MINUTES OF THE
WORKSHOP AND REGULAR MEETING OF THE BOARD OF TRUSTEES
LONE STAR COLLEGE SYSTEM
CENTRAL SERVICES AND TRAINING CENTER
TRAINING AND DEVELOPMENT CENTER BOARD ROOM
5000 RESEARCH FOREST DRIVE
THE WOODLANDS, TEXAS 77381
June 3, 2010
5:00 p.m.

PRESENT:  Mr. Randy Bates, Chair
Dr. David Holsey, Vice Chair
Mr. David Vogt, Assistant Secretary
Mr. Robert Adam
Mr. Chris Daniel
Ms. Linda Good
Ms. Stephanie Marquard
Mr. Robert Wolfe

ABSENT:  Ms. Priscilla Kelly, Secretary

I. CALL TO ORDER:  Mr. Bates called the workshop and regular meeting of the Board of Trustees to order at 5:06 p.m. after determining a quorum was present.

II. PLEDGE OF ALLEGIANCE:  Mr. Wolfe 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.”

Ms. Marquard arrived at 5:09 p.m. and Mr. Adam arrived at 5:11 p.m.

IV. ADMINISTRATION OF THE OATH OF OFFICE FOR TRUSTEE POSITIONS 5, 6 AND 7:  the oath of office was administered by Justice David Gaultney of the Ninth Court of Appeals, to Mr. David Vogt, Position 5 of the Board of Trustees, to Mr. Bob Wolfe, Position 6 of the Board of Trustees, and to Ms. Linda S. Good, Position 7 of the Board of Trustees.

V. REORGANIZATION OF THE BOARD OF TRUSTEES (ACTION ITEM 1):  Mr. Robert Adam, Chairperson of the Nominating Committee, presented the nominated slate of officers as follows:  Mr. Bates, Chair; Dr. Holsey, Vice Chair; Ms. Kelly, Secretary; and Mr. Vogt, Assistant Secretary.  Mr. Adam made the motion to appoint the slate, and upon a second to the motion by Mr. Vogt, the Board unanimously accepted the slate as presented.  A copy is attached as Exhibit “B.”
VI. **INTRODUCTIONS, SPECIAL GUESTS, RECOGNITIONS:** Chancellor Carpenter welcomed Kassia Micek of the Conroe Courier and Beth Kuhles of the Houston Chronicle.

VII. **WORKSHOP:** None

VIII. **CLOSED SESSION:** At 5:15 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

IX. **RECONVENE REGULAR MEETING:** Mr. Bates reconvened the open meeting at 7:00 p.m.

X. **APPROVAL OF THE MINUTES OF THE MAY 6, 2010 WORKSHOP AND REGULAR MEETING AND ACCEPT THE MINUTES OF THE MAY 13, 2010 SPECIAL MEETING:** upon a motion by Mr. Daniel and a second to the motion by Mr. Adam, the Board approved the minutes of the May 6, 2010 Workshop and Regular Meeting. Ms. Good abstained. Upon a motion by Mr. Daniel and a second to the motion by Ms. Marquard, the Board accepted the minutes of the May 13, 2010 Special Meeting Board. Ms. Good abstained. Mr. Bates, Dr. Holsey, Mr. Adam, Ms. Marquard and Mr. Wolfe abstained.

XI. **CITIZENS DESIRING TO ADDRESS THE BOARD:** No citizen addressed the Board.

XII. **SPECIAL REPORTS AND ANNOUNCEMENTS:**

1. **Chancellor:** Chancellor Carpenter welcomed Ms. Good to the Board. The Chancellor reported summer enrollment has increased 32.3% over last year with student enrollment at 33,457. The Chancellor reminded the Board of the LSC-Cypress Center ground breaking ceremony which will be held on Monday, June 28 at the intersection of Clay and Fry Roads in Katy at 10:00 a.m. The Chancellor announced budget cuts from the State of $3.2M reduction in this year's budget, $3.2M in 2011 budget, $6.4M in 2012 budget and $6.4M in 2013 budget. A proposed budget to reflect these cuts is being prepared to present to the board in July. The Chancellor congratulated Mr. Daniel on receiving his J. D. degree.

2. **College Presidents:** Dr. Katherine Persson, president of LSC-Kingwood, presented an overview of LSCS strategic goal eight, to develop and maintain mutually
constructive community partnerships. Dr. Persson reported that by strengthening innovative relationships with local industries, healthcare community, state agencies, educational partners and civic organizations; strengthening connectivity of enrollment in technical programs and projected workforce needs; expanding and marketing non-credit continuing education programs; creating a system-wide mechanism to gather input from community; and promoting the Lone Star Corporate College, this strategic goal will be accomplished.

3. **Vice Chancellors:** Mr. Ray Laughter, vice chancellor of external affairs, introduced Ms. Darcy Mingoia, executive director of the foundation, who presented a report of the April 24 Foundation Star Gala. The final revenue number is $405,000, an increase of 11.5% over last year, and 66 stand-up scholarships. A VIP party for the sponsors and sponsors to be and three parties to gather auction items were new activities this year. Ms. Mingoia thanked the co-chairs of the gala, Carl and Colene Joiner for their work, Shah Ardalan, vice chancellor, OTS, for his work in obtaining many donations, sponsors and tables and Judy Lux, foundation program manager, for her work in organizing the gala. Ms. Mingoia asked the Board to save the date of April 16, 2011 for next year’s gala.

4. **Other:**

   **Summary Report of Grant Seeking Activities:** Ms. Cindy Gilliam, vice chancellor for administration and finance, presented the summary report. A copy is attached as Exhibit “C.”

XIII. **CONSIDERATION OF CONSENT AGENDA:** Mr. Bates proceeded with the Consent Agenda. Action Items 3, 15 and 17 were recommended to be considered separately. Mr. Adam made a motion to approve Action Items 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, 18, 19, 20, 21, 22, 23, 24, 25 and 26. Mr. Wolfe seconded the motion and the Board unanimously passed the Consent Agenda. A copy is attached as Exhibit “D.”

XIV. **POLICY REPORTS AND CONSIDERATIONS**

1. **Consideration of Approval of Board Policies A: Appropriations and Revenue Sources and C: Cash Management (SECOND READING) (ACTION ITEM 2):** the Board unanimously approved the recommended revisions to Board Policies A: Appropriations and Revenue Sources and C: Cash Management. This item was passed in the Consent Agenda. A copy is attached as Exhibit “E.”

2. **Consideration of Approval of the Lone Star College System (LSCS) Vision, Mission and Value Statements (ACTION ITEM 3):** upon a motion by Dr. Holsey and a second to the motion by Mr. Daniel, the Board unanimously approved the LSCS Vision, Mission and Value Statements. A copy is attached as Exhibit “F.”

3. **Consideration of Approval to Amend Polling Locations in the May 8 Trustee Election Order and to Ratify the Appointment of Election Judges (ACTION ITEM 4):**
Board unanimously approved the amendment which moved one Harris County polling location and to ratify the appointment of election judges as presented. This item was passed in the Consent Agenda. A copy is attached as Exhibit “G.”

XV. 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 April 30, 2010. A copy is attached as Exhibit “H.”

2. **Reports of Contracts that Board Authorized Chancellor to Negotiate and Execute:** the Board reviewed the report as presented. A copy is attached as Exhibit “I.”

3. **Consideration of Approval of Tax Exemption Allowances for Tax Year 2010 (ACTION ITEM 5):** the Board unanimously approved the following tax exemptions for the year 2010 for Harris, Montgomery and San Jacinto counties: Homestead Exemption $5,000 or 1% (whichever is greater); Over 65 Exemption $75,000 and Disability $75,000. Texas Property Tax Code Sec. 11.13 mandates that the governing body of the taxing unit must adopt exemptions. This item was passed in the Consent Agenda. A copy is attached as Exhibit “J.”

4. **Consideration of Approval to Purchase Mechatronics Technology Equipment for LSC-North Harris (ACTION ITEM 6):** the Board unanimously approved the purchase of mechatronics technology equipment for LSC-North Harris in the amount of $137,141 from the lowest bidders: National Instruments in the amount of $73,965, Advanced Technologies, Inc. in the amount of $58,572 and FANUC Robotics America in the amount of $4,604. This item was passed in the Consent Agenda. A copy is attached as Exhibit “K.”

5. **Consideration of Approval to Amend Copy Center and Mail Services Agreement for LSC-North Harris (ACTION ITEM 7):** the Board unanimously approved the amendment of the copy center and mail services agreement with Houston Independent School District (HISD), 4400 W 18th Street 1NE03, Houston, Texas 77092 for a new contract amount of $203,232 annually. This approval will include the option to renew for three additional one year terms. This item was passed in the Consent Agenda. A copy is attached as Exhibit “L.”

6. **Consideration of Approval to Purchase Enterprise Portal Modules and Installation Services (ACTION ITEM 8):** the Board unanimously approved the purchase of enterprise portal modules and installation services from Intrasec, 37309 Harvest Drive, Avon, OH 44011 in the amount of $210,000 for two years. In addition, authorized the Chancellor or designee to negotiate and execute amendments to renew the agreement for an additional three years and additional modules or users for an amount not to exceed $485,000 over five years. This item was passed in the Consent Agenda. A copy is attached as Exhibit “M.”
7. Consideration of Approval to Purchase Scheduling Software (ACTION ITEM 9): the Board unanimously approved the purchase of scheduling software from CDW Government Computers, Inc., 230 N Milwaukee Avenue, Vernon Hills, IL 60061, in the amount of $89,952 plus the cost of annual maintenance as long as the software is utilized. This item was passed in the Consent Agenda. A copy is attached as Exhibit “N.”

8. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute an Agreement for the Department of Information (DIR) Cooperative Purchase of Telephone Services (ACTION ITEM 10): the Board unanimously authorized the Chancellor or designee to negotiate and execute a one year agreement with AT&T, 6500 West Loop South Zone 5.2, Bellaire, TX 77401, for the DIR cooperative purchase of telephone services for an estimated amount of $200,000. This item was passed in the Consent Agenda. A copy is attached as Exhibit “O.”

9. Consideration of Approval to Amend Janitorial Services Agreement for LSC-North Harris (ACTION ITEM 11): the Board unanimously approved the amendment of the janitorial services agreement for LSC-North Harris with McLemore Building Maintenance (MBM), 110 Fargo Street, Houston, Texas 77006, to include four additional buildings in the amount of $92,040 annually bringing the total annual amount to $355,570. In addition, authorized the Chancellor or designee to execute contract amendments for a total contract amount not to exceed $2,000,000 over the 5 year term. This item was passed in the Consent Agenda. A copy is attached as Exhibit “P.”

10. Consideration of Approval to Amend the Existing Agreement with Phonoscope for the Purchase of Construction, Lease, and Maintenance of Fiber Optic Cable for Additional Satellite Centers (ACTION ITEM 12): the Board unanimously approved the amendment to the existing agreement with Phonoscope, 6105 Westline Drive, Houston, Texas 77036, for the purchase of construction, lease, and maintenance of fiber optic cable for additional satellite centers in the amount of $451,278. This item was passed in the Consent Agenda. A copy is attached as Exhibit “Q.”

11. Consideration of Approval to Purchase Computer Integrated Manikins for Nursing Programs at LSC-Kingwood and LSC-CyFair (ACTION ITEM 13): the Board unanimously approved the purchase of computer integrated manikins for the Nursing Programs at LSC-Kingwood and LSC-CyFair from Gaumard Scientific, 14700 SW 136th Street, Miami, Florida 33196, for $112,581. This item was passed in the Consent Agenda. A copy is attached as Exhibit “R.”

12. Consideration of Approval for the Chancellor to Negotiate and Execute a Contract to Sell Property Located at the Central Services and Training Center on the Northwest side of Gosling and Northeast of Research Forest Drive (ACTION ITEM 14): the Board unanimously authorized the Chancellor or his designee to negotiate and execute a contract to sell approximately 3.5 acres of the Central Services and Training Center (CSTC) campus in The Woodlands to the Houston Advanced Research Center
(HARC) for the fair market value of $800,000.00. This item was passed in the Consent Agenda. A copy is attached as Exhibit “S.”

13. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute an Agreement for the Harris County Department of Education (HCDE) Cooperative Purchase of Additional Furniture and Installation Services for the Central Services & Training Center (CSTC) (ACTION ITEM 15): upon a motion by Ms. Marquard and a second to the motion by Mr. Vogl, the Board authorized the Chancellor or designee to negotiate and execute an agreement for the HCDE cooperative purchase of additional furniture and installation services for CSTC from approved purchasing cooperative program vendors for an estimated amount of $130,000 for a total revised allocated budget of $390,000. Mr. Wolfe abstained. A copy is attached as Exhibit “T.”

14. Consideration of Approval of The Cooperative Purchasing Network (TCPN) Lease of Temporary Modular Buildings for LSC-CyFair and LSC-Kingwood (ACTION ITEM 16): the Board unanimously approved a one year lease of temporary modular buildings for LSC-CyFair and LSC-Kingwood from a TCPN cooperative vendor, Williams Scotsman Corporation, 7915 FM 1960 West, Suite 115, Houston, Texas 77070, in the amount of $385,283. This item was passed in the Consent Agenda. A copy is attached as Exhibit “U.”

15. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute an Agreement for the Harris County Department of Education (HCDE) Cooperative Purchase of Classroom and Office Furniture for LSC-University Park (ACTION ITEM 17): upon a motion by Mr. Daniel and a second by Ms. Marquard, the Board authorized the Chancellor or designee to negotiate and execute an agreement for the HCDE cooperative purchase of classroom and office furniture for LSC-University Park from JCS, Ltd. 1246 Silber, Houston, TX 77055, for an estimated amount of $260,000. Mr. Wolfe abstained. A copy is attached as Exhibit “V.”

16. Consideration of Approval to Purchase Human Patient Simulators and Medical Equipment for Emergency Medical Services (EMS) and Nursing Programs at LSC-CyFair (ACTION ITEM 18): the Board unanimously approved the purchase of human patient simulators and medical equipment for the EMS and Nursing programs at LSC-CyFair in the amount of $109,537 from the following vendors: Laerdal Medical Corp in the amount of $102,353 and Armstrong Medical Industries, Inc. in the amount of $7,184. This item was passed in the Consent Agenda. A copy is attached as Exhibit “W.”

17. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute A Reciprocal Licensing Agreement For Parking at LSC-Tomball Health Science (ACTION ITEM 19): the Board unanimously authorized the Chancellor or designee to negotiate and execute a reciprocal licensing agreement for parking at
LSC-Tomball Health Science. This item was passed in the Consent Agenda. A copy is attached as Exhibit “X.”

