I. Call to Order

II. Pledge of Allegiance

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

IV. Closed Session

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

Section 551.071 – Consultation with Attorney
- Status of Pending or Proposed Litigation
- On any item on the Agenda
- On a matter in which the duty of the attorney to LSCS under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the OMA

Section 551.072 – Deliberation Regarding Real Property
- LSC-CyFair, LSC-Houston North, LSC-Kingwood, LSC–Montgomery, LSC-North Harris, LSC-Tomball, LSC-University Park, LSC-System Office, Future Land Purchases

Section 551.074 – Personnel Matters

Section 551.076 – Deliberation Regarding Security Devices

V. Reconvene Regular Meeting

VI. Introductions, Special Guests, Recognitions

VII. Public Comment

VIII. Workshop – Enrollment Management

IX. Approval of the Minutes of the November 7, 2019 Workshop and Regular Meeting of the Board of Trustees

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

2. Presidents

3. Vice Chancellors – Dr. Dwight Smith, III

4. Faculty Senate Presidents

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

XI. Consideration of the Consent Agenda

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

XII. Policy Reports and Considerations

1. Consideration and Approval to Change the May 7, 2020 Board Meeting Date per LSC Board Policy I.F.1.04. – Time and Place (ACTION ITEM 1)

2. Consideration and Approval of the Lone Star College (the “College”) System Board Policy Manual Section III.C.2. Investment Management (ACTION ITEM 2)

XIII. Financial Reports and Considerations


2. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute an Interlocal Agreement and a Resolution on Behalf of Lone Star College (the “College”) with Educational Purchasing Interlocal Cooperative at ESC Region 6 (“EPIC6”) (ACTION ITEM 4)

3. Consideration of Approval to Authorize the Chancellor or Designee to Purchase Computerized Assessment Tests (ACTION ITEM 5)
4. Consideration of Approval to Authorize the Chancellor or Designee to Purchase Professional Services with Weaver and Tidwell, LLP (ACTION ITEM 6)

5. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute a Contract on Behalf of Lone Star College (the “College”) to Purchase Specialized Equipment for the Mechatronics Degree Program at Lone Star College-North Harris (“LSC-North Harris”) (ACTION ITEM 7)

6. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute a Contract on Behalf of Lone Star College (the “College”) to Purchase Construction Services for the Lone Star College-Houston North Fairbanks (“LSC-Houston North”) Fairbanks (ACTION ITEM 8)

7. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute a Contract on Behalf of Lone Star College (the “College”) to Purchase Construction Services for the Lone Star College-Houston North (“LSC-Houston North”) Greenspoint (ACTION ITEM 9)

8. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute a Contract on Behalf of Lone Star College (the “College”) to Purchase Construction Manager-At-Risk (“CMAR”) Construction Management Services for the Lone Star College-University Park (“LSC-University Park”) Visual Arts Building (ACTION ITEM 10)

9. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute a Contract on Behalf of Lone Star College (the “College”) for Construction of the Lone Star College-Tomball (“LSC-Tomball”) Entrances Landscaping (ACTION ITEM 11)

10. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute One or More Guaranteed Maximum Price (“GMP”) Contracts on Behalf of Lone Star College (the “College”) for Construction Services of the Lone Star College-Kingwood (“LSC-Kingwood”) Healthcare Instructional Building (ACTION ITEM 12)

11. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute Master Service Contracts to Solicit and Develop Agreements on Behalf of Lone Star College (the “College”) for Consulting Services with Registered Accessibility Specialists (“RAS”) (ACTION ITEM 13)

XIV. Personnel Report and Considerations
1. Consideration and Authorization for the Chancellor or Designee to Execute Proposed Employment Contracts for the Attached Individuals (ACTION ITEM 14)

