report received. Mr. Rodriguez informed that the effort is to obtain direction from the Board. Mr. Tom Sage apprised that in connection to any of the transactions, a resolution would be provided for the Board's consideration. He noted that the authority to complete the sale would be delegated to the Chancellor, Vice Chancellor of Finance and financial staff. Mr. Sage informed that the transactions would then go to the rating agency for purchases. He apprised that Public Facilities Corporation (PFC) owns the facilities and noted that the PFC would need to meet to approve the action as well.

Ms. Mullins informed that she would prefer to see the transactions separately to provide clarity. Mr. Sage apprised that it would be three separate resolutions as required by law because they are separate actions.

Mr. Wilson inquired of the sale and commission included. Mr. Sage noted that the proceeds are generated in the transaction and informed that there is no additional contribution required.

Mr. Wilson inquired if there could be a break on the individuals issuing the bonds. Mr. Sage apprised that it could be discussed.

#### **UPDATE ON BOND CAPITAL IMPROVEMENT PLAN (CIP) RELATED MATTERS**

Dr. Maldonado noted that Mr. Chuck Smith will provide the report.

Mr. Smith informed that the spend down was cleared by \$400,000. He apprised that the CIP report is available to the general public via the website.

Mr. Oliver inquired as to how the spend requirement was accomplished. Mr. Smith noted that through hard work and the purchase of an additional property along with the purchase of approximately \$4 million of pre-furniture.

Mr. Oliver inquired as to how far out are the projects with the pre-purchased furniture. Mr. Smith informed that the first project would be the Hayes Rd renovation project, which is scheduled to be completed in August 2015.

Mr. Oliver inquired where the furniture is stored. Mr. Smith stated that the furniture is located 9424 Fannin.

Mr. Smith apprised that the entire website has been updated and there is not a separate report from the one provided online. He noted that Alief is under construction as is the North Forest project. Mr. Smith informed that Northline has been under construction for two months and the West Loop parking garage is also under construction. He apprised that the Stafford project is moving forward.

Ms. Loreda noted that the communities are expressing that the process is not moving fast enough. She expressed appreciation for putting the update online.

*(Dr. Tamez left at 6:31 p.m.)*

Mr. Wilson informed that he is concerned with the soft costs. He apprised that some projects are in excess of ten percent in soft costs. Mr. Smith agreed that some numbers are high in comparison of the construction costs, but are lower when compared to the total project costs.

Mr. Smith apprised that there are three considerations for each project: price, quality, and project delivery.

Mr. Oliver noted that quality could be subjective. Mr. Smith clarified the operative definition of quality provided to the design teams is buildings that will last for seventy-five years, can be repurposed two to three times and will have the lowest possible operating cost.

Mr. Capo informed that there was mention of the soft cost and inquired if it is what drives the spend down deadlines. Mr. Smith apprised that the soft costs are according to the budgeted amount for the projects. He noted that a full analysis has not been completed as the focus was on the building design and spend down. He informed that the effort now is to review the potential cost savings.

*(Ms. Loreda stepped at 6:33 p.m.)*

Mr. Wilson apprised that he is concerned that the spend down included expenses to just meet the requirement.

Mr. Wilson inquired of the Conn's lease and inquired if the Telsa Motors (Telsa) lease was included in the Conn's purchase. Mr. Smith noted that the appraisal was based the fact that there would be a tenant in the building. He informed that the only reason for a tenant was to defer the acquisition price to the college over time.

Mr. Wilson requested to discuss in closed session. Mr. Capo apprised that the item is not posted on the agenda.

Ms. Mullins asked for clarification regarding the change orders. She noted that there are concerns regarding the change order. Mr. Mitchell informed that any change order over \$75,000 needs Board approval.

Ms. Mullins inquired if any change orders under \$75,000 could be tracked. Dr. Maldonado apprised that the change orders will be tracked.

Mr. Capo noted that the change order denoted is an increase to purchase the Conn's building. Dr. Maldonado informed that under the CMAR, there will not be any change orders and confirmed that the change order on the report is to reflect the increase from the purchase of the Conn's building.

Mr. Oliver requested a detail breakdown of each CIP project. He apprised that there will be the need to go out for another bond in the future. He noted that it is important to keep the promise made to the community.

*(Ms. Loreda returned at 6:59 p.m.)*

Mr. Oliver informed that if the facts change, the community needs to be apprised. Mr. Smith noted that to his knowledge the commitments are being honored. He informed that there are town hall meetings and the status is posted online.

*(Mr. Oliver left at 7:00 p.m.)*

*(Mrs. Sane stepped out at 7:00 p.m.)*

Ms. Mullins apprised that the effort should be to use the bond funds for what is needed. She inquired if the purpose is to save through scaling back size and scope but still stay within as much of the scope promised to the community. Ms. Mullins noted that an explanation of the scale down needs to be provided to the community.

Ms. Mullins requested an explanation regarding the Southwest parking garage. Mr. Smith informed that 10,000 sq. ft. was scoped on the ground floor of the garage for classrooms. He apprised that in reviewing the project, it would probably not be wise to place classrooms on the ground floor of the parking garage. He apprised that the inquiry was if the campus could do without the classroom space and noted that this is how the leasing of the Conn's property was decided.

Mr. Wilson informed that four members of the Board are new and had no input regarding the bond project. He informed that the Missouri City property switch was done by administration, as was the Conn's project.

Mr. Wilson apprised that the safety person was placed in the bid and cautioned that they not be removed from the projects.

#### **UPDATE ON 2012-2015 STRATEGIC PLAN**

Dr. Kimberly Beatty provided an update on the Strategic Plan to include:

- Recognizing Achievements
- The Approach
- Increase Student Completion
- Strategic Initiatives
- Defining Data Sets
- College Readiness: Students Placed into Developmental Education
- Term-to-term Persistence
- Course Success Rates by Instructional Area
- Completion Degrees and Certificates
- Number Who Transfer to a University
- Planning for the Future
  - Open forums with community
  - Conversations with the G65

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Committee of the Whole – April 9, 2015 - Page 11

- Hire of new Vice Chancellor of Innovation, Planning, and Institutional Analytics
- Structured interviews with internal and external stakeholders
- Research on community and workforce needs
- Planning and design with internal stakeholders

Dr. Maldonado noted that goal setting will be reviewed to align with industry demand.

Mr. Capo informed that review of certificates by level should be placed on the Academic Affairs/Student Success Committee agenda to review where time and energy needs to be spent.

Ms. Loreda apprised that one of the concerns regarding the certificate programs is that a lot of the students are hired before completing the certificate program.

Mr. Glaser noted that vast amount of information should be available regarding data. He informed that the data could be used to fine tune where the college is going. Dr. Beatty apprised that the goal is to connect the data to the strategic planning.

Dr. Beatty provided the revised chart regarding the term-to-term persistence. She noted that progress is being made and informed that the development students have a higher persistence rate than the college readiness students.

**ADJOURNMENT**

With no further business coming before the Board, the meeting adjourned at 7:27 p.m.

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

Minutes Approved as Submitted: \_\_\_\_\_



**MEETING OF THE  
BOARD SELF-EVALUATION COMMITTEE  
OF THE BOARD OF TRUSTEES  
HOUSTON COMMUNITY COLLEGE**

**April 16, 2015**

**Minutes**

The Board Self-Evaluation Committee of the Board of Trustees of Houston Community College held a meeting on Thursday, April 16, 2015, at the HCC Administration Building, Second Floor Auditorium, 3100 Main, Houston, Texas.

**MEMBERS PRESENT**

Robert Glaser, *Committee Chair*  
Zeph Capo, *Committee Member*  
Neeta Sane, *Committee Member*  
Eva Loredo  
David B. Wilson

**ADMINISTRATION**

Cesar Maldonado, Chancellor  
Shantay Grays, Chief of Staff  
E. Ashley Smith, Acting General Counsel  
Kimberly Beatty, Vice Chancellor, Instructional Services, Chief Academics Officer  
William Carter, Vice Chancellor, Information Technology  
Irene Porcarello, Interim Vice Chancellor, Student Services  
Teri Zamora, Vice Chancellor, Finance and Planning  
Michael Edwards, Acting President, Coleman College  
Margaret Ford Fisher, President, Northeast College  
Rudy Soliz, Interim President, Southeast College  
Janet May, Chief Human Resources Officer

**OTHERS PRESENT**

Derrick Mitchell, Board Counsel, Bracewell & Giuliani  
Other administrators, citizens and representatives from the news media

**CALL TO ORDER**

Mr. Robert Glaser, Committee Chair, called the meeting to order at 3:23 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: Capo, Glaser, Loredo, Sane, and Wilson)*

**DISCUSS BOARD SELF-EVALUATION AND RELATED MATTERS**

Mr. Glaser noted that the framework document had been revised to include input received from the Board. He inquired of Mrs. Teri Zamora regarding the process for

Houston Community College  
Board Self-Evaluation Committee Meeting – April 16, 2015 - Page 2

identifying a facilitator. Mrs. Zamora informed that the process would include providing an informal letter to solicit responses.

Mr. Glaser apprised that the Committee could discuss possible dates for a Board Retreat to work with the facilitator.

Mr. Capo noted that focus on guiding the Board regarding student success should be emphasized in the proposal. He informed that the Committee Chair could determine the best calendar date to hold a meeting to select the facilitator.

Mrs. Sane requested to include facilitator experience in improving the Board performance as it relates to student success.

Mr. Glaser inquired of possible dates for selection of the facilitator. Mr. Capo recommended possibly holding a meeting on Tuesday, April 28, 2015 following the Executive Committee meeting. Mr. Glaser apprised that the meeting will be scheduled in alignment with the Executive Committee meeting on April 28, 2015.

**ADJOURNMENT**

With no further business coming before the Board, the meeting adjourned at 3:30 p.m.

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

Minutes Approved as Submitted: \_\_\_\_\_

**REGULAR MEETING  
OF THE BOARD OF TRUSTEES  
HOUSTON COMMUNITY COLLEGE**

**April 16, 2015**

**Minutes**

The Board of Trustees of Houston Community College held a Regular Meeting on Thursday, April 16, 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*  
Eva Loredo  
Sandie Mullins  
Christopher W. Oliver  
Neeta Sane  
David B. 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  
Irene Porcarello, Interim Vice Chancellor, Student Services  
Teri Zamora, Vice Chancellor, Finance and Planning  
Michael Edwards, Acting President, Coleman College  
Margaret Ford Fisher, President, Northeast College  
Cheryl Peters for William Harmon, President, Central College  
Zachary Hodges, President, Northwest College  
Rudy Soliz, Interim President, Southeast College  
Janet May, Chief Human Resources Officer  
Carne Williams, Executive Director, HCC Foundation

**OTHERS PRESENT**

Derrick Mitchell, Board Counsel, Bracewell & Giuliani  
Susan Goll, President, Faculty Senate  
Jodie Kahn, President, COPA  
Other administrators, citizens and representatives from the news media

**CALL TO ORDER**

Mr. Zeph Capo, Chair, called the meeting to order at 4:04 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: Capo, Glaser, Loredo, Sane, Tamez and Wilson)*

## **PRAYER AND PLEDGE OF ALLEGIANCE**

Ms. Loredo led the prayer and the pledges.

## **APPROVAL OF MINUTES**

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

Mr. Glaser requested correction on page five of the External Relations Committee minutes of February 13, 2015 and noted that the minutes should read “businesses should pay the fair value on their property, which is not being done”

Vote – The motion passed unanimously with vote of 6-0. The following minutes were approved with the noted correction:

Special Meeting of February 5, 2015, Meetings of Academic Affairs/Student Services Committee, Audit Committee, Chancellor Evaluation Committee, Committee of the Whole, External Relations Committee, and Special Meetings of February 13, 2015, Regular and Special Meetings of February 19, 2015, Special Meetings of February 25, 2015 and March 10, 2015.

## **AWARDS, PRESENTATIONS, AND RECOGNITIONS**

- **Check Presentation by Skanska**  
For the second consecutive year, Skanska selected the HCC Foundation as the sole beneficiary of their charity golf tournament held in November 2014. The event generated \$65,472; the event funded book allowances for engineering students, provided resources for equipment and engineering labs and the establishment of the Skanska Engineering and Construction Scholarship.

Mr. Capó invited Mr. Matt Frey, Ms. Elizabeth Stamac and Ronnie Howe of Skanska to make remarks. He also called forward Ms. Carme Williams, Executive Director, HCC Foundation for the presentation.

## **CHAIRMAN'S REPORT**

- **Acceptance of Resignation from Carroll G. Robinson, Houston Community College Trustee Position, District IV Effective April 30, 2015 and Any Other Related Authorizations Necessary for Further Action**

Motion – Mrs. Sane moved and Dr. Tamez seconded. The motion passed unanimously with a vote of 6-0.

Mr. Capó invited the Board to express comments to Trustee Robinson as a colleague and for his dedication as a Trustee.

· **Announcement of Upcoming Vacancy for HCC Trustee Position in District IV and Process for the Board's Appointment to the Position**

Mr. Capo announced the vacancy for District IV and the process for the appointment by the Board to the Trustee Position, District IV. He noted that the announcement will be posted on the HCC website from 12 p.m. on Friday, April 17, 2015 until 12 p.m. on Monday, April 27, 2015 and interested candidates can submit a cover letter and resume to [board.services@hccs.edu](mailto:board.services@hccs.edu). It is anticipated that the Board will appoint a qualified candidate as HCC Trustee, District IV at a Special Meeting to be held on May 14, 2015.

Mr. Capo requested discussion regarding the process. He informed that the Board may choose from the qualified candidates and apprised that they may or may not ask if they will run for election in November 2015. Mr. Capo noted that the other option would be to appoint a committee to review the applicants. He informed that Board members could identify individuals to serve on the selection committee.

Dr. Tamez apprised that she is in agreement with the community having a voice in terms with who will represent them. She noted that she is not in agreement for tying the hands of the candidate by stating that if they are appointed they could not run for election in November 2015.

Mrs. Sane noted that criteria should be set for the selection committee as well as for the committee members.

Mr. Capo informed that the qualifications for the committee should be considered such as living in the district. He apprised that he is not comfortable with selecting someone to represent that district. Mr. Capo noted that there is a short timeframe for the process.

Ms. Loreda informed that the voice of the community is important. She apprised that it is all about HCC. She noted that the college will continue to work with the community.

Mr. Wilson informed that he believes the residency requirement for an appointment states that the applicant just has to live in the district. He apprised that the previous process was not transparent. Mr. Wilson noted that he does not want to give up his responsibility as a Trustee.

Mr. Glaser informed that it should be clarified that the persons serving on the committee should not run for the position or be related to potential candidates. He apprised that involving community leaders is a good transparent process for the Board to pursue.

Mr. Capo provided clarity that the committee would provide recommendations and the Board would select the individual to fill the vacancy. The Board discussed:

- Each Trustee will recommend an individual from District IV to serve on the committee and from the eight names five would be selected.
- The committee recommendation is non-binding.
- Include question regarding if the applicant intends to run for election in November 2015.

Dr. Tamez will provide a timeline to Board Services before the announcement and process is posted online on April 17, 2015

### **Trustees District Reports**

Mr. Capo yielded the floor for the Trustees to provide reports regarding events and activities in their respective districts.

Mr. Glaser announced that he attended several ground breakings, open houses and student events and noted that it was an enriching experience.

Dr. Tamez informed that the State of the College and All College Day were a big success and expressed appreciation to administration, faculty, and staff.

Mrs. Sane attended ground breakings in District VII and apprised that goal is to provide information regarding programs and student success. She announced that a health symposium will be held for the first time in District VII on April 25, 2015 at the Holiday Inn with Coleman College participating. Mrs. Sane noted that HCC ASPIRE event was successful.

*(Mr. Oliver arrived at 4:45 p.m.)*

Ms. Loreda informed that scholarship applications have been promoted to apprise students of the scholarship opportunities. She also has been encouraging students to participate in the graduation.

Mr. Capo noted that he participated in a panel along with a representative from the Northline campus. He informed that the partnership with Davis High School has built opportunities for students that would not have been tapped if it were not for the dual credit program.

Mr. Capo apprised that the next Board meetings are scheduled as follows:

- Committee and Committee of the Whole meetings are scheduled for Thursday, May 14, 2015
- Regular Meeting on Thursday, May 21, 2015.

Mr. Capo announced that HCC students from Texas Government class 2306 were in attendance to provide an opportunity to learn about local government.

## CHANCELLOR'S REPORT

Dr. Cesar Maldonado provided the Chancellor's Report:

*(Mrs. Sane stepped out at 5:02 p.m.)*

- **2016 General Election Debate**

Houston Community College submitted an application to host a 2016 general election debate to the Commission on Presidential Debates. HCC is one of the two community colleges that are in the running. The Commission is expected to make the final announcement about sites and dates during late fall, 2015. Dr. Maldonado will keep the Board and the community updated on the status of the application as more information becomes available.

*(Ms. Mullins arrived at 4:55 p.m.)*

- **State of the College**

The college successfully held its annual State of the College event on Monday, April 13 at the Bayou City Event Center. Over 350 business and community leaders were present to hear about the college's transformation plan, which will focus on centering excellence in all that HCC does as an educational institution.

- **All College Day**

All College Day was held on Friday, April 10, 2015 at the Bayou City Event Center. The administration rolled out the new transformation plan to over 900 full time faculty staff and administrators. Beginning Monday, April 20, 2015, Dr. Maldonado will be visiting each college to address questions or hear concerns and comments from faculty and staff regarding the plan.

- **Transformation Plan**

As the institution continues to move through the transformation, administration will begin budgeting under the new structure to align fiscal resources with the goals of the transformation plan. Dr. Maldonado will be reporting on the transformation on a monthly basis to ensure the college and the community is kept abreast on the progress.

Dr. Maldonado will also appoint a Student Advisory Committee on Transformation. The purpose of this committee is to garner student feedback and advise on the efforts related to the transformation plan.

- **Northeast College Programs Highlighted**

This month's video highlighting exceptional programs and faculty was presented by Northeast College. Dr. Maldonado thanked Dr. Ford-Fisher as well as her team for all their efforts.

- **Commencement Ceremony**

The 2015 Commencement ceremony will be held on Saturday, May 16 at NRG Stadium. The ceremony will begin at 8:30 a.m. for the Academic degree

candidates with Mr. Scott McClelland, President of H-E-B as the keynote speaker.

The Workforce and GED candidate certificates will be awarded at 1:00 p.m. with Ms. Gina Luna, Chairman, Greater Houston Partnership and CEO, Middle Market Banking with JPMorgan Chase delivering the keynote address.

- **Acknowledgement of Student Miguel Posada**

Two years ago Mr. Posada lost his sister in a terrible car accident. He has since been caring for his sister's two young children. The 24-year old HCC Foundation scholarship recipient works two jobs to make ends meet, all while pursuing a degree in nursing. Earlier this month, the KHOU 11 Morning Show made a surprise visit to Mr. Posada's literature class at the Southeast College to provide him with gift cards and cash to help with expenses.

Dr. Maldonado commended Mr. Posada for all his hard work and dedication to not only his educational goals but to his family as well.

- **Faculty Senate Report**

Ms. Susan Goll, Faculty Senate President, welcomed Dr. Kimberley Beatty and informed that faculty is eager to begin the work of transformation.

*(Mrs. Sane returned at 5:02 p.m.)*

Ms. Goll thanked Dr. Beatty for attending the Faculty Senate meeting and Dr. Zachary Hodges for his leadership as acting Vice Chancellor of Academic Affairs.

Ms. Goll apprised that faculty is encouraged by the Chancellor's responsiveness in addressing the salary imbalances that exist.

## **HEARING OF THE CITIZENS**

The following citizens signed up to speak before the Board:

- Daniel Arp
- DeJean Harris
- Ashley Johnson
- Rebecca Jones
- Sherman McCrea
- Kathleen O'Reilly
- Reynaldo Rodriguez
- Stanley Weddle

## **CONSENT AGENDA**

Motion – Mr. Oliver moved and Ms. Mullins seconded to approve the consent agenda with the exception of items A1, B3, B4, B5 and B6. The motion passed with a vote of 8-0.



The following items were approved:

- Modification to Board Policy B:1.9-Debt Management Policy
- Accept Donation of Cisco Wireless Learning Credits & Access Points from Datavox
- Investment Report for the Month of January, 2015
- Investment Report for the Month of February, 2015
- Monthly Finance Statement and Budget Review for January 2015
- Monthly Finance Statement and Budget Review for February 2015.the Commission on Presidential Debates

**MODIFICATION TO BOARD BYLAWS: ARTICLE E, SECTIONS 3 AND 4; ARTICLE G, SECTIONS 5 AND 7**

Motion – Mr. Oliver moved and Ms. Mullins seconded.

Mr. Wilson moved to amend to separate revisions to Article G, Section 7 from the remaining revisions. Mr. Oliver seconded. The amended motion passed with vote of 7-1 with Dr. Tamez opposing.

**MODIFICATION TO BOARD BYLAWS: ARTICLE E, SECTIONS 3 & 4 AND ARTICLE G, SECTION 5**

Motion – Ms. Mullins moved and Mr. Oliver seconded.

Mr. Derrick Mitchell informed that the Board does not vote of the external audit plan but a report is provided to the Board.

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

**MODIFICATION TO BOARD BYLAWS: ARTICLE G, SECTIONS 7**

Motion – Dr. Tamez moved and Ms. Mullins seconded to approve G.7.

Mr. Wilson apprised that the revision provides the opportunity to place the item on the agenda and gives the Chair and/or Chancellor an opportunity to pull the item.

Mr. Glaser noted that his position is a little different as things are placed on the agenda for discussion by the full Board. He informed that there will be situations where an item may need to be pulled for further work.

Ms. Mullins apprised that the revisions noted that an item could be pulled but items placed on the agenda by at least three members could not be pulled.

Mr. Wilson informed that he likes the option provided by *Robert's Rules of Order*.

Mr. Capo apprised that the revisions were discussed at the Committee of the Whole (COTW) meeting. He noted that there was a Special Meeting held on March 10, 2015 regarding the nomenclature and the item was pulled. Mr. Capo informed that the change was not made in isolation. He apprised that five affirmative votes are required for an item to pass. He noted that the effort was to go through the process of allowing the Board to determine the desire to change the process used.

*(Mr. Glaser stepped out at 5:38 p.m.)*

Mr. Wilson noted that his recollection was that the complaint was regarding the vote on the property.

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

**AUTHORIZATION TO FINANCE ENERGY EFFICIENCY PROJECT THROUGH A LOAN FROM THE STATE ENERGY CONSERVATION OFFICE**

Motion – Mr. Oliver moved and Dr. Tamez seconded.

