



AGENDA

BOARD OF TRUSTEES REGULAR BOARD MEETING

**June 23, 2015
4:00 p.m.**

**HCC Administration Building
3100 Main, 2nd 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

NOTICE OF A REGULAR MEETING OF THE BOARD OF TRUSTEES

HOUSTON COMMUNITY COLLEGE

June 23, 2015

Notice is hereby given that a Regular Meeting of the Board of Trustees of the Houston Community College will be held on Tuesday, the twenty-third (23rd) day of June 2015 at 4:00 p.m., or after, and from day to day as required, at the HCC Administration Building, 2nd 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, Committee of the Whole and Special Meeting on May 14, 2015, Regular Meeting on May 21, 2015, and Special Meeting on May 27, 2015.

IV. Awards, Presentations, and Recognitions

- A. Check Presentation from The Consulate of Mexico in Houston to HCC Foundation to provide scholarships to Mexican, Mexican-origin or Low-Income Students Attending Classes at HCC.
- B. Monthly Student Recognitions Focused on Student Persistence and Success at HCC.

V. Chairman's Report

- A. Trustees District Reports.

VI. Chancellor's Report

- A. Promotion of Teri Zamora as Senior Vice Chancellor.
- B. Faculty Senate Report (President of Faculty Senate).

VII. Hearing of Citizens

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VIII. Consent Agenda

A. Board Governance

1. Approval of Administrative Form for Trustee Requests for Documents.
2. Board Counsel Review of Certain Categories of Contracts Above Chancellor's Signature Authority.

B. Facilities and Finance

3. Authorize Transfer of Funds Between Bond CIP Projects.
4. Approval of Midtown Management District Service and Improvement Plan for Fiscal Years 2015-2024.
5. Amendment to Urban Redevelopment Interlocal Agreement.
6. Adoption of Fort Bend and Harris County Local Option Exemptions Tax Year 2015.
7. Energy Engineering Consulting Services (Project RFQ 15-18).
8. Investment Report for the Month of April, 2015.
9. Monthly Financial Statement and Budget Review for April 2015.

IX. Topics for Discussion and/or Action

A. Board Governance

1. Personnel Agenda (Faculty).

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.
2. John Jay Portillo v. Cunningham, et al, 113th Judicial District Court of Harris, County, Texas.

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3. Houston Community College v. Renee Byas, 55th Judicial District Court of Harris, County, Texas.
4. Legal Counsel Discussion Regarding Procurement of Insurance.

B. Personnel Matters

1. Discuss Chancellor Evaluation, Process and Procedure
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. 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,

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Regular Board Meeting – June 23, 2015

evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear complaints or charges against a public officer or employee, 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, 12th 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 – June 23, 2015

CERTIFICATE OF POSTING OR GIVING NOTICE

On this 19th day of June 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. 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.

Sharon R. Wright, Manager
Board Services

Minutes

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

May 27, 2015

Minutes

The Board of Trustees of Houston Community College held a Special Meeting on Thursday, May 27, 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*
Carolyn Evans-Shabazz
Eva Loreda
Sandie Mullins
Christopher W. Oliver
Neeta Sane
David Wilson

ADMINISTRATION

Cesar Maldonado, Chancellor
Shantay Grays, Chief of Staff
E. Ashley Smith, Acting General Counsel
William Carter, Vice Chancellor, Information Technology
Teri Zamora, Vice Chancellor, Finance and Administration
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
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, Evans-Shabazz, Loreda, Mullins, Sane and Wilson)

ADJOURNED TO CLOSED SESSION

Mr. Capo adjourned the meeting to Executive Session at 4:05 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. Capo 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. Capo reconvened the meeting in Open Session at 4:53 p.m. and entertained any motions on pending matters.

(The following Trustees were present: Capo, Evans-Shabazz, Glaser, Loredo, Mullins, Oliver, Sane, Tamez, and Wilson)

APPROVAL OF LEASE AGREEMENT FOR 5505 WEST LOOP SOUTH HOUSTON, TEXAS

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

Amended Motion - Mr. Wilson motioned to amend to include a two-step process for the Chancellor to negotiate the lease and bring it back to the Board for review and final approval. Ms. Mullins seconded.

Ms. Mullins inquired of the time delay with a two-step process. Dr. Maldonado noted that he is unaware of the timing, but estimated that the item would be presented to the Board for final approval at the June Regular meeting.

Mr. Wilson inquired as to why it could not be handled sooner. He informed that the action does not have to wait for the June meeting.

Ms. Mullins informed that her concern is that all the items discussed are included in the contract and apprised that Board Counsel should review the contract for items discussed in closed session. Dr. Maldonado noted that the language discussion in executive session would bind administration to execute a lease pursuant to discussion in closed session with General and Board Counsels present.

Dr. Evans-Shabazz informed that the amendment would still allow for negotiation. She apprised that the amendment was to clarify that the item would be brought back for the Board to review for additions.

Mr. Wilson reiterated that he would like a two-step process to negotiate and bring back to the Board.

Dr. Tamez noted that the reason for the Chief Executive Officer and Board attorney is to execute without delay.

Mr. Capo apprised that he associated with Dr. Tamez in that the reason for hiring the Chancellor and Board Counsel to executive according to the terms defined by the Board.

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Mrs. Sane noted that the Chancellor and Board Counsel would make certain the lease is negotiated according to the discussion in closed session.

Mr. Wilson reminded the Board that the property was purchased with the assumption that a lease was already in place.

Vote on the Amendment – Vote on amendment to authorize the negotiation but not the execution of the lease. The motion failed with vote of 2-6-1 with Trustees Capo, Loredo, Mullins, Oliver, Sane, and Tamez opposing and Trustee Evans-Shabazz abstaining.

Mr. Glaser withdrew the motion and Ms. Loredo withdrew the second.

Motion - Mr. Glaser motioned to approve the item as presented according to the terms discussed in closed session. Ms. Loredo seconded.

Ms. Mullins informed that her concern is to ensure the income from the lease will defray the cost and provide a long-term benefit to the taxpayer.

Mr. Wilson requested if the terms could be discussed for the record. Mr. Capo apprised that the terms could not be discussed but are available.

Dr. Tamez reiterated comments from Ms. Mullins that the purpose is to defray the cost of acquisition, providing a long-term benefit to the taxpayer.

Mr. Oliver called the question. The motion passed with vote of 8-0-1 with Mr. Wilson abstaining.

Vote on Main Motion – The motion passed with a vote of 7-1-1 with Trustee Wilson opposing and Dr. Evans-Shabazz abstaining.

ADJOURNMENT

With no further business coming before the Board, the meeting adjourned at 5:05 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**

May 21, 2015

Minutes

The Board of Trustees of Houston Community College held a Regular Meeting on Thursday, May 21, 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*
Carolyn Evans-Shabazz
Eva Loreda
Sandie Mullins
Christopher W. Oliver
David Wilson

ADMINISTRATION

Cesar Maldonado, Chancellor
Shantay Grays, Chief of Staff
E. Ashley Smith, Acting General Counsel
William Carter, Vice Chancellor, Information Technology
Kimberly Beatty, Vice Chancellor, Instructional Services, Chief Academic Officer
Butch Herod, Vice Chancellor, Innovation, Planning and Institutional Analytics
Irene Porcarello, Interim Vice Chancellor, Student Services
Teri Zamora, Vice Chancellor, Finance and Administration
Margaret Ford Fisher, President, Northeast College
Julian Fisher for Fena Garza, President, Southwest College
William Harmon, President, Central College
Zachary Hodges, President, Northwest College
Phillip Nicotera, President, Coleman College
William Taft for Rudy Soliz, Interim President, Southeast College
Janet May, Chief Human Resources Officer
Remmele Young, Associate Vice Chancellor, Governmental and External Affairs

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 4:13 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, Evans-Shabazz, Loredo, Mullins, Tamez and Wilson)

PRAYER AND PLEDGE OF ALLEGIANCE

Ms. Mullins led the prayer and the pledges.

APPROVAL OF MINUTES

Motion – Ms. Loredo and Mr. Glaser seconded. The motion passed with vote of 7-0. The following minutes were approved:

Academic Affairs/Student Services Committee, Audit Committee, Board Governance Committee, Board Self-Evaluation Committee, and Committee of the Whole meetings of April 9, 2015, Board Self-Evaluation Committee and Regular meetings of April 16, 2015, Board Self-Evaluation Committee meeting of April 28, 2015.

(Mr. Oliver joined the meeting at 4:16 p.m.)

AWARDS, PRESENTATIONS, AND RECOGNITIONS

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

CHAIRMAN'S REPORT

- Announcement of Dr. Carolyn Evans-Shabazz as the appointment to the position of Houston Community College Trustee for District IV.
- Dr. Tamez announced that Trustee Robert Glaser celebrated his birthday on May 8th and Chair Capo's birthday is May 21st.

(Mr. Oliver stepped out at 4:24 p.m.)

- Trustees District Reports:

Dr. Tamez mentioned that she attended the Yates Maritime recognition program. She also visited Austin High School regarding the simulator for the maritime program.

- Ms. Loredo congratulated all the graduates who received their degrees and certificates on Saturday, May 16, 2015 at NRG Stadium.
- Mr. Wilson noted that Trustee Loredo had two nephews to graduate from HCC.

Mr. Wilson informed that the ground breaking ceremony was held on May 12th for the Acres Homes project and announced that Congresswoman Sheila Jackson-Lee provided a proclamation from the U.S. Congress in recognition of the ceremony.

(Mr. Oliver returned at 4:29 p.m.)

- Mr. Glaser apprised that he attended the commencement ceremony and noted that he attended several open house events for Brays Oak. He also attended VAST graduation ceremony. Mr. Glaser informed that it was very satisfying to see the results of the VAST program noting that it was well attended.
- Mr. Oliver apprised that he would like to see the comments and activities denoted in his district newsletter. He noted that he was in attendance of the commencement ceremony. Mr. Oliver announced the ground breaking ceremony for the Brays Oaks project is scheduled for May 26, 2015. He informed that this will be the first of such a project in that area.
- Ms. Mullins wished her best to the family of Officer Martin and wished everyone a celebratory Memorial Day.
- Dr. Evans-Shabazz apprised that she was able to attend the commencement ceremony and noted that it was a wonderful experience as her first official activity as a member of the Board.
- Mr. Capo expressed appreciation to Dr. Maldonado, staff, and faculty for the efforts of coordinating the commencement ceremony. He informed that he attended the graduation ceremony at the Community of College of Qatar on May 6, 2015. Mr. Capo apprised that he was able to visit with the HCC faculty while in Qatar. He noted that the faculty would like their story to be told.

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

Committee and Committee of the Whole meetings are scheduled for Thursday June 11, 2015 and Regular Meeting on Thursday, June 25, 2015 at 4:00 p.m. The Board will hold a retreat on Saturday, June 27, 2015.

CHANCELLOR'S REPORT

Dr. Cesar Maldonado provided the Chancellor's Report:

- **President Coleman College for Health Services**
Dr. Maldonado welcomed and introduced Dr. Phillip Nicotera as President of Coleman College for Health Sciences. He expressed appreciation to Dr. Michael Edwards for serving as Acting President.

- **Associate Vice Chancellor of College Readiness**

Dr. Maldonado welcomed Dr. Catherine O'Brien as the Associate Vice Chancellor of College Readiness.

- **Commencement Ceremony**

Dr. Maldonado announced that the Commencement Ceremony was held on Saturday, May 16, 2015 at NRG Stadium. He thanked the faculty and staff for their dedication behind the scenes. Dr. Maldonado also thanked the commencement speakers, Mr. Scott McClelland and Ms. Gina Luna. Dr. Maldonado congratulated the graduates and wished them success and informed that over two thousand students participated.

- **Honors College Banquet**

Dr. Maldonado informed that he along with Trustees Capo, Glaser and Loredó attended the Honors College Banquet on Sunday, May 17, 2015 at Brady's Landing.

- **Northwest College Programs Highlighted**

This month's video highlighting exceptional programs and faculty was presented by Northwest College.

Dr. Zach Hodges introduced Ms. Susan Thompson who provided an overview of the University of Texas at Tyler Engineering partnership.

Dr. Maldonado apprised that the restructure will allow system-wide sharing of these types of programs.

- **Faculty Senate Report**

Ms. Susan Goll, Faculty Senate President provided an updated on activities to include annual elections and election for department chairs in April 2015. She noted that the senate looks forward to continued shared governance. She informed that the effort is to make certain that there is a consistency in alignment without compromising regarding compensation.

HEARING OF THE CITIZENS

The following citizens signed up to speak before the Board:

- Larry Jones

CONSENT AGENDA

Motion – Mr. Glaser moved and Dr. Tamez seconded to approve the consent agenda with the exception of item B3. The motion passed with a vote of 8-0.

The following items were approved:

- Fourier Transform Spectrometer for Northeast College

- ENGL 1301 Student Online Instructional Package and Course Fee for Northwest College
- Investment Report for the Month of March, 2015
- Monthly Financial Statement and Budget Review for March 2015

RIG-ONE DRILLING TRAINING CENTER (PROJECT NO. CSP 15-11)

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

Mr. Oliver noted that he pulled the item to inquire of the master plan approved in 2012 regarding the Capital Improvement Plan (CIP) and bond. He informed that he would like to hold a discussion and asked Board Counsel that an item is placed on the agenda regarding the master plan. He also requested a detail breakdown of the CIP projects.

Mr. Wilson inquired as to why the CIP is discussed in the Committee of the Whole (COTW) and not at the Regular Meeting. Mr. Capo apprised that the item will be placed on the agenda for discussion in June.

Ms. Loredo noted that she is glad to see the project finally come into fruition.

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

TOPICS FOR DISCUSSION AND/OR ACTION:

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

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

Mr. Capo informed that the item is different from the item discussed at the Special meeting on May 14, 2015. He apprised that the revenue bonds for 2017 were removed.

Dr. Maldonado noted that the item has been repackaged to drop off one set of bonds with a different callable date and asked Mrs. Teri Zamora to provide details regarding the item. Mrs. Zamora presented an overview of the proposed financing.

Mr. Oliver inquired if this is the potential resolve to previous discussion on the item.

Mr. Wilson informed that he is aware that the item has changed to drop the 2017 bonds and noted that reconsidering the item provides the chance to get two opportunities for the item to be approved.

Mr. Wilson inquired if Texas State Technical College did any long-term bond refinancing. Mrs. Zamora apprised that they did conduct bond refinancing.

Mr. Wilson inquired of the all in cost for the refinancing. Mr. Jorge Rodriguez, Financial Advisor noted that the managers cost is estimated at 2.99 percent. He informed that the treasury bonds have gone up over the last month. Mr. Rodriguez apprised that the rate was updated based on spread provided by Merrill-Lynch and Bank of America.

Mr. Wilson inquired of Mr. Rodriguez if he could guarantee the bonds. Mr. Rodriguez noted that he would not be able to guarantee and informed that the figures are estimates.

Mr. Wilson informed that this is an important decision for the college. He apprised that the \$425 million bond package cost the college \$75 million. He noted that he agrees with dropping out the 2017 revenue bonds. Mr. Wilson informed that he would be more comfortable having a workshop on the issue. Mr. Wilson inquired of the opinion regarding public versus private.

Mr. Rodriguez apprised that the District is being paid a premium from the investor. He noted that the bond still has to be impressive to the investor. He informed that private placement serves its purpose in a given transaction, such as a bridge loan. Mr. Rodriguez apprised that there are a couple of timing issues in a large transaction that make private placement very unfeasible or very tenuous.

Mr. Wilson inquired of what the private placement would cost versus public placement. Mr. Rodriguez informed that because private placement is private, you will not know what the market would have been.

Motion to Amend - Mr. Wilson moved to amend to postpone until a workshop is held in June. Mr. Glaser seconded. Vote on the amendment failed with vote of 2-6 with Trustees Capo, Evans-Shabazz, Loredo, Mullins, Oliver and Tamez opposing.

Mr. Oliver called for the question. The vote on the call for question passed 6-2 with Trustees Glaser and Wilson opposing.

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

ADJOURNED TO CLOSED SESSION

Mr. Capo adjourned the meeting to Executive Session at 5:29 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. Capo 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. Capo reconvened the meeting in Open Session at 6:22 p.m. and entertained any motions on pending matters.

(The following Trustees were present: Capo, Glaser, Evans-Shabazz, Loredo, Oliver, and Wilson)

PERSONNEL AGENDA (FACULTY)

Motion – Mr. Oliver moved and Dr. Evans-Shabazz seconded. The motion passed with vote of 6-0.

APPROVAL OF LEASE AGREEMENT FOR 5505 WEST LOOP SOUTH, HOUSTON, TEXAS

Mr. Capo apprised that the item is pulled and will be discussed at a later date.

PROPOSED SETTLEMENT BETWEEN MARGARET D. THIBODEAUX-WOODY AND HCC

Motion – Mr. Oliver moved and Ms. Loreda seconded to approve as discussed in closed session. The motion passed with a vote of 6-0.

ADJOURNMENT

With no further business coming before the Board, the meeting adjourned at 6:23 p.m.

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

Minutes Approved as Submitted: _____

DRAFT

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

May 14, 2015

Minutes

The Board of Trustees of Houston Community College held a Special Meeting on Thursday, May 14, 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
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
Butch Herod, Vice Chancellor, Innovation, Planning and Institutional Analytics
Irene Porcarello, Interim Vice Chancellor, Student Services
Teri Zamora, Vice Chancellor, Finance and Administration
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
William Taft for Rudy Soliz, Interim President, Southeast College
Janet May, Chief Human Resources Officer

OTHERS PRESENT

Jarvis Hollingsworth, Board Counsel, Bracewell & Giuliani
Susan Goll, President, Faculty Senate
Jodi 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 3:00 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, Mullins, Sane, Tamez, and Wilson)

ADJOURNED TO CLOSED SESSION

Mr. Capo adjourned the meeting to Executive Session at 3:01 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. Capo 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. Capo reconvened the meeting in Open Session at 3:32 p.m. and entertained any motions on pending matters.

Mr. Capo informed that Dr. Tamez had to leave due to an emergency.

(The following Trustees were present: Capo, Glaser, Loredo, Mullins, Sane, and Wilson)

AUTHORIZE THE REPAYMENT OF PFC LEASE REVENUE BONDS SERIES 2005A WESTGATE

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

Mrs. Teri Zamora noted that the goal is to reduce the debt. She informed that more operating maintenance tax will be received than anticipated. Mrs. Zamora apprised that it would be advisable to use some of the funds from the maintenance tax revenue to pay down debt.

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

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

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

Dr. Cesar Maldonado noted that the item is regarding the reduction of debt. He yielded Mrs. Zamora to provide an overview. Mrs. Zamora noted that the proposal is to sale using underwriters and informed that the effort is to combine the junior lien bonds and two Public Facility Corporation (PFC) bonds.

Ms. Loredo inquired if all five of the firms would be used. Mrs. Zamora noted that the five firms would be used.

Mr. Glaser inquired if the procurement requires minority participation and asked for an explanation regarding the PFC. Mrs. Zamora informed that the procurement did not require minority participation and apprised that the debt would be under HCC instead of the PFC.

Ms. Mullins requested to hear from the Financial Advisors and inquired of the decision made to change the deal. Mr. Jorge Rodriguez, Financial Advisor, apprised that the decision was to pay the smaller bonds with operating funds.

Mr. Capo noted that the five firms are not equally weighted and inquired as to how it would work regarding the liability. Mr. Rodriguez informed that the weight is not equally distributed and apprised that the first firm would have the lion's share of liability.

Mr. Wilson inquired if the smaller bonds were included. Mr. Rodriguez apprised that approximately \$8 million for Westgate will be paid off and is not included in the action for the combined fee revenue and refunding bonds. He noted that the subsequent item to be considered will address the general obligation bond.

Vote - The motion failed with vote of 4-2 with Trustees Glaser and Wilson opposing.

AUTHORIZE THE REPAYMENT OF PORTION OF 2013 LIMITED TAX GENERAL OBLIGATION BONDS CALLABLE IN 2015

Motion – Mrs. Sane moved and Mr. Glaser seconded.

Dr. Maldonado apprised that Mrs. Zamora would review the General Obligation (GO) Bonds. Mrs. Zamora informed that this is an opportunity to pay off approximately \$4 million that would provide a savings to the college and apprised that it would be paid with this year's cash flow.

Ms. Loreda inquired of the balance if the item is payoff. Mrs. Zamora noted that there would be a zero on net cash effect. She informed that the effect of the fund balance would be net zero.

Mr. Capo inquired if the failure of the refunding will impact the cash flow. Mrs. Zamora apprised that the effect is approximately \$1 million annually.

Mrs. Sane inquired if there is a timeline, or can item B be brought back to the Board. Mrs. Zamora noted that the transactions are subject to interest rates. Mr. Jarvis Hollingsworth informed that the same exact item may not be brought back.

Dr. Maldonado deferred to Mrs. Zamora to clarify the difference between the refunding and debt reduction.

Vote - The motion passed with a vote of 5-1 with Trustee Capo opposing.

HCC BOARD OF TRUSTEES SELF-EVALUATION (PROJECT NO. INFORMAL REQUEST FOR PROPOSAL 15-15)

Motion – Mr. Glaser motioned to approve and Mrs. Sane seconded.

Mr. Glaser provided an overview of the Board Self-Evaluation committee meeting and the procurement. He apprised that two responses were received. He noted that the committee approved to accept the proposal from the Association of Community College Trustees.

Ms. Mullins inquired if the fee includes travel. Mr. Glaser informed that the fee is an estimate that includes travel.

Ms. Mullins inquired if the evaluation is a requirement of the Southern Association of Colleges and Schools (SACS). Dr. Maldonado apprised that it is not a requirement of SACS. Mr. Hollingsworth noted that the Board bylaws require that the Board conduct an annual self-evaluation.

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

CONSIDER ADDITION OF HOUSE BILL 544 TO HCC LEGISLATIVE PRIORITIES

Motion – Mrs. Sane moved and Mr. Glaser seconded.

Mr. Capo informed that HB544 is sponsored by Representative Harold Dutton to require school districts to provide payment for developmental education. He apprised that the discussion has been held regarding dual credit but noted that the flip side of the discussion is regarding who should be absorbing the expense for developmental education. Mr. Capo noted that SB144 is not on the meeting agenda but informed that it is a companion to the bill. He apprised that part of the concern is that HCC could be required to serve students who are not within the service area.

Mrs. Sane inquired if the Community College Association of Texas Trustees (CCATT) has passed a resolution regarding the item. Mr. Capo noted that the bill has not moved out of committee and has not been discussed. He informed that the bill fits some of the concerns that have been expressed by the Board. Mr. Capo apprised that he wanted to bring the bill up for discussion. He noted that an amendment could be added to the bill to allow the institutions to waive the fee.

Mrs. Sane inquired of the amount for dual credit. Dr. Maldonado informed that there is an additional funding stream from dual credit. He apprised that the numbers are not only waivers; there is also a revenue stream for contact hours. Dr. Maldonado noted that the bill allows the flexibility to regain some of the lost revenues and apprised that offering an amendment as mentioned by the Board Chair would allow an opportunity to determine to waive the fee.

Dr. Kimberly Beatty noted that she would research the cost for developmental education. Dr. Maldonado informed that the number is available but he does not have it handy.

Ms. Mullins apprised that she is not clear on the amendment and noted that if charging for one school district, it should be charged to all school districts.

Ms. Loreda inquired if there is a charge to the students for dual credit and informed that other institutions charge.

Mr. Capo inquired of which other school districts have made the request for waiver and for which program(s). He recommended that the development education cost is identified and the school districts from where the students come from. Dr. Maldonado apprised that the information will be provided and noted that the only school district that has made a request for the waiver is Houston Independent School District.

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

Mr. Capó recessed the meeting at 4:14 p.m. and reconvened at 4:35 p.m.

**APPOINTMENT FOR HOUSTON COMMUNITY COLLEGE TRUSTEE POSITION,
DISTRICT IV AND ANY OTHER RELATED AUTHORIZATIONS NECESSARY FOR
FURTHER ACTION**

Mr. Capó read into record the report provided by the Selection Committee.

Mrs. Sane nominated Dr. Carolyn Evans-Shabazz.

Mr. Glaser expressed appreciation to the Selection Committee and informed that five applicants were considered by the Selection Committee. Mr. Glaser apprised that the information provided to the Board was used by the committee and noted that he reviewed the resumes and listened to the audios of the interviews. Mr. Glaser informed that he has a responsibility to appoint the best-qualified individual for the position.

Mr. Glaser nominated Mr. Marlen D. Whitley.

Mr. Capó closed the nominations.

Ms. Loredó thanked the Selection Committee for completing the duty assigned. She apprised that the effort was to give the committee an opportunity to interview the applicants. She noted that the effort was time consuming.

Ms. Mullins inquired if anything could be shared from the committee regarding the vote. Mr. Capó noted that he does not have the details of the committee vote but was informed that the vote was a majority of the committee. He apprised that the committee met on Saturday, May 9, 2015.

Mr. Capó noted that he met with Board Counsel to make certain the vote was according to *Robert Rules of Order*. He informed that the vote would be according to nominations.

Vote on Carolyn Evans Shabazz - Dr. Evans-Shabazz received 4 votes.

Vote of Marlen D. Whitley – Mr. Whitley received 2 votes.

Mr. Capó noted that considering the numbers of the vote, the person receiving the lowest votes would be dropped. He noted that the second round of voting would be on the candidate receiving the most votes, which would be Dr. Carolyn Evans-Shabazz

Vote on Carolyn Evans Shabazz –The nomination passed with vote of 5-0-1 with Mr. Glaser abstaining.

Vote - The motion passed with a vote of 5-1 with Mr. Glaser abstaining.

ADJOURNMENT

With no further business coming before the Board, the meeting adjourned at 4:45 p.m.

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

Minutes Approved as Submitted: _____

DRAFT

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

May 14, 2015

Minutes

The Board of Trustees of Houston Community College met as a Committee of the Whole on Thursday, May 14, 2015, at the HCC Administration Building, Second Floor Auditorium, 3100 Main, Houston, Texas.

MEMBERS PRESENT

Zeph Capo, *Chair*
Robert Glaser, *Vice Chair*
Carolyn Evans-Shabazz
Eva Loredo
Sandie Mullins
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
Butch Herod, Vice Chancellor, Innovation, Planning and Institutional Analytics
Irene Porcarello, Interim Vice Chancellor, Student Services
Teri Zamora, Vice Chancellor, Finance and Administration
Michael Edwards, Acting President, Coleman College
Margaret Ford Fisher, President, Northeast College
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. Zeph Capo, Chair, called the meeting to order at 5:00 p.m. and declared the Board convened to consider matters pertaining to Houston Community College as listed on the duly posted Meeting Notice.