XV. Financial Report

Monthly Financial Statements

XVI. Buildings and Grounds Report

Construction Projects Update

XVII. Suggested Future Agenda Items

XVIII. Adjournment

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

Section 551.071 - Consultation with Attorney
Section 551.072 - Deliberation Regarding Real Property
Section 551.073 - Deliberation Regarding Prospective Gift
Section 551.074 - Personnel Matters
Section 551.076 - Deliberation Regarding Security Devices
Section 551.082 - Student Discipline
Section 551.0821 - Personally Identifiable Information About Student
Section 551.084 - Exclusion of Witness
Section 551.087 - Economic Development Negotiations
I, Stephen C. Head, Chancellor of the Lone Star College System, do hereby certify that a notice of this meeting was posted on Monday the 2nd day of December, 2019 in a place convenient to the public at LSC-System Office The Woodlands, The Woodlands Leadership Building, on all college campuses and on the system website as required by Section 551.002 et seq., Texas Government Code. Special notice of the meeting was provided to the news media as required by Section 551.001 et seq., Texas Government Code.

Given under my hand this the 2nd day of December, 2019.
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 77381-4356
November 7, 2019
5:00 p.m.

PRESENT: Dr. Alton Smith, Chair
Ms. Linda Good, Assistant Secretary
Mr. David Vogt
Mr. Mike Sullivan
Ken Lloyd

ABSENT: Ms. Myriam Saldívar, Vice Chair
Mr. Art Murillo, Secretary
Ms. Ernestine Pierce
Mr. Michael Stoma

I. CALL TO ORDER: Chair Smith called the workshop and regular meeting of the Board of Trustees to order at 5:18 p.m. after determining that a quorum was present.

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

III. CERTIFICATION OF THE POSTING OF THE NOTICE OF THE MEETING: Chancellor Head confirmed that the Notice for the meeting and the Tax Rate Public Hearing had been properly posted. No action was required. A copy is attached as Exhibit “A”.

IV. CLOSED SESSION: At 5:19 p.m. Chair Smith convened the Board in closed session, in accordance with Section 551.001 et seq. of the Texas Government Code under one or more of the following provision(s) of the Act:

   Section 551.071 – Consultation with Attorney
   • Status of Pending or Proposed Litigation
   • On any item on the Agenda
   • On a matter in which the duty of the attorney to LSCS under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the OMA
   Section 551.072 – Deliberation Regarding Real Property
V. RECONVENE REGULAR MEETING: Chair Smith reconvened the open meeting at 6:01 p.m.

VI. INTRODUCTIONS, SPECIAL GUESTS AND RECOGNITIONS: Dr. Head introduced Jamie Swinnerton with the Houston Chronicle. Dr. Gerald Napoles introduced Ms. Tina Lee, vice president administrative services of LSC-North Harris and LSC-Houston North.

Nicole Robinson, executive director of the LSC Foundation, and LSC-Kingwood president Katherine Persson recognized the Humble Police Association for their support with over $500,000 in scholarship donations, of the LSC Foundation. Twyla Kimberlin, property asset manager for the Humble Police Association accepted this award.

Nicole Aboltin, director of client relations and communications for OTS introduced the winners of the Chancellor’s Faculty Technology Innovation Grant (CFTIG): Piloting Engineering Capstone “Senior” Design Course at Lone Star College, LSC-CyFair: Yiheng Wang and Jared Cammon; OpenGEO Project: Community-Based Citizen Science, LSC-CyFair: Buck Buchanan, Dr. David Bruner and Michael Konvica; Project FLOW CYTOMETER, LSC-Montgomery: Dr. Janeu Houston, Dr. Daniel Kainer and Anitha Iyer; Nanalysis NMReady-60 Spectrometer, LSC-North Houston: Richard Owen and Katherine Puno.

VII. PUBLIC COMMENT: John Burghduff representing the AFT addressed the board about the outsourcing job functions at Lone Star College.

VIII. WORKSHOP: Vice Chancellor, Chief of Staff Helen Clougherty introduced Poornima Swaminathan, associate vice chancellor marketing and communications. Ms. Swaminathan gave an update on marketing initiatives, including an overview of our agency partner, a discussion of marketing’s 360 approach, including media breakdown, target audiences and creative samples, campus involvement and future initiatives.