*(Mr. Glaser returned at 5:40 p.m.)*

Mr. Glaser informed that he would like to see an annual audit to verify the savings.

Mr. Oliver requested a report that shows how much has been saved under the previous savings plan.

Dr. Maldonado asked for clarification if the request is to provide an audit report on the Chevron report.

*(Mrs. Sane stepped out at 5:46 p.m.)*

Mr. Oliver apprised that the report would be to provide an update on the savings under the current plan. Dr. Maldonado noted that an update will be provided in the Weekly Administrative Briefing.

Mr. Capo inquired of the scheduled rate of return and inquired of the term for paying back the loan. Mrs. Zamora informed that the usage of the energy savings will provide an avenue for repayment. She apprised that the term is fifteen years, but the plan is to repay in six and a half years.

Mr. Wilson noted that the Chevron contract was supposed to have savings, but he has never seen them. He informed that there are other options where companies will come in at no expense and identify the savings.

*(Mrs. Sane returned at 5:49 p.m.)*

Ms. Loreda inquired if the item is the same as the energy savings companies for residential. Dr. Maldonado apprised that this is not an energy provider. Ms. Loreda

noted that in researching the project, the program is state recommended and that the savings provide funding for educational funding.

Ms. Mullins informed that her concerns were regarding the fiscal impact and requested that it is included on the agenda item for future references.

Mr. Glaser apprised that the savings is \$670,000 annually. He inquired if the loan pay back will be tied to the investment. Mrs. Zamora noted that it is not but could be.

Vote – The motion passed with vote of 7-1 with Mr. Wilson opposing.

### **SPECIFIC AUTHORIZATION TO ENTER INTO TRANSMISSION RELATED UTILITY SERVICE EXTENSION CONTRACTS**

Motion – Mr. Oliver moved and Dr. Tamez seconded.

Mr. Wilson informed that he feels that the cost should not be broken out from the bond project.

Mr. Oliver apprised that the item was vetted in the COTW on April 9, 2015. He noted that the request was that an itemized report be provided to the Board on what has been spent so far on the Capital Improvement Plan (CIP).

Mr. Oliver noted that he would like to see an assessment under the master plan in place.

Dr. Maldonado informed that the item deals with the connections to the power source for the buildings under the CIP.

Mr. Wilson inquired if the item was included in the Bond package, why did it not remain in the bond package. Mr. Capo apprised that the item is sole source and is needed as the service is to connect to the power source.

Mr. Wilson noted that the action exposes the college to more costs.

*(Mr. Oliver stepped away at 6:00 p.m.)*

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

### **WASTE COLLECTION AND DISPOSAL SERVICES (PROJECT NO. RFP 15-04)**

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

Mr. Wilson requested to see the pricing on the item. Dr. Maldonado apprised that the pricing could be provided in the next Weekly Administrative Briefing.

Mr. Glaser requested to revisit the scoring methodology going forward.

Vote – The motion passed with vote of 6-0-1 with Mr. abstaining.

**NAMING OPPORTUNITY FOR ROBERT GARNER FIREFIGHTER ACADEMY AT  
HCC NORTHEAST COLLEGE**

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

Ms. Loredo expressed appreciation to the Robert Garner Firefighter Foundation for selecting HCC to start the scholarship program. Ms. Loredo also recognized firefighters and police officers for their service.

*(Mr. Oliver returned at 6:09 p.m.)*

Mr. Glaser also thanked the Robert Garner Firefighter Foundation and the HCC Foundation.

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

**TOPICS FOR DISCUSSION AND/OR ACTION:  
PERSONNEL AGENDA (ADMINISTRATOR)**

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

Mrs. Sane noted that information was provided regarding the hiring of the president for Coleman College and expressed appreciation on the hiring.

Ms. Mullins congratulated Dr. Butch Herod for his appointment to the position of Vice Chancellor of Innovation, Planning & Institutional Analytics.

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

**PERSONNEL AGENDA (FACULTY)**

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

Mr. Capo informed that he reviews the agenda item and noted that he looked at one in particular, an individual coming in with strong qualifications but a salary of \$44,000. He apprised that he is concerned and noted that at other institutions an individual with a doctorate in engineering would be making at least \$10,000 more annually. Mr. Capo informed that he would be interested in seeing the report regarding salaries.

Ms. Loredo apprised that the students will make more than the instructor when they graduate and requested that the salary structure is reviewed.

Mrs. Sane inquired if it is possible to bring forth the salary concerns as a part of the budget discussion.

Mr. Capo recommended adding a budget ad hoc committee to review the salary concerns.

Dr. Maldonado noted that there was a committee appointed to provide a recommendation to bring salaries to a competitive level.

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

**RESOLUTION AUTHORIZING THE ISSUANCE OF COMBINED FEE REVENUE AND REFUNDING BONDS, SERIES 2015 AND REDEMPTION PRIOR TO MATURITY OF CERTAIN OUTSTANDING BONDS**

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

Mr. Jorge Rodriguez, Financial Advisor, Coastal Securities apprised that a full presentation was provided at the COTW on April 9, 2015.

Mrs. Sane inquired as to how the transactions will reflect with Moody's. Mr. Rodriguez noted that Moody's placed the institution on a negative outlook with the anticipation that there would be a significant decrease in the unrestricted fund balance. He informed that at the end of last fiscal year there was not a negative draw on the fund balance. He apprised in order to be downgraded on a fund balance there has to be a current trend to show deterioration and noted that there has not been deterioration.

Mr. Rodriguez informed that the transition with Chancellor and Chief Financial Officer (CFO) have spoken for themselves and apprised that there should not be an issue.

Mr. Rodriguez noted that the funding transactions are to realize a savings for the institution and are not increasing leverage. He informed that the three component transactions would amount to \$25 million in gross savings.

Mr. Rodriguez provided a historic review of the process underlined to get to the point of recommending the transactions to include meetings with administration and staff, review by internal counsel and preparation of a bid process for private placement with consideration of providing a fixed rate, taking all the bonds and term of the private placement.

Mr. Rodriguez provided the recommendation regarding the underwriters for the transaction. He apprised that the recommendation for underwriting syndicates is as follows:

- Revenue Bond
  - Bank of America Merrill Lynch, Co-Senior Manager
  - Goldman Sachs, Co-Senior Manager
  - BOSC, Inc, Co-Manager
  - Loop Capital Markets, Co-Manager
  - Mesirov Financial, Co-Manager
  
- General Obligation Bond
  - Rice Financial Products Company, Senior Manager
  - Jefferies, Co-Manager
  - Morgan Stanley, Co-Manager
  - Raymond James, Co-Manager

- Maintenance Tax Bond
  - Rice Financial Products Company, Senior Manager
  - Jefferies, Co-Manager
  - Morgan Stanley, Co-Manager
  - Raymond James, Co-Manager

Mr. Oliver inquired if the presentation was the same as the one presented last week. Mr. Rodriguez informed that the recommendation was regarding the underwriters and noted that the underwriters would determine their own attorneys.

Mr. Oliver apprised that the presentation showed a projected savings of \$1.25 million. Mr. Rodriguez noted that the \$1.25 million savings would be on the revenue bonds.

Dr. Tamez noted that opportunities for small businesses need to be included throughout the entire bond process. Mr. Rodriguez apprised that Rice Financial Products is recommended as the senior manager for both the General Obligations and Maintenance Tax Bonds.

Mr. Oliver informed that he wants to ensure that the process is fair and equitable.

Ms. Loredo apprised that she would like to make certain the small businesses are considered. She inquired of the savings versus the cost.

Mr. Rodriguez noted that the anticipated savings is approximately \$17 million and the cost for issuance will be approximately \$400,000 - \$500,000.

Ms. Loredo inquired if that is separately or for all the transactions. Mr. Rodriguez informed that all the savings numbers are net to the District after all transactions are completed.

Mr. Capo apprised that there was a proposal sent to him and noted that when it came to his attention, it triggered for him to answer the questions. He informed that he would like to see the pros and cons regarding a direct placement versus a public placement.

*(Ms. Loredo stepped out at 6:54 p.m.)*

Mr. Capo inquired if there have been any changes since the discussion at the COTW. He apprised that he would like to see a simple format regarding the pros and cons. Mr. Capo noted that he also would like to discuss the issue regarding Moody's as it relates to what is represented as the fund balance and what is actually required. He informed that he would like to see smaller lower bonds and is it possible to pay some of them off.

Mr. Capo apprised that he is not comfortable with voting on the items.

Mr. Wilson noted that he sent two pages of questions and acknowledge that Mr. Rodriguez responded to the questions. He associated with Mr. Capo regarding paying down the smaller bonds.

*(Ms. Loreda returned at 6:57 p.m.)*

Mr. Wilson informed that the desire is to maximize the savings but the actions should be postponed.

Dr. Tamez requested to hear from the Chancellor and CFO regarding the transactions.

*(Mr. Oliver stepped out at 7:01 p.m.)*

Dr. Maldonado apprised that administration has been reviewing the transaction since October 2014. He noted that the Financial Advisor has been working with administration to identify the best avenue for moving forward. Dr. Maldonado informed that he is comfortable with moving forward with the package presented by the financial experts and bond counsel. He apprised that there are different ways of putting the transaction together.

Mrs. Zamora noted that the fund balance at the end of 2014, there was \$118 million and informed that Board Policy requires nine to eleven percent of annual revenue set aside. She apprised that most community colleges state their balance to have approximately three to four months of budgeted expenses set aside. She noted that the Board could discuss their comfort zone.

*(Mr. Oliver returned at 7:04 p.m.)*

Mrs. Zamora informed that there would be a requirement to lower the fund balance by \$60 million to comply with Governmental Accounting School Boards Statement 68. She apprised that different scenarios have been reviewed as it relates to saving money. Mrs. Zamora noted that there is not a concrete answer in regards to interest rates. She informed that she is comfortable with the item presented.

Mr. Wilson apprised that he was under the impression that the eleven percent was related to the general fund revenue. Mrs. Zamora noted that it is regarding all the funds.

Mrs. Sane inquired if smaller bonds are paid off, what would the impact be from the Moody's standpoint. Mr. Rodriguez noted that lower debt is good but lower with impeding liquidity is not good. He informed that he is not able to state that Moody's would downgrade or will not downgrade.

Mrs. Sane inquired of the forecast regarding the bond market from an expert point. Mr. Rodriguez apprised that Board policy states to consider executing any transaction with over three percent present value savings on a current refunding or four percent on an advance refunding. He noted that he is satisfying his fiduciary responsibility as it relates to the policy adopted.

Mr. Glaser informed that he voted against the refinance on last year and inquired if debt will be added. He apprised that the college is here to educate and noted that the focus should not be to guess the interest rate of the future. Mr. Glaser informed that there needs to be prudence regarding financing and only finance what needs to be finance.

Mr. Rodriguez apprised that the yield being paid on the bonds is the driver of the transaction.

Mr. Capo informed that he appreciates the effort but would have to vote no on the items. He apprised that he would like to review the transaction more. He inquired if it is possible to continue reviewing without incurring fees and the item be brought back to the Board in May for final approval.

Mr. Tom Sage noted that the resolutions are drafted and informed that the bonds are not being approved today. He apprised that his fees are contingent on closing. Mr. Sage noted that May will probably yield the same presentation. He informed that the transactions could be done by delegation sale. Mr. Sage apprised that there is the option to approve the resolutions as presented and continue to work on the transaction without the need to bring back to the Board, unless it is desired.

Mr. Oliver noted that he is in favor of the item if needed to get the ball rolling. He informed that he would associate with the desires of the Board.

Mr. Capo apprised that the Board has expressed its concerns and inquired that if timing is an issue, a Special Meeting could be posted on the day of the COTW Whole. He inquired if that is feasible with Mrs. Zamora.

Mr. Capo inquired if there would be a withdrawal of the motion. Ms. Mullins inquired of clarification regarding the reason to postpone until May. Mr. Capo noted that it would allow for an additional review of the pros and cons.

Ms. Mullins inquired if it would be a workshop discussion item. Mr. Capo informed that there could be motion to withdraw for consideration at a Special Meeting in May.

Withdraw motion – Ms. Mullins withdrew her motion to allow additional time. Ms. Loreda withdrew the second.

Ms. Loreda apprised that she is not certain there will be different information by May but is willing to postpone if it will provide more comfort in making a decision. She noted that she would like to see some of the savings going towards the faculty and colleges.

Motion to Postpone – Mr. Oliver moved and Mr. Wilson seconded to postpone discussion of all three items regarding the debt refinancing.

Dr. Tamez apprised that experts have been hired and expressed concerns that it is not delayed past May 2015.

Vote on to Postpone – The motion passed with a vote of 8-0. The following items were postponed:

- Resolution Authorizing the Issuance of Combined Fee Revenue and Refunding Bonds, Series 2015 and Redemption Prior to Maturity of Certain Outstanding Bonds



- Resolution Authorizing the Issuance of Maintenance Tax Refunding Bonds, Series 2015 and Redemption Prior to Maturity of Certain Outstanding Notes
- Resolution Authorizing the Issuance of Limited Tax General Obligation Refunding Bonds, Series 2015 and Redemption Prior to Maturity of Certain Outstanding Bonds

Mr. Capó requested to schedule a workshop prior the first committee meeting for those who have questions regarding the transaction and a Special Meeting one hour before the COTW.

**ADJOURNED TO CLOSED SESSION**

Mr. Capó adjourned the meeting to Executive Session at 7:39 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. Capó 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. Capó reconvened the meeting in Open Session at 8:35 p.m. and entertained any motions on pending matters.

*(The following Trustees were present: Capó, Glaser, Loredó, Mullins, Sane, Tamez and Wilson)*

**ADJOURNMENT**

With no further business coming before the Board, the meeting adjourned at 8:35 p.m.

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

Minutes Approved as Submitted: \_\_\_\_\_

**MEETING OF THE  
BOARD SELF-EVALUATION COMMITTEE  
OF THE BOARD OF TRUSTEES  
HOUSTON COMMUNITY COLLEGE**

**April 28, 2015**

**Minutes**

The Board Self-Evaluation Committee of the Board of Trustees of Houston Community College held a meeting on Tuesday, April 28, 2015, at the HCC Administration Building, Second Floor Auditorium, 3100 Main, Houston, Texas.

**MEMBERS PRESENT**

Robert Glaser, *Committee Chair*  
Zeph Capo, *Committee Member*  
Neeta Sane, *Committee Member*  
Adriana Tamez, *Alternate Committee Member*  
Eva Loredó

**ADMINISTRATION**

Cesar Maldonado, Chancellor  
Shantay Grays, Chief of Staff  
E. Ashley Smith, Acting General Counsel  
Kimberly Beatty, Vice Chancellor, Instructional Services, Chief Academics Officer  
William Carter, Vice Chancellor, Information Technology  
Irene Porcarello, Interim Vice Chancellor, Student Services  
Teri Zamora, Vice Chancellor, Finance and Planning  
Michael Edwards, Acting President, Coleman College  
Margaret Ford Fisher, President, Northeast College  
Julian Fisher for Fena Garza, President, Southwest 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  
Jodi Khan, President, COPA  
Other administrators, citizens and representatives from the news media

**CALL TO ORDER**

Mr. Robert Glaser, Committee Chair, called the meeting to order at 12:29 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: Capo, Glaser, Loredó, Sane, and Tamez)*

**HCC BOARD OF TRUSTEES SELF-EVALUATION (PROJECT NO. INFORMAL RFP 15-15)**

Motion – Mrs. Sane moved for discussion and Mr. Capo seconded.

Mr. Glaser asked Mr. Rogelio Anasagasti to provide a summary of the two proposals received.

Mr. Anasagasti noted that the informal RFP was issued on Friday, April 20, 2015 and presented a high-level summary of the two proposals received as follows:

Association of Community Colleges (ACCT)

- Approximately 35 years of experience
- Approximately 100 plus assessments to include HCC
- Responded to staff experience with resumes of Narcisa Polonio and Richard Sanchez
- Cost is not to exceed at \$11,500
- Sample instrument for the evaluation
- References
- Additional information provided
  - policy action agenda pamphlet
  - Governance Institute for Student Success brief

BoardSource

- 26 years of experience
- Broader approach
- Proposed methodology (approximately 24 week)
- Projected timeline and fees (could be customized)
- Sample instrument for the evaluation
- Key personnel and consultant experience
- Sample Board evaluation plan
- References
- Sample Board action plan

Mr. Capo requested clarification regarding the hourly rate. He informed that BoardSource provided an hourly rate and inquired if ACCT provided an hourly rate to allow for comparison between the two. Mr. Capo apprised that the hourly rate would allow for consideration for future services if necessary.

Mr. Anasagasti noted that he would research the rate for ACCT and informed the proposal is a turnkey proposal and should be all-inclusive.

Mr. Capo apprised that the inquiry would be regarding the strategic planning process and noted that he would like to know if additional service were required would, it be covered under the proposal by ACCT.

Houston Community College  
Board Self-Evaluation Committee Meeting – April 28, 2015 - Page 3

Dr. Tamez inquired as to which proposal is better, which one actually responded to the requirements of the solicitation.

Mr. Anasagasti noted that he would not pass judgment regarding to which is better than the other. He informed that one proposal responded to the Informal RFP. Mr. Anasagasti apprised that ACCT included everything that was requested.

Mr. Anasagasti noted that BoardSource focuses on more entities and informed that ACCT focuses on community colleges.

Mrs. Sane inquired if there were only two respondents. Mr. Anasagasti apprised that some agencies expressed that timing was a cause for the non-response.

Mrs. Sane inquired if the desire for the committee was to make a determination today. Mr. Glaser noted that is the anticipated desire.

Mrs. Sane inquired if BoardSource could be customized to fit HCC needs and standards. She requested that BoardSource provide input as to their specializations that cause them to stand out.

Mr. Glaser informed that the strict timeline resulted in the limited responses. He apprised that both ACCT and BoardSource responded to the same.

Mrs. Sane inquired if both could provide a summary of what they could provide differently to make the performance or evaluation better. She apprised that she does want to keep the timeline outline but has concerns as expressed regarding what they will provide differently.

Mr. Glaser noted that the request was informal and apprised that both would probably work with the Board to provide necessary services. He noted that discussion will continue with the firm that is selected.

Ms. Loreda informed that ACCT is familiar with the college because of the history.

Mr. Capo apprised that based on the financials submitted, he noted that the contact time proposed would allow sufficient time to customize with ACCT. He noted that it would be encumbered of the committee to discuss with the selected firm.

Mr. Anasagasti informed that efforts were to contact via email and phone calls. He apprised that he would be happy to prepare a new scope for next year. Mr. Anasagasti noted that some of the responses were that facilitations are booked at least six months in advance.

Mr. Capo informed that he would like to revisit the opportunity to provide feedback for developing a proposal for next year.

Motion - Mr. Capo moved and Mrs. Sane seconded to approve the proposal submitted by ACCT. The motion passed with vote of 3-0.

**ADJOURNMENT**

With no further business coming before the Board, the meeting adjourned at 1:03 p.m.

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

Minutes Approved as Submitted: \_\_\_\_\_

DRAFT

# **Consent Agenda**

# ACTION ITEM

Meeting Date: May 21, 2015

Committee: *Academic Affairs/Student Services*

ITEM NO.	ITEM TITLE	PRESENTER
1	Fourier Transform Spectrometer for Northeast College	Dr. Cesar Maldonado Dr. Kimberly Beatty

## RECOMMENDATION

Authorize the Chancellor to negotiate and execute a purchase with Anasazi Instruments to deliver and install a Fourier Transform NMR Spectrometer to be used for student instruction at HCC-NE.

The estimated cost for the unit is approximately \$112,000 and is funded through a Department of Education five-year grant in collaboration with the University of St. Thomas. In accordance with the grant, HCC will purchase one unit per year during the next two years.

## COMPELLING REASON/RATIONALE

In accordance with the Department of Education grant, the proposed equipment will be used to provide collaborative learning techniques with those being used at the University of St. Thomas to achieve the objective of coordinating instrumentation used in laboratory courses and undergraduate research efforts between both institutions related to Science, Technology, Engineering and Mathematics (STEM) in the field of chemistry.

Similar equipment has already been installed and is being used at Southwest, Northwest, and Southeast Colleges. This request is for the purchase of a spectrometer for Northeast College as defined in the grant during year four. In addition, HCC will purchase the same equipment during year five for Central College in accordance with grant funding requirements.

In support of transformation and our efforts to educate 21<sup>st</sup> Century learners, this instrument will be available for use system-wide as curriculum based needs are identified.

## DESCRIPTION OR BACKGROUND

The procurement will allow HCC to continue to participate in a \$5.9 million, five-year grant award by the Department of Education to the University of St. Thomas and HCC to purchase state of the art scientific equipment to enhance student learning in the STEM (Science, Technology, Engineering, and Mathematics) in the field of chemistry.

The specified equipment must be identical to the equipment sets already in place at HCC and the University of St. Thomas in order to achieve the objective of coordinating instrumentation used in laboratory courses and in undergraduate research efforts between HCC and UST. This request is to support the HCC portion of the grant.

## FISCAL IMPACT

The estimated year-four cost for the equipment, including installation, is approximately \$112,000.

This item is funded through a Department of Education grant.

## STRATEGIC GOAL ALIGNMENT

*Strategic Initiative:* Develop 21<sup>st</sup> Century Learners

This item is applicable to the following:

Central  Coleman  Northeast  Northwest  Southeast  Southwest  3100

# ACTION ITEM

Meeting Date: May 21, 2015

Committee: *Academic Affairs/Student Services*

ITEM NO.	ITEM TITLE	PRESENTER
<b>2</b>	<b>ENGL 1301 Student Online Instructional Package and Course Fee for Northwest College</b>	<b>Dr. Cesar Maldonado Dr. Kimberly Beatty</b>

## RECOMMENDATION

Authorize the Chancellor to execute a purchase with McGraw-Hill Learning Solutions for the online instructional materials package for students registered for the ENGL 1301 Composition I course and to raise the course fee from \$30 to \$40 for students who register in that course at Northwest College.

McGraw-Hill has raised the digital instructional materials course fee this year from \$30 to \$40 for what would normally cost approximately \$150 in print.

The estimated annual cost is \$150,000 and will be funded from the student paid course fee.

## COMPELLING REASON/RATIONALE

In previous years, the Board approved contracts with McGraw-Hill for this identical service for \$30. Students registered in the ENGL 1301 Composition I course at Northwest College are now to be assessed a \$40 course fee that provides the complete online instructional materials package for the course from McGraw-Hill. The entire packet, if purchased separately in print, costs approximately \$150.

