MINUTES OF THE
WORKSHOP AND REGULAR MEETING OF THE BOARD OF TRUSTEES
LONE STAR COLLEGE SYSTEM
LSC-UNIVERSITY PARK
COMMONS BUILDING
SYDNEY ROOM
20515 SH 249
HOUSTON, TX 77070
May 6, 2010
5:00 p.m.

PRESENT: Mr. Randy Bates, Chair
Dr. David Holsey, Vice Chair
Ms. Priscilla Kelly, Secretary
Mr. Chris Daniel, Assistant Secretary
Dr. Richard Campbell
Ms. Stephanie Marquard
Mr. David Vogt
Mr. Robert Wolfe

ABSENT: Mr. Robert Adam

I. CALL TO ORDER: Mr. Bates called the workshop and regular meeting of the Board of Trustees to order at 5:00 p.m. after determining a quorum was present.

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

III. CERTIFICATION OF THE POSTING OF THE NOTICE OF THE MEETING: Chancellor Carpenter confirmed that the Notice for the meeting had been properly posted. No action was required. A copy is attached as Exhibit "A."

IV. INTRODUCTIONS, SPECIAL GUESTS, RECOGNITIONS: Chancellor Carpenter welcomed Kassia Micek of the Conroe Courier. The Chancellor introduced the new faculty senate presidents Bill Simeck for LSC-Tomball, Jason LaPres for LSC-North Harris and Dominic Bongiorno for LSC-Kingwood.

V. WORKSHOP:
Corporate College: Rand Key, senior vice chancellor and chief operating officer, presented a video presentation on Corporate College. Linda Head, associate vice chancellor for workforce development, presented an overview of Corporate College that offers customized training and develops talent for a highly skilled workforce. Within corporate training there is customized training and solutions, conference center and continuing education unit.
VI. **CLOSED SESSION:** At 5:17 p.m. Mr. Bates 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  
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 551.087 – Economic Development Negotiations

Dr. Holsey arrived at 5:40 p.m. and Mr. Vogt arrived at 6:15 p.m.  
Mr. Daniel left at 6:43 p.m.

VII. **RECONVENE REGULAR MEETING:** Mr. Bates reconvened the open meeting at 6:44 p.m.

VIII. **APPROVAL OF THE MINUTES OF THE APRIL 1, 2010 WORKSHOP AND REGULAR MEETING:** upon a motion by Dr. Holsey and a second to the motion by Ms. Kelly, the Board unanimously approved the minutes of the April 1, 2010 Workshop and Regular Meeting

IX. **CITIZENS DESIRING TO ADDRESS THE BOARD:** No citizen desired to address the Board.

IX. **SPECIAL REPORTS AND ANNOUNCEMENTS:**

1. **Chancellor:** Chancellor Carpenter announced that faculty senate presidents Dorothy Reade of LSC-North Harris, David Putz of LSC- Kingwood and Tommy Young of LSC-Tomball end their terms tonight and thanked them for a job well done. The commencements for LSC-Montgomery and LSC-North Harris and LSC-Kingwood will be Friday, May 14 and for LSC-Tomball and LSC-CyFair will be Saturday, May 15.

2. **College Presidents:** Dr. Steve Head, president of LSC-North Harris, presented an overview of LSCS strategic goal seven, to create efficiencies in operation in resource allocation. Dr. Head reported through implementing and streamlining business procedures and management infrastructure across the system; implementing technology to increase efficiency and promote stewardship of natural resources; strengthening guidelines and protocols for the use of external service providers; improving effectiveness to assess the stewardship of state, local, and federal funds and implementing a data driven system to support system-wide fiscal functions, this strategic goal will be met.

3. **Vice Chancellors:** Mr. Shah Ardalans, vice chancellor of technology services/CIO, announced that Nishae Brooks received the Visionary Award for Security
Optimization from Symantec. This is the first year Symantec has presented an award to an institution of higher education.

4. **Faculty Senate Presidents:** Dr. David Putz, LSC-Kingwood faculty senate president, spoke about the faculty work week. The majority of the faculty's time is working with students in the classroom, tutoring, in review sessions, mentoring students and being available to students. Another part of their work week is in course preparation, grading and attending workshops, conferences, technology development as part of their professional development. Faculty also serve on various committees and act as advisors to student groups.

X. **CONSIDERATION OF CONSENT AGENDA:** Mr. Bates proceeded with the Consent Agenda. Dr. Campbell made a motion to approve Action Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12. Mr. Wolfe seconded the motion and the Board unanimously passed the Consent Agenda. A copy is attached as Exhibit "B."

XI. **POLICY REPORTS AND CONSIDERATIONS**

1. **Consideration for Approval of the Recommended Revision of the Lone Star College System Board Policy Section 1.G.1.05 and 1.06 (SECOND READING)(ACTION ITEM 1):** the Board unanimously approved the recommended revision of the Lone Star College System Board Policy Section 1.G.1.05 and 1.06. This item was passed in the Consent Agenda. A copy is attached as Exhibit "C."

2. **Consideration of Recommended Revisions to Board Policies A: Appropriations and Revenue Sources and C: Cash Management (FIRST READING):** the Board unanimously considered the recommended revisions to Board Policies A: Appropriations and Revenue Sources and C: Cash Management. This constitutes a first consideration with a request for approval during the June 2010 Board meeting. A copy is attached as Exhibit "D."

3. **Consideration of Approval to Name New Satellite Center for LSC-CyFair "LSC-Cypress Center", New Satellite Center for LSC-North Harris "LSC-Victory Center", New Satellite Center for LSC-Montgomery "LSC-Conroe Center” and New Satellite Center for LSC-Kingwood “LSC-Atascocita Center” (ACTION ITEM 2):** the Board unanimously approved the name of LSC-Cypress Center for the LSC-CyFair satellite center, LSC-Victory Center for the LSC-North Harris satellite center, LSC-Conroe Center for the LSC-Montgomery satellite center and LSC-Atascocita Center for the LSC-Kingwood satellite center. This item was passed in the Consent Agenda. A copy is attached as Exhibit "E."

4. **Consideration of Approval to Amend Polling Locations in the May 8 Trustee Election Order, to Appoint Election Judges and to Authorize the Elections Administrator and Agent for the Board Secretary to Designate Additional Judge for the Election (ACTION ITEM 3):** the Board unanimously approved the amendment which moves two Harris County polling locations, adds two precincts and appoints the election
judges and the deputy early voting clerks as presented. In addition, the Board authorized Helen Clougherty, Elections Administrator and Agent for the Board Secretary for the May 8 election, to designate additional judges as needed for Board ratification at the June 3 regular board meeting. This item was passed in the Consent Agenda. A copy is attached as Exhibit "F."

XII. FINANCIAL REPORTS AND CONSIDERATIONS

1. Monthly Financial Statements: Ms. Cindy Gilliam, vice chancellor for administration and finance, presented the monthly financial statements for the month ended March 31, 2010. A copy is attached as Exhibit "G."

2. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute an Agreement to Replace the Commons Building Roof at LSC-University Park (ACTION ITEM 4): the Board unanimously authorized the Chancellor or designee to negotiate and execute an agreement to replace the Commons Building roof at LSC-University Park from Competition Roofing, Inc., 7310 Fairview Street, Houston, TX 77041 for a not to exceed amount of $700,000. This item was passed in the Consent Agenda. A copy is attached as Exhibit "H."

3. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute an Agreement for the Purchase of Construction Services for LSC-CyFair Center (ACTION ITEM 5): the Board unanimously authorized the Chancellor or designee to negotiate and execute an agreement for the purchase of construction services for LSC-CyFair Center from C.F. Jordan Construction, 9801 Westheimer, Suite 320, Houston, Texas 77042 for an estimated amount of $13,680,000. This item was passed in the Consent Agenda. A copy is attached as Exhibit "I."

4. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute Contracts for the Purchase of Audio/Video Equipment and Installation Services for Classroom Mediation for New Construction and Renovations (ACTION ITEM 6): the Board unanimously authorized the Chancellor or designee to negotiate and execute contracts for the purchase of audio/video equipment and installation services for classroom mediation for new construction and renovations from the following vendors for an amount not to exceed $10,000,000 over a period of three years: Audio Visual Solutions, Inc., 10200 Hempstead, Suite 2D, Houston, TX 77092; Data Projections, 3036 Rodgerdale Road, Houston, TX 77042; i.e. SmartSystems LLC, 15200 East Hardy, Houston, TX 77032; Troxell Communications, 4830 South 38th Street, Phoenix, AZ 85040; The Whitlock Group 6001 Stonington, Suite 110, Houston, TX 77040. This item was passed in the Consent Agenda. A copy is attached as Exhibit "J."

5. Consideration of Approval to Purchase Janitorial Services for Central Services & Training Center (ACTION ITEM 7): the Board unanimously approved the purchase of janitorial services for Central Services & Training Center from McLemore Building Maintenance, Inc., 110 Fargo, Houston, TX 77006-2014 in the
amount of $58,188 annually for a total of $116,376 over two years. This approval includes the option to renew for three additional one year terms. In addition, authorized the Chancellor to negotiate and execute contract amendments for additions of HARC/Building III and services for special projects and peak periods. Total contract amount will not exceed $450,000 over five years. This item was passed in the Consent Agenda. A copy is attached as Exhibit “K.”

6. Consideration of Approval to Execute a Sanitary Sewer Easement with Woodcreek Municipal Utility District and Water Line/Access Easements with Richey Road Municipal Utility District, and to Purchase Water Line Easement right of way from George A. Manos for LSC-North Harris ACTION ITEM 8): the Board unanimously authorized the Chancellor to execute a sanitary sewer easement with Woodcreek Municipal Utility District and water line/access easements with Richey Road Municipal Utility District, and to purchase a water line easement right of way from George A. Manos for LSC-North Harris. This item was passed in the Consent Agenda. A copy is attached as Exhibit “L.”

7. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute an Agreement for the Purchase of Construction Manager at Risk (CM-at-Risk) Services for LSC-Victory Center s (ACTION ITEM 9): the Board unanimously authorized the Chancellor or designee to negotiate and execute an agreement for the purchase of CM-at-Risk services for LSC-Victory Center from Durotech LP, 11931 Wickchester, Suite 205, Houston, Texas 77043 for an estimated amount of $13,600,000. This item was passed in the Consent Agenda. A copy is attached as Exhibit “M.”

8. Consideration of Acceptance of Gift (ACTION ITEM 10): the Board unanimously accepted and acknowledged the gift donated to the Lone Star College System in accordance with the donor’s wishes. This item was passed in the Consent Agenda. A copy is attached as Exhibit “N.”

XIII. BUILDING AND GROUNDS REPORT:

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

XIV. PERSONNEL REPORTS AND CONSIDERATIONS:

1. Consideration of Ratification of Appointments (ACTION ITEM 11): the Board unanimously ratified the appointments as presented. This item was passed in the Consent Agenda. A copy is attached as Exhibit “P.”
2. Consideration of Reappointment of Contractual Employees (Non-Faculty) (ACTION ITEM 12): the Board unanimously ratified the reappointments of contractual employees (non-faculty) as presented. This item was passed in the Consent Agenda. A copy is attached as Exhibit "Q."

3. SUGGESTED FUTURE AGENDA ITEMS: None

XVI. ADJOURNMENT: There being no further business, the meeting was adjourned at 7:23 p.m.

ATTEST:

[Signatures]

Board of Trustees, Chair

Board of Trustees, Assistant Secretary
Exhibit "A"

Certification of Posting of Notice to the May 6, 2010
Workshop and Regular Meeting of the
Lone Star College System's
Board of Trustees

I, Richard Carpenter, Chancellor of the Lone Star College System, do hereby certify that a notice of this meeting was posted on Monday the 3rd day of May, 2010 in a place convenient to the public in the Administration Office of the Central Services and Training Center, 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 3rd day of May, 2010.

[Signature]
Richard Carpenter
Chancellor
Consideration of Consent Agenda

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.

Rationale: The consent agenda format is an organization process for meetings that allows the governing board to focus their time and attention on action items that require more elaboration, information, and/or discussion. The intent of the consent agenda is to support efficiency and effectiveness of the meeting.

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Exhibit “C”

Policy Consideration No. 1  
(ACTION ITEM 1)  
Board Meeting 5-6-10

Request: Consideration for Approval of the Recommended Revision of the Lone Star College System Board Policy Section I.G.1.05 and 1.06 (SECOND READING)

Chancellor’s Recommendation: That the Board of Trustees approve the recommended revision of the Lone Star College System Board Policy Section I.G.1.05 and 1.06.

Rationale: LSCS policy regarding the Chancellor’s performance evaluation lacks clarity and written procedures. Revisions to the policy will provide the implementation, details and criteria by which the Chancellors evaluation may be conducted.

Fiscal Impact: None

Staff Resource: Brian Nelson  
832-813-6655
Proposed Policy Revision - Chancellor Performance Evaluation

G.1.05 Performance Evaluation

The Chancellor shall be evaluated by the Board annually, or other frequency at the discretion of the Board. This evaluation will be confidential with every member of the Board invited to participate. Hence, the Board’s evaluation will not take the form of individual Board member assessments; but rather, one overall Board assessment.

