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

January 16, 2014

Minutes

The Board of Trustees of Houston Community College met as a Committee of the Whole on Thursday, January 16, 2014, at the HCC Administration Building, 2nd Floor, 3100 Main in Seminar Room B, Houston, Texas.

MEMBERS PRESENT
Neeta Sane, *Chair*
Christopher W. Oliver, *Vice Chair*
Robert Glaser, *Secretary*
Zeph Capo
Eva Loredo
Sandie Mullins
Carroll G. Robinson
Adriana Tamez
David B. Wilson

ADMINISTRATION
Renee Byas, Acting Chancellor
Destinee Waiters, Acting General Counsel
Shantay Grays, Chief of Staff
William Carter, Vice Chancellor, Information Technology
Charles Cook, Vice Chancellor, Academic Affairs
Thomas Estes, Vice Chancellor, Finance and Planning
Diana Pino, Vice Chancellor, Student Success
Margaret Ford Fisher, President, Northeast College
Fena Garza, President, Southwest College
Zachary Hodges, President, Northwest College
Irene Porcarello, President, Southeast College
Betty Young, President, Coleman College
Janet May, Chief Human Resources Officer
Remmele Young, Associate Vice Chancellor, Governmental and External Affairs

OTHERS PRESENT
Jarvis Hollingsworth, System Counsel, Bracewell & Giuliani
Michelle Novak, President, Faculty Senate
Ava Cosey, President, COPA
Other administrators, citizens and representatives from the news media

CALL TO ORDER
Mrs. Sane, Chair, called the meeting to order at 12:41 p.m. and declared the Board convened to consider matters pertaining to Houston Community College as listed on the duly posted Meeting Notice.

BUDGET WORKSHOP REGARDING OPERATING BUDGETS (UNRESTRICTED FUNDS): REVIEW OF FISCAL YEAR 2013-2014 AND UPDATE ON PRIORITIES FOR FISCAL YEAR 2014-2015
Mrs. Byas informed that Dr. Thomas Estes would provide a financial overview and review of the budget priorities for 2013-14 and 2014-15.

(Mr. Oliver stepped out at 12:48 p.m.)

Dr. Estes noted that the budget presentation would include the following:
- Discussion of fund accounting
- Basic accounting
- How fund balances build over time
- Challenge in the current year (FY2014)
- Challenge in FY2015
- Recommended solutions

Dr. Estes informed that the purpose of the overview is to be able to analyze the data, make decisions and communicate to the Board and stakeholders.

Dr. Estes apprised that the fund groups consist of:
- Current funds
- Plant funds
- Endowments and similar funds
- Annuity and life income funds
- Loan funds
- Agency funds

(Mr. Oliver returned at 12:58 p.m.)

Dr. Estes provided an overview of the clean surplus theory of accounting and noted that Board policy requires that the fund balance equal ten percent of the annual budget.

(Mr. Oliver stepped out at 1:09 p.m.)

Mr. Robinson inquired if the fund balance consists of cash. Dr. Estes informed that cash is on the balance sheet.

Mr. Robinson apprised that if not needed for cash flow purposes; why not invest the excess cash separately from the base requirement. Dr. Estes noted that an investment policy is in place. He informed that it is a discussion that the Board could have regarding how to best utilize the excess balance.

Mr. Capo apprised that his concern is continuing to grow the fund balance without a plan for the funds. He inquired of the purpose of the fund balance continuing to grow and inquired of the purpose for usage of the excess funds.

Mrs. Sane noted that a discussion regarding the fund balance requirement and investment policies is needed.

Mr. Robinson requested a discussion regarding the effect on the bond rating. He informed that the financial advisors should provide options regarding the effect.

Mr. Robinson apprised that the rating agencies might not have a problem if they are aware of the plans.

(Mr. Oliver returned at 1:18 p.m.)

Dr. Estes continued with an overview of the current year budget.

Mr. Wilson inquired if the status currently indicates that there will be a revenue shortfall.

Mr. Robinson inquired if there may be a revenue shortfall but not a cash shortfall. Dr. Estes noted that is correct.

Ms. Mullins requested an overview of the various fees and expenditures.

Mr. Capo requested a mid-year review. Dr. Estes informed that a realistic projection will be provided at the end of the first six months of fiscal year.