IX. APPROVAL OF THE MINUTES OF THE OCTOBER 3, 2019 WORKSHOP AND REGULAR MEETING AND THE OCTOBER 7, 2019 SPECIAL MEETING: upon a motion by Mr. Sullivan and a second by Mr. Vogt, the board approved the minutes of the October 7, 2019 Special Meeting and the October 3, 2019 Workshop and Regular Meeting with the chancellor’s report amended to reflect all trustees attending the dedication of the East Aldine Center opening event to include Dr. Smith, Art Murillo, Linda Good, Ken Lloyd, Myriam Saldívar, Mike Stoma, Mike Sullivan and David Vogt. The vote was unanimous.
X. SPECIAL REPORTS AND ANNOUNCEMENTS:

1. **Chancellor:** The groundbreaking for LSC-Houston North Fallbrook Center took place on Friday November 1st with 180 guests attending. The speakers included Dr. Alton Smith, Houston Mayor Sylvester Turner and U. S. Congressman Sheila Jackson Lee. Trustees Mike Sullivan, Ernestine Pierce and Ken Lloyd were in attendance.

2. **Presidents:** Dr. Seelpa Keshvala gave a presentation on 60 x 30TX Completion Plan to ensure that by 2030, at least 60% of Texans ages 25-34 will have a certificate or degree and undergraduate student loan debt will not exceed 60% of first-year wages for graduates.

3. **Vice Chancellors:** Dr. Dwight Smith introduced Dr. Katie Caruso, associate vice chancellor for honors and international education, who discussed international education at LSC. Dr. Caruso highlighted student support services and study abroad opportunities. The International Education Biennial Conference will be held at Lone Star College on Friday November 15, 2019. This conference encourages conversations about the benefits of international education and scholarly exchanges worldwide. Lone Star College is hosting Community Colleges for International Development (CCID) which is an international association of community, technical and vocational institutions. This organization provides support and resources to institutional internationalization initiatives through webinars, partnerships, scholarships, and annual conference professional development. Lone Star College had 21 semi-finalists named for the Jack Kent Cooke Scholarship. This is large part due to opportunities provided by the Honors College at Lone Star College. Students Aaron Wald, Jan Rejas and Mary Ann Hurtado spoke of the positive impact that LSC sponsored international travel had had on their lives and its influence on the career goals.

4. **Faculty Senate Presidents:** None.

5. **Board Members:** Mr. Vogt complimented Dr. Head and Jennifer Mott for their presentation given at the Association of Community College Trustees Annual Leadership Congress on Lone Star College’s budget process and forecasting. He also attended a session where instructors developed a software program to develop their expertise.

   Mr. Lloyd attended a session where an institution had a 600% increase in enrollment over a three-year period and a session on Building Bridges Not Walls, where two community colleges looked at their strengths and weaknesses and instead of being adversaries worked together to better help their students. Another session was How to Get the Older Electorate to Vote when it comes to raising taxes and a proposed bill in California on math and an easy path to get into college.

   Dr. Smith also acknowledged Dr. Head and Jennifer Mott’s presentation on the Lone Star College budget process. Dr. Smith attended a session where a college implemented
online textbooks. Dr. Smith attended the Phi Theta Kappa induction at LSC-Kingwood and the East Aldine early college event. Dr. Smith attended a meeting with legislators at LSC-North Harris about how they plan to handle the redistricting following the 2020 census. Chair Smith attended The Academy session at LSC-Kingwood and spoke about his leadership journey.

XI. **CONSIDERATION OF THE CONSENT AGENDA:** Chair Smith proceeded with the Consent Agenda. Action Items 1 and 3 were pulled from the agenda with action to be taken at a future board meeting. Mr. Sullivan made a motion to approve Action Items 2, 4, 5, 6, 7, 8, 9, 10 and 11. Mr. Vogt seconded the motion and the Board unanimously passed the Consent Agenda. A copy is attached as Exhibit “B”.