G.1.06 – Objectives and Procedures for Performance Evaluation

The Board shall strive to accomplish the following objectives in conducting the Chancellor’s evaluation:

a. Clarify to the Chancellor his or her role, as seen by the Board.

b. Clarify to Board members the Chancellor’s role, according to the Board’s written criteria, as expressed in the Chancellor’s job description, and the System’s goals and objectives.

c. Foster an early understanding among new Board members of the evaluation process and the Chancellor’s current performance objectives and priorities.

d. Develop and sustain a harmonious working relationship between the Board and the Chancellor.

e. Ensure administrative leadership for excellence in the System.

The Board in implementing this Policy shall develop appropriate procedures.
Request: Consideration of Recommended Revisions to Board Policies A: Appropriations and Revenue Sources and C: Cash Management (FIRST READING)

Chancellor's Recommendation: That the Board of Trustees consider the recommended revisions to Board Policies A: Appropriations and Revenue Sources and C: Cash Management. This constitutes a first consideration with a request for approval during the June 2010 Board meeting.

Rationale: Board Policy A: Appropriations and Revenue Sources had only minor changes and section A.5 Operating Fund Balance was moved to C.1 Debt Management.

Board Policy C.1 Debt Management was rewritten to specifically address debt management policies that were requested by rating agencies such as:
- Types of Debt
- Maturities
- Derivatives
- Fund Balances

An operating procedure has been developed based on this Board Policy to direct the debt management of the System.

The Board is required by Government Code Section 2236.005(e) (Public Funds Investment Act) and Board Policy C.2.01: Investment Management to perform an annual adoption of the Investment Management Policy and Strategies. There are only minor changes to the policy. The investment strategy for Commercial Paper maturities were increased from a maximum of 4 months to 6 months. These changes, if approved, would be effective immediately and remain in effect for the next fiscal year.

Fiscal Impact: No change in financial resources.

Staff Resource: Cindy Gilliam 832-813-6512
Ray Laughter 832-813-6620
Brian Nelson 832-813-6655
Appropriations and Revenue Sources

A. APPROPRIATIONS AND REVENUE SOURCES

1. Fiscal Philosophy

A.1.01 - General Fiscal Philosophy:
The Texas Higher Education Coordinating Board ("Coordinating Board") is the state agency responsible for the approval and funding of college transfer courses offered in the community colleges of Texas.

The System is further supported by local district taxes, tuition, fees, investment and interest income, contributions, grants, and revenue from auxiliary activities.

The budget and fiscal operations of the System shall be conducted within the requirements of the Appropriations Act, other federal and state laws, the policies, rules and regulations of the Board of Trustees, and the administrative guidance of the Chancellor.

LSCS Policy Manual Section adopted by the Board of Trustees on ____________

2. Resource Development

A.2.01 - Role and Purpose:
The purpose of the Office of Resource Development and Administration is to facilitate, coordinate, and assist System campuses to seek and secure external funds from federal, state, and local agencies.

A.2.02 - Authorization: External Funding:
Applications and requests for funding from external sources will be made under the following provisions:

a. Will provide support for educational program needs that cannot be met through operational funds;

b. Will be in accordance with the System and Colleges' mission, vision, goals and priorities; and

c. Will be submitted with the approval of the College President or appropriate Vice Chancellor.

A.2.03 - Grant Application:
All grant proposals submitted shall be in compliance with System policies and procedures, based on identified needs of the colleges, and in alignment and support of the System's institutional goals and strategic plan.

All System-wide and federal applications will designate the Office of Resource Development and Administration with its address as the point of contact for grant documents, negotiations, and correspondence, and a College contact for project operations.
Non-governmental applications made by an individual College will designate a College contact for project operations and negotiations on all grant documents and correspondence.

**A.2.04 - Authorized Signatures:**

Upon review and approval of the General Counsel, the Chancellor, or in his/her absence, the Vice Chancellor for Administration and Finance/Chief Financial Officer ("CFO") shall sign all grant applications, supporting documentation and contracts on behalf of the Board of Trustees.

LSCS Policy Manual Section adopted by the Board of Trustees on _____

3. Gifts

**A.3.01 - Gifts from Private Sources:**

All bequests of property for the benefit of the System shall vest the property in the Board. When not specified by the grantor, funds or other property donated, or the income from such funds for property, may be expended in any manner authorized by statute.

The Chancellor shall make recommendations to the Board regarding the acceptance of gifts and donations including donor, value, form, and restrictions.

The authority to accept gifts shall be vested solely with the Board.

The Board shall not accept gifts that discriminate against any person on the basis of gender, race, color, religion, national origin, or disability.

Monetary donations received from private sources should be processed through the LSCS Foundation and follow the LSCS Foundation policies and procedures.

**A.3.02 - Philanthropic Gift:**

The Lone Star College Foundation (the "Foundation") exclusively supports the philanthropic income and investments of the System. The Foundation serves as a Texas nonprofit corporation and is exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

The Foundation is a fiscal and organizational independent entity from the System and receives governance through its own Board of Directors. The Foundation Board is made up of business, corporate and community leaders, who reside and/or conduct professional endeavors within the boundaries of the System.

The criteria for philanthropic gifts must be vested in the LSCS Foundation and requires that the donor:

a. Constitutes a public or private funding source,

b. Provides the intent to make a charitable contribution,

c. Invests the gift irrevocably, and

d. Does not receive any goods or services in exchange for the gift

LSCS Policy Manual Section adopted by the Board of Trustees on _____

4. Indirect Costs
A.4.01 - Definition:
Indirect costs represent the expenses of doing business that are not readily identified with a particular grant, contract, project function or activity, but are necessary for the general obligation of the organization and the conduct of activities it performs. Examples of indirect costs are:
   a. Maintenance of shared facilities;
   b. Depreciation of shared buildings and equipment;
   c. Campus-wide or system-wide accounting services;
   d. Human Resources;
   e. Financial and accounting services;
   f. Campus-wide or system-wide library and computing services; and
   g. Utilities of shared facilities
A.4.02 - Indirect Cost Rate:
The System shall renew and maintain a federal indirect cost rate.
A.4.03 - Charging Indirect Costs on Grants and Contracts:
LSCS Personnel are encouraged to seek the maximum allowed indirect costs for all grants and contracts.
LSCS Policy Manual Section adopted by the Board of Trustees on ____________

Cash Management
C. CASH MANAGEMENT
1. Debt Management

C.1.01 Purpose
It is the policy of the System to establish and maintain well defined debt management guidelines for issuing new debt as well as managing outstanding debt to sustain a strong debt management program providing the lowest available borrowing costs and greatest management flexibility.
The Vice Chancellor Administration and Finance/CFO is responsible for establishing and maintaining Debt Management Procedures for the System.

C.1.02 Scope

The System's Debt Management Procedures applies to all debt instruments issued by the System regardless of the purpose for which issued or the funding source for repayment including but not limited to main funding sources:

1.) General Obligation Bonds (Voted)
2.) Maintenance Tax Notes (Non-Voted)
3.) Revenue Bonds (Non-Voted)
4.) Lease Revenue Bonds (Non-Voted, subject to annual appropriations)

C.1.03 Alternative Structures

The System will not use alternative methods of financial management products such as interest rate swaps, derivatives, etc. in connection with the outstanding debt and bonds issued under the System's Debt Management Procedures.

C.1.04 Maturity Levels

The term of debt shall not exceed 30 years. The average (weighted) bond maturities shall be kept at or below 25 years.

C.1.05 - Operating Fund Balance:

The System shall maintain an unrestricted operating fund balance. The fund balance shall be a reserve fund to enable the System to respond positively to unexpected variations in cash flow, financial emergencies, and expenditures deemed to be critical to the mission and purposes of the System. All expenditures from operating fund balances must be approved by the Board of Trustees. The range of fund balance to be maintained shall be determined annually by the Board with consideration given to guidelines promulgated by credit rating agencies (e.g. Moody's, Standard & Poor's) to ensure the System's favorable credit ratings.

C.1.06 - College Fund Balance:

Operating fund balances derived from savings realized at the end of each fiscal year may be established for individual colleges at the end of each fiscal year. Items for which the colleges may expend from fund balances must be reviewed in advance by the Chancellor, and approved by the Board of Trustees. Expenditures may only be made if the System operating fund balance is at the funding level designated by the Board of Trustees.
2. Investment Management

C.2.01 - Investment Management:

It is the policy of the System that after allowing for the anticipated cash flow requirements of the System and giving due consideration to the safety and risk of investment, all available funds shall be invested in conformity with this investment policy and governing statutes, seeking to safeguard assets, maintain liquidity and optimize interest earnings.

Effective cash management is recognized as essential to good fiscal management and investment interest serves as a source of revenue to the System. The System's investment portfolio shall be designed and managed in a prudent manner to obtain reasonable revenue within the limitations of the System's cash flow needs, to be responsive to public trust, and to be in compliance with legal requirements and limitations.

Investments shall be made with the following objectives in priority order:

a. Safety and preservation of principal
b. Maintenance of sufficient liquidity to meet operating needs
c. Diversification
d. Optimization of earnings in the portfolio

This Investment Policy extends to all financial assets under the direct control of the System.

C.2.02 - Purpose:

The purpose of this Investment Policy is to comply with the Public Funds investment Act Chapter 2256 of the Texas Government Code (the "Act"), which requires that the System annually adopt a written investment policy regarding the investment of its funds and funds under its control. This Policy addresses the methods, procedures and practices that must be exercised to ensure effective and judicious fiscal management of the System's funds.

C.2.03 - Strategy:

The overall objective of the Investment and Cash Management Policy is to ensure that System financial assets are properly safeguarded, provide sufficient liquidity, diversification and produce a reasonable rate of return while enabling the System to react to changes in economic and market conditions.

The longer the maturity of investments, the greater the price volatility. Therefore, the System concentrates its investment portfolio in short and intermediate term securities to limit market risk caused by changes in interest rates. The System attempts to match its investments with anticipated cash flow requirements. Cash flow requirements generally
divide the portfolio into four major parts: liquidity needs, short term needs, intermediate term needs, and longer term, core investment. The System will not invest in securities maturing more than three (3) years from the date of purchase.

The System commingles its operating and reserve funds into one investment portfolio for investment purposes of efficiency, accurate distribution of interest, and maximum investment opportunity. Bond funds are managed separately in accordance with their anticipated expenditure schedules and bond document requirements. Although commingled, the System recognizes the unique characteristics and needs of the individual funds in its strategy statement and in the management of the funds. The maximum dollar weighted average maturity (WAM) of the entire commingled portfolio reflecting cash flow needs shall be no greater than one (1) year and the corresponding benchmark for the commingled portfolio shall be the comparable one year US Treasury security.

C.2.04 - General Fund:

The General Fund includes all operating funds of the System including, but not limited to, the general fund, payroll fund, technology fund, student activity fee fund, repair and replacement fund, and the auxiliary fund. The primary investment strategy for this fund is to assure the preservation and safety of principal, and, secondly, that anticipated cash flows are matched with adequate investment liquidity. These objectives shall be accomplished by purchasing high credit quality, short- to intermediate term securities matching cash flow requirements. Funds not needed for short-term cash flow requirements will be invested in diversified instruments with diversified maturities and be readily marketable in the secondary market. Yield will be enhanced by the use of maturity extensions available within the confines of accurate cash flow projections and market cycle timing. Based on ongoing cash flow analysis needs the maximum weighted average maturity shall be one year.

C.2.05 - Restricted Fund:

The Restricted Fund includes local, state and federal grant funds as well as funds from other sources that are restricted for instructional use. The primary objectives are safety and liquidity sufficient to meet anticipated cash flow requirements as well as yield optimization. These objectives shall be accomplished by purchasing high-credit quality, short-term securities, diversified by instrument and maturity, and matching the maturity of the securities with anticipated liabilities. A ladder of short-term securities with sufficient liquidity from pool investments may be used to maintain a maximum weighted average maturity of one year. The maximum stated maturity will be two years.

C.2.06 - Capital Projects:

The primary investment objective for the Capital Projects Fund is preservation and safety of principal. In addition, the System will seek to match cash flows from maturities and earnings of diversified investments to anticipated needs while obtaining a reasonable market yield. Investments will be made in an attempt to attain a rate equal to or above the arbitrage yield in order to avoid negative arbitrage. These objectives shall be accomplished by purchasing high-credit quality, short and intermediate-term securities with maturities closely matching the projected cash flow schedules. The maximum maturity of an individual security shall not exceed the expenditure plan of the funds.
C.2.07 - Debt Service:
The investment strategy for the Debt Service Fund has as its primary objective the preservation and safety of capital while optimizing yield in order to fund debt service payments in accordance with provisions in the bond documents. Funds not required for immediate liquidity shall be invested in diversified instruments. Each successive debt service payment shall be fully funded before extensions are made. The maximum maturity of an individual security shall not exceed two years.

