I. Call to Order

II. Pledge of Allegiance

III. Certification of the Posting of the Notice of the Meeting

IV. Introductions, Special Guests, Recognitions

V. Workshop

VI. Closed Session

The Board of Trustees, in accordance with Section 551.001, et seq. of the Texas Government Code will move into Closed Session under one or more of the following provision(s) of the ACT:

Section 551.071 – Consultation with Attorney
  • Status of Pending Litigation
  • On any item on the Agenda

Section 551.072 – Deliberation Regarding Real Property
  • LSC-University Park, LSC-CyFair, LSC-North Harris, LSC-Tomball, LSC–Montgomery, LSC-CyFair, LSC-SO-University Park

Section 551.074 - Personnel Matters

VII. Reconvene Regular Meeting

VIII. Consider whether grievance appeal of the Chancellor’s decision requested by Miriam Whitsitt should be heard by the Board in accordance with Board policy.

IX. Consider and possible action on grievance appeal of Miriam Whitsitt, if the Board determines to hear the appeal:

The appeal will be held in closed session under Section 551.074 of the Texas Government Code unless the grievant elects to have the appeal heard in open session,
provided that if the grievance is against another employee, the appeal may be heard in closed session.

X. Approval of the Minutes of the August 4, 2016 Workshop and Regular Meeting of the Board of Trustees

XI. Special Reports and Announcements
1. Chancellor – Reports and comments from the Chancellor regarding meetings and conferences attended, campus visits, community and district activities, education programs, current affairs related to higher education

2. Presidents – Lee Ann Nutt

3. Vice Chancellors – Mario Castillo

4. Faculty Senate Presidents – Patrick Barton

5. Board Members
   - Reports and comments from Board chair and Board members regarding meetings and conferences attended, campus visits, community and district activities, education programs, current affairs related to higher education
   - Board Committee Reports

XII. Citizen Participation

XIII. Consideration of the Consent Agenda

(The purpose of the consent agenda is to allow the Board to identify and approve action items which require no additional information or discussion and for which there is unanimous approval. Trustees receive agenda materials one week in advance of the meeting to prepare for the business to be conducted.)

XIV. Policy Report and Considerations

1. Consideration of the Recommended Revision of the Lone Star College System Board Policy Manual Sections VI.A.1.01, VI.D.1.01, and VI.D.12.01 (FIRST READING)

2. Consideration of Approval for Board of Trustees Travel (ACTION ITEM 1)

XV. Financial Reports and Considerations

1. Monthly Financial Reports
2. Consideration of Approval for the College to Provide Notice of Intent to Hold Required Public Hearings and to Set the Ad Valorem Tax Rate for Tax Year 2016 at the October Board Meeting (ACTION ITEM 2)

3. Consideration of Approval of the Annual Appointment of County Tax Assessor-Collectors to Collect Property Taxes Levied on Behalf of the College (ACTION ITEM 3)

4. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute a Payment-in-Lieu-of-Tax Agreement and Provide a Letter of Non-Opposition on Behalf of the College in Support of a Foreign Trade Zone (“FTZ”) Application (ACTION ITEM 4)

5. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute a Contract on Behalf of the College to Purchase Accounts Receivable (“AR”) Collection Services (ACTION ITEM 5)

6. Consideration of Approval for Annual Purchases of Bond-Funded Technology Hardware, Software, and Services on Behalf of the College (ACTION ITEM 6)

7. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute Contracts to Purchase and Install Equipment for the LSC-Conroe Center Workforce Expansion (ACTION ITEM 7)

8. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute an Interlocal Agreement Related to the LSC-East Aldine Satellite Center’s Aldine Independent School District (“AISD”) MacArthur Early College Facility (ACTION ITEM 8)

9. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute Agreements with Harris County’s Right of Way Division for the Sale of Property at LSC-Tomball for the Widening of State Highway 249 (ACTION ITEM 9)

10. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute Easements and Agreements on Behalf of the College Related to the 2014 General Obligation Bond Construction Program at LSC-CyFair (ACTION ITEM 10)

11. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute Easements and Agreements on Behalf of the College Related to the LSC-University Park Center for Science and Innovation (ACTION ITEM 11)

12. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute Easements and Agreements on Behalf of the College Related to the
Widening of State Highway 249 and its Impact on the LSC-Tomball (ACTION ITEM 12)

13. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute a Contract to Purchase and Install Simulator Equipment for the Energy and Manufacturing Institute (“EMI”) at LSC-University Park (“UP”) (ACTION ITEM 13)

14. Consideration of Ratification of the Chancellor’s or Designee’s Execution of a Guaranteed Maximum Price (“GMP”) Contract with the LSC-Kingwood Process Technology Center Construction Manager at Risk (“CMAR”) Firm for Pre-construction Services Related to the Petrochemical/Refinery Simulation Laboratory (ACTION ITEM 14)

15. Consideration of Approval to Authorize the Chancellor or Designee to Enter into the Grant Contract with the Texas Workforce Commission (“TWC”) for the College Credit for Heroes Phase V Grant Program (ACTION ITEM 15)

16. Consideration of Approval to Purchase All-Inclusive Travel for the Honors College International Capstone Program (ACTION ITEM 16)

XVI. Special Reports and Considerations

1. Consideration of Approval of the Proposed 2017 Internal Audit Plan (ACTION ITEM 17)

XVII. Personnel Report and Considerations

2. Consideration of Ratification of Appointments (ACTION ITEM 18)

3. Consideration of Acceptance of Resignations (ACTION ITEM 19)

XVIII. Buildings and Grounds Report

Construction Projects Update

XIX. Suggested Future Agenda Items

XX. Adjournment

If during the course of the meeting covered by this notice, the Board should determine that a closed session of the Board should be held or is required in relation to an item noticed in this meeting, then such closed session as authorized by Section 551.001 et seq. of the Texas Government Code (the Open Meetings Act) will be held by the Board
concerning any and all subjects and for any and all purposes permitted by Section 551.071-551.089, inclusive, of the Open Meetings Act, including, but not limited to:

Section 551.071 - Consultation with Attorney
Section 551.072 - Deliberation Regarding Real Property
Section 551.073 - Deliberation Regarding Prospective Gift
Section 551.074 - Personnel Matters
Section 551.076 - Deliberation Regarding Security Devices
Section 551.082 - Student Discipline
Section 551.0821 - Personally Identifiable Information About Student
Section 551.084 - Exclusion of Witness
Section 551.087 - Economic Development Negotiations
Certification of Posting of Notice to the September 1, 2016 Workshop and Regular Meeting of the Lone Star College System’s Board of Trustees

I, Stephen C. Head, Chancellor of the Lone Star College System, do hereby certify that a notice of this meeting was posted on Monday the 29th day of August, 2016 in a place convenient to the public at LSC-System Office The Woodlands, The Woodlands Leadership Building, on all college campuses and on the system website as required by Section 551.002 et seq., Texas Government Code. Special notice of the meeting was provided to the news media as required by Section 551.001 et seq., Texas Government Code.

Given under my hand this the 29th day of August, 2016.

LONE STAR COLLEGE SYSTEM

_____________________
Stephen C. Head
Chancellor
MINUTES OF THE
REGULAR MEETING OF THE BOARD OF TRUSTEES
INCLUDING
PUBLIC HEARING
2016-2017 PROPOSED BUDGETS
LONE STAR COLLEGE SYSTEM
TRAINING AND DEVELOPMENT CENTER BOARD ROOM
5000 RESEARCH FOREST DRIVE
THE WOODLANDS, TEXAS 77381-4356
August 4, 2016
6:00 p.m.

PRESENT:  Ms. Linda Good, Chair
Dr. Kyle Scott, Vice-Chair
Dr. Ron Trowbridge, Secretary
Dr. Alton Smith, Assistant Secretary
Dr. David Holsey
Mr. David Vogt
Mr. Ken E. Lloyd
Mr. Bob Wolfe
Mr. Art Murillo

REGULAR MEETING

I.  CALL TO ORDER: Ms. Good called the workshop and regular meeting of the Board of
Trustees to order at 6:00 p.m. after determining that a quorum was present.

II. PLEDGE OF ALLEGIANCE: Dr. Trowbridge led the Board and guests in reciting the
Pledge of Allegiance.

III. CERTIFICATION OF THE POSTING OF THE NOTICE OF THE REGULAR
MEETING AND NOTICE OF THE PUBLIC HEARING: Chancellor Head confirmed
that the Notices for the regular meeting and public hearing had been properly posted. No
action was required. A copy is attached as Exhibit “A” and Exhibit “B”.

IV. PUBLIC HEARING – 2016-2017 PROPOSED BUDGETS: Dr. Head presented an
overview of the recommended budgets with total operating and auxiliary funds of
$347.662M. The proposed budget includes a $2 per credit hour increase in tuition, $4 per
credit hour increase in differential fees, 20 new full-time faculty, 2% increase for full-time
employees (minimum of $750), $2 per contact hour increase for adjunct faculty and 2%
increase for part-time staff.

V. CITIZEN COMMENTS: Mr. John Burghduff representing the AFT addressed the board
in support of the budget on three items: the 2% COLA for full-time employees, $2/hour
adjunct pay and the authority to hire 20 new faculty members.
VI. ADJOURNMENT OF PUBLIC HEARING: There being no further discussion the public hearing was adjourned at 6:13 p.m.

VII. RECONVENE REGULAR MEETING: The regular meeting was reconvened at 6:14 p.m.

Mr. Vogt entered the meeting at 6:14 p.m.

VIII. TERMINATION HEARING FOR VICE CHANCELLOR OF FINANCE AND ADMINISTRATION CYNTHIA GILLIAM: At 6:16 p.m. Ms. Good convened the Board in closed session to conduct the termination hearing at the request of Ms. Cynthia Gilliam in accordance with Section 551.001 et seq of the Texas Government Code under one or more of the following provision(s) of the Act:

The Board may hear and deliberate this complaint in closed session under Section 551.074 of the Texas Government Code unless Ms. Gilliam wants the hearing to be in open session. Even if the hearing is held in open session, if during the course of the hearing, there are issues raised relating to other employees, the Board of Trustees, in accordance with Section 551.074 of the Texas Government Code may move into Closed Session.

The Board may also move into closed session under 551.071 to consult with the Board’s attorney.

IX. RECONVENE REGULAR MEETING: Ms. Good reconvened the open meeting at 7:56 p.m.

X. DELIBERATION AND POSSIBLE ACTION ON TERMINATION: Dr. Scott made a motion to uphold the recommendation by Dr. Head to terminate vice chancellor of finance and administration Ms. Cynthia Gilliam. Dr. Holsey seconded the motion. The vote was unanimous.