This service ensures that students will have these instructional materials on the first day of class. Being able to provide students with the course packet of instructional materials on the first day has been demonstrated to increase student success and has proven to be a more cost effective financial alternative than traditional printed text for the students.

The online instructional materials package includes the following:

- Best tools for successful teaching and learning of Composition I (ENGL 1301) online in an easily accessible format;
- Provision for students to access materials online from home, technology labs, writing labs, or in class;
- Opportunity for instructors to display materials in class and to immediately assign interventions to correct weakness in students' composition skills;
- Support of hybrid and distance education classes with fully integrated online tools for study, intervention, and assessment;
- Provision of a fun and challenging learning format (use of avatars, dialogue, sound, etc.) creating increased engagement and, consequently, opportunities for student success; and
- Significant cost savings for the students in accessing learning materials.

## DESCRIPTION OR BACKGROUND

The English Department at Northwest College was able to negotiate a course packet with McGraw-Hill Learning Solutions to provide students with a fixed-fee (\$40) online instructional materials package.



The Board of Trustees originally approved this course fee arrangement for students who register in the ENGL 1301 Composition I course at Northwest College on May 24, 2012.

Included in the online instructional materials are various tools that help students with grammar, development while including a personalized learning plan and integration with HCC's Eagle Online platform. Additionally, the students have access to the online course study guide, a 160-page faculty-authored text featuring elements of style and composition not found in traditional texts, including worksheets and model student essays.

## **FISCAL IMPACT**

The cost for the online instructional materials package for students is \$40 per unit.

This item will be funded from the discounted course fees received from registered students.

## **STRATEGIC GOAL ALIGNMENT**

*Strategic Initiative:* Increase Student Completion

Develop 21<sup>st</sup> Century Learners

This item is applicable to the following:

Central     Coleman     Northeast     Northwest     Southeast     Southwest     3100

# ACTION ITEM

Meeting Date: May 21, 2015

Committee: *Facilities and Finance*

ITEM NO.	ITEM TITLE	PRESENTER
<b>3</b>	<b>Rig-One Drilling Training Center (Project No. CSP 15-11)</b>	<b>Dr. Cesar Maldonado Teri Zamora Rogelio Anasagasti</b>

## RECOMMENDATION

Authorize the Chancellor to negotiate and execute a contract with Horizon International Group, LLC., to perform all work required for the Rig-One Drilling Training Center located at NE College in accordance with the CSP 15-11.

The duration of the contract shall be approximately 120 calendar days and through the warranty period, in accordance with the project schedule, at an estimated cost of \$932,000.

## COMPELLING REASON/RATIONALE

Houston Community College issued a request for competitive sealed proposals for the selection of a single firm to perform all work required for the Rig-One Drilling Training Center located at NE College in accordance with CSP 15-11. The recommended contractor will report to the Chief Facilities Officer and will coordinate with the staff of the Facilities & Construction Management Department.

The resulting contract will provide Houston Community College with a contractor to furnish all labor, materials, tools, equipment, supervision and management for the construction of a new state-of-the-art drilling training center supporting the educational needs for energy industry.

The vision of the Rig-One Drilling Training Center is to create a realistic drilling environment for new hire induction, orientation and training. The goal is to provide drilling contractors with a premier source for retainable, promotable and safety-conscious entry-level rig crew members.

Training will include a rig safety and skills laboratory that will replicate the essential components of the rig work environment for new hires (Offshore Roustabouts/Onshore Roughnecks). A two-week, hands-on program will provide trainees with experience in working around cranes, forklifts and air tuggers to acquire skills in safe pipe and cargo handling. Other skill areas include material handling, tank cleaning, confined space entry, routine maintenance and hand tool skills. Basic first aid, firefighting, station bills and muster, lock-out/tag-out and other safety procedures such as Helicopter Underwater Evacuation Training and Safe Driving are integrated into this real world experience. The training curriculum is aligned with the International Association of Drilling Contractors Knowledge, Skills and Abilities (KSA) profiles.

This recommendation to the Board of Trustees is in accordance with CSP 15-11 and Chapter 2269 Subchapter D of the Texas Government Code.

## DESCRIPTION OR BACKGROUND

The Request for Competitive Sealed Proposal (CSP 15-11) was issued on March 13, 2015. The solicitation document was distributed electronically in addition to being published in local newspapers; notice was provided to five-hundred fifty-seven (557) firms. Additionally, the solicitation was duly posted on the Electronic State Business Daily (ESBD) website. Five (5) responses were received by the solicitation due date of April 16, 2015 at 2:00 p.m. All proposals

were deemed responsive to the requirements of CSP 15-11 and were submitted to the Evaluation Committee for evaluation and scoring.

## **FISCAL IMPACT**

The total estimated project cost is \$932,000; the funding source is HCC Capital and Technology Budget.

## **LEGAL REQUIREMENTS**

This recommendation to the Board of Trustees is being made to the highest ranked firm offering the best value in accordance with Chapter 2269.155 of the Texas Government Code.

This procurement is governed under Section 2269.151 of the Government Code, which mandates the requirements for the competitive sealed proposals method of procurement, and requires that the district shall select the offeror that offers the best value for the district based on the published selection criteria and on its ranking evaluation. The district shall first attempt to negotiate a contract with the selected offeror. If the district is unable to negotiate a contract with the selected offeror, the district shall, formally and in writing, end negotiations with that offeror and proceed to the next offeror in the order of the selection ranking until a contract is reached or all proposals are rejected.

Pursuant to the published CSP 15-11 document and in accordance with Chapter 2269 of the Texas Government Code, the Evaluation Committee has selected the offeror that submitted the proposal that offers the best value for the district based on the published selection criteria and on its ranking evaluation.

Following the Texas Government Code and in accordance with the procurement process, HCC has selected the firm offering the best value based on the published selection criteria as evidenced in the final evaluation ranking.

## **STRATEGIC GOAL ALIGNMENT**

*Strategic Initiative:* Support Innovation

Attachment Title(s): **1. Summary of Procurement**  
**2. Summary Composite Score Sheet**

This item is applicable to the following:

Central     Coleman     Northeast     Northwest     Southeast     Southwest     3100

**SUMMARY OF PROCUREMENT  
BOARD ACTION ITEM**

**PROJECT TITLE:** Rig-One Drilling Training Center

**PROJECT NO.:** CSP 15-11

**PROCUREMENT METHOD:** Request for Competitive Sealed Proposal (Overall Best Value)

**PROJECT MANAGER:** Kleve Smith, Project Manager

**NAME OF BUYER:** Jennifer Chiu, Senior Buyer

**PURPOSE:** Houston Community College issued a Request for Competitive Sealed Proposal (CSP) for the selection of a single firm to provide construction services for the Rig-One Drilling Training Center in accordance with CSP 15-11.

**RECOMMENDED VENDOR:** Horizon International Group, LLC  
4204 Bellaire Boulevard  
Houston, Texas 77025

**PROPOSED SUB-CONTRACTOR:** F.C. Painting  
2322 Eaglerock Drive  
Houston, Texas 77080

Exquisite Group  
4702 Old Spanish Trail  
Houston, Texas 77021

Diversified Services  
PO Box 35705  
Houston, Texas 77235

Corner Rock Construction  
2322 Eaglerock  
Houston, Texas 77080

IPSUM Steel BSS  
1335 Boyles Street  
Houston, Texas 77020

LG Electric  
13209 Ann Louise Road,  
Houston, Texas 77086

**LEGAL  
REQUIREMENTS:**

This recommendation to the Board of Trustees is being made to the highest ranked firm offering the best value in accordance with Chapter 2269.155 of the Texas Government Code.

This procurement is governed under Section 2269.151 of the Government Code, which mandates the requirements for the competitive sealed proposals method of procurement, and requires that the district shall select the offeror that offers the best value for the district based on the published selection criteria and on its ranking evaluation. The district shall first attempt to negotiate a contract with the selected offeror. If the district is unable to negotiate a contract with the selected offeror, the district shall, formally and in writing, end negotiations with that offeror and proceed to the next offeror in the order of the selection ranking until a contract is reached or all proposals are rejected.

Pursuant to the published CSP 15-11 document and in accordance with Chapter 2269 of the Texas Government Code, the Evaluation Committee has selected the offeror that submitted the proposal that offers the best value for the district based on the published selection criteria and on its ranking evaluation.

Following the Texas Government Code and in accordance with the procurement process, HCC has selected the firm offering the best value based on the published selection criteria as evidenced in the final evaluation ranking.

**LOCATION  
INFORMATION:**

In performing the work under CSP 15-11, the recommended vendor will be working out of their Houston offices.

**PROJECTED VALUE:**

The total estimated project cost is \$932,000; the funding source is HCC Operations Budget.

**CONTRACT TERM:**

The estimated project duration is 120 calendar days and through the warranty period.

**PROCUREMENT  
ADVERTISEMENT  
& NOTICE:**

This procurement was advertised and a notice of procurement was distributed as follows:

- The Houston Chronicle on March 16, 22 & 29, 2015
- African American on March 16 thru 29, 2015
- La Información during the week of March 19, 2015
- Voice of Asia on March 27, April 3 & 10, 2015
- Notice to HCC Board of Trustees on March 13, 2015
- Texas State Procurement Website on March 13, 2015
- HCC Procurement Operations Website March 13, 2015

**SOLICITATION  
INFORMATION:**

The Request for Competitive Sealed Proposal (CSP 15-11) was issued on March 13, 2015. The solicitation document was distributed electronically in addition to being published in local newspapers; notice was provided to five-hundred fifty-seven (557) firms. Additionally, the solicitation was duly posted on the Electronic State Business Daily (ESBD) website. Five (5) responses were received by the solicitation due date of April 16, 2015 at 2:00 p.m. All proposals were deemed responsive to the requirements of CSP 15-11 and were submitted to the Evaluation Committee for evaluation and scoring.

**COMPETITIVE:**

Yes, please see Summary Composite Score Sheet.

**PROPOSAL  
EVALUATION:**

Responses were evaluated by the Evaluation Committee which consisted of representatives with relevant subject matter understanding who scored proposals in accordance with the published evaluation criteria noted below.

<b>Evaluation Criteria</b>	<b>Available Points</b>
Firm's Profile, Overview and Qualification & Experience	10
Demonstrated Qualifications of Personnel and Team	10
Proposed Approach & Methodology	20
Past Performance & References	10

Price/Cost Schedules, Billing Rates	50
Small Business Practices	10
Quality Control and Commissioning	10
<u>Safety Practices</u>	<u>10</u>
<b>Total Points:</b>	<b>130</b>

**PRIOR HCC  
EXPERIENCE:**

Yes.

**REFERENCES:**

Evaluated and found to be favorable.

**SMALL BUSINESS  
GOAL:**

In accordance with the Houston Community College - Small Business Development Program, for this solicitation, HCC advertised a 35% Good Faith Effort – Small Business participation goal.

Horizon International Group is committed to meet the advertised goal with a 35% Small Business participation commitment.

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## CFP 15-11 Composite Score for RigOne

Summary Composite Score

Sheet

Firm	Evaluation Criteria								Total
	Firm's Profile, Overview, Qualifications and Experience	Demonstrated Qualifications of Personnel and Team	Proposed Approach and Methodology	Past Performance and References	Price/Cost Schedules, Billing Rates	Small Business Practices	Quality Control and Commissioning	Safety Practices	
<b>Available Points</b>	<b>10</b>	<b>10</b>	<b>20</b>	<b>10</b>	<b>50</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>130</b>
Horizon International Group	8.40	8.40	14.80	8.60	42.92	10.00	8.00	8.00	109.12
JT Vaugh Construction	9.20	9.20	18.40	9.20	36.76	6.00	10.00	10.00	108.76
IKLO Contruction	6.00	6.20	10.40	6.00	50.00	10.00	4.00	4.00	96.60
Frost Construction Company	7.20	6.60	12.40	6.40	47.56	8.00	0.00	2.00	90.16
Level Infrastructure	3.80	4.60	7.60	4.20	33.20	4.00	0.00	0.00	57.40



# ACTION ITEM

Meeting Date: May 21, 2015

Committee: *Facilities and Finance*

ITEM NO.	ITEM TITLE	PRESENTER
<b>4</b>	<b>Investment Report for the Month of March, 2015</b>	<b>Dr. Cesar Maldonado Teri Zamora</b>

## RECOMMENDATION

Approve the Investment Report for the month of March, 2015.

## COMPELLING REASON/RATIONALE

The monthly report advises the Board on the status of the investment portfolio and complies with the relevant statute.

## DESCRIPTION OR BACKGROUND

This report provides information related to the various investments of the college, including book values and market values.

## FISCAL IMPACT

The interest income earned and earnings credit for the month totaled \$216,321 and the interest income earned and earnings credit for the fiscal year-to-date totaled \$1,457,240. The weighted average interest rate (WAR) at March 31, 2015 is .39%.

The Investment Report attached identifies HCC's investment holdings for the month ending March 31, 2015. It includes the unexpended proceeds of the various bond issues. The portfolio is highly liquid and secure with 87% of the assets invested in local government pools, money market funds and short-term certificates of deposit. All pools and money market funds are rated at the highest level. Certificates of deposit, high yield savings and other bank deposits are secured with U.S. Treasuries/agencies. The balance of the portfolio is invested in U.S. Treasuries and government-sponsored entities/agencies with "AAA" credit ratings. Interest rates have remained historically low.

## LEGAL REQUIREMENTS

This report is required by the Public Funds Investment Act (Texas Government Code 2256.023) to be submitted to the governing body of Houston Community College no less than quarterly.

## STRATEGIC GOAL ALIGNMENT

*Strategic Initiative:* Support Innovation

Attachment Title(s): **Investment Report - March, 2015**

This item is applicable to the following:

Central  Coleman  Northeast  Northwest  Southeast  Southwest  3100

**HOUSTON COMMUNITY COLLEGE SYSTEM**  
**INVESTMENT PORTFOLIO COMPOSITION**  
**As of MARCH 31, 2015**

Beginning Book Value ( MARCH 1, 2015)	\$	616,629,400
Beginning Market Value ( MARCH 1, 2015)	\$	616,341,636
Additions/subtractions ( Book value - Net)	\$	(19,567,765) *
Change in Market value	\$	122,304
Ending Book value ( MARCH 31, 2015)	\$	597,061,635
Ending Market value ( MARCH 31, 2015)	\$	596,918,250
Unrealized Gain/(Loss)	\$	(143,385)
WAM (83% of Portfolio's weighted average maturity - All Funds)		1

**This report is in compliance with the investment strategies approved in Houston Community College System investment policy and is in accordance with the Public Funds Investment Act of 1999.**

Note: This month's Investment does not include \$13,986,479 on deposit with Bank Of America which is earning higher than market yield from earning credits.

* Net amount provided/used for Operations	2,705,027
Net amount provided/used for CIP /Others	<u>(22,272,793)</u>
	(19,567,766)

**EXECUTIVE SUMMARY**  
**INVENTORY HOLDINGS REPORT**  
**March 31, 2015**

	<u>Ending Book Value</u>	<u>Ending Market Value</u>	<u>Unrealized Gain (Loss)</u>
US Treasuries	4,001,250	4,006,564	5,314
US Agencies	71,255,654	71,106,955	(148,699)
Local government pools	10,126,349	10,126,349	-
Money market funds	175,427,763	175,427,763	-
High yield savings	65,177,519	65,177,519	-
Certificates of deposit	215,250,000	215,250,000	-
Interest bearing checking	55,823,100	55,823,100	-
Total	<u>597,061,635</u>	<u>596,918,250</u>	<u>(143,385)</u>
WAR (weighted average interest rate)		<u>0.39%</u>	

**INVESTMENTS**  
**INVENTORY HOLDINGS REPORT (OPERATING AND OTHERS)**  
**As of MARCH 31, 2015**

Description	Held At	Coupon Rate	Purchase Date	Maturity Date	Par	Beginning Mkt. Value	Beginning Book Value	Purchased (Redeemed)	Ending Book Value	Ending Mkt. Value	Change in Mkt. Value	Unrealized Gain/(Loss)
Fannie Mae ARM Pool 708686	Bank of America	2.48%	02/22/05	05/01/33	52,401	56,210	54,000	(191)	53,809	55,452	(558)	1,643
Fannie Mae ARM Pool 805454	Bank of America	2.64%	12/23/04	12/01/34	48,637	54,204	56,764	(2,268)	54,496	51,924	(114)	(2,572)
Federal Farm Credit Bank US Domestic Bond	Bank of America	0.40%	08/03/12	08/03/15	1,000,000	1,000,987	1,000,000	0	1,000,000	1,000,758	(229)	758
Federal Home Loan Bank US Domestic Multi-step cpn Bond Structured Note	Bank of America	1.50%	07/30/12	07/30/27	2,000,000	1,935,426	2,000,000	0	2,000,000	1,949,158	13,732	(50,842)
Freddie Mac Domestic MTN Unsecured Bond	Bank of America	0.85%	03/10/14	03/10/17	1,000,000	997,251	1,000,000	0	1,000,000	998,721	1,470	(1,279)
Freddie Mac Domestic MTN Unsecured Bond	Bank of America	1.00%	08/22/12	02/22/18	1,000,000	992,620	1,000,000	0	1,000,000	997,025	4,405	(2,975)
Fannie Mae US Domestic Multi-step CPN Bond Structured Note	Bank of America	1.00%	08/27/12	08/27/27	2,000,000	2,004,722	1,990,000	0	1,990,000	2,005,398	676	15,398
Federal Home Loan Bank US Domestic Unsecured	Bank of America	0.25%	01/23/15	01/22/16	2,000,000	1,998,914	1,999,720	0	1,999,720	1,999,786	872	66
Federal Farm Credit Bank US Domestic Unsecured	Bank of America	0.48%	01/28/15	05/27/16	1,725,000	1,723,144	1,724,655	0	1,724,655	1,723,817	673	(838)
Fannie Mae US Domestic MTN Series:0003 Multi-step Unsec Structured Note	Bank of America	0.50%	03/31/15	09/29/27	2,000,000	-	-	2,000,000	2,000,000	1,999,990	-	(10)
Federal Home Loan Bank US Domestic Multi-step cpn Bond Structured Note	Bank of America	2.00%	07/30/12	07/30/27	1,080,000	1,033,638	1,080,000	0	1,080,000	1,041,104	7,466	(38,896)
Federal Home Loan Bank US Domestic Multi-step cpn Bond Structured Note	Bank of America	2.00%	08/27/12	11/27/24	1,600,000	1,579,570	1,600,000	0	1,600,000	1,589,434	9,864	(10,566)
Federal Home Loan Bank US Domestic Multi-step cpn Bond Structured Note	Bank of America	2.00%	07/30/12	07/30/27	2,675,000	2,612,236	2,675,000	0	2,675,000	2,630,662	18,425	(44,338)
Federal Farm Credit Bank US Domestic Unsecured	Bank of America	1.00%	04/11/13	04/11/18	10,000,000	9,955,560	10,000,000	0	10,000,000	9,973,250	17,690	(26,750)
Federal Home Loan Bank US Domestic Unsecured	Bank of America	0.70%	04/17/13	01/17/17	5,000,000	4,999,935	5,000,000	0	5,000,000	5,001,370	1,435	1,370
Fannie Mae US Domestic Multi-step cpn Bond Structured Note	Bank of America	0.80%	06/13/13	06/13/18	10,000,000	9,947,110	10,000,000	0	10,000,000	9,982,250	35,140	(17,750)
Federal Home Loan Bank US Domestic Unsecured series 0003	Bank of America	1.00%	03/27/14	03/27/17	10,000,000	9,977,330	10,000,000	(10,000,000)	-	-	-	-
Federal Home Loan Bank US Domestic Multi-step CPN BND Unsecured series 0001	Bank of America	1.38%	06/30/14	06/26/19	5,000,000	5,004,310	5,000,000	0	5,000,000	5,012,625	8,315	12,625
U.S. Treasury Notes US Govt. National	Bank of America	0.50%	07/10/14	06/30/16	4,000,000	4,004,688	4,001,250	0	4,001,250	4,006,564	1,876	5,314
Federal Home Loan Bank US Domestic Unsecured	Bank of America	0.52%	07/10/14	09/12/16	1,080,000	1,079,383	1,078,304	0	1,078,304	1,080,054	671	1,750
Federal Farm Credit Bank US Domestic Unsecured	Bank of America	1.22%	09/24/14	09/18/17	3,000,000	3,008,541	2,999,670	0	2,999,670	3,007,797	(744)	8,127
Freddie Mac Domestic MTN Unsecured Bond	Bank of America	1.30%	09/25/14	01/30/18	5,000,000	5,006,390	5,000,000	0	5,000,000	5,004,300	(2,090)	4,300
Federal Home Loan Bank US Domestic Unsecured	Bank of America	1.11%	09/26/14	06/26/17	4,000,000	4,000,192	4,000,000	0	4,000,000	4,000,196	4	196
Freddie Mac Global Unsecured Bond	Bank of America	0.70%	09/29/14	09/29/16	5,000,000	4,999,985	5,000,000	0	5,000,000	5,003,310	3,325	3,310
Federal Home Loan Bank US Domestic Unsecured	Bank of America	0.25%	02/02/15	01/26/16	5,000,000	4,999,255	5,000,000	0	5,000,000	4,998,575	-	(1,425)
Plant Fund Interest Checking (10060-7201)	Bank Of America	0.11%	02/01/15			66,463	66,463	6	66,469	66,469	0	0
Debt Service 2001A Bond Int Checking (10080)	Bank Of America	0.11%	02/01/15			2,157,339	2,157,339	166	2,157,505	2,157,505	0	0
HCCS Merchant service (10012)	Bank Of America	0.30%	02/01/15			49,660,766	49,660,766	(106,413)	49,554,353	49,554,353	0	0
Checking Acoount- 10010-7306-2006 Jr. lien	Bank Of America	0.11%	02/01/15			229	229	0	229	229	0	0
LTD2013 Tax Bond Grneral Checking A/C (10090)	Bank Of America	0.11%	02/01/15			1,598,494	1,598,494	514,295	2,112,789	2,112,789	0	0
LTD2003 Tax Bond Checking A/C (10092)	Bank Of America	0.11%	02/01/15			1,930,167	1,930,167	173	1,930,340	1,930,340	0	0