C.2.08 - Trust and Agency Fund:
The Trust and Agency Fund is comprised of local scholarship funds, club funds, and other funds for which the System acts as fiduciary and which have short average lives and high liquidity needs. The primary objectives are safety, liquidity, diversification and yield. These objectives shall be accomplished by purchasing high credit quality, short-term securities and utilizing investment pools for liquidity. The maximum maturity shall be one year and the maximum weighted average maturity six months.

C.2.09 - Prudent Person Rule:
Investments shall be made, considering prevailing internal and market circumstances, which persons of prudence, discretion, and intelligence would exercise in the management of their own affairs not for speculation, but for investment, and considering the probable safety of capital as well as probable income from an investment decision.

In determining whether an Investment Officer has exercised prudence with respect to an investment decision, the determination shall take into account the investment of all funds rather than a single investment, and, whether the investment decision was consistent with the System's Investment Policy.

C.2.10 - Downgrades:
The System is not required to liquidate investments that were authorized investments at the time of purchase, if they subsequently become unauthorized. However, it is the policy of the System to liquidate as quickly as is prudently possible any investment that becomes unauthorized while held in the System's portfolio.

The Investment Officers will meet on any security which has been downgraded or placed on credit-watch to evaluate and take any necessary and prudent measures to assure the safety of System funds.

C.2.11 - Delegation of Responsibility:
Authority to manage the System's investment program is derived from and delegated pursuant to provisions of the Act.

C.2.12 - Investment Officers:
The Board designates the Vice Chancellor for Administration and Finance and CFO, and the Treasurer as the System's Investment Officers. Management's responsibility for the investment program is hereby delegated to the Investment Officers. The Investment Officers shall exercise judgment and care, under prevailing circumstances, which a prudent person would exercise in the management of the person's own affairs, but the Board retains ultimate fiduciary responsibility.
The Investment Officers shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. The Investment Officers shall establish and maintain a cash flow analysis used as the basis of investment decisions. The Officers shall develop written procedures for the investment program consistent with the Investment Policy. Procedures shall include explicit delegation of authority for all investment activities and provide controls for all transactions. The Officers will report quarterly to the Board on investment results and annually on counter-parties used in the process.

No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Investment Officers. Investment Officers acting in good faith and in accordance with these Policies and Procedures shall be relieved of personal liability.

C.2.13 - Capability of Investment Officers:

The System shall provide access to periodic training in investments for Trustees and designated Investment Officers and other investment personnel through courses and seminars offered by professional organizations, associations, and other independent sources in compliance with the Act to insure the quality and capability of investment management.

C.2.14 - Training:

Members of the Board of Trustees and designated Investment Officers shall acquire 5 hours of investment training from the Texas Higher Education Coordinating Board within 6 months after taking office or assuming duties. Training must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the Act. Training must be obtained from an independent source approved by the Board.

Thereafter Investment Officers are required to complete 5 hours of training every two years.

The Investment Officer shall prepare a report on the provisions of the Act and deliver it to the Board no later than the 180th day after the 1st day of each regular session of the Legislature.

C.2.15 - Ethics and Disclosure of Conflicts of Interest:

Investment Officers and employees of the System involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions. All Investment Officers shall complete disclosure related to potential conflicts of interest annually or as conditions change. Investment Officers must file a disclosure statement with the Texas Ethics Commission and the System if:

1. The officer has a personal business relationship with a business organization offering to engage in an investment transaction with the System.

2. The officer is related within the second degree by affinity or consanguinity, as determined by Chapter 573 of the Texas Government Code, to an individual seeking to transact investment business with the System.
C.2.16 - Authorized Financial Dealers and Institutions:

The Investment Officers shall obtain and maintain information on all financial institutions and brokers/dealers authorized to transact financial transactions with the System. The information shall include the following:

1. Audited annual financial statements.
2. Proof of National Association of Security Dealers membership and CRD number (as applicable).
3. Proof of registration with the Texas State Securities Commission (as applicable).
4. Completed System questionnaire.

Certification that the authorized representative of the firm has received and thoroughly reviewed the System's current Investment Policy will be maintained in the treasury department. This statement shall certify that the firm has implemented reasonable procedures and controls in an effort to preclude transactions conducted with the System not authorized by the Investment Policy except to the extent that this authorization is dependent on the analysis of the makeup of the System's entire portfolio or requires interpretation of subjective investment standards.

C.2.17 - Annual Review:

The Investment Officers shall annually submit a list of financial institutions for Board approval. These institutions shall be authorized to provide depository services to the System. No System deposit shall be made except in an authorized public depository as defined by state law.

The Investment Officers shall annually submit a list of financial and brokers/dealer institutions for Board approval. These institutions shall be selected for service, market involvement, and credit worthiness and be authorized to provide brokerage services. These may include primary dealers and regional dealers that qualify under the Securities and Exchange Commission uniform net capital rule (Rule 15C3-1).

The Board shall annually review and evaluate the firms authorized to enter into investment or depository transactions with the System.

The following minimum criteria may be included in the review and evaluation:

1. Number of transactions competitively won/lost.
2. Prompt and accurate confirmation of transactions.
3. Efficiency of securities deliveries.
4. Accuracy of market information.
5. Account servicing.

Subsequent to the review and evaluation, the Board will approve a list of firms authorized to enter into investment or depository transactions with the System for the following year.

C.2.18 - Authorized Investments:

The following are authorized for investment with System funds:
1. Obligations of the United States of America, its agencies and instrumentalities, excluding mortgage backed securities (MBS) and with a stated maturity date not to exceed three (3) years;

2. Certificates of Deposit issued by a depository institution that has its main office or a branch office in Texas and that is guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or secured by obligations in a manner consistent with state law and the Investment Policy, with a stated maximum maturity not to exceed one year.

3. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of the United States government or its respective agencies and instrumentalities, excluding mortgage backed securities;

4. Fully collateralized repurchase agreements with a defined termination date secured by obligations of the United States government, its agencies and instrumentalities including mortgage backed securities. Underlying securities shall be held in the System's name, deposited at the time the investment is made with the System, and held by an independent custodian approved by the System. Repurchase agreements must be purchased through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in Texas. The Bond Industry Association Master Repurchase Agreement must be executed prior to the transaction. All repurchase agreements will be executed on a delivery vs. payment basis.

5. Underlying securities shall have a continuous market value greater than or equal to 102 percent. The transaction shall have a maximum maturity of 120 days except flex repurchase agreements used for bond proceeds. The maximum maturity for a flex shall be matched to project cash flow projections and the requirements of the governing bond ordinance.

6. SEC registered Money Market Mutual Funds continuously rated AAA by at least one nationally recognized rating service and in compliance with the requirements of Section 2256.014 of the Act.

7. Constant dollar local government investment pools in Texas which, 1) meet the requirements of the Act, 2) are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service, 3) seek to maintain a $1.00 net asset value, and 4) are authorized by resolution of the Board.

8. Commercial paper with a maximum maturity of 180 days, rated A1/P1 or equivalent by at least two nationally recognized credit rating agencies.

9. Other types of investments which may be authorized by statute are not authorized for investment by the System until the Investment Policy is amended and adopted by the Board.

The following are not authorized for investment with System funds:

1. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no interest;
2. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;

3. Collateralized mortgage obligations that have a stated final maturity of greater than 10 years: and,

4. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

C.2.19 - Collateralization:

Consistent with the requirements of the Public Funds Collateral Act (Texas Government Code §2257), it is the policy of the System to require full collateralization of all System time and demand deposits. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% (and 110% on mortgage backed collateral) of market value of principal and accrued interest on the deposits less an amount insured by the FDIC.

Securities pledged as collateral shall be held by an independent third party bank outside the holding company of the pledging bank, approved by the System, and under a tri-party custodial agreement.

The Vice Chancellor for Administration and Finance/CFO is authorized to execute depository and/or collateral agreements approved by the Board of Trustees. The agreements shall specify the acceptable investment securities for collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities with prior System approval, documentation of the pledge of securities, and the monthly reporting on the valuation of collateral. Original evidences of ownership (safekeeping receipt) must be supplied to the System and retained. The financial institution shall be contractually liable for monitoring and maintaining the required collateral and collateral margins at all times.

C.2.20 - Authorized Collateral:

The System authorizes only the following types of collateral:

1. Obligations of the United States or its agencies and instrumentalities including mortgage backed securities which pass the bank test;

2. Direct obligations of the State of Texas or its agencies and instrumentalities;

3. Obligations of states, agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized rating firm not less than A or its equivalent.

All collateral shall be subject to inspection and audit by the System's internal audit staff or by its independent auditors on a reasonable basis.

C.2.21 - Independent Third Party:

All securities owned by the System and collateral pledged to the System shall be held by independent third party custodians approved by the System and held in the System's name as evidenced by original safekeeping receipts of the institution with which the securities are deposited.

C.2.22 - Delivery versus Payment:
All investment transactions except investment pool funds and mutual funds shall be executed on a delivery versus payment basis.

**C.2.23 - Competitive Bidding:**

A competitive bidding process, involving a minimum of three bids/offers from firms authorized to engage in investment transactions with the System is required for investment contracts such as repurchase agreements or guaranteed investment contracts. Comparison and evaluation of comparables, but not formal bidding, may be used to invest in money market mutual funds or local government investment pools and commercial paper or purchase of US governmental agency securities.

Bids/offers may be solicited orally, in writing, or electronically. Records shall be kept of the prices/levels (bid and/or offered and accepted) on the System’s trade ticket. The System shall determine what constitutes a responsive bid/offer.

**C.2.24 - Diversification:**

The System recognizes that investment risks can result from issuer defaults, market price changes, or various complications leading to temporary illiquidity. Market risks are managed through portfolio diversification that shall be achieved within the following general guidelines:

a. Limiting investments to avoid over concentration in investments from a specific issuer or business sector (excluding U.S. Treasury securities).

b. Limiting investments with higher credit risk (such as commercial paper)

c. Investing in securities with varying maturities and in accordance with the System’s cash flow projections, and

d. Continuously investing a portion of the portfolio in readily available funds such as local government investment pools, money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

To assure diversification of the portfolio and reduce market risk, the following maximum limits, by instrument, are established for the System’s total portfolio:

- US Treasury Obligations 90%
- US Agencies and Instrumentalities 80%
- Certificates of Deposit 30%
- Repurchase Agreements 50%
- Flex Repurchase Agreements 100% of proceeds
- Investment Pools 100%
- Municipal Securities 30%
- Commercial Paper 25%
- Commercial Paper by issuer 5%

The internal control structure shall be designed to provide reasonable assurance that System funds are protected from loss, theft, or misuse. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to
be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The internal controls established for the cash management and investment process shall address the following points at a minimum:

1. Complete documentation of all transactions
2. Control of collusion
3. Separation of accounting and record keeping
4. Custodial safekeeping
5. Clear delegation of authority to subordinate staff members
6. Written confirmation for all transactions
7. Timely reconciliation of transactions
8. Assurance of delivery versus payment and competitive bidding

The Vice Chancellor for Administration and Finance and CFO shall establish a process for annual independent review by an external auditor to assure compliance with policies and procedures.

C.2.25 - Monthly Reporting:

The Investment Officers shall prepare a monthly report on all investment positions as of the close of business for the prior month. The report shall be provided to the Board as an integral part of the monthly financial reports.

C.2.26: Quarterly Reporting:

The Investment Officers shall prepare and present an investment report to the Board on a quarterly basis that summarizes investment strategies employed in the most recent quarter, details the portfolio in terms of investment securities and earnings, and summarizes the overall strategy for the period.

The quarterly investment report shall include a summary statement of investment activity prepared in compliance with generally accepted accounting principles and the Act. The reports will be prepared in a manner that will allow the reader and the System to ascertain whether investment activities during the reporting period have conformed to the Investment Policy. The report will include the following at a minimum:

1. A detailed listing of individual securities and depository accounts by maturity date at the end of the reporting period;
2. A summary of the portfolio by market sectors and maturities;
3. The beginning and ending book and market value of each security and position by the type of asset and fund type invested;
4. Unrealized market gains or losses at the end of the period;
5. Additions and changes in market value from the beginning of the period;
6. The account or fund or pooled group fund for which each individual investment was acquired;
7. Average weighted yield to maturity of the portfolio as compared to its benchmark;

8. Interest earnings for the reporting period (accrued net of amortization);

9. Diversification by market sectors;

10. Statement of compliance with the Act and the System's Investment Policy and strategy as approved by the Board.

C.2.27 - Market Values:

Market values used in the monthly and quarterly reports will be obtained from reputable and independent sources. Information sources may include: financial/investment publications and electronic media, available software for tracking investments, depository banks, commercial or investment banks, financial advisors, and representatives/advisors of investment pools or money market funds.

C.2.28 - Compliance Audit:

The System's independent auditors will perform a formal annual review of the quarterly reports with the results reported to the Board. The compliance audit should review management controls on investments and adherence to the entity's established investment policies.

C.2.29 - Annual Policy Review and Adoption:

The Board of Trustees shall, not less than annually, adopt by resolution the System's Investment Policy and incorporated investment strategy. The adopting resolution shall state any changes made to either the policy or strategies. Material changes to the policy will require re-certification by financial firms.

LSCS Policy Manual Section adopted by the Board of Trustees on ___ ___ ___.