XII. **POLICY REPORTS AND CONSIDERATIONS:**

1. Consideration and Approval to Change the May 7, 2020 Board Meeting Date per LSC Board Policy LF.1.04. – Time and Place (ACTION ITEM 1): this item was pulled from the agenda with action to be taken at a future board meeting. A copy is attached as Exhibit “B”

XIII. **FOUNDATION REPORTS AND CONSIDERATIONS:**

1. Ratify and Approve the Appointment of LSC Foundation Board Members (ACTION ITEMS 2): the Board of Trustees ratify and approve appointment of the LSC Foundation Board Members listed on the following page for the positions indicated. The attached list represents those individuals selected by LSC Foundation Board of Directors at their June 27, 2019 meeting. This item was passed in the Consent Agenda. A copy is attached as Exhibit “C”.

XIV. **FINANCIAL REPORTS AND CONSIDERATIONS:**

1. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute Contracts and Necessary Easements and Agreements on Behalf of Lone Star College (the “College”) for the Sale of an approximate 55.429-Acre Tract of Land Located Along the East Line of Peoples Road, Approximately One Mile South of FM 1488 in Conroe, Montgomery County, Texas (ACTION ITEM 3): this item was pulled from the agenda with action to be taken at a future board meeting. This item was passed in the Consent Agenda. A copy is attached as Exhibit “D”.

2. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute a Contract on Behalf of Lone Star College (the “College”) to Purchase Renovation Services for Lone Star College-University Park (“LSC-University Park”) West Commons Area (ACTION ITEM 4): the Board of Trustees authorize the Chancellor or designee to negotiate and execute a contract on behalf of the College with JC Stonewall Constructors, LP, 11210 Steeplecrest Drive, Suite 310, Houston, TX 77065 to purchase renovation services, in a sum not exceeding $595,354. If negotiations cease for any reason with JC Stonewall Constructors, LP, the College may
proceed to negotiate with the firm in the order of selection ranking with a score not less than 70 until a contract is executed. This item was passed in the Consent Agenda. A copy is attached as Exhibit “E”.

3. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute a Contract on Behalf of Lone Star College (the “College”) to Purchase Renovation Services for the Lone Star College-University Park (“LSC-University Park”) Vita Outside Course Area (ACTION ITEM 5): the Board of Trustees authorize the Chancellor or designee to negotiate and execute a contract on behalf of the College with Landscape Art, Inc., 2303 Dickinson Avenue, League City, TX 77573 to purchase renovation services, in a sum not exceeding $436,857. If negotiations cease for any reason with Landscape Art, Inc., the College may proceed to negotiate with the firm in the order of selection ranking with a score not less than 70 until a contract is executed. This item was passed in the Consent Agenda. A copy is attached as Exhibit “F”.

4. Consideration of Approval to Continue Utilizing JP Morgan Chase Bank, N.A. (“JPM”) to provide Commercial Card Services for Lone Star College’s (the “College”) Procurement and Travel & Expense Card Programs (“P-Card”) through the College’s Cooperative Purchasing Agreement with the City of Fort Worth (“Fort Worth”) (ACTION ITEM 6): the Board of Trustees approve continuing to utilize JPM, 300 South Riverside Plaza, Suite IL-1-0199, Chicago, Illinois 60670-0199, to provide commercial card services through August 31, 2021, the new expiration date of Fort Worth’s contract with JPM, for the College’s P-Card programs through the College’s cooperative purchasing agreement with Fort Worth. This item was passed in the Consent Agenda. A copy is attached as Exhibit “G”.

5. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute a Contract on Behalf of Lone Star College (the “College”) for the Purchase of Large Conference and Catering Venue Services (ACTION ITEM 7): the Board of Trustees authorize the Chancellor or designee to negotiate and execute contracts on behalf of the College to purchase large conference and catering venue services from The Woodlands Waterway Marriott and Convention Center, 1601 Lake Robbins Drive, The Woodlands, TX 77380 for an estimated annual sum not exceeding $108,600 for a total sum not exceeding $543,000 over a five-year period and authorize the Chancellor or designee to execute annual service agreements for each year’s event. This item was passed in the Consent Agenda. A copy is attached as Exhibit “H”.