Mr. Oliver inquired if there is a projection of state funding as it relates to ad valorem taxes.

Mr. Robinson inquired if the projection is a million dollar shortfall between revenue and expenses.

Mr. Oliver apprised that it may be helpful to have a budget workshop every six months.

Dr. Tamez asked that the budget workshops be scheduled as calendar meetings.

Mr. Capo requested that the priorities discussed at the budget workshop be aligned with the strategic plans.

Mr. Robinson noted that he associates with Mr. Capo and informed that any unnecessary spending should cease until there is a detailed discussion with the Board. Mr. Robinson inquired of Fund 3 and apprised that it is running at a $4 million deficit. He inquired if the funds transferred to marketing have been expended.

Mrs. Byas noted that what has not been encumbered or committed, will be discussed further in the presentation.

Dr. Tamez informed that the next budget workshop should include a spending status.

Mrs. Sane apprised that spending priorities need to be discussed.

Mr. Wilson noted that the auxiliary funding has a $2 million deficit.

Mr. Oliver associated with Mr. Robinson and informed that there has to be a priority discussion.

Mrs. Byas apprised that there will be a detailed review of the budget and spending. She noted that the priorities will be reviewed in conjunction with the Board's priorities.

Ms. Loredo informed that there is concern regarding tuition and fees because enrollment is not comparable to this time last year.

Dr. Estes apprised that a good projection should be available in March 2014.

Ms. Mullins noted that there needs to be a Board discussion regarding priorities.

Ms. Mullins inquired regarding the funding to increase staffing for the police department.

Mrs. Sane requested that Dr. Estes be allowed to complete the presentation and then entertain any questions.

Dr. Estes continued the budget review and provided an overview of the detail of expenditures against the fund balance transfer-in as follows:

- Position management ($2,374,415)
- New funding requests ($5,535,476)
- Increase in faculty - SACS ($1,300,000)
- Quality Enhancement Program ($125,000)
- Retention and completions ($2,500,000)
- Faculty compensation request ($527,000)
- Police staffing, $6.6 million over five years ($1,320,000)
- Security upgrades, $4 million of four years ($1,000,000)
- Other ($49,500)

Mr. Robinson reiterated that the discussion regarding the security upgrades was to utilize bond funds to supplement the security upgrades regarding bond technology projects.

Mr. Capo inquired if the allocation was tied to a needs assessment for the security upgrades and police staffing. He requested to review the assessment to support the need for additional funding.

Mr. Robinson informed that there were several closed session discussions regarding the security needs. He apprised that the discussions covered the funding needs for security.
Dr. Tamez also inquired if there is a needs assessment to determine the security needs. Mrs. Byas noted that the assessment will be provided to the Board. She informed that an internal assessment was conducted.

Mr. Robinson apprised that the college has been fortunate; however, the security issues have to be at the top of the priorities. Mrs. Byas noted that a RFP has been issued for a vulnerability study.

Mr. Capo informed that his reason for requesting the assessment is to review the recommendations provided by the experts.

Dr. Estes apprised that the proposal has been received but was placed on hold to consider some of the other budgetary issues. He noted that the expertise is available internally to conduct the vulnerability assessment.

(Mr. Robinson stepped out at 1:48 p.m.)

Dr. Estes informed that the Texas Retirement System (TRS) imposed changes of $2.5 million this year and $5 million next year which could pose a $15 - $16 million challenge. He apprised that notice was provided in August regarding new retirement guidelines and that the changes keep the institution within the Affordable Care Act requirements.

Dr. Estes presented the new funding requests for FY2013-14 with a review of FY2014 one-time expenses and ongoing expenses.

(Mr. Oliver stepped out at 1:52 p.m.)

(Mr. Robinson returned at 1:52 p.m.)

Dr. Estes provided a review of the current year implications to include:
- Cannot transfer from fund balance
- $1.7 million is not real revenue
- TRS rule changes add $2.5 million
- Designated fund of $7 million (savings in previous years) available
- Result - Built in decrease in net position from operations

Dr. Estes noted that the current track will cause a decrease in net position by the end of the fiscal year.