3. Depository of Funds

C.3.01 - Collateralization of Funds:

The System elects, consistent with the Public Funds Collateral Act (Texas Government Code Section 2257) to have depository institutions pledge eligible securities, as defined by the System's Investment Policy, as collateral for deposits, rather than surety bonds. All approved securities provided as security will be held by a Federal Reserve Bank or a federally insured financial institution acceptable to the System and the Depository as a third party custodian, subject to a written tri-party agreement. Depository institutions may also use a custody agreement with the Federal Reserve Bank as defined in Operating Circular 7.

C.3.02 - Optional Services:

The System may include in the contract for depository services provisions for the depository institution to provide services other than traditional demand deposit services.
The System may allow the Depository institution to provide services such as provision of Automatic Teller Machines (ATM's) on System premises; electronic check conversion services; merchant processing services; provision of declining balance debit cards to augment System programs to expand electronic funds transfers; courier or armored car services; remote check acceptance services, or any other service as deemed appropriate by the System.

LSCS Policy Manual Section adopted by the Board of Trustees on ____________
Policy Consideration No. 3

Request: Consideration of Approval to Name New Satellite Center for LSC-CyFair "LSC-Cypress Center", New Satellite Center for LSC-North Harris "LSC-Victory Center", New Satellite Center for LSC-Conroe "LSC-Conroe Center" and New Satellite Center for LSC-Kingwood "LSC-Aatasocita Center".

Chancellor's Recommendation: That the Board of Trustees approve the name of LSC-Cypress Center for the LSC-CyFair satellite center, LSC-Victory Center for the LSC-North Harris satellite center, LSC-Conroe Center for the LSC-Conroe satellite center and LSC-Aatasocita Center for the LSC-Kingwood satellite center.

Rationale: Recommended names emerged from internal and external discussions based on various criteria such as geography, points of interest, historical references, and future role of each facility. Based on these discussions, a consensus was obtained for the following names:

- CyFair       LSC-Cypress Center
- North Harris LSC-Victory Center
- Conroe      LSC-Conroe Center
- Kingwood    LSC-Aatasocita Center

Fiscal Impact: There is no direct fiscal impact of the campus naming.

Resources: Ray Laughter 832-813-6621
Exhibit “F”

Policy Consideration No. 4 (ACTION ITEM 3) Board Meeting 5-6-10

Request: Consideration of Approval to Amend Polling Locations in the May 8 Trustee Election Order, to Appoint Election Judges and to Authorize the Elections Administrator and Agent for the Board Secretary to Designate Additional Judge for the Election

Chancellor’s Recommendation: That the Board of Trustees approve the amendment which moves two Harris County polling locations, adds two precincts and appoints the election judges and the deputy early voting clerks as presented. In addition, the Board is requested to authorize Helen Clougherty, Elections Administrator and Agent for the Board Secretary for the May 8 election, to designate additional judges as needed for Board ratification at the June 3 regular board meeting.

Rationale: Changes in the polling locations in Harris County were made in the following precincts: HC-27 due to facility undergoing repairs and HC-99 location was unable to provide a space due to other obligations for the facility. Harris County precincts 45 and 742 were added to HC-92 after being notified by Harris County that a small portion of these precincts, which are in Sheldon ISD, are within the boundaries of LSCS.

Pursuant to Section 32.001, 32.005 and 32.008 of the Election Code, the governing body of a political subdivision is the authority who appoints early voting clerks and election judges.

Texas Election Code provides that an election judge and clerk can be compensated at whatever amount the governing body sets, so long as it is at least the current federal minimum wage of $7.25. It is recommended that the Board approve the rate of pay of $11.50 per hour for deputy early voting clerks and poll judges and $10.00 per hour for clerks. This amount is competitive with the rate set by the school districts and the counties.

The Board of Trustees is requested to appoint the attached list of judges and deputy early voting clerks to serve at the indicated polling location.

The Board is requested to authorize Helen Clougherty, Elections Administrator and Agent for the Board Secretary for the Trustee Election, to find and appoint judges and clerks as needed for the precinct polling places. Ms. Clougherty and her staff are still working to identify a qualified judge to serve at one of the polling locations. This appointment will be subject to Board ratification at the June 3, 2010 regular meeting.
Fiscal Impact: Approximately $440,000 based on previous election costs and adjusted for the System's running of the election as Harris County is not holding May elections this year.

Staff Resource: Helen Clougherty 832-813-6514
## ELECTION DAY JUDGES

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</table>
ELECTION DAY JUDGES

<table>
<thead>
<tr>
<th>Precinct</th>
<th>FirstName</th>
<th>LastName</th>
</tr>
</thead>
<tbody>
<tr>
<td>84</td>
<td>AMMIE</td>
<td>SCROGGINS</td>
</tr>
<tr>
<td>85</td>
<td>VINCENT</td>
<td>GONZALES</td>
</tr>
<tr>
<td>86</td>
<td>GENE</td>
<td>MENDOZA</td>
</tr>
<tr>
<td>87</td>
<td>DOROTHY</td>
<td>WILLIAMS-HENRY</td>
</tr>
<tr>
<td>88</td>
<td>ALICE</td>
<td>SKINNER</td>
</tr>
<tr>
<td>89</td>
<td>JANICE</td>
<td>ASKEW</td>
</tr>
<tr>
<td>90</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>91</td>
<td>THOMAS</td>
<td>MCCONN</td>
</tr>
<tr>
<td>92</td>
<td>DENIECE</td>
<td>KERR</td>
</tr>
<tr>
<td>94</td>
<td>JON MARIE</td>
<td>WEAVER</td>
</tr>
<tr>
<td>95</td>
<td>JAMES (DOC)</td>
<td>GREENE</td>
</tr>
<tr>
<td>96</td>
<td>JOHNNIE</td>
<td>JONES</td>
</tr>
<tr>
<td>97</td>
<td>VELMA</td>
<td>FLORES</td>
</tr>
<tr>
<td>98</td>
<td>CAROL</td>
<td>MCGEE</td>
</tr>
</tbody>
</table>

EARLY VOTING JUDGES AND LOCATIONS

Leland Seidl     LSC-CyFair
Kim Oanh Nguyen  LSC-North Harris
Fran Carrow      LSC-Tomball
Gancelle Yohner  LSC-Fairbanks Center
Etta Crockett    LSC-Carver Center
Johnnie Jones    LSC-Greenspoint Center
Geraldine Schroeder LSC-University Park
Carol Baker      Barbara Bush Branch Lib
John Carnahan    Ponderosa Fire Station #1
Financial Report and Consideration No. 1

Report: Monthly Financial Statements

The financial statements for the month ended March 31, 2010 are presented for Board review.
# LONE STAR COLLEGE SYSTEM

## STATEMENT OF CURRENT OPERATING FUNDS, EXCLUDING THE TECHNOLOGY FUND

### REVENUES, EXPENDITURES AND OTHER CHANGES - BUDGET & ACTUAL

**FOR THE SEVEN MONTHS ENDED MARCH 31, 2010**

### UNAUDITED

<table>
<thead>
<tr>
<th></th>
<th>% OF FISCAL YEAR</th>
<th>% ACTUAL TO BUDGET</th>
<th>PRIOR YEAR</th>
<th>% OF 08/31/09</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BUDGET</td>
<td>ACTUAL</td>
<td>ACTUAL</td>
<td></td>
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<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Appropriations</td>
<td>$61,610,000</td>
<td>$32,099,994</td>
<td>52.02%</td>
<td>$32,198,538</td>
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<tr>
<td>Tuition and Fees</td>
<td>53,980,000</td>
<td>54,730,670</td>
<td>101.31%</td>
<td>44,265,279</td>
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<tr>
<td>Taxes</td>
<td>92,900,000</td>
<td>87,024,372</td>
<td>93.68%</td>
<td>83,344,778</td>
</tr>
<tr>
<td>Investments</td>
<td>1,580,000</td>
<td>140,438</td>
<td>8.89%</td>
<td>723,440</td>
</tr>
<tr>
<td>Other</td>
<td>3,730,000</td>
<td>998,557</td>
<td>26.77%</td>
<td>2,254,426</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>213,800,000</td>
<td>174,954,031</td>
<td>81.83%</td>
<td>163,186,461</td>
</tr>
</tbody>
</table>

### EXPENDITURES:

|                      |                  |                     |            |               |
|                      |                  |                     |            |               |
| Instruction-Academic | 57,120,244       | 35,870,421          | 62.80%     | 32,851,810    | 64.91%        |
| Instruction-Workforce| 25,547,729       | 15,434,265          | 60.41%     | 14,741,459    | 57.30%        |
| Public Service       | 1,231,069        | 572,252             | 46.48%     | 586,440       | 62.05%        |
| Academic Support     | 42,163,995       | 20,592,797          | 48.84%     | 19,022,247    | 48.83%        |
| Student Services     | 24,931,330       | 12,264,319          | 49.19%     | 9,670,441     | 51.15%        |
| Institutional Support| 24,028,298       | 11,811,267          | 49.16%     | 11,821,639    | 56.16%        |
| Plant Operation and Maintenance | 26,045,022 | 14,055,942 | 53.97% | 14,444,843 | 56.65% |
| Staff Benefits       | 12,582,413       | 9,082,838           | 72.19%     | 8,471,865     | 80.46%        |
| **Total Educational and General Expenditures** | 213,650,000 | 119,684,091 | 56.02% | 111,620,594 | 58.08% |

| Repair, Replacement and Other Internally Designated | 2,750,000 | 755,022 | 27.40% | 528,062 | 25.08% |

| **Total Expenditures** | 216,400,000 | 126,439,113 | 55.60% | 112,148,656 | 57.72% |

| Other Changes - Debt Service & Fund Transfers | 4,800,000 | 2,601,777 | 56.58% | 2,652,508 | 57.19% |

| **NET INCREASE (DECREASE) IN FUND BALANCES** | $(7,200,000) | $51,912,141 | $48,387,287 | |
LONE STAR COLLEGE SYSTEM

STATEMENT OF OPERATIONS - TECHNOLOGY FUND

REVENUES, EXPENDITURES AND OTHER CHANGES - BUDGET & ACTUAL
FOR THE SEVEN MONTHS ENDED MARCH 31, 2010

UNAUDITED

<table>
<thead>
<tr>
<th></th>
<th>58% OF FISCAL YEAR</th>
<th>% ACTUAL TO BUDGET</th>
<th>PRIOR YEAR ACTUAL</th>
<th>% OF 08/31/09</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BUDGET</td>
<td>ACTUAL</td>
<td>3/31/2009</td>
<td>ACTUAL</td>
</tr>
</tbody>
</table>

**REVENUES:**

|                      | $ 6,650,000         | $ 6,911,705         | 103.94%           | $ 4,895,717   | 89.08%           |
|----------------------|---------------------|--------------------|-------------------|---------------|
| Investments          |                     |                    |                   | 28,776        | 77.40%           |
| Miscellaneous        | 84,000              | 8,540              | 0.00%             | 9,849         | 100.00%          |
| Total revenues & additions | 6,734,000         | 6,924,528          | 103.35%           | 4,931,352     | 89.02%           |

**EXPENDITURES:**

|                      | 1,752,049           | 1,053,828          | 60.15%            | 590,301       | 66.31%           |
|----------------------|---------------------|--------------------|-------------------|---------------|
| Services             | 1,164,000           | 17,572             | 15.15%            |               | 0.00%            |
| Travel and Professional Development | 67,433           | 18,092             | 27.65%            | 100,086       | 50.50%           |
| Supplies             | 185,726             | 67,899             | 36.36%            | 1500          | 0.00%            |
| Reserve              | 21,000              |                    |                   |               | 0.00%            |
| **Total ERP Services** | 2,173,614           | 1,161,529          | 53.44%            | 705,887       | 62.46%           |

**E-Mail Services & Telecommunications**

|                      | 389,966             | 209,026            | 53.60%            | 548,885       | 72.07%           |
|----------------------|---------------------|--------------------|-------------------|---------------|
| Services             | 3,723               | 1,030              | 28.97%            | 12,002        | 70.67%           |
| Travel and Professional Development | 226,386           | 181,607            | 80.22%            | 40,328        | 65.31%           |
| Supplies             |                     |                    |                   | 87,528        | 13.99%           |
| **Total E-Mail Services & Telecommunications** | 620,080           | 391,735            | 63.17%            | 663,091       | 52.20%           |

**Campus Support**

|                      | 673,466             | 596,360            | 94.14%            | 598,698       | 86.45%           |
|----------------------|---------------------|--------------------|-------------------|---------------|
| Supplies             | 1,015,000           | 666,849            | 65.70%            | 1,918,038     | 56.70%           |
| Communications       | 24,000              | 12,000             | 50.00%            | 26,013        | 61.59%           |
| Equipment            | 2,215,000           | 332,251            | 15.00%            | 539,236       | 78.74%           |
| Reserve              | 13,836              | 18,816             | 134.00%           |               | 0.00%            |
| **Total Campus Support** | 3,906,506           | 1,626,306          | 41.63%            | 2,172,065     | 67.90%           |