6. Consideration of Ratification of the Emergency Purchase of Remediation Services for Lone Star College-Kingwood (“LSC-Kingwood”) (ACTION ITEM 8): the Board of Trustees ratify the emergency purchase, per Board policy section III.D.2.6.(c), of remediation services at LSC-Kingwood from Service Environment of Texas, dba Service Master Restoration & Cleaning (“Service Masters”), 801 Russell Palmer Road, Kingwood, Texas for a sum not exceeding $200,000. This item was passed in the Consent Agenda. A copy is attached as Exhibit “I”.
7. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute an Interlocal Agreement on Behalf of Lone Star College (the “College”) with the City of Houston (the “City”) to Provide Emergency Medical Technician and Paramedic Training Services to the Houston Fire Department (ACTION ITEM 9): the Board of Trustees approve the Chancellor or designee to negotiate and execute an Interlocal Agreement on behalf of the College with the City to provide Emergency Medical Technician and Paramedic training services to the Houston Fire Department. This item was passed in the Consent Agenda. A copy is attached as Exhibit “J”.

8. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute a Sixth Amendment Schedule on Behalf of Lone Star College (the “College”) to the Master Service Agreement with Civitas Learning Inc. for Learning Insights Platform and Frontline Applications (ACTION ITEM 9): the Board of Trustees authorize the Chancellor or designee to negotiate and execute a sixth amendment schedule on behalf of the College to the master service agreement with Civitas Learning, Inc. 1145 West 5th Street, Austin, Texas 78703 in a sum not exceeding $455,000 for a total sum not exceeding $3,020,000, and that the Board of Trustees also waive Board Policy section III.D.2.9 Contract Term Limits to allow the contract to extend beyond five years. This item was passed in the Consent Agenda. A copy is attached as Exhibit “K”.

PERSONNEL REPORTS AND CONSIDERATIONS:

1. Consideration and Authorization for the Chancellor or Designee to Execute Proposed Employment Contracts for the Attached Individuals (ACTION ITEM 9): the Board of Trustees authorized the Chancellor or a designee to execute proposed employment contracts for the attached individuals. Each individual’s name, job title, not-to-exceed contract sum, and hire start date is attached. This item was passed in the Consent Agenda. A copy is attached as Exhibit “L”.

XV. FINANCIAL REPORT

Monthly Financial Report: Ms. Jennifer Mott, vice chancellor and CFO for finance and administration, presented the monthly financial statements for the month ended September 30, 2019. A copy is attached as Exhibit “M”.

XVI. BUILDING AND GROUNDS REPORTS:

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

XVII. SUGGESTED FUTURE AGENDA ITEMS: None.

XVIII. ADJOURNMENT: There being no further business, the meeting was adjourned at 7:50 p.m.
ATTEST:

______________________________  ______________________________
Board of Trustees, Chair        Board of Trustees, Secretary
Consideration of Consent Agenda