XI. INTRODUCTIONS, SPECIAL GUESTS AND RECOGNITIONS: None

XII. WORKSHOP: None

XIII. CLOSED SESSION: At 7:58 p.m. Ms. Good convened the Board in closed session, in accordance with Section 551.001 et seq. of the Texas Government Code under one or more of the following provision(s) of the Act:

Section 551.071 – Consultation with Attorney
- Status of Pending Litigation
- On any item on the Agenda
Section 551.072 – Deliberation Regarding Real Property
XIV. **RECONVENE REGULAR MEETING:** Ms. Good reconvened the open meeting at 8:45 p.m.

XV. **APPROVAL OF THE MINUTES OF THE JUNE 2, 2016 WORKSHOP AND REGULAR MEETING AND THE JULY 14, 2016 BUDGET WORKSHOP:** upon a motion made by Dr. Trowbridge and a second by Dr. Scott the board unanimously approved the minutes of the June 2, 2016 Workshop and Regular Meeting and the amended July 14, 2016 Budget Workshop adding Dr. Holsey as present.

XVI. **SPECIAL REPORTS AND ANNOUNCEMENTS:**

1. **Chancellor:** Dr. Head announced that LSC night at the Houston Astros will be on Tuesday, August 16, 2016. LSC has reserved section for those wanting to attend.

2. **College Presidents:** None

3. **Vice Chancellors:** None

4. **Faculty Senate Presidents:** None

5. **Board Members:** Mr. Lloyd thanked Dr. Head and President Ardalan for meeting with his church and pastoral staff. He indicated that they found 40% of their senior students’ parents couldn’t afford college.

   Dr. Trowbridge shared a conversation with a student with cancer whose mother recently passed away from cancer, that she will be coming back to school.

   Dr. Scott announced the Policy Committee will reserve comments for the agenda items.

XVII. **CITIZENS DESIRING TO ADDRESS THE BOARD:** None.

XVIII. **CONSIDERATION OF THE CONSENT AGENDA:** Items #1, 3, 5, 6, 7, 8, 9, 20, 21, 22, 23, 24, 25, 31, 34, 35 and 36 were pulled from the agenda to be considered separately. Item #26 was removed from the agenda and action will be taken at a later board meeting. Ms. Good proceeded with the Consent Agenda. Dr. Trowbridge made a motion to approve items 2, 4, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 27, 28, 29, 30, 32, and 33. Dr. Smith seconded the motion and the Board unanimously passed the Consent Agenda. A copy is attached as Exhibit “C”.

XIX. **POLICY REPORT AND CONSIDERATIONS:**
1. **Consideration of Approval of Change to Policy I.C.2.19 (ACTION ITEM 1) (FINAL READING)** upon a motion made by Dr. Smith and a second by Mr. Murillo the Board of Trustees unanimously approved the proposed change to Policy I.C.2.19. A copy is attached as Exhibit “D”.

2. **Consideration and Approval of the Proposed Amendment to Lone Star College Board Policy Manual Section IV.F.2 Professional Development and Qualified Tuition Reduction Program/Educational Assistance Program (ACTION ITEM 2) (FINAL READING):** the Board of Trustees reviewed and approved the Proposed Amendment to the College’s Board Policy Manual Section IV.F.2, amending the name of Section IV.F.2 to Professional Development and Educational Assistance Program and Section policy provisions related to professional development and educational assistance for employees. This item was passed in the Consent Agenda. A copy is attached as Exhibit “E”.

3. **Consideration of Approval of the Order Calling Trustee Election and to Appoint a Staff Agent for the Board Secretary to Perform Election Duties (ACTION ITEM 3):** upon a motion by Mr. Murillo and a second by Dr. Smith the Board of Trustees approved the order calling the trustee election on November 8, 2016. The trustee election is for District No. 5, District No. 6, and District No. 7 for a six-year term on the Board of Trustees of the Lone Star College System. A copy is attached as Exhibit “F”.

**XX. CURRICULUM REPORT AND CONSIDERATIONS:**

1. **Consideration of Approval of expanding the Accounting Associate of Applied Science (AAS) degree and CPA Certificate to Lone Star College-Kingwood (ACTION ITEM 4):** the Board of Trustees approved an expansion of the Accounting AAS degree and CPA Advanced Technical Certificate to Lone Star College-Kingwood. This item was passed in the Consent Agenda. A copy is attached as Exhibit “G”.

**XXI. FINANCIAL REPORTS AND CONSIDERATIONS:**

1. **Monthly Financial Statements:** Ms. Carin Hutchins, acting CFO for administration and finance, presented the monthly financial statements for the month ended June 30, 2016 and May 31, 2016 and the Quarterly Reports for May 31, 2016. A copy is attached as Exhibit “H”.

2. **Consideration of Adoption of the Recommended 2016-2017 Budgets (ACTION ITEM 5):** upon a motion by Dr. Holsey and a second by Dr. Smith the Board of Trustees adopted the 2016-2017 recommended budgets and authorize the Chancellor to approve expenditure budget transfers among the funds, as necessary and allowed by law, as long as such transfers do not result in a change in the total expenditures budget of $347,662,000. A copy is attached as Exhibit “I”.

3. **Consideration of Approval of Proposed Salary Schedule Changes for Deans of Instruction and Master of Fine Arts (ACTION ITEM 6):** upon a motion by Dr. Smith and a second by Dr. Holsey the Board of Trustees approve the salary schedule changes
with an effective date of September 1, 2016 for creation of band 091A for Deans of Instruction and creation of a separate faculty pay for Masters of Fine Arts. Ms. Good abstained. A copy is attached as Exhibit “J”.

4. **Consideration of Approval of Annual Purchases of Technology Hardware, Software, and Services (ACTION ITEM 7):** upon a motion by Dr. Scott and a second by Mr. Murillo the Board of Trustees approve the purchase of technology hardware, software, and services in a total not-to-exceed sum of $10,000,000 during FY 2016-17. The Chancellor also recommends that the Board authorize him or a designee to execute individual contracts in excess of $100,000, but less than $500,000, without obtaining the Board’s individual pre-approval for each such contract. The Chancellor finally recommends to the Board that it expressly authorize him or a designee to execute the contracts detailed in Appendix A for the not-to-exceed sums listed therein. A copy is attached as Exhibit “K”.

5. **Consideration of Approval of Annual Purchases of Bond-Funded Construction and Related Services (ACTION ITEM 8):** upon a motion by Mr. Murillo and a second by Dr. Smith the Board of Trustees approve the purchase of bond-funded construction and construction-related services in a total sum not exceeding $3,000,000 during FY 2016-17. The Chancellor also recommends that the Board authorize him or a designee to execute individual contracts in excess of $100,000, but less than $500,000, without obtaining the Board’s individual pre-approval for each individual contract. Contract sums exceeding $500,000 will be individually presented to the Board for consideration of approval. A copy is attached as Exhibit “L”.

6. **Consideration of Approval of Annual Purchases of Construction and Related Services (ACTION ITEM 9):** upon a motion by Dr. Holsey and a second by Dr. Smith the Board of Trustees approve the purchase of construction and construction-related services in a total sum not exceeding $7,000,000 during FY 2016-17. The Chancellor also recommends that the Board authorize him or a designee to execute individual contracts in excess of $100,000, but less than $500,000, without obtaining the Board’s individual pre-approval for each such contract. Contract sums exceeding $500,000 will be individually presented to the Board for consideration of approval. A copy is attached as Exhibit “M”.

7. **Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute Agreements to Purchase Elevator Maintenance, Safety Inspections, and Repair Services (ACTION ITEM 10):** the Board of Trustees authorize the Chancellor or designee to negotiate and execute agreements for the purchase of elevator maintenance, safety inspections, and repair services from the vendors listed below for a total not-to-exceed amount of $800,000 and a contract term no longer than five years. The Chancellor recommends that the two vendors with the highest evaluation scores be awarded the contracts for Request for Proposals (“RFP”) No. 430: Kone, Inc., 4607 World Houston Parkway, Suite 150, Houston, TX 77032 and Southwest Elevator d/b/a Oracle Elevator, 1811 North Freeway, Suite 222, Houston, TX 77060. This item was passed in the Consent Agenda. A copy is attached as Exhibit “N”.

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8. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute a Contract to Purchase Pressure Washing Services (ACTION ITEM 11): the Board of Trustees authorize the Chancellor or designee to negotiate and execute a contract to purchase pressure washing services from Tier One Property Services, L.L.C. d/b/a Aztec Facility Services, 11000 S. Wilcrest Drive Suite 125, Houston, TX 77099, for an amount not-to-exceed $1,500,000 over five years. This item was passed in the Consent Agenda. A copy is attached as Exhibit “O”.

9. Consideration of Approval to Purchase Library Materials, Supplies, Services, and Resource Sharing Membership Fees for FY 2016-17 (ACTION ITEM 12): the Board of Trustees approve the purchase of library materials, supplies, services, and resource sharing membership fees for FY 2016-17 in an amount not-to-exceed $1,287,000, and authorize the Chancellor or designee to execute any agreements related to these purchases including individual contracts in excess of $100,000. This item was passed in the Consent Agenda. A copy is attached as Exhibit “P”.

10. Consideration of Approval to Renew the Annual Insurance Policies for FY 2016-17 and the Agreements for the Administration of Student Liability and Medical Insurance (ACTION ITEM 13): the Board of Trustees approve the renewal of the annual insurance policies for FY 2016-17 with estimated premiums totaling $2.7 million for the coverage year as summarized in Appendix A, and the agreements for the administration of student liability and medical insurance outlined. This item was passed in the Consent Agenda. A copy is attached as Exhibit “Q”.

11. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute Additional Agreements or Amendments to Existing Agreements on behalf of Lone Star College for the Purchase of Electricity Services (ACTION ITEM 14): the Board of Trustees authorize the Chancellor or designee to negotiate and execute additional agreements or amendments to existing agreements on behalf of Lone Star College with the Texas General Land Office (“GLO”), Stephen F. Austin Building, 1700 North Congress Avenue, Austin, Texas 78701, to purchase electricity services for a period not-to-exceed 60 months, beginning July 2019 through June 2024. This item was passed in the Consent Agenda. A copy is attached as Exhibit “R”.

12. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute a Contract for Independent Audit Services (ACTION ITEM 15): the Board of Trustees authorize the Chancellor or designee to negotiate and execute a contract with the independent audit firm, Whitley Penn, LLP, 3411 Richmond Avenue, Suite 500, Houston, Texas 77046, for independent audit services in an amount not-to-exceed $220,000 for the FY 2016 and 2017 audits. This item was passed in the Consent Agenda. A copy is attached as Exhibit “S”.

13. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute a Contract to Purchase Classification Services (ACTION ITEM 16): the Board of Trustees authorize the Chancellor or designee to negotiate and execute a contract to purchase classification services from Precision Task Group, 9801
Westheimer, Suite 803, Houston, Texas 77042, in a not-to-exceed amount of $294,700. This item was passed in the Consent Agenda. A copy is attached as Exhibit “T”.

14. Consideration of Approval to Authorize the Chancellor or Designee to Amend the Contract with the LSC-CyFair Architectural Firm for Additional Services Related to the 2014 General Obligation Bond Construction Program (ACTION ITEM 17): the Board of Trustees authorize the Chancellor or designee to execute a contract amendment with M. Arthur Gensler Jr. & Associates, Inc. dba Gensler (“Gensler”), 711 Louisiana Street #300, Houston, Texas 77002, for the purchase of $204,631 in additional architectural services and a revised total contract amount of $1,623,381. This item was passed in the Consent Agenda. A copy is attached as Exhibit “U”.

15. Consideration of Approval to Authorize the Chancellor or Designee to Amend the Contract with the LSC-Kingwood Architectural Firm for Additional Services Related to the 2014 General Obligation Bond Construction Program (ACTION ITEM 18): the Board of Trustees authorize the Chancellor or designee to execute a contract amendment with WHR Architects, Inc. (“WHR”), 111 Louisiana Street #26, Houston, Texas 77002, for the purchase of $198,907 in additional architectural services and a revised total contract amount of $1,241,361. This item was passed in the Consent Agenda. A copy is attached as Exhibit “V”.

16. Consideration of Approval to Authorize the Chancellor or Designee to Amend the Contract with the LSC-Montgomery Architectural Firm for Additional Services Related to the 2014 General Obligation Bond Construction Program (ACTION ITEM 19): the Board of Trustees authorize the Chancellor or designee to execute a contract amendment with Smith & Company Architects, 1500 McGowen Street, Suite 150, Houston, Texas 77004, for the purchase of $128,810 in additional architectural services and a revised total contract amount of $608,010. This item was passed in the Consent Agenda. A copy is attached as Exhibit “W”.

17. Consideration of Approval to Authorize the Chancellor or Designee to Amend the Contract with the LSC-North Harris Architectural Firm for Design Services Related to the 2014 General Obligation Bond Construction Program (ACTION ITEM 20): upon a motion by Dr. Holsey and a second by Mr. Lloyd the Board of Trustees authorize the Chancellor or designee to execute a contract amendment with PBK Architects, Inc., 11 Greenway Plaza #2210, Houston, Texas 77046, for the purchase of additional architectural services in an amount not-to-exceed $409,629 for a total contract sum of $1,550,629. The Chancellor also recommends the Board expressly authorize this contract under Texas Education Code Section 51.9337(f), which requires the Board to expressly authorize amendments that increase a total contract sum in excess of $1,000,000. A copy is attached as Exhibit “X”.

18. Consideration of Approval to Authorize the Chancellor or Designee to Amend the Contract with the LSC-Tomball Architectural Firm for Additional Services Related to the 2014 General Obligation Bond Construction Program (ACTION ITEM 21): upon a motion by Dr. Holsey and a second by Mr. Lloyd the Board of Trustees authorize the
Chancellor or designee to execute a contract amendment with Page Southerland Page, Inc. d/b/a Page (“Page”), 1100 Louisiana, Suite 1, Houston, Texas 77002, for the purchase of $216,180 in additional architectural services and a revised total contract amount of $519,180. A copy is attached as Exhibit “Y”.

19. Consideration of Approval to Authorize the Chancellor or Designee to Amend the Contract with the LSC-University Park Architectural Firm for Additional Services Related to the 2014 General Obligation Bond Construction Program (ACTION ITEM 22): upon a motion by Dr. Smith and a second by Dr. Holsey the Board of Trustees authorize the Chancellor or designee to execute a contract amendment with Kirksey Architecture, 6909 Portwest Drive, Houston, Texas, 77024, for the purchase of $115,919 in additional architectural services and a revised total contract amount of $1,006,719. The Chancellor also recommends the Board expressly authorize this contract under Texas Education Code Section 51.9337(f), which requires the Board to expressly authorize amendments that increase a total contract sum in excess of $1,000,000. A copy is attached as Exhibit “Z”.

20. Consideration of Ratification Authorizing the Chancellor’s or Designee’s Execution of a Contract with the LSC-Kingwood and LSC-North Harris Commissioning Firm for Services Related to the 2014 General Obligation Bond Construction Program (ACTION ITEM 23): upon a motion by Dr. Smith and a second by Dr. Scott the Board of Trustees ratified the Chancellor’s or designee’s execution of a contract with Page Southerland Page, Inc. d/b/a Page (“Page”), 1100 Louisiana, Suite 1, Houston, Texas 77002, for the purchase of commissioning agent services in a sum not exceeding $365,420. A copy is attached as Exhibit “aa”.

21. Consideration of Ratification Authorizing the Chancellor’s or Designee’s Execution of a Contract with the LSC-Montgomery and LSC-Tomball Commissioning Firm for Services Related to the 2014 General Obligation Bond Construction Program (ACTION ITEM 24): upon a motion by Dr. Holsey and a second by Dr. Scott the Board of Trustees ratified the Chancellor’s or designee’s execution of a contract with Affiliated Engineers, Inc., 1 East Greenway Plaza, Houston, Texas 77046, for the purchase of commissioning agent services in a sum not exceeding $218,080. A copy is attached as Exhibit “bb”.

22. Consideration of Ratification of the Chancellor’s or Designee’s Execution of a Contract with the LSC-CyFair and LSC-University Park Commissioning Firm for Services Related to the 2014 General Obligation Bond Construction Program (ACTION ITEM 25): upon a motion by Dr. Smith and a second by Dr. Scott the Board of Trustees ratified the Chancellor’s or designee’s execution of a contract with Sebesta, Inc., 5300 Memorial Drive, Suite 390, Houston, Texas 77007, for the purchase of commissioning agent services in a sum not exceeding $170,463. A copy is attached as Exhibit “cc”.

23. Consideration of Approval to Authorize the Chancellor or Designee to Amend the Contract with the Program Management Firm for Additional Services Related to the Projects Under the 2014 General Obligation Bond Construction Program (ACTION
ITEM 26): This item was removed from the agenda to be brought to the board at a later meeting. A copy is attached as Exhibit “dd”.

24. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute the Guaranteed Maximum Price (“GMP”) Contract with the LSC-University Park Construction Manager at Risk (“CMAR”) Firm for Construction Services Related to the Building 12 and 13 Entrance Canopy and Parking Project (ACTION ITEM 27): the Board of Trustees authorize the Chancellor or designee to negotiate and execute the GMP contract with the LSC-University Park CMAR firm, E.E. Reed Construction, L.P., 333 Commerce Green Blvd., Sugar Land, Texas, for construction services related to the Building 12 and 13 Entrance Canopy and Parking Project in a sum not-to-exceed $1,816,108. This item was passed in the Consent Agenda. A copy is attached as Exhibit “ee”.

25. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute Easements and Agreements Related to the 2014 General Obligation Bond Construction Program at LSC-North Harris (ACTION ITEM 28): the Board of Trustees authorize the Chancellor or designee to execute easements and agreements related to the 2014 General Obligation Bond Construction Program at LSC-North Harris. This item was passed in the Consent Agenda. A copy is attached as Exhibit “ff”.

26. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute a Construction Contract for Building Core Improvements at LSC-University Park Building 10, Level 5 (ACTION ITEM 29): the Board of Trustees authorize the Chancellor or designee to negotiate and execute a Job Order Contract with Horizon International Group, LLC, 4204 Bellaire Blvd. Suite 210, Houston, Texas 77025, for building core improvements at LSC-University Park Building 10, Level 5 in an amount not-to-exceed $200,000. This item was passed in the Consent Agenda. A copy is attached as Exhibit “gg”.

27. Consideration of Approval to Authorize the Chancellor or Designee to Extend the Fire Academy Facility Use Agreement (ACTION ITEM 30): the Board of Trustees authorize the Chancellor or designee to execute an amendment to extend the Fire Academy facility use agreement with The Woodlands Township, 2801 Technology Forest Blvd., The Woodlands, Texas 77381, for two additional years for a sum not exceeding $110,000. This item was passed in the Consent Agenda. A copy is attached as Exhibit “hh”.

28. Consideration and Approval to Review and Ratify an Agreement for the Economic Development of Harris County and the Chancellor’s Execution of the Agreement (ACTION ITEM 31): upon a motion by Dr. Smith and a second by Mr. Murillo the Board of Trustees review and ratify the Economic Development Funding Agreement with Harris County for an in-kind sum not exceeding $125,000 and the Chancellor’s execution of the agreement. A copy is attached as Exhibit “ii”.

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29. Consideration of Approval of Resolution Ratifying and Confirming the Terms and Provisions Relating to the Issuance of Lone Star College’s Revenue Financing System Refunding Bonds, Series 2016, Maintenance Tax Refunding Bonds, Series 2016, and Limited Tax General Obligation Refunding Bonds, Series 2016; Ratifying and Confirming the Defeasance of Certain Outstanding Bonds of the College; and Containing Other Matters Relating Thereto (ACTION ITEM 32): the Board of Trustees adopt the resolution, which affirms the pricing certificates for the three 2016 series of refunding bonds, the net present value debt service savings achieved by these series of refunding bonds, and the defeasance of certain outstanding bonds. This item was passed in the Consent Agenda. A copy is attached as Exhibit “jj”.

XXII. PERSONNEL REPORTS AND CONSIDERATIONS:

1. Consideration of Ratification of Appointments (ACTION ITEM 33): the Board unanimously ratified the appointments as presented. This item was passed in the Consent Agenda. A copy is attached as Exhibit “kk”.

2. Consideration of Acceptance of Resignations (ACTION ITEM 34): upon a motion by Dr. Holsey and a second by Mr. Lloyd the Board unanimously accepted the resignations as presented. A copy is attached as Exhibit “ll”.

3. Proposed Amendments/Addenda to the Chancellor’s Contract (ACTION ITEM 35): Chair Good made a motion to approve the Chancellor’s Contract with the terms as discussed in closed session, to delegate Board Counsel Meri Schneider-Vogel to draft the final document, to delegate Chair Good the authority to sign the document and to revise the plan document for the deferred compensation plan and delegate to administration the authority to revise the plan document from 15% to 20% and make any other changes required to be consistent with the contract terms. Dr. Holsey seconded the motion and the vote was unanimous. A copy is attached as Exhibit “mm”.

XXIII. SPECIAL REPORT AND CONSIDERATIONS:

1. Consideration of Approval for the Board of Trustees to Submit a Nomination to Association of Community College Trustees (ACCT) for ACCT Board Committees (ACTION ITEM 36): upon a motion by Dr. Smith and a second by Dr. Scott the board approved the nominations of Dr. Smith and Mr. Lloyd to be submitted for ACCT Board Committees. A copy is attached as Exhibit “nn”.