Houston Community College
Committee of the Whole – May 14, 2015 - Page 2

(The following Trustees were present: Capo, Evans- Shabazz, Glaser, Loredo, Mullins, Sane, and Wilson)

Mr. Capo welcomed Dr. Carolyn Evans-Shabazz, newly appointed Trustee for District IV and apprised that Dr. Evans-Shabazz was sworn in the office of Houston Community College Board of Trustee, District IV at a Special Meeting held prior to the Committee of the Whole.

Mr. Capo noted that the ceremonial swearing-in will be held on Thursday, May 21, 2015.

UPDATE ON BOND CAPITAL IMPROVEMENT PLAN (CIP) RELATED MATTERS

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

Mr. Smith presented a Bond summary to include small business participation at 38%. He informed that there was a recalculation regarding the soft costs; the average is 14%. Mr. Smith apprised that the overall program is within budget; however, individual projects are being reviewed for adjustments.

Mr. Capo requested to identify the number of apprentices that are HCC students and the number from the project in his district in particular. Mr. Smith noted that the information could be provided and informed that the apprentices work different from the interns as they are connected to the contractor and not the project.

Mrs. Sane requested the project schedule for the Missouri City campus. Mr. Smith apprised that once all the preliminary work has been completed, the schedule will be developed.

(Dr. Evans-Shabazz stepped out at 5:11 p.m.)

RIG-ONE DRILLING TRAINING CENTER (PROJECT NO. CSP 15-11)

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

Dr. Maldonado provided an overview of the contract and warranty period. He noted the summary of ratings for the proposers and informed that Verizon International Group is being recommended.

Mr. Wilson apprised that the project totaled 130 points with price being 50 points, and noted that he would like price to carry a heavier weight.

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

INVESTMENT REPORT FOR THE MONTH OF MARCH, 2015

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

Mrs. Teri Zamora provided an overview of the investments for the month of March 2015.

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

MONTHLY FINANCIAL STATEMENT AND BUDGET REVIEW FOR MARCH 2015

Motion – Mrs. Sane motioned and Ms. Mullins seconded

(Dr. Evans-Shabazz returned at 5:19 p.m.)

Mrs. Zamora informed that 85% of the revenues have been recorded and 50% of the budget has been expended.

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

PRESENTATION REGARDING 2016 BUDGET PRELIMINARY INFORMATION AND TIMELINE, INCLUDING HISTORICAL CONTEXT

Dr. Maldonado informed that the effort is to review the timeline and overview of the budget. Mrs. Zamora apprised that the review is preliminary and noted that the information presented will be theory containing no numbers. Mrs. Zamora provided an overview of the following:

- Steps taken during 2015
 - Reset of position budgeting
 - Authorization to post position
 - Sweep of full-time salary accounts
 - Authorization for expenditure
 - Establish budget savings account for each operating unit

Mr. Capo inquired of areas where efficiencies could be established. Mrs. Zamora informed that each Vice Chancellor and President was asked to meet with their staff. She apprised that efficiencies were different at each location. Mrs. Zamora noted that the request was to review what could be eliminated and informed that there were a variety of items.

Mr. Capo noted that the other element is to see if there is a method of collecting input from staff and faculty regarding efficiencies. Mrs. Zamora informed that there has been a budget savings taskforce in place over the last six years. She apprised that the effort allowed for savings to be identified and noted that the process is in place.

Mr. Capo requested to see the cost savings taskforce report.

Ms. Loreda requested the amount received regarding the tax valuation. Mrs. Zamora noted that the tax roll was not received when the budget was approved. Ms. Loreda informed that a company was hired for the collection of delinquent taxes. Mrs. Zamora apprised that approximately \$10 million more was realized than anticipated because the tax valuations were higher and not necessary from delinquent tax collection.

Ms. Loreda requested the percentage of the collection. Mrs. Zamora noted that the percentage on tax collection is approximately 98%.

- Budget Assumptions for 2016
 - State allocations will be slightly down

Houston Community College
Committee of the Whole – May 14, 2015 - Page 4

- Cost of attendance must remain affordable for students
- Tax rate must remain affordable for district residents
- Faculty and instructional expenses must remain top priority
- Retention and completion must also remain top priority
- Additional space in the amount of 180,000, square feet will come online during FY2016

- Goals for 2016
 - Enhance stability by capturing organizational and operational efficiencies
 - Provide for a consistent high quality student experience at all locations and online
 - Adequately fund new and existing programs of study having external demand from students and/or industry
 - Increase capacity through partnerships and entrepreneur activities
 - Prepare for additional new facilities currently under construction
 - Attract, develop and retain talented faculty and staff
 - Be responsive to recommendations resulting from 2015 Compensation Study
 - Provide Centers of Excellence with state-of-the-art equipment and curriculum

Mrs. Zamora provided a review of the next steps with the goal of presenting the preliminary budget at the Regular meeting in June and the final budget recommendation for approval in early August.

Mr. Wilson requested to see a budget for this year that does not rely on the reserve to balance.

Mr. Glaser requested to review tax rate and homestead exemptions for seniors and disabled. He informed that the effort would be to close the gap.

Mr. Capo referenced page 4 and apprised that the effort to have the funding to lower the burden on homeowners, elderly and disabled should not overly tax students with increase tuition and fees or reducing the fund balance. He informed that priorities have not been set for Fund 3 and apprised that there should be a priority and alignment of goals. Mrs. Zamora noted that last year was the first time the Board approved auxiliary budget.

Mrs. Sane informed that the budget needs to be tied to the strategic plan and apprised that a strategic budget is imperative. She asked how administration plans to incorporate goal setting into the budget.

Dr. Maldonado noted that the current strategic plan is about to be closed out and informed that the new strategic plan will be associated with the budget. He apprised that the review will be top down as well as bottom up.

Dr. Maldonado noted that there has been discussion regarding expectations for Fund 3.

Ms. Mullins informed that her anticipation is that all assets are gathered and included in the strategic plan to allow a focus on getting students in and out.

DISCUSS LOCAL OPTION EXEMPTIONS RELATED TO AD VALOREM TAXES

Dr. Maldonado apprised that the position of the item is timely regarding the comments on the budget. Mrs. Zamora noted that the exemptions need to be provided to the taxing agency by the end of June. She provided an overview of the college's position in comparison to other entities and provided scenarios regarding increasing the homestead and over 65 exemptions.

Mrs. Sane inquired as to what factors are considered to decide if it is time to increase homestead exemptions. Mrs. Zamora apprised that it depends on the desired base to fund the institution revenue. She noted that the scenario could be viewed as a give or take situation.

Mr. Capo requested the number of households that would fall in the 65 or older and disabled as well as the location. He requested the numbers for the homestead exemption regarding the tax rate impact and the breakeven number.

Mr. Glaser requested to review the numbers regarding year over year gross tax revenues. He noted that appreciation on properties needs to be reviewed and informed that tax rates cannot continue to be raised.

Ms. Mullins apprised that appraisals have increased significantly and noted that the overall budget needs to be reviewed. She noted that the effort should be to have a lean budget.

Mr. Capo apprised that before comments are made regarding the burden is on the back of taxpayers, there must be a review of the best case. He noted that the question is how to reduce the overall burden on homeowners in comparison to non-homeowners.

PRESENTATION REGARDING RECOMMENDATIONS FROM THE PROCUREMENT REVIEW COMMITTEE

Dr. Maldonado informed that the Procurement Review Committee was commissioned to assist with reformulating procedures used in the Procurement Department. He apprised that the recommendation from the Review Committee will be provided in June for implementation. Dr. Maldonado introduced Mr. Rogelio Anasagasti to provide a summary of the following committee recommendations:

- Procurement Cycle and Transparency
- Growing Small Business and Increased Opportunity
- Evaluation and Contract Award Process
- Ongoing Training and Compliance
- Next Steps
 - Incorporate framework of recommendations into new and improved procedures that will be reflected on the website
 - Develop online tools and training materials that will facilitate process and increase accountability
 - Create a tracking and monitoring tool that will ensure ongoing compliance with process
 - Finalize recommendations to the Board in June 2015

Mr. Wilson inquired if there was a misprint regarding the number of meetings as it relates to 30 meetings in 7 months. Mr. Anasagasti informed that there were several sub-committee meetings.

Mr. Wilson apprised that there needs to be qualified bidders and a pre-qualified process. He noted that the lowest bid would get the job and the contractor would have to be bonded. He informed that the only way to get a clean bill of health is to go with a low bid process.

Mrs. Sane referenced slide 4 regarding the creation of a tracking and monitoring tool that will ensure ongoing compliance with the process and inquired as to what would be used. Mr. Anasagasti apprised that B2G would still be used but the effort is to go beyond.

Mrs. Sane noted that she wants to make certain everything is up to date and no clients are on hold. Mr. Anasagasti informed that payment is one of the common questions and apprised that the effort is to identify the root cause of any issues for correction and improvement.

Mr. Capo inquired if a tool is in place. Mr. Anasagasti noted that the tool is in place and informed that the effort to go further. He apprised that the effort allows for the building of history. Dr. Maldonado noted that the tool is to allow access to the information. He informed that the effort is to find a robust tool for placement online.

Ms. Mullins expressed appreciation to the Review Committee and inquired of the timeline regarding the presentation of the recommendations. Dr. Maldonado apprised that the Review Committee will present to the Cabinet. He noted that timeline for implementation will be presented to the Board in June. Dr. Maldonado informed that it will take time to adopt all of the recommendations. He apprised that the Review Committee will be invited to attend the next board meeting.

Ms. Mullins noted that she associates with Mr. Wilson that pricing is imperative. She informed that balance is important and must be reviewed.

Ms. Loreda apprised that she also agrees with the lowest bid process but also wants the best work. She expressed appreciation to the Review Committee.

Mr. Capo requested that the unfiltered report from the Review Committee be provided to the Board.

UPDATE ON 2012-2015 STRATEGIC PLAN

Dr. Maldonado informed that the item is reporting on the current strategic plan approaching close out. He apprised that Dr. Kimberly Beatty would provide the report.

Dr. Beatty provided a report on the strategic plan outcomes to include:

- Industry Engagement to Identify Needs
- Infrastructure of Workforce Programs

Houston Community College
Committee of the Whole – May 14, 2015 - Page 7

- Ensure Instructional Programs Provide the Knowledge and Skills Required for 21st Century Learners
- Development of 21st Century Learners
- Support Faculty Staff Professional Development and Student Leadership

Mr. Capo announced that the 2015 Commencement Ceremony would be held on Saturday, May 16, 2015

Mr. Capo adjourned the meeting to Executive Session at 6:30 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. Capo 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. Glaser reconvened the meeting in Open Session at 8:27 p.m. and entertained any motions on pending matters.

(The following Trustees were present: Glaser, Loreda, Mullins, Sane, and Wilson)

APPROVAL OF LEASE AGREEMENT FOR 5505 WEST LOOP SOUTH, HOUSTON, TEXAS

Mr. Glaser noted that the item is being pulled.

ADJOURNMENT

With no further business coming before the Board, the meeting adjourned at 8:28 p.m.

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

Minutes Approved as Submitted: _____

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

May 14, 2015

Minutes

The Audit Committee of the Board of Trustees of Houston Community College held a meeting on Thursday, May 14, 2015, at the HCC Administration Building, Second Floor Auditorium, 3100 Main, Houston, Texas.

MEMBERS PRESENT

Robert Glaser, *Committee Chair*
David Wilson, *Committee Member*

ADMINISTRATION

Shantay Grays, Chief of Staff
Kimberly Beatty, Vice Chancellor, Instructional Services, Chief Academic Officer
William Carter, Vice Chancellor, Information Technology
Butch Herod, Vice Chancellor, Innovation, Planning and Institutional Analytics
Irene Porcarello, Interim Vice Chancellor, Student Services
Teri Zamora, Vice Chancellor, Finance and Administration
Margaret Ford Fisher, President, Northeast College
Julian Fisher for Fena Garza, President, Southwest College
Zachary Hodges, President, Northwest College
William Taft for Rudy Soliz, Interim President, Southeast College
Janet May, Chief Human Resources Officer

OTHERS PRESENT

Jarvis Hollingsworth, 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 1:45 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: Glaser and Wilson)

INTERNAL AUDIT QUARTERLY REPORT

Mrs. Belinda Brockman provided an overview of the status of the Follow-Up Schedule of Completed Internal Audit Plan.

ADJOURNMENT

With no further business coming before the Board, the meeting adjourned at 1:51 p.m.

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

Minutes Approved as Submitted: _____

DRAFT

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

May 14, 2015

Minutes

The Academic Affairs/Student Success Committee of the Board of Trustees of Houston Community College held a meeting on Thursday, May 14, 2015, at the HCC Administration Building, Second Floor Auditorium, 3100 Main, Houston, Texas.

MEMBERS PRESENT

Eva Loreda, *Committee Chair*
Adriana Tamez, *Committee Member*
David B. Wilson, *Committee Member*
Zeph Capo, *Alternate Committee Member*
Robert Glaser

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
Butch Herod, Vice Chancellor, Innovation, Planning and Institutional Analytics
Irene Porcarello, Interim Vice Chancellor, Student Services
Teri Zamora, Vice Chancellor, Finance and Administration
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
William Taft for Rudy Soliz, Interim President, Southeast College
Janet May, Chief Human Resources Officer

OTHERS PRESENT

Jarvis Hollingsworth, 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 2:15 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: Glaser, Loreda, and Wilson)

FOURIER TRANSFORM SPECTROMETER FOR NORTHEAST COLLEGE

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

Dr. Kimberly Beatty informed that the item is part of a Science, Technology, Engineering and Math (STEM) grant and noted that this is the last of the items to be purchased. She apprised that other items have been purchased at the other colleges and noted that this item is for Northeast College.

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

ENGL 1301 STUDENT ONLINE INSTRUCTIONAL PACKAGE AND COURSE FEE FOR NORTHWEST COLLEGE

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

Dr. Beatty informed that the item is in conjunction with the pilot program at Northwest College. She apprised that the student fee will increase by \$10 and noted that the program is under review for implementation at all of the college.

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

NOTIFICATION OF A NEW SPECIALIZATION WITHIN THE MARKETING PROGRAM: AAS MARKETING – INNOVATION AND ENTERPRISE SPECIALIZATION

Dr. Beatty informed that the specialization started as a part of the Chancellor's innovation grant. She apprised that the program is designed to incorporate design thinking, innovation and creativity, which is not currently offered by standard marketing programs and will meet the marketing need in that community.

Ms. Loredo inquired as to when the program will start. Dr. Beatty noted that the program will start in the Fall 2015.

UPDATE ON STUDENT SUCCESS

Dr. Beatty provided an update on student success to include the following:

- Achieving the Dream Coaches Visit
- Strategies for Creating a Robust Student Success Agenda

Dr. Beatty noted that the Coaches visited on April 23-24, 2015 and provided a summary of the outcomes as follows:

- Broad engagement from all groups
- Final report highlighting pillars of Achieving the Dream: Committed leadership
 - Use of evidence
 - Broad engagement
 - Systemic improvement
 - Equity

Dr. Beatty informed that some of the highlights from the Coaches visit are as follows:

Highlights

- Strengths
 - Engagement with the leadership confirms commitment to student success
 - Rich data collected from the conversations
 - Broad engagement through the work of the Data Driven, Relevance, Equity, Analytics and Metrics (DREAM) Council is a good model

- Weaknesses
 - Align IT infrastructure with student success initiatives
 - Develop a data-informed culture designed to address achievement gaps
 - Distribute data more broadly
 - Use a data-informed process for systemic improvement

Next Steps

- Transcribe data collected during the conversations
- Continue working with the Office of Institutional Research to develop data models that will support a robust student success and completion agenda
- Continue to develop and streamline strategies with the DREAM Council
- Write Annual Reflection Report and Leader College Application

Dr. Beatty apprised that the effort would be to build on student success completion at HCC by strong collaboration with the Vice Chancellor of Student Services to design student-centered strategies that support success, completion, and the development of the DREAM Council.

(Dr. Tamez joined the meeting at 2:28 p.m.)

UPDATE ON INSTITUTIONAL TRANSFORMATION PLAN

Dr. Butch Herod provided an update on the Transformation Plan and presented a review of the timeline. He provided a historical review of the process that has taken place to date. Dr. Herod announced that the new organizational structure and rollout began in April 2015. He noted that the target is to present the budget in June 2015. He informed that the Chancellor has also expressed to that the college would move forward with submitting for the Baldrige Award.

REPORT ON STUDENT RECOGNITIONS

Dr. Irene Porcarello provided an overview of the student recognitions submitted by each college:

- Santiago Echeverri, Central College
- Raymond Holmes, Coleman College
- Tania Andrea Carlin, Northeast College
- Susan Sidell, Northwest College
- Luis Suarez, Southeast College
- John Gay, Southwest College

Dr. Tamez expressed appreciation to the Committee Chair for placing the recognition item on the Academic agenda.

(Mr. Capo joined the meeting at 2:38 p. m.)

GRADUATION REPORT

Dr. Porcarello provided the 2015 student graduation report. She apprised that the information presented does not include the summer semester graduates. She noted that approximately 2,300 students have registered to participate in the commencement ceremony for 2015.

Mr. Wilson inquired about the declined numbers for certificates. Dr. Porcarello informed that the numbers may increase because certificates will be awarded after the ceremony.

Mr. Glaser inquired if there is a process in place that allows for notification to students who are eligible to graduate.

Dr. Maldonado apprised that there may be a reason for some of the students are not applying, such as financial aid or gainful employment. He noted that some may have also switched majors. Dr. Maldonado informed that a standard query will be set up to allow students to be identified and notified of their eligibility.

Dr. Beatty mentioned that the graduation has changed slightly with the inclusions of gonfalons and noted that the students will participate in the procession.

ADJOURNMENT

With no further business coming before the Board, the meeting adjourned at 2:45 p.m.

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

Minutes Approved as Submitted: _____

Consent Agenda

ACTION ITEM

Meeting Date: June 23, 2015

Committee: *Board Governance*

ITEM NO.	ITEM TITLE	PRESENTER
1	Approval of Administrative Form for Trustee Requests for Documents	Ashley Smith Jarvis Hollingsworth

RECOMMENDATION

Create a form that will assist the administration in responding to Trustee requests for documents in a timely and efficient manner.

COMPELLING REASON/RATIONALE

In order to better accommodate Trustee requests for official college records, HCC is modifying its records access certification process. This form will enable Board members to request records by submitting an access certification form to the Board Chair for review in accordance with the procedures currently outlined in Article H, Section 7 of the Board Bylaws.

DESCRIPTION OR BACKGROUND

This form will facilitate efficiency and transparency in the Board's process for requesting access to HCC documents.

FISCAL IMPACT

None

LEGAL REQUIREMENT

None

STRATEGIC GOAL ALIGNMENT

Strategic Initiative: Support Innovation

Attachment Title(s): **Draft Access Certification Form**

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100

HCC Board of Trustees
REQUEST TO ACCESS OFFICIAL COLLEGE RECORDS

PLEASE COMPLETE AND RETURN TO: Board Services at board.services@hccs.edu

Name:	District:
Title:	Department:
Phone Number:	E-Mail:

Please describe the records requested:

Records may contain privileged or confidential information. Disclosure of privileged or confidential information or documents may constitute a violation of a Trustee's fiduciary duties. HCC does not elect to waive attorney-client privilege or agree to the public disclosure of the records.

The College is committed to assuring that Trustees have open access to all records of the college to the extent permitted by law. Please follow these steps in submitting a request for access to HCC documents, in accordance with Board of Trustees Bylaws, Article H, Section 7:

1. Submit this completed form to the Board Services office, which will forward it to the Board Chair.
2. The Board Chair shall request input from the administration if he or she determines that the request for documents is either (1) burdensome in the requested response time, (2) seeks information that is more than thirty (30) pages in length, or (3) requires the creation of reports or documents that do not currently exist. After considering the administration's input, the Board Chair, at his or her discretion, will determine the cost effectiveness of the request and the proper utilization of colleges resources necessary to effectively respond to the request.
3. If the Board Chair determines that the request is excessive or not reasonably related to official Trustee issues, the Board Chair will direct the Board member requesting the information to submit his or her request to the HCC administration under the Texas Public Information Act.
4. Board members submitting a request under the Texas Public Information Act will be responsible for any fees and costs associated with the request.

The Office of Board Services shall notify each Board member of all requests for documents submitted by Board members, and shall make a copy of responsive documents available to all Board members upon request, subject to the provisions above.

Signature
Name:

Date

ACTION ITEM

Meeting Date: June 23, 2015

Committee: *Board Governance*

ITEM NO.	ITEM TITLE	PRESENTER
2	Board Counsel Review of Certain Categories of Contracts Above the Chancellor's Signature Authority	Ashley Smith Jarvis Hollingsworth

RECOMMENDATION

Create policy requiring Board Counsel to review all real estate contracts, and any other contracts, as determined by the Board Chair in consultation with the Board, that have a cumulative expenditure of more than \$75,000.00 during the term of the contract before the contracts are executed.

COMPELLING REASON/RATIONALE

Requiring Board counsel to review these contracts prior to execution will ensure that the Board's concerns and issues are addressed, and will protect HCC and the Board from potential exposure to legal liability.

DESCRIPTION OR BACKGROUND

This item is a joint recommendation of the Chair of the Board Governance Committee and the Chancellor to manage risk by sufficiently reviewing contracts before execution. This item is in the best interests of HCC.

FISCAL IMPACT

None

LEGAL REQUIREMENT

None

STRATEGIC GOAL ALIGNMENT

Strategic Initiative: Support Innovation

Attachment Title(s): **Proposed Policy: Board Counsel Review of Contracts**

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100

Finance and Operations

Board Counsel Review of Contracts

Responsible Department: Finance and Accounting

Date Approved/Amended: June 23, 2015

Board Counsel Review of Contracts

HCC Board Counsel shall review all real estate contracts, and any other contracts as determined by the Board Chair in consultation with the Board, that have a cumulative expenditure of more than \$75,000.00 over the contract term before the final contract is executed.

ACTION ITEM

Meeting Date: June 23, 2015

Committee: *Facilities and Finance*

ITEM NO.	ITEM TITLE	PRESENTER
3	Authorize Transfer of Funds Between Bond CIP Projects	Dr. Cesar Maldonado Teri Zamora Charles Smith

RECOMMENDATION

Authorize the Chancellor to transfer funds between Bond CIP projects.

COMPELLING REASON/RATIONALE

Approval to transfer funds between projects is requested to allow the spirit and intent of the CIP concepts to be met within the limits of the total funds available.

DESCRIPTION OR BACKGROUND

The initial budgets proposed for the fourteen CIP projects financed by the 2013 General Obligation Bonds were estimated based upon concepts and costs in 2012. Since that time, project designs have been refined and construction costs have risen.

FISCAL IMPACT

No overall fiscal impact will occur from this transfer.

Project	Project Name	CIP Project Budget	CIP Current Estimate	Amount to be Reallocated
A	Alief - Hayes Renovation	13,700,000	13,600,000	(100,000)
B	West Houston Institute	49,300,000	45,750,000	(3,550,000)
C	West Loop Campus	28,000,000	23,650,000	(4,350,000)
D	Brays Oaks Campus	12,000,000	12,425,000	425,000
E	Stafford Campus	27,000,000	26,250,000	(750,000)
F	Missouri City*	21,500,000	21,500,000	0
G	Eastside Campus	26,500,000	31,350,000	4,850,000
H	Felix Fraga	16,000,000	15,900,000	(100,000)
I	Northline Campus	23,500,000	24,425,000	925,000
J	North Forest Campus	36,500,000	35,350,000	(1,150,000)
K	Acres Homes Campus	13,000,000	13,420,000	420,000
L	Central Campus	23,500,000	27,130,000	3,630,000
M	Central South Campus	24,500,000	24,250,000	(250,000)
N	Coleman*	110,000,000	110,000,000	0
		425,000,000	425,000,000	0

*Additional funding will come from other sources.

LEGAL REQUIREMENT

None.

STRATEGIC GOAL ALIGNMENT

Strategic Initiative: Support Innovation

Attachment Title(s): **CIP Budget Progression**

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100

Project	Project Name	"Original" CIP		Revision 1 ³	Revision 2 ⁴	Revision 2a ⁵	Revision 3 ⁶	Revision 4 ⁷
		Program Budget ¹	Project Budget ²					
A	Alief - Hayes Renovation	\$ 63,000,000	\$ 10,000,000	\$ 13,700,000	\$ 13,700,000	\$ 13,700,000	\$ 13,700,000	\$ 13,600,000
B	West Houston Institute		\$ 53,000,000	\$ 49,300,000	\$ 49,300,000	\$ 49,300,000	\$ 49,300,000	\$ 45,750,000
C	West Loop Campus	\$ 78,500,000	\$ 18,000,000	\$ 18,000,000	\$ 28,000,000	\$ 28,000,000	\$ 28,000,000	\$ 23,650,000
D	Brays Oaks Campus		\$ 12,000,000	\$ 12,000,000	\$ 12,000,000	\$ 12,000,000	\$ 12,000,000	\$ 12,425,000
E	Stafford Campus		\$ 27,000,000	\$ 27,000,000	\$ 27,000,000	\$ 27,000,000	\$ 27,000,000	\$ 26,250,000
F	Missouri City		\$ 21,500,000	\$ 21,500,000	\$ 21,500,000	\$ 21,500,000	\$ 21,500,000	\$ 21,500,000
G	Eastside Campus	\$ 42,500,000	\$ 26,500,000	\$ 26,500,000	\$ 26,500,000	\$ 26,500,000	\$ 26,500,000	\$ 31,350,000
H	Felix Fraga		\$ 16,000,000	\$ 16,000,000	\$ 16,000,000	\$ 16,000,000	\$ 16,000,000	\$ 15,900,000
I	Northline Campus	\$ 73,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 23,500,000	\$ 24,425,000
J	North Forest Campus		\$ 40,000,000	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000	\$ 36,500,000	\$ 35,350,000
K	Acres Homes Campus		\$ 13,000,000	\$ 13,000,000	\$ 13,000,000	\$ 13,000,000	\$ 13,000,000	\$ 13,420,000
L	Central Campus	\$ 48,000,000	\$ 23,500,000	\$ 23,500,000	\$ 23,500,000	\$ 23,500,000	\$ 23,500,000	\$ 27,130,000
M	Central South Campus		\$ 24,500,000	\$ 24,500,000	\$ 24,500,000	\$ 24,500,000	\$ 24,500,000	\$ 24,250,000
N	Coleman	\$ 120,000,000	\$ 120,000,000	\$ 120,000,000	\$ 110,000,000	\$ 110,000,000	\$ 110,000,000	\$ 110,000,000
Totals		\$ 425,000,000	\$ 425,000,000	\$ 425,000,000	\$ 425,000,000	\$ 425,000,000	\$ 425,000,000	\$ 425,000,000
1	As reported in minutes of the July 12, 2012 Special Meeting of the Board of Trustees at: http://sites.hccs.edu/boardservices/minutes/2012/2012July12_Special.pdf							
2	As reported in initial Jacobs Program Management Program report at: http://www.hccs.edu/district/departments/procurement/bond2013/bond-projects/report-archive/?appSession=675370872234677							
3	Special Meeting 9/11/14: BOND CONSTRUCTION MANAGER –AT-RISK SERVICES FOR PROJECT A & RELOCATED PROJECT B (PROJECT RFP 14-04) . Project B was relocated from Eldridge Road to Westchase in order to bring the budget in line and provide for operational savings. Project B was formally designated the "West Houston Institute". Transferred \$3.7M from B to A. (8-0)							
4	Regular Meeting 10/16/14: AUTHORIZE TRANSFER OF FUNDS FROM BOND PROJECT N (COLEMAN CAMPUS) TO BOND PROJECT CIP PROJECT C (SOUTHWEST-WEST LOOP CAMPUS) AND PROJECT D (SOUTHWEST-BRAYS OAKS CAMPUS) . Motion passed. Transferred \$10M from N to C. (7-0)							
5	Regular Meeting 10/16/14: AUTHORIZE TRANSFER OF FUNDS FROM FUND BALANCE TO REIMBURSE BOND PROJECT N (COLEMAN CAMPUS) FOR FUNDS TRANSFERRED TO BOND PROJECT CIP PROJECT C (SOUTHWEST-WEST LOOP CAMPUS) AND PROJECT D (SOUTHWEST-BRAYS OAKS CAMPUS) . Motion passed. (7-0) (Note: Fund Balance Funds are not part of the CIP and are therefore not reflected in the Project or Program totals.)							
6	Regular Meeting 11/18/14: AUTHORIZE TRANSFER OF FUNDS FROM BOND CIP PROJECT J (NORTHEAST-NORTH FOREST CAMPUS) TO BOND PROJECT I (NORTHEAST-NORTHLINE CAMPUS) . Motion passed. Transferred \$3.5 M from J to I. (6-2)							
7	Committee of the Whole 6/11/15: Awaiting Consent Agenda at Regular Meeting.							