18. Consideration of Approval to Execute An Amendment To Drill Site Agreement for LSC-CyFair (ACTION ITEM 20): the Board unanimously authorized the Chancellor to execute an amendment to drill site agreement for LSC-CyFair. This item was passed in the Consent Agenda. A copy is attached as Exhibit “Y.”

19. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute an Agreement for the Texas Procurement and Support Services’ (TPASS) Texas Multiple Award Schedule (TXMAS) Cooperative Purchase of Fire Alarm System Repair and Inspection Services for LSC-University Park (ACTION ITEM 21): the Board unanimously authorized the Chancellor or designee to negotiate and execute an agreement for the TXMAS cooperative purchase of repairs and inspection services for the fire alarm system at LSC-University Park with Siemens Fire Protection Systems and Services, 15730 W. Hardy Rd., Houston, TX 77060, for an estimated amount of $150,000. This item was passed in the Consent Agenda. A copy is attached as Exhibit “Z.”

20. Consideration of Approval to Execute a Ratification of Petition for Addition of Certain Land to Harris County Municipal Utility District No. 501 for LSC-CyFair (ACTION ITEM 22): the Board unanimously authorized the Chancellor to execute a ratification of petition for addition of certain land to Harris County Municipal Utility District No. 501 (MUD #501) for LSC-CyFair. This item was passed in the Consent Agenda. A copy is attached as Exhibit “aa.”

21. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute Change Order Three for the Purchase of Construction Manager at Risk (CM-at-Risk) Services for Additional Renovations at LSC-University Park (ACTION ITEM 23): the Board unanimously authorized the Chancellor or designee to negotiate and execute Change Order Three for the purchase of CM-at-risk services from Cadence McShane Construction for additional renovations at LSC-University Park in an amount not to exceed $3.0 million bringing the total contract amount to $18.5 million. This item was passed in the Consent Agenda. A copy is attached as Exhibit “bb.”

XVI. BUILDING AND GROUNDS REPORT:

Construction Projects Update: the Board reviewed the report as presented. A copy is attached as Exhibit “cc.”
XVII. PERSONNEL REPORTS AND CONSIDERATIONS:

1. Consideration of Ratification of Appointments (ACTION ITEM 24): the Board unanimously ratified the appointments as presented. This item was passed in the Consent Agenda. A copy is attached as Exhibit “dd.”

2. Consideration of Acceptance of Resignations (ACTION ITEM 25): the Board unanimously accepted the resignations as presented. This item was passed in the Consent Agenda. A copy is attached as Exhibit “ee.”

3. Consideration of Approval of Commissioning of Peace Officers (ACTION ITEM 26): the Board unanimously approved the commissioning of the following peace officers for the Lone Star College System: LSC-Tomball – Catrina G. Davis; LSC-CyFair – William M. Garner, Alvin E. McGaskey and Jimmy Smith; LSC-University Park – Melinda A. Ortega; Larry B. Smith and Janet Stark; and LSC-Montgomery – Jerome L. Powell. This item was passed in the Consent Agenda. A copy is attached as Exhibit “ff.”

XVIII. SUGGESTED FUTURE AGENDA ITEMS: None

XIV. ADJOURNMENT: There being no further business, the meeting was adjourned at 7:18 p.m.

ATTEST:

[Signatures]

Board of Trustees, Chair

Board of Trustees, Secretary
Exhibit "A"

Certification of Posting of Notice to the June 3, 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 Friday the 28th 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 28th day of May, 2010.

Richard Carpenter
Chancellor
Board Policy D 1.01 requires that the “Officers of the Board shall be elected at the first regular meeting following the regular election of Board members in even numbered years.” The Nominating Committee of Priscilla Kelly (Chair), Robert Adam and David Holsey will recommend a slate of candidates for the following offices:

Chair
Vice Chair
Secretary
Assistant Secretary
### Summary of Grant Seeking Activities

**For the 12 Months Ending March 31, 2010**

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Awards</td>
<td>26</td>
<td>30</td>
</tr>
<tr>
<td>Amount of Awards</td>
<td>$5,680,606</td>
<td>$8,481,211</td>
</tr>
<tr>
<td>LSCS as Fiscal Agent</td>
<td>18</td>
<td>25</td>
</tr>
<tr>
<td>Number of Pending Proposals</td>
<td>4</td>
<td>15</td>
</tr>
<tr>
<td>Amount of Pending Proposals</td>
<td>$393,178</td>
<td>$6,324,467</td>
</tr>
<tr>
<td>Number of Proposals Not Funded</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Amount of Proposals Not Funded</td>
<td>$2,189,424</td>
<td>$9,121,899**</td>
</tr>
<tr>
<td>Total Number of Proposals Submitted</td>
<td>38</td>
<td>53</td>
</tr>
<tr>
<td>Total Amount of Proposals Submitted</td>
<td>$8,263,208</td>
<td>$23,927,577**</td>
</tr>
<tr>
<td>Success Rate (awards/( proposals submitted-pending proposals)]</td>
<td>74%</td>
<td>79%</td>
</tr>
<tr>
<td>Grants Currently Under Development</td>
<td>N/A</td>
<td>16</td>
</tr>
<tr>
<td>Grants Explored</td>
<td>49</td>
<td>94</td>
</tr>
<tr>
<td>Number of Grants Assessed, But Not Pursued</td>
<td>N/A</td>
<td>42</td>
</tr>
</tbody>
</table>

**Includes $6,000,000 submission to the Economic Development Administration to support workforce training in the Aldine Area from disaster recovery funds that is being resubmitted at the request of the funder for $1,400,000.**

### For the 7 Months Ending March 31, 2010

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Awards</td>
<td>14</td>
</tr>
<tr>
<td>Amount of Awards</td>
<td>$3,979,113</td>
</tr>
<tr>
<td>LSCS as Fiscal Agent</td>
<td>10</td>
</tr>
<tr>
<td>Number of Pending Proposals</td>
<td>18</td>
</tr>
<tr>
<td>Amount of Pending Proposals</td>
<td>$7,042,713</td>
</tr>
<tr>
<td>----------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>Number of Proposals Not Funded</td>
<td>5</td>
</tr>
<tr>
<td>Amount of Proposals Not Funded</td>
<td>$986,922</td>
</tr>
<tr>
<td>Total Number of Proposals Submitted</td>
<td>37</td>
</tr>
<tr>
<td>Total Amount of Proposals Submitted</td>
<td>$12,008,748</td>
</tr>
<tr>
<td>Success Rate [awards/(proposals submitted-pending proposals)]</td>
<td>74%</td>
</tr>
<tr>
<td>Grants Currently Under Development</td>
<td>16</td>
</tr>
<tr>
<td>Grants Explored</td>
<td>96</td>
</tr>
<tr>
<td>Number of Grants Assessed, But Not Pursued</td>
<td>42</td>
</tr>
</tbody>
</table>

**Lone Star College System**

**Grant Awards Received Between January 1, 2010 – March 31, 2010**

1. **Grant Title:** Improving Access to Technological Education Programs and Careers for Community College Students with Learning Disabilities

   **Funding Agency:** Department of Education (DOE)
   **Amount Awarded:** $10,000
   **Date Awarded:** 11/18/2009
   **Fiscal Agent:** Landmark College
   **Project Director:** Sandi Patton
   **Colleges:** Lone Star College System
   **Duration:** 1 Year
   **External Partners:** Landmark College
   **New or Continuation:** Continuation

   **Description:**
   The goal of this program is to improve the quality of postsecondary education delivered to community college students with learning disabilities.

2. **Grant Title:** Skills Development Fund: Godwin-Lectrus

   **Funding Agency:** Texas Workforce Commission (TWC)
Amount Awarded: $359,868
Date Awarded: 12/16/2009
Fiscal Agent: Lone Star College System
Project Director: Linda Head
Colleges: Corporate College
Duration: 1 Year
External Partners: Godwin SBO and Lectrus
New or Continuation: New

Description:
Lone Star Corporate College will utilize TWC funds to provide customized training to two local companies, Godwin-SBO and Lectrus Corporation. Funds will also be utilized to cover administrative costs, some equipment, some staffing and materials associated with the training.

3. Grant Title: Jobs and Education for Texans (JET) - Equipment Grant
Amount Awarded: $245,500
Date Awarded: 12/17/2009
Fiscal Agent: Lone Star College - Corporate College
Project Director: Jo Fey
Colleges: LSC-CyFair
Duration: 1 Year
External Partners: N/A
New or Continuation: New

Description:
This grant provides funding for equipment to expand the current Mechatronics program on the LSC-CyFair campus. Grant funds will be used to purchase and install equipment necessary for the operation of the new courses within the Mechatronics program. The equipment will allow a fourth semester of courses to be added to the current Mechatronics program greatly benefiting current and future students.

Funding Agency: Texas Higher Education Coordinating Board (THECB)
Amount Awarded: $1,013,900
Date Awarded: 2/3/2010
Fiscal Agent: Lone Star College System
Project Director: John Robertson
Colleges: LSCS
Duration: 9 Months
External Partners: N/A
New or Continuation: New

**Description:**
These American Recovery and Reinvestment Act funds of $1,013,900 will be used for employee salaries and benefits. The plan pays for 279 adjunct faculty positions (equivalent of 12.9 FTE), for an estimated 26,784 hours of instruction to accommodate our 14.3% increase in student enrollment as of the official day of record for the fall 2009 semester. This enrollment growth requires LSCS to hire additional adjunct faculty positions for the fall semester.

5. **Grant Title:** Skills Development Fund - National Oilwell Varco (NOV)

Funding Agency: Texas Workforce Commission (TWC)
Amount Awarded: $883,212
Date Awarded: 2/26/2010
Fiscal Agent: Lone Star College - Corporate College
Project Director: Linda Head
Colleges: LSCS
Duration: 18 Months
External Partners: National Oilwell Varco, Austin Community College
New or Continuation: New

**Description:**
LSCS will provide customized training to National Oilwell Varco (NOV) to improve production and efficiencies for field service technicians and manufacturing assemblers. This will be achieved by placing emphasis on a particular area within particular courses. Customization will also include on-site training on specific brands of their new equipment in actual situations.
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.

Tally of Action Items:

<table>
<thead>
<tr>
<th>#</th>
<th>Action Item</th>
<th>Consent Agenda</th>
<th>Chancellor Recommended Separate Action</th>
<th>Board Separate Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Approve Board Policies Section III A. and C.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Approve Vision, Mission, Value Statements</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Approve Polling Location/Ratify Appt Judges</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Approve Tax Exemption Allowances 2010</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Approve Purchase Mechatronics Tech Eqmt/NH</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Approve Amendment Copy Ctr Mail Svc Agrmt/NH</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Approve Purchase Portal Modules/Installation Svcs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Approve Purchase Scheduling Software</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Authorize Chan/Neg/Exec Agrmt Telephone Svcs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Approve Amend Janitorial Services Agreement/NH</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Approve Amend Agrmt/Fiber Optic Cable/Satellite Ctr</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Approve Purchase Computer Integrated Manikins/K/CF</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Approve Chan/Neg/Exec Contract/Sell Property/CSTC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Authorize Chan/Neg/Exec Agrmt/Purchase Furn/CSTC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Approve Lease Temporary Modular Bldg/CF/K</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Authorize Chan/Neg/Exec Agrmt/Purchase Furn/UP</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>Approve Purchase Human Patient Simulators/Eqmt/CF</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Authorize Chan/Neg/Exec Agrmt/Parking/T Health</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Tally of Action Items:

<table>
<thead>
<tr>
<th></th>
<th>Consent Agenda</th>
<th>Chancellor Recommended Separate Action</th>
<th>Board Separate Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>#20</td>
<td>Approve Execute Amendment/Drill Site/CF</td>
<td>___</td>
<td>___</td>
</tr>
<tr>
<td>#21</td>
<td>Authorize Chan/Neg/Exe Purchase Fire Alarm/UP</td>
<td>___</td>
<td>___</td>
</tr>
<tr>
<td>#22</td>
<td>Approve Ratify Petition/Land/MUD501/CF</td>
<td>___</td>
<td>___</td>
</tr>
<tr>
<td>#23</td>
<td>Approve Chan/Neg/Exe Change Order/UP</td>
<td>___</td>
<td>___</td>
</tr>
<tr>
<td>#24</td>
<td>Ratify Appointments</td>
<td>___</td>
<td>___</td>
</tr>
<tr>
<td>#25</td>
<td>Accept Resignations</td>
<td>___</td>
<td>___</td>
</tr>
<tr>
<td>#26</td>
<td>Approve Commissioning of Peace Officers</td>
<td>___</td>
<td>___</td>
</tr>
</tbody>
</table>
Policy Consideration No. 1 (ACTION ITEM 2) Board Meeting 6-3-10

Request: Consideration of Approval of Board Policies A: Appropriations and Revenue Sources and C: Cash Management (SECOND READING)

Chancellor's Recommendation: That the Board of Trustees approve the recommended revisions to Board Policies A: Appropriations and Revenue Sources and C: Cash Management. This is the second reading.

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 2256.005(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 will be effective immediately and will 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/tried/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 _______________
Exhibit “F”

Policy Consideration No. 2

Request: Consideration of Approval of the Lone Star College System (LSCS) Vision, Mission and Value Statements

Chancellor’s Recommendation: That the Board of Trustees approve the LSCS Vision, Mission and Value Statements.

Rationale: During Spring 2010, the executive leadership team, with faculty, staff, administrators, and student representatives from each of the five colleges and system office, crafted a new Vision statement, and revised the Mission and Values statements for the Lone Star College System.

The executive leadership team comprised of the college presidents, vice chancellors, general counsel, and the special assistant to the chancellor/board liaison utilized the assistance of an outside consultant to facilitate the crafting process. Once the executive leadership team defined and revised these important statements, the presidents petitioned faculty, students and staff for input to these statements. The Board is now requested to take formal action to approve the Lone Star College Vision, Mission and Value Statements.

These statements will further define Lone Star College System as a premier institution of higher education and serve as guidelines for future planning and direction.

Fiscal Impact: None

Staff Resource: Rand Key

832-813-6522
Lone Star College System Vision

Lone Star College System is recognized globally as the premier community college for student success, innovation and partnerships.

Lone Star College System Mission

Lone Star College System provides comprehensive educational opportunities and programs to enrich lives.

Lone Star College System Value Statements

Affordable Access
We believe that the Lone Star College System provides an affordable and accessible educational experience which meets the needs of its diverse communities.