XXIV. BUILDING AND GROUNDS REPORTS:

Construction Projects Update: the Board reviewed the report as presented. A copy is attached as Exhibit “oo”.

XXV. SUGGESTED FUTURE AGENDA ITEMS: Items to be considered to be added to future board meeting agendas:
Adding tabulations and rubric measurement to agenda items that go out for bid, Status of HUB – Historically Underutilized Businesses, senior citizen tuition waiver,

**XXVI. ADJOURNMENT:** There being no further business, the meeting was adjourned at 9:30 p.m.

**ATTEST:**

__________________________________  ______________________________
Board of Trustees, Chair                   Board of Trustees, Secretary
Consent Agenda: A roll call of individual action items will determine the consent agenda. If a trustee has a question or plans to cast a negative vote regarding a specific recommendation, then the trustee/trustees need to acknowledge their intention to the Chair by show of hand during the roll call: this action item will be considered in the regular order of business as an individual action item.

Those action items that the trustees plan to approve without further question or discussion will be placed on the consent agenda during roll call of individual action items. Upon the creation of the consent agenda, a motion, a second to the motion and unanimous approval of the Board of Trustees is needed to approve the action items. Upon approval of the consent agenda, the Board of Trustees will proceed with the remainder of the agenda.

<table>
<thead>
<tr>
<th>Tally Of Action Items</th>
<th>Consent Agenda</th>
<th>Chancellor Recommended Separate Action</th>
<th>Board Separate Action</th>
</tr>
</thead>
<tbody>
<tr>
<td># 1 Approve Board Travel</td>
<td>____</td>
<td>____</td>
<td>____</td>
</tr>
<tr>
<td># 2 Approve Notice Public Hearings To Set AV Tax Rate</td>
<td>____</td>
<td>____</td>
<td>____</td>
</tr>
<tr>
<td># 3 Approve Ann.Appt/County Tax Assessors/Collection</td>
<td>____</td>
<td>____</td>
<td>____</td>
</tr>
<tr>
<td># 4 Approve Payment-in-Lieu-Tax-Agree/Support FTZ</td>
<td>____</td>
<td>____</td>
<td>____</td>
</tr>
<tr>
<td># 5 Auth/Chan/Neg/Cont/Purch/AR Collection Services</td>
<td>____</td>
<td>____</td>
<td>____</td>
</tr>
<tr>
<td># 6 Approve Ann/Purch Bond-Funded Tech/HW/SW/Svcs</td>
<td>____</td>
<td>____</td>
<td>____</td>
</tr>
<tr>
<td># 7 Auth/Chan/Neg/Purch/Install/Equip/LSC-CC WF Expan</td>
<td>____</td>
<td>____</td>
<td>____</td>
</tr>
<tr>
<td># 8 Auth/Chan/Exec/Interlocal/Agree/LSC-EAldine/”AISD”</td>
<td>____</td>
<td>____</td>
<td>____</td>
</tr>
<tr>
<td># 9 Auth/Chan/Exec/Agree/HC/ROW/Prop/Widen/SH249</td>
<td>____</td>
<td>____</td>
<td>____</td>
</tr>
<tr>
<td># 10 Auth/Chan/Exec/Easements/2014/GOBond/LSC-CyFair</td>
<td>____</td>
<td>____</td>
<td>____</td>
</tr>
<tr>
<td># 11 Auth/Chan/Exec/Easements/LSC-UP/Ctr/Science/Innov</td>
<td>____</td>
<td>____</td>
<td>____</td>
</tr>
<tr>
<td># 12 Auth/Chan/Neg/Easement/Widen/SH 49/LSC-Tomball</td>
<td>____</td>
<td>____</td>
<td>____</td>
</tr>
<tr>
<td># 13 Auth/Chan/Neg/Cont/Purch/Simulator/Equip/EMI-UP</td>
<td>____</td>
<td>____</td>
<td>____</td>
</tr>
<tr>
<td># 14 Ratify Exec/GMP/Cont/LSC-K/Process/Ctr/CMAR</td>
<td>____</td>
<td>____</td>
<td>____</td>
</tr>
<tr>
<td># 15 Auth/Chan/Grant/Cont/TWC/CC/Heroes Phase V Grant</td>
<td>____</td>
<td>____</td>
<td>____</td>
</tr>
<tr>
<td># 16 Approve/Purch/Travel/Honors/College/Int’l/Program</td>
<td>____</td>
<td>____</td>
<td>____</td>
</tr>
<tr>
<td># 17 Approve Proposed 2017 Internal Audit Plan</td>
<td>____</td>
<td>____</td>
<td>____</td>
</tr>
<tr>
<td># 18 Ratify Appointments</td>
<td>____</td>
<td>____</td>
<td>____</td>
</tr>
<tr>
<td># 19 Accept Resignations</td>
<td>____</td>
<td>____</td>
<td>____</td>
</tr>
</tbody>
</table>
Request: Consideration of the Recommended Revision of the Lone Star College System Board Policy Manual Sections VI.A.1.01, VI.D.1.01, and VI.D.12.01 (FIRST READING)

Chancellor's Recommendation: That the Board of Trustees consider the recommended revision of the College’s Board Policy Sections VI.A.1.01, VI.D.1.01, and VI.D.12.01, revising enumerated protected categories.

Rationale: The current version of Sections VI.A.1.01, VI.D.1.01, and VI.D.12.01 do not incorporate sexual orientation, gender identity, and gender expression as enumerated protected categories. This revision would align the College with inclusive language reflective of its student population.

Fiscal Impact: None

Staff Resource: Mario K. Castillo 832-813-6655
SECTION VI – STUDENTS

VI.A. ADMISSIONS

VI.A.1.01 Admissions Policy
The College is an open-enrollment community college system. It identifies, attracts, enrolls, and retains students reflecting the community’s diverse population. The College does not consider race, color, sex, age, sexual orientation, gender identity, gender expression, religion, ethnic or national origin, disability, veteran status, or any other protected status in admissions or educational programs.

****

VI.D. STUDENT WELFARE AND RIGHTS

VI.D.1. Student Organizations

VI.D.1.01 Policy
The College provides equal opportunities to all students participating in courses, activities, and programs regardless of race, color, sex, age, sexual orientation, gender identity, gender expression, religion, ethnic or national origin, disability, veteran status, or any other protected status. The College cannot deny a student group registration because of the group’s views.

****

VI.D.12 Civil Rights Complaints

VI.D.12.01 Policy
The College provides equal treatment and educational opportunities to all persons without regard to race, color, sex, age, sexual orientation, gender identity, gender expression, religion, ethnic or national origin, disability, veteran status, or any other protected status. Any student experiencing discriminatory treatment or civil rights violations, aside from Sexual Violence or Title IX Harassment addressed in Section VI.F (Sexual Harassment, Assault, Violence, and Discrimination), may submit a civil rights complaint under this section.
Request: Consideration of Approval for Board of Trustees Travel

Chancellor’s Recommendation: That the Board of Trustees authorize Ron Trowbridge, Art Murillo, Alton Smith, Ken E. Lloyd, Bob Wolfe and Linda Good to attend the Association of Community College Trustees 2016 Leadership Congress on October 5 – 8, 2016 in New Orleans, LA.

Rationale: The annual conference programs and activities provide an opportunity for trustee development. Trustees Good, Smith and Trowbridge are making presentations.

Fiscal Impact: Funds have been approved for professional development in the 2016-2017 Budget.

Resource: Helen Clougherty 832-813-6514
Report: Monthly Financial Statements

The financial statements for the month ended July 31, 2016 are presented for Board review.
ACTUAL EXPENDITURES AS A % OF BUDGET
9/1 THROUGH 7/31