Board Meeting 11-7-19

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># 1</td>
<td>Approve Change May 7, 2020 Board Meeting Date</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td># 2</td>
<td>Approve Policy Section III.C.2 Investment Management</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td># 3</td>
<td>Approve CAFR and Independent Auditor’s Report</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td># 4</td>
<td>Approve Interlocal Agree/Educ Purch Coop (EPIC6)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td># 5</td>
<td>Approve Purch Computerized Assessment Tools</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td># 6</td>
<td>Auth Chan/Exec/Purch/Prof/Svcs/Weaver/Tidwell LLC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td># 7</td>
<td>Auth Chan/Exec/Cont/Megatronics Equip LSC-NH</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td># 8</td>
<td>Auth Chan/Exec/Const/Svcs/LSC-HN Fairbanks</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td># 9</td>
<td>Auth Chan/Exec/Cont/Const/Svcs/LSC-NHGreenspoint</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>#10</td>
<td>Auth Chan Exec/Purch/CMAR/LSC-UP Visual ArtsBld</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>#11</td>
<td>Auth Chan/Exec/Cont/LSC-Tomball Entr/Landscape</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>#12</td>
<td>Auth Chan/Exec/Cont/Const/Svcs/LSC-K/Healthcare</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>#13</td>
<td>Auth Chan/Exec/Cont/Consulting Services/RAS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>#14</td>
<td>Auth Chan Exec/Employment Contracts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Request:</td>
<td>Consideration and Approval to Change the May 7, 2020 Board Meeting Date per LSC Board Policy I.F.1.04. – Time and Place</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chancellor’s Recommendation:</td>
<td>That the Board of Trustees approve moving the Thursday, May 7, 2020 Workshop and Regular Board Meeting to Tuesday, May 5, 2020 due to the LSC-Montgomery’s commencement ceremony that will be held on Thursday, May 7, 2020 and LSC-Tomball’s commencement ceremony that will be held on Wednesday, May 6, 2020.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rationale:</td>
<td>Lone Star College-Montgomery’s venue for Commencement is only available on Thursday, May 7, 2020, which is the same day as the Regular Board Meeting.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fiscal Impact:</td>
<td>None.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff Resource:</td>
<td>Steve Head 832-813-6515</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Request: Consideration and Approval of the Lone Star College (the “College”) System Board Policy Manual Section III.C.2. Investment Management

Chancellor’s Recommendation: That the Board of Trustees consider and approve the College’s Board Policy Manual Section III.C.2. Investment Management.

Rationale: The Texas Public Funds Act requires the College’s Board of Trustees review its investment policy and investment strategies not less than annually.

Fiscal Impact: None.

Staff Resource: Mario K. Castillo 832-813-6655
Jennifer Mott 832-813-6512
III.C.2. Investment Management

III.C.2.1. Policy
The College invests available funds after evaluating the College’s anticipated cash flow requirements and giving due consideration to investment safety and risk. The College’s investment portfolio is prudently designed and managed to obtain reasonable revenue without compromising the College’s cash flow needs, to maintain public trust, and to comply with legal requirements and limitations. This policy applies to all investment assets under the College’s direct control.

The College invests with the following objectives in priority order: (1) safety and principal preservation; (2) liquidity; (3) diversification; (4) public trust; and (5) yield.

III.C.2.2. Definitions
(a) Act means Texas Government Code Chapter 2256, the Public Funds Investment Act.

(b) Board means the Board of Trustees with ultimate legal authority to govern the College.

(c) Hedging Transactions means contracts and related security, credit, and insurance agreements designed to protect the College from economic loss due to price fluctuation of a commodity or related investment by entering into an offsetting position or using a financial agreement or producer price agreement in a correlated security, index, or other commodity.

(d) Investment Officers means the College’s Chief Financial Officer and other employees as designated in writing by the College’s Chief Financial Officer, including an employee temporarily holding one of those positions in an acting or interim role.

(e) Repurchase Agreement means a simultaneous agreement to buy, hold for a specified time, and sell back at a future date certain authorized investments for a market value not less than the principal amount of funds disbursed.

(f) SEC means the United States Securities and Exchange Commission.

III.C.2.3. Purpose and Strategy
The Act requires the College to adopt a written investment policy regarding investment of its funds and funds under its control, including a separate written investment strategy for each of the funds or group of funds under its control. At least annually, the Board reviews this investment policy and investment strategies and adopts a written instrument stating that this review has taken place and listing any changes to the investment policy or strategies. This investment policy addresses the methods and practices the College uses to ensure prudent fund management.
The College’s overall investment strategy is to properly safeguard College financial assets, provide sufficient liquidity and diversification, and produce a reasonable rate of return while enabling the College to react to changes in economic and market conditions. All investments this policy authorizes are suitable.

The longer an investment’s maturity, the greater its price volatility. Therefore, the College primarily invests in short- and intermediate-term investments to limit risk caused by interest rate changes. The College attempts to match its investments with its 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 College does not purchase investments maturing more than three years from the purchase date.

The College’s investment portfolio is designed to obtain a reasonable return throughout budgetary and economic cycles commensurate with investment risk constraints and cash flow needs. “Weighted Average Yield to Maturity” is used to calculate the portfolio’s rate of return.