**Total expenditures**

|                      | 6,734,000           | 3,179,828          | 47.46%            | 3,552,933     | 63.29%           |

**NET INCREASE (DECREASE) IN FUND BALANCE**

|                      | $                  | $ 3,244,980        | $                  | 1,391,379     |               |
# LONE STAR COLLEGE SYSTEM
## BALANCE SHEET
### MARCH 31, 2010
#### UNAUDITED

### ASSETS

<table>
<thead>
<tr>
<th></th>
<th>Operating Funds</th>
<th>Plant Funds</th>
<th>Debt Service</th>
<th>Memorandum Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unrestricted</td>
<td>Auxiliary</td>
<td>Restricted</td>
<td>CIP</td>
</tr>
<tr>
<td>Cash</td>
<td>$35,021,946</td>
<td>$1,272,016</td>
<td>$5,076,650</td>
<td>$49,160</td>
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<tr>
<td>Accounts receivable (net of allowance for doubtful accounts)</td>
<td>6,132,903</td>
<td>15,900</td>
<td>4,419,858</td>
<td>151</td>
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<tr>
<td>Tiers receivable (net of allowance for doubtful accounts)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Due from grantee agency</td>
<td>-</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>Due from other funds</td>
<td>-</td>
<td>-</td>
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<td>-</td>
</tr>
<tr>
<td>Investments</td>
<td>106,425,856</td>
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</tr>
<tr>
<td>Prepaid and deferred expenses</td>
<td>5,683</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Inventories, at cost</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Land</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Infrastructure improvements</td>
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<tr>
<td>Buildings</td>
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<tr>
<td>Leasehold improvements</td>
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<tr>
<td>Library books</td>
<td>-</td>
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<td>-</td>
</tr>
<tr>
<td>Furniture, Fixtures &amp; Equipment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capitalized Interest Costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Construction in Progress</td>
<td>-</td>
<td>-</td>
<td>-</td>
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</tr>
</tbody>
</table>

### LIABILITIES AND FUND BALANCES

#### LIABILITIES:

<table>
<thead>
<tr>
<th></th>
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<th>Auxiliary</th>
<th>Restricted</th>
<th>CIP</th>
<th>Investment in Fixed Assets</th>
<th>Bonds Payable</th>
<th>Agency Funds</th>
<th>Current Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>$3,262,106</td>
<td>$124,437</td>
<td>$73,615</td>
<td>$174,101</td>
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<td>-</td>
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</tr>
<tr>
<td>Accrued salaries</td>
<td>5,730,726</td>
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<tr>
<td>Due to other funds</td>
<td>36,686,969</td>
<td>4,899,445</td>
<td>11,997,795</td>
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<td>-</td>
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<tr>
<td>Deferred revenues</td>
<td>7,015,282</td>
<td>2,282</td>
<td>1,414,829</td>
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<tr>
<td>Accrued expenses</td>
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<td>-</td>
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<tr>
<td>Accrued payroll</td>
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<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Funds payable</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Assets held in custody for others</td>
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<td></td>
<td></td>
<td>(500,093)</td>
<td>-</td>
<td></td>
<td></td>
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<tr>
<td>TOTAL LIABILITIES</td>
<td>56,642,701</td>
<td>5,036,184</td>
<td>12,397,298</td>
<td>682</td>
<td>174,101</td>
<td>-</td>
<td>508,333,391</td>
<td>3,570,262</td>
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</tbody>
</table>

#### FUND BALANCES:

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Auxiliary</th>
<th>Restricted</th>
<th>Loans</th>
<th>Restricted for construction</th>
<th>Investment in fixed assets</th>
<th>Debt service</th>
<th>To be provided for debt service</th>
<th>TOTAL FUND BALANCES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>95,024,501</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>95,024,501</td>
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<td>3,306,674</td>
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<td>3,306,674</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>485,013</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>485,013</td>
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<td>-</td>
<td>-</td>
<td>216,097,461</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>(482,314,322)</td>
<td>(482,314,322)</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>315,181,524</td>
</tr>
<tr>
<td>TOTAL LIABILITIES</td>
<td>95,024,501</td>
<td>3,306,674</td>
<td>-</td>
<td>-</td>
<td>485,013</td>
<td>216,097,461</td>
<td>-</td>
<td>(482,314,322)</td>
<td>315,181,524</td>
</tr>
</tbody>
</table>

#### TOTAL LIABILITIES AND FUND BALANCES:

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Auxiliary</th>
<th>Restricted</th>
<th>Loans</th>
<th>Restricted for construction</th>
<th>Investment in fixed assets</th>
<th>Debt service</th>
<th>To be provided for debt service</th>
<th>TOTAL LIABILITIES</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Auxiliary</th>
<th>Restricted</th>
<th>Loans</th>
<th>Restricted for construction</th>
<th>Investment in fixed assets</th>
<th>Debt service</th>
<th>To be provided for debt service</th>
<th>TOTAL FUND BALANCES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,520,262</td>
</tr>
<tr>
<td>TOTAL LIABILITIES</td>
<td>151,667,799</td>
<td>8,337,858</td>
<td>12,397,298</td>
<td>406,213</td>
<td>210,271,562</td>
<td>487,601,595</td>
<td>26,009,668</td>
<td>3,520,262</td>
<td>900,473,164</td>
</tr>
</tbody>
</table>
# LONE STAR COLLEGE-SYSTEML
## STATEMENT OF CHANGES IN FUND BALANCE FOR THE SEVEN MONTHS ENDED MARCH 31, 2010 UNAUDITED

<table>
<thead>
<tr>
<th></th>
<th>Operating Funds</th>
<th>Plant Funds</th>
<th>Debt Service</th>
<th>Memorandum</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unrestricted</td>
<td>Auxiliary</td>
<td>Restricted</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>FUND BALANCE, SEPTEMBER 1, 2009</td>
<td>39,707,783</td>
<td>2,658,117</td>
<td>42,055,520</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-81,631</td>
<td>42,055,520</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>85,891,537</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>487,601,595</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(328,743,904)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>287,292,382</td>
</tr>
</tbody>
</table>

### REVENUES AND OTHER ADDITIONS:
- Current Funds revenue
- Transfers
- Federal grants and contracts
- State grants and contracts
- Local gifts, grants and contracts
- Investment income
- Revenue Bond debt service transfers from Operating
- Proceeds from debt of State
- Bond proceeds
- Bond issued

**Total revenues and other additions:** 181,575,239

### EXPENDITURES AND OTHER DEDUCTIONS:
- Current funds expenditures
- Expenditure for plant facilities
- Depreciation of plant assets
- Administrative and collection costs
- Revenue Bond debt service transfers to Interest & Sinking
- Bond Insurance cost
- Total principal payments/amortization
- Cost of Amortized Debt
- Bond interest expense
- Bond agencies fees

**Total expenditures and other deductions:** 122,435,661

### NON-MANDATORY TRANSFERS:
- (2,692,777)

**Changes in Fund Balance:**
- 55,657,121

**FUND BALANCE, MARCH 31, 2010:**
- 53,024,564

- 3,320,474
- 98,311,178
- 485,011
- 210,097,651
- 447,601,595
- (328,743,904)
- 287,292,382

*Values in thousands.*
### LONE STAR COLLEGE SYSTEM
### SUMMARY OF INVESTMENTS
### AS OF MARCH 31, 2010

#### OPERATING UNRESTRICTED
(Includes Renewal and Replacement Funds)

<table>
<thead>
<tr>
<th></th>
<th>Book Value</th>
<th>Market Value</th>
<th>Weighted Avg. Days To Maturity</th>
<th>Weighted Avg. Purchase Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Government Agencies</td>
<td>$15,011,300</td>
<td>$19,011,610</td>
<td></td>
<td>0.94%</td>
</tr>
<tr>
<td>Logic</td>
<td>6,862,607</td>
<td>6,862,607</td>
<td></td>
<td>0.17%</td>
</tr>
<tr>
<td>Lone Star</td>
<td>49,177,326</td>
<td>49,177,326</td>
<td></td>
<td>0.22%</td>
</tr>
<tr>
<td>TexPool</td>
<td>30,688,433</td>
<td>30,688,433</td>
<td></td>
<td>0.19%</td>
</tr>
<tr>
<td>Overnight Sweep</td>
<td>689,920</td>
<td>689,920</td>
<td></td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>106,429,556</strong></td>
<td><strong>106,429,896</strong></td>
<td><strong>101</strong></td>
<td><strong>0.33%</strong></td>
</tr>
</tbody>
</table>

#### CONSTRUCTION IN PROGRESS

<table>
<thead>
<tr>
<th></th>
<th>Book Value</th>
<th>Market Value</th>
<th>Weighted Avg. Days To Maturity</th>
<th>Weighted Avg. Purchase Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Government Agencies</td>
<td>15,000,000</td>
<td>14,992,150</td>
<td></td>
<td>0.50%</td>
</tr>
<tr>
<td>JPMorgan Chase - MMF</td>
<td>1,121,708</td>
<td>1,121,708</td>
<td></td>
<td>0.11%</td>
</tr>
<tr>
<td>Logic</td>
<td>72,584,720</td>
<td>72,584,720</td>
<td></td>
<td>0.17%</td>
</tr>
<tr>
<td>Lone Star</td>
<td>52,811,604</td>
<td>52,811,604</td>
<td></td>
<td>0.18%</td>
</tr>
<tr>
<td>TexPool</td>
<td>65,592,101</td>
<td>65,592,101</td>
<td></td>
<td>0.19%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>207,119,133</strong></td>
<td><strong>207,102,283</strong></td>
<td><strong>22</strong></td>
<td><strong>0.20%</strong></td>
</tr>
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</table>

#### INTEREST & SINKING

<table>
<thead>
<tr>
<th></th>
<th>Book Value</th>
<th>Market Value</th>
<th>Weighted Avg. Days To Maturity</th>
<th>Weighted Avg. Purchase Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>Logic</td>
<td>16,873</td>
<td>16,873</td>
<td></td>
<td>0.17%</td>
</tr>
<tr>
<td>Lone Star</td>
<td>22,752,046</td>
<td>22,752,046</td>
<td></td>
<td>0.22%</td>
</tr>
<tr>
<td>TexPool</td>
<td>208,065</td>
<td>208,065</td>
<td></td>
<td>0.19%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>22,976,984</strong></td>
<td><strong>22,976,984</strong></td>
<td><strong>1</strong></td>
<td><strong>0.22%</strong></td>
</tr>
</tbody>
</table>

#### TOTAL INVESTMENTS

<table>
<thead>
<tr>
<th></th>
<th>Book Value</th>
<th>Market Value</th>
<th>Weighted Avg. Days To Maturity</th>
<th>Weighted Avg. Purchase Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>336,516,703</strong></td>
<td><strong>336,509,163</strong></td>
<td><strong>46</strong></td>
<td><strong>0.24%</strong></td>
</tr>
</tbody>
</table>

Benchmark: 90 day U.S. Treasury Bill 0.06%
LONE STAR COLLEGE SYSTEM
INVESTMENT ACTIVITY REPORT
FOR THE MONTH ENDED MARCH 31, 2010

<table>
<thead>
<tr>
<th></th>
<th>Operating Unrestricted*</th>
<th>Avg Buy Yield</th>
<th>Avg Construction in Progress</th>
<th>Avg Buy Yield</th>
<th>Avg Interest &amp; Sinking</th>
<th>Avg Buy Yield</th>
<th>Avg Total Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BEGINNING BOOK VALUE</strong></td>
<td>$104,421,803</td>
<td>0.30%</td>
<td>$245,802,563</td>
<td>0.16%</td>
<td>$21,958,481</td>
<td>0.21%</td>
<td>$372,182,847</td>
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**PURCHASES:**

<p>| | | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Government Agencies</td>
<td>2,000,000</td>
<td>0.94%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Logic</td>
<td>1,002</td>
<td>0.17%</td>
<td>17,534,688</td>
<td>0.17%</td>
<td></td>
<td>0.17%</td>
<td>17,535,693</td>
</tr>
<tr>
<td>Lone Star</td>
<td>11,426,161</td>
<td>0.22%</td>
<td></td>
<td>1,018,472</td>
<td>0.22%</td>
<td></td>
<td>12,444,633</td>
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<tr>
<td>TexPool</td>
<td>430</td>
<td>0.18%</td>
<td>9,174</td>
<td>0.11%</td>
<td></td>
<td>0.19%</td>
<td>9,632</td>
</tr>
<tr>
<td>JPMorgan Chase Liquidity MMF</td>
<td>18,799,392</td>
<td>0.00%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overnight Sweep</td>
<td>18,799,392</td>
<td>0.00%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL PURCHASES</strong></td>
<td>32,226,986</td>
<td>0.14%</td>
<td>17,543,862</td>
<td>0.17%</td>
<td></td>
<td>0.22%</td>
<td>50,789,351</td>
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**MATURITIES**