ACTION ITEM

Meeting Date: June 23, 2015

Committee: *Facilities and Finance*

ITEM NO.	ITEM TITLE	PRESENTER
4	Approval of Midtown Management District Service and Improvement Plan for Fiscal Years 2015-2024	Dr. Cesar Maldonado Teri Zamora Charles Smith

RECOMMENDATION

Issue a Resolution in Support of the Midtown Management District Service and Improvement and Assessment Plan for Fiscal Years 2015-2024.

COMPELLING REASON/RATIONALE

The Midtown Management District (MMD) has just completed its state-required 10-year Service and Improvement Plan, a copy of which has been previously provided to the board for review. As the largest landowner in Houston's Midtown, Houston Community College holds a special place in the landscape of the Midtown Tax-Increment Reinvestment Zone (TIRZ), which also is a recognized Cultural Arts District.

DESCRIPTION OR BACKGROUND

The proposed Plan supersedes the prior Ten-Year Service and Improvement and Assessment Plan approved by the District's Board of Directors in August 2005. The goals to be achieved, services to be rendered and improvements to be made under the new plan are for the collective benefit of the owners of the approximately 725 acres of land that comprise the District.

The Service Plan, like the College's own Master Plan, is a concept document that provides an overview of services and improvements anticipated for the next ten years, but the District may implement the plan in accordance with the timetable, priorities, and budget set by the District each year. The District may alter or add to the identified programs it determines to be in the best interest of the assessment payers.

FISCAL IMPACT

Participation in the Midtown TIRZ has cost the College \$4.7 million since the inception of the agreement. The most recent fiscal impact in 2014 was \$858,949. The College receives some direct benefits and also some indirect benefits from participation.

LEGAL REQUIREMENT

The District operates under Chapter 375, Texas Local Government Code, and Chapter 3809, Texas Special Districts Local Laws Code (collectively the "Act").

STRATEGIC GOAL ALIGNMENT

Strategic Initiative: Leverage Partnerships

Attachment Title(s): **1. Resolution**
2. Infrastructure Overview
3. Midtown Management District Service and Improvement Plan and Assessment Plan for Fiscal Years 2015-2024

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100

Resolution

Midtown Management District

WHEREAS, the Midtown Management District has just completed its state-required 10-year Service and Improvement Plan; and

WHEREAS, the conceptual goals, services, and improvements laid out in such plan are for the collective benefit of the owners of the land within the Midtown Management District; and

WHEREAS, Houston Community College holds a special place in the Midtown landscapes as the largest landowner in Houston's Midtown Tax-Increment Reinvestment Zone (TIRZ); and

WHEREAS, the Houston Community College System anticipates that the Midtown Management District will alter the timetable, priorities, and budget outlined in the plan as required to best serve the collective interests of assessment payers due to changing conditions;

BE IT THEREFORE RESOLVED that the Board of Trustees of the Houston Community College System is in full support of the Midtown Management District Service and Improvement and Assessment Plan for Fiscal Years 2015-2024.

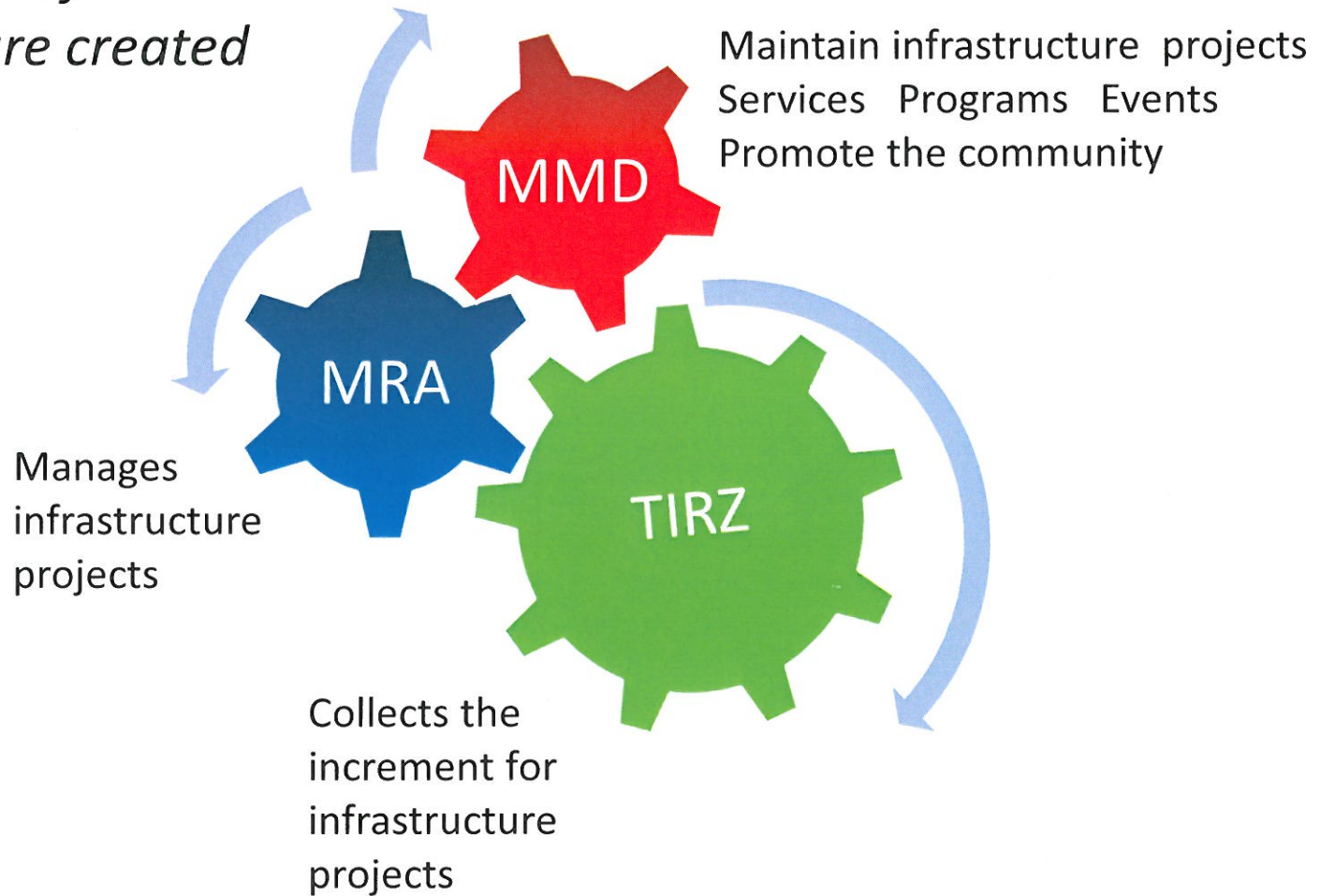
PASSED AND APPROVED THIS the 23rd day of June, 2015, by the Houston Community College Board of Trustees.

SEAL

Zeph Capo, Chair
HCC Board of Trustees

Dr. Adriana Tamez, Secretary
HCC Board of Trustees

*\$41,870,000 of
infrastructure created
since 2001*



midtown





midtown

**MIDTOWN MANAGEMENT DISTRICT
SERVICE AND IMPROVEMENT PLAN
AND ASSESSMENT PLAN FOR
FISCAL YEARS 2015-2024**

Prepared by the Midtown Management District
410 Pierce Street, Suite 355
Houston, Texas 77002
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www.houstonmidtown.com



midtown

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midtown

PREFACE

This document constitutes a Ten-Year Service and Improvement Plan and Assessment Plan (this “Service Plan”), for the Midtown Management District (the “District”) for Fiscal Years 2015-2024. This Service Plan sets forth the mission, goals, and objectives of the District and describes the services and improvements to be provided by the District. The Assessment Plan provides the proposed assessment for these services and improvements, the basis on which assessments will be charged and the estimated costs of services during the life of this Service Plan.

This Service Plan succeeds the prior Ten-Year Service and Improvement and Assessment Plan (the “2005-2014 Service Plan”) approved by the District’s Board of Directors (the “Board”) in August 2005. Under this Service Plan, the District will continue to provide services initiated and implemented under the 2005-2014 Service Plan and will expand and develop additional service areas and programs as described herein.

The goals to be achieved, services to be rendered and improvements to be made are for the collective benefit of the residential and commercial property owners of the approximately 725 acres of land that comprise the District.

This Service Plan is an overview of the services and improvements anticipated to be provided over the ten-year plan, but the District may implement the plan in accordance with the timetable and priorities set by the District each year. The costs identified in this plan are estimates that the District may increase or decrease and reallocate among plan objectives; and the District may alter or add to the programs identified in this plan to implement the overall objectives of the plan as the District determines to be in the best interest of the assessment payers.

INTRODUCTION

The District was created in 1999 by the 76th Texas Legislature with the consent of the City of Houston, Texas (“City”), and operates under Chapter 375, Texas Local Government Code, and Chapter 3809, Texas Special Districts Local Laws Code (collectively the “Act”).

The Board has adopted the following Mission Statement to guide its efforts as it continues to develop, implement, and refine specific projects as outlined in this Service Plan.

MIDTOWN MANAGEMENT DISTRICT MISSION STATEMENT

Midtown strives to provide an economically vibrant urban destination where arts and culture thrive alongside businesses and residents in a safe, active, diverse neighborhood.

BACKGROUND

Midtown is a mixed-use urban area of the City that is undergoing revitalization and redevelopment. The City and the Midtown Redevelopment Authority (the “Authority”), on behalf of Reinvestment Zone Number Two, City of Houston (the “Midtown TIRZ”), began revitalization efforts for the area. The Authority has made progress on a number of fronts including, but not limited to, providing funding, seeking alternative sources of funding and providing professional management of capital improvement projects in Midtown. The Authority has made significant public right-of-way improvements in Midtown including the following:

- Installation of the signature Midtown Street Lights throughout the area
- Development of and significant upgrades to City and Authority owned parks and green spaces
- Installation of the signature Midtown Park Benches throughout the area
- Installation of the signature Midtown Street signs
- Reconstruction of certain major streets in Midtown
- Installation of other “sustainable” infrastructure improvements
- Installation of landscaping, ground covering, up lighting of aesthetic improvements in Midtown

The District is governed by a 17-member volunteer Board that represents a variety of residential and commercial property owners and businesses within the District. The District first began providing services under its original Service and Improvement Plan in February 2001. Since that time, the Board and staff have worked cooperatively with the Midtown community to support the efforts of the Authority by creating programs and projects that (1) further the development of Midtown as a destination; (2) positively impact the quality of life of Midtown residents; and (3) create an environment for economic growth and development in Midtown. Some of the District’s projects include:

- Providing additional law enforcement presence through the use of Harris County Contract Deputy Constables and off-duty Houston Police Officers to provide increased patrolling services, including periodic bicycle patrols

- Providing graffiti abatement services in the public rights of way
- Purchasing new playground equipment for use in Elizabeth Baldwin Park
- Increasing walkability by clearly marking pedestrian zones
- Providing post-Hurricane Ike emergency disaster cleanup
- Providing care and maintenance of existing trees and planting of new trees
- Working with the Authority to incorporate art into the design of pedestrian enhancements
- Securing a State of Texas Cultural Arts and Entertainment District designation for Midtown
- Developing and hosting community based arts events such as festivals and park programming
- Developing various media assets to inform the Midtown community and promote Midtown businesses
- Maintaining certain infrastructure enhancements in parks and other public spaces
- Informing the general public of the positive aspects of living and doing business in Midtown

MOVING INTO A NEW DECADE OF OPPORTUNITY

Now, with a firm foundation, and several years of visible accomplishments, the District desires to continue to serve the needs of the Midtown community by working to position Midtown as a neighborhood with an exceptional quality of life, great park spaces that incorporate art and play, quality educational institutions, and superior work and investment opportunities. This Service Plan outlines the nature of the services and improvements to be provided and implemented by the District. The types of projects undertaken will provide residential and commercial property owners with widespread benefits that are beyond the ability of individual property owners.

As part of the services to be provided, the District will also continue to maintain the public assets put in place by the Authority. When appropriate, the District will work to coordinate its efforts with those of the Authority to maximize the services provided to property owners, residents, and businesses in Midtown.

All services and programs are and will continue to be approved by the District's Board and managed on a day-to-day basis by its Executive Director, Operations Manager, and other staff members.

The District will continue to levy an assessment on the residential and commercial property owners within its boundaries to provide such residential and commercial property owners with professional management of services, programs and improvements in the following service categories: (i) Public Safety; (ii) Urban Planning; (iii) Services and Maintenance; (iv) Cultural Arts and Entertainment; (v) Marketing and Economic Development; (vi) Capital Reserve for Infrastructure Replacement; and (vii) District Administration.

TEN YEAR SERVICE AND IMPROVEMENT PLAN

This Service Plan was developed by the Board with input from residential and commercial property owners, businesses, and tenants who make up the Midtown community. The Board values community participation and input and will continue to seek such input as it works to implement the projects and programming described herein. The following categories comprise the District's Service Plan:

1. Public Safety
2. Urban Planning
3. Services and Maintenance
4. Cultural Arts and Entertainment
5. Marketing and Economic Development
6. Capital Reserve for Infrastructure Replacement
7. District Administration

Each section provides detailed descriptions of the goals, together with objectives and programs consistent with such goals, and estimated costs.

The costs identified in this Service Plan are estimates that the Board may increase or decrease and reallocate among these Service Plan objectives; and the Board may alter or add to the programs identified in this Service Plan to implement the overall objectives of the Service Plan as the Board determines to be in the best interest of the assessment payers.

PUBLIC SAFETY

Goal:

To maintain and improve community safety for our residents, businesses and visitors

Objectives:

- Maintain a proactive role in supporting and coordinating the safety efforts of the many public law enforcement entities with jurisdiction inside the District's boundaries
- Provide funding to help support a comprehensive public safety program that includes multifaceted approaches to law enforcement
- Increase the visibility of crime deterrence measures in the District
- Encourage people to participate in their own public safety
- Disseminate information to promote and improve public awareness and education about public safety

Programs:

- Develop programs that increase proactive law enforcement within the District
- Provide educational safety programs and events within the District for residents and businesses
- Monitor criminal activity within the District and provide periodic briefings for property owners, residents, businesses, and other interested persons
- Conduct periodic Street Light Outage Surveys and notify responsible parties of such outages
- Where appropriate and where utilities exist, install additional lighting in the public right-of-way

Estimated Costs:

Year 1: \$704,000	Year 5: \$685,000	Year 9: \$750,000
Year 2: \$670,000	Year 6: \$705,000	Year 10: \$767,000
Year 3: \$656,000	Year 7: \$719,000	
Year 4: \$671,000	Year 8: \$735,000	
TEN YEAR TOTAL: <u>\$7,062,000</u>		

URBAN PLANNING

Goal:

To enhance the urban, mixed-use, vibrant character of Midtown's built environment

Objectives:

- Implement programs to improve the quality of life in the District
- Develop relationships with stakeholders to further understand their needs and desires in order to enhance the livability of Midtown
- Encourage pedestrian access to the District's homes, businesses, and public spaces
- Collaborate with businesses, developers, residents, and other entities to encourage enhancements that are consistent with the unique urban character of Midtown
- Advocate for an urban, pedestrian and bike-friendly environment
- Collaborate with the Authority to create, restore, preserve and enhance the usability, scenic and aesthetic elements of the Midtown community

Programs:

- Collaborate with other Midtown organizations to integrate art into multiple aspects of pedestrian and residential enhancements in the neighborhood
- Work with the City, other governmental entities, and other organizations to create and maintain pedestrian access throughout the neighborhood
- Create urban and other tiny-to-small pedestrian-focused public spaces
- Establish the advisory review of proposed developments in the District to encourage the types of projects that engage the sidewalk and enhance the pedestrian nature of Midtown
- Create an Art-Focused Bike Rack Program
- Implement interactive communication technology WiFi, engagement stations, educational kiosks, etc. in Midtown owned park spaces
- Implement a District-Wide Master Plan for the Arts
- Advocate for and seek installation of interactive crosswalks
- Create and encourage pedestrian and bicycle focused temporary art projects throughout the District

- Support the acquisition and development of park land in cooperation with the Authority, the City, Harris County and other entities
- Develop and implement a plan for installation of recycling containers in the District
- Delineate District gateways with urban enhancements that brand Midtown in compliance with its mission

Estimated Costs:

Year 1: \$132,000	Year 5: \$202,000	Year 9: \$231,000
Year 2: \$175,000	Year 6: \$212,000	Year 10: \$271,000
Year 3: \$187,000	Year 7: \$210,000	
Year 4: \$181,000	Year 8: \$216,000	
TEN YEAR TOTAL: <u>\$2,017,000</u>		

SERVICES AND MAINTENANCE

Goal:

To enhance the District's pedestrian nature, viability, and image by providing well-maintained public spaces and public right-of-ways

Objectives:

- Maximize the level of services provided to the District by governmental entities
- Maintain public improvements constructed and/or installed by the Authority such as pedestrian amenities, street lights, street signs, public parks and greenspaces
- Supplement City maintenance services and work to educate Midtown property owners regarding their obligations relating to maintenance of the adjacent public right-of-way

Programs:

- Negotiate, coordinate and manage contracts to provide certain maintenance services in the District
- Provide care and maintenance services such as tree maintenance, street sweeping, landscaping, and irrigation in the public right-of-way
- Maintain public parks and greenspaces in the District
- Identify and report City maintenance issues in the public right-of-way
- Develop a plan for installation of pet waste stations
- Provide graffiti abatement services in the public right-of-ways
- Identify property owners whose property is in need of repair and/or maintenance and notify such property owners (and the City) of their obligations to maintain their property
- Plant new trees in public spaces
- Provide for seasonal planting in greenspaces
- Provide certain debris removal and emergency cleanup services in significant Midtown locations in the event of a natural disaster such as a hurricane

Estimated Costs:

Year 1: \$585,000	Year 5: \$1,038,000	Year 9: \$1,285,000
Year 2: \$700,000	Year 6: \$1,076,000	Year 10: \$1,336,000
Year 3: \$820,000	Year 7: \$1,178,000	
Year 4: \$923,000	Year 8: \$1,232,000	
TEN YEAR TOTAL: <u>\$10,173,000</u>		

CULTURAL ARTS AND ENTERTAINMENT

Goal:

To develop, encourage, coordinate, produce and promote cultural arts and entertainment in Midtown

Objectives:

- Work with other organizations to create, fund and implement a District-Wide Public Arts Master Plan that facilitates a creative thriving environment for the Midtown community
- Collaborate with other District committees to incorporate art into new Midtown projects
- Promote Midtown as a welcoming arts-centric community
- Engage the arts and business communities in collaborative efforts that include events, educational workshops, public art projects and programming creating arts based economic growth and community building in Midtown
- Advocate to and for Midtown based arts groups and encourage the development of new arts and arts-related organizations which will contribute to Midtown's economic growth and development
- Leverage the cultural arts designation and visitor impact/attendance to increase awareness of Midtown as a culturally significant destination
- Work with District committees and other organizations to ensure that Midtown has an active role in the development and implementation of major City-wide events
- Maintain Midtown's designation by the Texas Commission on the Arts as a Cultural Arts & Entertainment District

Programs:

- Establish a formal review process for the District to recruit, accept, review, and implement temporary and permanent public art and civic art programs
- Analyze current cultural and entertainment activities and plan for future programming
- Activate the Midtown parks with cultural and entertainment programs reflective of our diverse community
- Convene various District arts organizations, residents, real estate affiliates and other sectors annually creating a focus group that will provide feedback for the cultural arts and entertainment programs

- Work collaboratively with the District’s Urban Planning Committee to respond to our residential and business owners’ requests for quality of life enhancements, safety, walkability, navigation, and opportunities for artists
- Delineate District gateways with public art that brand Midtown in compliance with the District’s mission.

Estimated Costs:

Year 1: \$110,000	Year 5: \$264,000	Year 9: \$399,000
Year 2: \$207,000	Year 6: \$328,000	Year 10: \$405,000
Year 3: \$249,000	Year 7: \$340,000	
Year 4: \$271,000	Year 8: \$370,000	
TEN YEAR TOTAL: <u>\$2,943,000</u>		

MARKETING AND ECONOMIC DEVELOPMENT

Goals:

To provide residents and business owners the opportunity to foster community spirit with events and marketing strategies which bring the public and private sectors together in a partnership that communicates the positive aspects of living and working in Midtown.

When appropriate, serve as an advisory and action committee on matters pertaining to cultural and special events, activities, and programs that are City-wide in nature when participation fits with the unique culture of Midtown

To implement programs to (i) enhance the development and diversity of the economy within the District, (ii) eliminate unemployment or underemployment in the District, and (iii) enhance commerce, tourism, and transportation in the District and surrounding areas

Objectives:

- Foster a positive image of Midtown as a premier place to live, work, learn, play, shop, dine, relax and transact business
- Attract events to promote Midtown that create a friendly, exciting urban atmosphere filled with a sense of community spirit that attracts people from outside the District to come to Midtown to live, work and have fun
- Focus on working behind the scenes to attract, retain and facilitate events and activities that will benefit Midtown businesses and residents, Specifically, this includes participating in proposal writing, developing a database of Midtown resources, and ensuring that Midtown is well represented, as appropriate, in planning such events
- Further develop a sense of community unique to Midtown
- Encourage use of the Midtown name in event or merchant/business communications or marketing of events taking place in Midtown
- Encourage greater market penetration by area businesses
- Attract more mixed-use development and other development compatible with Midtown land use
- Attract more retail services that support the needs of Midtown residents
- Foster awareness of Midtown as an award-winning community
- Promote Midtown as a pedestrian, bike-friendly community that is easily accessible via public transportation

- Encourage collaboration among Midtown businesses, residents, non-profit organizations, and other entities to support the Midtown brand
- Investigate the feasibility of paid and earned media opportunities
- Investigate the feasibility of an online Midtown store or a vending machine kiosk located in the Midtown Park selling Midtown products

Programs:

- Facilitate open dialog that includes but is not limited to business leaders, public sector representatives, residents and media through focus groups and District sponsored networking events
- Promote Midtown businesses in the community
- Create and distribute Midtown restaurant guides
- Develop profiles of Midtown to distribute to potential new businesses and residential developers interested in relocation to Midtown
- Foster connections with developers so that future developments support our walk, bike, and transit friendly community
- Establish a media relations program and policy to convey an accurate and consistent message about Midtown, with documented brand and logo usage guidelines
- Maintain and continue to expand a digital/online presence for Midtown as new technologies become available
- Consider international collaborations, to foster an even broader awareness of Midtown's cultural assets
- Foster intra-regional collaborations utilizing available technologies, such as video cameras, to build awareness
- Maintain ongoing communications with residents and business owners of Midtown through print, email, or other media
- Collaborate with other District committees to promote their initiatives through proactive marketing support
- Collaborate with other management districts within the City
- Document Midtown Brand guidelines
- Incentivise and encourage commercial, residential, and retail development that is compatible with Midtown's land use guidelines

- Work cooperatively with various other organizations to facilitate economic growth through participation in significant events in the Houston area, including, but not limited to the following:
 - Super Bowl and other Super Bowl-Related Events
 - Convention & Visitors Bureau Events
 - NCAA Sporting/Educational Events
 - Major City Cultural Arts and Entertainment Events such as Rodeo Houston, Grand Prix Houston, Art Car Parade, etc.
 - Houston Film Commission Alliance

Estimated Costs:

Year 1: \$163,000	Year 5: \$186,000	Year 9: \$233,000
Year 2: \$176,000	Year 6: \$187,000	Year 10: \$236,000
Year 3: \$180,000	Year 7: \$184,000	
Year 4: \$190,000	Year 8: \$209,000	
TEN YEAR TOTAL: <u>\$1,944,000</u>		

CAPITAL RESERVE FOR INFRASTRUCTURE REPLACEMENT

Goal:

To appropriately plan for the replacement of various infrastructure enhancements, parks and open space improvements, and other assets that are maintained by the District and which promote the health, safety, welfare, and enjoyment of the District's property owners, residents and businesses. Some of these items may require replacement as their useful life expires or in the event of damage or destruction resulting from unforeseen extraordinary circumstances

Objectives:

- To provide funds for capital reserves to replace infrastructure enhancements (such as streetscape enhancements), parks and open space improvements, facilities and equipment
- To provide funds for emergency maintenance and clean-up and in the event of catastrophic or extraordinary occurrences
- To provide funds for future maintenance of infrastructure enhancements by allowing, at the discretion of the Board, any funds remaining in the Capital Reserve account at the end of this Service Plan to be carried forward as capital reserves in any future service and improvement plan for the District

Programs:

- Establish a capital reserve for replacement of certain ground covering, streetscape infrastructure, parks and green space improvements
- Establish a capital reserve for emergency maintenance and clean-up and in the event of catastrophic or extraordinary occurrences

Estimated Costs:

Year 1: \$94,000	Year 5: \$10,000	Year 9: \$10,000
Year 2: \$17,000	Year 6: \$10,000	Year 10: \$10,000
Year 3: \$10,000	Year 7: \$10,000	
Year 4: \$10,000	Year 8: \$10,000	
TEN YEAR TOTAL: <u>\$191,000</u>		

DISTRICT ADMINISTRATION

Goal:

To effectively and efficiently administer the activities of the District and implement the Service Plan under the direction of the Board

Objectives:

- Manage District personnel, consultants, and finances to implement District programs in an effective and cost-efficient manner
- Maximize services provided to the District by governmental entities
- Coordinate District efforts with the efforts of appropriate public and private interests
- Develop and seek additional funding mechanisms through the use of grants, sponsorships, and other alternative sources of funding
- Coordinate District efforts with those of the Authority to maximize the services provided to property owners, residents, and businesses
- Actively seek participation in District activities from all community stakeholders, including but not limited to commercial and residential property owners, residents, and businesses
- Leverage District funds by seeking additional funding, goods, and services from other sources to support District programs

Programs:

- Implement the District's Service Plan and develop an annual budget for the District
- Work with consultants to maintain and update the District's assessment roll and property owner database to facilitate accurate and timely billing and collection of assessments
- Make periodic visits and reports to elected and appointed officials of the City, County, State and other governmental entities on behalf of the District
- Coordinate with governmental agencies operating ongoing programs in Midtown, such as the City, Metro, Texas Department of Transportation, Harris County and other public entities

Estimated Costs:

Year 1:	\$449,000	Year 5	\$552,000	Year 9	\$678,000
Year 2:	\$475,000	Year 6	\$580,000	Year 10	\$740,000
Year 3:	\$499,000	Year 7	\$612,000		
Year 4:	\$524,000	Year 8	\$644,000		
TEN YEAR TOTAL: <u>\$5,753,000</u>					

DISTRICT OPERATIONS

To facilitate District operations, the Board has established the following additional standing committees:

- A. Executive Committee
- B. Finance & Budget Committee
- C. Nominating Committee

The Board may establish other committees as it deems necessary and appropriate to implement this Service Plan and support the operations of the District.