Building Communities and Partnerships
We believe that the Lone Star College System is the catalyst for promoting a seamless educational journey and for nurturing the intellectual and cultural life of the community.

Commitment to International Education
We believe that the Lone Star College System demonstrates its commitment to international education by embracing multiple perspectives, promoting understanding and educating students to become contributing members in a culturally and ethnically diverse world.

Communication
We believe that the achievement of the Vision and Mission of the Lone Star College System requires an effective system of communication among both internal and external constituencies.

Diversity
We believe the Lone Star College System provides an inclusive learning and working environment for our diverse students, faculty, administrators and staff and that our System programs, services and personnel reflect the communities we serve.

Economic and Workforce Development
We believe that the Lone Star College System serves as the critical link for economic and workforce development to provide prosperity through partnerships with business, government and community organizations.

Ethics/Integrity
We believe that it is essential that all Lone Star College System employees adhere to the highest standards of ethics and integrity.

Evaluation/Accountability
We believe that it is essential that the Lone Star College System employ data-supported decision making and regularly assess the impact and outcomes of our efforts for continuous improvement.
**Human Resources**
We believe that the most important resources of the Lone Star College System are the individual faculty and staff members, who are entitled to a supportive collegial work environment which rewards excellence and innovation, creates opportunities for professional development, fosters meaningful involvement in shared governance and provides excellent compensation.

**Leadership**
We believe that the Lone Star College System, building on a solid foundation of growth and service, is a recognized leader in the community college movement, making important contributions to the profession through partnerships, innovation, scholarship, creative services and integrated technologies.

**Learning Environment**
We believe that the Lone Star College System is a dynamic learning environment, distinguished by academic freedom and excellence in teaching, allowing citizens to develop to the full extent of their ability, to succeed in a competitive work environment and to be effective lifelong learners.

**Stewardship**
We believe that the Lone Star College System is committed to rigorous stewardship of the resources entrusted to its care to ensure maximum benefit for the community.

**Technology**
We believe that technology is a critical resource in supporting and achieving instructional, operational and strategic goals of the Lone Star College System.
Policy Consideration No. 3 (ACTION ITEM 4) Board Meeting 6-3-10

Request: Consideration of Approval to Amend Polling Locations in the May 8 Trustee Election Order and to Ratify the Appointment of Election Judges

Chancellor's Recommendation: That the Board of Trustees approve the amendment which moved one Harris County polling location and ratify the appointment of election judges as presented.

Rationale: The judge at LSCS polling location HC46, Clarion Inn, notified us late Thursday, May 6 that she would be unable to work on May 8 due to a death in her family. We were unable to find another judge to work that location and on Friday afternoon, May 7 we identified an alternate polling location close to the original location. Voters scheduled to vote at Clarion Inn (HC46) were directed to vote at Holiday Inn Houston Intercontinental (HC92).

We posted the change of polling places in English, Spanish and Vietnamese at the original polling location and transported the JBC’s from the original polling place to the new polling place.

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.

At the May 6, 2010 Board of Trustees Board Meeting, the Board authorized Helen Clougherty, Elections Administrator and Agent for the Board Secretary, to find and appoint judges as needed for the precinct polling places. The following judges were appointed at the indicated polling location.

<table>
<thead>
<tr>
<th>HC</th>
<th>PRECINCT</th>
<th>ELECTION JUDGES</th>
</tr>
</thead>
<tbody>
<tr>
<td>42</td>
<td>Gwendolyn Jennings</td>
<td></td>
</tr>
<tr>
<td>70</td>
<td>Kathryn Chrisman</td>
<td></td>
</tr>
<tr>
<td>72</td>
<td>Jimmie Burks</td>
<td></td>
</tr>
</tbody>
</table>

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
Financial Report and Consideration No. 1

Report: Monthly Financial Statements

The financial statements for the month ended April 30, 2010 are presented for Board review.
<table>
<thead>
<tr>
<th></th>
<th>67% OF</th>
<th>% ACTUAL TO BUDGET</th>
<th>67% OF</th>
<th>% ACTUAL TO BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BUDGET</td>
<td>ACTUAL 4/30/2009</td>
<td>PRIOR YEAR 4/30/2009</td>
<td>08/31/09 ACTUAL</td>
</tr>
<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>37,843,843</td>
<td>61.36%</td>
<td>38,543,295</td>
</tr>
<tr>
<td>Tuition and Fees</td>
<td>53,980,000</td>
<td>58,748,291</td>
<td>108.83%</td>
<td>47,607,304</td>
</tr>
<tr>
<td>Taxes</td>
<td>92,900,000</td>
<td>88,316,206</td>
<td>95.67%</td>
<td>85,074,903</td>
</tr>
<tr>
<td>Investments</td>
<td>1,580,000</td>
<td>162,249</td>
<td>10.27%</td>
<td>806,944</td>
</tr>
<tr>
<td>Other</td>
<td>3,730,000</td>
<td>1,577,095</td>
<td>42.98%</td>
<td>2,387,898</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>213,800,000</td>
<td>186,608,684</td>
<td>87.28%</td>
<td>174,420,244</td>
</tr>
<tr>
<td><strong>EXPENDITURES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction-Academic</td>
<td>56,114,345</td>
<td>40,860,705</td>
<td>72.82%</td>
<td>37,862,360</td>
</tr>
<tr>
<td>Instruction-Workforce</td>
<td>25,819,011</td>
<td>17,778,836</td>
<td>68.86%</td>
<td>17,168,048</td>
</tr>
<tr>
<td>Public Service</td>
<td>1,226,169</td>
<td>608,358</td>
<td>50.15%</td>
<td>640,127</td>
</tr>
<tr>
<td>Academic Support</td>
<td>41,834,392</td>
<td>23,980,306</td>
<td>57.32%</td>
<td>21,725,897</td>
</tr>
<tr>
<td>Student Services</td>
<td>25,865,826</td>
<td>14,087,166</td>
<td>54.46%</td>
<td>11,636,921</td>
</tr>
<tr>
<td>Institutional Support</td>
<td>23,900,632</td>
<td>13,421,748</td>
<td>56.20%</td>
<td>13,204,750</td>
</tr>
<tr>
<td>Plant Operation and Maintenance</td>
<td>26,306,837</td>
<td>15,592,072</td>
<td>59.27%</td>
<td>16,444,642</td>
</tr>
<tr>
<td>Staff Benefits</td>
<td>12,582,788</td>
<td>9,985,388</td>
<td>79.36%</td>
<td>9,673,287</td>
</tr>
<tr>
<td><strong>Total Educational and General Expenditures</strong></td>
<td>213,650,000</td>
<td>136,384,579</td>
<td>63.84%</td>
<td>125,356,032</td>
</tr>
<tr>
<td>Repair, Replacement and Other Internally Designated</td>
<td>2,750,000</td>
<td>1,321,360</td>
<td>48.03%</td>
<td>607,149</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>216,400,000</td>
<td>137,705,939</td>
<td>63.63%</td>
<td>128,963,181</td>
</tr>
<tr>
<td>Other Changes - Debt Service &amp; Fund Transfers</td>
<td>4,600,000</td>
<td>2,602,777</td>
<td>56.58%</td>
<td>2,650,508</td>
</tr>
<tr>
<td><strong>NET INCREASE (DECREASE) IN FUND BALANCES</strong></td>
<td>(7,200,000)</td>
<td>(46,299,968)</td>
<td></td>
<td>(42,806,655)</td>
</tr>
</tbody>
</table>
### LONE STAR COLLEGE SYSTEM

#### STATEMENT OF OPERATIONS - TECHNOLOGY FUND

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

**FOR THE EIGHT MONTHS ENDED APRIL 30, 2010**

**UNAUDITED**

<table>
<thead>
<tr>
<th></th>
<th>67% OF BUDGET</th>
<th>67% OF ACTUAL</th>
<th>% ACTUAL TO BUDGET</th>
<th>PRIOR YEAR ACTUAL</th>
<th>% OF 5/31/09</th>
<th>% OF 5/31/09</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FISCAL YEAR</td>
<td>ACTUAL</td>
<td></td>
<td>4/30/2009</td>
<td>ACTUAL</td>
<td>ACTUAL</td>
</tr>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technology fee</td>
<td>$ 6,690,000</td>
<td>$ 3,555,958</td>
<td>110.62%</td>
<td>$ 5,207,419</td>
<td>94.73%</td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td></td>
<td>4,739</td>
<td></td>
<td>30,340</td>
<td>81.57%</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>50,000</td>
<td>8,540</td>
<td>0.00%</td>
<td>9,849</td>
<td>100.00%</td>
<td></td>
</tr>
<tr>
<td><strong>Total revenues &amp; additions</strong></td>
<td>$ 6,740,000</td>
<td>$ 2,762,239</td>
<td>109.90%</td>
<td>$ 5,247,568</td>
<td>94.63%</td>
<td></td>
</tr>
<tr>
<td><strong>EXPENDITURES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ERP Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td>1,752,049</td>
<td>1,216,529</td>
<td>69.44%</td>
<td>654,220</td>
<td>75.49%</td>
<td></td>
</tr>
<tr>
<td>Travel and Professional Development</td>
<td>64,406</td>
<td>4,948</td>
<td>7.68%</td>
<td>9,652</td>
<td>70.09%</td>
<td></td>
</tr>
<tr>
<td>Supplies</td>
<td>16,400</td>
<td>17,610</td>
<td>15.18%</td>
<td></td>
<td>17,610</td>
<td>100.00%</td>
</tr>
<tr>
<td>Communications</td>
<td>65,453</td>
<td>27,264</td>
<td>56.98%</td>
<td>120,161</td>
<td>60.62%</td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>153,729</td>
<td>68,252</td>
<td>44.11%</td>
<td>153,499</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserve</td>
<td>21,000</td>
<td></td>
<td>0.90%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total ERP Services</strong></td>
<td>2,172,614</td>
<td>1,344,686</td>
<td>61.86%</td>
<td>799,532</td>
<td>71.08%</td>
<td></td>
</tr>
<tr>
<td>F-Mail Services &amp; Telecommunications</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td>389,966</td>
<td>215,716</td>
<td>55.32%</td>
<td>519,656</td>
<td>72.74%</td>
<td></td>
</tr>
<tr>
<td>Travel and Professional Development</td>
<td></td>
<td>11,339</td>
<td>56.36%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplies</td>
<td>3,728</td>
<td>1,080</td>
<td>28.97%</td>
<td>14,155</td>
<td>83.35%</td>
<td></td>
</tr>
<tr>
<td>Communications</td>
<td>226,380</td>
<td>191,184</td>
<td>84.45%</td>
<td>44,047</td>
<td>71.34%</td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>104,219</td>
<td>22.61%</td>
</tr>
<tr>
<td>Reserve</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total F-Mail Services &amp; Telecommunications</strong></td>
<td>620,080</td>
<td>407,980</td>
<td>65.79%</td>
<td>695,416</td>
<td>54.42%</td>
<td></td>
</tr>
<tr>
<td>Campus Support</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td>635,460</td>
<td>597,215</td>
<td>94.28%</td>
<td>602,806</td>
<td>87.05%</td>
<td></td>
</tr>
<tr>
<td>Travel and Professional Development</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplies</td>
<td>1,015,030</td>
<td>736,802</td>
<td>72.39%</td>
<td>1,295,529</td>
<td>72.15%</td>
<td></td>
</tr>
<tr>
<td>Communications</td>
<td>24,030</td>
<td>14,030</td>
<td>58.33%</td>
<td>18,013</td>
<td>69.28%</td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>2,215,000</td>
<td>698,729</td>
<td>33.51%</td>
<td>592,616</td>
<td>36.52%</td>
<td></td>
</tr>
<tr>
<td>Reserve</td>
<td>18,846</td>
<td>18,846</td>
<td>100.00%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Campus Support</strong></td>
<td>3,966,306</td>
<td>1,887,592</td>
<td>48.32%</td>
<td>2,599,452</td>
<td>78.45%</td>
<td></td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>6,740,000</td>
<td>3,040,258</td>
<td>54.33%</td>
<td>4,002,460</td>
<td>71.59%</td>
<td></td>
</tr>
</tbody>
</table>

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

$\quad -$  $ 3,728,071$  $ 1,245,168$
<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Operating Funds</th>
<th>Plant Funds</th>
<th>Debt Service</th>
<th>Memorandum</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unrestricted</td>
<td>Auxiliary</td>
<td>Restricted</td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>41,465,424</td>
<td>$ 8,562,797</td>
<td>$ 5,309,925</td>
<td>$ 456,160</td>
</tr>
<tr>
<td>Accounts receivable (net of allowance for doubtful accounts)</td>
<td>14,892,162</td>
<td>23,220</td>
<td>539,259</td>
<td>565</td>
</tr>
<tr>
<td>Taxes receivable (net of allowance for doubtful accounts)</td>
<td>8,811,571</td>
<td>-</td>
<td>-</td>
<td>6,291,040</td>
</tr>
<tr>
<td>Due from granting agency</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>64,727,046</td>
</tr>
<tr>
<td>Investments</td>
<td>109,691,262</td>
<td>-</td>
<td>-</td>
<td>185,485,161</td>
</tr>
<tr>
<td>Prepaid and deferred expenses</td>
<td>9,926</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Real estate</td>
<td>105,986</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>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,489,813</td>
</tr>
<tr>
<td>Buildings</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,289,001</td>
</tr>
<tr>
<td>Library books</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>12,619,171</td>
</tr>
<tr>
<td>Furniture, Fixtures &amp; Equipment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>19,879,660</td>
</tr>
<tr>
<td>Capitalized Interest Costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,891,313</td>
</tr>
<tr>
<td>Construction in Progress</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>17,972,291</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>$ 172,972,331</td>
<td>$ 6,131,579</td>
<td>$ 12,619,224</td>
<td>$ 456,725</td>
</tr>
</tbody>
</table>

LIABILITIES AND FUND BALANCES

| LIABILITIES: | | | | |
| Accounts payable | 4,026,096 | 106,501 | 95,811 | 1,178,082 | - | - | - | 45,147 | 5,348,659 |
| Accrued salaries | 4,511,857 | - | - | - | - | - | - | - | 4,511,857 |
| Due to other funds | 47,802,203 | 4,631,292 | 10,980,839 | 1,094 | - | - | 398,424 | - | 73,024,322 |
| Deferred revenues | 11,162,188 | 2,075 | 1,444,820 | - | - | - | 3,025,066 | - | 15,630,190 |
| Accrued controllable amounts payable | 6,043,239 | - | - | - | - | - | 5,901,640 | - | 5,901,640 |
| Accrued Pension Payable | - | - | - | - | - | - | 504,919,572 | - | 504,919,572 |
| Bonds payable | - | - | - | - | - | - | - | - | 275,236,750 |
| Assets held in custody for others | (950) | - | - | - | - | - | - | - | 2,387,633 |
| TOTAL LIABILITIES | 83,570,099 | 4,595,868 | 52,619,224 | 1,094 | 1,178,882 | - | 512,523,642 | 1,429,900 | 617,649,699 |