Description	Held At	Coupon Rate	Purchase Date	Maturity Date	Par	Beginning Mkt. Value	Beginning Book Value	Purchased (Redeemed)	Ending Book Value	Ending Mkt. Value	Change in Mkt. Value	Unrealized Gain/(Loss)
Managed PFI Account-10100-1110	Bank Of America	0.20%	02/01/15			1,415	1,415	0	1,415	1,415	0	0
Merrill Lynch, Pierce, Fenner & smith (1110)	Bank Of America	0.01%	02/01/15			455,782	455,782	12	455,794	455,794	0	0
Public Fund Money Market_Premier (159406615)	Regions Bank	0.18%	02/01/15			54,579,742	54,579,742	8,456	54,588,197	54,588,197	0	0
Public Fund Money Market_Premier (185913820)- fund 1110	Regions Bank	0.15%	02/01/15			120,367,999	120,367,999	15,773	120,383,771	120,383,771	0	0
Chase High Yield Savings (A/C 2049911718)	Chase Bank	0.03%	02/01/15			2,323	2,323	(15)	2,308	2,308	0	0
Chase High Yield Savings (A/C 3000684286)	Chase Bank	0.03%	02/01/15			77,173,488	77,173,488	(11,998,278)	65,175,210	65,175,210	0	0
Fixed Time Deposit with Unity Bank	Unity Bank	0.26%	06/09/14	06/09/15		100,000	100,000	0	100,000	100,000	0	0
Fixed Time Deposit with Unity Bank	Unity Bank	0.25%	10/18/14	10/18/15		150,000	150,000	0	150,000	150,000	0	0
Certificate of Deposit	Chase Bank	0.28%	04/03/13	04/03/15		20,000,000	20,000,000	0	20,000,000	20,000,000	0	0
Certificate of Deposit	Chase Bank	0.43%	03/22/13	09/22/15		50,000,000	50,000,000	0	50,000,000	50,000,000	0	0
Certificate of Deposit	Chase Bank	0.49%	07/25/13	01/24/16		5,000,000	5,000,000	0	5,000,000	5,000,000	0	0
Certificate of Deposit	Chase Bank	0.50%	04/03/13	04/03/16		40,000,000	40,000,000	0	40,000,000	40,000,000	0	0
Certificate of Deposit	Chase Bank	0.49%	07/25/13	07/24/16		5,000,000	5,000,000	0	5,000,000	5,000,000	0	0
Certificate of Deposit	Chase Bank	0.69%	03/22/13	03/22/17		30,000,000	30,000,000	0	30,000,000	30,000,000	0	0
Certificate of Deposit	Chase Bank	0.49%	07/25/13	07/24/17		5,000,000	5,000,000	0	5,000,000	5,000,000	0	0
Certificate of Deposit	Chase Bank	0.99%	03/23/13	03/21/18		20,000,000	20,000,000	0	20,000,000	20,000,000	0	0
Certificate of Deposit	Chase Bank	0.98%	03/22/13	03/22/18		20,000,000	20,000,000	0	20,000,000	20,000,000	0	0
Certificate of Deposit	Chase Bank	1.02%	04/03/13	04/03/18		20,000,000	20,000,000	0	20,000,000	20,000,000	0	0
Corporate Overnight Fund	Lone Star	0.13%	02/01/15			1,597,332	1,597,332	172	1,597,504	1,597,504	0	0
Tex Pool	State Street Bank	0.05%	02/01/15			8,528,497	8,528,497	348	8,528,845	8,528,845	0	0
<b>TOTAL</b>						<b>616,341,636</b>	<b>616,629,400</b>	<b>(19,567,765)</b>	<b>597,061,635</b>	<b>596,918,250</b>	<b>122,304</b>	<b>(143,385)</b>

# ACTION ITEM

Meeting Date: May 21, 2015

Committee: *Facilities and Finance*

ITEM NO.	ITEM TITLE	PRESENTER
<b>5</b>	<b>Monthly Financial Statement and Budget Review for March 2015</b>	<b>Dr. Cesar Maldonado Teri Zamora</b>

## RECOMMENDATION

Approve the Financial Statement for the month of March 2015.

## COMPELLING REASON/RATIONALE

The monthly report advises the Board on the status of the finances of the college.

## DESCRIPTION OR BACKGROUND

This report provides information related to the various funds of the college, including fund balances, comparison to previous year and comparison to budget.

## FISCAL IMPACT

Awareness and review of financial information throughout the year helps to inform decision making, and allows for mid-year adjustments, as needed.

## LEGAL REQUIREMENT

N/A

## STRATEGIC GOAL ALIGNMENT

*Strategic Initiative:* Support Innovation

Attachment Title(s): **Financial Statement - March 2015**

This item is applicable to the following:

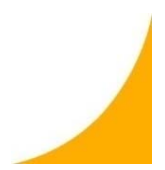
Central     Coleman     Northeast     Northwest     Southeast     Southwest     3100



# **Summary Operating Statements**

**For the Period  
September 1, 2014 - March 31, 2015  
For the Meeting of the Board of Trustees - May 14, 2015**

**for  
Houston Community College System  
&  
Houston Community College Public Facility Corporation**



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For the Period September 1, 2014 - March 31, 2015

## Houston Community College System

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**Houston Community College System  
Summary of Financial Statements  
As of March 31, 2015**

In the Unrestricted Fund as of March 31, 2015, total revenue received is \$254.9 million. This represents 85.4% of budgeted annual revenues of \$298.7 million. Expenses total \$154.7 million to date; which is 50.4% of the total expense budget of \$306.7 million. Compared with the same time last year, revenue shows a 7% increase, and expenses are 0.1% higher than the prior year. Actual net revenue is \$100.3 million to-date. That translates into a like amount increase in fund balance.

Tuition and fee revenue shows a 3% increase year-to-date, namely due to increases in enrollment. Tuition and fee revenue for Extended Learning shows a 38.6% increase due partially to an increase in enrollment and also largely to a differential category fee created for out-of-state and international students taking non-credit courses.

Salaries increased 4.6%. This increase is due namely to an across the board salary increases of 2% for full-time employees and an increase in part-time faculty salary rates.

Expenses related to supplies, instruction and other materials, and capital outlays have decreased. Decreases have resulted primarily from greater oversight of expenditures and discontinuation of the practice of allowing current unrestricted fund purchase orders to roll into the next fiscal year.



**HOUSTON COMMUNITY COLLEGE SYSTEM**  
**Unaudited Fund Balances and Activities - All Funds**  
**as of March 31, 2015**

	Unrestricted	Restricted	Auxiliary	Loan & Endowments	Scholarship	Agency	Unexpended Plant	Capital and Technology	Retirement of Debt	Investment in Plant	Public Facility Corp.	Grand Total
Fund Balance as of 9/1/2014, Audited	\$ 100,704,814	\$ 8,760,527	\$ 6,048,536	\$ 509,932	\$ -	\$ (59,601)	\$ 5,418,977	\$ -	\$ 36,581,244	\$ 221,786,019	\$ (5,898,375)	\$ 373,852,073
<b>Revenues</b>	254,943,844	19,062,163	8,320,615	-	90,695,675	-	1,665,157	-	51,329,868	-	306	426,017,628
<b>Expenses</b>												
Salaries	102,833,732	3,263,218	2,750,760	-	2,154,710	-	129,729	-	-	-	-	111,132,149
Employee Benefits	11,275,769	8,160,494	582,850	-	298	-	29,341	-	-	-	-	20,048,753
Supplies & General Exp	2,303,830	125,664	497,165	-	-	-	1,781	79,546	-	-	-	3,007,985
Travel	492,666	149,177	68,505	-	-	-	-	-	-	-	-	710,347
Marketing Costs	682,226	21,465	17,721	-	-	-	-	-	-	-	-	721,413
Rentals & Leases	1,534,920	95,287	37,238	-	-	-	3,309	-	-	-	-	1,670,755
Insurance/Risk Mgmt	6,398,732	3,738	1,521	-	-	-	-	-	-	-	-	6,403,991
Contracted Services	11,930,034	2,283,708	980,995	-	-	-	60,012	-	242,419	-	-	15,497,167
Utilities	4,883,637	-	219,360	-	-	-	-	-	-	-	-	5,102,996
Other Departmental Expenses	761,177	68,287	2,310,177	-	-	-	-	-	-	-	-	3,139,642
Instructional and Other Materials	5,081,013	211,940	125,385	-	-	-	134,438	-	-	-	-	5,552,776
Maintenance and Repair	523,885	283,765	8,683	-	274,250	-	74,392	-	-	-	-	1,164,975
Transfers (In)/Out*	4,666,655	4,250,000	-	-	(2,190,353)	-	2,000,000	(8,250,000)	(476,302)	-	-	(0)
Debt	89,497	-	-	-	-	-	-	-	33,362,026	-	590,785	34,042,308
Capital Outlay	1,209,521	375,264	-	-	-	-	54,842,554	333,447	-	-	-	56,760,786
Depreciation	-	-	-	-	-	-	-	-	-	11,538,581	-	11,538,581
Scholarship Distribution					89,893,502							89,893,502
Total Expenses	154,667,296	19,292,007	7,600,359	-	90,132,407	-	57,275,556	(7,837,007)	33,128,143	11,538,581	590,785	366,388,125
<b>NET REVENUE/(EXPENSES)</b>	100,276,548	(229,845)	720,256	-	563,268	-	(55,610,399)	7,837,007	18,201,726	(11,538,581)	(590,479)	59,629,502
<b>Fund Balance Entries</b>	685,989	-				59,601	47,037,427	-		24,633,362	(59,782)	72,356,597
<b>Fund Balance as of 03/31/2015</b>	<b>\$ 201,667,351</b>	<b>\$ 8,530,682</b>	<b>\$ 6,768,792</b>	<b>\$ 509,932</b>	<b>\$ 563,268</b>	<b>\$ -</b>	<b>\$ (3,153,995)</b>	<b>\$ 7,837,007</b>	<b>\$ 54,782,970</b>	<b>\$ 234,880,800</b>	<b>\$ (6,548,635)</b>	<b>\$ 505,838,172</b>

\*Transfers include student revenue bond payment funds, scholarship matching funds, and transfers to Unexpended Plant and Capital and Technology Funds

**HOUSTON COMMUNITY COLLEGE SYSTEM**  
**Comparison to Budget and Comparison to Previous Fiscal Year**  
**as of March 31, 2015**  
**58.3% of Year Expended**

**HCCS CURRENT UNRESTRICTED**

	Year-to-Date Actuals Thru March 31, 2015	FY2015 Budget	Actuals as a % of Budget	Year-to-Date Actuals Thru March 31, 2015	Year-to-Date Actuals Thru March 31, 2014	Increase (Decrease) FY2015 Compared to FY2014	% Increase (Decrease)
<b>REVENUES</b>							
State Appropriations	\$ 36,303,190	\$ 69,202,364	52.5%	\$ 36,303,190	\$ 36,356,619	\$ (53,429)	-0.1%
Ad Valorem Taxes	120,857,487	114,968,081	105.1%	120,857,487	108,844,612	12,012,875	11.0%
Tuition, Net	34,777,847	40,308,204	86.3%	34,777,847	33,227,722	1,550,125	4.7%
Fees	54,377,319	64,784,694	83.9%	54,377,319	53,057,709	1,319,610	2.5%
Other Local Income	1,378,193	2,247,796	61.3%	1,378,193	1,388,021	(9,828)	-0.7%
Tuition & Fee, Net	6,888,634	6,565,665	104.9%	6,888,634	4,969,966	1,918,668	38.6%
-- Extended Learning							
Indirect Cost Revenues, Grant	361,173	619,663	58.3%	361,173	398,923	(37,750)	-9.5%
<b>Total Revenues</b>	<b>254,943,844</b>	<b>298,696,467</b>	<b>85.4%</b>	<b>254,943,844</b>	<b>238,243,572</b>	<b>16,700,271</b>	<b>7.0%</b>
<b>Fund Balance Transfers In</b>	<b>-</b>	<b>8,000,000</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Revenues and Fund Balance Transfer</b>	<b>\$ 254,943,844</b>	<b>\$ 306,696,467</b>	<b>83.1%</b>	<b>\$ 254,943,844</b>	<b>\$ 238,243,572</b>	<b>\$ 16,700,271</b>	<b>7.0%</b>
<b>EXPENSES</b>							
Salaries	102,833,732	181,902,177	56.5%	102,833,732	98,271,425	4,562,308	4.6%
Employee Benefits	11,275,769	20,230,175	55.7%	11,275,769	10,604,385	671,384	6.3%
Supplies Gen Exp	2,303,830	5,633,073	40.9%	2,303,830	2,812,393	(508,564)	-18.1%
Travel	492,666	1,233,815	39.9%	492,666	525,097	(32,431)	-6.2%
Marketing Costs	682,226	1,366,991	49.9%	682,226	670,231	11,996	1.8%
Rental & Leases	1,534,920	2,492,806	61.6%	1,534,920	1,472,536	62,385	4.2%
Insurance/Risk Mgmt	6,398,732	7,264,333	88.1%	6,398,732	6,461,345	(62,612)	-1.0%
Contract Services	11,930,034	23,267,494	51.3%	11,930,034	12,709,496	(779,462)	-6.1%
Utilities	4,883,637	10,292,734	47.4%	4,883,637	4,242,432	641,205	15.1%
Other Departmental Expenses	761,177	1,834,861	41.5%	761,177	1,304,994	(543,816)	-41.7%
Instructional & Other Materials	5,081,013	9,489,094	53.5%	5,081,013	4,873,533	207,481	4.3%
Maintenance & Repair	523,885	1,348,967	38.8%	523,885	785,324	(261,438)	-33.3%
Transfers/Debt	4,756,152	32,557,629	14.6%	4,756,152	6,527,734	(1,771,582)	-27.1%
Contingency	-	5,168,374	0.0%	-	-	-	0.0%
Capital Outlay	1,209,521	2,613,944	46.3%	1,209,521	3,328,839	(2,119,318)	-63.7%
<b>Total Expenses</b>	<b>\$ 154,667,296</b>	<b>\$ 306,696,467</b>	<b>50.4%</b>	<b>\$ 154,667,296</b>	<b>\$ 154,589,761</b>	<b>77,534</b>	<b>0.1%</b>
<b>NET REVENUE/(EXPENSES)</b>	<b>\$ 100,276,548</b>	<b>\$ -</b>	<b>0.0%</b>	<b>\$ 100,276,548</b>	<b>\$ 83,653,811</b>	<b>\$ 16,622,737</b>	<b>19.9%</b>

# HOUSTON COMMUNITY COLLEGE SYSTEM

## Auxiliary Budget By Fund as of March 31, 2015

### Auxiliary Funds - Uncommitted Portion

	Main Leasing	Misc. Auxiliary *	Foundation	Marketing	Bookstore Commission	International Student Services	Cafe Club NEO 3100 Main	Scholarships	Subtotal Uncommitted
<b>Fund Balance – September 1, 2014</b>									<b>\$ 2,067,478</b>
<b>FY2015</b>									
Revenue	3,427,773	281,835	-	-	577,552	-	295,448	-	4,582,607
Salaries	128,302	249,532	60,557			199,532	137,540		775,464
Benefits	32,523	64,246	13,966			46,266	33,111		190,112
Supplies Gen Exp	23,301	54,675	8,244				9,754		95,974
Travel		2,446	3,105						5,551
Marketing Costs		17,721							17,721
Rental & Leases	3,893	25,225					320		29,438
Contract Services	654,442	170,498	22,253				823		848,016
Utilities	219,360								219,360
Departmental Expenses		242,089		2,017,088		15,410			2,274,587
Instructional & Other	600						124,785		125,385
Materials									
Maintenance & Repair	894	4,009					3,779		8,683
Insurance/Risk Mgmt									-
Exemptions and Waivers								430,587	430,587
Transfer/Debt									-
Capital Outlay									-
<b>Total Expense</b>	<b>1,063,316</b>	<b>830,441</b>	<b>108,125</b>	<b>2,017,088</b>	<b>-</b>	<b>261,208</b>	<b>310,111</b>	<b>430,587</b>	<b>5,020,877</b>
<b>Contribution to Fund Balance</b>	<b>2,364,457</b>	<b>(548,607)</b>	<b>(108,125)</b>	<b>(2,017,088)</b>	<b>577,552</b>	<b>(261,208)</b>	<b>(14,663)</b>	<b>(430,587)</b>	<b>(438,270)</b>
<b>Auxiliary Fund Balance - Uncommitted Portion</b>									<b>\$ 1,629,208</b>

\* Expenditures in this category include mailroom, child day care, Minority Male Initiative, Govt. Relation, Mobile Go, etc.

# HOUSTON COMMUNITY COLLEGE SYSTEM

## Auxiliary Budget By Fund

as of March 31, 2015

### Auxiliary Funds - International and Committed Portions

	International			Committed					Total
	Saigon Tech	Qatar	Subtotal International	Minority Business Development Agency	Student Vending Commission	Student Activity Fee	Student Athletic Fee	Subtotal Committed	Total Auxiliary
<b>Fund Balance – September 1, 2014</b>			<b>\$ 1,732,695</b>	<b>\$ 7,210</b>	<b>\$ 293,729</b>	<b>\$ 968,768</b>	<b>\$ 978,657</b>	<b>\$ 2,248,364</b>	<b>\$ 6,048,536</b>
<b>FY2015</b>									
Revenue	46,666	2,444,056	2,490,722	11,358	56,000	934,363	704,862	1,706,582	8,779,912
Salaries	1,800	1,803,220	1,805,020		6,800	42,773	120,704	170,277	2,750,760
Benefits		362,998	362,998			197	29,543	29,740	582,850
Supplies Gen Exp	164	968	1,133		22,378	323,336	54,343	400,058	497,165
Travel	10,934		10,934		1,381	36,500	14,140	52,020	68,505
Marketing Costs			-					-	17,721
Rental & Leases			-				7,800	7,800	37,238
Contract Services		36,000	36,000		2,500	26,311	68,168	96,979	980,995
Utilities			-					-	219,360
Departmental Expenses		3,595	3,595		3,000	8,289	20,706	31,995	2,310,177
Instructional & Other			-					-	125,385
Materials			-					-	8,683
Maintenance & Repair			-					-	1,521
Insurance/Risk Mgmt			-			175	1,346	1,521	459,297
Exemptions and Waivers			-			28,710		28,710	-
Transfer			-					-	-
Capital Outlay			-					-	-
<b>Total Expense</b>	<b>12,898</b>	<b>2,206,781</b>	<b>2,219,679</b>	<b>-</b>	<b>36,059</b>	<b>466,290</b>	<b>316,751</b>	<b>819,100</b>	<b>8,059,656</b>
<b>Contribution to Fund Balance</b>	<b>33,768</b>	<b>237,275</b>	<b>271,043</b>	11,358	19,941	468,073	388,111	887,483	<b>720,256</b>
<b>Auxiliary Fund Balance - Intl, Committed, Total</b>			<b>\$ 2,003,738</b>	<b>\$ 18,567</b>	<b>\$ 313,670</b>	<b>\$ 1,436,841</b>	<b>\$ 1,366,768</b>	<b>\$ 3,135,847</b>	<b>\$ 6,768,792</b>

**HOUSTON COMMUNITY COLLEGE**  
**FY 2014-15 Adjusted Budget by Colleges**  
**as of March 31, 2015**

<b>Budgeted Expenditures</b>	<b>CENTRAL</b>	<b>NORTH WEST</b>	<b>NORTH EAST</b>	<b>SOUTH WEST</b>	<b>SOUTH EAST</b>	<b>COLEMAN</b>	<b>EXTENDED LEARNING</b>	<b>SYSTEM</b>	<b>Grand Total</b>
Salary	\$ 24,715,652	\$ 26,347,929	\$ 19,576,056	\$ 26,992,347	\$ 16,269,083	\$ 12,071,724	\$ 10,436,380	\$ 45,493,006	\$ 181,902,177
Employee Benefits	-	-	-	-	-	-	-	20,230,175	20,230,175
Supplies & Gen	276,987	285,206	229,627	281,581	254,274	264,625	182,405	3,858,368	5,633,073
Travel	129,280	123,304	42,172	60,478	59,211	129,865	66,232	623,273	1,233,815
Marketing Costs	23,351	28,912	57,270	28,367	78,437	10,542	158,287	981,825	1,366,991
Rentals & Leases	1,920	90,440	951,367	518,649	79,817	452,379	25,027	373,207	2,492,806
Insurance/Risk Mgmt	934	168	-	154	-	-	-	7,263,077	7,264,333
Contracted Services	326,417	279,754	77,381	36,807	67,097	281,923	20,992	22,177,123	23,267,494
Utilities	5,125	-	4,600	728	-	-	-	10,282,281	10,292,734
Other Departmental Expenses	60,644	57,687	41,576	43,565	126,065	97,175	44,523	1,363,626	1,834,861
Instructional And Other Materials	463,038	159,797	155,970	201,282	66,144	304,050	584,386	7,554,427	9,489,094
Maintenance and Repair	139,466	40,546	54,166	48,202	18,050	65,108	121,603	861,826	1,348,967
Transfers/Debt	-	864,206	5,640,442	1,250,001	-	-	-	24,802,980	32,557,629
Contingency	473,529	490,298	94,434	237,598	177,290	278,982	230,724	3,185,519	5,168,374
Capital Outlay	486,905	125,544	409,617	91,695	29,959	27,803	7,500	1,434,921	2,613,944
<b>Total</b>	<b>\$ 27,103,248</b>	<b>\$ 28,893,791</b>	<b>\$ 27,334,678</b>	<b>\$ 29,791,454</b>	<b>\$ 17,225,427</b>	<b>\$ 13,984,176</b>	<b>\$ 11,878,059</b>	<b>\$ 150,485,634</b>	<b>\$ 306,696,467</b>

**Houston Community College**  
**Balance Sheet By Fund**  
**For Month Ended March 31, 2015**

	<u>CURRENT &amp; LOAN FUNDS<sup>1</sup></u>	<u>PLANT &amp; BOND FUNDS<sup>2</sup></u>	<u>Total All Funds</u>
<b>ASSETS</b>			
Current Assets:			
Cash & cash equivalents	\$ 188,712,774	\$ 42,411,124	\$ 231,123,897
Restricted cash & cash equivalents	9,624,399	-	9,624,399
Short term Investments	-	-	-
Accounts/Other receivable (net)	15,858,814	2,507,239	18,366,053
Deferred charges	136,812	-	136,812
Prepays	<u>111,696</u>	<u>2,019,896</u>	<u>2,131,593</u>
Total Current Assets	214,444,494	46,938,259	261,382,754
Non-current Assets:			
Restricted cash & cash equivalents	-	292,482,127	292,482,127
Restricted long-term investments	-	62,438,868	62,438,868
Long-term investments	12,674,653	-	12,674,653
Capital Assets, net	<u>-</u>	<u>915,809,965</u>	<u>915,809,965</u>
Total Non-current Assets	12,674,653	1,270,730,960	1,283,405,613
<b>Total Assets</b>	<u><u>\$ 227,119,147</u></u>	<u><u>\$ 1,317,669,220</u></u>	<u><u>\$ 1,544,788,367</u></u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	4,731,279	1,113,861	5,845,140
Accrued liabilities	680,949	18,991	699,940
Compensated absences	2,357,551	-	2,357,551
Funds held for others	645,696	189,209	834,906
Deferred revenue	663,649	107,841	771,490
Notes payable-current portion	-	-	-
Bonds payable-current portion	-	12,548,783	12,548,783
Capital lease obligations-current	<u>-</u>	<u>-</u>	<u>-</u>
Total Current Liabilities	9,079,124	13,978,685	23,057,809
Non-current Liabilities:			
Deposits	-	-	-
Notes payable	-	163,161,634	163,161,634
Bonds payable	-	743,883,061	743,883,061
Capital lease obligations	<u>-</u>	<u>102,299,058</u>	<u>102,299,058</u>
Total Non-current Liabilities	-	1,009,343,753	1,009,343,753
<b>Total Liabilities</b>	<u><u>\$ 9,079,124</u></u>	<u><u>\$ 1,023,322,438</u></u>	<u><u>\$ 1,032,401,561</u></u>
<b>Fund Balance-</b>			
<b>August 31, 2014 Audited</b>	115,964,207	263,786,241	379,750,448
Revenues Over Expenditures			
Unrestricted	101,682,794		101,682,794
Restricted	393,024		393,024
Net Investment in Plant		30,560,541	30,560,541
<b>Total Fund Balances, Unaudited</b>	<u><u>\$ 218,040,025</u></u>	<u><u>\$ 294,346,782</u></u>	<u><u>\$ 512,386,807</u></u>
<b>Total Liabilities &amp; Fund Balances</b>	<u><u>\$ 227,119,149</u></u>	<u><u>\$ 1,317,669,220</u></u>	<u><u>\$ 1,544,788,367</u></u>

<sup>1</sup> Includes Unrestricted, Restricted, Loan & Endowment, Scholarship, Agency and Auxiliary Funds.