<p>| | | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Logic</td>
<td>18,771,411</td>
<td>0.17%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Lone Star</td>
<td>5,420,715</td>
<td>0.18%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TexPool</td>
<td>10,987,656</td>
<td>0.19%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>JPMorgan Chase Liquidity MMF</td>
<td>32,044,166</td>
<td>0.11%</td>
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<td></td>
</tr>
<tr>
<td>Overnight Sweep</td>
<td>19,227,855</td>
<td>0.06%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>TOTAL MATURITIES</strong></td>
<td>30,215,511</td>
<td>0.07%</td>
<td>56,236,292</td>
<td>0.14%</td>
<td></td>
<td>0.09%</td>
<td>86,451,893</td>
</tr>
</tbody>
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<p>| | | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium / (Discount)</td>
<td>9,300</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9,300</td>
</tr>
<tr>
<td>Unrealized Gains (Losses)</td>
<td>(12,992)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(12,992)</td>
</tr>
</tbody>
</table>

**ENDING BOOK VALUE**

<p>| | | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>106,429,586</td>
<td>0.33%</td>
<td>207,110,133</td>
<td>0.17%</td>
<td>22,576,984</td>
<td>0.22%</td>
<td>336,516,703</td>
<td></td>
</tr>
</tbody>
</table>

<p>| | | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Beg. Unrealized Gains (Losses)</td>
<td>19,734</td>
<td>1,550</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>21,284</td>
</tr>
<tr>
<td>Unrealized Gains (Losses) Change</td>
<td>(19,424)</td>
<td>(9,400)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(28,824)</td>
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</table>

**ENDING MARKET VALUE**

<p>| | | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>106,429,896</td>
<td>0.33%</td>
<td>207,102,282</td>
<td>0.17%</td>
<td>22,976,984</td>
<td>0.22%</td>
<td>336,509,163</td>
<td></td>
</tr>
</tbody>
</table>

*Includes Renewal & Replacement Fund
Exhibit “H”

Financial Report and Consideration No. 2  (ACTION ITEM 4)  Board Meeting 5-6-10

Request: Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute an Agreement to Replace the Commons Building Roof at LSC-University Park

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or designee to negotiate and execute an agreement to replace the Commons Building roof at LSC-University Park from Competition Roofing, Inc., 7310 Fairview Street, Houston, TX 77041 for a not to exceed amount of $700,000.

Rationale: The existing roof on the Commons Building at LSC-University Park is a low-slope, built-up roof. Since the purchase of the campus, there have been numerous leaks. With every heavy rain, new leaks emerge. Therefore, the roof is constantly being patched. The patches are only a temporary fix to a roof that is beyond repair.

This project will consist of replacing the built-up roof with a modified bitumen roofing system. The scope of work also includes the replacement of the perimeter and penetration flashings, sheet metal counter-flashings, expansion joint covers, parapet wall copings, wood blocking, and sealant. The existing lightning protection system will be replaced with a new certified system.

Proposals were sent to fifteen roofing contractors and thirteen construction brokerage firms. Six responses were received. The award for this purchase could not be based upon low bid alone. The proposals were evaluated based on total cost of services, company qualifications, HUB status or plan, company profile, proposed completion date, references, cover letter and completed Conflict of Interest Questionnaire. It is recommended to award this purchase to the contractor with the highest points, Competition Roofing, Inc. See attached Evaluation Tabulation.

To ensure the Board is informed, a status report will be presented to the Board with the contracted cost of services based upon the executed contract.

Fiscal Impact: Funds for this purchase are available from the 2008 general obligation bonds.

Staff Resource: Cindy Gilliam  832-813-6512
Penny Westerfeld  281-290-2955
### Replace Commons Building Roof for LSC-University Park

#### EVALUATION TABULATION
(BASE BID)

<table>
<thead>
<tr>
<th></th>
<th>Max Points</th>
<th>Competition Roofing</th>
<th>Construction Services</th>
<th>Pyramid Waterproofing</th>
<th>Royal American</th>
<th>Texas Liquatech</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of Services</td>
<td>100</td>
<td>95</td>
<td>85</td>
<td>87</td>
<td>100</td>
<td>75</td>
</tr>
<tr>
<td>Qualifications</td>
<td>50</td>
<td>48</td>
<td>44</td>
<td>46</td>
<td>41</td>
<td>45</td>
</tr>
<tr>
<td>HUB Status or Plan: including percentage of participation and plan/procedures to achieve state goals</td>
<td>10</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>Company Profile</td>
<td>10</td>
<td>10</td>
<td>9</td>
<td>9</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>Proposed Completion Date</td>
<td>10</td>
<td>4</td>
<td>10</td>
<td>0</td>
<td>6</td>
<td>0</td>
</tr>
<tr>
<td>References</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Cover Letter</td>
<td>5</td>
<td>5</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Completed Conflict of Interest Questionnaire</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>200</strong></td>
<td><strong>180</strong></td>
<td><strong>163</strong></td>
<td><strong>159</strong></td>
<td><strong>168</strong></td>
<td><strong>159</strong></td>
</tr>
</tbody>
</table>
Request: Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute an Agreement for the Purchase of Construction Services for LSC-CyFair Center

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or designee to negotiate and execute an agreement for the purchase of construction services for LSC-CyFair Center from C.F. Jordan Construction, 9801 Westheimer, Suite 320, Houston, Texas 77042 for an estimated amount of $13,680,000.

Rationale: The May 10, 2008 bond election resulted in the approval for LSCS to issue up to $420M in general obligation bonds for the purchase, new construction, repair and replacement, or renovation of land and facilities. The general contractor will construct the new building and infrastructure for LSC-CyFair Center and assume the risk of subcontracting the work. In addition, the general contractor will work directly with the System’s architects, project managers and staff to complete the construction of the new center.

This project will consist of the construction of a two-story academic building, approximately 67,000 square feet, and a single story high-bay workforce training building, approximately 16,000 square feet. The new CyFair Center will be located on an 11.8 acre site at 19710 Clay Road in northwest Harris County.

Proposals were sent to eighty-two general contracting firms and thirteen construction brokerage firms. Six responses were received. A committee evaluated the proposals and conducted interviews.

The committee evaluated the proposals based upon cost of the project, company qualifications (including similar project experience, principal experience, and assigned project manager and superintendent), Historically Underutilized Business (HUB) plan, references, and completeness and thoroughness of proposal. The top four contractors were selected for interviews.

During the evaluation/interview process, firms were given an opportunity to provide an overview of their experience, HUB plan, financial stability, safety program, and major subcontractors proposed for this project. It is recommended to award the purchase to the contractor with the highest points, C.F. Jordan Construction. See attached Interview Evaluation Tabulation.
To ensure the Board is informed, a status report will be presented to the Board with the contracted cost of services based upon the executed contract.

**Fiscal Impact:** Funds for this purchase are available from the 2008 general obligation bonds. The bid amount is lower than the estimated budget for this project.

**Staff Resource:**
- Cindy Gilliam
- Audrey Levy

832-813-6512
281-290-3941
## Construction Services
for LSC-CyFair Center

### INTERVIEW
EVALUATION TABULATION

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Max Points</th>
<th>CF Jordan Construction</th>
<th>Burton Construction</th>
<th>Teal Construction</th>
<th>State Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cost of Project</td>
<td>40</td>
<td>40</td>
<td>31</td>
<td>35</td>
<td>27</td>
</tr>
<tr>
<td>HUB Status and/or History of Use of HUB Firms</td>
<td>20</td>
<td>14</td>
<td>20</td>
<td>15</td>
<td>17</td>
</tr>
<tr>
<td>Key Personnel Qualifications: Experience of project executive, project manager and superintendent</td>
<td>10</td>
<td>9</td>
<td>7</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>Financial Stability of Firm</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Safety Program</td>
<td>10</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Major Subcontractors Proposed for this Project</td>
<td>10</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td><strong>Sub Total</strong></td>
<td><strong>100</strong></td>
<td><strong>92</strong></td>
<td><strong>86</strong></td>
<td><strong>85</strong></td>
<td><strong>80</strong></td>
</tr>
</tbody>
</table>
Financial Report and Consideration No. 4 (ACTION ITEM 6) Board Meeting 5-6-10

Request: Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute Contracts for the Purchase of Audio/Video Equipment and Installation Services for Classroom Mediation for New Construction and Renovations

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or designee to negotiate and execute contracts for the purchase of audio/video equipment and installation services for classroom mediation for new construction and renovations from the following vendors for an amount not to exceed $10,000,000 over a period of three years:

<table>
<thead>
<tr>
<th>Company</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audio Visual Solutions, Inc.</td>
<td>10200 Hempstead, Suite 2D Houston, TX 77092</td>
</tr>
<tr>
<td>Data Projections</td>
<td>3036 Rodgerdale Road Houston, TX 77042</td>
</tr>
<tr>
<td>i.e. SmartSystems, LLC</td>
<td>15200 East Hardy Houston, TX 77032</td>
</tr>
<tr>
<td>Troxell Communications</td>
<td>4830 South 38th Street Phoenix, AZ 85040</td>
</tr>
<tr>
<td>The Whitlock Group</td>
<td>6001 Stonington, Suite 110 Houston, TX 77040</td>
</tr>
</tbody>
</table>

Rationale: On April 7, 2010, the Board of Trustees approved the cooperative purchase of audio/video equipment and installation services for the LSC-North Harris Health Professions Building in the amount not to exceed $300,000 from a TCPN cooperative vendor. Audio and visual equipment is required for new building construction and renovations. Due to the large volume of purchases and to give additional vendors the opportunity to provide these products and services, LSCS performed a formal process to qualify vendors for these additional purchases. LSCS committed to submit a recommendation to the Board for approval upon completion of this process.

This approval will include the purchase and installation of audio and visual equipment for a period of three years. The mediation technology will be used for instruction in LSCS classrooms. The equipment selected will be based upon LSCS technology standards for new construction.

Proposals were requested from six media equipment vendors and five responses were received. Each proposal was evaluated based upon qualifications, experience, price and proposed personnel. All the
respondents are qualified to provide these products and services. Therefore, it is requested to approve purchases from all five vendors. Upon completion of each building design, bids will be requested from the qualified vendors. The purchase will be awarded to the vendor with the lowest bid.

To ensure the Board is informed, a status report will be presented to the Board with the actual cost of services based upon the executed contracts.

**Fiscal Impact:**
Funds for this purchase are included in the 2008 general obligation bond project budgets and available from the approved FY 2009-2010 operating budgets. Funds for subsequent fiscal years will be included in future proposed operating budgets.

**Staff Resource:** Shah Ardalan

832-813-6842
Financial Report and Consideration No. 5  (ACTION ITEM 7)  Board Meeting 5-6-10

Request: Consideration of Approval to Purchase Janitorial Services for Central Services & Training Center

Chancellor's Recommendation: That the Board of Trustees approve the purchase of janitorial services for Central Services & Training Center from McLemore Building Maintenance, Inc., 110 Fargo, Houston, TX 77006-2014 in the amount of $58,188 annually for a total of $116,376 over two years. This approval includes the option to renew for three additional one year terms. In addition, authorize the Chancellor to negotiate and execute contract amendments for additions of HARC/Building III and services for special projects and peak periods. Total contract amount will not exceed $450,000 over five years.

Rationale: Janitorial services will include cleaning of Buildings I, II, and the Training and Development Center at Central Services & Training Center. This agreement will include additional services as needed to enable the facility maintenance departments to meet deadlines and complete special projects quickly and effectively during peak periods. An amendment will be executed to include janitorial services for the HARC/Building III as it becomes occupied by LSCS.

The term of this agreement will be for two years with the option to renew for three additional one-year terms. The monthly and hourly rates will remain firm for the first two years with reasonable adjustments to be considered for each renewal option. Documentation is required to support any increase. This agreement may be cancelled at any time with or without cause with thirty days written notice.

Proposals were requested from 60 janitorial service providers and 8 responses were received. The award for this purchase could not be based upon low bid alone. A committee consisting of LSCS facility staff members evaluated the proposals based upon price, references, cover letter, pre-bid meeting attendance, Conflict of Interest Form, company profile, additional information, number of employees proposed, and Historically Underutilized Business (HUB) status or plan. It is recommended to award this purchase to the vendor with the highest points, McLemore Building Maintenance. See Bid and Evaluation Tabulations.

Fiscal Impact: Funds for this purchase are included in the FY 2009-10 operating budget for Central Services and Training Center. Funds for subsequent fiscal years will be included in future proposed budgets.