FUND BALANCES:

<table>
<thead>
<tr>
<th>Fund Balances:</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>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>89,359,322</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Auxiliary</td>
<td>-</td>
<td>3,371,711</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Restricted</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loans</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>485,631</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Restricted for construction</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>159,466,382</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>186,466,382</td>
</tr>
<tr>
<td>Investment in fixed assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>487,601,505</td>
</tr>
<tr>
<td>Debt service</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>To be provided for debt service</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL FUND BALANCES</td>
<td>89,359,322</td>
<td>3,371,711</td>
<td>-</td>
<td>485,631</td>
<td>159,466,382</td>
<td>-</td>
<td>487,601,505</td>
<td>-</td>
</tr>
</tbody>
</table>

TOTAL LIABILITIES AND FUND BALANCES | $ 172,972,331 | $ 6,131,579 | $ 12,619,224 | $ 456,725 | $ 199,645,264 | $ 257,601,595 | $ 26,486,096 | $ 3,428,050 | $ 910,771,394 |
<table>
<thead>
<tr>
<th></th>
<th>Operating Funds</th>
<th>Loan Funds</th>
<th>Plant Funds</th>
<th>Debt Service</th>
<th>Memorandum Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>General Fund</td>
<td>Auxiliary</td>
<td>Restricted</td>
<td>Total</td>
<td>122</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Bond Pledge</td>
</tr>
<tr>
<td>FUND BALANCE, SEPTEMBER 1, 2009</td>
<td>$19,317,393</td>
<td>$2,068,137</td>
<td>$2,01,039</td>
<td>$20,55,528</td>
<td>$455,611</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>REVENUES AND OTHER ADDITIONS:</td>
<td>$105,494,718</td>
<td>$3,920,709</td>
<td>$199,415,427</td>
<td>$2,935,868</td>
<td>$487,691,599</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Funds revenue</td>
<td>$105,494,718</td>
<td>$3,920,709</td>
<td>$199,415,427</td>
<td>$2,935,868</td>
<td>$487,691,599</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues from sale of assets</td>
<td>$8,316,206</td>
<td>$1,326,260</td>
<td>$8,316,206</td>
<td>$2,325,000</td>
<td>$38,625,331</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total revenue</td>
<td>$113,810,924</td>
<td>$5,247,483</td>
<td>$207,731,673</td>
<td>$5,260,868</td>
<td>$526,316,930</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total expenses and other deductions:</td>
<td>$144,750,177</td>
<td>$3,237,322</td>
<td>$30,433,522</td>
<td>$150,020,824</td>
<td>$150,020,824</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NON-MANDATORY TRANSFERS</td>
<td>($2,602,773)</td>
<td>($2,602,773)</td>
<td>($2,602,773)</td>
<td>($2,602,773)</td>
<td>($2,602,773)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHANGES IN FUND BALANCE</td>
<td>$20,028,920</td>
<td>$653,524</td>
<td>$20,028,920</td>
<td>$20,028,920</td>
<td>($17,795,645)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FUND BALANCE, APRIL 10, 2010</td>
<td>$85,316,222</td>
<td>$3,431,721</td>
<td>$92,748,933</td>
<td>$84,561,590</td>
<td>$487,691,599</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# LONE STAR COLLEGE SYSTEM
## SUMMARY OF INVESTMENTS
### AS OF APRIL 30, 2010

<table>
<thead>
<tr>
<th>Operating Unrestricted</th>
<th>Book Value</th>
<th>Market Value</th>
<th>Weighted Avg. Days</th>
<th>Weighted Avg. Purchase Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Government Agencies</td>
<td>$21,006,889</td>
<td>$21,014,148</td>
<td>108</td>
<td>1.08%</td>
</tr>
<tr>
<td>Logic</td>
<td>$6,863,676</td>
<td>$6,863,676</td>
<td>0.19%</td>
<td></td>
</tr>
<tr>
<td>Lone Star</td>
<td>46,507,847</td>
<td>46,507,847</td>
<td>0.23%</td>
<td></td>
</tr>
<tr>
<td>TexPool</td>
<td>34,243,741</td>
<td>34,243,741</td>
<td>0.20%</td>
<td></td>
</tr>
<tr>
<td>Overnight Sweep</td>
<td>1,069,109</td>
<td>1,069,109</td>
<td>0.09%</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>109,601,262</strong></td>
<td><strong>109,698,521</strong></td>
<td><strong>108</strong></td>
<td><strong>0.38%</strong></td>
</tr>
</tbody>
</table>

| Construction in Progress | | | | |
|--------------------------| | | | |
| U.S. Government Agencies | 24,999,526 | 24,971,900 | 0.60% |
| JPMorgan Chase - MMF | 1,121,813 | 1,121,813 | 0.11% |
| Logic | 61,330,289 | 61,330,289 | 0.19% |
| Lone Star | 42,548,438 | 42,548,438 | 0.19% |
| TexPool | 55,409,250 | 55,409,250 | 0.20% |
| **TOTAL** | **185,409,316** | **185,381,690** | **51** | **0.25%** |

| Interest & Sinking | | | | |
|-------------------| | | | |
| Logic | 16,875 | 16,875 | 0.19% |
| Lone Star | 23,321,405 | 23,321,405 | 0.23% |
| TexPool | 208,094 | 208,094 | 0.20% |
| **TOTAL** | **23,546,374** | **23,546,374** | **1** | **0.23%** |

### Total Investments

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$318,646,952</strong></td>
<td><strong>$318,626,585</strong></td>
<td><strong>67</strong></td>
</tr>
</tbody>
</table>

Benchmark, 90 day U.S. Treasury Bill 0.16%
LONE STAR COLLEGE SYSTEM
INVESTMENT ACTIVITY REPORT
FOR THE MONTH ENDED APRIL 30, 2010

<table>
<thead>
<tr>
<th>Operating Unrestricted*</th>
<th>Avg Buy Yield</th>
<th>Construction In Progress</th>
<th>Avg Buy Yield</th>
<th>Interest &amp; Sinking</th>
<th>Avg Buy Yield</th>
<th>Total</th>
<th>Avg Buy Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEGINNING BOOK VALUE</td>
<td>$106,429,586</td>
<td>0.33%</td>
<td>$207,110,125</td>
<td>0.20%</td>
<td>$22,976,984</td>
<td>0.22%</td>
<td>$336,516,703</td>
</tr>
</tbody>
</table>

PURCHASES:

- U.S. Government Agencies
  - 2,000,000 0.94% 10,000,000 0.60%
- Logic
  - 1,068 0.19% 3 0.19%
- Lone Star
  - 1 0.23% 569,359 0.23%
- TexPool
  - 3,555,308 0.20% 28 0.20%
- JPMorgan Chase Liquidity MMF
  - 104 0.11%
- Overnight Sweep
  - 25,000,171 0.00%

TOTAL PURCHASES: 31,456,548 0.08% 10,000,104 0.60% 569,390 0.23% 42,026,042 0.21%

MATURES:

- Logic
  - 11,254,430 0.19%
- Lone Star
  - 2,669,479 0.33% 10,263,166 0.19%
- TexPool
  - 10,182,851 0.20%
- Overnight Sweep
  - 25,520,982 0.00%

TOTAL MATURITIES: 28,190,461 0.02% 31,700,447 0.19%

Premium / (Discount) 4,889 (474) - 4,415
Unrealized Gains (Losses) (9,300) - - (9,300)

ENDING BOOK VALUE: 109,691,262 0.38% 185,409,316 0.25% 23,546,374 0.23% 318,646,952 0.28%

Beg. Unrealized Gains (Losses) 310 7,850 8,160
Unrealized Gains (Losses) Chg. 6,949 (35,476) - (28,527)

ENDING MARKET VALUE: $109,698,521 $185,381,689 $23,546,374 $318,626,585

*Includes Renewal & Replacement Fund
The Board of Trustees periodically authorizes the Chancellor or Designee to negotiate and execute contracts which require board approval. The following is a status report on these contracts.

<table>
<thead>
<tr>
<th>ITEM AUTHORIZED</th>
<th>DATE AUTHORIZED</th>
<th>DATE FINALIZED</th>
<th>BOARD ADVISED AMOUNT</th>
<th>ACTUAL AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of CM-at-risk Services for Central Services and Training Center</td>
<td>11/05/09</td>
<td>05/13/10</td>
<td>$4,200,000*</td>
<td>$709,966</td>
</tr>
<tr>
<td>Purchase of Architectural Services for the Design of the LSC-Aldine Center</td>
<td>11/05/09</td>
<td>05/06/10</td>
<td>$800,000*</td>
<td>$776,145</td>
</tr>
<tr>
<td>Purchase Design Build Services for Data Center at LSC-UP</td>
<td>02/04/10</td>
<td>03/16/10</td>
<td>$2,309,246</td>
<td>$2,015,971</td>
</tr>
<tr>
<td>Execute a Change Order for the Purchase of Construction Manager At Risk Services for Renovation at LSC-UP (GMP 3)</td>
<td>02/04/10</td>
<td>03/09/10</td>
<td>$2,500,000</td>
<td>$848,886</td>
</tr>
<tr>
<td>Purchase of Construction Services for New Buildings, Renovations, and Infrastructure at LSC-K</td>
<td>03/04/10</td>
<td>03/12/10</td>
<td>$22,285,000*</td>
<td>$22,285,000</td>
</tr>
<tr>
<td>Purchase of Construction Services for LSC-T Health Science Building</td>
<td>03/04/10</td>
<td>03/16/10</td>
<td>$8,191,003*</td>
<td>$8,191,003</td>
</tr>
<tr>
<td>Purchase of Construction Services for New Central Plant at LSC-M</td>
<td>03/04/10</td>
<td>03/05/10</td>
<td>$3,149,719*</td>
<td>$3,149,719</td>
</tr>
<tr>
<td>Purchase of Asbestos Abatement Services at LSC-N</td>
<td>03/04/10</td>
<td>03/08/10</td>
<td>$160,497</td>
<td>$160,497</td>
</tr>
<tr>
<td>Purchase of Construction Services for LSC-Acasocita Center</td>
<td>03/04/10</td>
<td>03/05/10</td>
<td>$10,604,000*</td>
<td>$10,604,000</td>
</tr>
<tr>
<td>Purchase of Construction Services for New Buildings, Renovations, and Infrastructure at LSC-T</td>
<td>03/04/10</td>
<td>03/24/10</td>
<td>$15,675,300*</td>
<td>$15,675,300</td>
</tr>
<tr>
<td>Purchase Security System Consulting and Engineering Services</td>
<td>03/04/10</td>
<td>02/25/10</td>
<td>$280,000</td>
<td>$185,264</td>
</tr>
<tr>
<td>ITEM AUTHORIZED</td>
<td>DATE AUTHORIZED</td>
<td>DATE FINALIZED</td>
<td>BOARD ADVISED AMOUNT</td>
<td>ACTUAL AMOUNT</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------------</td>
<td>-----------------</td>
<td>----------------</td>
<td>----------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>Purchase of Additional Surveying Services</td>
<td>04/01/10</td>
<td>03/14/10</td>
<td>$150,000*</td>
<td>$53,305</td>
</tr>
<tr>
<td>Purchase of Additional CM-at-Risk Services for LSC-University Park (GMP 4)</td>
<td>04/01/10</td>
<td>04/21/10</td>
<td>$1,000,000</td>
<td>$1,478,297</td>
</tr>
<tr>
<td>Purchase of Construction Services for LSC-Cypress Center</td>
<td>05/06/10</td>
<td>05/12/10</td>
<td>$13,680,000*</td>
<td>$13,680,000</td>
</tr>
<tr>
<td>Purchase of Roofing Services to Replace the Commons Building Roof at LSC-University Park</td>
<td>05/06/10</td>
<td>05/14/10</td>
<td>$700,000</td>
<td>$697,850</td>
</tr>
</tbody>
</table>

*Estimated amount

Resource:  
Brian Nelson  
Cindy Gilliam

832-813-6555
832-813-6512
Financial Report and Consideration No. 3  (ACTION ITEM 5)  Board Meeting 6-3-10

Request:  Consideration of Approval of Tax Exemption Allowances for Tax Year 2010

Chancellor’s Recommendation:  That the Board of Trustees approve the following tax exemptions for the year 2010 for Harris, Montgomery and San Jacinto counties.

- Homestead Exemption $5,000 or 1% (whichever is greater)
- Over 65 Exemption $75,000
- Disability $75,000

Texas Property Tax Code Sec. 11.13 mandates that the governing body of the taxing unit must adopt exemptions.

Rationale:  The Tax Assessors for Harris and Montgomery Counties have requested formal Board adoption of exemptions for the 2010 tax year.

These exemptions remain the same as they were for the 2009 tax year. Taxpayers who are eligible for the Over 65 or Disability exemption will also automatically qualify for a “tax freeze” (actual dollar tax value owed is frozen), as approved by the Board of Trustees in September, 2006.

Fiscal Impact:  The 2010 proposed tax rate, scheduled for consideration in August or September, will take into consideration the impact of these exemptions, and the proposed rate will ensure that adequate tax revenues will be generated to support the adopted budgets.

Staff Resource:  Cindy Gilliam  832-813-6512
RESOLUTION AND ORDINANCE

A RESOLUTION AND ORDINANCE ESTABLISHING EXEMPTIONS FROM
AD VALOREM TAXES FOR THE LONE STAR COLLEGE SYSTEM
FOR THE YEAR 2010:

WHEREAS, the Board of Trustees of the Lone Star College System find that it is
necessary to levy a tax for the tax year 2010 for all lawful expenses of the System. In
carrying out the duties and responsibilities placed upon said System by law, a tax must be
levied to provide the revenue requirements of the budget for the ensuing year; and

WHEREAS, the Board of Trustees of said College System further wish to establish
certain exemptions to the taxable values of certain properties in the College System for
the purpose of assessing and collecting said taxes for the year 2010;

NOW, THEREFORE, BE IT RESOLVED AND ORDAINED BY THE BOARD OF
TRUSTEES OF THE LONE STAR COLLEGE SYSTEM THAT:

With respect to all real property owned by persons and occupied by such persons as a
residential homestead that the first $5,000 or 1% of value, whichever is greater, with
respect to said property be exempt from ad valorem taxation.