Dr. Estes provided the following options:
- Do nothing – accept a decrease in net position if it occurs
    - Board approved the decrease in net position before the year began

  - o There will be unspent expenditure budgets to cover a portion of the decrease
- Cut budgets now
- Increase revenues – increase enrollments to produce added tuition and fee income
- Identify why enrollment is decreasing in the face of increased expenditures for retention and completion and work to mitigate
- At year end, be prepared to address a decrease in net position if it occurs and if asked

Dr. Tamez informed that the issue is expectation regarding enrollment and noted that it should not be an option.

Mrs. Sane apprised that there were some concerns regarding how enrollment is measured and registration issues.

Mr. Robinson inquired of the best means for recruitment. He noted that the concern should be a part of the discussion regarding priorities.

(Mr. Oliver returned at 1:57 p.m.)

Mr. Robinson informed that there needs to be a tracking mechanism regarding the marketing dollars and the return on investment.

Ms. Mullins apprised that there needs to be a consideration regarding student completion.

Dr. Tamez noted that workforce must be included in the equation.

Dr. Estes apprised of possible future impact:

- Financial implications for FY 2015 (9/1/2014-8/31/2015)
  - o $12.4 million carry forward from FY 2014 unfunded expenditures
  - o $5 million added by TRS rule changes
  - o $18 million effect on next budget
- Net effect - $18 million spent from any new monies received in the next budget

Dr. Estes apprised of the options for funding the $18 million:

- Take from current unrestricted fund balance – gets attention of rating agencies, banks, bondholders, and other stakeholders
- Increase tuition
- Increase ad valorem taxes
- Cut expenses
- Combination of the above

Dr. Estes noted lessons from this presentation:

- Fund balance is not a source of revenue to help fund a budget

- It is possible to incur a decrease in net position knowingly, close that decrease to fund balances and use it that way
- HCC has a challenge in the current fiscal year
- HCC has larger challenges in future fiscal years

Dr. Estes provided an overview of possible solutions to budget challenges to include:
- Establish estimate size of the challenge
- Discuss budgeting equation
- Look at revenues at macro level
- Look at expenses at macro level

Dr. Estes informed of the challenge totaling $29.8 million, not including $19.1 million bond issue debt service:
- Carryover shortfall from FY 2014 ($12 million)
- TRS changes ($5 million)
- Each 1% salary increase costs $1.5 million (?????)
- Technology upgrades ($4.4 million)
- Deferred maintenance ($5 million)
- Personnel needed to properly open buildings ($1 million)
- Increased debt service – operation ($2.4 million)

Dr. Estes apprised that the challenge is $29.8 million with needs of $19.1 million to catch up on debt service from bond issue.

Mr. Glaser inquired why interest was not accrued upon borrowing. Mr. Brian Malone noted that the interest is included in the books as capitalized interest.

Mr. Robinson observed that $425 million is considered restricted with certain expectations. He informed that the Board apprised the taxpayers that a tax increase would be needed to cover the bond expense.

Mr. Capo inquired if the issue is that the college got a bond approved for buildings that it does not have the funds to cover building operations cost.

Dr. Estes noted that the solutions for the challenges are to increase revenues, decrease expenses or a combination of both. He informed that the revenues for HCC are from three sources: state appropriations, tuition and fees, and ad valorem taxes.

Mrs. Sane inquired of the outcome of the enrollment management plan. Dr. Diana Pino apprised that some of the strategies are being implemented. She noted that there were specific implementations by the colleges.

Mr. Oliver inquired of the status of the implementation and status of the enrollment plan. Dr. Pino informed one of the efforts is to expand the areas of advising. She apprised that all students will be assigned an advisor and not just new students.

Mr. Oliver inquired if there could be a review of the enrollment management plan results in the fall of 2014. Dr. Pino noted that the review is possible.

Dr. Charles Cook informed that there are other measures in place to provide a review of growth in specific programs.

Mr. Oliver apprised that the review should include the number of students attracted and the programs that are attracting the students. Mrs. Byas noted that she has discussed with Dr. Pino regarding tracking of the students.

Dr. Cook informed that the discussion has been centered on more program cost and differential tuition.

Mr. Robinson apprised that the base budget was built on a zero percent enrollment growth. He inquired if the 1.9% decline is from the spring to spring. Dr. Estes noted that the enrollment is spring to spring.

Mr. Robinson informed that counseling reform was implemented and noted that the bulk of the students are in returning students. He apprised that if enrollment is down the last two semesters then there will be an issue if the students are not returning students. He noted that the operation is on an aggregate basis. He informed that there should be a review of the entire revenue portfolio.