2011-12: 82.9%
2012-13: 82.3%
2013-14: 84.4%
2014-15: 86.1%
2015-16: 84.7%
### LONE STAR COLLEGE

Statement of Revenues and Expenditures

General and Auxiliary Funds

YTD July 31, 2016

Unaudited

<table>
<thead>
<tr>
<th>REVENUES:</th>
<th>BUDGET</th>
<th>FISCAL YTD</th>
<th>% ACTUAL TO BUDGET</th>
<th>PRIOR YEAR ACTUAL</th>
<th>PRIOR YEAR % ACTUAL TO BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Appropriations</td>
<td>$74,090,000</td>
<td>$66,947,542</td>
<td>90.4%</td>
<td>$65,590,508</td>
<td>90.5%</td>
</tr>
<tr>
<td>Tuition and Fees</td>
<td>111,840,000</td>
<td>106,620,014</td>
<td>95.3%</td>
<td>107,155,897</td>
<td>98.4%</td>
</tr>
<tr>
<td>Taxes</td>
<td>125,260,000</td>
<td>125,421,808</td>
<td>100.1%</td>
<td>112,690,541</td>
<td>97.0%</td>
</tr>
<tr>
<td>Investments</td>
<td>420,000</td>
<td>389,589</td>
<td>92.8%</td>
<td>370,153</td>
<td>105.8%</td>
</tr>
<tr>
<td>Other</td>
<td>6,020,000</td>
<td>4,854,977</td>
<td>80.6%</td>
<td>4,696,629</td>
<td>80.3%</td>
</tr>
<tr>
<td>Tuition/Growth Contingency</td>
<td>910,000</td>
<td>-</td>
<td>0.0%</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Total Current Operations Revenues</td>
<td>318,540,000</td>
<td>304,233,930</td>
<td>95.5%</td>
<td>290,503,728</td>
<td>95.1%</td>
</tr>
<tr>
<td>Auxiliary Revenues</td>
<td>18,140,000</td>
<td>12,761,195</td>
<td>70.3%</td>
<td>12,824,891</td>
<td>85.5%</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>336,680,000</td>
<td>316,995,125</td>
<td>94.2%</td>
<td>303,328,619</td>
<td>94.6%</td>
</tr>
<tr>
<td>Reserves</td>
<td>5,810,000</td>
<td>-</td>
<td>0.0%</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Total Revenues and Reserves</td>
<td>342,490,000</td>
<td>316,995,125</td>
<td>94.6%</td>
<td>303,328,619</td>
<td>94.6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENDITURES:</th>
<th>BUDGET</th>
<th>FISCAL YTD</th>
<th>% ACTUAL TO BUDGET</th>
<th>PRIOR YEAR ACTUAL</th>
<th>PRIOR YEAR % ACTUAL TO BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction-Academic</td>
<td>83,742,926</td>
<td>72,564,113</td>
<td>86.7%</td>
<td>71,044,930</td>
<td>90.9%</td>
</tr>
<tr>
<td>Instruction-Workforce</td>
<td>30,489,765</td>
<td>29,057,486</td>
<td>95.3%</td>
<td>27,971,106</td>
<td>101.1%</td>
</tr>
<tr>
<td>Public Service</td>
<td>746,994</td>
<td>674,703</td>
<td>90.3%</td>
<td>618,399</td>
<td>81.1%</td>
</tr>
<tr>
<td>Academic Support</td>
<td>52,894,305</td>
<td>41,101,292</td>
<td>77.7%</td>
<td>45,147,884</td>
<td>78.7%</td>
</tr>
<tr>
<td>Student Services</td>
<td>46,291,595</td>
<td>37,013,312</td>
<td>80.0%</td>
<td>35,301,841</td>
<td>82.0%</td>
</tr>
<tr>
<td>Institutional Support</td>
<td>31,752,457</td>
<td>27,968,484</td>
<td>88.1%</td>
<td>29,229,799</td>
<td>86.5%</td>
</tr>
<tr>
<td>Plant Operation and Maintenance</td>
<td>34,068,631</td>
<td>29,883,132</td>
<td>87.1%</td>
<td>29,005,495</td>
<td>81.0%</td>
</tr>
<tr>
<td>Staff Benefits</td>
<td>26,803,327</td>
<td>25,677,829</td>
<td>95.8%</td>
<td>23,660,461</td>
<td>89.8%</td>
</tr>
<tr>
<td>Growth Contingency</td>
<td>1,570,000</td>
<td>-</td>
<td>0.0%</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Total Educational and General Expenditures</td>
<td>308,360,000</td>
<td>263,740,351</td>
<td>85.5%</td>
<td>261,983,879</td>
<td>86.9%</td>
</tr>
<tr>
<td>Repair, Replacement and Other</td>
<td>5,050,000</td>
<td>2,797,583</td>
<td>55.4%</td>
<td>2,298,114</td>
<td>45.5%</td>
</tr>
<tr>
<td>Internally Designated</td>
<td>18,580,000</td>
<td>14,535,201</td>
<td>78.2%</td>
<td>12,609,139</td>
<td>81.0%</td>
</tr>
<tr>
<td>Auxiliary</td>
<td>331,990,000</td>
<td>281,073,135</td>
<td>84.7%</td>
<td>276,891,132</td>
<td>86.1%</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>342,490,000</td>
<td>288,052,979</td>
<td>84.6%</td>
<td>283,804,476</td>
<td>86.1%</td>
</tr>
<tr>
<td>Other Changes - Debt Service &amp; Fund Transfers</td>
<td>10,500,000</td>
<td>6,979,844</td>
<td>-</td>
<td>6,913,344</td>
<td>-</td>
</tr>
<tr>
<td>Total Expenditures and Transfers</td>
<td>342,490,000</td>
<td>288,052,979</td>
<td>-</td>
<td>283,804,476</td>
<td>-</td>
</tr>
</tbody>
</table>

### NET INCREASE (DECREASE) IN FUND BALANCES

<table>
<thead>
<tr>
<th>General Funds</th>
<th>BUDGET</th>
<th>FISCAL YTD</th>
<th>PRIOR YEAR ACTUAL</th>
<th>PRIOR YEAR % ACTUAL TO BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>440,000</td>
<td>30,716,152</td>
<td>19,308,391</td>
<td>90.5%</td>
<td></td>
</tr>
<tr>
<td>Auxiliary Funds</td>
<td>(440,000)</td>
<td>(1,774,006)</td>
<td>80.3%</td>
<td>215,752</td>
</tr>
</tbody>
</table>

### TOTAL NET INCREASE (DECREASE) IN FUND BALANCES

<table>
<thead>
<tr>
<th>General Funds</th>
<th>Auxiliary Funds</th>
<th>TOTAL NET INCREASE (DECREASE) IN FUND BALANCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>440,000</td>
<td>(440,000)</td>
<td>0</td>
</tr>
<tr>
<td>30,716,152</td>
<td>(1,774,006)</td>
<td>28,942,146</td>
</tr>
<tr>
<td>19,308,391</td>
<td>215,752</td>
<td>19,524,143</td>
</tr>
</tbody>
</table>
**Balance Sheet**  
**July 31, 2016**  
**Unaudited**

### ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>General &amp; Reporting Totals</th>
<th>Restricted Memorandum Totals</th>
<th>GASB Memorandum Totals</th>
<th>GASB Memorandum Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash, cash equivalents &amp; investments</td>
<td>$44,928,078</td>
<td>$177,748,568 ($8,367)</td>
<td>$222,668,279 ($293,062,825)</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>19,589,040</td>
<td>3,990,631</td>
<td>5,269,674</td>
<td>28,849,345</td>
</tr>
<tr>
<td>Prepaid and deferred expenses</td>
<td>13,474,241</td>
<td></td>
<td></td>
<td>13,474,241</td>
</tr>
<tr>
<td>Inventories, at cost</td>
<td>6,240</td>
<td></td>
<td></td>
<td>6,240</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>-</td>
<td></td>
<td></td>
<td>779,934,238</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$77,997,599</td>
<td>$181,739,199 ($785,195,545)</td>
<td>1,044,932,343</td>
<td>1,074,958,047</td>
</tr>
</tbody>
</table>

*Includes GASB (Governmental Accounting Standards Board) reporting entries related to Capital Assets, Long-Term Debt, and Pensions.

### LIABILITIES AND FUND BALANCES

**LIABILITIES:**

- Accounts payable & Accrued Absences Payable $3,203,902 $9,686,749 $12,890,651 $17,285,408
- Deferred revenues 4,514,980 4,184,512 - 8,699,492 8,770,815
- Accrued interest payable - 14,357,688 - 14,357,688 9,497,316
- Bonds payable - - 715,158,715 715,158,715 752,780,487
- Net Pension Liability - - 48,590,998 48,590,998 -
- Assets held in custody for others - 8,481,167 - 8,481,167 7,752,315

**TOTAL LIABILITIES**  
7,718,882 36,710,116 763,749,713 808,178,711 796,086,341

**Deferred Inflows**  
- 14,864,130 14,864,130 -

**TOTAL LIABILITIES AND DEFERRED INFLOWS**  
7,718,882 36,710,116 778,613,843 823,042,841 796,086,341

**TOTAL FUND BALANCES**  
70,278,717 145,029,083 15,445,802 230,753,602 278,871,706

**TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES**  
$77,997,599 $181,739,199 $794,059,645 $1,053,796,443 $1,074,958,047

*Includes GASB (Governmental Accounting Standards Board) reporting entries related to Capital Assets, Long-Term Debt, and Pensions.
<table>
<thead>
<tr>
<th>Description</th>
<th>Operating Cash</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>POOLS</td>
<td>$11,757,888</td>
<td>$11,757,888</td>
</tr>
<tr>
<td>MONEY MARKET ACCOUNTS</td>
<td>7,786,471</td>
<td>7,786,471</td>
</tr>
<tr>
<td>Operating Cash - Subtotal</td>
<td>$19,544,359</td>
<td>19,544,359</td>
</tr>
<tr>
<td>CASH RESERVES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CERTIFICATES OF DEPOSIT</td>
<td>$4,053,822</td>
<td>4,053,822</td>
</tr>
<tr>
<td>SECURITIES</td>
<td>34,998,365</td>
<td>34,998,365</td>
</tr>
<tr>
<td>Cash Reserves - Subtotal</td>
<td>$39,052,187</td>
<td>39,052,187</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$58,596,546</td>
<td>58,596,546</td>
</tr>
</tbody>
</table>
Financial Report and Consideration No. 2  (ACTION ITEM 2)  Board Meeting 9-1-16

Request:  Consideration of Approval for the College to Provide Notice of Intent to Hold Required Public Hearings and to Set the Ad Valorem Tax Rate for the Tax Year 2016 at the October Board Meeting

Chancellor’s Recommendation:  That the Board of Trustees approve the College providing notification of intent to hold required public hearings and to set the ad valorem tax rate for the tax year 2016 at the October Board meeting.

Rationale:  Legislation requires public hearings and specific language for the tax rate motion, resolution or ordinance, newspaper publications and website posting when the proposed tax rate exceeds the net effective tax rate.

The chief tax appraisers from Harris, Montgomery and San Jacinto Counties have now submitted certified tax rolls. Staff is currently working with the tax assessor-collectors to determine the net effective, rollback and recommended tax rates. This information will be presented to the Board of Trustees at the September regular Board meeting in preparation for the two required public hearings and adoption of the tax rate at the October Board meeting.

Fiscal Impact:  The rate to be established will generate tax revenues sufficient to support the operations of the System as well as to pay bonded debt obligations for the 2016-17 fiscal year.

Staff Resource:  Steve Head  832-813-6515  
               Carin Hutchins  832-813-6737
Request: Consideration of Approval of the Annual Appointment of County Tax Assessor-Collectors to Collect Property Taxes Levied on Behalf of the College

Chancellor’s Recommendation: That the Board of Trustees approve the annual appointment of the county tax assessor-collectors to collect property taxes levied on behalf of the College for the tax year 2016 (fiscal year 2016-17) as detailed below.

<table>
<thead>
<tr>
<th>Tax Assessor-Collector</th>
<th>Collecting Property Taxes Levied in</th>
<th>Estimated Cost of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mike Sullivan, Harris County</td>
<td>Harris County</td>
<td>$1,720,000</td>
</tr>
<tr>
<td>Tammy J. McRae, Montgomery County</td>
<td>San Jacinto County</td>
<td>$550,000</td>
</tr>
</tbody>
</table>

Rationale: Board policy Section I.B.2.04 (Taxing Authority) requires that the College’s ad valorem taxes be assessed and collected by the Harris and Montgomery County Tax Assessor-Collectors. The Texas Property Code permits the Board to appoint the individual serving as the County Tax Assessor-Collector to collect taxes for the College in that county. Both Harris and Montgomery Counties request that the Board of Trustees annually approve this appointment.

Fiscal Impact: Funds for these services are included in the FY 2016-17 operating or debt service fund budgets as appropriate.

Staff Resource: Carin Hutchins 832-813-6737
Request: Consideration of Approval for the Chancellor or Designee to Negotiate and Execute a Payment-in-Lieu-of-Tax Agreement and Provide a Letter of Non-Opposition on Behalf of the College in Support of a Foreign Trade Zone (“FTZ”) Application

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or his designee to negotiate and execute a payment-in-lieu-of-tax agreement on behalf of the College with Texas Armaments and Technology LLC and provide a letter of non-opposition in support of its FTZ application for property located at 2014 Airport Road, Conroe, Montgomery County, Texas.