BE IT FURTHER RESOLVED with respect to all real property owned by persons over
65 years of age and occupied by such persons as a residential homestead, that the first
$75,000 of value of said property be exempt from ad valorem taxation.

BE IT FURTHER RESOLVED with respect to all real property owned by disabled
persons and occupied by such persons as a residential homestead, that the first $75,000 of
value of said property be exempt from ad valorem taxation.

ADOPTED, PASSED AND APPROVED this 3rd day of June, 2010.

Chair
LSCS Board of Trustees

Assistant Secretary
LSCS Board of Trustees
Financial Report and Consideration No. 4  (ACTION ITEM 6)  Board Meeting 6-3-10

Request: Consideration of Approval to Purchase Mechatronics Technology Equipment for LSC-North Harris

Chancellor's Recommendation: That the Board of Trustees approve the purchase of mechatronics technology equipment for LSC-North Harris in the amount of $137,141 from the lowest bidders:

- National Instruments $73,965
- Advanced Technologies, Inc $58,572
- FANUC Robotics America $4,604

Rationale: Mechatronics technology combines the study of mechanics, electronics, automation and computers. Students in the Mechatronics Technology program learn to work with electromechanical and automated equipment to create industrial and commercial products. The purchase of the mechatronics equipment will pave the way for developing an AAS degree in Mechatronics Technology in Fall 2011.

Proposals were requested from sixteen equipment providers and four responses were received. It is recommended to award this purchase to the lowest bidders on a line item basis based upon meeting the required specifications. See attached Bid Tabulation.

Fiscal Impact: Funds for this purchase are included in the approved FY 2009-10 new program development budget.

Staff Resource: Steve Head 281-618-5444
# Mechatronics Technology Equipment
for LSC-North Harris

## BID TABULATION

<table>
<thead>
<tr>
<th>Item Description*</th>
<th>Jones Construction</th>
<th>Advanced Technology Consultants</th>
<th>FANUC Robotics</th>
<th>National Instruments Corp.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robotics Workcell</td>
<td>Did Not Meet Specifications</td>
<td>Did Not Meet Specifications</td>
<td>Did Not Meet Specifications</td>
<td>No Bid</td>
</tr>
<tr>
<td>Pumps &amp; Compressor Training Station</td>
<td>No Bid</td>
<td>$20,201**</td>
<td>No Bid</td>
<td>No Bid</td>
</tr>
<tr>
<td>Electronic Trainers</td>
<td>No Bid</td>
<td>Did Not Meet Specifications</td>
<td>Did Not Meet Specifications</td>
<td>$73,965</td>
</tr>
<tr>
<td>PLC Controllers</td>
<td>No Bid</td>
<td>$38,371</td>
<td>No Bid</td>
<td>No Bid</td>
</tr>
<tr>
<td>Power Quality Clamp Meters</td>
<td>$5,068</td>
<td>No Bid</td>
<td>$4,604</td>
<td>No Bid</td>
</tr>
</tbody>
</table>

*Includes extended warranty and installation  
**Alternate Bid
Financial Report and Consideration No. 5 (ACTION ITEM 7)  Board Meeting 6-3-10

Request: Consideration of Approval to Amend Copy Center and Mail Services Agreement for LSC-North Harris

Chancellor’s Recommendation: That the Board of Trustees approve the amendment of the copy center and mail services agreement with Houston Independent School District (HISD), 4400 W 18th Street 1NE03, Houston, Texas 77092 for a new contract amount of $203,232 annually. This approval will include the option to renew for three additional one year terms.

Rationale: On September 9, 2009, the college administration approved the purchase of copy center services for LSC-North Harris in the amount of $30,824 for a period of six months. This agreement provided staff to run the copy center at LSC-North Harris for this period.

Due to unforeseen personnel changes related to mail delivery services, an amendment to this agreement was executed on February 10, 2010 to add mail courier services for the entire system for an additional $6,044 per month. In addition, the amendment extended the copy center services through June 2010 bringing the total contract amount to $98,648.

LSC-North Harris is currently leasing its copier equipment and the agreement will expire in June 2010. This request is to approve a second amendment to add the lease of new equipment from HISD for an additional $3,371 per month plus continue the existing copy center and mail delivery services for a total of $16,936 per month.

The amendment will extend the term for an additional one year and include the option to renew for three additional one year terms. This agreement may be terminated with or without cause upon 30 days written notice.

The initial purchase of these services was in accordance with the System’s Board policies and procedures and Texas Education Code 44.031 through a formal competitive sealed bid process. HISD provided the best value for the copy center and mail courier services.

Fiscal Impact: Funds for these purchases are included in the approved FY 2009-10 operating budgets. Funds for subsequent fiscal years will be included in future proposed budgets.

Staff Resource: Steve Head  
Cindy Gilliam  

281-618-5444  
832-813-6512
Financial Report and Consideration No. 6  (ACTION ITEM 8)  Board Meeting 6-3-10

Request: Consideration of Approval to Purchase Enterprise Portal Modules and Installation Services

Chancellor’s Recommendation: That the Board of Trustees approve the purchase of enterprise portal modules and installation services from Intrassee, 37309 Harvest Drive, Avon, OH 44011 in the amount of $210,000 for two years. In addition, authorize the Chancellor or designee to negotiate and execute amendments to renew the agreement for an additional three years and additional modules or users for an amount not to exceed $485,000 over five years.

Rationale: Enterprise PeopleSoft portal is a tool that will be enhanced through the use of software bolt-ons to increase functionality and ensure long-term technological advancement. This bolt-on software solution has menu options that will help the portal administrators to better organize content, as well as produce a more user-friendly interface for students, faculty and staff. Also, it will better resemble sites users frequent such as Google or Yahoo. This purchase includes multi-use licenses for up to 100,000 users (students and staff), knowledge transfer, installation and basic configurations, consulting services and estimated time and material maintenance costs over the term of five years.

The term of this agreement will be for a period up to five years. This agreement may be cancelled at any time with or without cause with thirty days written notice.

Proposals were requested from four software providers and three responses were received. After the software providers received responses to questions requesting clarification of the System’s product need, two vendors declined to bid. A committee, consisting of Office of Technology Service (OTS) and Research and Institutional representatives evaluated the remaining proposal based on price, functionality, integration, implementation, training, Conflict of Interest Questionnaire, Company Profile, Cover Letter, additional information, references, and HUB certification or participation. It is recommended to award this purchase to Intrassee.

Fiscal Impact: Funds for these purchases are included in the approved FY 2009-10 operating budgets. Funds for subsequent fiscal years will be included in future proposed budgets.

Staff Resource: Shah Ardalan  832-813-6842
Financial Report and Consideration No. 7  (ACTION ITEM 9)  Board Meeting 6-3-10

Request:  Consideration of Approval to Purchase Scheduling Software

Chancellor's Recommendation: That the Board of Trustees approve the purchase of scheduling software from CDW Government Computers, Inc., 230 N Milwaukee Avenue, Vernon Hills, IL 60061 in the amount of $89,952 plus the cost of annual maintenance as long as the software is utilized.

Rationale: Lone Star College System is implementing Oracle PeopleSoft Campus Solutions, Financials, Human Capital Management, Enterprise Performance Management (EPM), Ascential DataStage, Portal, Hyperion and Master Data Management (MDM). There is a need to schedule batch processing jobs across all these applications utilized by LSCS departments. This requires LSCS to purchase a software solution that will enable batch processing jobs to be scheduled within the PeopleSoft applications. This purchase will include the software licensing fees, consulting services, and maintenance costs.

Proposals were requested from four software providers and two responses were received. The award for the purchase could not be based upon low bid alone. A committee evaluated the proposals based on price, functionality, integration, implementation, training, Conflict of Interest Questionnaire, company profile, cover letter, additional information, references, and Historically Underutilized Business certification or participation.

Product demonstrations were provided by both bidders. The demonstrations were evaluated based upon software functionality, detail, customizability, ease of use, and seamless integration. It is recommended to award this purchase to the vendor with the highest points, CDW Government Computers, Inc. The proposed product from CDW meets LSCS needs and requirements. See attached Bid and Evaluation Tabulations.

Fiscal Impact: Funds for these purchases are included in the approved FY 2009-10 operating budgets. Funds for annual maintenance in subsequent fiscal years will be included in future proposed budgets.

Staff Resource: Shah Ardalan  832-813-6842
### Scheduling Software

#### BID TABULATION

<table>
<thead>
<tr>
<th>Vendor</th>
<th>License cost</th>
<th>Professional Services</th>
<th>Annual Maintenance Years 1-2</th>
<th>Annual Maintenance Years 3-5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orsyp Software</td>
<td>$70,000</td>
<td>$18,000</td>
<td>$12,000</td>
<td>$12,000</td>
</tr>
<tr>
<td>CDW Government Computers, Inc.</td>
<td>$69,952</td>
<td>$20,000</td>
<td>$13,990</td>
<td>$14,702*</td>
</tr>
</tbody>
</table>

*Includes an estimated 2.5% increase for years 3-5.

#### EVALUATION TABULATION

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Max Points</th>
<th>Orsyp Software</th>
<th>CDW Government Computers, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>100</td>
<td>100</td>
<td>92</td>
</tr>
<tr>
<td>Company Profile</td>
<td>15</td>
<td>13.13</td>
<td>14.25</td>
</tr>
<tr>
<td>Statement of Interest</td>
<td>10</td>
<td>9.50</td>
<td>9.50</td>
</tr>
<tr>
<td>Description of Qualifications*</td>
<td>10</td>
<td>7.75</td>
<td>9.25</td>
</tr>
<tr>
<td>Identified References</td>
<td>10</td>
<td>8.50</td>
<td>9.25</td>
</tr>
<tr>
<td>Conflict of Interest</td>
<td>10</td>
<td>9.50</td>
<td>9.50</td>
</tr>
<tr>
<td>HUB Information</td>
<td>10</td>
<td>9.50</td>
<td>9.50</td>
</tr>
<tr>
<td>Seamless Integration</td>
<td>25</td>
<td>20.63</td>
<td>24.38</td>
</tr>
<tr>
<td>Additional Information</td>
<td>10</td>
<td>7.25</td>
<td>9.50</td>
</tr>
<tr>
<td>Total Possible Points</td>
<td>200</td>
<td>185.76</td>
<td>187.13</td>
</tr>
</tbody>
</table>

*Points awarded based upon product demonstrations.
Exhibit "O"

Financial Report and Consideration No. 8  (ACTION ITEM 10)  Board Meeting 6-3-10

Request: Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute a one year agreement with AT&T, 6500 West Loop South Zone 5.2 Bellaire, TX 77401 for the DIR cooperative purchase of telephone services

Chancellor's Recommendation: That the Board of Trustees authorize the Chancellor or designee to negotiate and execute a one year agreement with AT&T, 6500 West Loop South Zone 5.2 Bellaire, TX 77401 for the DIR cooperative purchase of telephone services for an estimated amount of $200,000.

Rationale: Basic telephone service is necessary for the daily operations of the System. Local trunk service provides telephone dial tone to the System’s Integrated Services Digital Network Primary Rate Interface (ISDN-PRI) and Digital T1 lines.

On November 2, 2006, the Board approved the purchase of telephone trunk lines for the System in the amount of $385,324 over three years. The three year agreement for these services will expire in June 2010. With the continued growth of the System, additional lines have been added and independent agreements for these lines were executed.

This approval will include the purchase of these services for an additional year for current lines, consolidate the existing agreements, and add new lines for the new buildings currently under construction. Prior to the end of this one year agreement, a formal competitive bid process will be completed to ensure the System is obtaining the best value for these services. At that time, a recommendation will be submitted to the Board for approval of a new five year agreement.

This purchase is in accordance with Texas Government Code, Subchapter F, Sections 271.101-102. The Board of Trustees approved the participation in the DIR cooperative at its October 1992 meeting.

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 included in the approved FY 2009-10 operating fund budgets. Funds for purchases made in FY 2010-11 will be included in the proposed budget.

Staff Resource: Shah Ardalan  832-813-6842
Request: Consideration of Approval to Amend Janitorial Services Agreement for LSC-North Harris

Chancellor’s Recommendation: That the Board of Trustees approve the amendment of the janitorial services agreement for LSC-North Harris with McLemore Building Maintenance (MBM), 110 Fargo Street, Houston, Texas 77006, to include four additional buildings in the amount of $92,040 annually bringing the total annual amount to $355,570. In addition, authorize the Chancellor or designee to execute contract amendments for a total contract amount not to exceed $2,000,000 over the 5 year term.

Rationale: On December 4, 2008, the Board of Trustees approved the purchase of janitorial services for LSC-North Harris and LSC-Greenspoint Center from MBM in the amount of $196,498 annually for a total cost of $982,490 over five years. The initial agreement included the Academic building, PETEX building, child care center, and Applied Technology Center at LSC-North Harris. In addition, the Board approved in August 2009 an amendment to include the Fine Arts, Community Education, and Health and Wellness buildings for an additional $67,032 annually.

This request is to approve a second amendment to include the expansion of the Fine Arts and Applied Technology buildings plus the Digital Technology Center and Student Center for an additional cost of $92,040 annually.

In addition, this request would authorize the Chancellor or designee to negotiate and execute additional amendments to include any remaining buildings at LSC-North Harris, establish a contingency for special projects and emergency needs, and make adjustments for economic inflation. The total amount will not exceed $2,000,000 over the five year contract term.

The initial term of the agreement will remain unchanged. The term for the additional buildings will run concurrently with the current five year agreement.

Fiscal Impact: Funds for these purchases are included in the approved FY 2009-10 operating budget for LSC-North Harris. Funds for subsequent fiscal years will be included in future proposed budgets.

Staff Resource: Steve Head 281-618-5444
Exhibit “Q”

Financial Report and Consideration No. 10 (ACTION ITEM 12)  Board Meeting 6-3-10

Request: Consideration of Approval to Amend the Existing Agreement with Phonoscope for the Purchase of Construction, Lease, and Maintenance of Fiber Optic Cable for Additional Satellite Centers

Chancellor’s Recommendation: That the Board of Trustees approve the amendment to the existing agreement with Phonoscope, 6105 Westline Drive, Houston, Texas, 77036 for the purchase of construction, lease, and maintenance of fiber optic cable for additional satellite centers in the amount of $451,278.

Rationale: On April 30, 2002, the Board of Trustees approved the award of a contract for the design and construction of dark fiber wide area network (WAN) infrastructure to Phonoscope for an amount not to exceed $2,700,000. In addition, the Board approved on May 7, 2009 an amendment to include LSC-University Park and LSC-North Harris Health Professions Building in the amount of $551,900.