Mr. Oliver apprised that his basic question is how students are being attracted. Mr. Robinson apprised that his concern is that the strategic plan calls for a two percent increase in enrollment by 2015. He informed that based on the current numbers, there is an enrollment problem.

Mr. Robinson noted that Fund 3 was not reflected on the information provided by Dr. Estes. He informed that there should be a discussion regarding enterprise revenues. Mr. Robinson apprised that grant funding should also be taken into consideration. Mrs. Byas noted that a grant management director has been hired and will focus on increasing grant funding.

Ms. Mullins informed that international programs should be added to the enterprise funding. Dr. Estes noted that there are some revenues from Qatar and a little from Saigon. Ms. Mullins requested a breakdown of expenses and revenues of international programs.

Mr. Capo requested an itemized summary regarding the auxiliary funding.

Dr. Estes provided a review of tuition per semester credit hour and tax rate as compared to HCC peers. He informed that there is some elasticity in the tuition rate and apprised that the only district tax rate below HCC is Austin Community College and their tuition rate exceeds HCC.

Dr. Estes apprised that a $1 increase in tuition will produce $1 million in revenue and one penny in tax rate equates to $11 million in revenue. He noted the college is being starved for operating funds.

Mr. Wilson inquired if the projections only include tuition. He informed that fees need to also be included. He requested a review of the comparison with tuition and fees.

Mr. Robinson requested a chart regarding total revenue per student expenditure generated from tuition and tax rates, the property tax base, graduation rates and student income profile to analyze the return on investment.

Dr. Estes provided a review of the Texas Community College Statistics to include assessed value, tax rate, tax revenue, contact hours, fall headcount (2013), tax revenue (per student), tax revenue per contact hour and tuition per SCH.

Mr. Robinson requested the return on investment if tax rate is increased beyond the bond obligation. Dr. Estes apprised there has to be a discussion on how to calculate. Mr. Oliver noted that there has to be a review of the return on the investment.

Dr. Estes cautioned that there will be approximately a 1.5 cent increase in the General Obligation portion of the ad valorem tax rate to fund an increase of $19.1 million in debt service because of the recent bond issue.

Dr. Estes noted administration recommendations as follows:

- Increase the tuition and fees by $2 to $70 ($2 million)
- Increase maintenance and operations portion of ad valorem taxes by whatever the rollback provision allows ($8 million – approximately)
- Find 2.5% efficiencies in operations ($8 million)
- Total of $18 million

Dr. Estes informed that the shortfall will be approximately $12 million. He concluded that the size of the challenge (not including salary increase) is $29.8 million and recommendations from administration are $18 million.

Mrs. Sane recessed the meeting at 2:44 p.m. and reconvened the meeting at 3:14 p.m.

STRATEGIC IP LICENSING, INC. - SIPL (PETROED) CONTRACT

Motion – Mr. Oliver moved and Mr. Glaser seconded.

Mr. Robinson inquired if the enrollment revenue is already allocated in some account and inquired when enrollment will begin. Mr. Joe Little apprised that the funding is already in the department budget and noted that the current enrollment is 93. He informed that the contract has a fixed expense.

Ms. Mullins inquired if the contract is self-supporting. Mr. Little apprised that it is self-sufficient.

Mr. Oliver noted that the program could be a model for other programs. He informed that he is excited about the offshore oil-drilling program.

Mr. Capo apprised that the program is the type of program that should be a model for other programs.

Dr. Tamez noted that the item provides an opportunity for revenue and should serve as a model for other programs. She inquired of input from the industry. Mr. Little informed that the industry provided input regarding the program.

Mr. Robinson apprised that he supports the program. He inquired that if revenue is collected for 153 students, will there still be a bottom line issue. Dr. Estes noted that he does not review the various programs from a macro standpoint.

Mr. Robinson requested a review of the numbers to regain the revenue once received.

Mr. Glaser requested information regarding contributions provided by the industry. Mr. Little informed that Diamond Drilling has agreed to match funding. He apprised that currently there is a challenge donation on the table.

Ms. Mullins noted that at some point there must be a review at the micro level. Dr. Estes informed that there is the ability to calculate an overview margin.