Rationale: Texas Armaments and Technology LLC has requested the assistance of the College with its FTZ application for the property identified above. Since certain merchandise will be exempt from ad valorem taxation with the FTZ designation, it is necessary to execute the payment-in-lieu-of-tax agreement so that there is no financial impact on the College. In addition, Texas Armament and Technology LLC has requested that the College provide a letter of non-opposition in support of the FTZ application.

Fiscal Impact: The decrease in tax revenue will be offset in full by the payments received under the agreement executed with Texas Armaments and Technology LLC.

Staff Resource: Amos McDonald 832-813-6621
Carin Hutchins 832-813-6737
PAYMENT-IN-LIEU-OF-TAX AGREEMENT

FOREIGN TRADE ZONE

This Agreement is entered into by and between Lone Star College (“College”) and Texas Armament & Technology LLC (“Texas Armament”), upon terms and conditions set forth herein.

RECITALS

WHEREAS, Texas Armament seeks to bring merchandise into a Foreign Trade Zone (“FTZ”) subzone to be located at 2014 Airport Road, Conroe, Montgomery County, Texas, 77301, which subzone would be part of FTZ #265, an FTZ granted to the City of Conroe, and which site is described in Exhibit A, attached hereto and incorporated for all purposes, as the “Property”;

WHEREAS, College’s non-opposition to Texas Armament’s application is important for Texas Armament to obtain activation of the FTZ subzone;

WHEREAS, the merchandise held at the Property will be exempt from ad valorem tax if FTZ subzone activation is approved;

WHEREAS, it is Texas Armament’s desire to prevent any financial harm to Lone Star College System as a result of FTZ subzone activation;

WHEREAS, Texas Armament wishes to make payments to support College’s mission, goals, and objectives; and,

WHEREAS, for the purposes of this Agreement, “Exempted Personal Property” shall mean personal property exempted by 19 U.S.C. § 81o(e) or its successor statute as a result of FTZ status being granted to the Property.

NOW, THEREFORE, it is agreed by College and Texas Armament that:

1. Exempted Personal Property. Both Parties agree and understand that the Exempted Personal Property may or may not belong to Texas Armament or its successors, but may belong to third parties who locate their facilities or personal property within the FTZ located on the Property.

2. Letter of Non-Opposition. In consideration for the promises, financial contributions, and other consideration stated herein, College agrees to execute the letter of non-opposition in the form shown in Exhibit B attached hereto and incorporated herein for all purposes.

3. Contribution to College.

(a) Each tax year after the tax appraisal roll is certified by Montgomery Central Appraisal District and prior to November 30th of that year, College shall notify Texas Armament of the amount due under this Agreement.

(b) Texas Armament agrees that with respect to each year that all or any portion of the Property is within an activated FTZ site on the valuation date for taxation purposes otherwise
applicable to personal property inventory held by Texas Armament (including any sub-tenant of Texas Armament) located within the Property, Texas Armament will contribute to College an amount equal to the property tax that would be otherwise due and payable, but which is not due and payable because of the exemption under 19 U.S.C. § 81o(e). This calculation may allow for standard exemptions which would otherwise be taken, other than the exemption provided in 19 U.S.C. § 81o(e).

(c) The Market Value of Exempted Personal Property will be computed annually by the Montgomery Central Appraisal District or its successors and provided to Texas Armament as part of the annual certified appraisal roll. If the Market Value of Exempted Personal Property is not provided to Texas Armament, or if Texas Armament disputes the calculation of such Market Value of Exempted Personal Property, then College shall compute such value, only after Texas Armament exhausts its appeal rights by law. Texas Armament agrees to furnish any and all documents and permit such inspections and audits of records by College to calculate such Market Value of Exempted Personal Property, including inventory. If Texas Armament chooses to sub-lease space to others within the FTZ site, then Texas Armament shall require its sub-tenants to provide all information necessary for the Montgomery Central Appraisal District or its successor, or College, if necessary, to calculate the amount and value of property subject to the FTZ exemption.

(d) Payment is due from Texas Armament to College on or before February 1st of the year following the year for which payment is being made. Interest for late payments shall be calculated at the rate described in Texas Government Code § 2251.025(b) or its successor statute.

4. **Supporting Records.** Prior to December 31st of each year, Texas Armament will provide to College any and all supporting documentation for the calculations used to arrive at the amount of the payment, including a breakdown of 1) total personal property; 2) total personal property which is not subject to tax because of the federal preemption applicable to FTZ site personal property, and 3) personal property held for export. Texas Armament agrees to provide additional supporting documentation upon reasonable request by College and agrees to make its inventory and its inventory records available for inspection by College during normal business hours upon reasonable request. If Texas Armament fails or refuses to provide the information necessary for College and/or the Montgomery Central Appraisal District or its successor to verify in all respects the calculation of the payment due under this Agreement, then College shall be entitled to reimbursement of any reasonable expenses, including attorneys’ fees and expert witness fees, necessary to obtain such information.

5. **Tax Obligation.** Texas Armament acknowledges that this Agreement does not affect any tax obligations of Texas Armament to College, including those based on real estate or non-exempt personal property.

6. **Severability.** To the extent permitted by law, a holding by any court that any part or any provision in this Agreement is invalid, illegal, or unenforceable in any respect shall not affect any other provision, and this Agreement shall be construed as if the invalid, illegal, or unenforceable provision had never been a part of the Agreement.
7. **Non-waiver of Rights.** This Agreement may not be amended except in a writing specifically referring to this Agreement and signed by College and Texas Armament. Any right created under this Agreement may not be waived except in a writing specifically referring to this Agreement and signed by the party waiving the right.

8. **Term.** This Agreement shall remain in effect so long as the Property is designated as an FTZ zone or subzone.

9. **Liquidated Damages.** If for any reason Texas Armament should fail to make the payment in accordance with paragraph 3 above or should fail to reimburse College in accordance with paragraph 4 above, the parties agree that the amount of taxes that would have been imposed upon any Exempted Personal Property plus the amount of interest calculated in accordance with sub-paragraph 3(d) shall serve as liquidated damages to College. Further, Texas Armament shall be liable for the reasonable attorney’s fees and costs of collection should any action be required in order to compel payment of the liquidated damages from Texas Armament to College.

10. **Request for Deactivation for Breach.** If for any reason Texas Armament fails to make the contribution in accordance with paragraph 3 above or fails to reimburse College in accordance with paragraph 4 above, College may notify the City of Conroe that College withdraws its non-opposition to Texas Armament’s Activation and may request that Texas Armament be deactivated from operating in the FTZ site. This optional action shall be in addition to any other remedy that College may have under applicable law.

11. **Notices.** Any notice provided or permitted under this Agreement must be in writing and may be served by depositing same in the United States mail, addressed to the party to be notified, postage prepaid, certified mail, with return receipt requested, by email (with confirmation of receipt), by personal delivery service, or nationally recognized air courier service. For purposes of notice, the addresses of the parties shall be as set forth below:

   Texas Armaments and Technology          Lone Star College
   2014 Airport Road                       Office of the General Counsel
   Conroe, Texas 77301                    5000 Research Forest Drive

12. **Governing Law and Venue.** This agreement shall be governed by the laws of the State of Texas. Venue for any action concerning this Agreement shall be in the District Courts of Montgomery County, Texas.

13. **Entire Agreement.** This Agreement constitutes the entire understanding between the parties and supersedes any prior negotiations, discussions, agreements, and understandings between the parties with respect to the subject matter of this Agreement.
EFFECTIVE DATE: The date last executed below.

AGREED:

By: ________________________________  By: ________________________________
Name: _____________________________  Name: _____________________________
Title: _______________________________  Title: _______________________________
Date: _______________________________  Date: _______________________________

ACKNOWLEDGMENT

STATE OF ________________________
COUNTY OF ______________________

Before me, the undersigned authority, on this day personally appeared ______________________, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same as his/her act and deed in his/her official capacity and for the purposes and consideration therein expressed.

Given under my hand and seal of office this ____ day of __________________, 2016.

____________________________________
Notary Public in and for

____________________ County, State of ______________________
Request: Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute a Contract on Behalf of the College to Purchase Accounts Receivable (“AR”) Collection Services

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or designee to negotiate and execute a contract for the purchase of accounts receivable collection services on behalf of the College from Continental Service Group, Inc. (“ConServe”), 200 Cross Keys Office Park, Fairport, NY 14450. The College does not pay the vendor directly for these services. Instead, the vendor collects a 20% fee from the student upon collection of the delinquent account. In FY 2017, it is projected that these services will result in the collection of an additional $774,000 in delinquent accounts and collection fees paid to the vendor of $194,000. The term of this agreement will be for a period of three years with the option to renew for two additional one-year periods based upon mutual consent.

Rationale: The College requires the services of a third party firm to collect delinquent student accounts. Such firms specialize in collections and have the necessary expertise, staffing and tools to maximize the funds collected that the College does not have in-house. It is industry standard for the student to pay the collection fees for these services.

This purchase is in compliance with the requirements of Texas Education Code §44.031(a). A Request for Proposal (RFP #436) was issued to thirty-three AR collection agencies and seven responses were received. The proposal was evaluated based on fees charged to students; qualifications, experience, service needs met, and the recovery process; references; quality of service; extent to which certified historically underutilized businesses (HUB), minority and/or veteran or women-owned businesses are utilized; past performance; and other enhanced services and completeness and thoroughness of the proposal. The top three scoring vendors were invited to present their programs in person. It is recommended to award the contract to the vendor with the highest evaluation score.

The College will send delinquent accounts over 180 days past due to the collection firm. The firm will utilize their collection expertise to try to collect the balance owed. If the firm is successful in collecting the debt, the firm remits 100% of the balance owed to LSC and charge a 20% collection fee to students. In FY 2016, these services resulted in LSC collecting an additional $629,000 in delinquent accounts and the vendor received approximately $156,000 in collection fees from students.
**Fiscal Impact:** It is estimated that the College will collect $774,000 in delinquent accounts for FY 2016-17. Collections for subsequent years are anticipated to be the same or higher.

**Staff Resource:** Carin Hutchins 832-813-6737
**Request:** Consideration of Approval of Annual Purchases of Bond-Funded Technology Hardware, Software, and Services on Behalf of the College

**Chancellor’s Recommendation:** That the Board of Trustees approve the purchase of bond-funded technology hardware, software, and services on behalf of the College in a total sum not exceeding $7,500,000 during FY 2016-17. The Chancellor also recommends that the Board authorize him or a designee to execute individual contracts in excess of $100,000, but less than $500,000, without obtaining the Board’s individual pre-approval for each such contract. The Chancellor finally recommends to the Board that it expressly authorize him or a designee to execute the contracts detailed in Appendix A for the not exceeding sums listed therein.

**Rationale:** Approving the bond-funded technology hardware, software and services purchases in advance dramatically improves project schedules and enables faculty, students, and staff to receive updated technology in the timeliest and most cost-effective manner.