The Board and District Staff will strive to continue to seek out and apply for grants from various funding sources to assist in its efforts to redevelop and revitalize Midtown.

PROPOSED ASSESSMENT, REVENUES AND EXPENDITURES

The District will provide funding to seven major project areas as outlined above. These revenue projections and cost estimates are based on current needs and priorities. From year to year, priorities may change and this Service Plan provides that the District’s Board of Directors will retain the flexibility to adjust the application of resources to meet the changing needs of the area.

Each year the District’s Board of Directors will re-evaluate the allocation of resources set forth in this Service Plan, determine the projects to be undertaken that year, and approve a budget for that year.

The following table shows the estimated Assessed Value of all properties in the District that are subject to assessment and the estimated annual revenues.

Year	Estimated Assessed Value ¹	Estimated Annual Revenues ²
1	\$ 1,706,201,000	\$ 2,237,000
2	\$ 1,842,697,000	\$ 2,420,000
3	\$ 1,980,899,000	\$ 2,601,000
4	\$ 2,109,657,000	\$ 2,770,000
5	\$ 2,236,237,000	\$ 2,937,000
6	\$ 2,359,230,000	\$ 3,098,000
7	\$ 2,477,191,000	\$ 3,253,000
8	\$ 2,601,051,000	\$ 3,416,000
9	\$ 2,731,104,000	\$ 3,586,000
10	\$ 2,867,659,000	\$ 3,765,000

¹ 2015 Assessed Value is based on certified HCAD values; for subsequent years, assessed value growth is assumed as follows: 2016 (9%), 2017 (8%), 2018 (7.5%), 2019 (6.5%), (2020) (6%), 2021 (5.5%), 2022-2024 (5%).

² For purposes of this table, the Assessment Rate is held constant at \$.13125.

The following table shows the projected annual expenditures for the services and improvements authorized under this Service Plan.

SERVICE AND IMPROVEMENT	YEAR 1 2015	YEAR 2 2016	YEAR 3 2017	YEAR 4 2018	YEAR 5 2019	YEAR 6 2020	YEAR 7 2021	YEAR 8 2022	YEAR 9 2023	YEAR 10 2024	10-YEAR TOTAL
Public Safety	\$ 704,000	\$ 670,000	\$ 656,000	\$ 671,000	\$ 685,000	\$ 705,000	\$ 719,000	\$ 735,000	\$ 750,000	\$ 767,000	\$ 7,062,000
Marketing and Economic Development	\$ 163,000	\$ 176,000	\$ 180,000	\$ 190,000	\$ 186,000	\$ 187,000	\$ 184,000	\$ 209,000	\$ 233,000	\$ 236,000	\$ 1,944,000
Cultural Arts and Entertainment	\$ 110,000	\$ 207,000	\$ 249,000	\$ 271,000	\$ 264,000	\$ 328,000	\$ 340,000	\$ 370,000	\$ 399,000	\$ 405,000	\$ 2,943,000
Urban Planning	\$ 132,000	\$ 175,000	\$ 187,000	\$ 181,000	\$ 202,000	\$ 212,000	\$ 210,000	\$ 216,000	\$ 231,000	\$ 271,000	\$ 2,017,000
Services and Maintenance	\$ 585,000	\$ 700,000	\$ 820,000	\$ 923,000	\$ 1,038,000	\$ 1,076,000	\$ 1,178,000	\$ 1,232,000	\$ 1,285,000	\$ 1,336,000	\$ 10,173,000
Administration	\$ 449,000	\$ 475,000	\$ 499,000	\$ 524,000	\$ 552,000	\$ 580,000	\$ 612,000	\$ 644,000	\$ 678,000	\$ 740,000	\$ 5,753,000
Capital Reserves	\$ 94,000	\$ 17,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 191,000
Estimated Yearly Total	\$ 2,237,000	\$ 2,420,000	\$ 2,601,000	\$ 2,770,000	\$ 2,937,000	\$ 3,098,000	\$ 3,253,000	\$ 3,416,000	\$ 3,586,000	\$ 3,765,000	\$ 30,083,000

Assessment

Upon adoption of this Service Plan, the total assessment for this Service Plan will be levied in Year 1, and then billed in ten annual installments. Annual installments of the Assessment will become due and payable in the same manner as ad valorem taxes in accordance with Chapter 31, Texas Tax Code, as amended. Delinquent payments will be subject to additional charges in accordance with the Texas Tax Code.

The District proposes to have the Board annually evaluate the need for and advisability of the services and improvement projects authorized under this Service Plan to determine the specific services and projects within the Service Plan that will be undertaken the following year. The Board will then approve a budget for the following year consistent with the yearly plan and set the assessment rate for such year, taking into consideration the value of the property subject to assessment and the revenue that the assessment rate will produce. If assessment revenues or other sources of funds are not sufficient to cover the estimated annual costs of this Service Plan, the District will adjust the annual budget to reflect this circumstance. Similarly, if revenues exceed projections, the Board may allocate those additional revenues to the various program categories.

As this Service Plan is ten years in length, it is probable that the service needs in each of the major categories will change, particularly as District objectives are met. Therefore, this Service Plan allows the Board the flexibility to apply the assessment revenue to the major categories of services in varying percentages.

Rate of Assessment

The rate of assessment for this Service Plan will be levied in October 2015 and used to fund projects for 2016. The assessment will be based on 2015 certified taxable values provided by the Harris County Appraisal District ("HCAD"). In subsequent years, the District will assess property on the basis of the then current year's certified assessed value as determined by HCAD. Therefore, an individual property owner's assessment may vary each year. Under this Service Plan, the Board may vary the rate of assessment each year. The Board reserves the right to increase or decrease the rate of assessment to pay the costs of improvement projects; provided that the rate of assessment may not exceed \$0.15 per \$100 of valuation. The Board reserves the right, and intends at this time, to set the assessment rate at a rate lower than the maximum rate that could be set during the ten years of this Service Plan.

The District's approach will be to provide services and improvements on a pay-as-you-go basis with assessments made to fund projects in the following year. If the Board determines that projects are needed which cannot be financed on this basis, a public hearing will be called to determine whether the property owners subject to assessment support the sale of bonds or other debt financing.

Annexation of Property into District

Any land annexed into the District (which may only be done in accordance with Chapter 375, Texas Local Government Code, as amended) will be added to the District's assessment roll at the value shown on the rolls of HCAD during the year in which the land is annexed into the District and added to the District's assessment roll.

Exemptions

Pursuant to the Act, the following types of property are exempt from assessment unless the owner consents:

1. Property of municipalities, counties, other political subdivisions;
2. Property owned by organizations of purely public charity and organizations exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code;
3. Property owned by a church or by a strictly religious society which yields no revenue whatever to such church or religious society and which is used as an actual place of religious worship or as a dwelling place for the ministry of such church or religious society;
4. Property owned by an association engaged in promoting the religious, educational, and physical development of children or young men or young women operating under a state or national organization of like character and used exclusively and necessarily for any such purpose;
5. Recreational or scenic use property that meets the requirements of Chapter 375.163, Texas Local Government Code, as amended.
6. Property owned by a utility; and
7. All other property exempt from assessment by the Act, as the Act may be amended from time to time.

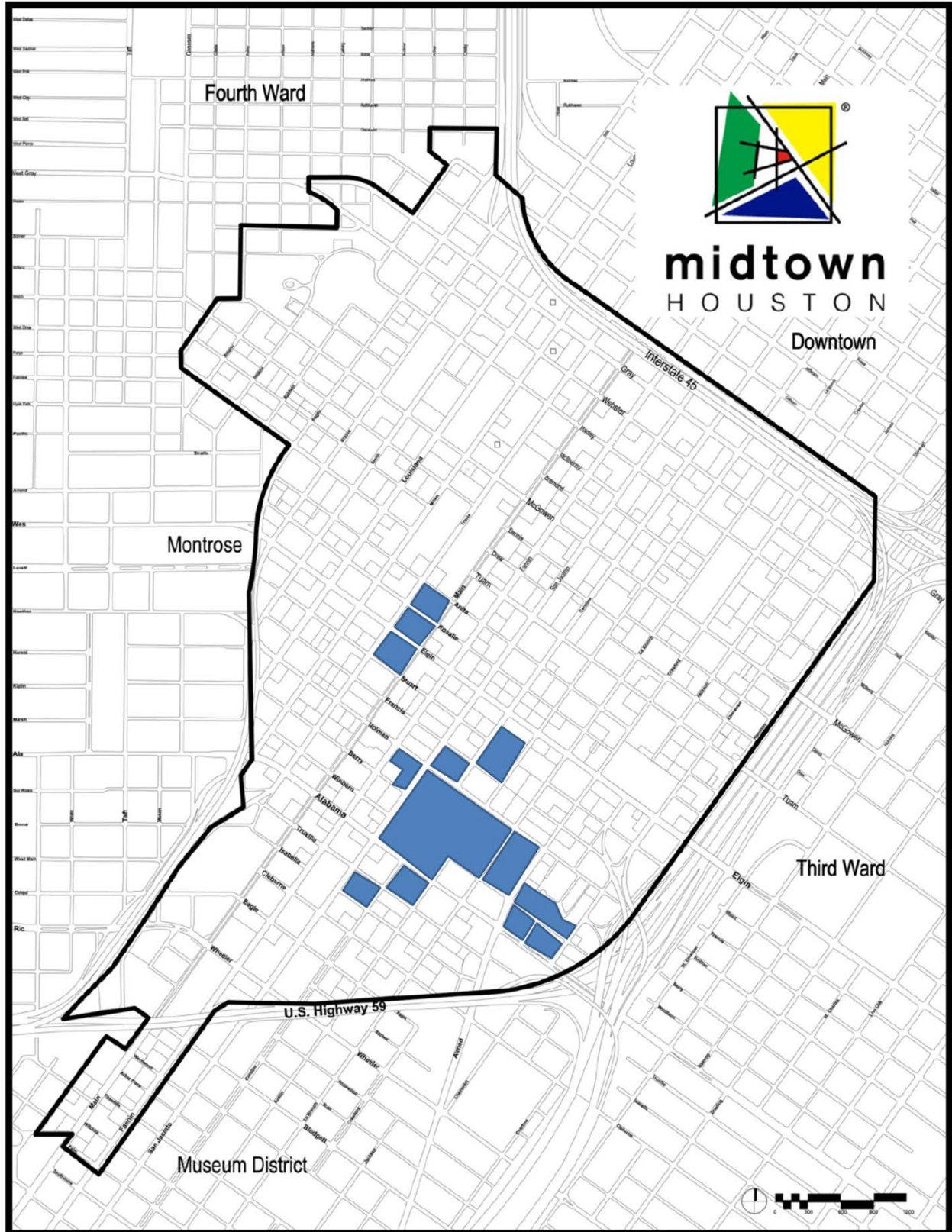
The Board has granted homestead, age 65 or older and disabled exemptions for properties subject to assessment in the past and expects to continue to grant such exemptions during the term of this Service Plan.

CONCLUSION

The successful delivery of the proposed services is anticipated to add value to all properties within the District. Residential and commercial property owners, business owners, and tenants will be able to collectively leverage greater resources, resulting in increased levels of service and an enhanced public awareness and image for the District. An improved Midtown benefits property owners, business owners and tenants directly and also the Houston metropolitan region at large.

Before the District can implement this Service Plan, it must receive petitions signed by either: twenty-five (25) persons who own land in the District or the owners of a majority of the assessed value of real property in the District. A public hearing will be held following receipt of such petitions, after which the District's Board of Directors will consider approval of this Service Plan and the levy of an assessment.

Exhibit A
District Boundary Map
(See Attached)



Approximate Boundaries of Midtown TIRZ and HCC Midtown Properties
 (Source: Midtown TIRZ, Modified by HCC Staff, June 2015)

ACTION ITEM

Meeting Date: June 23, 2015

Committee: *Facilities and Finance*

ITEM NO.	ITEM TITLE	PRESENTER
5	Amendment to Urban Redevelopment Interlocal Agreement	Dr. Cesar Maldonado E. Ashley Smith

RECOMMENDATION

Adopt attached amendment to reinstate the Urban Redevelopment Interlocal Agreement.

COMPELLING REASON/RATIONALE

The amendment will reinstate the term of the Interlocal Agreement through March 12, 2017 and acknowledge that agreement only applies to delinquent tax properties.

DESCRIPTION OR BACKGROUND

LARA, created by Interlocal Agreement in 2004, has become an indispensable tool of an initiative titled "Houston Hope." The Interlocal agreement promotes the development of tax delinquent properties. This effort concentrates City of Houston finances to revitalize neglected neighborhoods.

FISCAL IMPACT

Redevelopment of properties, which are currently tagged for foreclosures because of delinquent taxes, as affordable housing under the Interlocal Agreement would result in increased revenues for HCC from real property taxes.

Based on the current inventory of homes, HCC could receive an additional \$85,590 annually by having these properties go back on the tax rolls. The properties included in the current inventory have been classified as, distressed with all improvements, vacant, abandoned, or unoccupied and have an ad valorem tax delinquency of six (6) years or more.

LEGAL REQUIREMENT

This Agreement is in compliance with Texas Tax Code Section 34.051 which authorizes the Parties to enter into an interlocal agreement governing the resale of certain tax foreclosed properties at less than market value.

STRATEGIC GOAL ALIGNMENT

Goal: Resource Development and Enhancement

Attachment Title(s): **1. Third Amendment to Urban Redevelopment Interlocal Agreement**
2. Original Urban Redevelopment Interlocal Agreement

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100

REINSTATEMENT OF AND THIRD AMENDMENT TO URBAN REDEVELOPMENT INTERLOCAL AGREEMENT

This Reinstatement of and Third Amendment to Urban Redevelopment Interlocal Agreement ("Reinstatement and Third Amendment") is entered into among the **City of Houston** ("City"), a municipal corporation and home-rule city of the State of Texas, principally situated in Harris County, Texas, acting by and through its governing body, the City Council of the City of Houston, **Harris County**, a political subdivision of the State of Texas, the **Harris County Flood Control District**, a political subdivision of the State of Texas, acting by and through their governing body, the Commissioners Court, the **Houston Community College System**, a community college district created under the Texas Education Code, the **Houston Independent School District**, an independent school district and political subdivision organized under the laws of the State of Texas, the **Port of Houston Authority of Harris County, Texas**, a political subdivision of the State of Texas, the **Harris County Department of Education**, a body corporate and a political subdivision of the State of Texas, and the **Harris County Hospital District**, a body corporate and a political subdivision of the State of Texas (hereinafter collectively referred to as the "Taxing Units") and the **Land Assemblage Redevelopment Authority** ("Authority"), a Texas non-profit corporation created pursuant to Tex. Transp. Code Ann. § 431.101 (Vernon 2000) (the City, the Taxing Units, and the Authority are hereinafter collectively referred to as the "Parties").

WHEREAS, pursuant to Ordinance No. 2003-1018, passed and adopted by City Council on November 5, 2003, the City, among other things, was authorized to enter into that certain Urban Redevelopment Interlocal Agreement with the Taxing Units and Authority ("Original Agreement") to promote the development of certain tax delinquent properties; and

WHEREAS, by Ordinance No. 2005-702, passed and adopted on June 8, 2005, the City was authorized to enter into a First Amendment to Urban Redevelopment Interlocal Agreement ("First Amendment") to add delinquent properties for potential redevelopment and an Ancillary Land Exchange Agreement between the City and the Houston Independent School District in connection therewith; and

WHEREAS, pursuant to Ordinance No. 2009-224, passed and adopted on March 25, 2009, the City was authorized to enter into a Second Amendment to Urban Redevelopment Interlocal Agreement ("Second Amendment") to extend the term of the Original Agreement, as amended, until March 12, 2014 and clarify certain provisions of the Original Agreement, as amended, regarding affected properties; and

WHEREAS, the term of the Original Agreement, as amended by the First Amendment and Second Amendment (the Original Agreement, as previously amended, being hereinafter referred to as the "LARA Agreement"), expired on March 12, 2014; and

WHEREAS, the Parties now desire to (i) reinstate the LARA Agreement in its entirety, as set forth in the documents approved under Ordinance Nos. 2003-1018, 2005-702 and 2009-224, and (ii) further amend the LARA Agreement in order to, among other things, delete certain properties therefrom and extend its term to March 12, 2017; and

WHEREAS, the City is acting pursuant to the authority of Chapter 373 and/or 374 of the Local Government Code;

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, agreements and benefits herein contained, the Parties enter into this Reinstatement and Third Amendment as follows:

I.

The Parties hereby agree that the LARA Agreement is hereby reinstated effective as of March 12, 2014, with the same force and effect as if the term of the LARA Agreement had not expired.

II.

It is hereby agreed that this Reinstatement and Third Amendment shall serve as the express written agreement of the Parties that the term of the LARA Agreement is extended until March 12, 2017 and the amendments set forth herein are incorporated into the LARA Agreement.

III.

For purposes of this Reinstatement and Third Amendment, the properties described in Exhibits B and C to the Agreement (as supplemented by the addition of 1,478 properties described in Exhibit "A" to the First Amendment) are herein collectively referred to as the "Property".

The Property is hereby amended by deleting therefrom the properties described on Schedule 1 attached to this Reinstatement and Third Amendment, which consists of lots which, as of the Effective Date, are no longer subject to the LARA Agreement (the "Schedule 1 Lots").

The Property is further amended by deleting therefrom the properties described on Schedule 2 attached hereto, as to which foreclosure sales have already taken place pursuant to the LARA Agreement and which properties have been heretofore conveyed by the City to LARA in accordance with the LARA Agreement (the "Schedule 2 Lots"). The conveyance to LARA by the City of each of the Schedule 2 Lots shall be rescinded by the City and LARA such that title to the Schedule 2 Lots shall revert to the City, to be held in trust by the City for the Parties pursuant to the Interlocal Agreement for the Sale of Seized and Tax Foreclosed Property. Following such rescission, the Schedule 2 Lots shall be maintained by LARA at LARA's cost and expense in accordance with its customary practices, policies and procedures as applied to the remaining Property.

Accordingly, from and after March 12, 2014 the Property shall consist only of those properties described in Schedule 3 attached to this Reinstatement and Third Amendment.

IV.

Article II of the LARA Agreement is hereby amended by deleting the second sentence thereof and substituting in lieu and in place thereof the following:

"If at the end of the term or any renewal periods any of the Parties elect not to renew or otherwise continue this Agreement, then the Authority agrees to convey to the City for the benefit of the Parties, at the Authority's expense, no later than sixty (60) days after the date of termination of this Agreement, any lot or parcel that the Authority has not at that time resold for use in accordance with the urban redevelopment plan."

The remainder of Article II of the LARA Agreement remains as written.

V.

Article III. Section 5 of the LARA Agreement is hereby amended by deleting same in its entirety and substituting in lieu and in place thereof the following:

"5. The Parties further agree that the properties listed on Schedule 3 of the Reinstatement and Third Amendment are properties currently titled to LARA by strike off and which remain subject to the LARA Agreement, as amended herein. The Parties hereby consent and authorize the City, pursuant to the Statute to convey all of each Party's right, title, and interest acquired by the Parties in any foreclosed property subject to the terms of the LARA Agreement, as amended by this Reinstatement and Third Amendment, for an amount of consideration which is less than the market value specified in the judgment of foreclosure of such property or which is less than the total amount of judgments against the property pursuant to this Agreement."

VI.

Article III, Section 6 of the LARA Agreement is hereby amended by deleting same and substituting in lieu and in place thereof the following:

"6. The LARA Agreement, as amended by this Reinstatement and Third Amendment, shall only include those properties identified by the Harris County Appraisal District account numbers and further identified on Schedule 3 to this Reinstatement and Third Amendment. Other properties shall not be added without the express written consent of the governing bodies of all Parties."

VII.

Except as specifically provided above, no modifications or amendments to the rights and duties of the Parties under the LARA Agreement, as amended by this Reinstatement and Third Amendment, are made or intended hereby, and the LARA

Agreement, as amended by this Reinstatement and Third Amendment, remains in full force and effect. This Reinstatement and Third Amendment is binding only after execution by all Parties hereto.

IN WITNESS WHEREOF, the Parties have executed this Reinstatement and Third Amendment to be effective as of March 12, 2014 (the "Effective Date").

ATTEST/SEAL

CITY OF HOUSTON, TEXAS

Annise D. Parker, Mayor

Anna Russell, City Secretary

COUNTERSIGNED:

DATE OF COUNTERSIGNATURE:

Ronald C. Green, City Controller

APPROVED:

APPROVED AS TO FORM:

David M. Feldman, City Attorney

Neal Rackleff, Director
Housing and Community Development
Department

By: _____
Senior Assistant City Attorney

APPROVED AS TO FORM:

HARRIS COUNTY

Vince Ryan, County Attorney

By: _____
Assistant County Attorney

Ed Emmett, County Judge
Date Signed: _____

HARRIS COUNTY FLOOD CONTROL DISTRICT

By: _____
Ed Emmett, County Judge
Date Signed: _____

HARRIS COUNTY HOSPITAL DISTRICT

By: _____
Ed Emmett, County Judge
Date Signed: _____

HOUSTON COMMUNITY COLLEGE SYSTEM:

By: _____
Name: _____
Title: _____
Date Signed: _____

HOUSTON INDEPENDENT SCHOOL DISTRICT

Juliet Stipeche
President, Board of Education
Date Signed: _____

Anna Eastman
Secretary, Board of Education
Date Signed: _____

Terry B. Grier, Ed.D.
Superintendent of Schools
Date Signed: _____

Approved as to Funding & Business Terms:

Kenneth Huewitt
Chief Financial Officer
Date Signed: _____

Approved as to Form:

Elneita Hutchins-Taylor
General Counsel
Date Signed: _____

PORT OF HOUSTON AUTHORITY OF HARRIS COUNTY, TEXAS

By: _____
Name: _____
Title: _____
Date Signed: _____

Approved as to Form:

By: _____
Name: _____
Title: _____

HARRIS COUNTY DEPARTMENT OF EDUCATION

By: _____
Name: _____
Title: _____
Date Signed: _____

LAND ASSEMBLAGE REDEVELOPMENT AUTHORITY

By: _____
Name: _____
Title: _____
Date Signed: _____

SCHEDULE 1

**LOTS WHICH ARE NO LONGER SUBJECT TO THE LARA AGREEMENT, AS
AMENDED BY THIS REINSTATEMENT AND THIRD AMENDMENT**

[TO COME]

SCHEDULE 2

LOTS AS TO WHICH TAX SALES ARE TO BE RESCINDED.

[TO COME]

SCHEDULE 3

**REMAINING PROPERTY SUBJECT TO THE LARA AGREEMENT,
AS AMENDED BY THIS REINSTATEMENT AND THIRD AMENDMENT**

[TO COME]

URBAN REDEVELOPMENT INTERLOCAL AGREEMENT

55498

CB-1015

THE STATE OF TEXAS §
 §
 COUNTY OF HARRIS §

This Urban Redevelopment Interlocal Agreement (“Agreement”) is entered into between the **City of Houston** (“City”); a municipal corporation and home-rule city of the State of Texas, principally situated in Harris County, Texas, acting by and through its governing body, the City Council of the City of Houston, **Harris County** (“County”), a political subdivision of the State of Texas, the **Harris County Flood Control District** (“Flood Control District”), a political subdivision of the State of Texas, acting by and through their governing body, the Commissioners Court, the **Houston Community College System** (“HCC”), a community college district created under the Texas Education Code, the **Houston Independent School District** (“HISD”), an independent school district and political subdivision organized under the laws of the State of Texas, the **Port of Houston Authority of Harris County, Texas** (“Port”), a political subdivision of the State of Texas, the **Harris County Department of Education** (“HCDE”), a body corporate and a political subdivision of the State of Texas, and the **Harris County Hospital District** (“HCHD”), a body corporate and a political subdivision of the State of Texas, (collectively hereinafter referred to as the “Parties”) and the **Land Assemblage Redevelopment Authority** (“Authority”), a Texas non-profit corporation created pursuant to TEX. TRANSP. CODE ANN. § 431.101 (Vernon 2000), and this agreement is entered into pursuant to the Interlocal Cooperation Act, TEX. GOVT CODE ANN. CH. 791.