Ms. Loredo inquired of the number of companies interested in participating in the match. Mr. Little apprised that the number is not available at the moment. Mrs. Byas noted that there has been a discussion regarding the confidentiality of the donations.

Vote – The motion passed with vote of 9-0.

TECHNOLOGY REPLACEMENT PLAN FOR INSTRUCTIONAL LABS AND FACULTY

Motion – Mr. Oliver moved and Mr. Capo seconded.

Mr. Robinson inquired if the item is separate from the technology priorities.

(Mr. Oliver stepped out at 3:25 p.m.)

Dr. William Carter informed that the request brings the instructional lab and faculty computers current and noted that the replacement is a part of the technology replacement plan.

Mr. Wilson inquired if the funding has been allocated. Dr. Carter apprised that the item has been allocated in the current budget.

(Mr. Oliver returned at 3:27 p.m.)

Mr. Glaser inquired of the status of the obsolete equipment. Dr. Carter noted that the equipment is recycled.

Vote – The motion passed with a vote of 9-0.

EXTENSION OF CONTRACT WITH QATUS ADVISORS AND ANY OTHER RELATED MATTERS

Motion – Mr. Oliver moved and Ms. Loredo.

Dr. Tamez inquired if the partnership with Qatar was to generate revenue and inquired as to the amount that has been generated. Mrs. Byas informed that the revenue of $1,040,292 is noted on page 3 of the financial statement.

Mr. Oliver inquired of the percentage of the contract and how much is expended under the contract. Mrs. Byas apprised that the Qatus contract was to ensure that the contractual relationship with Qatar is in the best interest of HCC.

Dr. Tamez inquired of the difference between what has been projected as revenue under the contract with Qatar and what has been received. Dr. Cook noted that the Qatar representatives changed the goals of the project. He informed that there have been additional discussions.

Ms. Mullins expressed appreciation of the input from Qatus Advisors and apprised that her concern is to educate students in Houston. Ms. Mullins requested a report from Qatus Advisors.

Mr. Chase Untermeyer and Mr. John Fonteno provided a report on the Qatus Advisors contract and the services provided under the contract as follows:

- Serve as a liaison between HCC and CCQ
- Utilize senior level Qatar contacts and relationships to manage relevant issues
- Assist with development and implementation of strategic plan in Qatar
- Assist the Board of Trustees with fiduciary duties
    - Oversight and review of all system activities and contractual obligations
    - Keep Board of Trustees informed of matters that may potentially effect the image or reputation of HCC or might pose a legal risk

Mr. Untermeyer noted that the relationship has improved over the past 18 months. He informed that they are not aware of any legal obligations or reputational risks to HCC.

Mr. Untermeyer apprised that the Qatus Advisors met their contractual obligations by:

- Traveling regularly to Qatar (no travel expenses billed to the college)
- Regularly meet with senior level administration of CCQ and other relevant educational leaders
- Provided briefings of findings and conclusions
- Provided an ongoing link between HCC and CCQ administration
- Established regular communication between leaders of HCC and CCQ

- In progress of visits by HCC and CCQ principles
- Provided continuous reminders to CCQ regarding basic agreement provisions
- Worked to move CCQ towards accreditation of its coursework

Mr. Untermeyer noted that a joint advisory committee will be established with representatives from HCC and CCQ.

Mr. Untermeyer informed that their professional contacts in the United States have been used to possibly engage a discussion regarding HCC hosting a presidential or vice presidential debate in 2016.

Mr. Wilson apprised that he knocked on a thousand doors while running for Trustee and noted that the constituents think that the initiative is outside of the mission statement of the college. He informed that their desire is that the college exit Qatar.

Mr. Capo referenced the contract with Qatus Advisors and inquired if expenses are paid to date. He inquired if the extension includes payment for previous months. Mrs. Byas apprised that there are expenses that need to be covered.

Mr. Robinson noted that the expenses should be covered. He informed that there may need to be a separate item to extend the Qatus Advisors contract for help winding down the Qatar contract.

Mr. Hollingsworth recommended discussing the issue in closed session. Mrs. Byas apprised that administration is prepared for a closed session discussion.

Ms. Loredo noted that the college is three years into the contract. She informed that at the time seeking these international initiatives was warranted. She apprised that the project may not have generated the revenues estimated and expressed appreciation to Qatus Advisors for the efforts regarding the international initiative.