<sup>2</sup> Includes Unexpended Plant, Retirement of Debt and Investment in Plant Funds.

# Houston Community College

## Exemptions & Waivers

Through March 31, 2015

Account	FY 2013-14		FY 2014-15
	End of Year Activity	Year-to-Date Activity thru 03/31/2014	Year-to-Date Activity thru 03/31/2015
<b>Tuition</b>			
<b>Budget:</b>			
Adjusted Budget FY 2014-15, Net			\$ 41,453,277
<b>Revenues Received:</b>			
Tuition	45,771,753	39,236,768	40,456,367
<b>Waivers &amp; Exemptions:</b>			
Dual Credit & Early College HS	(4,931,925)	(4,208,944)	(4,285,220)
Other	(2,100,332)	(1,800,102)	(1,393,300)
Total Waivers & Exemptions	(7,032,257)	(6,009,046)	(5,678,520)
<b>Total Tuition Revenue, Net</b>	<b>\$ 38,739,497</b>	<b>\$ 33,227,722</b>	<b>\$ 34,777,847</b>

<b>Tuition - Extended Learning</b>			
<b>Budget:</b>			
Budget FY 2013-14, Net			\$ 6,565,665
<b>Revenues Received:</b>			
Tuition	8,931,465	6,229,952	8,092,127
<b>Waivers &amp; Exemptions:</b>			
Department of Corrections	(2,021,386)	(1,259,986)	(1,203,493)
<b>Total EL Tuition Revenue, Net</b>	<b>\$ 6,910,079</b>	<b>\$ 4,969,966</b>	<b>\$ 6,888,634</b>

Exemptions & Waivers	FY 2013-14		FY 2014-15		Actuals % Inc/(Dec)YTD vs. Prior YTD
	End of Year Activity	Year-to-Date Activity thru 03/31/2014	Year-to-Date Activity thru 03/31/2015		
Dept of Corrections	\$ 2,021,386	\$ 1,259,986	\$ 1,203,493		-4.5%
Dual Credit Waiver	2,790,344	2,484,582	3,255,443		31.0%
Early College High School	2,141,581	1,724,362	1,029,777		-40.3%
<b>Other:</b>					
Employee Fee Exemptions	69,909	58,488	48,046		-17.9%
Firemen	26,082	19,995	11,311		-43.4%
Hazelwood	1,416,167	1,230,789	834,950		-32.2%
Deaf & Blind	207,012	171,249	160,178		-6.5%
High Ranking Hi SCH Grad	1,240	1,240	1,805		45.6%
Child of Disabled Vet ETC	285	-	7,264		0.0%
Nonres Teach/Research Asst	6,372	5,487	6,098		11.1%
Nonres Competitive Scholar	11,346	11,346	8,558		-24.6%
Senior Citizens	15,532	14,243	12,505		-12.2%
Misc Tuition/Fees Waivers	6,576	576	-		0.0%
Scholarship Distribution	10,000	10,000	-		0.0%
A VISA Waiver (Non-Alien Waiver)	-	-	888		0.0%
Refugee Waiver	183	183	-		0.0%
Foster Children-Resident	300,508	257,830	217,956		-15.5%
Undocumented Students	11,383	11,383	5,378		0.0%
TX Tomorrow Waiver	2,912	2,558	2,788		0.0%
Surviving Spouse/Children	2,120	2,120	-		0.0%
Peace Officer Exemption	3,655	2,615	3,111		19.0%
Adopted Student Waiver	-	-	72,464		0.0%
Stipends	3,000	-	-		0.0%
Scholars Costs Funded by State	6,050	-	-		0.0%
Total Other Exemptions	2,100,332	1,800,102	1,393,300		-22.6%
<b>Grand Total Exemptions &amp; Waivers</b>	<b>\$ 9,053,643</b>	<b>\$ 7,269,032</b>	<b>\$ 6,882,013</b>		<b>-5.3%</b>

## **Topics for Discussion and/or Action**



# ACTION ITEM

Meeting Date: May 21, 2015

Committee: *Board Governance*

ITEM NO.	ITEM TITLE	PRESENTER
<b>1</b>	<b>Personnel Agenda (Faculty)</b>	<b>Dr. Cesar Maldonado</b>

## RECOMMENDATION

Approve the personnel action item for May 2015.

## COMPELLING REASON/RATIONALE

Full-time contract Faculty is hired under one-year term contracts that are either renewed or non-renewed on an annual basis under Board Policy A.7.1.

## DESCRIPTION OR BACKGROUND

The hiring process for full time faculty involves a review of credentials, a screening process, evaluation and interview by the hiring authority.

## FISCAL IMPACT

Funds for these faculty positions are provided for in the 2015 Unrestricted Budget.

## LEGAL REQUIREMENT

N/A

## STRATEGIC GOAL ALIGNMENT

*Strategic Initiative:* Support Innovation

Attachment Title(s): **Personnel Agenda - Faculty (May 2015)**

This item is applicable to the following:

Central     Coleman     Northeast     Northwest     Southeast     Southwest     3100

***Personnel Agenda -***  
**Faculty (For Board Approval)**

**Board Meeting: May 21, 2015**

HOUSTON COMMUNITY COLLEGE SYSTEM  
FACULTY  
May 21, 2015

**FACULTY (REGULAR) – FOR BOARD APPROVAL**

<b><u>Name</u></b>	<b><u>Previous Organization</u></b>	<b><u>Proposed Title/Organization</u></b>	<b><u>FLSA/Grade</u></b>	<b><u>Previous Salary</u></b>	<b><u>Salary</u></b>	<b><u>Effective Date</u></b>
<b>1. Hook, Janet</b>	HCCS F/T (Temp) EMS Instructor/NE	to F/T EMS/Instructor /NE	FAC/08 12 months	\$ 53,110 yr.	\$ 60,987 yr.	04-16-15

***Credentials & Selection Process -***  
**Faculty (For Board Approval)**

**Board Meeting: May 21, 2015**

**FACULTY (REGULAR) – FOR BOARD APPROVAL**

<b><u>Name</u></b>	<b><u>Job Title/Requirements</u></b>	<b><u>Nominee’s Credentials</u></b>	<b><u>Selection Process</u></b>
<b>1. Hook, Janet</b>	<i>Emergency Medical Services Instructor</i> Associate’s degree is required. Five (5) years field experience as a Paramedic with a Fire-Base program and/or 911 EMS System and five (5) years clinical experience in an urban hospital ER.	AA in Emergency Medical EMS Faculty           1 yr. 0 mo. Clinical Scheduler       1 mo. Firefighter           1 yr, 10 mos. Paramedic Tech       9 yrs.11 mos.  <b>Total                   12 yrs. 10 mos.</b>	Job Vacancy Notice-4585 -HR Referred-5 -Screening committee evaluated and reviewed-1 -Hiring authority evaluated and interviewed-1 -Applicant selected-External HCCS F/T Temp to F/T

# ACTION ITEM

Meeting Date: May 21, 2015

Committee: *Facilities and Finance*

ITEM NO.	ITEM TITLE	PRESENTER
<b>2</b>	Approval of Lease Agreement for 5505 West Loop South Houston, Texas	Dr. Cesar Maldonado Teri Zamora Charles D. Smith

## RECOMMENDATION

Authorize the Chancellor to execute a lease agreement for the building at 5505 West Loop South on the West Loop campus.

## COMPELLING REASON/RATIONALE

The leased space will be used as a business location for service to the general public.

## DESCRIPTION OR BACKGROUND

This building was erected for investment purposes in 1999. It was leased by Conn's Appliances through September of 2014 and acquired by the College in March of 2015 through an amicable Purchase Sale Agreement. Leasing of the building is intended to defray the long term cost of acquisition.

## FISCAL IMPACT

Income from the lease will defray the cost of acquisition, providing a long term benefit to the taxpayer.

## LEGAL REQUIREMENT

None.

## STRATEGIC GOAL ALIGNMENT

*Strategic Initiative:* Cultivate an Entrepreneurial Culture Across the Institution.

This item is applicable to the following:

Central     Coleman     Northeast     Northwest     Southeast     Southwest     3100

# ACTION ITEM

Meeting Date: May 21, 2015

Committee: *Facilities and Finance*

ITEM NO.	ITEM TITLE	PRESENTER
<b>3</b>	<b>Proposed Settlement Between Margaret D. Thibodeaux-Woody and HCC</b>	<b>Dr. Cesar Maldonado Edgar A. Smith</b>

## RECOMMENDATION

Authorize settlement and release of claims agreement between Margaret D. Thibodeaux-Woody and Houston Community College.

## DESCRIPTION OR BACKGROUND

Upon settlement, Ms. Thibodeaux-Woody will forgo any and all claims against HCC regarding her employment, including current litigation.

## STRATEGIC GOAL ALIGNMENT

*Strategy Initiative:* Support Innovation

This item is applicable to the following:

Central     Coleman     Northeast     Northwest     Southeast     Southwest     3100

# ACTION ITEM

Meeting Date: May 21, 2015

Committee: *Facilities and Finance*

ITEM NO.	ITEM TITLE	PRESENTER
<b>4</b>	<b>Resolution Authorizing the Issuance of Combined Fee Revenue and Refunding Bonds, Series 2015 and Redemption Prior to Maturity of Certain Outstanding Bonds</b>	<b>Dr. Cesar Maldonado Teri Zamora Andrews Kurth</b>

## RECOMMENDATION

Approve resolution for issuance of Combined Fee Revenue and Refunding Bonds, Series 2015; set certain parameters for the Revenue Refunding Bonds; authorize the Chancellor, Vice Chancellor of Finance and Planning or certain designees including Treasurer and Deputy Treasurer to approve the amount, the interest rate, price and certain other terms thereof and procedures and provisions related thereto; preparation, distribution and execution of necessary documents and statements; the redemption prior to maturity of certain outstanding bonds and other documents related thereto; and authorize the selection of underwriters.

## COMPELLING REASON/RATIONALE

The Resolution facilitates the issuance of the Bonds, all necessary documents and statements, and the syndicate of underwriters.

## DESCRIPTION OR BACKGROUND

This Bond resolution provides for the terms, conditions and parameters for the issuance of the Combined Fee Revenue and Refunding Bonds, Series 2015. It allows for paying the purchase option prices under the lease purchase agreements between the System and the Houston Community College System Public Facility Corporation (the "PFC") with respect to the facilities previously financed with the outstanding lease revenue bonds.

## FISCAL IMPACT

The Combined Fee Revenue and Refunding Bonds, Series 2015 will be approximately \$69,035,000 plus premium of \$8,935,000 including costs of underwriting and other associated issuance costs. These Bonds plus \$2,800,000 of HCC's debt service reserve will refund a portion of the Junior Lien Student Fee Revenue and Refunding Bonds, Series 2006 totaling \$34,695,000. These Bonds will also retire two PFC bonds related to the Public Safety Institute and Alief totaling \$42,325,000 and allow for the purchase by HCC of the related PFC assets. The approximate value of cash savings over the life of the Bonds will be \$9,856,000.

## STRATEGIC GOAL ALIGNMENT

*Strategic Initiative:* Support Innovation

Attachment Titles(s): **1. Listing of Underwriters**  
**2. Evaluation of Underwriter Responses**  
**3. Resolution**

This item is applicable to the following:

Central  Coleman  Northeast  Northwest  Southeast  Southwest  3100



## Combined Fee Revenue and Refunding Bonds, Series 2015

### Listing of Underwriters

Bank of America Merrill Lynch	Co-Senior Manager
Goldman Sachs	Co-Senior Manager
BOSC, Inc.	Co-Manager
Mesirow Financial	Co-Manager
Rice Financial Products Company	Co-Manager

**Houston Community College System  
Evaluation of Underwriter Responses**

<b>Firm</b>	<b>Capital</b>	<b>TIC</b>	<b>Takedown</b>	<b>Total</b>
Bank of America Merrill Lynch	6	19	24	49
Goldman Sachs	6	18	23	47
Rice Financial Products Company	2	22	21	45
BOSC, Inc.	4	17	22	43
Mesirow Financial	4	21	18	43
Jefferies	6	20	13	39
Loop Capital Markets	4	16	19	39
Morgan Stanley	6	24	8	38
Raymond James	6	12	20	38
Citigroup Global Markets	6	15	14	35
First Southwest Company	4	14	15	33
Hutchinson Shockey Erley	4	11	16	31
Ramirez & Co., Inc.	4	23	4	31
JP Morgan Securities	6	13	10	29
Siebert Brandford Shank & Co.	4	7	17	28
Piper Jaffray & Co.	6	8	12	26
Stifel Nicolaus & Company, Inc.	6	9	11	26
Frost Bank	6	10	6	22
FTN Financial	6	5	9	20
Wells Fargo	6	6	5	17
Estrada Hinojosa & Company, Inc.	4	2	7	13
RBC Capital Markets	6	3	1	10
M.E. Allison	2	4	3	9
SAMCO Capital Markets, Inc.	2	1	2	5

RESOLUTION AUTHORIZING THE ISSUANCE OF HOUSTON COMMUNITY COLLEGE SYSTEM COMBINED FEE REVENUE AND REFUNDING BONDS; SETTING CERTAIN PARAMETERS FOR THE BONDS; AUTHORIZING THE CHANCELLOR, THE VICE CHANCELLOR OF FINANCE AND PLANNING, THE TREASURER OR THE DEPUTY TREASURER, TO APPROVE THE AMOUNT, THE INTEREST RATE, PRICE, INCLUDING THE TERMS THEREOF AND CERTAIN OTHER PROCEDURES AND PROVISIONS RELATED THERETO; AUTHORIZING THE REDEMPTION PRIOR TO MATURITY OF CERTAIN OUTSTANDING BONDS; AND CONTAINING OTHER MATTERS RELATED THERETO

THE STATE OF TEXAS §  
COUNTIES OF HARRIS AND FORT BEND §  
HOUSTON COMMUNITY COLLEGE SYSTEM §

WHEREAS, Houston Community College System (the “System”) is a junior college district operating under Chapter 130, Texas Education Code, as amended; and

WHEREAS, the System has approved two Leases with an Option to Purchase (the “Leases”) in connection with bonds issued by the Houston Community College System Public Facility Corporation (the “PFC”); and

WHEREAS, the System finds it is in its best interests to exercise the purchase option set forth in each Lease; and

WHEREAS, in order to effectuate an orderly transfer of title from the PFC to the System and clarify ambiguities in the Leases, certain amendments to the Leases are necessary; and

WHEREAS, the Board of Trustees of the System (the “Board”) is authorized by Section 130.125, Texas Education Code, as amended, to issue its revenue obligations and execute credit agreements in order to finance project costs of an eligible project or to refinance obligations issued in connection with an eligible project; and

WHEREAS, the System desires to issue the New Money Bonds (as hereinafter defined) to finance the costs of one or more “eligible projects” as such term is defined by Chapter 130, Texas Education Code and Chapter 1371, Texas Government Code; and

WHEREAS, the Board has previously provided for the issuance from time to time of certain “Senior Lien Bonds” and certain “Junior Lien Bonds” (as such terms are hereinafter defined); and

WHEREAS, the System has heretofore issued the bonds described in Exhibit A attached hereto and as more particularly described in the Officer’s Pricing Certificate; and

WHEREAS, the System desires to refund the Refunded Bonds (as hereinafter defined) from time to time in advance of their maturities; and

WHEREAS, Chapter 1207, Texas Government Code, authorizes the System to issue refunding bonds for the purpose of refunding the Refunded Bonds in advance of their maturities, and to accomplish such refunding by depositing directly with a paying agent for the Refunded Bonds (or other qualified escrow agent), the proceeds of such refunding bonds, together with other available funds, in an amount sufficient to provide for the payment or redemption of the Refunded Bonds, and provides that such deposit shall constitute the making of firm banking and financial arrangements for the discharge and final payment or redemption of the Refunded Bonds; and

WHEREAS, the System desires to authorize the execution of an escrow agreement and provide for the deposit of proceeds of the refunding bonds, together with other lawfully available funds of the System, if necessary, to pay the Refunded Bonds; and

WHEREAS, upon the issuance of the refunding bonds herein authorized and the deposit of funds referred to above, the Refunded Bonds shall no longer be regarded as being outstanding, except for the purpose of being paid pursuant to such deposit, and the pledges, liens, trusts and all other covenants, provisions, terms and conditions of the resolutions authorizing the issuance of the Refunded Bonds shall be, with respect to the Refunded Bonds, discharged, terminated and defeased; and

WHEREAS, the System has a principal amount of at least \$100,000,000 in a combination of outstanding long-term indebtedness and long-term indebtedness proposed to be issued, and some amount of such long-term indebtedness is rated in one of the four highest rating categories for long-term debt instruments by a nationally recognized rating agency for municipal securities without regard to the effect of any credit agreement or other form of credit enhancement entered into in connection with the obligation, and therefore, the System qualifies as an "Issuer" under Chapter 1371, Texas Government Code; and

WHEREAS, pursuant to Section 1371.053, Texas Government Code, the System desires to delegate the authority to effect the sale of the Bonds to each of the following: the Chancellor, the Vice Chancellor of Finance and Planning, the Treasurer and the Deputy Treasurer (each a "Pricing Officer"); Now, therefore

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF HOUSTON COMMUNITY COLLEGE SYSTEM:

1. Recitals; Consideration. It is hereby found and determined that the matters and facts set out in the preamble to this Resolution are true and correct.

It is hereby found and determined that the refunding contemplated in this Resolution will benefit the System by providing a present value savings in the debt service payable by the System, and that such benefit is sufficient consideration for the refunding of the Refunded Bonds, and that the issuance of the refunding bonds is in the best interests of the System and the gross debt service loss cannot exceed any amount that would produce less than 4.00% present value savings.

2. Definitions. Throughout this Resolution the following terms and expressions as used herein shall have the meanings set forth below:

“Additional Bonds” means the Additional Senior Lien Bonds and the Additional Junior Lien Bonds.

“Additional Junior Lien Bonds” means the additional junior lien bonds permitted to be issued by the System.

“Additional Senior Lien Bonds” means the additional senior lien bonds permitted to be issued by the System.

“Blanket Issuer Letter of Representations” means the Blanket Issuer Letter of Representations between the System, the Paying Agent/Registrar and DTC.

“Board” means the Board of Trustees of the System.

“Bond Counsel” means Andrews Kurth LLP.

“Bond Purchase Agreement” means the agreement between the System and the Underwriters described in Section 4(d) of this Resolution.

“Bonds” means one or more series of the Houston Community College System Combined Fee Revenue and Refunding Bonds, Series <sup>1</sup>\_\_\_\_\_ authorized by this Resolution, unless the context clearly indicates otherwise.

“Business Day” means any day which is not a Saturday, Sunday, or a day on which the Registrar is authorized by law or executive order to close.

“Chancellor” means Dr. Cesar Maldonado, or such other person serving the System as a successor in that capacity.

“Code” means the Internal Revenue Code of 1986, as amended.

“Comptroller” means the Comptroller of Public Accounts of the State of Texas.

“Continuing Education Fees” means the fees charged by the System for its continuing education programs, including but not limited to, non-credit courses, workshops, seminars, conferences, contract training and institutes.

“Deputy Treasurer” means Brian Malone, or such other person serving the System as a successor in that capacity.

“DTC” means The Depository Trust Company of New York, New York, or any successor securities depository.

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<sup>1</sup> Insert from Officer’s Pricing Certificate.

“DTC Participant” means brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions.

“Escrow Agent” means The Bank of New York Mellon Trust Company, N.A., and its successors in such capacity.

“Escrow Agreement” means the agreement between the System and the Escrow Agent relating to the escrow of funds and legally authorized investments to pay the Refunded Bonds.

“General Fees” means the fees established by resolution of the Board pursuant to Section 130.123, Texas Education Code, to be fixed, charged and collected from all students (excepting any category of students now exempt by law from paying such fees) regularly enrolled in the System, for the general use and availability of the System in the manner and to the extent as provided in this Resolution.

“Initial Bond” means the Initial Bond authorized by Section 5(c).

“Interest Payment Date”, when used in connection with any Bond, means the dates set forth in the Officer’s Pricing Certificate.

“Issuance Date” means the date on which the Bonds are delivered to and paid for by the Underwriters.

“Junior Lien Bonds” means the Outstanding Junior Lien Bonds, and each series of Additional Junior Lien Bonds from time to time hereafter issued.

“Laboratory Fees” means those fees charged by the System for the use of laboratory facilities.