The College commingles its operating, reserve, trust, and agency funds into one investment portfolio for investment efficiency, accurate distribution of earnings, and maximum investment opportunity. Nevertheless, the College recognizes each fund’s unique characteristics and needs and manages its portfolio accordingly. The maximum dollar weighted average maturity of the entire commingled portfolio reflecting cash flow needs will be no greater than one year, and the corresponding benchmark for the commingled portfolio will be the comparable one-year U.S. Treasury security.

Capital projects are managed separately in accordance with their anticipated expenditure schedules and bond document requirements.

III.C.2.4. College Fund Investment Strategies

(a) General Fund includes all College operating funds including, but not limited to, the general fund, payroll fund, technology fund, student activity fee fund, repair and replacement fund, and the auxiliary fund. This fund’s primary investment objectives are (1) to preserve and safeguard principal; and (2) to match anticipated cash flows with adequate investment liquidity. These objectives are accomplished by purchasing high credit quality, short- to intermediate-term investments matching cash flow requirements. Funds not needed for short-term cash flow requirements are invested in diversified instruments with diversified maturities readily marketable in the secondary market or, if certificates of deposit, redeemable with or without penalty. Yield may be enhanced by using maturity extensions available within the confines of accurate cash flow projections and market cycle timing. This fund’s maximum weighted average maturity is one year, and the maximum stated maturity for any one investment is three years.
(b) **Restricted Fund** includes local, state, and federal grant funds and funds from other sources restricted for instructional use. This fund’s primary investment objectives are (1) to preserve and safeguard principal; (2) to maintain liquidity sufficient to meet anticipated cash flow requirements; and (3) to optimize yield. These objectives are accomplished by purchasing high credit quality, short-term investments, diversified by instrument and maturity, and matching the investments’ maturity with anticipated liabilities. Funds not needed for short-term cash flow requirements are invested in diversified instruments with diversified maturities readily marketable in the secondary market or, if certificates of deposit, redeemable with or without penalty. A ladder of short-term investments with sufficient liquidity from cash equivalent investments may be used to maintain a maximum weighted average maturity of one year, and the maximum stated maturity for any one investment is two years or less.

(c) **Capital Projects Fund.** The Capital Projects Fund’s primary investment objectives are to (1) preserve and safeguard principal; (2) match cash flows from maturities and earnings of diversified investments to anticipated needs; and (3) obtain a reasonable market yield. Considering appropriate risk constraints, investment choices attempt to attain a return equal to or above the arbitrage yield to avoid negative arbitrage. These objectives are accomplished by purchasing high credit quality, short- and intermediate-term investments with maturities closely matching projected cash flow schedules. Funds not needed for short-term cash flow requirements are invested in diversified instruments with diversified maturities readily marketable in the secondary market or, if certificates of deposit, redeemable with or without penalty. An individual security’s maximum maturity will not exceed the shorter of the funds’ planned expenditure span or the maximum length—currently three years—allowed under this policy.

(d) **Debt Service Fund.** The Debt Service Fund’s primary investment objectives are to (1) preserve and safeguard capital; and (2) optimize yield to fund debt service payments in accordance with bond documents. Funds not required for immediate liquidity are invested in diversified instruments. Each successive debt service payment is fully funded before extensions are made. This fund’s maximum weighted average maturity is one year.

(e) **Trust and Agency Fund** includes local scholarship funds, club funds, and other funds for which the College acts as fiduciary and which have short average lives and high liquidity needs. This fund’s primary investment objectives are to ensure safety, liquidity, diversification, and yield. These objectives are accomplished by purchasing high credit quality, short-term investments and cash equivalents for liquidity. This fund’s maximum weighted maturity is six months, and the maximum stated maturity for any one investment is one year.

III.C.2.5. **Prudent Person Rule**

When investing for the College, investment officers consider prevailing internal and market circumstances which persons of prudence, discretion, and intelligence would exercise when managing their own affairs—not for speculation, but for investment. Investment officers
consider the probable safety of capital as well as probable income from an investment decision.