The initial addresses of the Parties, which one party may change by giving written notice to the other parties are as follows:

City and Authority
 Director of the Department of
 Housing and Community Development
 or Designee
 City of Houston
 P.O. Box 1562
 Houston, Texas 77251

County and Flood Control District
 Commissioners Court
 Harris County Administration Bldg.
 1001 Preston Avenue, 9th Floor
 Houston, Texas 77002
 Attention: Budget Director

HCC
 Houston Community College System
 1300 Holman
 Houston, Texas 77004

HISD
 Houston Independent School District
 3830 Richmond Avenue
 Houston, Texas 77027

Port
 Port of Houston Authority
 111 East Loop North
 Houston, Texas 77029

HCDE
 Harris County Department of Education
 6300 Irvington
 Houston, Texas 77022

HCHD
Harris County Hospital District
2525 Holly Hall
Houston, Texas 77054
Attention: President and Chief Executive Officer

WHEREAS, the Parties seek to work together in intergovernmental cooperation to address neighborhood redevelopment and health and safety issues common to their citizens, with the positive collateral effect, supported by all of the Parties, of returning tax delinquent unproductive properties back to productive use and back to producing tax revenue; and

WHEREAS, at a time with escalating costs, it is becoming increasingly difficult to respond to citizens' requests to abate health and safety nuisances that are related to or caused by blighted, abandoned or vacant properties lying within various neighborhoods; and

WHEREAS, the existence of many blighted, abandoned or vacant properties negatively impacts the tax revenues of local taxing units by annually adding to each taxing unit's delinquent tax rolls with little or no chance of ever recovering these assessments; and

WHEREAS, a rapid return of these properties to productivity would encourage revitalization of deteriorating neighborhoods, reduce governmental expenditures on these properties and provide an increased tax base which would thus enhance future tax revenues; and

WHEREAS, the Parties recognize inner city neighborhood revitalization as an important public policy; and

WHEREAS, the Parties want to work in cooperation to provide affordable housing opportunities as part of inner city neighborhood revitalization; and

WHEREAS, the Parties promote input from neighborhood representatives, as stakeholders, in determining the scope and character of neighborhood revitalization efforts in their neighborhoods; and

WHEREAS, the City has identified, researched and cataloged many of the blighted, abandoned or vacant properties; and

WHEREAS, the Parties have identified certain neighborhoods of the City where there is a need for a strategic redevelopment approach to community revitalization; and

WHEREAS, the City and the County have jointly established goals ("Neighborhood Redevelopment Goals") for neighborhood urban redevelopment plans setting forth a strategic approach to the revitalization and redevelopment of declining urban areas through the development of neighborhood plans to eliminate blight and deterioration and enhance the quality of life for its

citizens;

WHEREAS, the Neighborhood Redevelopment Goals form a part of the City's Urban Redevelopment Plan, such a plan being required by TEX. TAX CODE ANN. §34.051 (Vernon Supp. 2002) as a condition to the sale of tax foreclosed properties thereunder, and the City has, by entering into this Agreement, confirmed and adopted the Neighborhood Redevelopment Goals as a part of its Urban Redevelopment Plan.

WHEREAS, the City has established an action plan calling for foreclosure, where appropriate, of tax delinquent and abandoned property in order to assemble land for redevelopment and revitalization in accordance with the joint Neighborhood Redevelopment Goals that provide for affordable housing and other land uses as appropriate; and

WHEREAS, the City has, as part of its foreclosure and land assemblage plan, created, pursuant to TEX. TRANSP. CODE §431.101 (Vernon Supp. 2002), a local government corporation called the Land Assemblage Redevelopment Authority ("Authority") and intends to utilize the Authority for the purpose of managing foreclosed properties and arranging for the disposition and development of such properties in accordance with policies and directives of the Board of Directors of the Authority and in accordance with the joint Neighborhood Redevelopment Goals.

WHEREAS, the Parties desire that the articles and by-laws of the authority be revised to provide for additional directors.

WHEREAS, the ultimate purposes of the City/County redevelopment plans and an action plan for foreclosure and land assembly are to eliminate blight and deterioration in neighborhoods, increase the tax base, neighborhood revitalization, and provide affordable housing opportunities.

NOW, THEREFORE, the Parties enter into this Interlocal Agreement also containing agreements with the Authority as follows:

ARTICLE I.

Purpose and Background

The purpose of this Agreement is to comply with the TEX. TAX CODE ANN. § 34.051 (Vernon Supp. 2002) (the "Statute") that authorizes the Parties to enter into an interlocal agreement governing the resale of certain tax foreclosed properties. The principal goal of this Agreement, as mandated by subsection (b)(4) of the Statute, is to provide an efficient mechanism for returning deteriorated or unproductive properties to the tax rolls, enhancing the value of ownership to the surrounding properties, and improving the safety and quality of life in deteriorating neighborhoods. The Statute authorizes the taxing units that are parties to a tax judgment to consent, by interlocal agreement, to the sale by the City of tax foreclosed properties for less than the market value specified in the

judgment of foreclosure or less than the total amount of the judgments against the property. A deed by the City pursuant to such consent conveys all right, title, and interest acquired by each such taxing units, subject to any rights of redemption. The City and County have jointly established goals for urban redevelopment plans for certain areas of the City of Houston to provide an efficient mechanism for returning deteriorated or unproductive properties in such areas to the tax rolls, thereby enhancing the value of ownership to the surrounding properties and improving the safety and quality of life in deteriorating neighborhoods. A copy of the joint Neighborhood Redevelopment Goals is attached hereto as Exhibit "A". By execution of this Agreement, the Parties hereby authorize the City to convey tax foreclosed properties in accordance with the Statute and this Agreement at less than the market value specified in the judgment of foreclosure or less than the total amount of the tax judgments against the property to the Authority. Each deed must refer to an urban redevelopment plan, established by the City in accordance with the Statute, to provide affordable housing for families of low and moderate incomes and other land uses consistent with the Neighborhood Redevelopment Goals set forth in Exhibit "A" attached hereto. The Authority must use the property only in accordance with this Agreement and such urban redevelopment plan and for the purpose of carrying out the City and County goals for urban redevelopment through acquiring, assembling, maintaining, redeveloping and disposing of such tax foreclosed properties.

ARTICLE II.

Term and Termination

The initial term of this Agreement shall commence on the Effective Date, which shall be the date on which it has been approved and executed as required by law by all Parties (provided, however, that notwithstanding anything herein to the contrary, this Agreement shall not take effect until after countersignature by the Controller of the City and shall not take effect until fully approved and executed by the Authority), and shall continue for five (5) years thereafter, unless terminated earlier by any of the Parties pursuant to Article VII G below or unless extended upon further written agreement approved by formal action of all Parties. If at the end of the initial term or the renewal periods any of the Parties elect not to renew or otherwise continue this Agreement, then the City or the Authority, as applicable, agrees to convey to the County for the benefit of the Parties, at the City or Authority's expense, as applicable, no later than sixty (60) days after the date of termination of this Agreement, any lot or parcel of land that the City or Authority has not at that time resold for use in accordance with the urban redevelopment plan. These properties shall become subject to the terms and conditions of the Interlocal Agreement for the Sale of Seized and Tax foreclosed Property between HISD, the City and the County ("Foreclosed Property Program"). The provisions of this Article II pertaining to properties transferred to the Foreclosed Property Program shall survive the termination of this Agreement, however such termination shall come about.

ARTICLE III.

Properties Under Consideration

The Parties agree that all properties under consideration for tax foreclosure and resale under this Agreement must meet the following criteria:

1. Each property must either be vacant or distressed with all improvements, abandoned and unoccupied, and must have an ad valorem tax delinquency of six (6) or more years;
2. The total amount of charges accumulating against the subject property including municipal health and safety liens, outstanding ad valorem taxes, penalties and interest owed to taxing units, and attorneys' fees and cost of foreclosure and sale must be greater than the appraised value appearing on the most recent appraisal roll prepared by the Harris County Appraisal District;
3. Each property must be in an area where a neighborhood urban redevelopment plan to provide affordable housing for families of low and moderate incomes and other land uses consistent with the Neighborhood Redevelopment Goals set forth in Exhibit "A" attached hereto, has been developed in conjunction, with the neighborhood and the Authority.
4. Each property shall be sold to the Authority subject to any right of redemption which may then be in effect with distribution of the redemption proceeds to the respective taxing units in accordance with the applicable redemption statutes of the TEX. TAX CODE ANN..
5. Except as provided in Article III, Section 5, the Parties further agree that the properties listed on Exhibits "B" and "C", attached hereto and made a part hereof, are the only properties subject to this Agreement that will be foreclosed and subsequently sold by the Authority, and such sales shall be only for uses consistent with each neighborhood's urban redevelopment plan. The Parties hereby consent and authorize the City, pursuant to the Statute, to convey all of each Party's right, title, and interest acquired by the Parties in any foreclosed property subject to the terms of this Agreement for an amount of consideration which is less than the market value specified in the judgment of foreclosure of such property or which is less than the total amount of judgments against the property pursuant to this Agreement. Properties identified for foreclosure that meet the requirements set forth above will be targeted in the pilot project identified in the maps attached hereto as Exhibits "D" and "E".
6. The Agreement shall only include those properties identified by the Harris County Appraisal District account numbers and further identified as Exhibits "B" and "C" to this Agreement. Other properties shall not be added to Exhibits B and C without the express written consent of the governing bodies of all Parties.

ARTICLE IV.

Mechanism

The Authority shall act as a land assemblage authority that will serve as the depository for all foreclosed properties designated for redevelopment. The City shall, in accordance with this Agreement and the Statute, convey such foreclosed property without cost other than nominal consideration to the Authority for redevelopment. The Authority shall sell the foreclosed properties under terms and conditions established by the Board of the Authority in accordance with this Agreement for development consistent with this Agreement and Exhibit "A" and the City agrees to monitor such sales to ensure the sales are made in accordance with such terms and conditions. The Parties also agree that this Agreement shall constitute an agreement as required by TEX. TAX CODE ANN. § 34.01(j) to allow a constable making any sale of property subject to this Agreement to have that property struck off to the City rather than the Party requesting the sale. The Parties further agree that should any property subject to this Agreement be struck off to any Party other than the City, the City shall be authorized to sell that property pursuant to this Agreement and the Statute. The parties agree that any proceeds from the sale of each property by the Authority shall be first paid to the City to recover its non-administrative direct costs, if any, related to the Property, then to the County to recover all costs associated with the sale of property, and then to the Authority for maintenance of the property, management costs and all costs of resale under the terms of the agreement with the Authority and to fund other property acquisitions for redevelopment. The Authority shall include in each deed of conveyance a covenant that the property shall be used for a purpose consistent with the applicable terms of the Neighborhood Redevelopment Goals set forth in Exhibit "A" attached hereto and the City agrees to review all such deeds of conveyance to ensure that the required covenant is included. The Authority shall establish procedures whereby properties not used or developed in a manner consistent with Exhibit "A" shall revert back to the Authority for further handling under this Agreement.

The Authority shall not deviate from the joint Neighborhood Redevelopment Goals in the implementation of its purpose and the City agrees to monitor the Authority to ensure compliance.

ARTICLE V.

Structure of Corporation

The City shall not convey any property to the Authority and the Authority shall not accept any such property until the Articles and By-Laws of the Authority are amended to provide that (a) The Authority will have a thirteen person Board of Directors (the "Board"), (b) No person shall be appointed as a director ("Director") who is not a resident of the City, (c) Positions (1) through (5) on the Board will be appointed by the Mayor of the City, one of which positions shall always be the Chair of the Board ("Chair"), (d) Positions (6) and (7) on the Board will be appointed by the City Council, (e) Positions (8), (9) and (10) shall be appointed by the Houston Independent School District ("HISD") and (f), Positions (11), (12) and (13) shall be appointed by the County. Of the

thirteen Board members, the County and HISD agree that each will appoint at least one Board member who has direct relations with one or more of the targeted neighborhoods. The City agrees to appoint at least two Board members who have direct relations with one or more of the targeted neighborhoods. Evidence of direct relations with a targeted neighborhood includes residence in the targeted neighborhood, ownership of property, operation of business or church and/or civic club participation in the targeted neighborhood. The City and the Authority covenant not to change the size of the Board of Directors or appointment procedures for Board members without approval by the Mayor, County Commissioners Court and the HISD board of trustees.

ARTICLE VI.

Reports and Audits

The Authority will prepare and deliver to the Parties without demand, annual reports regarding the period July 1 through June 30, describing the status of each property foreclosed upon by the Parties hereunder, the status of each property conveyed to the Authority, and the Authority's progress toward meeting the Neighborhood Redevelopment Goals. Such reports must contain the Authority's assessment of its progress toward affordable and low-income housing. The Authority shall provide a semi-annual accounting of the proceeds of the sales of property itemized by property by the Authority and a reconciliation of all the expenses of the Authority. The reports shall be due within thirty (30) days from each June 30 and December 31. The Authority shall also provide an annual financial report by a certified public accountancy firm ("CPA firm"), on or about each October 1 beginning 2003 and each year thereafter, of the books and records of the Authority of all monies received and disbursed, accompanied by the executive summary and the opinion of the CPA firm. The Authority shall direct a copy of the report to the Parties contemporaneously with the delivery of the Authority's copy. It shall be a default of this Agreement if such reports or audited financial statements are not prepared and delivered to any Party when due. The Authority acknowledges and agrees that the Parties shall have the right, during the term of this Agreement and within three years after its termination, to audit the books and records of the Authority at its or their own expense. Furthermore, this right to perform an audit shall be independent of any other party's right or obligation to audit the books and records of the Authority.

ARTICLE VII.

Miscellaneous

A. Written Amendment.

This Agreement may be amended only by the mutual agreement of the Parties in writing.

B. Severability.

If any part of this Agreement is for any reason found to be unenforceable, all other parts remain enforceable unless the result materially prejudices any party.

C. Entire Agreement.

Save and except as may be provided in Article VII, K below, this Agreement embodies the entire agreement of the Parties. Except as may be provided in Article VII, K below, no other agreements, assurances, conditions, covenants (expressed or implied), or other terms of any kind, exist between the Parties regarding this Agreement.

D. Non-Waiver.

Failure of any Party hereto to insist on the strict performance of any of the agreements herein or to exercise any rights or remedies accruing hereunder upon default or failure of performance shall not be considered a waiver of the right to insist on, and to enforce by any appropriate remedy, strict compliance with any other obligation hereunder or to exercise any other right or remedy occurring as a result of any future default or failure of performance.

E. No Waiver of Immunity.

No Party hereto waives or relinquishes any immunity or defense on behalf of itself and its officers, employees and agents as a result of its execution of this Agreement and performance of the covenants contained herein.

F. Expansion of Project.

The obligation of the Parties to participate in the Project is limited to the properties identified in the exhibits attached to this Agreement. The Parties' participation does not extend to any additional property added to the project unless the Parties specifically agree as set forth in Article III, Section 6. The City and the County may agree, at any time, to review and amend the Neighborhood Redevelopment Goals and/or any operational procedures relating to this project. Such changes and amendments must be in writing and approved by the governing bodies of all Parties.

G. Default and Expiration of Agreement.

During the period covered by this Agreement and any amendments thereto, any of the Parties may declare a default hereunder and terminate this Agreement upon thirty (30) days notice to the other Parties if any of the Parties or the Authority breaches any covenant or condition of this Agreement and fails to cure such breach within sixty (60) days of receiving written notice from any of the Parties describing the breach in detail. The Parties expressly acknowledge that the failure of the Authority to undertake and thereafter to actively pursue providing affordable and low-income housing shall constitute a default under this Agreement. Further, any material deviation by the Authority from pursuit of the Neighborhood Redevelopment Goals or any other material deviation by the Authority from the requirements of this Agreement shall be deemed a default under this Agreement. In the event of termination or expiration as per Article II of this Agreement, no taxing unit shall convey any further property to the Authority. The Authority shall provide an accounting of all funds held by it and any funds to be realized on the future sales of property shall, after funding operating and maintenance costs for the Authority, be paid to the Parties on a proportionate basis as computed by the Harris County Tax Assessor and Collector.

Proportionate basis shall mean an amount equal to the proportion each participant's taxes, penalties, and interest bear to the total amount of taxes, penalties, and interest adjudged to be due in the tax judgments attributed to the foreclosed properties.

H. Ambiguities.

If any term of this Agreement is ambiguous, it shall not be construed for or against any Party on the basis that the Party did or did not write it.

I. Notices.

All notices required or permitted by this Agreement must be in writing and are deemed delivered on the earlier of the date actually received or the third day following: (1) deposit in a United States Postal Service post office or receptacle; (2) with proper postage (certified mail, return receipt requested), and (3) addressed to the other Party at the address set out in the preamble of this Agreement or at such other address as the receiving Party designates by proper notice to the sending Party.

J. Remedies Cumulative.

Unless otherwise specified elsewhere in this Agreement, the rights and remedies contained in this Agreement are not exclusive, but are cumulative of all rights and remedies which exist now or in the future. Neither Party may terminate its duties under this Agreement except in accordance with its provisions.

K. Necessary Parties.

All Parties acknowledge and agree that this Agreement is conditioned upon and shall not be effective unless and until each of the Parties has approved and executed this Agreement. If this Agreement is not executed by all of the Parties on or before the date which is six (6) months after the date on which this Agreement is first executed by any Party, this Agreement shall be void as to all Parties.

L. Applicable Law.

The conduct of all activities and the interpretation and application of this Agreement shall be in accordance with all applicable laws, regulations and procedures of the United States, the State of Texas and State of Texas regulatory agencies, as they may from time to time be amended ("Applicable Law"). To the extent of any conflict between this Agreement and Applicable Law, Applicable Law will control. City of Houston ordinances are applicable to this Agreement to the extent that such ordinances do not conflict with this Agreement.

ARTICLE VIII.

Special Provisions regarding Texas Education Agency

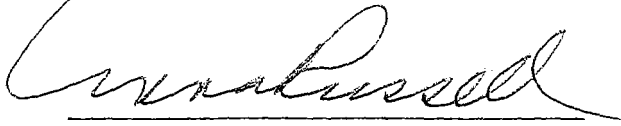
HISD is requesting a written opinion from the General Counsel of the Texas Education Agency ("TEA") with regard to the necessity of including certain language in the conveyance deeds from the City to the Authority pursuant to that certain order issued for Texas Public Schools in Civil Action No. 5281, styled *United States of America v. State of Texas, et al.* The parties agree to abide by the decision of the TEA General Counsel with regard to the content of the restrictive language, if any, that must be included in the conveyance deeds. Notwithstanding the foregoing, if the TEA does not, within thirty (30) days of the Effective Date of this Agreement, issue a written opinion requiring compliance with the aforementioned order, then the parties agree that the conveyance deeds from the City to the Authority will not be submitted to the TEA for review and will not include the restrictive language which is the subject of the referenced lawsuit.

ARTICLE IX.

Liability

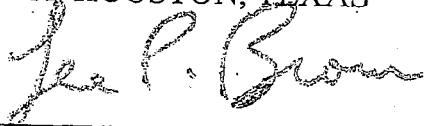
Each Party to this Agreement, including the Authority, agrees that it shall have no liability whatsoever for the actions or omissions of an individual employed by another Party, regardless of where such individual's actions occurred. Each Party is solely responsible for the actions and/or omissions of its employees and officers.

Attest:



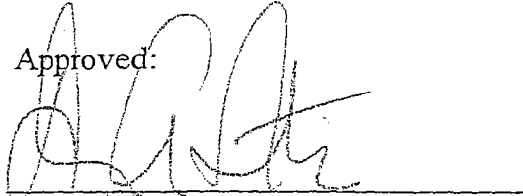
Anna Russell, City Secretary

CITY OF HOUSTON, TEXAS

By: 

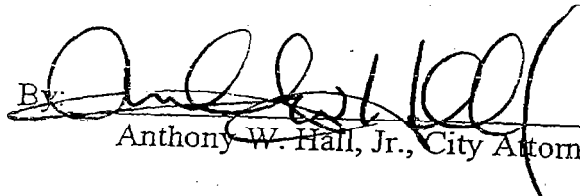
Lee P. Brown, Mayor

Approved:



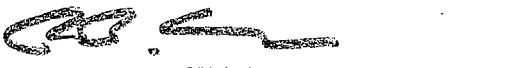
Daisy A. Stiner, Director, Dept. of
Housing and Community Development

Approved:

By: 

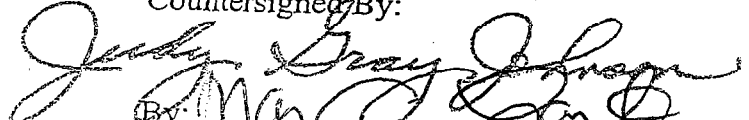
Anthony W. Hall, Jr., City Attorney

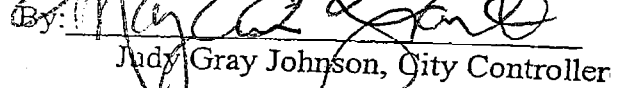
Approved:



Director, Dept. of Finance and
Administration

Countersigned By:

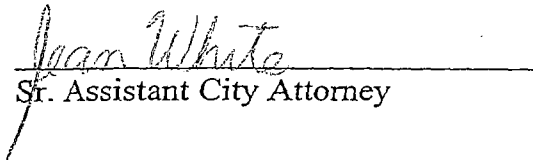


By: 

Judy Gray Johnson, City Controller

Date: 12-17-03

Approved as to Form:



Sr. Assistant City Attorney

HARRIS COUNTY

Approved as to Form:

HARRIS COUNTY

MIKE STAFFORD

County Attorney

By: _____
Assistant County Attorney

By: _____
ROBERT ECKELS
County Judge
Date Signed: _____

**FLOOD CONTROL DISTRICT
HARRIS COUNTY FLOOD CONTROL DISTRICT**

By: _____
ROBERT ECKELS
County Judge
Date Signed: _____

**HCC
HOUSTON COMMUNITY COLLEGE SYSTEM:**

By: _____
Name: _____
Title: _____

**HISD
HOUSTON INDEPENDENT SCHOOL DISTRICT**

By: *Kepp Stuplij* September 17, 2003
Name: _____
Title: _____

**PORT
PORT OF HOUSTON AUTHORITY OF HARRIS COUNTY, TEXAS**

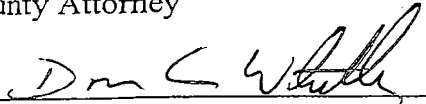
By: _____
Name: _____
Title: _____


HARRIS COUNTY

Approved as to Form:


HARRIS COUNTY

MIKE STAFFORD
County Attorney

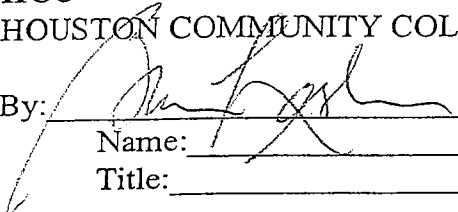
By: 
Assistant County Attorney

By: 
ROBERT ECKELS
County Judge
Date Signed: OCT 21 2003

FLOOD CONTROL DISTRICT
HARRIS COUNTY FLOOD CONTROL DISTRICT

By: 
ROBERT ECKELS
County Judge
Date Signed: OCT 21 2003

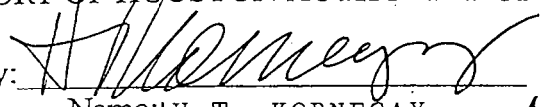
HCC
HOUSTON COMMUNITY COLLEGE SYSTEM:

By: 
Name: _____
Title: _____


HISD
HOUSTON INDEPENDENT SCHOOL DISTRICT

By: _____
Name: _____
Title: _____


PORT
PORT OF HOUSTON AUTHORITY OF HARRIS COUNTY, TEXAS

By: 
Name: H.T. KORNEGAY
Title: Executive Director


HCDE
HARRIS COUNTY DEPARTMENT OF EDUCATION

By: 
Name: A. L. SAUER
Title: SUPERINTENDENT

HCHD
HARRIS COUNTY HOSPITAL DISTRICT

By: 
Name: _____
Title: _____

AUTHORITY
LAND ASSEMBLAGE REDEVELOPMENT AUTHORITY

By:  3/12/04
Name: David L. Collins
Title: Chair

OCT 21 2003

THE STATE OF TEXAS §
COUNTY OF HARRIS §

APPROVE _____
Recorded Vol _____ Page _____

The Commissioners Court of Harris County, Texas, convened at a meeting of said Court at the Harris County Administration Building in the City of Houston, Texas, on the 21 day of OCT 21, 2003, with the following members present, to-wit:

Robert Eckels	County Judge
El Franco Lee	Commissioner, Precinct No. 1
Sylvia Garcia	Commissioner, Precinct No. 2
Steve Radack	Commissioner, Precinct No. 3
Jerry Eversole	Commissioner, Precinct No. 4

and the following members absent, to-wit: Eckels
constituting a quorum, when among other business, the following was transacted:

ORDER AUTHORIZING APPROVING AND AUTHORIZING EXECUTION OF URBAN REDEVELOPMENT INTERLOCAL AGREEMENT BETWEEN THE CITY OF HOUSTON, HARRIS COUNTY, THE HARRIS COUNTY FLOOD CONTROL DISTRICT, HOUSTON COMMUNITY COLLEGE SYSTEM, THE HOUSTON INDEPENDENT SCHOOL DISTRICT, THE PORT OF HOUSTON AUTHORITY OF HARRIS COUNTY, TEXAS, THE HARRIS COUNTY DEPARTMENT OF EDUCATION, AND THE HARRIS COUNTY HOSPITAL DISTRICT AND INCLUDING THE LAND ASSEMBLAGE REDEVELOPMENT AUTHORITY

Commissioner Eversole introduced an order and made a motion that the same be adopted. Commissioner Lee seconded the motion for adoption of the order. The motion, carrying with it the adoption of the order, prevailed by the following vote:

	Yes	No	Abstain	Vote of the Court:		
				Yes	No	Abstain
Judge Eckels				<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comm. Lee				<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comm. Garcia				<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comm. Radack				<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comm. Eversole				<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comm. Lee

~~The County Judge~~ thereupon announced that the motion had duly and lawfully carried and that the order had been duly and law-fully adopted. The order thus adopted follows:

The County Judge is authorized to execute, on behalf of Harris County and the Harris County Flood Control District, an Urban Redevelopment Interlocal Agreement between the City of Houston, Harris County, the Harris County Flood Control District, Houston Community College System, the Houston Independent School District, the Port of Houston Authority of Harris County, Texas, the Harris County Department of Education, and the Harris County Hospital District and including the Land Assemblage Redevelopment Authority, a copy of which is attached hereto and incorporated herein for all purposes as if fully set forth word for word.

**City of Houston and Harris County Joint Neighborhood Goals
for
Urban Redevelopment Projects**

The City of Houston ("the City") and Harris County (the "County") have agreed to jointly pursue urban redevelopment projects, such projects, on the City's part, being a portion of the City's overall plan for urban redevelopment. The land assemblage program is an important step toward City and County cooperative efforts. In order to ensure the effectiveness of the land assemblage program and direct the work of the Land Assemblage Redevelopment Authority ("Authority"), the City and the County agree to certain goals for urban redevelopment projects associated with the Urban Redevelopment Interlocal Agreement ("Agreement") to which this Exhibit is attached. These goals are herein identified as the Neighborhood Redevelopment Goals.