“Miscellaneous Fees” means the System’s Late Registration Fees, Withdrawal/Change of Schedule Fees, Transcript Fees, Graduation Fees, Installment Fees and Program Fees.

“New Money Bonds” means the Bonds issued to finance the costs of one or more “eligible project” as such term is defined by Chapter 130, Texas Education Code and Chapter 1371, Texas Government Code, including the purchase of the PFC Facilities, and not for the purpose of refunding the Refunded Bonds.

“Officer’s Pricing Certificate” means a certificate signed by a Pricing Officer and containing the information regarding the Bonds specified herein.

“Out-of-District Fees” mean the fee or fees established by resolution of the Board pursuant to Section 130.123, Texas Education Code, to be fixed, charged and collected to the greatest extent permitted by law from certain categories of students not residing within the boundaries of the System (excepting any category of students now exempt by law from paying such fees) regularly enrolled in the System, for the general use and availability of the System in the manner and to the extent as provided in this Resolution.

“Outstanding,” when used with reference to Bonds or Additional Bonds, means, as of a particular date, all such bonds theretofore and thereupon delivered except: (a) any such bond cancelled by or on behalf of the System at or before said date, (b) any such bond defeased or no longer considered Outstanding pursuant to the provisions of the resolution authorizing its issuance, or otherwise defeased as permitted by applicable law, and (c) any such bond in lieu of or in substitution for which another bond shall have been delivered pursuant to the resolution authorizing the issuance of such bond.

“Outstanding Senior Lien Bonds” means the outstanding bonds of the System’s Senior Lien Student Fee Revenue Refunding Bonds, Series 2005; the Senior Lien Student Fee Revenue Bonds, Series 2008; the Senior Lien Student Fee Revenue Bonds, Series 2010; the Combined Fee Revenue Refunding Bonds, Series 2014A; the Combined Fee Revenue Refunding Bonds, Taxable Series 2014B; and the Bonds.

“Owner” or “Holder” means any person who shall be the registered owner of any outstanding Bonds.

“Paying Agent/Registrar” means The Bank of New York Mellon Trust Company, N.A., and its successors in that capacity.

“PFC Facilities” means the facilities leased by the System from the PFC pursuant to the Leases with Option to Purchase described in Section 37 hereof, which such facilities are commonly known as the Alief Campus and the Public Safety Institute.

“Pledged Revenues” means the General Fees, Laboratory Fees, Miscellaneous Fees, Out-of-District Fees, Technology Fees, Continuing Education Fees, Tuition, and any additional revenues or receipts of the System which may hereafter be pledged to the payment of the Bonds by the System.

“Preliminary Official Statement” means the preliminary official statement approved by the Board and distributed in connection with the offering for sale of the Bonds.

“Pricing Officer” means the Chancellor, the Vice Chancellor of Finance and Planning, the Treasurer or the Deputy Treasurer of the System.

“Record Date” means, for any Interest Payment Date, the last Business Day of the month next preceding each Interest Payment Date.

“Refunded Bonds” means any of those bonds of the System described in Exhibit A attached hereto that are selected to be refunded in the Officer’s Pricing Certificate.

“Refunding Bonds” means the Bonds issued pursuant to this Resolution for the purpose of refunding the Refunded Bonds.

“Register” means the books of registration kept by the Paying Agent/Registrar, in which are maintained the names and addresses of, and the principal amounts of the Bonds registered to, each Owner.

“Report” means the report of Causey, Demgen & Moore, P.C. (or one or more certified public accountants or a firm thereof), verifying the accuracy of certain mathematical computations relating to each issuance of the Bonds and the Refunded Bonds.

“Resolution,” as used herein and in the Bonds, means this resolution authorizing the Bonds.

“Senior Lien Bonds” means the Outstanding Senior Lien Bonds, the Bonds and each series of Additional Senior Lien Bonds from time to time hereafter issued.

“System” means the Houston Community College System.

“Technology Fees” mean the fees charged by the System for the use and improvement of the System’s computers, software licenses, and other technology equipment and facilities.

“Treasurer” means Ronald E. Defalco, or such other person serving the System as a successor in that capacity.

“Tuition” means the maximum amount of tuition the System is now or hereafter authorized to pledge to any bonds under Texas law, including Section 130.123(e), Texas Education Code, as amended.

“Underwriters” means the individual underwriter or underwriting syndicate identified in the Officer’s Pricing Certificate.

“Vice Chancellor of Finance and Planning” means Teri Zamora, or such other person serving the System as a successor in that capacity.



3. Authorization. The Bonds shall be issued in fully registered form in a maximum aggregate principal amount not to exceed:

(a) \$50,000,000 in New Money Bonds for the purpose of the purchase, construction and equipment of school buildings in the System's boundaries, and the purchase of the necessary sites therefor, under and in strict conformity with the Constitution and laws of the State of Texas, particularly Section 130.122, Texas Education Code and Chapter 1371, Texas Government Code; and

(b) \$40,000,000 in Refunding Bonds issued for the purpose of refunding the Refunded Bonds, under and in strict conformity with the Constitution and laws of the State of Texas, particularly Chapters 1207, Texas Government Code.

4. Delegation of Authority. As authorized by Sections 1207.007 and 1371.053, Texas Government Code, the Pricing Officer is authorized to act on behalf of the System through a date one year from the date of this Resolution, in selling and delivering the Bonds, subject to the conditions and carrying out the other procedures as set forth below:

(a) Designation. The Bonds shall be designated as "HOUSTON COMMUNITY COLLEGE SYSTEM COMBINED FEE REVENUE AND REFUNDING BONDS, SERIES <sup>2</sup>\_\_\_\_\_."

(b) Date, Denomination, Interest Rates, and Maturities. The Bonds shall be dated, mature on the dates in each of the years and in the amounts set out in any Officer's Pricing Certificate, shall be subject to prior optional and mandatory redemption on the dates, for the redemption prices and in the amounts, set out in the Officer's Pricing Certificate and shall bear interest at rates and from their issue date as set out in the Officer's Pricing Certificate payable on each Interest Payment Date.

(c) Selling and Delivering Bonds. The Pricing Officer shall determine any mandatory sinking fund redemption provisions for the Bonds, whether the Bonds will be issued as Current Interest Bonds and/or Capital Appreciation Bonds, and all other matters not expressly provided in this Resolution relating to the issuance, sale and delivery of the Bonds, all of which shall be specified in the Officer's Pricing Certificate; provided that:

PARAMETERS FOR NEW MONEY BONDS:

- (i) the net effective interest rates on the New Money Bonds shall not exceed 7.00%; and
- (ii) the aggregate par amount of the New Money Bonds issued hereunder shall never exceed the maximum principal amount authorized in Section 3(a) hereof.

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<sup>2</sup>Insert from Officer's Pricing Certificate.

PARAMETERS FOR REFUNDING BONDS:

- (i) the net effective interest rates on the Refunding Bonds shall not exceed 7.00%; and
- (ii) the aggregate par amount of the Refunding Bonds issued hereunder shall never exceed the maximum principal amount authorized in Section 3(b) hereof; and
- (iii) the net present value savings in debt service resulting from the refunding of the Refunded Bonds shall be at least 4.00% of the principal amount of the Refunded Bonds, as shown by a table of calculations prepared by the System's financial advisor and attached to the related Officer's Pricing Certificate.

(d) Sale; Bond Purchase Agreement. The Bonds shall be sold and delivered to the Underwriters at a price to be set forth in the Officer's Pricing Certificate, plus accrued interest to the date of delivery, in accordance with the terms of a Bond Purchase Agreement to be approved by a Pricing Officer. The Pricing Officer is hereby authorized and directed to execute the Bond Purchase Agreement on behalf of the System, and the Chair or Vice Chair and all other officers, agents and representatives of the System are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Bonds.

(e) Use of Proceeds for the Bonds. Proceeds from the sale of the Bonds shall, promptly upon receipt by the System, be applied as follows:

- (i) Accrued interest in the amount of \$<sup>3</sup>\_\_\_\_\_ and, if necessary, net premium on the Bonds in the amount of \$<sup>4</sup>\_\_\_\_\_, shall be deposited into the Debt Service Fund.
- (ii) Net premium on the Bonds in the amount of \$<sup>5</sup>\_\_\_\_\_ shall be used to pay the costs of issuance.
- (iii) Net premium on the Bonds in the amount of \$<sup>6</sup>\_\_\_\_\_ shall be used to pay the underwriters' discount.
- (iv) Bond proceeds in the amount of \$<sup>7</sup>\_\_\_\_\_ shall be used for the purposes described in Section 3(a).

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<sup>3</sup>Insert from Officer's Pricing Certificate.

<sup>4</sup>Insert from Officer's Pricing Certificate.

<sup>5</sup>Insert from Officer's Pricing Certificate.

<sup>6</sup>Insert from Officer's Pricing Certificate.

- (v) Bond proceeds in the amount of \$\_\_\_\_<sup>8</sup>\_\_\_\_, and, if necessary, other available funds from the System in the amount of \$\_\_\_\_<sup>9</sup>\_\_\_\_ shall be deposited directly with the paying agent for the Refunded Bonds or applied to establish an escrow fund to refund the Refunded Bonds, as more fully provided in Section 30 of this Resolution, and, to the extent not otherwise provided for, to pay all expenses arising in connection with the issuance of the Bonds, the establishment of such escrow fund and the refunding of the Refunded Bonds due on the redemption date specified in the Officer's Pricing Certificate and all cost incurred in connection with the issuance of the Bonds and the refunding of the Refunded Bonds.

5. Execution and Registration of Bonds. (a) The Bonds shall be signed by the Chair or Vice Chair of the Board and countersigned by the Secretary of the Board, by their manual, lithographed, or facsimile signatures, and the official seal of the System shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the System had been manually impressed upon each of the Bonds.

(b) If any officer of the System whose manual or facsimile signature shall appear on the Bonds shall cease to be such officer before the authentication of such Bonds or before the delivery of such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Resolution unless and until there appears thereon the Registrar's Authentication Certificate substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Registrar. In lieu of the executed Registrar's Authentication Certificate described above, the Initial Bonds delivered at the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller, or by his duly authorized agent, which certificates shall be evidence that the Initial Bonds have been duly approved by the Attorney General of the State of Texas and that they are valid and binding obligations of the System, and have been registered by the Comptroller.

(d) On the Closing Date, the Initial Bonds, payable in stated installments to the Underwriters or their designee, executed by manual or facsimile signature of the Chair of the Board and Secretary of the Board, approved by the Attorney General, and registered and manually signed by the Comptroller, shall be delivered to the Underwriters or their designee.

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<sup>7</sup>Insert from Officer's Pricing Certificate.

<sup>8</sup>Insert from Officer's Pricing Certificate.

<sup>9</sup>Insert from Officer's Pricing Certificate.

Upon payment for the Initial Bonds, the Registrar shall cancel the Initial Bond and definitive Bonds shall be delivered to DTC.

6. Payment of Principal and Interest. The Registrar is hereby appointed as the paying agent for the Bonds. The principal of the Bonds shall be payable, without exchange or collection charges, in any coin or currency of the United States of America which, on the date of payment, is legal tender for the payment of debts due the United States of America, upon their presentation and surrender as they respectively become due and payable at the principal payment office of the Registrar, in Houston, Texas. The interest on each Bond shall be payable on each Interest Payment Date, by check mailed by the Registrar on or before the Interest Payment Date to the Owner of record as of the Record Date, to the address of such Owner as shown on the Register. If the date for payment of the principal of or interest on any Bond is not a Business Day, then the date for such payment shall be the next succeeding Business Day with the same force and effect as if made on the date payment was originally due.

7. Successor Registrars. The System covenants that at all times while any Bonds are outstanding it will provide a commercial bank or trust company, organized under the laws of the United States or any state, duly qualified to serve as and perform the duties and services of Registrar for the Bonds. The System reserves the right to change the Registrar for the Bonds on not less than thirty (30) days written notice to the Registrar, so long as any such notice is effective not less than sixty (60) days prior to the next succeeding principal or interest payment date on the Bonds. Promptly upon the appointment of any successor Registrar, the previous Registrar shall deliver the Register or copies thereof to the new Registrar, and the new Registrar shall notify each Owner, by United States mail, first class postage prepaid, of such change and of the address of the new Registrar. Each Registrar hereunder, by acting in that capacity, shall be deemed to have agreed to the provisions of this Section.

8. Special Record Date. If interest on any Bond is not paid on any Interest Payment Date and continues unpaid for thirty (30) days thereafter, the Registrar shall establish a new record date for the payment of such interest, to be known as a Special Record Date. The Registrar shall establish a Special Record Date when funds to make such interest payment are received from or on behalf of the System. Such Special Record Date shall be fifteen (15) days prior to the date fixed for payment of such past due interest, and notice of the date of payment and the Special Record Date shall be sent by United States mail, first class, postage prepaid, not later than five (5) days prior to the Special Record Date, to each affected Owner of record as of the close of business on the day prior to the mailing of such notice.

9. Book-Entry-Only System. (a) The Initial Bonds shall be registered in the name designated in the Officer's Pricing Certificate. Except as provided in Section 10 hereof, all other Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the System and the Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such DTC Participant holds an interest in the Bonds, except as provided in this Resolution. Without limiting the immediately preceding sentence, the System and the Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in

the Bonds, (ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Resolution to the contrary, the System and the Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as the absolute Owner of such Bond for the purpose of payment of principal of and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners, as shown in the Register as provided in this Resolution, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the System's obligations with respect to payments of principal, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Register, shall receive a Bond certificate evidencing the obligation of the System to make payments of amounts due pursuant to this Resolution. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of this Resolution with respect to interest checks being mailed to the Owner of record as of the Record Date, the phrase "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

10. Successor Securities Depository; Transfer Outside Book-Entry-Only System. In the event that the System, in its sole discretion, determines that the beneficial owners of the Bonds should be able to obtain certificated Bonds, or in the event DTC discontinues the services described herein, the System shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants, as identified by DTC, of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants, as identified by DTC, of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts, as identified by DTC. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Resolution

11. Payments to Cede & Co. Notwithstanding any other provision of this Resolution to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the Blanket Letter of Representations.

12. Ownership; Unclaimed Principal and Interest. The System, the Registrar and any other person may treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment of the principal of or interest on such Bond, and for all other purposes, whether or not such Bond is overdue, and neither the

System nor the Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Owner of any Bond in accordance with this Section shall be valid and effectual and shall discharge the liability of the System and the Registrar upon such Bond to the extent of the sums paid.

Amounts held by the Registrar which represent principal of and interest on the Bonds remaining unclaimed by the Owner after the expiration of three (3) years from the date such amounts have become due and payable shall be reported and disposed of by the Registrar in accordance with the applicable provisions of Texas law including, to the extent applicable, Title 6 of the Texas Property Code, as amended.

13. Registration, Transfer, and Exchange. So long as any Bonds remain outstanding, the Registrar shall keep the Register at its principal payment office in Houston, Texas. Subject to such reasonable regulations as it may prescribe, the Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of this Resolution.

Each Bond shall be transferable only upon the presentation and surrender thereof at the principal payment office of the Registrar in Houston, Texas, duly endorsed for transfer, or accompanied by an assignment duly executed by the registered Owner or his authorized representative in form satisfactory to the Registrar. Upon due presentation of any Bond for transfer, the Registrar shall authenticate and deliver in exchange therefor, within three (3) Business Days after such presentation, a new Bond or Bonds of the same type registered in the name of the transferee or transferees, in authorized denominations and of the same maturity and aggregate principal amount and bearing interest at the same rate as the Bond or Bonds so presented.

All Bonds shall be exchangeable upon presentation and surrender thereof at the principal payment office of the Registrar in Houston, Texas, for a Bond or Bonds of the same type, maturity and interest rate in any authorized denomination, in an aggregate amount equal to the unpaid principal amount of the Bond or Bonds presented for exchange. The Registrar shall be and is hereby authorized to authenticate and deliver exchange Bonds in accordance with the provisions of this Section. Each Bond delivered in accordance with this Section shall be entitled to the benefits and security of this Resolution to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

The System or the Registrar may require the Owner of any Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Bond. Any fee or charge of the Registrar for such transfer or exchange shall be paid by the System.

14. Mutilated, Lost, or Stolen Bonds. Upon the presentation and surrender to the Registrar of a mutilated Bond, the Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like maturity, interest rate, and principal amount, bearing a number not contemporaneously outstanding. If any Bond is lost, apparently destroyed, or wrongfully taken, the System, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authorize and the

Registrar shall authenticate and deliver a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding.

The System or the Registrar may require the Owner of a mutilated Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith and any other expenses connected therewith, including the fees and expenses of the Registrar. The System or the Registrar may require the Owner of a lost, apparently destroyed or wrongfully taken Bond, before any replacement Bond is issued, to:

- (a) furnish to the System and the Registrar satisfactory evidence of the ownership of and the circumstances of the loss, destruction or theft of such Bond;
- (b) furnish such security or indemnity as may be required by the Registrar and the System to save them harmless;
- (c) pay all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Registrar and any tax or other governmental charge that may be imposed; and
- (d) meet any other reasonable requirements of the System and the Registrar.

If, after the delivery of such replacement Bond, a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the System and the Registrar shall be entitled to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the System or the Registrar in connection therewith.

If any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the System in its discretion may, instead of issuing a replacement Bond, authorize the Registrar to pay such Bond.

Each replacement Bond delivered in accordance with this Section shall be entitled to the benefits and security of this Resolution to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

15. Cancellation of Bonds. All Bonds paid in accordance with this Resolution, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance herewith, shall be cancelled and destroyed upon the making of proper records regarding such payment. The Registrar shall furnish the System with appropriate certificates of destruction of such Bonds.

16. Optional and/or Mandatory Redemption; Defeasance. The Bonds are subject to optional and/or mandatory redemption as set forth in the Form of Bond.

Notice of any redemption identifying the Bonds to be redeemed in whole or in part shall be given by the Registrar at least thirty (30) days prior to the date fixed for redemption by

sending written notice by first class mail to the Owner of each Bond to be redeemed in whole or in part at the address shown on the Register. Such notices shall state the redemption date, the redemption price, the place at which Bonds are to be surrendered for payment and, if less than all Bonds of a particular maturity are to be redeemed, the numbers of the Bonds or portions thereof of such maturity to be redeemed. Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Registrar for payment of the redemption price of the Bonds or portions thereof to be redeemed. When Bonds have been called for redemption in whole or in part and due provision has been made to redeem same as herein provided, the Bonds or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Owners to collect interest which would otherwise accrue after the redemption date on any Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

The Bonds may be discharged, defeased, redeemed or refunded in any manner now or hereafter permitted by law.

17. Forms. The form of the Bond, including the form of Registration Certificate of the Comptroller, which shall be attached or affixed to the Initial Bond, the form of the Registrar's Authentication Certificate and the form of Assignment, shall be, respectively, substantially as follows, with such additions, deletions and variations as may be required by the Pricing Officer, necessary or desirable and not prohibited by this Resolution:

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]



(a) Form of Bond.

UNITED STATES OF AMERICA  
STATE OF TEXAS  
COUNTIES OF HARRIS AND FORT BEND

REGISTERED  
NUMBER

REGISTERED  
DENOMINATION  
\$ \_\_\_\_\_

HOUSTON COMMUNITY COLLEGE SYSTEM  
COMBINED FEE REVENUE AND REFUNDING BOND  
SERIES \_\_\_\_\_<sup>10</sup>

INTEREST RATE: \_\_\_\_\_ MATURITY DATE: \_\_\_\_\_, 20\_\_\_\_ ISSUANCE DATE: \_\_\_\_\_<sup>11</sup> CUSIP: \_\_\_\_\_

REGISTERED OWNER:

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

HOUSTON COMMUNITY COLLEGE SYSTEM (the "System") promises to pay, solely from the Pledged Revenues described herein, to the Registered Owner identified above, or registered assigns, on the maturity date specified above, upon presentation and surrender of this Bond at The Bank of New York Mellon Trust Company, N.A. (the "Paying Agent/Registrar"), at its principal payment office (presently in Houston, Texas), the principal amount identified above, payable in any coin or currency of the United States of America, which on the date of payment of such principal, is legal tender for the payment of debts due the United States of America, and to pay interest thereon, solely from such revenues at the rate shown above, calculated on the basis of a 360-day year of twelve 30-day months, from the later of the Issuance Date, or the most recent interest payment date to which interest has been paid or duly provided for. The Bonds shall be dated \_\_\_\_\_<sup>12</sup>. Interest on this Bond is payable by check on each \_\_\_\_\_<sup>13</sup> and \_\_\_\_\_<sup>14</sup>, beginning on \_\_\_\_\_<sup>15</sup>, mailed to the registered owner as shown on the books of registration kept by the Paying Agent/Registrar as of the last business day of the month next preceding each interest payment date, or by such other method, acceptable to the Paying Agent/Registrar, requested by and at the risk and expense of, the Owner of the Bond.

<sup>10</sup> Insert from Officer's Pricing Certificate.

<sup>11</sup> Insert from Officer's Pricing Certificate.

<sup>12</sup> Insert from Officer's Pricing Certificate.

<sup>13</sup> Insert from Officer's Pricing Certificate.

<sup>14</sup> Insert from Officer's Pricing Certificate.

<sup>15</sup> Insert from Officer's Pricing Certificate.

THIS BOND is one of a duly authorized issue of Bonds, aggregating \$<sup>16</sup>\_\_\_\_\_ (the “Bonds”), issued for the purpose of refunding the Refunded Bonds, under and in strict conformity with the Constitution and laws of the State of Texas, particularly Chapters 1207 and 1371, Texas Government Code, and pursuant to a resolution authorizing the issuance of the Bonds (the “Resolution”) duly adopted by the Board of Trustees of the System.

THIS BOND AND THE OTHER BONDS OF THE SERIES OF WHICH IT IS A PART, together with all other Bonds, as defined in the Resolution, are equally and ratably payable from and secured by a lien on and pledge of certain Pledged Revenues, as defined and provided in the Resolution, to which reference is made for all purposes, which Pledged Revenues include the General Fees, the Laboratory Fees, the Miscellaneous Fees, the Out-of-District Fees, the Technology Fees, the Continuing Education Fees, Tuition and any other revenues or receipts of the System which may hereafter be pledged to the payment of the Bonds. This Bond and the other Bonds of the series of which it is a part, together with the interest thereon, constitute special obligations of the System, are payable solely from the Pledged Revenues and do not constitute an indebtedness or general obligation of the System. The owner hereof shall never have the right to demand payment of principal or interest out of any funds raised or to be raised by taxation.