Mr. Oliver noted that he associates with Mr. Robinson that the firm should be paid for their services; however, there needs to be a separate discussion regarding the future efforts relating to the contract with the Qatar. He informed that he has a question regarding extending the future of the contract.

Mr. Hollingsworth apprised that if the discussion goes beyond what is posted on the agenda for today, then a philosophical discussion regarding the direction the college needs to be held in executive session and an action item needs to be created for a future meeting.

Mr. Robinson requested to go to close session before voting on the item.

Mr. Glaser inquired if the vote is on the payment for services rendered. Mrs. Byas noted that the recommendation is a ratification to pay for services already provided and to extend the contract until June 2014.

Vote – The motion passed with a vote of 8-0-1 with Mr. Wilson abstaining.

INVESTMENT REPORT FOR NOVEMBER 2013
Moved to Regular meeting agenda for January 23, 2014 as a topic for discussion and/or action.

MONTHLY FINANCIAL STATEMENT FOR DECEMBER 2013
Moved to Regular meeting agenda for January 23, 2014 as a topic for discussion and/or action.

Mr. Oliver informed that he would be recusing himself from discussion and action on the item #7-Janitorial Services.

(Mr. Oliver stepped out at 3.52 p.m.)

JANITORIAL SERVICES
Motion – Ms. Mullins moved and Mr. Glaser seconded.

Ms. Mullins requested counsel to apprise if there were any specific disclosures regarding the item.

Mr. Rogelio Anasagasti apprised that procurement received no disclosures exclusive of the notification just provided by Mr. Oliver.

Mr. Capo noted that he inquired of the rationale for the multiple companies being provided. He informed that he would like to see a cost analysis of in-house versus external and noted that he would like to also see the bases for the recommendation. He requested a study for doing the services in-house.

Mrs. Byas apprised that because of the number of facilities of HCC, it is not feasible to do the services in-house. She noted that there is a cost savings with the recommended firm.

Mr. Capo inquired how could HCC include the overall value and value to the community to make certain the employees have fair working conditions and compensation.

Ms. Loredo associated with Mr. Capo and inquired of the measures in place to make certain the employees are paid. Mrs. Byas noted that the employees can file a lien and HCC can withhold the vendor payment to pay employees directly.

Ms. Loredo informed that the issue is if there is an informant. She also inquired as to why the top firm is the only one selected as opposed to spreading the services.

Mr. Robinson apprised that he would like to make certain the item is clear. Ms. Destinee Waiters informed that due diligence has been conducted by procurement and general counsel on the recommended firm in light of issues raised. She noted that the firm has been vetted and cleared by the state.

Mr. Robinson inquired of the number of employees. He apprised that there is an issue in the community regarding how people are paid. He noted that there is a big issue regarding janitorial workers. He informed that he is hopeful that administration has verified the due diligence.

Mr. Robinson requested a future conversation to allow the question "do you know a Trustee" to be placed on the solicitation documents.

Mrs. Sane asked administration to consider the recommendation of Mr. Robinson.

Motion - Mr. Glaser motioned to move the item to the agenda for the Regular Meeting next week as a topic for discussion and/or action. Mr. Capo seconded with the request that due diligence is provided to the Board. The motion passed with a vote of 7-0-1 with Trustee Robinson abstaining.

Mrs. Byas apprised that the due diligence information will be provided to the Board prior to the meeting.

(Mr. Oliver returned at 4:08 p.m.)

Mr. Robinson reiterated his request for a listing of contracts due to expire in 2014 with expiration dates.

EXERCISE TWO-YEAR OPTION WITH BARNES & NOBLE BOOKSTORE
Motion – Mr. Oliver moved and Dr. Tamez seconded.

Ms. Loredo informed that there are concerns that books are not available and noted that it has been mentioned that it is a faculty issue. She apprised that faculty needs to turn their book information on time and noted that there needs to be some form of buy-back for students.

(Mr. Wilson stepped out at 4:11 p.m.)

Ms. Mullins inquired of the locations. Mrs. Byas informed that bookstores are at each college; however, there may not be a location at each campus.

Dr. Cook apprised that the revenues received from the Barnes & Noble Bookstore contract are $6.1 million. Dr. Estes noted that the funds are included in the auxiliary funds account.