Staff Resource: Cindy Gilliam  832-813-6512
## Janitorial Services for Central Services and Training Center

### BID TABULATION

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Annual Cost</th>
<th>Additional Rates</th>
</tr>
</thead>
</table>
| Service Master Commercial Cleaning | $50,109     | Discount for Supplies: 2%  
Hourly Rate: Night Custodian: $12.00  
Hourly Rate: Day Maid: $12.00 |
| **McLemore**                | **$58,188** | Discount for Supplies: 2.8%  
Hourly Rate: Night Custodian: $20.00  
Hourly Rate: Day Maid: $11.13 |
| AHI Facility Services       | $63,534     | Discount for Supplies: 3.42%  
Hourly Rate: Night Custodian: $11.25  
Hourly Rate: Day Maid: $12.00 |
| C & S Janitorial            | $70,740     | Discount for Supplies: 2%  
Hourly Rate: Night Custodian: $13.95  
Hourly Rate: Day Maid: $13.95 |
| Oriental Building Services  | $99,216     | Discount for Supplies: 5%  
Hourly Rate: Night Custodian: $11.55  
Hourly Rate: Day Maid: $11.55 |
| SanServe Houston            | $111,462    | Discount for Supplies: 2%  
Hourly Rate: Night Custodian: $13.95  
Hourly Rate: Day Maid: $13.95 |
| Easley Enterprises          | $174,600    | Discount for Supplies: 5%  
Hourly Rate: Night Custodian: $8.50  
Hourly Rate: Day Maid: $8.00 |

### EVALUATION TABULATION

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Financial Report and Consideration No. 6  (ACTION ITEM 8)  Board Meeting 5-6-10

Request: Consideration of Approval to Execute a Sanitary Sewer Easement with Woodcreek Municipal Utility District and Water Line/Access Easements with Richey Road Municipal Utility District, and to Purchase Water Line Easement right of way from George A. Manos for LSC-North Harris.

Chancellor's Recommendation: That the Board of Trustees authorize the Chancellor to execute a sanitary sewer easement with Woodcreek Municipal Utility District and water line/access easements with Richey Road Municipal Utility District, and to purchase a water line easement right of way from George A. Manos for LSC-North Harris.

Rationale: Current water and sanitary sewer service is provided to LSC-North Harris by Memorial Hills Municipal Utility District. Memorial Hills Municipal Utility District has water and sanitary sewer capacity issues which result in a reduced level of service to LSC-North Harris. In order to ensure adequate capacity of water and sanitary sewer service to LSC-North Harris, it is recommended that LSCS obtain sanitary sewer service from Woodcreek Municipal Utility District and water service from Richey Road Municipal Utility District.

New easements are required to obtain service from the Woodcreek and Richey Road Municipal Utility Districts. The existing Memorial Hills Municipal Utility District easement on the LSC-North Harris campus will be transferred to Woodcreek and Richey Road Municipal Utility Districts for joint use. A new water line easement is required for Richey Road Municipal Utility District to extend water service from Hurricane Lane southward to Richey Road and then westward across the 7613 Alexander Manohos and the George A. Manos tracts to tie into the existing Richey Road Municipal Utility District water line. LSCS will be required to pay a fair and reasonable price for the right of way easement crossing the George A. Manos tract.

Fiscal Impact: Funds for this are available from the LSC-North Harris operating budget.

Staff Resource: Cindy Gilliam 832-813-6512
Steve Head 281 618-5444
Financial Report and Consideration No. 7  (ACTION ITEM 9)  Board Meeting 5-6-10

Request: Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute an Agreement for the Purchase of Construction Manager at Risk (CM-at-Risk) Services for LSC-Victory Center

Chancellor's Recommendation: That the Board of Trustees authorize the Chancellor or designee to negotiate and execute an agreement for the purchase of CM-at-Risk services for LSC-Victory Center from Durotech LP, 11931 Wickchester, Suite 205, Houston, Texas 77043 for an estimated amount of $13,600,000.

Rationale: The May 10, 2008 bond election resulted in the approval for LSCS to issue up to $420M in general obligation bonds for the purchase, new construction, repair and replacement, or renovation of land and facilities. The CM-at-Risk will act as the general contractor to construct the new building and infrastructure for LSC-Victory Center and assume the risk of subcontracting the work. In addition, the CM-at-Risk will work directly with the System’s architects, project managers and staff to complete the construction of the new center. This project will consist of a two-story academic building, approximately 65,000 square feet, and a single story high-bay workforce training building, approximately 20,000 square feet.

Proposals were sent to eighty-two general contractors and thirteen construction brokerage firms. Twenty responses were received. An evaluation committee consisting of representatives from LSC-North Harris and System Office, who have a thorough understanding of the scope of work, evaluated the proposals and conducted interviews.

The committee evaluated the proposals based upon proposed fee and general conditions, company profile (including history, knowledge of the community, company principals and experience), assigned staff qualifications including the project manager and superintendent, Historically Underutilized Business (HUB) subcontracting plan, list of completed and/or in-progress projects, and completeness and thoroughness of proposal. The top 4 contractors were selected for interviews.

During the evaluation/interview process, firms were given an opportunity to provide an overview of their experience, references relating to similar projects, HUB plan, financial stability and safety program. In addition, firms were asked to demonstrate the project team’s knowledge of the community and overall knowledge of local subcontractors in the area. See attached Interview Evaluation Tabulation.
To ensure the Board is informed, a status report will be presented to the Board with the contracted cost of services based upon the executed contract.

**Fiscal Impact:** Funds for this purchase are available from the 2008 general obligation bonds.

**Staff Resource:**
- Cindy Gilliam
- Steve Head

832-813-6512
281-618-5444
### CM-At-Risk Services for LSC-Victory Center

#### INTERVIEW EVALUATION TABULATION

<table>
<thead>
<tr>
<th>Contractor</th>
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Financial Report and Consideration No. 8  (ACTION ITEM 10)  Board Meeting 5-6-10

Request:  Consideration of Acceptance of Gifts

Chancellor's Recommendation: That the Board of Trustees formally accept and acknowledge the following gifts donated to the Lone Star College System in accordance with the donors' wishes:

Arts and Humanities Books donated by Linda Woodard to LSC-Montgomery.


Five (5) DVDs donated by Gary Brown to LSC-Montgomery.

Books by author Roger Axtell donated by Al Hissett to LSC-Montgomery.

Thirty-five (35) Teaching Company Video Courses donated by June Mabry to LSC-Montgomery.

Rationale: In accordance with LSCS Board Policy Business Services: A3.01- Gifts, the authority to accept gifts is vested solely with the Board of Trustees.

Fiscal Impact: None

Staff Resource: Ray Laughter  832-813-6620
Exhibit "O"

Building and Grounds Report

Report: Construction Projects Update

The District's plant operations and facilities department has provided a summary report of the District's construction projects. See attached report.
Monthly Facilities Planning and Construction Report

General Obligation Bond Project Summaries – 2008 Election:

- **LSC-North Harris**
  - Construction of the Student Services parking lot continues and the building pad is complete. Installation of underground utilities is underway for the Student Services, Fine Arts Lobby and Classroom Additions. Roof replacements for the Academic, Health Professions Education and Industrial Education buildings are underway and asbestos abatement in the Academic building has been completed. The phased renovation projects are scheduled to begin during May and be completed by early August. Site work for the Applied Technology Addition has also commenced.
  - Construction of the Greenspoint Center rear entrance vestibule and pedestrian mall, and garage repairs continues.
  - Interior demolition and limited mold and asbestos abatement of the Health Professions building are ongoing. A new electrical service weather head has been installed and work on the expanded fire lanes and fire department access has commenced.

- **LSC-Victory Center**
  - Reprogramming and schematic design have been completed to reduce the building size to 85,000 square feet. The Construction Manager at Risk contractor selection process has been completed and a contractor recommendation will be taken to the May Board. The project schedule continues to reflect completion by the fall semester of 2011.

- **LSC-Kingwood**
  - The contractor commenced site mobilization on March 12 and has installed the perimeter construction fencing. They have also completed tree removal for Parking Lot A & G, the Student/Conference Center building pad, the Arts Instruction building pad, and the detention pond.
  - Excavation is complete for the expansion of Parking Lot A, which is scheduled for completion by May 21. Earthwork for parking lot G will be completed by May 21 followed by overall completion on June 18.
  - A ground breaking ceremony was held on April 13 with representatives from the Lone Star College System Board, Lone Star College System, LSC-Kingwood, Harris County, and the City of Houston in attendance.
• The City of Houston building permit for the Student Fine Arts Renovation was issued on April 7, followed by the City of Houston building permit for the Student/Conference Center and the Arts Instructional Building on April 16.

• **LSC-Atascocita Center**
  • Lone Star College System and Harris County Precinct One have reached an agreement on the requirements for a traffic signal at the intersection of West Lake Houston Parkway and Lake Shore Landing Drive.
  • The Harris County building permit was issued and the contractor has commenced site mobilization.
  • A ground breaking ceremony was held on April 30 with representatives from the Lone Star College System Board, Lone Star College System, LSC-Kingwood, Harris County, the City of Houston, and Humble ISD in attendance.

• **LSC-Tomball**
  • The contractor has begun mobilization for the Veterinary Technology and Performing Fine Arts Center. The City of Tomball has approved site plans for both buildings and is reviewing building plans prior to issuance of the building permit.
  • Investigative work for the Window Sealing and Column Repairs projects has commenced. The contractor will dedicate a superintendent to this work.
  • Subcontractor and vendors have been contracted and the submittal process is underway. Site clearing and dirt work is underway.
  • A ground breaking ceremony was held on April 23 with representatives from the Lone Star College System Board, Lone Star College System, LSC-Tomball, Harris County, and the City of Tomball in attendance.

• **LSC-Tomball Health Science Building**
  • The contractor has mobilized and has commenced site clearing and dirt work operations. Utility work has commenced based on the design approved by the City of Tomball.
  • CenterPoint Energy has completed relocation of the primary power distribution system.
  • A ground breaking ceremony was held on April 23 with representatives from the Lone Star College System Board, Lone Star College System, LSC-Tomball, Tomball Hospital, Harris County, and the City of Tomball in attendance.

• **LSC-Montgomery**
  • Building foundations for the Arts Instruction and Academic/Classroom buildings have been completed. Erection of structural steel for the Arts Building is complete, and significant progress has been achieved on the structure for the Academic Building. The Science Health building project moved forward with the foundations and under slab utility systems.
  • The Central Plant project is making rapid progress as site cut-and-fill operations are complete. Foundations are well underway.
100% of the precast panel system has been erected for the Parking Garage. Concrete topping is being poured on the upper level decks of the garage. Work on the interior of the garage includes utility systems and the campus police office.

- Design of the parking improvements and the additional traffic lane on West Drive is complete and the procurement strategy is still under review.
- Design of the Campus Renovation project for the Student Services consolidation in Building C is underway. Additional renovations will be required for those areas impacted by faculty relocations to the three new buildings.

**LSC-Conroe Center**
- Conroe Center construction continues with completion of the building pad and foundations, and progress on the structural steel erection. Masonry commenced in April on the Workforce and Central Plant buildings. Site grading and construction of the parking areas are underway. Site soil conditions required redesign and relocation of the detention pond along with adjustments to the grading and parking areas. No schedule impact is expected as a result of this relocation and cost impacts are being evaluated.

**LSC-CyFair**
- Construction of the 500 space north parking lot is complete, including all lighting and landscaping. Construction continues on schedule for the new southwest parking lots, loop road, new West Road entrance, and related site utilities. A portion of the new southeast parking lot and paving for the loop road are complete.
- Construction of the Student Services/Classroom and Science buildings continues with site work, grading, placement of fill, and the pouring of foundation piers. Excavation for the installation of site underground utilities, including sanitary and storm sewers, water, and electrical power is in progress. Construction of the foundations and below grade plumbing and electrical will begin in May.

**LSC-CyFair Center**
- Advertising, proposal evaluations, and interviews for the selection of a contractor are complete. A contractor recommendation will be taken to the May Board meeting.
- Contractor mobilization and site work is scheduled to begin in late May. Substantial completion is planned for May 2011.
- A preconstruction meeting associated with the installation of the water, storm sewer, and sanitary sewer service to the site was conducted on April 14 with Harris County Municipal Utility District 284. Construction has begun and is scheduled to be completed by June 2.
- The Harris County Traffic department is requesting that Lone Star College System install a traffic signal on Clay Road at the main entrance to the Center. If required, this signal could be a $200K addition to the project.

**LSC-University Park**
- Design work is underway for the University of Houston System and University of Houston Downtown lease space within the New University Center located in building 12 on floors 2, 3 and 4. The contractor has commenced demolition on floors 3 and 4 and construction of floor 2 is approximately 75% complete. Construction of the core
area on the second floor of building 12, which provides direct access from the garage spine to building 13, was completed and opened on April 14.

- **LSC-Central Services and Training Center**
  - Demolition within District Services I, the Houston Advanced Research Center (HARC), and the entrance to District Services II is scheduled to commence in early May. Renovation construction within District Services I will take approximately twelve weeks while the HARC building will be under construction through September.

### Revenue Bond Project Summaries - 2007:

- **LSC-North Harris**
  - Municipal Utility District (MUD) Conversion Project – The utility easements necessary for the MUD conversion project will be submitted for consideration at the May Board meeting. The City of Houston permitting process is underway which will be closely followed by a contractor competitive sealed proposal selection process. The construction phase will align with the completion dates for the LSC-North Harris main campus construction projects.

- **LSC-Tomball**
  - The contractor has completed the Highway Signage Upgrade analysis and submitted their shop drawings to the Texas Department of Transportation. Fabrication of the new signage has commenced with University Park as the priority.