The WAN connects all the LSCS campuses and eleven independent school districts within the college system’s service area and provides redundancy within the college system. The award for the initial contract included the design and construction of the network and a 15-year maintenance agreement with renewal options at the end of the agreement.

The construction, lease, and maintenance of fiber optic cables are needed in order to provide network connectivity for LSC-Victory Center, LSC-Atascocita Center, LSC-Tomball Health Science Building, LSC-Conroe Center, LSC-CyFair Center, and EMCID. The cost of $451,278 is a one-time fee. The contract term for these additional locations will be coterminous with LSCS’s existing contract with Phonoscope.

The initial purchase was in accordance with Board policies and procedures and Texas Education Code 44.031 through a formal competitive sealed bid process. After a thorough evaluation and selection process, it was determined that the services provided by Phonoscope were the best value for the college system. Therefore, it is recommended to amend this contract to include these additional locations.

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

Staff Resource: Shah Ardalan  832-813-6842
Exhibit “R”

Financial Report and Consideration No. 11  (ACTION ITEM 13)  Board Meeting 6-3-10

Request:  
Consideration of Approval to Purchase Computer Integrated Manikins for Nursing Programs at LSC-Kingwood and LSC-CyFair

Chancellor’s Recommendation:  
That the Board of Trustees approve the purchase of computer integrated manikins for the Nursing Programs at LSC-Kingwood and LSC-CyFair from Gaumard Scientific, 14700 SW 136th Street, Miami, Florida 33196, for $112,581.

Rationale:  
Computerized patient simulators for the Nursing programs provide a realistic clinical experience for students. These simulators can authentically imitate human functions and demonstrate clinical problems. Real case scenarios using the simulator significantly add to the learning environment, as students’ clinical and decision making skills are challenged and tested. This purchase includes a birthing simulator with a newborn baby, two child size computerized manikins, accessories and extended warranties for all manikins.

This purchase is in accordance with Texas Education Code 44.031(j) which states that the System may purchase an item that is available from one source including one where competition is precluded because of the existence of a patent, copyright, secret process, or monopoly.

Research shows that Gaumard Scientific is the sole supplier of these advanced teaching products which are protected by patent and copyright. Vendors who supply birthing and childlike simulators were contacted and none were able to provide training simulators comparable to those supplied by Guamard. The simulators supplied by Guamard meet the Nursing programs’ needs and requirements.

Fiscal Impact:  
Funds for this purchase are available from Hospital Corporation of America grant for LSC-Kingwood and the approved FY 2009-10 operating budget for LSC-CyFair.

Staff Resource:  
Katherine Persson  281-312-1640
Audre Levy  281-290-3941
Financial Report and Consideration No. 12   (ACTION ITEM 14)  Board Meeting 6-3-10

Request: Consideration of Approval for the Chancellor to Negotiate and Execute a Contract to Sell Property Located at the Central Services and Training Center on the Northwest side of Gosling and Northeast of Research Forest Drive

Chancellor's Recommendation: That the Board of Trustees authorize the Chancellor or his designee to negotiate and execute a contract to sell approximately 3.5 acres of the Central Services and Training Center (CSTC) campus in The Woodlands to the Houston Advanced Research Center (HARC) for the fair market value of $800,000.00.

Rationale: The May 10, 2008 bond election resulted in the approval for Lone Star College System (LSCS) to issue up to $420M in general obligation bonds for the purchase, new construction, repair and replacement, or renovation of land and facilities.

Due to the rapid growth of LSCS, additional staff is required for the LSCS departments located at CSTC. To facilitate this growth, several departments, including LSC-Online, Veteran Affairs, Corporate College, Student Success, Automated Library Services, Community Outreach, Financial Aid, Student Information Services, and Facilities Planning and Construction have been relocated to LSC-University Park. To accommodate planned future growth, HARC will also be relocated from CSTC to a new building HARC will construct on the purchased property.

The sale price is based on a negotiated fair market value determined by an appraisal of the property. Sale of the property will convey the property to HARC "As-Is" without utility connections. LSCS will cooperate with HARC's efforts to be annexed into, and obtain utilities from, The Woodlands Metro Center Municipal Utility District (TWMCMD); however, all costs, expenses and fees of whatever nature will be the sole responsibility of HARC.

LSCS will remove existing easements from the property and will grant any necessary easements to connect to TWMCMD.

Closing is anticipated on October 15, 2010.

Fiscal Impact: Proceeds from the sale will be placed in the Bond Construction Fund for future projects.

Staff Resource: Rand Key 832-813-6522
Cindy Gilliam 832-813-6512
Financial Report and Consideration No. 13 (ACTION ITEM 15)  Board Meeting 6-3-10

Request:  Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute an Agreement for the Harris County Department of Education (HCDE) Cooperative Purchase of Additional Furniture and Installation Services for the Central Services & Training Center (CSTC)

Chancellor’s Recommendation:  That the Board of Trustees authorize the Chancellor or designee to negotiate and execute an agreement for the HCDE cooperative purchase of additional furniture and installation services for CSTC from approved purchasing cooperative program vendors for an estimated amount of $130,000 for a total revised allocated budget of $390,000.

Rationale:  On April 1, 2010, the Board of Trustees approved the HCDE cooperative purchase of furniture and installation services from approved purchasing cooperative program vendors in an amount not to exceed the allocated budget for each campus, a total amount of $10,065,000. In addition, this approval authorized the Chancellor or designee to negotiate any contracts for the purchase of these additional services. The original allocated budget for CSTC was $260,000.

The initial budget for CSTC included new construction and was reduced subsequent to the purchase of University Park. The reduction in the budget was before the project scope had been identified and was based on a percentage of the overall renovation budget. Upon finalizing the project scope, additional furniture became necessary to support the project. The renovations will result in seven new conference rooms, a large meeting room accommodating over 400 people, four training rooms that hold more than 50 people each, a waiting area for District Services Building II plus additional workstations.

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

Staff Resource:  Cindy Gilliam  832-813-6512
Financial Report and Consideration No. 14  (ACTION ITEM 16)  Board Meeting 6-3-10

Request:  Consideration of Approval of The Cooperative Purchasing Network (TCPN) Lease of Temporary Modular Buildings for LSC-CyFair and LSC-Kingwood

Chancellor's Recommendation: That the Board of Trustees approve a one year lease of temporary modular buildings for LSC-CyFair and LSC-Kingwood from a TCPN cooperative vendor, Williams Scotsman Corporation, 7915 FM 1960 West, Suite 115, Houston, Texas 77070 in the amount of $385,285.

Rationale: Modular buildings are required at LSC-CyFair and LSC-Kingwood to accommodate student enrollment growth in Fall 2010. The existing facilities are utilized to capacity. The modular building at LSC-CyFair will include four instructional classrooms bringing the total number of classrooms in temporary facilities to twenty-four. At LSC-Kingwood, the modular building will also include four instructional classrooms.

The term of the lease agreement will be for a period of one year commencing September 2010 through August 2011. The college system has the option to renew the lease for one additional year. At the end of the initial one year term, either party may terminate the lease agreement upon thirty days written notice. The lease includes delivery, building installation and skirting, site preparation, electrical service, plumbing services, fire alarms, data and communications, entry wooden decks, ramps and canopies, dismantling and return of the modular building complex.

This purchase is in accordance with Texas Local Government Code, Subchapter F, Sections 271.101-102. The Board of Trustees approved an inter-local agreement and resolution with TCPN, which is sponsored by the Region IV Education Service Center, at its May 2001 meeting.

A market analysis has confirmed that the prices offered by William Scotsman are competitive and provide the best value for the college system. In addition, the buildings will coordinate with the existing temporary buildings currently utilized system-wide.

Fiscal Impact: Funds for this purchase are included in the 2009-10 operating and repair and replacement budgets for the System. Funds for subsequent years will be included in future proposed budgets.

Staff Resource: Cindy Gilliam 832-813-6512
Exhibit “V”

Financial Report and Consideration No. 15  (ACTION ITEM 17)  Board Meeting 6-3-10

Request: Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute an Agreement for the Harris County Department of Education (HCDE) Cooperative Purchase of Classroom and Office Furniture for LSC-University Park

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or designee to negotiate and execute an agreement for the HCDE cooperative purchase of classroom and office furniture for LSC-University Park from JCS, Ltd. 1246 Silber, Houston, TX 77055 for an estimated amount of $260,000.

Rationale: Texas Southern University and ResponsiveEd are each leasing half of a floor in buildings 12 and 13. They have agreed to a full service lease that includes provisions for LSCS to provide all the furniture, equipment, computers, monitors, printers, and audio visual equipment. This purchase will consist of all furniture requirements in the renovated spaces including classrooms, offices, and common areas.

It is critical to order the furniture as soon as possible due to the long delivery lead time for furniture and the abbreviated construction schedules for classes to be available August 28, 2010. The furniture needs to arrive in mid August for installation to occur in time for the beginning of the fall semester.

The purchase of this furniture and installation services is in accordance with Texas Local Government Code, Subchapter F, Sections 271.101-102. The Board of Trustees approved the college system’s membership in HCDE at its July 25, 2000 meeting. HCDE has competitively bid these products and services on behalf of LSCS and awarded contracts to twenty-five furniture vendors. The purchase of the furniture from JCS provides the best value and will match existing furniture currently at LSC-University Park.

Fiscal Impact: Funds for this purchase are included in the 2008 general obligation bonds. The revenue from the lease of the buildings will offset this cost.

Staff Resource: Cindy Gilliam  832-813-6512
Rand Key  832-813-6522
Exhibit "W"

Financial Report and Consideration No. 16 (ACTION ITEM 18)  Board Meeting 6-3-10

Request: Consideration of Approval to Purchase Human Patient Simulators and Medical Equipment for Emergency Medical Services (EMS) and Nursing Programs at LSC-CyFair

Chancellor's Recommendation: That the Board of Trustees approve the purchase of human patient simulators and medical equipment for the EMS and Nursing programs at LSC-CyFair in the amount of $109,537 from the following vendors:

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laerdal Medical Corp.</td>
<td>$102,353</td>
</tr>
<tr>
<td>Armstrong Medical Industries Inc.</td>
<td>$7,184</td>
</tr>
</tbody>
</table>

Rationale: Computerized patient simulators provide realistic clinical experiences for students. Real case scenarios using the simulators significantly add to the learning environment as clinical situations can be practiced and errors corrected in the safe setting of the learning laboratory. These simulators assist with developing student’s confidence and competency before working on actual patients. Also, the simulator can be used to challenge and test students’ clinical and decision making skills.

This purchase will consist of computer patient simulators with pre-programmed teaching scenarios and other various medical equipment including electric and semi-electric beds, child and adult size stretchers, chest compressors and IV trainers. In addition, an on-site preventative maintenance and extended warranty will be purchased for the patient simulators.

This purchase is in accordance with Texas Education Code 44.031 through a formal competitive sealed bid process. Price reductions for the Laerdal products have occurred since the initial bid and will be extended to LSCS. Armstrong has passed on a minimal price increase. Even with the increase, the price from Armstrong remains the lowest submitted pricing.

Fiscal Impact: Funds for this purchase are included in the approved FY 2009-10 operating budget for LSC-CyFair.

Staff Resource: Audre Levy 281-290-3941
Request: Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute A Reciprocal Licensing Agreement For Parking at LSC-Tomball Health Science

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or designee to negotiate and execute a reciprocal licensing agreement for parking at LSC-Tomball Health Science.

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.

In order to obtain the code required number of parking spaces for the LSC-Tomball Health Sciences building within the ground lease area, a variance was requested from, and approved by, the City of Tomball that allows 254 required parking spaces for the Health Sciences building to be provided on the Tomball Hospital Authority campus. As a condition for approval of the variance, the City of Tomball has further required that LSCS and the Tomball Hospital Authority enter into a Reciprocal Licensing Agreement for Parking to ensure adequate access to parking is provided at all times for the users of the Health Sciences building and the Tomball Regional Hospital.

Under the agreement, LSCS will be responsible for the cost of construction to comply with city or municipal codes and ordinances regarding modifications to the parking facility on the Tomball Hospital Authority campus. LSCS will also be responsible for the cost of maintaining the parking facility at the Health Sciences building and the Tomball Hospital Authority will be responsible for the cost of maintaining the parking facility on the Tomball Hospital Authority campus. There are no lease payments between the parties to the agreement and each party will be responsible for their own costs for utilities, taxes, and insurance.

The term of the agreement will run contemporaneously with the Ground Lease dated October 1, 2009.

Fiscal Impact: Funds for this purchase are available from the 2008 general obligation bonds. Maintenance costs will be included in future proposed operating budgets.

Staff Resource: Cindy Gilliam 832-813-6512
Brian Nelson 832-813-6655
Exhibit "Y"

Financial Report and Consideration No. 18  (ACTION ITEM 20)  Board Meeting 6-3-10

Request: Consideration of Approval to Execute An Amendment To Drill Site Agreement for LSC-CyFair

Chancellor's
Recommendation: That the Board of Trustees authorize the Chancellor to execute an amendment to drill site agreement for LSC-CyFair.

Rationale: The Lone Star College System, CW SCOA West, L.P., Diamond S Energy Company, and the Estate Heirs entered into the drill site agreement on June 5, 2008. This amendment to the agreement seeks to replace and supercede the locations of "Authorized Drill Sites" and "Related Easements". Nine (9) drill sites are described by metes and bounds in Exhibit A of the Agreement and ten (10) related easements are described by metes and bounds in Exhibit B of the Agreement.

The existing 4.0 acre Drill Site #8 located on LSC-CyFair land is unchanged by the amendment. The related access easement to drill site #8 has been modified, but is contained wholly within the Townelake Parkway right-of-way.

There are no modifications contained within the amendment that prevent future development of LSC-CyFair land. See attached Exhibit of Drill Site #8 and related access easement for location on the LSC-CyFair campus.

Fiscal Impact: No funds are required for this agreement.

Staff Resource: Cindy Gilliam 832-813-6512
Brian Nelson 832-813-6655
Exhibit “Z”

Financial Report and Consideration No. 19 (ACTION ITEM 21) Board Meeting 6-3-10

Request:
Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute an Agreement for the Texas Procurement and Support Services’ (TPASS) Texas Multiple Award Schedule (TXMAS) Cooperative Purchase of Fire Alarm System Repair and Inspection Services for LSC-University Park

Chancellor’s Recommendation:
That the Board of Trustees authorize the Chancellor or designee to negotiate and execute an agreement for the TXMAS cooperative purchase of repairs and inspection services for the fire alarm system at LSC-University Park with Siemens Fire Protection Systems and Services, 15730 W. Hardy Rd., Houston, TX 77060 for an estimated amount of $150,000.