The purchase of technology hardware, software, and services will be made in accordance with:

- Texas Education Code 44.031, through competitive bid processes, or
- Texas Government Code, Subchapter F, Sections 271.101-102, through Board approved purchasing cooperatives (upon completion of market analysis), or
- Texas Government Code 2254.003, or
- Any other method approved by state law.

The Chancellor or a designee will also ensure that bond funds are only depleted in a manner consistent with the bond order of the College authorizing the series or series of bonds and the bond propositions approved at the November 4, 2014 election authorizing the purposes for which the bonds may be issued.

The Chancellor also represents to the Board that no combination of contracts, purchases, or expenditures under this Board Agenda Item will exceed $7,500,000.

**Fiscal Impact:** Funds for these purchases are available from the General Obligation Bonds, series 2015A, or any other general obligation bonds that may be issued during FY 2016-17.

**Staff Resource:**
- Link Alander 832-813-6832
- Carin Hutchins 832-813-6737
## APPENDIX A

Bond-Funded Infrastructure Project Contracts Exceeding $500,000 for Which the Chancellor Seeks Pre-Approval

<table>
<thead>
<tr>
<th>Item</th>
<th>Not-to-Exceed Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiber Optic Network lease renewal</td>
<td>$3,500,000</td>
</tr>
<tr>
<td>Data warehouse and analytics</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>iStar 2.0 – 9.2 upgrade</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Data center infrastructure</td>
<td>$750,000</td>
</tr>
</tbody>
</table>
Request: Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute Contracts to Purchase and Install Equipment for the LSC-Conroe Center Workforce Expansion

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or designee to negotiate and execute contracts to purchase and install equipment for the LSC-Conroe Center Workforce Expansion from the following firms in the not exceeding sums listed below.

<table>
<thead>
<tr>
<th>Company</th>
<th>Address</th>
<th>Not Exceeding Sum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ellison Technologies</td>
<td>3403 W. Sam Houston Pkwy, West Suite 100 Houston, TX 77086</td>
<td>$237,929</td>
</tr>
<tr>
<td>Lincoln Electric</td>
<td>22801 St. Clair Avenue Cleveland, OH 44117</td>
<td>$161,173</td>
</tr>
</tbody>
</table>

Rationale: The College requires specialty equipment for the LSC-Conroe Center Workforce Machining and Welding programs. Students require training on computer numeric controlled machines designed with state of the art technology that is currently being utilized in industry. This will ensure that students complete the program with the necessary skills that are sought after in today’s job market.

In compliance with the provisions of Texas Government Code §44.031 (a), a Request for Proposals (RFP #439) was publicly advertised and issued to 18 bidders and three responses were received. The evaluation of the proposals was conducted by equipment type and based on cost; qualifications, experience, and service needs met; references; quality of services; the extent to which certified historically underutilized business (HUB), minority and/or veteran or women-owned businesses are utilized; past performance; long-term cost; enhanced services and completeness and thoroughness of response. It is recommended that the firms with the highest evaluation score by equipment type be awarded the contract.

Fiscal Impact: Funds for this purchase are available from the General Obligation Bonds, Series 2015A.

Staff Resource: Jimmy Martin 281-290-2608
Carin Hutchins 832-813-6737
Request: Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute Interlocal Agreements Related to the LSC-East Aldine Satellite Center’s Aldine Independent School District (“AISD”) MacArthur Early College Facility

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or designee to negotiate and execute interlocal agreements related to the LSC-East Aldine Satellite Center’s AISD MacArthur Early College Facility. The requested interlocal agreements between the College and AISD may include, but are not limited to, an agreement for development and construction, operations and use of joint facilities, and a ground lease. The agreements will clearly define each party’s duties and responsibilities.

Rationale: AISD has proposed building its MacArthur Early College Facility on the site of LSC-East Aldine Satellite Center. The AISD facility is planned to be approximately 46,000 square feet and will be constructed as a separate, controlled access wing of the College’s building, with a shared utility infrastructure.

Fiscal Impact: None

Staff Resource: Jimmy Martin 281-290-2608
Carin Hutchins 832-813-6737
Request: Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute Agreements with Harris County’s Right of Way Division for the Sale of Property at LSC-Tomball for the Widening of State Highway 249

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or designee to negotiate and execute agreements with Harris County’s Right of Way Division, 10555 Northwest Freeway, Suite 210, Houston, Texas 77092, for the sale of property at the LSC-Tomball campus for the widening of State Highway 249.

Rationale: The Harris County Engineering Department Right of Way Division is in the process of acquiring land for the widening of State Highway 249 for the segment between FM 2920 and the Montgomery County line. The property impacted directly fronts the freeway and is approximately 18.05 acres in area. An additional 7.95 acre drainage easement and a 0.4849 acre temporary construction easement are also being requested.

Harris County retained an appraiser, Integra Realty Resources, and they valued the property referenced above, a temporary construction easement and damages to the remaining property at $1,932,349.

The College has retained an independent appraiser, CBRE Valuation and Asset Services, to perform a separate appraisal to confirm that the Harris County valuation represents fair market value for the impacted property. If the CBRE appraisal is higher than the Harris County valuation, additional negotiations will occur to ensure LSC receives fair market for the property.

Fiscal Impact: Proceeds from the sale the right of way will be used to pay off General Obligation Bond debt.

Staff Resource: Jimmy Martin 281-290-2608
Request: Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute Easements and Agreements on Behalf of the College Related to the 2014 General Obligation Bond Construction Program at LSC-CyFair

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or designee to execute easements and agreements on behalf of the College related to the 2014 General Obligation Bond Construction Program at LSC-CyFair.

Rationale: Centerpoint Energy requires a temporary easement in order to install equipment associated with providing electrical service to the instructional building. This is a temporary easement which will be replaced with a permanent easement once the equipment is installed.

Fiscal Impact: None

Staff Resource: Jimmy Martin 281-290-2608
Request: Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute Easements and Agreements on Behalf of the College Related to the LSC-University Park Center for Science and Innovation

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or designee to execute easements and agreements on behalf of the College related to the LSC-University Park Center for Science and Innovation.

Rationale: CenterPoint Energy requires a temporary easement in order to install equipment necessary to provide power to the LSC-University Park Center for Science and Innovation. This is a temporary easement which will be replaced with a permanent easement once the equipment is installed.

Fiscal Impact: None

Staff Resource: Jimmy Martin 281-290-2608
Financial Report and Consideration No. 12  (ACTION ITEM 12)  Board Meeting 9-1-16

Request: Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute Easements and Agreements on Behalf of the College Related to the Widening of State Highway 249 and its Impact on LSC-Tomball

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or Designee to negotiate and execute easements and agreements on behalf of the College related to the widening of State Highway 249 and its impact on LSC-Tomball.

Rationale: The College will be required to execute certain easements and agreements in order to accommodate the widening of SH 249 in front of LSC-Tomball. These include, but are not limited to:

1. a possession and use agreement with the Harris County Right of Way Division allowing Harris County access to the site for preliminary construction activities; and
2. a temporary easement with Centerpoint Energy for modifications to the existing electrical service.

The Centerpoint easement is a temporary easement which will be replaced with a permanent easement once the improvements are complete.

Fiscal Impact: None

Staff Resource: Jimmy Martin  281-290-2608
Request: Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute a Contract to Purchase and Install Simulator Equipment for the Energy and Manufacturing Institute (“EMI”) at LSC-University Park (“UP”)

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or designee to negotiate and execute a contract with Drilling Systems, 1427 Vander Wilt Lane, Katy, Houston, Texas 77449, for the purchase and installation of a drilling simulator system at the EMI for a sum not exceeding $1,500,000.

Rationale: The College requires a drilling simulator for the oil rig training program at the EMI. The visual simulation system is required by the associate degree and certificate workforce programs in order to train students on the operation of onshore and offshore oil rigs and receive accreditation needed with up-to-date technology that is being utilized in industry. This will ensure students complete the program with the necessary skills that are sought after in today’s job market.

Texas Education Code §44.031 (j), allows a sole source purchase for an item for which competition is precluded because of the existence of a patent, copyright, secret process or monopoly. The oil rig simulator provided by Drilling Systems is proprietary in nature and specifically designed for drilling systems equipment. In addition, the drilling systems simulator is the only one of its kind available in the area.

Fiscal Impact: Funds for this purchase are available from the General Obligation Bonds, Series 2015A.

Staff Resource: Mario Castillo  832-813-6655
Carin Hutchins  832-813-6737
Request: Consideration of Ratification of the Chancellor’s or Designee’s Execution of a Guaranteed Maximum Price (“GMP”) Contract with the LSC-Kingwood Process Technology Center Construction Manager at Risk (“CMAR”) Firm for Pre-Construction Services Related to the Petrochemical/Refinery Simulation Laboratory

Chancellor’s Recommendation: That the Board of Trustees ratify the Chancellor’s or designee’s execution of a contract with the LSC-Kingwood Process Technology Center CMAR firm, Tellepsen Industrial, LLC, 3508 East Pasadena Blvd., Pasadena, Texas 77503, for pre-construction services related to the Petrochemical/Refinery Simulation Laboratory in a sum not exceeding $264,600.

Rationale: At the December 3, 2015 Board meeting, the Board of Trustees approved Tellepsen Industrial, LLC to provide CMAR services in an amount not-to-exceed $2,000,000 for the design and construction of the Petrochemical/Refinery Simulation Training Laboratory through a formal Request for Proposal process in compliance with the provisions of the Texas Government Code §2269.253.

This GMP contract provides for the project pre-construction services.

Fiscal Impact: Funds for this purchase are available from the General Obligation Bonds, Series 2015A.

Staff Resource: Jimmy Martin 281-290-2608
Carin Hutchins 832-813-6737
Request: Consideration of Approval to Authorize the Chancellor or Designee to Enter into the Grant Contract with the Texas Workforce Commission (“TWC”) for the College Credit for Heroes Phase V Grant Program

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or designee to negotiate and execute a grant contract with the TWC in an amount not to exceed $436,878.10. This amount includes an in-kind cost share match of $219,015.

Rationale: Lone Star College (“LSC”) has applied for the College Credit for Heroes Phase V Grant Program (“Program”). This Program will develop/replicate curricula to offer streamlined courses in LSC’s Health Occupation and Computer Occupation programs that translate military experience, education, and training into civilian credentials to allow veterans to more easily re-enter the workforce. This Program is a collaboration between LSC-Online, Veterans Affairs, and Workforce Education.

Should LSC be awarded the funds for the Program, a 50% cost share match is required of LSC. Staff time will be used to provide $219,015 for the in-kind cost share match.

Fiscal Impact: If LSC is awarded the grant, expenditures will be reimbursed monthly by TWC. The staff time or personnel costs used to provide the cost share match are included in the approved FY 2016-17 budget.