[Optional and mandatory redemption language]<sup>17</sup>

NOTICE OF ANY REDEMPTION identifying the Bonds to be redeemed in whole or in part shall be given by the Paying Agent/Registrar at least thirty (30) days prior to the date fixed for redemption by sending written notice by first class mail to the Owner of each Bond to be redeemed in whole or in part at the address shown on the Register. Such notices shall state the redemption date, the redemption price, the place at which Bonds are to be presented and surrendered for payment and, if less than all Bonds outstanding of a particular maturity are to be redeemed, the numbers of the Bonds or portions thereof of such maturity to be redeemed. Any notice given as provided herein shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Paying Agent/Registrar for payment of the redemption price of the Bonds or portions thereof to be redeemed, plus accrued interest to the date fixed for redemption. When Bonds have been called for redemption in whole or in part and due provision has been made to redeem the same as herein provided, the Bonds or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Owners to collect interest which would otherwise accrue after the redemption date on any Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

THIS BOND IS TRANSFERABLE only upon presentation and surrender at the principal payment office of the Paying Agent/Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his authorized representative, subject to the terms and conditions of the Resolution.

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<sup>16</sup> Insert from Officer’s Pricing Certificate.

<sup>17</sup> Insert from Officer’s Pricing Certificate, if necessary.

THIS BOND IS EXCHANGEABLE at the principal payment office of the Paying Agent/Registrar, for bonds in the principal amount of \$5,000 or any integral multiple thereof, subject to the terms and conditions of the Resolution.

THE SYSTEM HAS RESERVED the right to issue additional bonds, subject to restrictions contained in the Resolution, which may be secured by a lien senior and superior to, on a parity with, or subordinate and inferior to the lien on the Pledged Revenues securing this Bond and the other Bonds of the series of which it is a part.

THIS BOND shall not be valid or obligatory for any purpose or be entitled to any benefit under the Resolution unless this Bond is either (i) registered by the Comptroller of Public Accounts of the State of Texas by registration certificate attached or affixed hereto or (ii) authenticated by the Paying Agent/Registrar by due execution of the authentication certificate endorsed hereon.

THE REGISTERED OWNER of this Bond, by acceptance hereof, acknowledges and agrees to be bound by all the terms and conditions of the Resolution.

THE SYSTEM has covenanted in the Resolution that it will at all times provide a legally qualified paying agent/registrar for the Bonds and will cause notice of any change of paying agent/registrar to be mailed to each registered owner.

IT IS HEREBY certified, recited and covenanted that this Bond has been duly and validly issued and delivered; that all acts, conditions and things required or proper to be performed, to exist and to be done precedent to or in the issuance and delivery of this Bond have been performed, exist and have been done in accordance with law; that this Bond does not exceed any Constitutional or statutory limitation; and that provision has been made for the payment of the principal of and interest on this Bond by an irrevocable pledge of the Pledged Revenues.

IN WITNESS WHEREOF, this Bond has been signed with the manual or facsimile signature of the Chair of the Board and countersigned with the manual or facsimile signature of the Secretary of the Board, and the official seal of the System has been duly impressed, or placed in facsimile, on this Bond.

(AUTHENTICATION                      (SEAL)                      HOUSTON COMMUNITY COLLEGE SYSTEM  
CERTIFICATE)

\_\_\_\_\_  
Chair, Board of Trustees

\_\_\_\_\_  
Secretary, Board of Trustees

(b) Form of Comptroller's Registration Certificate.

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. \_\_\_\_\_

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS MY SIGNATURE AND SEAL this \_\_\_\_\_.

\_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

(SEAL)

(c) Form of Registrar's Authentication Certificate.

AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been delivered pursuant to the Bond Resolution described in the text of this Bond.

The Bank of New York Mellon Trust Company  
As Paying Agent/Registrar

By \_\_\_\_\_  
Authorized Signature  
Date of Authentication \_\_\_\_\_

(d) Form of Assignment.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns, and transfers unto

\_\_\_\_\_  
\_\_\_\_\_  
(Please print or type name, address, and zip code of Transferee)

\_\_\_\_\_  
(Please insert Social Security or Taxpayer Identification Number of Transferee)  
the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints  
\_\_\_\_\_  
attorney to transfer said Bond on the books kept for registration thereof, with full power of  
substitution in the premises.

DATED: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
\_\_\_\_\_

NOTICE: Signature must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

\_\_\_\_\_  
Registered Owner

NOTICE: The signature above must correspond to the name of the registered owner as shown on the face of this Bond in every particular, without any alteration, enlargement or change whatsoever.

(e) The Initial Bond shall be in the form set forth in paragraphs (a), (b) and (d) of this Section, except for the following alterations:

- (i) immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As Shown Below" and the word "CUSIP" deleted;
- (ii) in the first paragraph of the Bond, the words "on the maturity date specified above" and "at the rate shown above" shall be deleted and the following shall be inserted at the end of the first sentence "..., with such principal to be paid in installments on April 15 in each of the years and in the principal amounts identified in the following schedule and with such installments bearing interest at the per annum rates set forth in the following schedule:

[Information to be inserted from Officer's Pricing Certificate]

- (iii) the Initial Bond shall be numbered I-1.

18. CUSIP Numbers. CUSIP Numbers may be printed on the Bonds, but errors or omissions in the printing of such numbers shall have no effect on the validity of the Bonds.

19. Pledge and Security. All Senior Lien Bonds shall, so long as they remain Outstanding, both as to principal and interest, be equally and ratably payable from and secured by an irrevocable first lien on and pledge of the Pledged Revenues. All Junior Lien Bonds shall, so long as they remain Outstanding, both as to principal and interest, be equally and ratably payable from and secured by an irrevocable lien on and pledge of the Pledged Revenues, subject to a senior and superior lien and pledge securing the Senior Lien Bonds.

20. Issuance of the Bonds as Senior Lien Bonds. The Bonds are authorized to be and shall be issued as Senior Lien Bonds. Any additional payments to the Senior Lien Bond Interest and Sinking Fund (as hereinafter defined) related to the new money portion of any Bonds will be reflected in the schedule attached to the Officer's Pricing Certificate.

21. Special Obligations. The Bonds and interest thereon shall constitute special obligations of the System, payable solely from and secured by a lien on, the Pledged Revenues, and such obligations shall not constitute an indebtedness of the System or of the State of Texas, and the Owners of the Bonds shall never have the right to demand payment thereof or interest thereon out of any funds raised or to be raised by taxation.

22. Senior Lien Bond Interest and Sinking Fund. The Senior Lien Bond Interest and Sinking Fund heretofore created in connection with the previously issued Senior Lien Bonds (the "Senior Lien Bond Interest and Sinking Fund") shall be maintained and accounted for as hereinafter provided, so long as any Senior Lien Bonds remain Outstanding:

The Senior Lien Bond Interest and Sinking Fund shall be maintained at an official depository bank of the System separate and apart from all other funds and accounts of the System, and shall constitute trust funds which shall be held in trust for the Owners of Senior Lien Bonds. Such Senior Lien Bond Interest and Sinking Fund shall be used solely as herein provided so long as any of the Senior Lien Bonds remain Outstanding.

On or before each Interest Payment Date, so long as any Senior Lien Bonds are Outstanding, there shall be deposited into the Senior Lien Bond Interest and Sinking Fund from the Pledged Revenues:

(a) such amounts as will be sufficient, when added to other money in such Senior Lien Bond Interest and Sinking Fund and available for such purpose, to pay the interest scheduled to come due on Senior Lien Bonds on the next Interest Payment Date; and

(b) such amounts as will be sufficient, when added to other money in such Senior Lien Bond Interest and Sinking Fund and available for such purpose, to pay the next maturing principal on the Senior Lien Bonds on the next Interest Payment Date.

Money in the Senior Lien Bond Interest and Sinking Fund shall be used to pay the principal of and interest on the Bonds and the bank charges and other costs associated with such payment. On or before each Interest Payment Date, the System shall transfer from the Senior Lien Bond Interest and Sinking Fund to the Paying Agent/Registrar an amount equal to the

principal and/or interest payable on such date on the Senior Lien Bonds plus bank charges and other costs associated therewith. Earnings on investments of money in the Senior Lien Interest and Sinking Fund shall remain a part of such Senior Lien Bond Interest and Sinking Fund.

23. Flow of Funds. The Pledged Revenues shall be used for the following purposes and in the following order of priority:

FIRST, to make all deposits into the Senior Lien Bond Interest and Sinking Fund required by this Resolution and any resolution authorizing the issuance of Senior Lien Bonds;

SECOND, to make all deposits into the Junior Lien Bond Interest and Sinking Fund required by any resolution authorizing the issuance of Junior Lien Bonds;

THIRD, to make all deposits into the Junior Lien Bond Reserve Fund required by any resolution authorizing the issuance of Junior Lien Bonds; and

FOURTH, for any lawful System purpose.

24. Deficiencies in Funds. If at any time there is a deficiency in any fund created in this Resolution, such deficiency shall be made up from the next available Pledged Revenues.

25. Investment and Security of Funds. (a) Money in the Senior Lien Bond Interest and Sinking Fund may, at the option of the System, be invested in investments authorized for the System under Texas law; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any fund will be available at the proper time or times. Such investments shall be sold promptly when necessary to prevent any default in connection with the Senior Lien Bonds.

(a) All uninvested money on deposit to the credit of the Senior Lien Bond Interest and Sinking Fund shall be secured by the pledge of securities, as provided by law, in amounts at all times not less than the amount of deposits credited to such funds, respectively.

26. Additional Bonds. The System expressly reserves the right hereafter to issue, in one or more series, for purposes permitted by law: (i) Additional Senior Lien Bonds, which Additional Senior Lien Bonds, when issued, shall be payable from and secured by a first lien on the Pledged Revenues on a parity with the Outstanding Senior Lien Bonds, the Bonds, and any other Additional Senior Lien Bonds then Outstanding and (ii) Additional Junior Lien Bonds on a parity with Outstanding Junior Lien Bonds, and any Additional Junior Lien Bonds then Outstanding. It is specifically provided, however, that no Additional Senior Lien Bonds shall be issued unless:

(a) The Chair of the Board signs a written certificate to the effect that the System is not in default as to any covenant, condition or obligation in connection with the Bonds then Outstanding, and the resolutions authorizing their issuance;

(b) The Senior Lien Bond Interest and Sinking Fund contains the amount of money then required to be on deposit therein;

(c) For either the preceding fiscal year or the twelve calendar month period immediately preceding the month in which the resolution authorizing Additional Bonds is adopted (the “Base Period”):

For Additional Senior Lien Bonds, either:

- (i) Pledged Revenues were equal to at least 115% of the maximum annual principal and interest requirements on the Senior Lien Bonds that will be Outstanding after the issuance of the proposed Additional Senior Lien Bonds, as certified by the System’s Chancellor or an independent certified public accountant or firm of independent certified public accountants, or
- (ii) Pledged Revenues, as adjusted to give effect to any increase in the System’s rates and charges adopted at least sixty (60) days prior to the adoption of the resolution authorizing the proposed Additional Senior Lien Bonds, to the same extent as if such increase had been in effect for the entire Base Period, would have been at least equal to 125% of the maximum annual principal of and interest requirements on the Senior Lien Bonds that will be Outstanding after the issuance of the proposed Additional Senior Lien Bonds, as certified by the System’s Chancellor or an independent certified public accountant or firm of independent certified public accountants; and

(d) Principal on the proposed Additional Bonds is payable on April 15 and interest is payable on April 15 and October 15;

provided, however, that requirement (c) shall not apply to the issuance of any series of Additional Senior Lien Bonds for refunding purposes that will not have the result of increasing the average annual principal and interest requirements on the Senior Lien Bonds, as the case may be, after the issuance of such refunding bonds.

27. Rate Covenant. The System hereby covenants and agrees in this Resolution that, so long as any Bonds remain Outstanding, it will fix, revise, charge and collect rates and charges for the use and services of the System which, together with other Pledged Revenues, are calculated to be fully sufficient to produce Pledged Revenues at least equal to annual debt service requirements on all Bonds and Additional Bonds for each fiscal year, but not less than the amount required to make required deposits to the credit of the Senior Lien Bond Interest and Sinking Fund, the Junior Lien Bond Interest and Sinking Fund, and the Junior Lien Bond Reserve Fund.

28. Special Covenants. The System covenants and agrees:

(a) That it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Resolution and in each and every Bond issued and delivered hereunder; that it will promptly pay or cause to be paid from the Pledged Revenues the principal of and interest on every Bond issued hereunder on the dates and at the places and in the manner prescribed in such Bonds and in this Resolution, and that it will prior to maturity of each installment of interest and prior to the maturity of each such Bond at the times and in the manner



prescribed herein, deposit or cause to be deposited, from the Pledged Revenues or from other funds lawfully available for such use, the amount of money specified herein.

(b) That it will from time to time, and before the same become delinquent, cause to be paid and discharged all taxes, assessments and governmental charges, if any, which shall be lawfully imposed upon it, or upon its facilities; that it will cause to be paid all lawful claims for rents, royalties, labor, materials and supplies which if unpaid might by law become a lien which would be prior to or interfere with the lien on Pledged Revenues created by this Resolution in favor of the Owners, so that the priority of lien granted hereunder shall be fully preserved in the manner provided herein; and that it will not create or suffer to be created any mechanic's, laborer's, materialman's or other lien or charge which might or could be prior to the lien hereof, or do or suffer any matter or thing whereby the lien hereof might or could be impaired; provided, however, that no such tax, assessment or charge, and that no such claim which might be used as the basis of a mechanic's, laborer's, materialman's or other lien or charge, shall be required to be paid so long as the validity of the same shall be contested in good faith by the System.

(c) That it will, to the extent it lawfully may, continuously and efficiently operate and maintain in good condition and at a reasonable cost the facilities and services of the System.

(d) While the Bonds are Outstanding, the System shall not additionally encumber the Pledged Revenues in any manner, except as permitted by this Resolution in connection with the issuance of Additional Bonds, unless said encumbrance is made junior and subordinate in all respects to the liens, pledges, covenants and agreements of this Resolution.

(e) That each year while any of the Bonds is Outstanding, the System's annual audit will include an audit of the books and accounts relating to the Pledged Revenues by a certified public accountant. As soon as practicable after the close of each fiscal year, and when said audit has been completed and made available to the System, a copy of such audit shall be mailed to the major municipal rating agencies and to any Owner who shall so request in writing. Such annual audit reports shall be open to the inspection of the Owners, their agents and representatives at all reasonable times.

(f) That it shall cause to be kept proper books, records and accounts in which complete and correct entries shall be made of all transactions relating to the Pledged Revenues.

(g) That any Owner shall have the right at all times during normal business hours of any Business Day, upon written request to the Chancellor, to inspect all records, accounts and data of the System relating to the Pledged Revenues.

29. Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section, the following terms have the following meanings:

“Code” means the Internal Revenue Code of 1986, as amended by all legislation, if any, enacted on or before the Issue Date.

“Computation Date” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Gross Proceeds” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Investment” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Issue Date” for each series or sub-series of the Bonds or other obligations of the System is the respective date on which such series or sub-series of the Bonds or other obligations of the System is delivered against payment therefor.

“Net Sale Proceeds” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Nonpurpose Investment” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Proceeds” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Rebate Amount” has the meaning stated in Section 1.148-3 of the Regulations.

“Regulations” means the temporary or final Income Tax Regulations applicable to the Bonds issued pursuant to Sections 141 through 150 of the Code. Any reference to a section of the Regulations shall also refer to any successor provision to such section hereafter promulgated by the Internal Revenue Service pursuant to Sections 141 through 150 of the Code and applicable to the Bonds.

“Yield of”

- (i) any Investment shall be computed in accordance with Section 1.148-5 of the Regulations, and
- (ii) the Bonds shall be computed in accordance with Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The System shall not use, permit the use of or omit to use Gross Proceeds of the Bonds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which, if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in Section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the System shall have received a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such

covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the System shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by Section 141 of the Code and the regulations and rulings thereunder, the System shall, at all times after the Issue Date of any Bond and prior to the last stated maturity of the Bonds

- (i) exclusively own, operate, and possess all property the acquisition, construction, or improvement of which is to be financed directly or indirectly with Gross Proceeds of the Bonds (including property financed with Gross Proceeds of the Refunded Bonds) and not use or permit the use of such Gross Proceeds or any property acquired, constructed, or improved with such Gross Proceeds in any activity carried on by any person or entity other than a state or local government, unless such use is solely as a member of the general public, or
- (ii) not directly or indirectly impose or accept any charge or other payment for use of Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with such Gross Proceeds (including property financed with Gross Proceeds of the Refunded Bonds) other than taxes of general application and interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by Section 141 of the Code and the regulations and rulings thereunder, the System shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, Gross Proceeds are considered to be “loaned” to a person or entity if (1) property acquired, constructed or improved with Gross Proceeds (including property financed with Gross Proceeds of the Refunded Bonds) is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes, (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output, or similar contract or arrangement, or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or such property are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the regulations and rulings thereunder, the System shall not, at any time prior to the earlier of the final stated maturity or final payment of the Bonds, directly or indirectly invest Gross Proceeds of the Bonds in any Investment (or use such Gross Proceeds to replace money so invested), if as a result of such investment the Yield of all Investments allocated to such Gross Proceeds whether then held or previously disposed of, exceeds the Yield on the Bonds.

(f) Not Federally Guaranteed. Except to the extent permitted by Section 149(b) of the Code and the regulations and rulings thereunder, the System shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of Section 149(b) of the Code and the regulations and rulings thereunder.

(g) Information Report. The System shall timely file with the Secretary of the Treasury the information required by Section 149(e) of the Code with respect to the Bonds on such forms and in such place as such Secretary may prescribe.

(h) Payment of Rebate Amount. Except to the extent otherwise provided in Section 148(f) of the Code and the regulations and rulings thereunder, the System shall:

- (i) account for all Gross Proceeds of the Bonds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of such accounting for at least nine years after the final Computation Date. The System may, however, to the extent permitted by law, commingle Gross Proceeds of the Bonds with other money of the System, provided that the System separately accounts for each receipt and expenditure of such Gross Proceeds and the obligations acquired therewith,
- (ii) calculate the Rebate Amount with respect to the Bonds not less frequently than each Computation Date, in accordance with rules set forth in Section 148(f) of the Code, Section 1.148-3 of the Regulations, and the rulings thereunder. The System shall maintain a copy of such calculations for at least three years after the final Computation Date,
- (iii) as additional consideration for the purchase of the Bonds by the initial purchasers thereof and the loan of the money represented thereby, and in order to induce such purchase by measures designed to ensure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, pay to the United States the amount described in paragraph (2) above at the times, in the installments, to the place, in the manner and accompanied by such forms or other information as is or may be required by Section 148(f) of the Code and the regulations and rulings thereunder, and
- (iv) exercise reasonable diligence to assure that no errors are made in the calculations required by paragraph (2) and, if such error is made, to discover and promptly to correct such error within a reasonable amount of time thereafter, including payment to the United States of any interest and any penalty required by the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by Section 148 of the Code and the regulations and rulings thereunder, the System shall not, at any time after the Issue Date of the Bonds and prior to the earlier of the final stated maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

(j) Not Hedge Bonds. The System did not invest more than 50 percent of the Proceeds of the Refunded Bonds, and will not invest more than 50 percent of the proceeds of the Bonds, in Nonpurpose Investments having a guaranteed yield for four years or more. On the Issue Date of the Bonds, the System will reasonably expect, and on the Issue Date of the Refunded Bonds, the System reasonably expected, that at least 85 percent of the Net Sale Proceeds of the Bonds and Refunded Bonds, respectively, would be used to carry out the governmental purpose of such series within three years after the Issue Date of such series.

30. Escrow Agreement. The discharge and defeasance of the Refunded Bonds may be effectuated pursuant to the terms and provisions of an Escrow Agreement to be entered into by and between the System and the Escrow Agent, the terms and provisions of which are hereby approved, subject to such insertions, additions and modifications as shall be necessary (a) to carry out the program designed for the System by the Underwriters, which shall be certified as to mathematical accuracy by (or one or more certified public accountants or a firm thereof), (b) to maximize the System's present value savings and/or to minimize the System's costs of refunding, (c) to comply with all applicable laws and regulations relating to the refunding of the Refunded Bonds and (d) to carry out the other intents and purposes of this Resolution, and the Chair or Vice Chair is hereby authorized to execute and deliver such Escrow Agreement on behalf of the System in multiple counterparts and the Secretary or the Assistant Secretary is hereby authorized to attest thereto and affix the System's seal.

31. Purchase of United States Treasury Obligations. To assure the purchase of the Escrowed Securities referred to in the Escrow Agreement, the Chair or Vice Chair of the Board of Trustees, the Vice Chancellor of Finance and Planning, the Treasurer, the Deputy Treasurer and the Escrow Agent are hereby authorized to subscribe for, agree to purchase, and purchase obligations which are authorized investments for escrow accounts pursuant to Section 1207.062, Texas Government Code, in such amounts and maturities and bearing interest at such rates as may be provided for in the Report, and to execute any and all subscriptions, purchase agreements, commitments, letters of authorization and other documents necessary to effectuate the foregoing, and any actions heretofore taken for such purpose are hereby ratified and approved.

32. Redemption Prior to Maturity of Refunded Bonds. The System has irrevocably exercised its option to call the bonds of the System for redemption prior to maturity on the dates and at the prices shown on Exhibit A attached to the Officer's Pricing Certificate, and authorized and directed notice of such redemption to be given in accordance with the resolutions authorizing the issuance of such bonds.

33. Continuing Disclosure Undertaking. As used in this Section, the following terms have the meanings ascribed to such terms below:

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

(a) The System will provide certain updated financial information and operating data

to the MSRB annually in an electronic format as prescribed by the MSRB and available via the Electronic Municipal Market Access (“EMMA”) system at [www.emma.msrb.org](http://www.emma.msrb.org). The System shall provide annually to the MSRB, (1) within six months after the end of each fiscal year of the System, financial information and operating data with respect to the System of the general type included in the Official Statement in Appendix B (except for the information under “Estimated Overlapping Debt Statement”), and (2) if not provided as part of such financial information and operating data, audited financial statements of the System, when and if available. Any financial statements to be provided shall be (i) prepared in accordance with the accounting principles described in Appendix B of the Official Statement or such other accounting principles as the System may be required to employ from time to time pursuant to state law or regulation, and in substantially the form included in the Official Statement, and (ii) audited, if the System commissions an audit of such financial statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the System shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

If the System changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the System otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public on the MSRB’s internet website or filed with the SEC.