The overall objective of redevelopment projects in Houston is to assure the maintenance of quality neighborhoods through the revitalization of aging areas and the elimination of slums and blight in order to protect and enhance land values, achieve economic growth and redevelopment and ensure community stability. Redevelopment requires the improvement of critical elements in a neighborhood and the maintenance of those improvements through a sustained partnership of public and private investments. Urban redevelopment plans supporting redevelopment projects generally address a range of issues such as community support, economic development, infrastructure needs and affordable housing.

The key goals of plans include:

- To restrict the use of properties acquired by the Authority for the development of homes which are consistent with the neighborhood redevelopment plan.
- The Small Builder Developer Program – To assemble a cooperative effort between the Authority and single-family housing builders with limited means to strengthen the community's resource of builders.
- To utilize foreclosed properties in addressing the affordable housing crisis following the flood resulting from Tropical Storm Allison.
- Joint cooperation by the City and County to the Agreement in the implementation of redevelopment projects.
- Effective input from neighborhood representatives on the board in the creation and implementation of neighborhood urban redevelopment plans.
- Development of plans and programs that reflect a unified vision of a neighborhood.
- Recognition that neighborhoods in the city vary in their density, geography, history, tradition and demography and that Authority's redevelopment plans should reflect the special character of a neighborhood.

- Creation of opportunities for the development of affordable single and multi-family housing for low and moderate income families, as established by current HUD pricing guidelines.
- Elimination of slums and blight and the stabilization and enhancement of property values in a neighborhood.
- Effective utilization of development tools and a range of public and private programs that together lead to comprehensive redevelopment of a neighborhood.
- Promotion of economic development in direct support of housing to ensure quality of life in revitalized neighborhoods, including institutional input and infrastructure, i.e. neighborhood stores, schools, parks and street improvements.
- Return to productive use of properties that are in long-term tax delinquency and unlikely to be developed, or otherwise maintained, in the absence of public redevelopment planning.
- Return to productive use of properties perceived as brownfields, where possible.
- Integration of neighborhood urban redevelopment plans with the City's Capital Improvements Program and community development block grant (CDBG) funding for projects.

Tax Delinquent Properties
Third Ward-HCAD Sort

#	HCAD #	LEGAL DESCRIPTION
1	009-031-003-0001	LT 1 BLK 3 CARTERS SEC 2
2	010-162-000-0007	LT 7 BLK 8 COLUMBIA
3	010-164-000-0005	LT 5 BLK 10 COLUMBIA
4	019-006-000-0006	LT 6 BLK B HOLMAN OUTLOT 2
5	019-009-000-0001	LT 1 BLK A HOLMAN OUTLOT 3
6	019-009-000-0002	LTS 2 & 16 BLK A HOLMAN OUTLOT 3
7	019-012-000-0005	LT 5 BLK D HOLMAN OUTLOT 3
8	019-012-000-0015	TR 15 BLK D HOLMAN OUTLOT 3
9	019-012-000-0018	TR 4 BLK D (001*TR 18)HOLMAN OUTLOT 3
10	019-043-000-0005	LT 5 HOLMAN OUTLOT 11
11	019-044-000-0004	TRS 4 & 5A (001*TR 35)CROW - SETTEGAST
12	019-044-000-0005	TR 5 (001*TR 34)CROW - SETTEGAST
13	019-044-000-0011	TRS 7B & 8A (001*TR 53)CROW- SETTEGAST
14	019-044-000-0034	TRS 6B & 7 CROW & SETTEGAST
15	019-044-000-0035	TR 8B (001*TR 54)CROW - SETTEGAST
16	019-045-000-0012	LT 12 BLK 1 HOLMAN OUTLOT 13
17	019-045-000-0015	TR 6A BLK 1 (001*TR 13) HOLMAN OUTLOT 13
18	019-051-000-0001	TR 1B BLK 1 (001*TR 36)HOLMAN OUTLOT 14
19	019-051-000-0008	TR 7 BLK 1 (001*TR 5)HOLMAN OUTLOT 14
20	019-051-000-0015	TR 6A BLK 1 (001*TR 11)HOLMAN OUTLOT 14
21	019-051-001-0003	TR 2A BLK 2 (001*TR 20)HOLMAN OUTLOT 14
22	019-051-001-0008	TR 7 BLK 2 (001*TR 12)HOLMAN OUTLOT 14
23	019-051-001-0010	TR 10 BLK 2 (001*LT 6)HOLMAN OUTLOT 14
24	019-051-001-0011	TR 11 BLK 2 (001*LT 6)HOLMAN OUTLOT 14
25	019-052-000-0006	TR 6 BLK 3 (001*TR 14) HOLMAN OUTLOT 14
26	019-052-001-0001	LT 1 BLK 4 (001*TR 29)JUDD S AM C
27	019-052-001-0004	LT 4 BLK 4 (001*TR 31)JUDD S AM C
28	019-052-001-0009	TR 9 BLK 4 (001*TR 26)JUDD S AM C
29	019-052-001-0010	LT 10 BLK 4 (001*TR 25)JUDD S AM C
30	019-052-001-0027	LT 3 BLK 4 (001*TR 30)JUDD S AM C
31	019-054-001-0028	LT 28 BLK 2 BINZ & SETTEGAST
32	019-054-001-0038	LT 24 BLK 2 BINZ & SETTEGAST
33	019-056-000-0016	TR 6 (001*TR 10)HOLMAN OUTLOT 15
34	019-058-000-0012	.50 U/D INT IN TRS 6A 11 & 12(001*TRS 11 & 16)HOLMAN OUTLOT
35	019-058-000-0016	TR 16 (001*TRS 15 & 18)HOLMAN OUTLOT 15
36	019-058-000-0018	TR 18 (001*N PT 17 TR 36)HOLMAN OUTLOT 15
37	019-149-000-0020	LT 1 BLK 2 SHEPHERD COURT
38	019-157-000-0018	LTS 18 & 19 & TR 20 (001*TRS 1 4 & 15 444X102 OF BARLOW TRACT
39	019-158-006-0010	.50 U/D INT IN LT 10 BLK 6 (001*BARLOW TRACT)HOLMAN OUTLOT
40	019-158-006-0013	TR 4B BLK 6 (001*E 20 FT LT 4BARLOW TRACT) HOLMAN OUTLOT 34
41	019-162-000-0008	LT 8 BLK 3 HOLMAN OUTLOT 35
42	019-206-000-0011	LT 11 & TR 12B BLK 3 GEISELMAN
43	019-206-000-0012	TR 12A BLK 3 GEISELMAN
44	022-130-000-0008	LT 8 BLK 2 GEORGE KULHMAN
45	022-130-000-0014	TR 14 BLK 2 GEORGE KULHMAN
46	022-130-000-0015	TR 15 BLK 2 GEORGE KULHMAN
47	022-130-000-0032	TR 13A BLK 2 GEORGE KULHMAN
48	022-130-000-0036	TR 11A BLK 2 GEORGE KULHMAN
49	022-131-000-0008	LT 8A BLK 3 (001*TR 13)GEORGE KULHMAN
50	022-131-000-0009	LT 9A BLK 3 (001*TR 14)GEORGE KULHMAN
51	022-131-000-0017	TRS 17C & 18C BLK 3 (001*TR H30X90 OF A)GEORGE KULHMAN

Tax Delinquent Properties
Third Ward-HCAD Sort

#	HCAD #	LEGAL DESCRIPTION
52	037-213-000-0003	LT 3 BLK 3 WILSON WM A
53	037-213-000-0004	LT 4 BLK 3 WILSON WM A
54	037-216-000-0001	LT 1 BLK 6 WILSON WM A
55	037-216-000-0002	LT 2 BLK 6 WILSON WM A
56	037-216-000-0003	LT 3 & TR 4A BLK 6 WILSON WM A
57	037-216-000-0004	TR 4 BLK 6 WILSON WM A
58	037-216-000-0005	TR 5 BLK 6 WILSON WM A
59	037-216-000-0012	TR 5A BLK 6 WILSON WM A
60	037-217-000-0004	LT 4 BLK 7 WILSON WM A
61	037-217-000-0005	LT 5 BLK 7 WILSON WM A
62	037-218-000-0001	LT 1 BLK 8 WILSON WM A
63	037-218-000-0007	LT 7 BLK 8 WILSON WM A
64	037-218-000-0008	LT 8 BLK 8 WILSON WM A
65	037-220-000-0003	TR 3 BLK 10 WILSON WM A
66	037-220-000-0004	LT 4 BLK 10 WILSON WM A
67	037-234-000-0008	LT 8 BLK 24 & LT 9 BLK 47 WILSON WM A
68	037-244-000-0005	LT 5 BLK 34 WILSON WM A
69	037-244-000-0006	LTS 6 & 7 BLK 34 WILSON WM A
70	037-244-000-0009	TRS 9 & 10 BLK 34 WILSON WM A
71	037-244-000-0010	TR 10A BLK 34 (001*TR 18)WILSON WM A
72	037-244-000-0015	TR 9A BLK 34 (001*TR 16)WILSON WM A
73	037-244-000-0016	TRS 9B & 10C BLK 34 (001*TR 17)WILSON WM A
74	037-244-000-0017	TR 10B BLK 34 (001*TR 15)WILSON WM A
75	037-245-000-0002	LT 2 BLK 35 WILSON WM A
76	037-246-000-0002	LT 2 BLK 36 WILSON WM A
77	037-255-000-0005	LT 5 BLK 45 WILSON WM A
78	037-257-000-0013	LT 13 BLK 47 WILSON WM A
79	041-031-028-0010	TR 7C (001*TR 16 50X100 OF D)ABST 75 H TIERWESTER
80	051-026-000-0007	LT 7 BLK 4 BOOKER T WASHINGTON
81	051-026-000-0009	LT 9 BLK 4 BOOKER T WASHINGTON
82	051-029-000-0011	LT 11 BLK 7 BOOKER T WASHINGTON
83	051-029-000-0012	LT 12 BLK 7 BOOKER T WASHINGTON
84	051-029-000-0019	TRS 13A & 14A BLK 7 (001*TR 29)BOOKER T WASHINGTON
85	051-036-000-0006	LT 6 BLK 14 BOOKER T WASHINGTON
86	051-316-000-0004	LT 4 BLK 6 PRAIRIE HOME
87	052-190-000-0001	LT 1 BLK B DREYLING GUSTAVE
88	057-213-000-0002	TR 2 BLK 5 (001*TR 24)PIERCE COURT
89	057-213-000-0005	LT 5 BLK 5 PIERCE COURT
90	057-213-000-0012	LT 12 BLK 5 PIERCE COURT
91	057-213-000-0022	LT 22 BLK 5 PIERCE COURT
92	063-166-001-0011	LT 11 BLK 1 WELLS
93	063-167-005-0006	LT 6 BLK 5 WELLS
94	063-167-005-0007	LT 7 BLK 5 WELLS
95	063-167-005-0008	LT 8 BLK 5 WELLS

Note:

* All properties are a minimum of 6 years delinquent. The total value of property taxes owed, health and safety liens, attorneys' fees, foreclosure and sale equal 100% or more of the most recent HCAD appraisal.

Tax Delinquent Properties*
Fifth Ward-HCAD Sort

#	HCAD #	LEGAL DESCRIPTION
1	004-035-000-0009	LTS 9 & 10 BLK 29 AUGUSTA
2	004-043-000-0009	LT 9 BLK 37 AUGUSTA
3	004-051-000-0001	LT 1 BLK 45 AUGUSTA
4	004-108-000-0004	LTS 4 & 5 BLK 102 AUGUSTA
5	004-237-000-0010	LT 10 BLK 12 ANGIERS SEC 1
6	004-239-014-0004	LT 4 BLK 14 ANGIERS SEC 1
7	009-142-000-0001	TR 1 BLK 22 (001*TR 4) CHAPMANS SEC 2
8	009-142-000-0002	LT 2 BLK 22 CHAPMANS SEC 2
9	009-144-000-0001	TRS 1 & 2 BLK 24 (001*TR 7) CHAPMANS SEC 2
10	009-146-000-0003	LT 3 BLK 26 CHAPMANS SEC 2
11	009-146-000-0004	LT 4 BLK 26 CHAPMANS SEC 2
12	009-235-000-0002	LT 2 BLK 1 CHEW F F
13	009-235-000-0006	LT 6 BLK 1 CHEW F F
14	009-235-000-0010	LT 10 BLK 1 CHEW F F
15	009-236-000-0005	TRS 5A 5B 6A & 6B BLK 2 CHEW F F
16	009-241-000-0002	LT 2 BLK 7 CHEW F F
17	009-241-000-0006	LTS 6 & 7 BLK 7 CHEW F F
18	009-247-000-0001	LT 1 BLK 13 CHEW F F
19	009-248-000-0004	LTS 4 & 5 BLK 14 CHEW F F
20	009-248-000-0006	LTS 6 & 7 BLK 14 CHEW F F
21	009-248-000-0008	LT 8 BLK 14 CHEW F F
22	009-248-000-0009	LT 9 BLK 14 CHEW F F
23	009-257-000-0004	LT 4 BLK 23 CHEW F F
24	009-257-000-0007	LT 7 BLK 23 CHEW F F
25	009-257-000-0008	LT 8 BLK 23 CHEW F F
26	009-258-000-0005	LTS 5 & 6 BLK 24 CHEW F F
27	009-259-000-0012	LT 12 BLK 25 CHEW F F
28	012-162-000-0002	LT 2 BLK 5 EAGLE
29	012-162-000-0004	LT 4 BLK 5 EAGLE
30	012-162-000-0005	LT 5 BLK 5 EAGLE
31	012-162-000-0020	TRS 8A & 9A BLK 5 EAGLE
32	012-163-000-0001	LTS 1 & 2 BLK 6 EAGLE
33	012-164-000-0005	LT 5 BLK 7 EAGLE
34	012-165-000-0008	TRS 8 & 9 BLK 8 EAGLE
35	012-165-000-0010	TR 10 BLK 8 EAGLE
36	012-167-000-0011	LT 11 BLK 10 EAGLE
37	015-199-000-0005	LT 6 & TR 7A BLK 9 (001*TR 15) GREGG SEC 2
38	015-199-000-0006	TRS 8A & 9A BLK 9 (001*TR 22) GREGG SEC 2
39	015-199-000-0009	TRS 1A 2A & 3A (001*TR 19) GREGG SEC 2
40	015-199-000-0010	TRS 3 & 4 BLK 9 (001*TR 20) GREGG SEC 2
41	015-199-000-0011	LT 5 & TR 4A BLK 9 (001*TR 21) GREGG SEC 2
42	015-199-000-0012	TRS 7 & 8 BLK 9 (001*TR 16) GREGG SEC 2
43	017-068-000-0002	LT 2 BLK 17 HOME
44	017-068-000-0011	LT 11 BLK 17 HOME
45	017-068-000-0012	LT 12 BLK 17 HOME
46	021-139-000-0032	TR 25 BLK 1 INGRAHAM
47	021-141-000-0015	TR 1A BLK 3 (001*TR 18) INGRAHAM
48	021-144-006-0003	LT 16 & TR 3 BLK 6 INGRAHAM
49	021-144-006-0015	TR 15A BLK 6 (001*TR 29) INGRAHAM
50	021-144-006-0022	TR 15B BLK 6 (001*TR 30) INGRAHAM

Tax Delinquent Properties*

Fifth Ward-HCAD Sort

#	HCAD #	LEGAL DESCRIPTION
51	026-037-000-0005	LT 5 BLK 7 MATTHEWS
52	026-038-000-0006	LT 6 7 BLK 8 MATTHEWS
53	026-038-000-0008	LT 8 BLK 8 MATTHEWS
54	026-038-000-0009	LT 9 BLK 8 MATTHEWS
55	026-099-000-0010	LT 10 BLK 13 MICHAUD M M
56	026-099-000-0011	LT 11 BLK 13 MICHAUD M M
57	026-099-000-0012	LT 12 BLK 13 MICHAUD M M
58	030-019-001-0002	LT 2 BLK 1 RALSTON
59	030-019-001-0003	LT 3 BLK 1 RALSTON
60	030-019-001-0004	LT 4 BLK 1 RALSTON
61	030-019-001-0005	LT 5 BLK 1 RALSTON
62	030-019-001-0010	LT 10 BLK 1 RALSTON
63	030-019-002-0009	LT 9 BLK 2 RALSTON
64	030-020-004-0010	LT 10 BLK 4 RALSTON
65	030-020-004-0011	LT 12 & TR 13 BLK 4 RALSTON
66	033-170-000-0002	TR 2 BLK 10 (001*TR 14) PARKER SMITH
67	033-170-000-0003	TR 3 BLK 10 (001*TR 15) PARKER SMITH
68	033-170-000-0005	LTS 5 & 6 BLK 10 PARKER SMITH
69	033-178-000-0005	LT 5 BLK 18 PARKER SMITH
70	033-178-000-0006	LT 6 BLK 18 PARKER SMITH
71	033-179-000-0001	LT 1 BLK 19 PARKER SMITH
72	033-179-000-0005	TRS 5A & 6A BLK 19 PARKER SMITH
73	033-184-000-0003	LT 3 BLK 24 SYNDOR EXTN
74	033-184-000-0004	LT 4 BLK 24 SYNDOR EXTN
75	039-341-000-0007	LT 7 BLK 2 GRANT PARK
76	039-342-000-0007	LT 7 BLK 3 GRANT PARK
77	039-343-000-0001	LT 1 BLK 4 GRANT PARK
78	039-343-000-0002	LT 2 BLK 4 GRANT PARK
79	039-343-000-0009	LTS 9 & 10 BLK 4 GRANT PARK
80	039-344-000-0008	LT 8 BLK 5 GRANT PARK
81	039-345-000-0005	LT 5 BLK 6 GRANT PARK
82	039-346-000-0001	LT 1 BLK 7 GRANT PARK
83	039-346-000-0002	LT 2 BLK 7 GRANT PARK
84	039-348-000-0009	LT 9 BLK 8 GRANT PARK
85	039-348-000-0010	LT 10 BLK 8 GRANT PARK
86	040-257-000-0013	TRS 10 & 10C (001*TR 7A) ABST 32 HARRIS & WILSON
87	040-257-000-0014	TR 10B (001*TR 7C) ABST 32 HARRIS & WILSON
88	040-257-000-0015	TR 10A (001*TR 7B) ABST 32 HARRIS & WILSON
89	040-257-000-0038	TRS 27 29 & 30 ABST 32 HARRIS & WILSON
90	040-266-003-0035	LTS 35 & 36 COLONIA DE JUAREZ U/R ABST 32 HARRIS & WILSON
91	040-266-009-0062	LT 62 LIBERTY GARDENS SEC 4 U/R ABST 32 HARRIS & WILSON
92	040-266-009-0064	LT 64 LIBERTY GARDENS SEC 4 U/R ABST 32 HARRIS & WILSON
93	042-208-000-0001	TR 1A (001*TR 12 60X70) KARCHER TRACT U/R ABST 327 S M HARRIS
94	042-208-000-0077	TR 13 (001*TR 14) KARCHER TRACT U/R ABST 327 S M HARRIS
95	050-346-000-0024	LT 24 LIBERTY
96	050-346-000-0026	LT 26 LIBERTY
97	050-346-000-0031	LT 31 LIBERTY
98	050-346-000-0032	LT 32 LIBERTY
99	050-346-000-0052	LTS 52 54 & 56 LIBERTY
100	050-346-000-0058	LT 58 LIBERTY

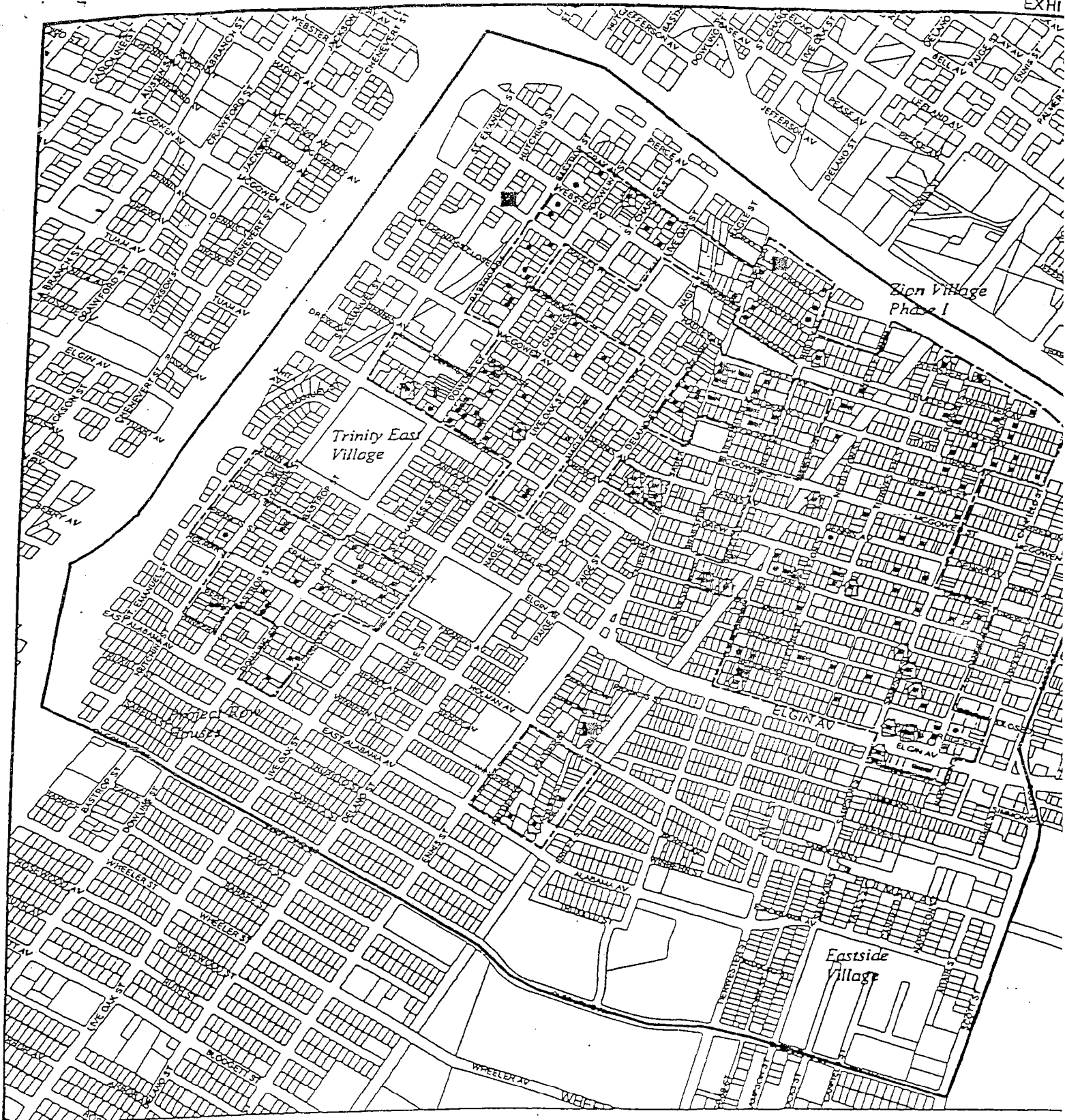
EXHIBIT

Tax Delinquent Properties*
Fifth Ward-HCAD Sort

#	HCAD #	LEGAL DESCRIPTION
101	050-346-000-0065	LT 65 LIBERTY
102	051-371-006-0004	TRS 4 & 5 BLK 6 BURKE EXTN S EC 3
103	056-133-000-0002	LT 2 BLK 3 COMFORT PLACE
104	056-133-000-0006	LT 6 BLK 3 COMFORT PLACE
105	056-133-000-0009	LT 9 BLK 3 COMFORT PLACE
106	056-133-000-0010	LT 10 BLK 3 COMFORT PLACE
107	056-142-012-0007	LT 7 BLK 12 COMFORT PLACE
108	056-144-000-0010	LT 10 BLK 14 COMFORT PLACE
109	056-144-000-0019	LT 19 BLK 14 COMFORT PLACE
110	056-144-000-0022	LT 22 BLK 14 COMFORT PLACE
111	056-144-000-0023	LT 23 BLK 14 COMFORT PLACE
112	056-144-000-0025	TR 25 BLK 14 COMFORT PLACE
113	056-144-000-0026	TR 26 BLK 14 COMFORT PLACE
114	056-144-000-0030	TRS 25A & 26A BLK 14 (001*TR 2 9) COMFORT PLACE
115	061-049-024-0007	LTS 7 8 & 13 THRU 17 BLK 24 PINECREST COURT SEC 3
116	061-049-024-0009	LTS 9 & 18 BLK 24 PINECREST COURT SEC 3
117	070-104-001-0002	LT 2 BLK 1 COLONIA WEISENBER GER SEC 1
118	070-104-001-0003	LT 3 BLK 1 COLONIA WEISENBER GER SEC 1
119	070-104-001-0015	LT 15 BLK 1 COLONIA WEISENBER GER SEC 1
120	070-104-001-0016	LT 16 BLK 1 COLONIA WEISENBER GER SEC 1
121	070-104-002-0003	LT 3 BLK 2 COLONIA WEISENBER GER SEC 1
122	070-104-002-0005	LT 5 BLK 2 COLONIA WEISENBER GER SEC 1

Note:

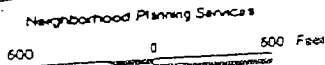
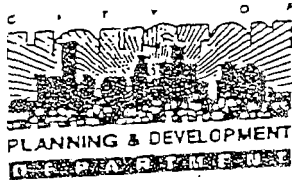
* All properties are a minimum of 6 years delinquent. The total value of property taxes owed, health and safety liens, attorneys' fees, foreclosure and sale equal 100% or more of the most recent HCAD appraisal.