Staff Resource: Rand Key
Carin Hutchins 281-655-3701
832-813-6737
Financial Report and Consideration No. 16 (ACTION ITEM 16) Board Meeting 9-1-16

Request: Consideration of Approval to Purchase All-Inclusive Travel for the Honors College International Capstone Program

Chancellor’s Recommendation: That the Board of Trustees approves the purchase of all-inclusive travel for the Honors College International Capstone Program from Corporate Travel Management (CTM), 1820 St. Charles Avenue, Suite 200, New Orleans, LA 70130, for a not-to-exceed amount of $325,000.

Rationale: The Honors College International Capstone Program is part of the Chancellor’s Fellows Award. The Chancellor’s Fellows, cohorts of 20 per campus competitively selected each year, embark on a two-year plan of study toward an Honors AA or AS. This international trip to Italy is a capstone experience offered during the graduating semester in Spring 2017. Ninety students will participate in cultural visits and activities as a larger group, but also work in smaller groups to conduct primary research related to their fields of study (e.g. medicine, environmental science, literature, and history). This international, interdisciplinary study will be transformational as students apply to transfer to top institutions and specific programs at those institutions—all while meeting the Honors College mission of providing opportunities for challenging, engaging undergraduate scholarship and global literacy.

At the November 5, 2015 meeting, the Board of Trustees approved CTM to provide student group travel services for the College through a formal Request for Qualifications process in compliance with Texas Education Code §44.031 (a). A market analysis was completed to determine best value.

Fiscal Impact: Funds for the travel are included in the approved FY 2016-17 operating budget.

Steve Head 832-813-6515
Carin Hutchins 832-813-6737
Request: Consideration of Approval of the Proposed 2017 Internal Audit Plan

Chancellor’s Recommendation: That the Board of Trustees approve the Fiscal Year 2017 Internal Audit Plan, which is based on a risk assessment completed in August 2016.

Rationale: Auditing best practices include compliance with the Texas Internal Auditing Act and the International Standards for the Professional Practice of Internal Auditing. The Texas Internal Auditing Act requires that the Board approve the annual audit plan prepared using risk assessment techniques. The International Standards for the Professional Practice of Internal Auditing also requires that an internal audit department establish a risk-based plan to determine the priorities of the internal audit activity.

Internal Audit conducted a risk assessment to help identify and rank potential risk areas for Lone Star College. The risk assessment was the basis for the Internal Audit Department’s recommendation of the proposed projects. The plan was prepared considering the staff levels and available time.

Fiscal Impact: Funds for this are available from the approved FY2016-17 budget.

Staff Resource: Mario K. Castillo 832-813-6655
## Internal Audit Plan
### Proposed Fiscal Year 2016-2017

<table>
<thead>
<tr>
<th>Project</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond Program</td>
<td>Assess internal controls over bond program funds.</td>
</tr>
<tr>
<td>Construction Project Management</td>
<td>Review processes, controls, and documentation.</td>
</tr>
<tr>
<td>Contract Bidding and Awards</td>
<td>Ensure open and fair purchasing and bidding practices.</td>
</tr>
<tr>
<td>Vendor Contracts – Contract Management</td>
<td>Review for adoption of rules and policies per Senate Bill 20 (84th Legislature).</td>
</tr>
<tr>
<td>Purchasing – IT Expenditures</td>
<td>Review controls, processes to ensure expenses are properly authorized, valid, and in compliance.</td>
</tr>
<tr>
<td>Tenant Leases</td>
<td>Evaluate management of tenant leases.</td>
</tr>
<tr>
<td>Financial Reporting</td>
<td>Examine internal financial reporting quality.</td>
</tr>
<tr>
<td>IT – Service Continuity Management</td>
<td>Evaluate business continuity and disaster recovery programs.</td>
</tr>
<tr>
<td>IT – Network Infrastructure &amp; Cybersecurity</td>
<td>Assess security-control adequacy.</td>
</tr>
<tr>
<td>Executive Credit Cards</td>
<td>Review expenses for appropriateness and compliance.</td>
</tr>
<tr>
<td>Cash Handling</td>
<td>Assess campus controls to ensure cash is secured.</td>
</tr>
<tr>
<td>Follow Ups</td>
<td>Follow up on open recommendations.</td>
</tr>
<tr>
<td>Special Projects/Investigations</td>
<td>Other projects and investigations as necessary.</td>
</tr>
</tbody>
</table>

Note: The proposed projects are arranged in descending order from the largest projects to the smallest (in terms of labor hours required to complete).
Request: Consideration of Ratification of Appointments.

Chancellor’s Recommendation: That the contractual appointments listed on the following pages be ratified for the positions indicated.

Rationale: These contractual appointments include ratification of Administrators and Faculty.

Fiscal Impact: Positions and salaries have been budgeted for 2015-2016.

Staff Resource: Link Alander 832-813-6832
a. **LSC-North Harris**  
**Doris Jackson, Director, Nursing Program**  
**Effective:** 12 month contracted employee at a salary of $73,599 beginning July 16, 2016  
**Education:** M.S.N., Administration, B.S.N., Prairie View A&M University; Associate Degree of Nursing, Houston Community College  
**Experience:** Associate Professor, Nursing, Lone Star College-Kingwood; Assistant Professor, Clinical Instructor, Pediatric, Houston Baptist University; Education Resource Specialist III, Memorial Hermann Northwest Hospital; Clinical Specialist II, Memorial Hermann Technical Education Center; Clinical Director, Memorial Hermann Surgery Center, Texas Medical Center; Clinical Nurse Manager, Memorial Hermann Children’s Hospital; Clinical Nurse Coordinator, Diagnostic Imaging, Clinical Nurse Manager, Texas Children’s Hospital

b. **LSC-Kingwood**  
**Pierre Flood, Director, Financial Aid**  
**Effective:** 12 month contracted employee at a salary of $63,976 beginning July 5, 2016  
**Education:** B.B.A., Woodbury University  
**Experience:** Consultant, Assistant Director of Financial Aid, Woodbury University; Financial Aid Manager, Southern California Institute of Architecture; Director of Financial Aid & Scholarships, Charles Drew University of Medicine and Science; Director of Financial Aid, Phillips Graduate Institute; Senior Financial Aid Advisor, Pacific Oaks College; Client Services Manager, EdFUND; Financial Aid Officer, Pacific Coast College

c. **LSC-Montgomery**  
**DeReese Reid-Hart, Dean, Instruction**  
**Effective:** 12 month contracted employee at a salary of $84,502 beginning August 1, 2016  
**Education:** Doctorate in Education, Community College Leadership, National Louis University; M.S., Educational Psychology, B.S., English/Pre-Law, Eastern Illinois University  
**Experience:** Dean, Instruction and Continuing Education, Student Services, Associate Dean, Assistant Dean, Student Services, Academic Advisor, Lecturer/Assistant Counselor, Kenney-King College; Instructor, ESL, Poder Learning Institute; Youth Development Coordinator, Uhlrich Children’s Advantage Network; Mental Health Coordinator, WBCO; Therapist, Metropolitan Family Services, Chicago Illinois
Mary Mendoza, Assistant Dean

Effective: 12 month contracted employee at a salary of $83,835 beginning August 1, 2016

Education: M.A., College Student Personnel Administration, Bowling Green State University; B.A., Human Services, St. Mary’s College of Minnesota

Experience: Assistant Dean, Student Development, BCF Division, Lone Star College-Montgomery; Area Coordinator, Department of Student Affairs, Texas A&M University

d. LSC-System Office

George Ashmore, Director, Financial Aid

Effective: 12 month contracted employee at a salary of $71,633 beginning August 1, 2016

Education: B.S., Mathematics, University of Oklahoma

Experience: Sr. Online Technologist, Online Technologist II, Lone Star College-System Office; Adjunct Instructor, BASS Division, Lone Star College-Montgomery; Technical Event Coordinator, Bright House Networks, Advanced Broadband Services; Tier II Management, IT Lab Manager, University of Oklahoma
Request: Consideration of Resignations

Chancellor’s Recommendation: That the resignations listed below be accepted and acknowledged.

**LSC-System Office**
Leah Goss, Chief Advancement Officer, Foundation
Effective July 16, 2016

Heidi Smith, Executive Director, First Year Experience
Effective July 1, 2016

**LSC-Tomball**
Cynthia Casparis, Dean, Instruction
Effective August 1, 2016

**LSC-CyFair**
Tessie Bradford, Director, Student Services
Effective July 23, 2016

**Staff Resource:** Link Alander 832-813-6832
Report: Construction Projects Update

The monthly construction projects update is presented for Board review.
CONSTRUCTION PROJECTS UPDATE  
September 1, 2016

2014 General Obligation Bond Projects Summary

**LSC-CyFair**
- **Instruction and Student Life Building:** HVAC duct installation is nearing completion and the exterior wall and roof deck are in progress. CASA renovations and south parking lot were complete for the start of the fall semester. Overall project construction is expected to be complete in March 2017.
- **Westway Park Technology Center:** Construction documents are complete. It is anticipated that the GMP will be presented for consideration of approval at the November 2016 Board of Trustees meeting. Construction is expected to be complete in July 2017.

**LSC-Kingwood**
- **Student Services Center Expansion:** Earthwork and building pad are complete. Construction is expected to be complete in January 2017.
- **Process Technology Center:** Site clearing is in progress. Construction is expected to be complete in August 2017.

**LSC-Montgomery**
- **Conroe Satellite Center:** Exterior walls are complete. Roofing and interior construction are in progress. Construction is expected to be complete in January 2017.
- **Live Entertainment Technology Building:** Site clearing is complete. Earthwork is in progress. Construction is expected to be complete in March 2017.
- **Magnolia Satellite Center:** Site purchase is being negotiated.

**LSC-North Harris**
- **Applied Technology Workforce Building:** Sitework has begun. Construction is expected to be complete in July 2017.
- **East Aldine Satellite Center:** Construction documents are complete. It is anticipated that the GMP will be presented for consideration of approval at the November 2016 Board of Trustees meeting. Construction is expected to be complete in December 2017.
- **Transportation and Logistics Institute:** Site purchase is being negotiated.
- **Relocate Electrical Service Underground:** Construction documents are in progress and it is anticipated that the GMP will be presented for approval at the November 2016 Board of Trustees meeting. Construction is expected to be complete in March 2017.

**LSC-Tomball**
- **Health Science Building - 3rd Floor Buildout:** Construction was complete for the start of the fall semester.
LSC-University Park

- **Science and Innovation Center**: Steel erection is in progress. Construction is expected to be complete in May 2017.
- **Classroom Renovations in Building 12, Level 7**: Construction was complete for the start of the fall semester.