Dr. Tamez reiterated a request for a breakdown of the auxiliary funds account.

(Mr. Wilson returned at 4:13 p.m.)

Vote – The motion passed with a vote of 9-0.

UPDATE ON BOND CAPITAL IMPROVEMENT PLAN (CIP) RELATED MATTERS
Mr. Oliver motioned and Dr. Tamez seconded to move the item to the Regular Meeting next week. The motion failed with a vote of 1-8 with Trustees Capo, Glaser, Loredo, Mullins, Robinson, Sane, Tamez and Wilson opposing.

Mr. Winston Dahse informed that an update of the bond projects is available on the college webpage. He apprised that the effort is to move forward with the design phase of the projects in February.

Mr. Dahse noted that Construction Manager at Risk (CMAR) should be presented for Board consideration in February 2014.

Mr. Dahse informed that the spending requirement is currently on target; however, there are some concerns regarding the spending requirements for year two. Mrs. Sane apprised that the efforts are to deliver what has been promised to the voters.

Mr. Oliver recommended developing a newsletter for the Trustees to inform of the pipeline for the bond projects.

Mr. Oliver requested that the newsletters go out immediately and noted that there needs to be communication from the Chancellor provided to the community informing that the Chancellor and Trustees of each respective district will be visiting the community.

Dr. Tamez noted that her concern is that there is not a rush just to meet the spending requirements, but to build strategically. Dr. Cook informed that there will be another discussion with the presidents to revisit and redefine the programs.

Mr. Oliver reiterated that there needs be a newsletter sent to the community and the Chancellor should do a follow-up visit to the community.

Ms. Mullins inquired if each Trustee will have input regarding their newsletter.

Dr. Tamez requested a copy of the program viability report.

Ms. Mullins inquired if there are capabilities of incorporating the budget as a part of the on-line updates. Mr. Dahse apprised that the goal is to remain within the budget and noted that a budget summary online should be possible.

Mrs. Byas inquired if the consensus of the Board is to include CIP updates and other information on the newsletters.

Mr. Robinson requested that the databases be cleaned up prior to the mailings. He recommended that the mail out for the bond update be done out of college funds and not the Trustees budget for newsletter.

Mr. Robinson inquired for the update of the apprenticeship. Mr. Marvin Daniels informed that it was a consensus to bring on the apprenticeship during the construction portion of the project.

Mr. Robinson inquired if there is any architectural programing. He noted that the view of the Board was regarding the bond program across the board and not just from a construction point. Mr. Daniels expressed that there may still be an opportunity to implement interns from the design phase. He informed that it would provide an opportunity for a front end exposure.

Mr. Robinson requested the small business participation thus far. Mr. Daniels apprised that most of the spending will be from the program management perspective. He noted that the report on the small business participation should be forthcoming.

Dr. Tamez requested a written document on plan to incorporate with workforce and plan of action for apprenticeships, internships and mentorships.

Mr. Dahse informed that the San Jacinto building at Central College opened on Monday, January 13, 2014.

PAYMENT TO BRACEWELL & GIULIANI LLP FOR PROFESSIONAL SERVICES (DECEMBER 2013)
Motion – Mr. Oliver moved and Ms. Mullions seconded. The motion passed with a vote of 9-0

PAYMENT TO GARDERE WYNNE SEWELL LLP FOR PROFESSIONAL LEGAL SERVICES RENDERED (OCTOBER-NOVEMBER 2013)
Motion – Mr. Oliver moved and Ms. Mullions seconded. The motion passed with a vote of 9-0

REPORT ON INTERLOCAL & COOPERATIVE CONTRACTS COMPETITIVELY AWARDED
Mr. Rogelio Anasagasti provided a report on the Interlocal & Cooperative contracts competitively awarded.

ADJOURNED TO CLOSED SESSION
Mrs. Sane adjourned the meeting to Executive Session at 4:38 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. Mrs. Sane 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.

Mrs. Sane reconvened the meeting in Open Session at 6:08 p.m. and entertained motions on pending matters.

(Present: Trustees Capo, Glaser, Robinson, Sane and Tamez)

ADJOURNMENT
With no further business coming before the Board, the meeting adjourned at 6:09 p.m.

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

Minutes Approved as Submitted: ______February 27, 2014______