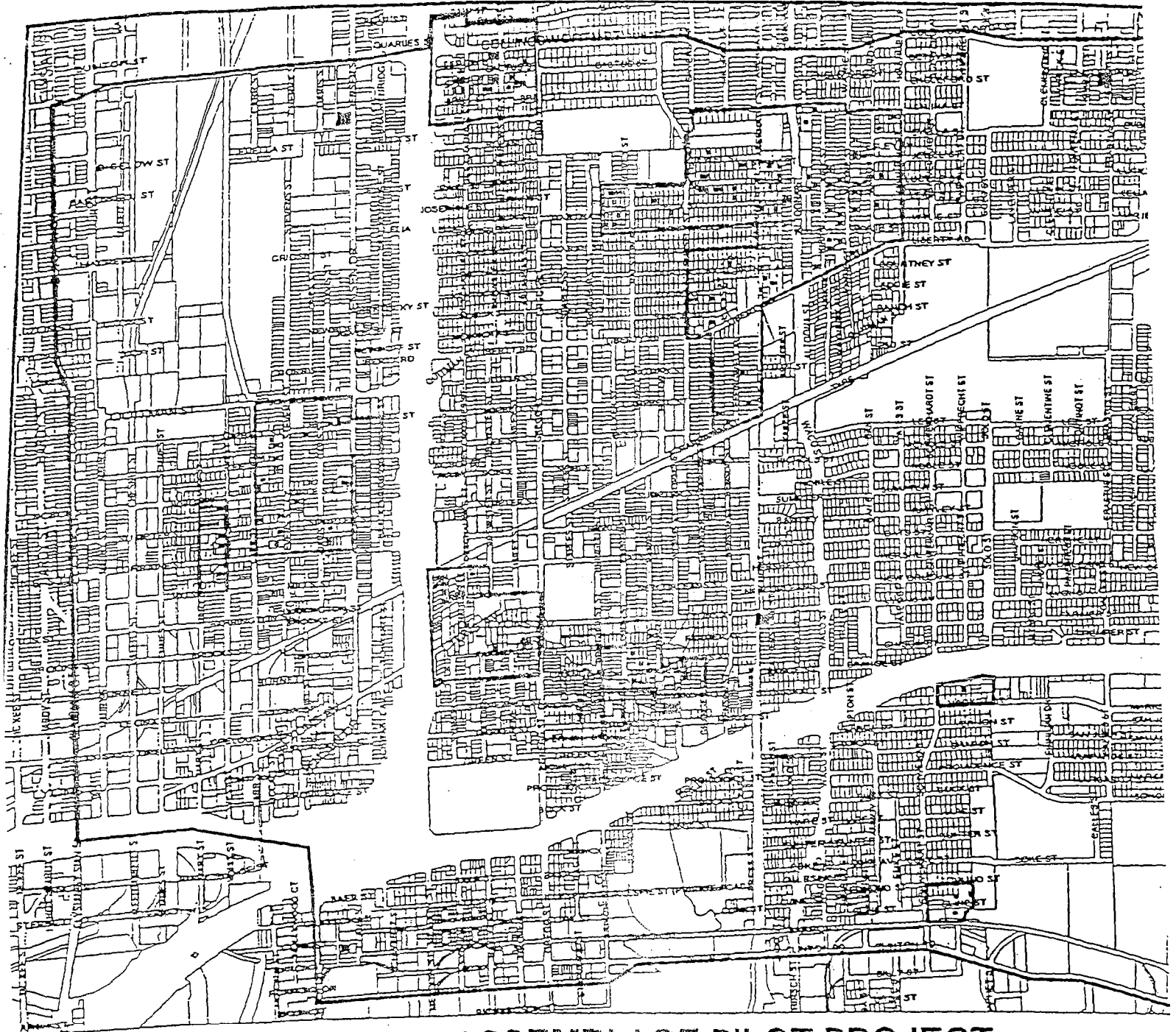
LAND ASSEMBLAGE PILOT PROJECT Third Ward

Legend

- Tax Liens: long-term
- Building*
- Foreclosure: 1989 (F&A)
- ⚡ Targeted Sub-Areas
- ⚡ Third Ward Boundary



Notes:
 Tax liens featured include penalty & interest homebased; breakdown of property's tax is approximately 25% for city, 25% for county HISD. Total lien values include health & 22. Tax liens shown are priority for pilot project targeted sub-areas; however, property ties being conducted and properties slated for have not been determined.
 * Data obtained through staff survey Summ Tax Lien Data Source: Harris County, the Joint Venture, thru Feb. 2000.
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LAND ASSEMBLAGE PILOT PROJECT

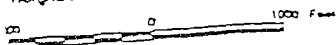
Fifth Ward



Legend

- Tax Liens; long-term
- Building*
- Foreclosure, 1989 (F&A)

- ▨ Targeted Sub-Areas
- Fifth Ward Boundary



September 5, 2000

Notes:
 Tax liens featured include penalty & interest for homeowners; breakdown of property's tax lien is approximately 25% for city, 25% for county, and HISD. Total lien values include health & safety. Tax liens shown are priority for pilot project since targeted sub-areas; however, property research being conducted and properties slated for foreclosure have not been determined.
 * Data obtained through staff survey Summer '99.
 Tax Lien Data Source: Harris County, thru F&A Joint Venture, thru Feb. 2000.

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ACTION ITEM

Meeting Date: June 23, 2015

Committee: *Facilities and Finance*

ITEM NO.	ITEM TITLE	PRESENTER
6	Adoption of Fort Bend and Harris County Local Option Exemptions Tax Year 2015	Dr. Cesar Maldonado Teri Zamora

RECOMMENDATION

Approve the Local Option Exemptions for Tax Year 2015 as follows:

Local Over 65 or Disabled	\$120,000
Local Homestead	\$ 5,000 or 10% of appraised value (whichever is greater)

COMPELLING REASON/RATIONALE

Local Option Exemptions provide limited tax relief to the qualifying taxpayer. An exemption excludes part of the property's value from property taxes and can significantly lower the taxable value and subsequent tax levies.

DESCRIPTION OR BACKGROUND

Each year HCC adopts the Local Option Exemptions that will be offered to qualifying homeowners in the taxing jurisdiction. The exemption reduces the taxable value of the property owned by the qualifying homeowner. If the taxing unit offers a general homestead exemption, that amount is subtracted from the appraised value to determine the taxable value.

FISCAL IMPACT

The recommendation will reduce ad valorem tax revenues by an estimated amount of \$1.4M annually.

	Current Exemption Tax Year 2014	Proposed Exemption Tax Year 2015
Local Over 65 or Disabled	\$90,000	\$120,000
Local Homestead	\$5,000 or 10% of appraised value (whichever is greater)	\$5,000 or 10% of appraised value (whichever is greater)

LEGAL REQUIREMENT

The Board of Trustees must adopt the local option exemption amounts each year and submit to the Counties no later than June 30th.

STRATEGIC GOAL ALIGNMENT

Strategic Initiative: Support Innovation

Attachment Title(s): **1. Scenarios for Incremental Increases to Homestead Exemption**
2. Homeowners Exemption Amounts by Jurisdiction
3. Scenarios for Incremental Increases to Over 65 or Disabled

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100

Scenarios for Incremental Increases to Homestead Exemption

Market Value Range	# of Accounts	Current Homestead Exemption - 10%		Proposed Homestead Exemption - 11%		Proposed Homestead Exemption - 12%		Proposed Homestead Exemption - 13%		Proposed Homestead Exemption - 14%		Proposed Homestead Exemption - 15%	
		Average Tax Paid	Average Tax Exempted	Average Tax Paid	Average Tax Exempted	Average Tax Paid	Average Tax Exempted	Average Tax Paid	Average Tax Exempted	Average Tax Paid	Average Tax Exempted	Average Tax Paid	Average Tax Exempted
0 - 50,000	30,163	\$33	\$5	\$33	\$5	\$32	\$6	\$32	\$6	\$31	\$7	\$30	\$8
50,001 - 100,000	72,699	\$72	\$8	\$71	\$9	\$70	\$10	\$70	\$10	\$69	\$11	\$68	\$12
100,001-150,000	41,485	\$117	\$13	\$116	\$14	\$114	\$16	\$113	\$17	\$112	\$18	\$111	\$20
150,001-200,000	23,312	\$166	\$18	\$165	\$20	\$163	\$22	\$161	\$24	\$159	\$26	\$157	\$28
200,001-250,000	16,112	\$216	\$24	\$214	\$26	\$211	\$29	\$209	\$31	\$206	\$34	\$204	\$36
250,001-500,000	51,396	\$360	\$40	\$356	\$44	\$352	\$48	\$348	\$52	\$344	\$56	\$340	\$60
500,001-750,000	14,262	\$602	\$67	\$595	\$74	\$588	\$80	\$582	\$87	\$575	\$94	\$568	\$100
750,001-1,00,000	7,404	\$827	\$92	\$818	\$101	\$809	\$110	\$799	\$119	\$790	\$129	\$781	\$138
1,000,001 & up	9,483	\$1,639	\$182	\$1,620	\$200	\$1,602	\$218	\$1,584	\$237	\$1,566	\$255	\$1,548	\$273
	<u>233,856</u>												
Net Increase Compared to Current Homestead Exemption					\$721,400		\$1,462,577		\$2,183,957		\$2,935,520		\$3,687,083

Homeowner Exemption Amounts by Jurisdiction

Jurisdiction / Taxing Unit	Homestead Percent	Homestead Amount	Over 65 Amount	Disabled Amount	2014 Rate	Tax on \$50,000 home	Tax on \$250,000 home
HOUSTON COMMUNITY COLLEGE	10	5,000	90,000	90,000	0.10689	\$48	\$241
LONE STAR COLLEGE SYSTEM DISTRICT	1	5,000	75,000	75,000	0.1081	\$49	\$268
SAN JACINTO JR COLLEGE DISTRICT	1	5,000	127,500	127,500	0.185602	\$84	\$459
LEE JR COLLEGE DISTRICT	20	5,000	75,000	75,000	0.2607	\$104	\$521

Scenarios for Incremental Increases for Over 65 or Disabled

Market Value Range	# of Accounts	Current Over 65/Disabled Exemption - \$90,000		Proposed Over 65/Disabled Exemption - \$100,000		Proposed Over 65/Disabled Exemption - \$110,000		Proposed Over 65/Disabled Exemption - \$120,000	
		Average Tax Paid	Average Tax Exempted	Average Tax Paid	Average Tax Exempted	Average Tax Paid	Average Tax Exempted	Average Tax Paid	Average Tax Exempted
0 - 50,000	15,499	\$0	\$38	\$0	\$38	\$0	\$38	\$0	\$38
50,001 - 100,000	27,516	\$0	\$80	\$0	\$80	\$0	\$80	\$0	\$80
100,001-150,000	10,923	\$21	\$109	\$10	\$120	\$0	\$130	\$0	\$130
150,001-200,000	6,657	\$70	\$115	\$59	\$125	\$49	\$136	\$38	\$147
200,001-250,000	3,948	\$120	\$120	\$109	\$131	\$98	\$142	\$88	\$152
250,001-500,000	14,196	\$264	\$136	\$253	\$147	\$243	\$158	\$232	\$168
500,001-750,000	3,946	\$506	\$163	\$495	\$174	\$484	\$184	\$473	\$195
750,001-1,00,000	1,903	\$731	\$188	\$720	\$199	\$709	\$209	\$699	\$220
1,000,001 & up	2,891	\$1,542	\$278	\$1,532	\$289	\$1,521	\$300	\$1,510	\$310
	<u>87,479</u>								
Net Increase Compared to Current Over 65/Disabled Exemption					\$477,902		\$953,178		\$1,444,746

ACTION ITEM

Meeting Date: June 23, 2015

Committee: *Facilities and Finance*

ITEM NO.	ITEM TITLE	PRESENTER
7	Energy Engineering Consulting Services (Project RFQ 15-18)	Dr. Cesar Maldonado Teri Zamora Charles Smith

RECOMMENDATION

Authorize the Chancellor to negotiate and execute a contract with ESA Energy Systems Associates, Inc. to provide Energy Engineering Consulting Services and related services for HCC, in accordance with RFQ 15-18.

The contract term will be for the term of the project in accordance with the project schedules and the LoanSTAR loan program related to State Energy Conservation Office (SECO).

COMPELLING REASON/RATIONALE

The Energy Engineering Consulting Services includes seven campuses under RFQ 15-18. The projects will generally involve improvements in connection with existing buildings or properties. The selected firm will primarily provide design, administration, and estimating services, and may also be required to provide scope developments, planning, technical studies, feasibility studies, problem analysis, design review, building evaluation reports, and other engineering and technical services.

Campus	Number of Buildings
Administration Building (3100 Main)	1
Central College	11
Coleman College	1
Northeast College	6
Northwest College	4
Southeast College	2
Southwest College	6

The Energy Engineering Consulting Services consultant team will report to the Chief Facilities Officer and coordinate with the staff of Facilities and Construction Management Department. The selected firm will work collaboratively with HCC's representatives and any appointed outside parties.

This recommendation to the Board of Trustees is in accordance with RFQ 15-18 and Chapter 2254 of the Texas Government Code.

DESCRIPTION OR BACKGROUND

The Request for Qualifications (RFQ 15-18) was issued on May 11, 2015. The solicitation document was distributed electronically in addition to being published in local newspapers; notice was provided to one hundred ninety-five (195) firms. Five (5) responses were received by the solicitation due date of June 4, 2015 by 2:00 p.m. All responses were deemed responsive to the requirements of RFQ 15-18 and were submitted to the Evaluation Committee to evaluate and score.

FISCAL IMPACT

In accordance with this recommendation, the fee for Energy Engineering Consulting Services shall be negotiated prior to the contract award.

The services will be funded from the proceeds of the LoanSTAR loan program through SECO.

LEGAL REQUIREMENTS

This recommendation to the Board of Trustees is being made to the most highly qualified firm on the basis of demonstrated competence and qualifications in accordance with Chapter 2254.004 of the Texas Government Code.

Pursuant to the published RFQ 15-18 document and in accordance with Chapter 2254 of the Texas Government Code, the Evaluation Committee has selected the offeror that submitted a statement of qualifications demonstrating the most highly qualified firm on the basis of demonstrated competence and qualifications based on the published selection criteria and as evidenced in the final evaluation ranking.

Following the Texas Government Code and in accordance with the procurement process, HCC has selected the most highly qualified firm on the basis of demonstrated competence and qualifications.

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: Energy Engineering Consulting Services

PROJECT NO.: RFQ 15-18

PROCUREMENT METHOD: Request for Qualification (Most Highly Qualified)

PROJECT MANAGER: Charles Smith, Chief Facilities Officer

NAME OF BUYER: Jennifer Chiu, Senior Buyer

PURPOSE: Houston Community College issued a request for qualifications for the selection of a firm to provide Energy Engineering Consulting and related services on an as needed basis.

RECOMMENDED VENDOR: ESA Energy Systems Associates, Inc.

LEGAL REQUIREMENTS: This recommendation to the Board of Trustees is being made to the most highly qualified firm on the basis of demonstrated competence and qualifications in accordance with Chapter 2254.004 of the Texas Government Code.

Pursuant to the published RFQ 15-18 document and in accordance with Chapter 2254 of the Texas Government Code, the Evaluation Committee has selected the offeror that submitted a statement of qualifications demonstrating the most highly qualified firm on the basis of demonstrated competence and qualifications based on the published selection criteria and as evidenced in the final evaluation ranking.

Following the Texas Government Code and in accordance with the procurement process, HCC has selected the most highly qualified firm on the basis of demonstrated competence and qualifications.

PROPOSED SUB-CONTRACTOR: None

LOCATION INFORMATION: In performing the work under RFQ 15-18, the recommended vendor will be working from their Round Rock, Texas office.

PROJECTED VALUE: The fee for Energy Engineering Consulting Services shall be negotiated prior to contract award.

CONTRACT TERM: The contract term will be for the term of the project in accordance with the project schedules and the LoanSTAR loan program related to State Energy Conservation Office (SECO).

ADVERTISEMENT: This procurement was advertised in the following newspapers:

- The Houston Chronicle: May 13, 17, & 24, 2015
- African American: May 13, 17, & 24, 2015
- La Información: May 13, 17, & 24, 2015
- Voice of Asia: May 13, 17, & 24, 2015

PROCUREMENT NOTICE:

A notice of the procurement was distributed to the following on May 12, 2015:

- Notice to HCC Board of Trustees
- Houston Minority Business Council
- Texas State Procurement Website
- HCC Procurement Operations Website

SOLICITATION INFORMATION:

The Request for Qualifications (RFQ 15-18) was issued on May 11, 2015. The solicitation document was distributed electronically in addition to being published in local newspapers; notice was provided to one hundred ninety-five (195) firms. The solicitation was duly posted on the Electronic State Business Daily (ESBD) website. Five (5) responses were received by the solicitation due date of June 4, 2015 by 2:00 p.m. All responses were deemed responsive to the requirements of RFQ 15-18 and were submitted to the Evaluation Committee to evaluate and score.

COMPETITIVE: Yes, see 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.

Evaluation Criteria	Available Points
Qualifications & Experience of the Firm	20
Demonstrated Qualifications of Personnel	25
Technical Approach and Methodology	20
Past Performance and References	20
Small Business Practices	15

Total Points 100

**PRIOR HCC
EXPERIENCE:**

Yes

REFERENCES:

Evaluated and found to be favorable.

**SMALL BUSINESS
GOAL:**

In accordance with Section 1.9 of the Procurement Operations Manual, for this solicitation, HCC advertised a Small Business Participation goal of 25%. The recommended vendor will be self-performing the work under RFQ 15-18.

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RFQ 15-18 Composite Score for Energy Engineering Consulting Services

Summary Composite Score Sheet

Firm	Evaluation Criteria					Total
	Qualifications and Experience of the Firm	Demonstrated Qualifications of Personnel	Technical Approach and Methodology	Past Performance and References	Small Business Practices	
<i>Available Points</i>	20	25	20	20	15	100.00
ESA Energy Systems Associates, Inc.	17.60	20.00	17.60	16.80	0.00	72.00
Energy Systems Laboratory, TEES	16.80	20.00	16.00	15.20	0.00	68.00
Schneider Electric Building America, Inc.	16.80	18.00	16.00	15.20	0.00	66.00
KCI Technologies, Inc.	15.20	21.00	13.60	16.00	0.00	65.80
Summit Consultants, Inc.	12.80	20.00	12.80	12.80	0.00	58.40

ACTION ITEM

Meeting Date: June 23, 2015

Committee: *Facilities and Finance*

ITEM NO.	ITEM TITLE	PRESENTER
8	Investment Report for the Month of April, 2015	Dr. Cesar Maldonado Teri Zamora

RECOMMENDATION

Approve the Investment Report for the month of April, 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 \$235,532 and the interest income earned and earnings credit for the fiscal year-to-date totaled \$1,692,772. The weighted average interest rate (WAR) at April 30, 2015 is .38%.

The Investment Report attached identifies HCC's investment holdings for the month ending April 30, 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 - April, 2015**

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100

HOUSTON COMMUNITY COLLEGE SYSTEM
INVESTMENT PORTFOLIO COMPOSITION
As of APRIL 30, 2015

Beginning Book Value (APRIL 1, 2015)	\$	597,061,635
Beginning Market Value (APRIL 1, 2015)	\$	596,918,250
Additions/Subtractions (Book value - Net)	\$	(20,098,098) *
Change in Market value	\$	(50,841)
Ending Book value (APRIL 30, 2015)	\$	576,963,537
Ending Market value (APRIL 30, 2015)	\$	576,759,666
Unrealized Gain/(Loss)	\$	(203,871)
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 \$1,383,688 on deposit with Bank Of America which is earning higher than market yield from earning credits.

* Net amount provided/used for Operations	(1,707,680)
Net amount provided/used for CIP /Others	(18,390,418)
	<u>(20,098,098)</u>

EXECUTIVE SUMMARY
INVENTORY HOLDINGS REPORT
April 30, 2015

	<u>Ending Book Value</u>	<u>Ending Market Value</u>	<u>Unrealized Gain (Loss)</u>
US Treasuries	4,001,250	4,007,812	6,562
US Agencies	72,300,968	72,090,535	(210,433)
Local government pools	10,126,889	10,126,889	-
Money market funds	175,450,513	175,450,513	-
High yield savings	80,293,136	80,293,136	-
Certificates of deposit	195,250,000	195,250,000	-
Interest bearing checking	39,540,780	39,540,780	-
Total	<u>576,963,537</u>	<u>576,759,666</u>	<u>(203,871)</u>
WAR (weighted average interest rate)		<u>0.38%</u>	

INVESTMENTS
INVENTORY HOLDINGS REPORT (OPERATING AND OTHERS)
As of **APRIL 30, 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	52,210	55,452	53,809	(191)	53,619	55,239	(17)	1,620
Fannie Mae ARM Pool 805454	Bank of America	2.64%	12/23/04	12/01/34	45,906	51,924	54,496	(2,731)	51,765	48,997	(325)	(2,768)
Federal Farm Credit Bank US Domestic Bond	Bank of America	0.40%	08/03/12	08/03/15	1,000,000	1,000,758	1,000,000	0	1,000,000	1,000,657	(101)	657
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	1,949,158	2,000,000	0	2,000,000	1,938,298	(10,860)	(61,702)
Freddie Mac Domestic MTN Unsecured Bond	Bank of America	0.85%	03/10/14	03/10/17	1,000,000	998,721	1,000,000	0	1,000,000	998,454	(267)	(1,546)
Freddie Mac Domestic MTN Unsecured Bond	Bank of America	1.00%	08/22/12	02/22/18	1,000,000	997,025	1,000,000	0	1,000,000	996,737	(288)	(3,263)
Fannie Mae US Domestic Multi-step CPN Bond Structured Note	Bank of America	1.00%	08/27/12	08/27/27	2,000,000	2,005,398	1,990,000	0	1,990,000	2,002,532	(2,866)	12,532
Federal Home Loan Bank US Domestic Unsecured	Bank of America	0.25%	01/23/15	01/22/16	2,000,000	1,999,786	1,999,720	0	1,999,720	1,999,586	(200)	(134)
Federal Farm Credit Bank US Domestic Unsecured	Bank of America	0.48%	01/28/15	05/27/16	1,725,000	1,723,817	1,724,655	(1,724,655)	-	-	-	-
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	1,999,990	2,000,000	0	2,000,000	2,001,070	1,080	1,070
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	1,041,104	1,080,000	0	1,080,000	1,034,868	(6,236)	(45,132)
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	1,589,434	1,600,000	0	1,600,000	1,580,694	(8,739)	(19,306)
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	2,630,662	2,675,000	0	2,675,000	2,615,409	(15,253)	(59,591)
Federal Farm Credit Bank US Domestic Unsecured	Bank of America	1.00%	04/11/13	04/11/18	10,000,000	9,973,250	10,000,000	0	10,000,000	9,971,200	(2,050)	(28,800)
Federal Home Loan Bank US Domestic Unsecured	Bank of America	0.70%	04/17/13	01/17/17	5,000,000	5,001,370	5,000,000	(5,000,000)	-	-	-	-
Fannie Mae US Domestic Multi-step cpn Bond Structured Note	Bank of America	0.80%	06/13/13	06/13/18	10,000,000	9,982,250	10,000,000	0	10,000,000	9,978,970	(3,280)	(21,030)
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	5,012,625	5,000,000	0	5,000,000	5,010,025	(2,600)	10,025
U.S. Treasury Notes US Govt. National	Bank of America	0.50%	07/10/14	06/30/16	4,000,000	4,006,564	4,001,250	0	4,001,250	4,007,812	1,248	6,562
Federal Home Loan Bank US Domestic Unsecured	Bank of America	0.52%	07/10/14	09/12/16	1,080,000	1,080,054	1,078,304	0	1,078,304	1,078,851	(1,203)	546
Federal Farm Credit Bank US Domestic Unsecured	Bank of America	1.22%	09/24/14	09/18/17	3,000,000	3,007,797	2,999,670	0	2,999,670	3,007,524	(273)	7,854
Freddie Mac Domestic MTN Unsecured Bond	Bank of America	1.30%	09/25/14	01/30/18	5,000,000	5,004,300	5,000,000	(5,000,000)	-	-	-	-
Federal Home Loan Bank US Domestic Unsecured	Bank of America	1.11%	09/26/14	06/26/17	4,000,000	4,000,196	4,000,000	(4,000,000)	-	-	-	-
Freddie Mac Global Unsecured Bond	Bank of America	0.70%	09/29/14	09/29/16	5,000,000	5,003,310	5,000,000	0	5,000,000	5,003,650	340	3,650
Federal Home Loan Bank US Domestic Unsecured	Bank of America	0.25%	02/02/15	01/26/16	5,000,000	4,998,575	5,000,000	0	5,000,000	4,999,625	1,050	(375)
Fannie Mae US Domestic Multi-step cpn Bond Structured Note	Bank of America	0.65%	04/01/15	12/26/17	2,000,000	-	-	2,000,000	2,000,000	1,999,424	-	(576)
Federal Home Loan Bank US Domestic Unsecured	Bank of America	0.75%	04/06/15	12/16/16	2,000,000	-	-	2,001,040	2,001,040	2,001,036	-	(4)

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)
Federal Home Loan Bank US Domestic Unsecured	Bank of America	0.25%	04/07/15	03/11/16	5,000,000	-	-	4,998,425	4,998,425	4,997,090	-	(1,335)
Federal Home Loan Bank US Domestic Unsecured	Bank of America	0.25%	04/07/15	03/11/16	5,000,000	-	-	4,998,425	4,998,425	4,997,090	-	(1,335)
Federal Home Loan Bank US Domestic series 000 unsecured	Bank of America	0.75%	04/13/15	04/13/17	2,775,000	-	-	2,775,000	2,775,000	2,773,510	-	(1,490)
Plant Fund Interest Checking (10060-7201)	Bank Of America	0.11%	04/01/15			66,469	66,469	6	66,475	66,475	0	0
Debt Service 2001A Bond Int Checking (10080)	Bank Of America	0.11%	04/01/15			2,157,505	2,157,505	175	2,157,680	2,157,680	0	0
HCCS Merchant service (10012)	Bank Of America	0.30%	04/01/15			49,554,353	49,554,353	(23,076,351)	26,478,002	26,478,002	0	0
Checking Acoount- 10010-7306-2006 Jr. lien	Bank Of America	0.11%	04/01/15			229	229	0	229	229	0	0
LTD2013 Tax Bond Grneral Checking A/C (10090)	Bank Of America	0.11%	04/01/15			2,112,789	2,112,789	6,793,668	8,906,457	8,906,457	0	0
LTD2003 Tax Bond Checking A/C (10092)	Bank Of America	0.11%	04/01/15			1,930,340	1,930,340	182	1,930,522	1,930,522	0	0
Managed PFI Account-10100-1110	Bank Of America	0.20%	04/01/15			1,415	1,415	0	1,415	1,415	0	0
Merrill Lynch, Pierce, Fenner & smith (1110)	Bank Of America	0.01%	04/01/15			455,794	455,794	15	455,809	455,809	0	0
Public Fund Money Market_Premier (159406615)	Regions Bank	0.18%	04/01/15			54,588,198	54,588,198	7,919	54,596,116	54,596,116	0	0
Public Fund Money Market_Premier (185913820)- fund 1110	Regions Bank	0.15%	04/01/15			120,383,771	120,383,771	14,817	120,398,588	120,398,588	0	0
Chase High Yield Savings (A/C 2049911718)	Chase Bank	0.03%	04/01/15			2,308	2,308	15,114,014	15,116,322	15,116,322	0	0
Chase High Yield Savings (A/C 3000684286)	Chase Bank	0.03%	04/01/15			65,175,210	65,175,210	1,603	65,176,813	65,176,813	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	(20,000,000)	0	0	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	0.14%	04/01/15			1,597,504	1,597,504	173	1,597,677	1,597,677	0	0
Tex Pool	State Street Bank	0.05%	04/01/15			8,528,845	8,528,845	367	8,529,213	8,529,213	0	0
TOTAL						596,918,250	597,061,635	(20,098,098)	576,963,537	576,759,666	(50,841)	(203,871)

ACTION ITEM

Meeting Date: June 23, 2015

Committee: *Facilities and Finance*

ITEM NO.	ITEM TITLE	PRESENTER
9	Monthly Financial Statement and Budget Review for April 2015	Dr. Cesar Maldonado Teri Zamora

RECOMMENDATION

Approve the Financial Statement for the month of April 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 - April 2015**

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100



Summary Operating Statements

**For the Period
September 1, 2014 - April 30, 2015
For the Meeting of the Board of Trustees - June 11, 2015**

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

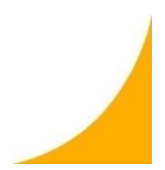


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For the Period September 1, 2014 - April 30, 2015

Houston Community College System

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Houston Community College System
Summary of Financial Statements
As of April 30, 2015

In the Unrestricted Fund as of April 30, 2015, total revenue received is \$270.3 million. This represents 90.5% of budgeted annual revenues of \$298.7 million. Expenses total \$198.2 million to date; which is 64.6% of the total expense budget of \$306.7 million. Compared with the same time last year, revenue shows a 6% increase, and expenses are 1% higher than the prior year. Actual net revenue is \$72.2 million to-date. That translates into a like amount increase in fund balance.