Rationale:
Repairs to the existing fire alarm system at LSC-University Park are required to ensure the fire alarm system is in compliance with the 2002 National Fire Protection Agency (NFPA) code and the applicable codes of all local jurisdictions. The annual inspection, required by the local jurisdictions and the 2002 NFPA, will also be performed under this agreement.

This purchase is in accordance with Texas Local Government Code, Subchapter F, Sections 271.101-102. The Board of Trustees approved the college system’s membership in TPASS (formerly Texas Building and Procurement Commission) at its October 15, 1992 Board meeting.

The existing Siemens MXL Fire Alarm System is a proprietary system that only authorized contractors are allowed to service if the integrity of the components and associated warranties are to be maintained.

Fiscal Impact:
Funds for this purchase are included in the approved FY 2009-10 repair and replacement and operating budgets for LSC-University Park.

Staff Resource: Cindy Gilliam 832-813-6512
Financial Report and Consideration No. 20  (ACTION ITEM 22)  Board Meeting 6-3-10

Request: Consideration of Approval to Execute a Ratification of Petition for Addition of Certain Land to Harris County Municipal Utility District No. 501 for LSC-CyFair

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor to execute a ratification of petition for addition of certain land to Harris County Municipal Utility District No. 501 (MUD #501) for LSC-CyFair.

Rationale: On June 4, 2009, CW SCOA West, L.P. executed a petition for addition of land to MUD #501, and was adopted by MUD #501 on December 17, 2009. The petition, due to a survey error, excluded 0.25 acres of land conveyed to the Lone Star College System by CW SCOA West, L.P.

With Lone Star College System’s execution of the ratification of petition for addition of certain land to MUD #501, LSCS will also clarify the survey error and request the annexation of the 0.25 acre tract into the System as originally intended.

See attached Exhibit for location of the 0.25 acre tract on the LSC-CyFair campus.

Fiscal Impact: No funds are required for this agreement.

Staff Resource: Cindy Gilliam  832-813-6512
Brian Nelson  832-813-6655
Location of 0.25 Acre LSC-CyFair Land to be Annexed into MUD No. 501
Financial Report and Consideration No. 21 (ACTION ITEM 23) Board Meeting 6-3-10

Request: Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute Change Order Three for the Purchase of Construction Manager at Risk (CM-at-Risk) Services for Additional Renovations at LSC-University Park

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or designee to negotiate and execute Change Order Three for the purchase of CM-at-risk services from Cadence McShane Construction for additional renovations at LSC-University Park in an amount not to exceed $3.0 million bringing the total contract amount to $18.5 million.

Rationale: On June 4, 2009, the Board of Trustees approved the purchase of CM-at-risk services for LSC-University Park in the amount of $12M. Change order one was approved by the Board in February 2010 to increase the contract amount to $14.5M for a partial renovation of levels 1, 2, and 3 of Building 12, select areas of Building 11, and the north receiving building. The Board approved change order two in April 2010 for the renovation of level 4 of Building 12 in the amount of $1M for a total contract amount of $15.5M.

To complete the additional project renovations for Texas Southern University (TSU) on level 5 of Building 12 and ResponsiveEd on level 1 of Building 13 in time for the Fall 2010 semester, approval is requested to authorize the Chancellor or designee to negotiate and execute Change Order Three for the purchase of the additional CM-at-risk services. The square footage to be renovated has been increased from approximately 210,000 square feet to approximately 240,000 square feet to accommodate the second phase of a second University Center. In addition, associated infrastructure upgrades and code compliance upgrades are included. Costs associated with the portion of the change order related to the Texas Southern University and ResponsiveEd buildouts will be funded by TSU and ResponsiveEd.

LSCS is utilizing the CM-at-risk method for the renovation of LSC-University Park for the fast-track completion of the renovations. The CM-at-risk acts as the general contractor during construction assuming the risk of subcontracting the work and guaranteeing completion of the project.

The initial purchase of the CM-at-risk services was in accordance with Texas Education Code 44.038 through a formal competitive bid process. In addition, Cadence McShane Construction will comply with this code and complete a formal competitive subcontractor bid process. LSCS will
review and approve all pricing prior to execution of a change order.

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:**
The portion of the change order related to partner buildouts will be funded by the partners. The portion of the change order related to LSCS operations will be funded by the 2008 general obligation bonds.

**Staff Resource:**
Cindy Gilliam  
Rand Key

832-813-6512  
832-813-6522
Exhibit "cc"

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  

June 3, 2010

General Obligation Bond Project Summaries – 2008 Election:

- **LSC-North Harris**
  - Placement of structural fill for the Student Services building pad is complete and the installation of under slab utilities and pouring of concrete foundation grade beams is underway. Parking lot construction continues throughout the campus and the individual parking lots are turned over to the campus for use as they are completed. Under slab utilities are being installed for the Fine Arts building and the Applied Technology additions. Pouring of concrete foundation piers and grade beams is also underway for the Applied Technology addition.
  - Roofing replacements are ongoing for the Academic, Heath Professions Education and Industrial Education buildings. The phased campus renovation projects have begun and will continue into early August.
  - Construction of the Greenspoint Center biology laboratory and preparation area is complete and the new vestibule, pedestrian mall, and garage repairs are being punched and closed out.
  - Abatements activities for the Health Professions building have been completed, which has enabled interior demolition work to proceed. Site work continues as the new electrical service weather head and transformer have been installed and the expanded fire lanes have been completed. Redesign of the Health Professions building space plan is underway due to the utilization of inaccurate as-built drawings, provided by architect, to produce the construction documents. Revised documents are scheduled for completion during early June and the building is now scheduled to open for spring 2011 classes.

- **LSC-Victory Center**
  - The topographic survey work for site design has been completed and the geotechnical work for paving and foundation design has been performed. The architect is currently in the design development phase, which will be immediately followed by an accelerated construction documents phase.
  - The Board approved the construction manager at risk contractor at its May Board meeting. The construction manager at risk will assist the architect with constructability reviews, bid packaging, and estimating during the remainder of the design process. He will also competitively bid the project to subcontractors in several bid packages in order to ensure market pricing and to fast track the project schedule for completion by the fall semester of 2011.
LSC-Kingwood

- Entergy has approved the new primary electrical service route, completed the construction documents, and submitted them to the contractor for pricing. LSCS will be required to grant a 10’ wide utility easement for this service.
- Upon receipt of the Student/Conference Center permit on May 3, the contractor began installation of the large diameter storm sewer line. Approximately 30% of this line has been installed.
- The contractor has poured concrete for the Parking Lot A expansion. Upon completion, 50% of the lot will be turned over for campus use and the balance will be utilized by the contractor as a staging area until construction is completed. Earthwork for the Parking Lot G expansion has been completed and the installation of underground utilities is scheduled for completion by early June.
- The contractor has completed placement of 95% of the structural fill for the Student/Conference Center building pad. The remaining work will be completed after relocation of an underground fiber optic duct bank that runs through the building pad. The contractor anticipates pouring the concrete foundation slab on grade during mid-July and the erection of structural steel to commence prior to August.
- Placement of structural fill for the building pad of the Arts Instructional Building has commenced.
- Although issued a notice to proceed on March 16, the contractor did not obtain the final building permit from the City of Houston until May 11. As a result, the project is approximately one to two weeks behind schedule due to delays in obtaining inspections. It is anticipated that the contractor will make up this time and the project be completed as scheduled for the fall 2011 semester.

LSC-Atascocita Center

- Harris County issued the building permit on April 30.
- During clearing and earthwork operations on the site, the contractor encountered a residential septic system for which the contractor is now investigating the requirements and cost of removal.
- The contractor has completed approximately 85-90% of his subcontractor buy-out and has commenced utility work.
- Meetings are ongoing with Humble ISD regarding the program requirements for the high school component.

LSC-Tomball

- The City of Tomball has approved the site plans for the Veterinary Technology and Performing Fine Arts Center buildings and the contractor has mobilized and begun site clearing and earthwork on both projects. The City continues to review construction documents associated with the building permit which is anticipated by the end of May.
- Investigative work for the window sealing and column repairs has commenced and the contractor has assigned a dedicated superintendent for this work. A final determination regarding the column cladding system is being reviewed by LSCS.
LSC-Tomball Health Science

- The City of Tomball has approved the site plan and continues to review the construction documents for the building permit, which is also anticipated by the end of May. To date, the permitting process has taken over 10 weeks and could impact the project completion date.
- A parking variance has been approved by the City of Tomball that requires execution of a Reciprocal Licensing Agreement for Parking by LSCS and the Tomball Housing Authority. A recommendation associated with this agreement is on the June board agenda.
- CenterPoint Energy has completed relocation of the primary power service to the site within a new easement.
- The contractor has mobilized and commenced site clearing, earthwork and installation of utilities. The submittal process is also underway.

LSC-Montgomery

- Building foundations and structural steel erection are nearing completion for the Arts Instruction and Academic/Classroom buildings. Steel erection on the Science Health building is scheduled to be complete during early June. Exterior sheathing, interior and exterior masonry, mechanical and electrical rough-in are well underway on the Arts Instruction and Academic/Classroom buildings. The installation of the roofing systems will begin in early June.
- The Central Plant project, which is expected to be completed by late June, is progressing rapidly. Perimeter walls and the roof structure are being erected.
- Erection of the precast panel system is 100% complete and concrete topping has been poured for the Parking Garage. Ongoing interior construction includes masonry, utility systems, and build-out of the campus police office.
- Design of the West Drive traffic flow and parking improvements is complete. Construction of these traffic infrastructure improvements is expected to commence during June and be complete prior to the start of the fall 2010 semester.
- The Campus Renovation projects, including relocation of the student services functions to Building C, are being developed as a result of faculty relocations to the three new buildings. Design efforts will continue for several months and be followed by the commencement of construction in January 2011.

LSC-Conroe Center

- Site grading and underground utility work are nearly complete. Structural steel erection, the erection of masonry walls, and mechanical and electrical rough-in are progressing without issue. The detention pond is being relocated due to unforeseen soil conditions that will not support the walls at the current location. Schedule impacts are minimal and the cost impact is under review.

LSC-CyFair

- The contractor is 99% complete with the addition of the southwest and north parking lots and new loop road. There are now 1100 new parking spaces available to students, faculty, and staff. Installation of lighting, sidewalks, and landscaping has been completed. The final item to be completed is construction of the new left turn
lane on West Road, which is with Harris County permitting. The new entrance should be completed during June.

- The contractor is ahead of schedule on the new Student Services/Classroom and Science buildings as the concrete foundation slabs on grade have been poured. Additional work completed includes installation of underground site utilities. The erection of structural steel for the Science Building is complete and the steel for the Student Services/Classroom building will be erected during June.

- **LSC-Cypress Center**
  - The contractor was approved at the May Board meeting.
  - A preconstruction meeting was held on May 11 followed by the contractor’s mobilization and the commencement of construction.
  - A groundbreaking ceremony is planned for June 28.
  - Harris County Municipal Utility District #284 construction providing water, storm and sanitary sewer to the site is well underway. This work is scheduled to be complete by early June.
  - The Harris County Traffic Department is requesting that LSCS install a traffic signal on Clay Road at the main entrance to Cypress Center. Design of the new intersection, which will impact the main entrance to a Katy ISD elementary school, will be completed and coordinated with Katy ISD by the end of June.
  - **Substantial completion is planned for May 2011.**

- **LSC-University Park**
  - Construction of the University of Houston Downtown lease space is complete and classes are scheduled to commence on June 1. Renovation of the lease space for the University of Houston System on level 4 of building 12 is 90% complete. The University of Houston will begin classes in July.
  - LSCS is negotiating with two additional education providers to lease 25,000 square feet of space in buildings 12 and 13. They have requested completion for the fall 2010 semester.
  - Infrastructure repairs and site landscape improvements are ongoing.
  - A new energy efficient data center is being constructed on level 3 of building 11. The project is part of a ‘green’ initiative by the Office of Technology Services for new data infrastructure. The project will be completed this summer.

- **LSC-Central Services and Training Center**
  - Construction commenced within District Services I, the Houston Advanced Research Center, and the Human Resources entrance of District Services II. District Services I renovations are expected to be complete in August. Houston Advanced Research Center will be under construction through September.
Revenue Bond Project Summaries - 2007:

- **LSC-North Harris**
  - Municipal Utility District Conversion Project – The final easements have been granted and the City of Houston permitting process is underway. Following a contractor procurement process, the construction phase will commence and be scheduled to align with the LSC-North Harris building completions.

- **LSC-Tomball**
  - The signage contractor has completed the LSCS Highway Signage Upgrade analysis and submitted shop drawings to the Texas Department of Transportation for review and approval. Fabrication of the new signage has commenced.

Energy Performance Project

- **LSC-North Harris**
  - Retrofit of the campus building automation system and coordination with the asbestos abatement efforts continue. Work is 20% complete.
  - The lighting retrofit project is approximately 97% complete. Parking lots and pedestrian walkways remain to be completed.
  - Insufficient domestic water pressure at the campus has delayed progress on replacing plumbing fixtures. Discussions are underway to determine the next step, including the possibility that the Municipal Utility District Conversion Project may resolve the low pressure problem.

- **LSC-Kingwood**
  - Installation of the building automation system is underway. This work includes control cabling, which is nearing completion, and installation of the control panel.
  - The lighting retrofit project has commenced.
  - The window film installation is nearing completion.
  - The water conservation and vending machine control project is complete.

- **LSC-Tomball**
  - Retrofitting of interior lighting, including classrooms, is complete. Exterior site lighting in the parking lots and pedestrian walkways remains to be completed.
  - The water conservation and vending machine control projects are complete.

- **LSC-Montgomery**
  - Vending machine controls have been completed. The water conservation project is complete with the exception of the locker room shower controls and drinking fountains, which are to be completed during June.
  - The lighting retrofit project is nearing completion. Exterior site lighting in the parking lots and pedestrian walkways remains to be completed.
  - Design of the chiller replacements and building automation system upgrades continues.
  - The window film installation is nearing completion.
- **LSC-Greenspoint Center**
  - The window film installation, lighting retrofits, water conservation, vending machine controls and power factor correction equipment installations are complete.

- **LSC-Fairbanks Center**
  - The window film, water conservation, vending machine controls and power factor correction equipment installations are complete.