(b) The System shall notify the MSRB in an electronic format prescribed by the MSRB, in a timely manner (not in excess of ten (10) days after the occurrence of the event), of any of the following events with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of holders of the Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;

- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the System;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the System or the sale of all or substantially all of the assets of the System, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The System shall notify the MSRB in an electronic format prescribed by the MSRB, in a timely manner, of any failure by the System to provide financial information or operating data in accordance with this Section by the time required by such Section.

All documents provided to the MSRB shall be accompanied by identifying information, as prescribed by the MSRB.

(c) The System shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the System remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the System in any event will give the notice required by this Section of any Bond calls and defeasance that cause the System to be no longer such an “obligated person.”

The provisions of this Section are for the sole benefit of the Registered Owners and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The System undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the System’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The System does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE SYSTEM BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE SYSTEM, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the System in observing or performing its obligations under this Section shall constitute a breach of or default under this Resolution for purposes of any other provision of this Resolution.

Nothing in this Section is intended to or shall act to disclaim, waive, or otherwise limit the duties of the System under federal and state securities laws.

(d) The provisions of this Section may be amended by the System from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the System, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell the Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Registered Owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Resolution that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the System (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Registered Owners and beneficial owners of the Bonds. If the System so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided. The System may also amend or repeal the provisions of this Section if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the System also may amend the provisions of this Section in its discretion in any other manner or circumstance, but in any case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule.



34. Official Statement. The System hereby approves the form and content and distribution of the Preliminary Official Statement prepared in the initial offering and sale of the Bonds and hereby authorizes the preparation of a final Official Statement reflecting the terms of the Bond Purchase Agreement and other relevant information. The use of such final Official Statement by the Underwriters is hereby approved and authorized and the proper officials of the System are authorized to sign such Official Statement.

35. Power to Revise Form of Documents. Notwithstanding any other provision of this Resolution, the Chair of the Board is hereby authorized to make or approve such revisions, additions, deletions, and variations to this Resolution and in the form of the documents attached hereto as exhibits as, in the judgment of the Chair, and in the opinion of Bond Counsel to the System, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, the Preliminary Official Statement, the final Official Statement, or as may be required for approval of the Bonds by the Attorney General of Texas; provided, however, that any changes to such documents resulting in substantive amendments to the terms and conditions of the Bonds or such documents shall be subject to the prior approval of the Board.

36. Related Matters. To satisfy in a timely manner all of the System's obligations under this Resolution and the Bond Purchase Agreement, the Chair or Vice Chair, the Secretary or the Assistant Secretary, the Pricing Officers, and all other appropriate officers and agents of the System are hereby authorized and directed to take all other actions that are reasonably necessary to carry out the terms and purposes of the Resolution and provide for the refunding of the Refunded Bonds, including, without limitation, executing and delivering on behalf of the System all certificates, consents, receipts, requests, and other documents as may be reasonably necessary to satisfy the System's obligations under the Bond Purchase Agreement and this Resolution and to direct the application of funds of the System consistent with the provisions of this Resolution.

37. Lease Amendments. In order to effectuate an orderly transfer of title from the PFC to the System and to clarify certain ambiguities in the original Leases, the System hereby approves the following amendments:

- (a) Pursuant to Section 16.6 of that certain Lease with an Option to Purchase between the System and the PFC, dated December 1, 2005, as may have been amended from time to time, and Section 9.02 of the related Trust Agreement, as may have been amended from time to time:
  - (i) the definition of Purchase Option Date is amended in its entirety to read: "*Purchase Option Date* - shall mean (i) April 15, 2015, and any date thereafter ~~each Bond Payment Date~~ while the Bonds remain Outstanding, and (ii) prior thereto in the event of damage, destruction, destruction, or condemnation of the Project, a date established pursuant to Section 9.2 of this Lease."
  - (ii) Section 11.1 is amended in its entirety to read: "**Section 11.1 Option to Purchase.** On a Purchase Option Date, the

System shall have the option to purchase (the “*Option to Purchase*”) the Corporation’s interest in the Project for an amount equal to the Purchase Option Price. The System shall give written notice to the Corporation and Trustee of its exercise of the Option to Purchase not less than thirty-five (35) days prior to the Purchase Option Date, which is the date on which title is to be transferred, which notice shall describe the sources of the ~~be accompanied by a~~ deposit with the Trustee of the amount, which taken together with the aggregate funds held by the Trustee under the Trust Agreement in the Project Account, Reserve Account, Payment Account, and Redemption Account on the Purchase Option Date will equal the aggregate of the Purchase Option Price and all other sums required to be paid hereunder as of such Purchase Option Date. The Trustee shall use the money so deposited to redeem the Bonds in accordance with the terms of the Trust Agreement and to discharge the other expenses for which the System is liable hereunder.”

(b) Pursuant to Section 16.6 of that certain Lease with an Option to Purchase between the System and the PFC, dated October 1, 2006, as may have been amended from time to time, and Section 9.02 of the related Trust Agreement, as may have been amended from time to time:

(i) the definition of Purchase Option Date is amended in its entirety to read: “*Purchase Option Date* - shall mean (i) April 15, 2015, and any date thereafter ~~each Bond Payment Date~~ while the Bonds remain Outstanding, and (ii) prior thereto in the event of damage, destruction, destruction, or condemnation of the Project, a date established pursuant to Section 9.2 of this Lease.”

(ii) Section 11.1 is amended in its entirety to read: “**Section 11.1 Option to Purchase.** On a Purchase Option Date, the System shall have the option to purchase (the “*Option to Purchase*”) the Corporation’s interest in the Project for an amount equal to the Purchase Option Price. The System shall give written notice to the Corporation and Trustee of its exercise of the Option to Purchase not less than thirty-five (35) days prior to the Purchase Option Date, which is the date on which title is to be transferred, which notice shall describe the sources of the ~~be accompanied by a~~ deposit with the Trustee of the amount, which taken together with the aggregate funds held by the Trustee under the Trust Agreement in the Project Account, Reserve Account, Payment Account, and Redemption Account on

the Purchase Option Date will equal the aggregate of the Purchase Option Price and all other sums required to be paid hereunder as of such Purchase Option Date. The Trustee shall use the money so deposited to redeem the Bonds in accordance with the terms of the Trust Agreement and to discharge the other expenses for which the System is Notice of Exercise of Purchase Options in Leases. The Pricing Officer is hereby authorized and directed to provide notice to the PFC, in accordance with the amended form of Leases set forth in Section 37 above, of the System's intent to exercise its option to purchase the PFC Facilities.

38. Registrar. The form of agreement setting forth the duties of the Registrar is hereby approved, and the appropriate officials of the System are hereby authorized to execute such agreement for and on behalf of the System.

39. Engagement of Counsel. The Board hereby approves the engagement of Andrews Kurth LLP and Edgardo E. Colón, P.C. as Co-Bond Counsel and Haynes and Boone, LLP and Bratton & Associates as Special Disclosure Co-Counsel for the transaction contemplated by this Resolution. The Board further authorizes the execution of engagement letters with each of such firms, and authorizes the System's General Counsel and Vice Chancellor of Finance and Planning to negotiate and approve the form of such engagement letters.

40. No Personal Liability. No recourse shall be had for payment of the principal of or interest on any Bonds or for any claim based thereon, or on this Resolution, against any Trustee of the Board, officer, official, employee or agent of the System or any person executing any Bonds.

41. Open Meeting. It is hereby officially found and determined that the meeting at which this Resolution was adopted was open to the public, and that public notice of the time, place and purpose of said meeting was given, all as required by the Texas Open Meetings Act.

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PASSED AND APPROVED this 21st day of May, 2015.

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Chair, Board of Trustees  
Houston Community College System

ATTEST:

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Secretary, Board of Trustees  
Houston Community College System

(SEAL)

Signature Page

**EXHIBIT A**

**SYSTEM'S OUTSTANDING BONDS**

Senior Lien Student Fee Revenue Refunding Bonds, Series 2005  
Junior Lien Student Fee Revenue & Refunding Bonds, Series 2006  
Senior Lien Student Fee Revenue Bonds, Series 2008  
Senior Lien Student Fee Revenue Bonds, Series 2010  
Junior Lien Student Fee Revenue Refunding Bonds, Series 2011  
Combined Fee Revenue Refunding Bonds, Series 2014A  
Combined Fee Revenue Refunding Bonds, Taxable Series 2014B

# **APPENDIX B**

## **Personnel Report for May 21, 2015**

**(No Board Action Required)**

***Personnel Agenda -***  
**Staff (No Board Action Required)**

**Board Meeting: May 21, 2015**

**INFORMATION ITEMS - NO BOARD ACTION REQUIRED  
 NON-FACULTY (REGULAR)**

<u>Name</u>	<u>Previous Organization</u>	<u>Proposed Title/Organization</u>	<u>FLSA/Grade</u>	<u>Previous Salary</u>	<u>Salary</u>	<u>Effective Date</u>
1. Awad, Christine	Touchstone Neurorecovery Center	to F/T Program Coord. CARE Center/System	EX/08 12 months	\$60,000 yr.	\$46,000 yr.	04-06-15
2. Benoit, Diana	Edgen Group Inc.	to F/T Training Specialist/ System	EX/09 12 months	\$68,000 yr.	\$59,000 yr.	05-04-15
3. Cooper, Frank	HCCS F/T (Temp) Web Content Specialist/ System	to F/T Web Content Specialist/System	EX/09 12 months	\$45,507 yr.	\$45,507 yr.	04-16-15
4. Davis, Chariti	HCCS P/T Secretary/ Central	to F/T Secretary II/ Coleman	NE/07 12 months	\$9,075 yr.	\$32,225 yr.	04-20-15
5. Faunce, Kelly	Independent Contractor /Self-Employed	to F/T IT Project Analyst/ System	NE/08 12 months	\$52,000 yr.	\$45,555 yr.	04-20-15
6. Frank, Velma	HCCS P/T Librarian/NE	to F/T Secretary II/NW	NE/07 12 months	\$15,600 yr.	\$36,138 yr.	04-06-15



**INFORMATION ITEMS - NO BOARD ACTION REQUIRED**  
**NON-FACULTY (REGULAR)**

<u>Name</u>	<u>Previous Organization</u>	<u>Proposed Title/Organization</u>	<u>FLSA/Grade</u>	<u>Previous Salary</u>	<u>Salary</u>	<u>Effective Date</u>
<b>7. Jerez, Pablo</b>	Reynolds and Reynolds	to F/T Accounting Specialist/System	NE/07 12 months	\$38,000 yr.	\$39,960 yr.	04-20-15
<b>8. Jones, Ansonia</b>	HCCS F/T Enrollment Services Assistant/SW	to F/T Transcript Evaluator /System	NE/07 12 months	\$27,949 yr.	\$34,374 yr.	05-01-15
<b>9. LaSane, Kimberly</b>	Constant Care Family	to F/T Advisor/NW	EX/07 12 months	\$57,000 yr.	\$42,596 yr.	04-06-15
<b>10. Milan, Hazel</b>	HCCS F/T Research Analyst II/System	to F/T Research Analyst Senior/System	EX/11 12 months	\$63,036 yr.	\$72,491 yr.	05-01-15
<b>11. Miller-Edwards, Helen</b>	HCCS P/T Advisor/NW	to F/T Advisor/NW	EX/07 12 months	\$10,562 yr.	\$37,000 yr.	04-06-15
<b>12. Montique, Nadine</b>	HCCS P/T Secretary/ Coleman	to F/T Secretary II/ Coleman	NE/07 12 months	\$9,075 yr.	\$33,669 yr.	04-20-15

**INFORMATION ITEMS - NO BOARD ACTION REQUIRED  
 NON-FACULTY (REGULAR)**

<u>Name</u>	<u>Previous Organization</u>	<u>Proposed Title/Organization</u>	<u>FLSA/Grade</u>	<u>Previous Salary</u>	<u>Salary</u>	<u>Effective Date</u>
<b>13. O'Brien, Catherine</b>	Northern Virginia Community College	to F/T Associate Vice Chancellor, College Readiness/System	EX/30 12 months	\$115,000yr	\$142,000 yr.	05-04-15
<b>14. Perez, Monica</b>	Arcadis, Inc.	to F/T Secretary III/ System	NE/08 12 months	\$60,000 yr.	\$46,796 yr.	04-06-15
<b>15. Scroggins, Tammy</b>	Prairie View A & M University	to F/T Certifying Official (Veteran Affairs)/System	EX/07 12 months	\$37,548_yr.	\$39,780 yr.	04-20-15
<b>16. Sheppard, Monique</b>	HCCS F/T (Temp) Certifying Official Veteran Affairs/System	to F/T Certifying Official Veteran Affairs/System	EX/07 12 months	\$40,759 yr.	\$40,759 yr.	04-06-15
<b>17. Sutton, Saqueena</b>	HCCS F/T Child Care Specialist II/Central	to F/T Sr. Child Care Specialist/Central	EX/07 12 months	\$29,416 yr.	\$34,374 yr.	04-16-15
<b>18. Tramble, Felecia</b>	Wells Fargo	to F/T Office Manager/ NW	NE/08 12 months	\$44,923 yr.	\$39,303 yr.	05-04-15

**INFORMATION ITEMS - NO BOARD ACTION REQUIRED  
NON-FACULTY (REGULAR)**

<u>Name</u>	<u>Previous Organization</u>	<u>Proposed Title/Organization</u>	<u>FLSA/Grade</u>	<u>Previous Salary</u>	<u>Salary</u>	<u>Effective Date</u>
19. Vasquez, Carlos	HCCS P/T Advisor/SW	to F/T Enrollment Services Associate/SW	EX/07 12 months	\$16,477 yr.	\$35,000 yr.	05-04-15
20. Wallace, Ebony	University of Houston	to F/T Advisor/NE	EX/07 12 months	\$36,000 yr.	\$36,500 yr.	05-04-15
21. Zuberi, Qamar	HCCS F/T Sr. Accountant /System	to F/T Manager, Grants & Contracts/System	EX/10 12 months	\$56,100 yr.	\$67,000 yr.	05-01-15

**SEPARATIONS OF EMPLOYMENT**

**Bingham, Carnegie** Carnegie Bingham, Financial Aid Associate for System, effective April 06, 2015.  
**Cruz, Heraclio** Heraclio Cruz, SEVIS Compliance Officer for System, effective May 01, 2015.  
**Falcon, Julie** Julie Falcon, Coordinator of Development for System, effective April 03, 2015.  
**Gore, Lucille** Lucille Gore, Senior Advisor for Southwest College, effective April 15, 2015.  
**Guerrero, Catherine** Catherine Guerrero, Office Manager for Coleman College, effective April 02, 2015.  
**Henson, Vicky** Vicky Henson, Payroll Support/System Specialist for System, effective April 07, 2015.  
**King-Welton, Vivian** Vivian King-Welton, Secretary II for Northeast College, effective April 30, 2015.  
**Richards, Laurel** Laurel Richards, Grant Writer for System effective April 30, 2015.  
**Wormack, Wallace** Wallace Wormack, Diesel Mechanic Technician for Northeast College, effective April 22, 2015.

# APPENDIX A



**Strategic Plan 2012-2015**  
Creating Opportunities for Our Shared Future  
*Approved by the HCC Board of Trustees, June 2012*

**Mission:**

Houston Community College is an open-admission, public institution of higher education offering a high-quality, affordable education for academic advancement, workforce training, career and economic development, and lifelong learning to prepare individuals in our diverse communities for life and work in a global and technological society.

**Vision:**

HCC will be a leader in providing high quality, innovative education leading to student success and completion of workforce and academic programs. We will be responsive to community needs and drive economic development in the communities we serve.

**Guiding Principles:**

Our Guiding Principles direct our interactions with students, the internal and external communities we serve, and each other, giving focus to our primary purpose: devotion to the achievement of student success, defined as timely completion of certificates and degrees that drive real accomplishments in the workplace, at universities, and in society.

- **Freedom with Responsibility**  
HCC subscribes to and upholds a doctrine of freedom that follows the principle of responsibility.
- **Commitment to Excellence**  
HCC believes that a commitment to doing one's very best without regard to position is the starting point of all expressions of excellence and setting of high standards for quality and performance.
- **Respect for the Person**  
HCC holds that a principle of community mindfulness begins with respect for oneself and for others. Respect is the framework of personal integrity and provides the tie that binds us together.
- **Sound Stewardship**  
Stewardship is the path to fulfilling HCC's Mission and acknowledges our guardianship of its resources and positive impact on the lives of our students and community at large.

## **Strategic Initiative #1 - Increase Student Completion**

HCC currently leads the state and is fifth in the nation in the number of students who complete associate degrees. While we are proud of this fact, we can do better. We will strengthen our efforts and scale up those strategies that have been proven to increase the rates of students' persistence and completion.

HCC will continue to serve as a national Achieving the Dream (ATD) Leader College and work hand in hand with our high school partners to ensure more students enter our doors college-ready and leave well-prepared for successful transition to jobs, careers, and further education.

- Action 1.1:** Improve student preparation for higher education and transition to careers
- Action 1.2:** Improve academic success of students in their first semester
- Action 1.3:** Revamp developmental education to ensure greater success with more efficient delivery
- Action 1.4:** Improve students' persistence rates from one semester to the next
- Action 1.5:** Ensure students complete their programs of study and transition successfully to jobs/careers or further education

## **Strategic Initiative #2 – Respond to Business and Industry**

As the supplier of skilled workers to business and industry, we have a responsibility to build partnerships and to develop the means to respond quickly with the creation and design of programs and student-learning outcomes that meet their requirements.

The employer is our customer. Our clear responsibility to both employers and to students is to narrow the jobs gap and the skills gap for both of these stakeholders.

- Action 2.1:** Engage industry leaders in dialogue to identify present and future needs
- Action 2.2:** Improve the infrastructure of workforce programs (instruction, curriculum, facilities, and equipment) to meet the business and industry needs
- Action 2.3:** Ensure students have access to information and support services to complete career and technical education programs

## **Strategic Initiative #3 – Develop 21<sup>st</sup> Century Learners**

HCC must prepare our students to become citizens and workers capable of productive and meaningful participation in the 21<sup>st</sup> century. Core competencies of critical thinking, effective communications, quantitative reasoning, teamwork, personal responsibility, and social responsibility must be taught in all of our instructional programs.

All classrooms at HCC should meet minimum technology standards, and all faculty must be trained and supported in using effective teaching and learning strategies to promote success for students in their learning today as well as throughout their lifetime.

- Action 3.1:** Ensure adoption and commitment by HCC to 21<sup>st</sup> century core curriculum skills as defined by the Texas Higher Education Coordinating Board (THECB)
- Action 3.2:** Create new platforms and methodologies to teach and support students using effective methods of course delivery, teaching practices,
- Action 3.3:** Provide an environment conducive to optimal learning that includes consideration of facilities, technology, equipment, materials, accessibility, and concern for students

## **Strategic Initiative #4 – Support Faculty/Staff Professional Development and Student Leadership Development**

HCC has celebrated its 40<sup>th</sup> year by enrolling and graduating more students than ever before. To ensure we continue to thrive as an essential and relevant institution for the educational development of our students and the economic development of our community, we must prepare students, faculty, and staff for the leadership roles of tomorrow.

We will do this in multiple ways – through the expansion of external resources and support, purposeful mentoring of leadership candidates, infusion of opportunities for leadership development in our instructional programs, student services, extracurricular activities, and human resources.

- Action 4.1:** Develop a system-wide strategy to encourage leadership development for students
- Action 4.2:** Develop a system-wide strategy for ongoing professional and leadership development for faculty
- Action 4.3:** Develop a system-wide strategy for provision of professional and leadership development for HCC personnel at all levels and functions of the organization

## **Strategic Initiative #5 - Support Innovation**

HCC recognizes that in the near term there will be continuing economic turmoil to challenge the funding and stability of the institution. We also recognize that continuous technical challenges will create disruptions and opportunities in the delivery and transfer of knowledge and data.

To counter and overcome these difficulties, we must be an institution where innovation is valued and promoted. However, nothing will be accepted merely on the basis of custom, anecdote, or fad – everything we do must be proven to have long-term value in terms of strengthening our institutional resilience and capacity to serve our students and our community.

- Action 5.1:** Reduce HCC's reliance on debt to maximize the use of operating dollars for strengthening teaching and learning capabilities
- Action 5.2:** Leverage current and new grant opportunities to improve the institution's capability to respond to our teaching and learning needs
- Action 5.3:** Expand opportunities for the HCC Foundation to fund capital projects, program excellence, and faculty development
- Action 5.4:** Optimize technology and capital assets through planning for business continuity, disaster recovery, replacements, training, and environmental sustainability

## **Strategic Initiative #6 – Support Entrepreneurialism**

Houston is an entrepreneurial, “opportunity city” where taking a risk, failing, and starting over again are valued. HCC is the “Opportunity College” and is grassroots in its approach to serving its constituents. Therefore, HCC is committed to strategic thinking that not only respects students wherever they are, but also inspires and gives them the tools and confidence to follow their dreams.

HCC will commit to an entrepreneurial culture within the organization to serve as an example of the “spirit of Houston.” For this institution, fostering a culture that encourages inspiration and dreaming helps students actualize their potential.

- Action 6.1:** Encourage an entrepreneurial culture among all members of the HCC family
- Action 6.2:** Develop and implement promising practices that nurture and reward a spirit of entrepreneurialism throughout the institution
- Action 6.3:** Strengthen HCC assessment and institutional effectiveness (IE) processes and activities



## Strategic Initiative #7 – Leverage Partnerships

Houston is a global leader. The diversity of our economic structure and our willingness to embrace and value the partnerships encourage innovation. HCC is a principle partner for educational and economic opportunities, enhancing and advancing the community's quality of life. HCC is a catalyst for creating jobs.

Former U.S. Secretary of Defense Robert M. Gates described foreign language education, study abroad, and the recruitment of foreign students to U.S. campuses as key strategies in promoting America's national security and economic interests. While addressing the audience at the 2012 NAFSA conference in Houston, Gates stated, "Our economic future depends on Americans who can work successfully in an international setting."

According to an American Council on Higher Education Blue Ribbon Panel on Global Engagement (November, 2011), "It is important that college graduates, whatever their location, be not only globally competitive but also globally competent, understanding their roles as citizens and workers in an international context. While identifying common problems, we might also discover common solutions (p.6)."

- Action 7.1:** Identify and secure new local partnerships capable of improving the institution's capacity, performance, and resilience
- Action 7.2:** Identify and secure new regional and state partnerships capable of improving the institution's capacity, performance, and resilience
- Action 7.3:** Identify and secure new international partnerships capable of improving the institutions' capacity, performance, and resilience