Tuition and fee revenue shows a 1.3% increase year-to-date, namely due to increases in enrollment. Tuition and fee revenue for Extended Learning shows a 42.7% 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 4.4%. 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 April 30, 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
Revenues	270,332,596	21,112,364	10,514,382	-	97,997,284	-	1,747,310	-	52,065,947	-	306	453,770,188
Expenses												
Salaries	118,227,723	3,814,249	3,141,025	-	2,422,444	-	148,261	-	-	-	-	127,753,701
Employee Benefits	12,829,403	9,324,289	665,491	-	298	-	33,533	-	-	-	-	22,853,014
Supplies & General Exp	2,698,267	139,690	647,454	-	-	-	2,068	80,521	-	-	-	3,568,000
Travel	629,318	147,650	125,792	-	-	-	-	-	-	-	-	902,760
Marketing Costs	732,635	24,187	17,721	-	-	-	-	-	-	-	-	774,543
Rentals & Leases	1,654,284	104,019	41,354	-	-	-	3,309	-	-	-	-	1,802,966
Insurance/Risk Mgmt	6,409,513	3,738	2,844	-	-	-	-	-	-	-	-	6,416,095
Contracted Services	14,255,591	2,483,944	1,085,782	-	-	-	62,538	-	269,614	-	-	18,157,469
Utilities	5,317,590	-	227,737	-	-	-	-	-	-	-	-	5,545,327
Other Departmental Expenses	977,514	86,478	2,707,587	-	-	-	-	-	-	-	-	3,771,579
Instructional and Other Materials	6,070,996	255,462	142,279	-	-	-	807,737	-	-	-	-	7,276,474
Maintenance and Repair	630,979	329,856	8,683	-	274,250	-	74,392	-	-	-	-	1,318,159
Transfers (In)/Out*	26,266,209	4,250,000	-	-	(2,648,239)	-	2,000,000	(8,250,000)	(21,617,969)	-	-	0
Debt	83,856	-	-	-	-	-	-	-	56,722,168	-	2,953,924	59,759,949
Capital Outlay	1,370,189	482,884	-	-	-	-	56,049,616	459,660	-	-	-	58,362,349
Depreciation	-	-	-	-	-	-	-	-	-	13,263,982	-	13,263,982
Scholarship Distribution					97,947,029							97,947,029
Total Expenses	198,154,066	21,446,444	8,813,750	-	97,995,782	-	59,181,455	(7,709,819)	35,373,813	13,263,982	2,953,924	429,473,396
NET REVENUE/(EXPENSES)	72,178,530	(334,081)	1,700,633	-	1,502	-	(57,434,145)	7,709,819	16,692,134	(13,263,982)	(2,953,618)	24,296,791
Fund Balance Entries	685,989	(491)				59,601	48,982,775	-		41,658,763	(59,782)	91,326,855
Fund Balance as of 04/30/2015	\$ 173,569,333	\$ 8,425,955	\$ 7,749,168	\$ 509,932	\$ 1,502	\$ -	\$ (3,032,393)	\$ 7,709,819	\$ 53,273,379	\$ 250,180,800	\$ (8,911,775)	\$ 489,475,719

*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 April 30, 2015
66.7% of Year Expended

HCCS CURRENT UNRESTRICTED

	Year-to-Date Actuals Thru April 30, 2015	FY2015 Budget	Actuals as a % of Budget	Year-to-Date Actuals Thru April 30, 2015	Year-to-Date Actuals Thru April 30, 2014	Increase (Decrease) FY2015 Compared to FY2014	% Increase (Decrease)
REVENUES							
State Appropriations	\$ 42,872,339	\$ 69,202,364	62.0%	\$ 42,872,339	\$ 42,925,768	\$ (53,429)	-0.1%
Ad Valorem Taxes	122,018,960	114,968,081	106.1%	122,018,960	110,021,187	11,997,773	10.9%
Tuition, Net	37,251,785	40,308,204	92.4%	37,251,785	36,353,366	898,419	2.5%
Fees	58,731,754	64,784,694	90.7%	58,731,754	58,410,521	321,233	0.5%
Other Local Income	1,554,521	2,247,796	69.2%	1,554,521	1,576,271	(21,750)	-1.4%
Tuition & Fee, Net	7,509,444	6,565,665	114.4%	7,509,444	5,262,311	2,247,133	42.7%
-- Extended Learning							
Indirect Cost Revenues, Grant	393,792	619,663	63.5%	393,792	449,039	(55,246)	-12.3%
Total Revenues	270,332,596	298,696,467	90.5%	270,332,596	254,998,463	15,334,133	6.0%
Fund Balance Transfers In	-	8,000,000	0.0%	-	-	-	0.0%
Total Revenues and Fund Balance Transfer	\$ 270,332,596	\$ 306,696,467	88.1%	\$ 270,332,596	\$ 254,998,463	\$ 15,334,133	6.0%
EXPENSES							
Salaries	118,227,723	181,635,408	65.1%	118,227,723	113,211,188	5,016,535	4.4%
Employee Benefits	12,829,403	20,230,175	63.4%	12,829,403	12,407,703	421,700	3.4%
Supplies Gen Exp	2,698,267	5,659,117	47.7%	2,698,267	3,155,743	(457,476)	-14.5%
Travel	629,318	1,258,841	50.0%	629,318	641,126	(11,808)	-1.8%
Marketing Costs	732,635	1,368,957	53.5%	732,635	727,170	5,465	0.8%
Rental & Leases	1,654,284	2,491,367	66.4%	1,654,284	1,689,164	(34,880)	-2.1%
Insurance/Risk Mgmt	6,409,513	7,264,333	88.2%	6,409,513	6,461,976	(52,463)	-0.8%
Contract Services	14,255,591	24,108,335	59.1%	14,255,591	14,702,425	(446,835)	-3.0%
Utilities	5,317,590	10,282,919	51.7%	5,317,590	4,804,189	513,400	10.7%
Other Departmental Expenses	977,514	1,833,376	53.3%	977,514	1,738,326	(760,812)	-43.8%
Instructional & Other Materials	6,070,996	9,205,380	66.0%	6,070,996	5,217,080	853,916	16.4%
Maintenance & Repair	630,979	1,351,765	46.7%	630,979	849,045	(218,067)	-25.7%
Transfers/Debt	26,350,065	32,557,629	80.9%	26,350,065	25,868,096	481,969	1.9%
Contingency	-	4,627,636	0.0%	-	-	-	0.0%
Capital Outlay	1,370,189	2,821,229	48.6%	1,370,189	4,464,035	(3,093,847)	-69.3%
Total Expenses	\$ 198,154,066	\$ 306,696,467	64.6%	\$ 198,154,066	\$ 195,937,266	2,216,800	1.1%
NET REVENUE/(EXPENSES)	\$ 72,178,530	\$ -	0.0%	\$ 72,178,530	\$ 59,061,197	\$ 13,117,334	22.2%

HOUSTON COMMUNITY COLLEGE SYSTEM

Auxiliary Budget By Fund

as of April 30, 2015

Auxiliary Funds - Uncommitted Portion

	Main Leasing	Misc. Auxiliary *	Foundation	Marketing	Bookstore Commission	International Student Services	Cafe Club NEO 3100 Main	Scholarships	Subtotal Uncommitted
Fund Balance – September 1, 2014									\$ 2,067,478
FY2015									
Revenue	3,874,356	336,529	-	-	1,721,529	-	340,488	-	6,272,903
Salaries	146,858	286,674	69,208			228,580	156,637		887,957
Benefits	37,254	73,424	15,961			52,923	37,842		217,404
Supplies Gen Exp	26,115	61,695	18,536				9,754		116,101
Travel		2,446	4,336						6,781
Marketing Costs		17,721							17,721
Rental & Leases	4,349	28,400					580		33,329
Contract Services	676,079	208,878	26,353				823		912,134
Utilities	227,737								227,737
Departmental Expenses		269,844		2,387,375		15,410			2,672,629
Instructional & Other	600						141,679		142,279
Materials									
Maintenance & Repair	894	4,009					3,779		8,683
Insurance/Risk Mgmt									-
Exemptions and Waivers								431,249	431,249
Transfer/Debt									-
Capital Outlay									-
Total Expense	1,119,887	953,092	134,394	2,387,375	-	296,913	351,094	431,249	5,674,004
Contribution to Fund Balance	2,754,468	(616,562)	(134,394)	(2,387,375)	1,721,529	(296,913)	(10,605)	(431,249)	598,898
Auxiliary Fund Balance - Uncommitted Portion									\$ 2,666,376

* 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 April 30, 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
Fund Balance – September 1, 2014			\$ 1,732,695	\$ 7,210	\$ 293,729	\$ 968,768	\$ 978,657	\$ 2,248,364	\$ 6,048,536
FY2015									
Revenue	46,666	2,802,201	2,848,867	12,453	56,000	1,010,714	782,727	1,861,893	10,983,662
Salaries	1,800	2,055,875	2,057,675		6,800	47,138	141,455	195,394	3,141,025
Benefits		413,436	413,436			305	34,346	34,651	665,491
Supplies Gen Exp	164	992	1,157		27,491	435,340	67,366	530,197	647,454
Travel	12,583		12,583		1,837	67,527	37,063	106,427	125,792
Marketing Costs			-					-	17,721
Rental & Leases			-				8,025	8,025	41,354
Contract Services		48,000	48,000		2,800	35,754	87,094	125,648	1,085,782
Utilities			-					-	227,737
Departmental Expenses		3,595	3,595		3,350	7,306	20,706	31,363	2,707,587
Instructional & Other			-					-	142,279
Materials			-					-	8,683
Maintenance & Repair			-					-	2,844
Insurance/Risk Mgmt			-			287	2,557	2,844	2,844
Exemptions and Waivers			-			38,031		38,031	469,280
Transfer			-					-	-
Capital Outlay			-					-	-
Total Expense	14,548	2,521,898	2,536,446	-	42,277	631,689	398,613	1,072,580	9,283,030
Contribution to Fund Balance	32,118	280,303	312,421	12,453	13,723	379,024	384,114	789,313	1,700,633
Auxiliary Fund Balance - Intl, Committed, Total			\$ 2,045,116	\$ 19,662	\$ 307,451	\$ 1,347,792	\$ 1,362,771	\$ 3,037,677	\$ 7,749,168

HOUSTON COMMUNITY COLLEGE
FY 2014-15 Adjusted Budget by Colleges
as of April 30, 2015

Budgeted Expenditures	CENTRAL	NORTH WEST	NORTH EAST	SOUTH WEST	SOUTH EAST	COLEMAN	EXTENDED LEARNING	SYSTEM	Grand Total
Salary	\$ 24,700,646	\$ 26,339,447	\$ 19,533,843	\$ 26,930,481	\$ 16,245,880	\$ 12,021,730	\$ 10,472,445	\$ 45,390,936	\$ 181,635,408
Employee Benefits	-	-	-	-	-	-	-	20,230,175	20,230,175
Supplies & Gen	283,460	269,747	229,109	292,590	272,446	269,736	174,517	3,867,512	5,659,117
Travel	131,844	144,311	43,515	63,505	58,539	129,059	60,791	627,277	1,258,841
Marketing Costs	23,351	28,912	56,020	27,617	75,450	10,542	179,440	967,625	1,368,957
Rentals & Leases	2,270	90,133	951,367	518,649	77,605	453,109	25,027	373,207	2,491,367
Insurance/Risk Mgmt	934	168	-	154	-	-	-	7,263,077	7,264,333
Contracted Services	323,545	279,193	79,158	36,807	74,367	278,423	15,767	23,021,075	24,108,335
Utilities	5,125	-	4,600	913	-	-	-	10,272,281	10,282,919
Other Departmental Expenses	61,115	55,701	40,202	45,607	116,081	99,360	41,890	1,373,420	1,833,376
Instructional And Other Materials	465,088	148,636	151,394	198,134	70,427	297,853	610,239	7,263,609	9,205,380
Maintenance and Repair	136,258	40,592	55,766	57,004	16,350	62,144	121,603	862,048	1,351,765
Transfers/Debt	-	864,206	5,640,442	1,250,001	-	-	-	24,802,980	32,557,629
Contingency	471,136	490,298	94,434	216,431	176,473	278,760	168,724	2,731,380	4,627,636
Capital Outlay	486,905	129,405	412,017	91,695	29,959	27,803	3,499	1,639,946	2,821,229
Total	\$ 27,091,677	\$ 28,880,749	\$ 27,291,867	\$ 29,729,588	\$ 17,213,577	\$ 13,928,519	\$ 11,873,942	\$ 150,686,548	\$ 306,696,467

Houston Community College

Balance Sheet By Fund

For Month Ended April 30, 2015

	CURRENT & LOAN FUNDS ¹	PLANT & BOND FUNDS ²	Total All Funds
ASSETS			
Current Assets:			
Cash & cash equivalents	\$ 160,986,577	\$ 43,076,157	\$ 204,062,734
Restricted cash & cash equivalents	8,762,913	-	8,762,913
Short term Investments	-	-	-
Accounts/Other receivable (net)	17,068,794	2,385,425	19,454,218
Deferred charges	136,812	-	136,812
Prepays	135,054	1,346,598	1,481,651
Total Current Assets	187,090,150	46,808,179	233,898,329
Non-current Assets:			
Restricted cash & cash equivalents	-	286,932,931	286,932,931
Restricted long-term investments	-	65,161,015	65,161,015
Long-term investments	10,937,334	-	10,937,334
Capital Assets, net	-	915,597,015	915,597,015
Total Non-current Assets	10,937,334	1,267,690,961	1,278,628,295
Total Assets	\$ 198,027,484	\$ 1,314,499,140	\$ 1,512,526,623
LIABILITIES			
Current Liabilities:			
Accounts payable	2,773,438	1,621,040	4,394,478
Accrued liabilities	680,949	18,991	699,940
Compensated absences	2,357,551	-	2,357,551
Funds held for others	652,463	189,209	841,672
Deferred revenue	1,307,194	107,841	1,415,035
Notes payable-current portion	-	-	-
Bonds payable-current portion	-	-	-
Capital lease obligations-current	-	-	-
Total Current Liabilities	7,771,595	1,937,081	9,708,676
Non-current Liabilities:			
Deposits	-	-	-
Notes payable	-	162,488,336	162,488,336
Bonds payable	-	743,883,061	743,883,061
Capital lease obligations	-	98,059,058	98,059,058
Total Non-current Liabilities	-	1,004,430,455	1,004,430,455
Total Liabilities	\$ 7,771,595	\$ 1,006,367,536	\$ 1,014,139,131
Fund Balance-			
August 31, 2014 Audited	115,964,207	263,786,241	379,750,448
Revenues Over Expenditures			
Unrestricted	74,565,152		74,565,152
Restricted	(273,469)		(273,469)
Net Investment in Plant		44,345,364	44,345,364
Total Fund Balances, Unaudited	\$ 190,255,890	\$ 308,131,604	\$ 498,387,494
Total Liabilities & Fund Balances	\$ 198,027,485	\$ 1,314,499,140	\$ 1,512,526,623

¹ Includes Unrestricted, Restricted, Loan & Endowment, Scholarship, Agency and Auxiliary Funds.

² Includes Unexpended Plant, Retirement of Debt and Investment in Plant Funds.

Houston Community College

Exemptions & Waivers

Through April 30, 2015

Account	FY 2013-14		FY 2014-15
	End of Year	Year-to-Date	Year-to-Date
	Activity	Activity thru	Activity thru
		04/30/2014	04/30/2015
Tuition			
Budget:			
Adjusted Budget FY 2014-15, Net			\$ 41,453,277
Revenues Received:			
Tuition	45,771,753	42,836,100	43,370,845
Waivers & Exemptions:			
Dual Credit & Early College HS	(4,931,925)	(4,540,138)	(4,677,565)
Other	(2,100,332)	(1,942,596)	(1,441,495)
Total Waivers & Exemptions	(7,032,257)	(6,482,734)	(6,119,060)
Total Tuition Revenue, Net	\$ 38,739,497	\$ 36,353,366	\$ 37,251,785

Tuition - Extended Learning			
Budget:			
Budget FY 2013-14, Net			\$ 6,565,665
Revenues Received:			
Tuition	8,931,465	6,733,122	8,936,107
Waivers & Exemptions:			
Department of Corrections	(2,021,386)	(1,470,811)	(1,426,663)
Total EL Tuition Revenue, Net	\$ 6,910,079	\$ 5,262,311	\$ 7,509,444

Exemptions & Waivers	FY 2013-14		FY 2014-15		Actuals % Inc/(Dec)YTD vs. PriorYTD
	End of Year	Year-to-Date	Year-to-Date		
	Activity	Activity thru	Activity thru		
		04/30/2014	04/30/2015		
Dept of Corrections	\$ 2,021,386	\$ 1,470,811	\$ 1,426,663		-3.0%
Dual Credit Waiver	2,790,344	2,526,672	3,323,012		31.5%
Early College High School	2,141,581	2,013,466	1,354,553		-32.7%
Other:					
Employee Fee Exemptions	69,909	62,465	52,411		-16.1%
Firemen	26,082	21,414	11,404		-46.7%
Hazelwood	1,416,167	1,322,917	850,264		-35.7%
Deaf & Blind	207,012	193,423	171,622		-11.3%
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	6,018	6,098		1.3%
Nonres Competitive Scholar	11,346	11,346	8,558		-24.6%
Senior Citizens	15,532	14,867	12,961		-12.8%
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	279,286	224,536		-19.6%
Undocumented Students	11,383	11,383	5,378		0.0%
TX Tomorrow Waiver	2,912	2,558	5,810		0.0%
Surviving Spouse/Children	2,120	2,120	-		0.0%
Peace Officer Exemption	3,655	2,800	3,297		17.8%
Adopted Student Waiver	-	-	78,949		0.0%
Stipends	3,000	-	250		0.0%
Scholars Costs Funded by State	6,050	-	-		0.0%
Total Other Exemptions	2,100,332	1,942,596	1,441,495		-25.8%
Grand Total Exemptions & Waivers	\$ 9,053,643	\$ 7,953,545	\$ 7,545,723		-5.1%

Topics for Discussion and/or Action

ACTION ITEM

Meeting Date: June 23, 2015

Committee: *Board Governance*

ITEM NO.	ITEM TITLE	PRESENTER
1	Personnel Agenda (Faculty)	Dr. Cesar Maldonado

RECOMMENDATION

Approve the personnel action item for June 2015.

COMPELLING REASON/RATIONALE

Full-time contract Faculty is hired under one-year term contracts 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 (June 2015)**

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100

Personnel Agenda -
Faculty (For Board Approval)

Board Meeting: June 23, 2015

FACULTY (REGULAR) – FOR BOARD APPROVAL

<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. Clarke, Dana	San Jacinto College	to F/T EMS/Instructor/NE	FAC/09 12 months	\$38.00 hr.	\$62,186 yr.	05-18-15

Credentials & Selection Process -
Faculty (For Board Approval)

Board Meeting: June 23, 2015

FACULTY (REGULAR) – FOR BOARD APPROVAL

<u>Name</u>	<u>Job Title/Requirements</u>	<u>Nominee’s Credentials</u>		<u>Selection Process</u>
1. Clarke, Dana	<i>Emergency Medical Services Instructor</i> Associate’s Degree is required. Five (5) yrs. field experience as a Paramedic with a Fire-Based program and/or Third Service 911 EMS System is required. Minimum of one yr. EMS teaching experience at all certification levels (Basic, Intermediate, Paramedic) in an accredited academic setting is required	BS in Nursing		Job Vacancy Notice-4582
		Lead Instructor EMT	3 mos.	-HR Referred-4
		P/T Adjunct Faculty	2 mos.	-Screening committee evaluated
		Flight RN	8 yrs.8 mos.	and reviewed-5
		Total	9 yrs. 1mo.	-Hiring authority evaluated and interviewed-1
				-Applicant selected-External New Hire F/T

APPENDIX B

Personnel Report for June 23, 2015

(No Board Action Required)

Personnel Agenda -
Staff (No Board Action Required)

Board Meeting: June 23, 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. Ayaquica-Hernandez, Cybele	HCC F/T Secretary II/NE	to F/T Office Manager/NE	NE/08 12 months	\$33,669 yr.	\$37,445 yr.	06-01-15
2. Davis, Justin	HCCS P/T Hardware/ Software Tech/System	to F/T Computer Operator Senior/System	NE/05 12 months	\$3,809 yr.	\$33,000 yr.	05-18-15
3. Ellis, Vivian	HCCS P/T Advisor/SW	to F/T Senior Advisor/SW	EX/08 12 months	\$16,477 yr.	\$45,555 yr.	06-08-15
4. Garcia, Rigoberto	HCCS F/T Advisor/SW	to F/T Senior Advisor/SE	EX/08 12 months	\$41,508 yr.	\$47,000 yr.	06-16-15
5. Germany, Julia	Harris County Precinct 4	to F/T Grant Writer/System	EX/09 12 months	\$59,882 yr.	\$55,000 yr.	05-18-15
6. Godfrey, Dyaz	HCCS P/T Instructor/ Coleman	to F/T Program Director Health Care Reporting & Compliance/Coleman	EX/10 12 months	\$5,730 yr.	\$70,469 yr.	05-18-15
7. Hernandez, Juan	HCCS P/T Student Accounts Rep/NE	to F/T Student Accounts Representative I/CE	NE/05 12 months	\$6,264 yr.	\$24,797 yr.	05-18-15

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>
8. Jones, Jeremy	San Jacinto College	to F/T Senior Advisor/SE	EX/08 12 months	\$54,000	\$45,555 yr.	06-08-15
9. Marroquin, Saul	Houston Air Port Systems	to F/T IT Project Analyst Senior/System	EX/09 12 months	\$50,400 yr.	\$65,000 yr.	05-18-15
10. O'Neal, Sean	University of Houston	to F/T Senior Advisor/SW	EX/08 12 months	\$48,000 yr.	\$44,000 yr.	06-08-15
11. Parson, Lauren	University of Houston/ Victoria	to F/T Senior Advisor/NE	EX/08 12 months	\$34,800 yr.	\$44,000 yr.	05-18-15
12. Pho, An (Eric)	HCCS F/T Hardware/ Software Tech/SW	to F/T Hardware/Software Tech Senior/SW	NE/08 12 months	\$44,995 yr.	\$51,745 yr.	05-16-15
13. Reynolds, Ernest	HCCS F/T Manager Simulation Center & Instructional Tech/ Coleman	to F/T Director College Educational Tech Services/ Coleman	EX/11 12 months	\$90,513 yr.	\$96,744 yr.	05-16-15
14. Walker-Williams Pamela	Parker Drilling Company	to F/T Manager, e-Learning Development/System	EX/10 12 months	\$93,600 yr.	\$70,469 yr.	06-08-15

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>
15. Washington, Donna	City of Virginia Beach	to F/T Library Assistant I/ CE	NE/10 12 months	\$44,199 yr.	\$30,248 yr.	06-08-15

SEPARATIONS OF EMPLOYMENT

Adewunmi, Oluwatoyosi	Oluwatoyosi Adewunmi, Sr. Lab Assistant for Southeast, effective June 12, 2015.
Baber-Hilliard, Laura	Laura Baber-Hilliard, Security Officer for System, effective May 15, 2015.
Bohn, Michael	Michael Bohn, Faculty Division Chair for Southeast, effective June 05, 2015.
Brezina, Shirley	Shirley Brezina, Secretary II for Northwest, effective May 29, 2015.
Byrne, James	James Byrne, Radiologic Technology Instructor for Coleman, effective May 29, 2015.
Castro, Tim	Tim Castro, English Instructor for Northeast, effective April 29, 2015.
Cochran, Regina	Regina Cochran, Manager Police Telecommunication for System, effective May 20, 2015.
Do, Hoang	Hoang Do, AC & Refrigeration/Instructor for Central, effective May 15, 2015.
Edgerly, Amy	Amy Edgerly, Secretary II for Northwest, effective May 30, 2015.
Esparza, Conception	Esparza, Program Manager, Dual Credit, for Northeast, effective May 30, 2015.
Furgason, Katherine	Katherine Furgason, Student Information Representative for System, effective May 29, 2015.
Garay, Reynaldo	Reynaldo Garay, Dean of Student Development for Southeast, effective May 29, 2015.
Goldberg, Arnold	Arnold Goldberg, Dean Workforce Special Projects for System, effective June 12, 2015.
Housel, Kathleen	Kathleen Housel, Director Continuing Education for System, effective May 20, 2015.
James, David	David James, English Instructor for Northwest, effective May 16, 2015.
Johnson, Mikelle	Mikelle Johnson, Speech Instructor for Northeast, effective May 15, 2015.
Lee, Lula	Lula Lee, Secretary II for Southwest, effective May 27, 2015.
Master, Susan	Susan Master, Secretary II for Northwest, effective May 30, 2015.
O'Connor, Marilyn	Marilyn O'Connor, Medical Assistant Instructor for Coleman, effective May 17, 2015.
Poindexter, Donna	Donna Poindexter, Office Manager for System, effective June 02, 2015.
Ramirez, Rosalinda	Rosalinda Ramirez, Cosmetology Instructor for Northeast, effective May 16, 2015.
Sheppard, Monique	Monique Sheppard, Certifying Official VA for System, effective May 29, 2015.
Vacek, Margaret	Margaret Vacek, Secretary II for Southwest, effective June 15, 2015.