- **LSC-University Park**
  - The lighting retrofit project is complete in all occupied areas. Unoccupied areas will be addressed during build-out of new floors.
  - Building automation system upgrades continue with further development of the front end programming.
  - Variable frequency drives have been installed and are operational in Building 13. Work in the Commons commenced in mid-March.

- **LSC-Peakwood/Red Oak**
  - Installation of the window film is complete for Red Oak. Peakwood window film will be completed after the renovation is complete.
  - The chiller and cooling tower have been installed and the system is operational.
  - Installation of the Red Oak building automation system is nearing completion.
  - The lighting retrofit project is complete with exception of exterior lighting.

**Repair and Replacement Projects**

- **LSC-North Harris**
  - Science Lab Renovations – Completion scheduled for July 3.
  - Re-sealing and striping parking lots A, B, C, D, E, F, & J and service drive - Bids are being evaluated.

- **LSC-Kingwood**
  - Restroom Renovation – Completion scheduled for August 20.

- **LSC-Tomball**
  - Replace Central Plant Air Conditioning – Project has been awarded and construction is scheduled for completion mid June.
  - Paint Classrooms – Completion scheduled for July 3.
  - Replace Carpet in Conference Center – Project complete.
  - Renovate A/C in Server Room – Pricing complete. Installation scheduled for mid-July.

- **LSC-Montgomery**
LSC-CyFair
- Lake Erosion Project – Project complete.

LSC-Central Services & Training Center
- Landscape – Project out for bid.
- Sidewalk and Drawings – Preparing bid documents.

LSC-University Park
- Fire Alarm Upgrade – Board agenda item. Project to be completed in July.

LSC-The University Center
- Install Restroom Door Openers – Specification for equipment has been determined.

Status Report on the Area Job Order Contract (AJOC) Purchases for Construction Related Projects

At the August 2009 regular Board meeting, the Board of Trustees approved the purchase of construction services for the System from approved purchasing cooperative program contractors. This approval authorized the System to use the AJOC method for individual projects up to $200,000 and to make collective purchases not to exceed $1,000,000 for FY 2009-2010. Projects that exceed $200,000 are to be presented to the Board of Trustees individually for consideration of approval. To ensure the Board of Trustees continues to have information regarding the AJOC projects under $200,000, a brief summary of projects is included in the Facilities Planning and Construction Report each quarter.

The projects listed below were awarded to Jamail & Smith:
- Projects In Progress (As of Report Date):
  LSC- Montgomery – Space Renovation - $15,000

The projects listed below were awarded to Basic IDIQ:
- Project In Progress (As of Report Date):
  LSC-Tomball – Roof Replacement. $50,000

Projects over $25,000 completed:
  LSC-University Park – Epoxy Floor Repairs. $48,000

The projects listed below were awarded to Dura Pier:
- Projects In Progress (As of Report Date):
  LSC-CyFair – Erosion Repairs. $99,312
  LSC-North Harris – Canopy Addition. $24,934

Status Report on Architectural Design Services for Construction Related Projects

At the August 2009 regular Board meeting, the Board of Trustees approved the purchase of professional architectural services for construction projects for an amount not to exceed $250,000 over a period of three years from five architectural firms. To ensure the Board has...
visibility of these purchases, a brief summary of projects is included in the Facilities Planning and Construction Report each quarter.

- The projects listed below were awarded to CAPS Architectural Services
  - LSC-North Harris - Greenspoint Café Renovation. $1,638
  - LSC-Montgomery - Restroom Renovations. $2,800
  - LSC-Central Services Training Center - Sidewalk Repair. $2,100

- The projects listed below were awarded to Huitz Zollars
  - LSC-Kingwood - Restroom Renovations. $33,117
  - LSC-Kingwood - Administration Renovation. $7,250

- The projects listed below were awarded to Hill & Swart
  - LSC-North Harris - Science Lab Renovations. $8,220

- The projects listed below were awarded to OC+A Architects
  - LSC-University Park - Replace Commons Building Roof. $32,200
  - LSC-Tomball - Replace Central Plant Roof. $4,000

**Status Report on Engineering Design Services for Construction Related Projects**

At the August 2009 regular Board meeting, the Board of Trustees approved the purchase of professional engineering services for construction projects for an amount not to exceed $500,000 over a period of three years from five engineering firms. To ensure the Board has visibility of these purchases, a brief summary of projects is included in the Facilities Planning and Construction Report each quarter.

- The projects listed below were awarded to Lockwood Andrews & Associates
  - LSC-Tomball - Additional Doors at Central Plant. $5,100

- The projects listed below were awarded to Marshall Engineering
  - LSC-Tomball - Replace A/C at Central Plant. $9,692
  - LSC-Tomball - Renovate A/C in Server Room. $19,434

**Status Report on Sam Houston State University Building at LSC-Montgomery**

- Coordination of utility system connections are being completed through discussions with the utility providers, LSCS staff and the design team for the Sam Houston State University project.
- Site plans for the project have been provided for informational purposes.
- Building features will be similar to those found on the new LSC-Montgomery buildings that are under construction.
- Sam Houston State University expressed interest in commencing construction of the parking structure in late fall 2010; however, SHSU indicated that construction would not
interfere with the operation of the LSC-Montgomery Child Center. Construction of the balance of the facility would commence during the first quarter of 2011.

The Child Center and other buildings on the property must be vacated at the end of the fall 2010 semester. The LSC-Montgomery staff is evaluating options to replace the Child Center and storage buildings.
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 CyFair, Kingwood, North Harris, System Office, Tomball, and University Park.

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

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

Maria Sanders, Associate Professor, Philosophy

Effective: Ten and one-half month contracted employee at an annual salary of $63,120 beginning May 1, 2010.

Education: J.D., Saint Louis University School of Law, Major: Law; M.A., Southern Illinois University of Edwardsville, Major: Philosophy; B.A. & B.A., Mansfield University, Major: Philosophy & Music.

Experience: Dean, Instruction, Associate Professor of Philosophy, Lone Star College-CyFair; Interim Assistant to VP of Instruction/Director for Academic Excellence and Employee Relations Officer, South Texas College; Philosophy Instructor, South Texas College & University of Texas at Pan American; Attorney, Sanders Law Firm; Trustee, Village of Freeburg.

b. LSC-Kingwood

Darrin Rankin, Vice President, Student Success

Effective: Twelve month contracted employee at an annual salary of $117,000 beginning July 1, 2010.

Education: Ph.D., Jackson State University, Major: Higher Education; M.S., Syracuse University, Major: Higher Education; B.A., Loyola University, Major: Sociology.

Experience: Regional Vice President, The Gravenberg Consulting Group; Vice President for Enrollment Services and Student Affairs, Clark Atlanta University; Vice President for Enrollment and Admissions, Dillard University.

c. LSC-North Harris

Gary Clark, Vice President, Instruction

Effective: Twelve month contracted employee at an annual salary of $117,727 beginning May 1, 2010.

Education: M.B.A., Our Lady of the Lake University, Major: Business Management; B.A., University of Houston, Major: English.

Experience: Interim Vice President of Instruction, Dean of Business, Social and Behavioral Sciences, Professor, Developmental Studies, Associate Dean of Natural Science and Business, and Professor of Marketing and Management, Lone Star College-North Harris; Director of Marketing Research, McCann-Erickson Advertising.
David J. Vappie, Assistant Professor, HVAC & Refrigeration Technology

Effective: Ten and one-half month contracted employee at an annual salary of $49,092 beginning August 1, 2010.

Education: A.S., Delgado Community College, Major: Refrigeration.

Experience: Temporary Full-Time Instructor, Lone Star College-North Harris; Owner and Operator/Technician Level IV, Eagle Environmental Air Conditioning; Manager of Maintenance Operations, U.S. Postal Service; Maintenance Manager and Maintenance Supervisor, U.S. Postal Service.

Gemini Wahhaj, Associate Professor, English

Effective: Ten and one-half month contracted employee at an annual salary of $58,358 beginning August 1, 2010.

Education: Ph.D., University of Houston, Major: Creative Writing and English Literature; M.P.A., Princeton University, Major: Public and International Affairs (Development Studies); B.S., University of Pennsylvania, Major: Materials Science and Engineering.

Experience: Adjunct Faculty, Lone Star College-North Harris, and Houston Community College; Adjunct Faculty and Teaching Fellow, The University of Houston; Teacher, Institute of Reading Development; Senior Editor, Feminist Economics; Technical Coordinator, CARE Bangladesh; Reservoir Engineer, Shell Bangladesh Exploration and Development B.V.

d. LSC-System Office

Daniel Dean, Director, Institutional Effectiveness

Effective: Twelve-month contracted employee at an annual salary of $72,000 beginning May 16, 2010.

Education: B.S., Texas State University at San Marcos, Major: Computer Science.


James McShan, Director, Institutional Research

Effective: Twelve-month contracted employee at an annual salary of $72,000 beginning May 16, 2010.

Education: B.B.A., Sam Houston State University, Major: Marketing.
Experience: Senior Analyst, Programmer Analyst II, and Data Analyst, Lone Star College System; Setup Configuration Analyst, Quality Assurance Analyst, and Customer Service Associate, Hewitt Associates; Supervisor, Best Buy.

e. LSC-Tomball

Ava Kneuper Veselis, Assistant Professor, English

Effective: Nine month contracted employee at an annual salary of $43,523 beginning August 1, 2010

Education: M.A., Southwest Texas/Texas State University, Major: Literature; B.A., Texas A&M University, Major: English.

Experience: Temporary Full-Time Instructor, Adjunct Faculty, Lone Star College-Tomball; Teacher, Cypress Fairbanks ISD.

Vanessa Gilbert-Cronen, Associate Professor, Sociology

Effective: Ten and one-half month contracted employee at an annual salary of $60,694 beginning August 1, 2010.

Education: Ph.D. & M.P.H., University of North Texas Health Science Center-Ft. Worth, Major: Biomedical Science & Health Services Research/Community Health; B.A., University of North Texas-Denton, Major: Sociology and Anthropology.

Experience: Adjunct Faculty and Temporary Full-Time Instructor, Lone Star College-Tomball; Research Consultant-Site Manager, University of Akron Institute for Health and Social Policy; Research Associate, National Organization on Adolescent Pregnancy, Parenting and Prevention, Inc.; Needs Assessment Consultant, Blue Cross Blue Shield Texas Incorporated.

Victor Moussoki, Assistant Professor, Economics

Effective: Ten and one-half month contracted employee at an annual salary of $58,358 beginning August 1, 2010.

Education: Ph.D. & M.A., State University of New York at Buffalo, Major: Economics; B.A., Université Marien Ngouabi, Major: Development Planning & Regional Economics.

Experience: Adjunct Faculty, Lone Star College-Tomball; Assistant Controller, Sterling McCall Toyota; Finance Consultant, Perenco LLC; Internal Control and Human Resources Manager, CMS Oil & Gas Congo Company; Senior Research Assistant, International Monetary Fund Congo Office; Tax Economist, Directorate of Impost and Taxes; Instructor & Teaching Assistant, State University of New York at Buffalo.
Cheryl Wells, Associate Professor, Librarian

Effective: Twelve-month contracted employee at an annual salary of $58,994 beginning July 1, 2010.

Education: M.L.S., University of Oklahoma, Major: Library and Information Studies; B.A., Wichita State University, Major: English.

Experience: Librarian, W.T. Hall Center for Education; Part-Time Reference Librarian, Lone Star College-North Harris & Montgomery; Librarian, Aldine ISD: Nimitz High School & MacArthur Senior High School; Library Media Specialist, Broken Arrow Public Schools; Coordinator, Tulsa Area Library Cooperative; Information and Reference Specialist, Tulsa City County Library; Library Assistant, OU-Tulsa Medical Center; Adjunct Instructor-English, Oral Roberts University.

Chandra Schorg, Associate Professor, Accounting

Effective: Ten and one-half month contracted employee at an annual salary of $52,807 beginning August 1, 2010.

Education: M.B.A. & B.B.A, Texas Woman’s University, Major: Accounting.

Experience: Temporary Full Time Instructor, and Adjunct Faculty, Lone Star College-Tomball, Montgomery & Kingwood; Assistant Professor of Accounting & Visiting Assistant Professor of Accounting, Loyola University-New Orleans; Lecturer III in Accounting, Texas Woman’s University.

f. LSC-University Center

Kurt Anthony Czupryn, Executive Director, University Center

Effective: Twelve-month contracted employee at an annual salary of $88,000 beginning May 1, 2010.

Education: Ph.D., University of Nebraska, Major: Educational Psychology; M.S., University of Arizona, Major: Physical Education; B.S., Indiana University, Major: Physical Education.

Experience: Director, Student and Program Development, University of Houston System at Cinco Ranch/Sugar Land; Director, Resident Life, Texas State University; Vice President for Student Affairs, Lamar University; Associate Vice President for Student Affairs, and Director of Resident Life, Assistant Director of Resident Life, and Hall Director/Assistant Football Coach, Nebraska Wesleyan University; Graduate Research Assistant, University of Nebraska.
Exhibit "ee"

Personnel Report and Consideration No. 2   (ACTION ITEM 25)   Board Meeting 6-3-10

Request:  Consideration of Resignations

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

LSC-Kingwood

Alma R. Watson, Director, Occupational Therapy Program
Effective August 31, 2010

LSC-Montgomery

Julie Love, Associate Professor, Economics
Effective August 31, 2010

LSC-System Office

James Baker, Director, Online Course Development
Effective May 15, 2010

José A. Castillo, System Director, Veteran Affairs
Effective April 23, 2010

Staff Resource:  Rand Key  

832-813-6522
Exhibit "fi"

Personnel Report and Consideration No. 3 (ACTION ITEM 26)  Board Meeting 6-3-10

Request: Consideration of Approval of Commissioning of Peace Officers

Chancellor's Recommendation: That the Board of Trustees approves the commissioning of the following peace officers for the Lone Star College System.

Lone Star College-Tomball
Catrina G Davis

Lone Star College-CyFair
William M. Garner
Alvyn E. McGasky
Jimmy Smith

Lone Star College-University Park
Melinda A. Ortega
Larry B. Smith
Janet Stark

Lone Star College-Montgomery
Jerome L. Powell

Rationale: These officers are eligible to be commissioned by this Board because they:
1. Have a current license from the Texas Commission on Law Enforcement Officer Standards and Education;
2. Have taken and filed the oath required of peace officers; and
3. Possess a sufficient number of college credit hours to meet the minimum standard for a Lone Star College System peace officer.

Fiscal Impact: None

Staff Resource: Rand Key 832-813-6522