### Energy Performance Project

- **LSC-North Harris**
  - Retrofit of the campus building automation system and coordination with the asbestos abatement efforts continues. Additional abatement is required before the project can be completed.
  - The interior lighting retrofits are 97% complete. A change in the original exterior site lighting fixture selection is under consideration and if proven viable, will be considered for all System parking lots and pathway lighting. The fixture change will maximize the light coverage and light levels as well as provide significant energy and maintenance savings over the currently planned retrofit. The water conserving plumbing fixture installation has been curtailed due to low water pressure problems on the campus. The result is reduced effectiveness of the water measure, which has prevented some fixtures from flushing properly.

- **LSC-Kingwood**
  - Installation of the building automation system continued in April.
  - Window film installation is now complete.
  - The water conservation project is complete with exception of the areas to be renovated in May.
  - Vending machine sensors are installed.
LSC-Tomball
- Retrofitting of classroom and interior lighting is 95% complete. The exterior parking lot and pathway lighting installations are on hold pending consideration of an alternate light fixture. (See notes in the North Harris lighting update above.)
- Water conservation measures are complete.
- Scheduling discussions are underway for the installation of the variable frequency drives on the chiller equipment.

LSC-Montgomery
- Vending machine controls have been completed.
- The water conservation project is complete with the exception of the locker room showers and drinking fountain retrofits. Materials are ordered for the showers and the drinking fountains are delivered. The installations are expected to be completed in May.
- The lighting retrofit project continues.
- Design of the chiller and building automation system upgrades continued in April.

LSC-CyFair
- A preconstruction meeting was held, and installation commenced, for the lighting retrofits.

LSC-Central Services & Training Center
- The lighting retrofit is nearly complete.

LSC-Greenspoint Center
- The window film installation, lighting retrofits, and power factor correction equipment installations are complete. Power surge protection equipment is being added by the contractor as a power surge caused failure of the power factor correction equipment.

LSC-Fairbanks Center
- Installation of the window film, power factor correction equipment, and occupancy sensors for the building automation system have been completed.

LSC-University Park
- The lighting retrofit project is complete in all occupied areas. Additional areas are being completed as demand for the spaces is identified. Unoccupied areas will be addressed during build-out of new floors.
- Building automation system upgrades continue with further development of the front end programming and coordination of renovated areas.
- HVAC equipment upgrades in the Commons continued.

LSC-Peakwood/Red Oak
- Installation of the window film is complete for Red Oak. Peakwood will be completed after the renovation is complete.
- The chiller and cooling tower have been installed and are operational.
Installation of the hydronic piping system throughout the Peakwood and Red Oak buildings continues.
Air handling units have been installed at Red Oak.

Mass Communication Project

LSC-Kingwood
Rough-in installation of the mass communications and interior CCTV system is 95% complete. Training on the systems is complete.
Exhibit “P”

Personnel Report and Consideration No. 1 (ACTION ITEM 11) Board Meeting 5-6-10

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 from the Tomball, University Park, and System Office.

Fiscal Impact: Positions and salaries have been budgeted for 2009-2010.

Staff Resource: Rand Key 832-813-6522
a. LSC-System Office

Jonathan Durfield, Associate Vice Chancellor, Governmental & Public Affairs

**Effective:** Twelve-month contracted employee at an annual salary of $120,000 beginning April 1, 2010.

**Education:** M.P. A., Harvard University, Major: Public Administration; B.A., Pepperdine University, Major: Political Science.

**Experience:** Vice President, R&R Partners; Executive Director/Board Member/Officer, R&R Partners Foundation (concurrent); Founding Director, Inland Empire Sustainable Communities, Inland Empire Economic Partnership; Senior Account Executive; BSMG Worldwide (Weber Shandwick); Communications Deputy, California State Legislature-Office of Communication.

b. LSC-Tomball

John Nevins, Reference Librarian, Associate Professor

**Effective:** Twelve-month contracted employee at an annual salary of $60,438 beginning May 16, 2010.

**Education:** M.L.S., Simmons College, Major: Library & Information Sciences; M.A., Bowling Green State University, Major: American Culture Studies; B.A., Bates College, Major: English.

**Experience:** Reference Librarian/Subject Specialist for Literature, University of California at Riverside; Associate Professor/Coordinator for Reference Collection Department, Sam Houston State University; Assistant Branch Manager, Brazoria County Library System; Reference Librarian, Carlisle Public Library; Contract Librarian, C. Berger and Company (contract agency).

c. LSC-University Park

Christie Smith, Director, Online Course Development

**Effective:** Twelve-month contracted employee at an annual salary of $81,343 beginning April 1, 2010.

**Education:** M.E.D., University of Houston, Major: Instructional Technology; B.B.A., Sam Houston State University, Major: Business.

**Experience:** Senior Instructional Designer, Professor of Education & Teacher Certification Program Coordinator, Associate Professor, CIT & Lab Coordinator, Adjunct Faculty, Temporary Full-Time Instructor-Computers/Professional Office Technology, and Part-time Corporate Trainer-Computer Technology, Lone Star College System.
Chandris Henson, Executive Director, Continuing Education

Effective: Twelve-month contracted employee at an annual salary of $84,084 beginning May 1, 2010.

Education: M.S., Texas Women's University, Major: Health/Business Administration; B.S., University of Houston, Major: Biology.

Experience: Director, Continuing Education, CE Senior Program Manager, CE Program Manager, and Adjunct Faculty, Lone Star College System; Administrator-Surgical Services, Houston Veteran Affairs Medical Center.
Personnel Report and Consideration No. 2 (ACTION ITEM 12) Board Meeting 5-6-10

Request: Consideration of the Reappointment of Contractual Employees (Non-Faculty)

Chancellor's Recommendation: That the reappointment of the employees listed on the following pages be ratified for the positions indicated.

Rationale: It is the policy of the Lone Star College System to consider reappointments of contractual (non-faculty) employees each fiscal year.

Fiscal Impact: Positions and salaries will be budgeted for 2010-11.

Staff Resource: Rand Key 832-813-6522
Contractual Employees
(Non-Faculty)

Administrative Officers

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<thead>
<tr>
<th>Name</th>
<th>Title</th>
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<tbody>
<tr>
<td>Richard Carpenter</td>
<td>Chancellor</td>
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<tr>
<td>Shah Ardalan</td>
<td>Vice Chancellor, Technology Services/CIO</td>
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<tr>
<td>Cynthia Gilliam</td>
<td>Vice Chancellor, Administration &amp; Finance</td>
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<tr>
<td>Donetta Goodall</td>
<td>Vice Chancellor, Academic Affairs &amp; Student Success</td>
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<tr>
<td>Stephen Head</td>
<td>President, Lone Star College-North Harris</td>
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<tr>
<td>Susan Karr</td>
<td>President, Lone Star College-Tomball</td>
</tr>
<tr>
<td>Randall Key</td>
<td>Senior Vice Chancellor/COO</td>
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<tr>
<td>Austin Lane</td>
<td>President, Lone Star College-Montgomery</td>
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<tr>
<td>Ramon Laughter</td>
<td>Vice Chancellor, External Affairs</td>
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<tr>
<td>Audre Levy</td>
<td>President, Lone Star College-CyFair</td>
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<tr>
<td>Brian Nelson</td>
<td>General Counsel</td>
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<tr>
<td>Katherine Persson</td>
<td>President, Lone Star College-Kingwood</td>
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Administrative and Professional Staff (One Year)

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<tr>
<td>Kathleen Adkins</td>
<td>Director, Advising &amp; Counseling</td>
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<td>Link Alander</td>
<td>OTS-Associate Vice Chancellor, Technology Services</td>
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<td>Anne Albarelli</td>
<td>Dean, Instruction</td>
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<td>Thad Anglin</td>
<td>Vice President, Student Success</td>
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<td>Sharad Annaldasula</td>
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<tr>
<td>Glenda Arnold</td>
<td>Assistant Dean, Student Learning</td>
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<tr>
<td>Severo Balason</td>
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<td>Mario Berry</td>
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<td>Johanna Boley</td>
<td>Vice President, Administrative Services</td>
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<td>Eileen Booher</td>
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<td>Shelby Boseman</td>
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<td>Lawrence Brandyburg</td>
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<td>Debra Britton</td>
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<td>Cheryl Brock</td>
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<tr>
<td>Ronald Brown</td>
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</tr>
<tr>
<td>Barbara Buchanan</td>
<td>Dean, Instruction</td>
</tr>
<tr>
<td>Marian Burkhart</td>
<td>OTS-Executive Director, Client Relations</td>
</tr>
<tr>
<td>Ryan Carstens</td>
<td>Dean, Educational Services</td>
</tr>
<tr>
<td>Cynthia Casparis</td>
<td>Dean, Educational Program Support</td>
</tr>
<tr>
<td>Deanne Chandler</td>
<td>Director, Community Outreach &amp; Recruitment</td>
</tr>
<tr>
<td>Patricia Chandler</td>
<td>Program Manager, CE</td>
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</tbody>
</table>
Elizabeth Chapman | Dean, Instruction
Gary Clark | Vice President, Instruction
Helen Clougherty | Special Assistant to the Chancellor/Board Liaison
Zack Coapland | System Director, Professional Development
Walter Cooley | Director, Risk Management
William Coppola | Executive Director/Assistant to the President
Lisa Cordova | Director, Business Operations
Tammy Cortes | Director, Accounting
Lisa Cowart | System Director, Compensation, Benefits & Records
James Crawford | Executive Director, Campus Technology Services
Chad Crocker | Executive Director, System Facilities Operations
Christina Cross | Director, Instructional Technology
Christopher Crumley | Director, Enrollment Management
Michael Dannenbaum | Director, Facilities
Bonnie Dean | Director, Business Development & Sales
John Deleon | Dean, Instruction
Marilyn Dement | Dean, Student Development
Ronald Dewlen | Dean, Instruction
Jonathan Durfield | Associate Vice Chancellor, Governmental & Public Affairs
William Durham | Associate Vice Chancellor, LSC-Online
Jodie Ellis | Project Director
Terry Erwin | Project Director
John Fishero | Vice President, Administrative Services
Kay Fitzsimons | Director, Community Leadership Institute
Kathleen Fleming | Director, Business Services
Siobhan Fleming | Associate Vice Chancellor, Research & Institutional Effectiveness
Ashlie Flores | Director, Financial Aid & Academic Advising
Janis Fowler | Grant Writer
Henry Garcia | Dean, College Relations
Stephen Garner | Senior Project Director
Robin Garrett | Director, Continuing Education
Connie Garrick | Assistant Dean
Richard Gilbert | Director, Advanced Manufacturing Center Facility
Richard Gregory | Chief of Police/System Director, Public Safety
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Patricia Harakal | Director, Training Project Implementation
Jennie Harrison | Dean, Instruction
Linda Head | Associate Vice Chancellor, Workforce Development
Jack Hernandez | Director, Advising and Counseling
Chantell Hines | Assistant Dean, Student Services
Christina Hinkson | Director, Continuing Education
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Shannon Infante
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Vickie Johnson
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Peggy Osbourn
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Associate Vice Chancellor, Business Support Services
Director, Financial Aid
Dean, Student Development
Director, Financial Aid
Dean, Willow Chase/Offsite Locations
Director, Continuing Education
Executive Director, Office of Technology Services
Project Director
Assistant Dean, Student Services
Dean, Instruction
Dean, Instruction
Assistant System Director, Financial Aid
Dean, Instruction
Vice President, Educational & Student Services
Vice President, Instruction
Director, Library
Executive Director, Campus Technology Services
Dean, Instruction
Dean, Instruction
Director, Health Occupations
Director, College Relations
Executive Director, Grant
Associate Vice Chancellor, Curriculum & Instruction
Director, Student Accounts
Associate Vice Chancellor, Facilities Planning & Construction
Director, Articulation Services
Assistant Dean, Instruction
Director, Survey Technology Program
Director, Facilities
Program Manager, Faculty & Staff Development
Executive Director, Workforce Grant Projects
Director, Purchasing
Director, Achieve the Dream
Executive Director, Foundation
Director, Small Business Development Center
Vice President, Instruction
Associate Vice Chancellor, Marketing and Communication
Executive Director, Web Development
Associate Vice Chancellor, Accounting
Director, Facilities
Vice President, Administrative Services
Director, Counseling
Director, Radiologic Technology Program
Director, Grant Projects
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Cecelia Skipper            Director, Public Relations & Communications
Annie Swint               Manager, Center
Janet Taber               Director, Continuing Education
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Janis Terry               Program Manager, Education Services
Jo Thibodeau-Fey          Dean, Instruction
Steven Thomas             Senior Project Director, Construction
Wayne Thompson            Senior Project Director, Construction
Robert Tidwell            OTS-Associate Vice Chancellor, Technology Services
Christina Todd            Director, Instructional Programs
Raphael Turner            Assistant Dean
James Vasquez             OTS-Executive Director, Applications - Functional
Carolyn Wade
Denise Walker
Gary Wallace
Sherry Walton
Catherine Wampler
Carol Wheeler
Peggy Whitley
Wendell Williams
Dennis Winchell
Glen Wood
Jed Young

Dean, Student Development
Chief Emergency Management Officer
Executive Director, Construction
Director, Network Operations
Director, Nursing Program
Director, Business/Auxiliary
Dean, Educational Support Services
Vice President, Student Success
Director, Facilities
Director, Student Information Services
Executive Director, Marketing Services