When determining if an investment officer exercised prudence in an investment decision, reviewers consider the investment of all funds rather than a single investment and whether the investment decision was consistent with this investment policy.

III.C.2.6. Credit Rating Downgrades
At least quarterly, investment officers obtain from a reliable source the current credit rating for each College investment for which the Act requires a minimum rating. Investment officers meet to discuss any investment which has been downgraded or placed on credit-watch to evaluate and take any necessary and prudent measures to assure the safety of College funds. As quickly as prudently possible, the College liquidates any investment that becomes unauthorized or loses its required credit rating.

III.C.2.7. Authority and Delegation
The Act authorizes the College to manage College investments and to delegate such management.

III.C.2.8. Investment Officers
The Board designates the College’s investment officers and delegates to them responsibility to manage the College’s investment program under the Chancellor’s supervision. The Board retains ultimate fiduciary responsibility for College investments.

Investment officers are responsible for all investment transactions, and they establish and maintain controls to regulate subordinates’ activities. No person may engage in an investment transaction for the College except as set forth in this policy and relevant Chancellor’s procedures. Investment officers acting in good faith under relevant policies and procedures are not personally liable for investment results.

Investment officers report to the Board quarterly on investment results and annually on counterparties. No later than the 180th day after the 1st day of each regular session of the Texas Legislature, investment officers prepare and deliver a report to the Board on the Act.

III.C.2.9. Investment Training
The College provides access to periodic investment training for trustees, investment officers, and other investment personnel through courses and seminars offered by professional organizations, associations, and other independent sources in compliance with the Act.

Within six months after taking office or assuming duties, trustees and investment officers must acquire at least the minimum investment training required by the Texas Higher Education Coordinating Board. Training must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the Act.
In addition, the College’s Chief Financial Officer’s staff directly involved with day-to-day investment operations will attend training about the Act not less than once each state fiscal biennium. Investment officers also complete at least the minimum required hours of training not less than once each state fiscal biennium. An independent source approved by the Board provides all such training. The following are Board-approved training providers:

1. American Institute of Certified Public Accountants
2. Arbitrage Compliance Group
3. Association of Governmental Accountants
4. City Managers’ Association
5. Council of Governments
6. Government Finance Officers’ Association
7. Government Finance Officers’ Association of Texas
8. Government Treasurers’ Organization of Texas
9. Texas Association of Community College Business Officers
10. Texas Higher Education Coordinating Board
11. Texas Municipal League
12. Texas Society of Certified Public Accountants
13. Texas State Board of Public Accountancy
14. The PFM Group
15. University of North Texas Center for Public Management

III.C.2.10. Ethics and Disclosure of Conflicts of Interest
Investment officers and other College employees involved in the investment process refrain from personal business activity that could (1) conflict with properly executing the investment program or (2) impair their ability to make impartial investment decisions. Investment officers disclose potential conflicts of interest annually and as conditions change. Investment officers file a disclosure statement with the Texas Ethics Commission and the Board if:

(a) The investment officer has a personal business relationship with a business organization offering to engage in an investment transaction with the College; or

(b) The investment officer is related within the second degree by affinity or consanguinity, as determined under Texas Government Code Chapter 573, to an individual seeking to transact investment business with the College.

III.C.2.11. Investment Providers
Investment officers obtain and maintain information on all financial institutions and brokers/dealers authorized to engage in investment transactions with the College, including the following information, as applicable:

(a) Audited annual financial statements;
(b) Proof of Financial Industry Regulatory Authority membership and CRD number;

(c) Proof of registration with the Texas State Securities Board; and

(d) Completed College questionnaire.

All investment providers (including but not limited to financial institutions, broker/dealers, investment pools, mutual funds, and investment advisors) must certify in writing that the entity’s authorized representative has received and thoroughly reviewed the College’s current investment policy and that the entity has reasonable procedures and controls to preclude transactions conducted with the College not authorized by its investment policy except to the extent that authorization depends on analyzing the College’s entire portfolio or requires interpretation of subjective investment standards. Whenever the Board adopts material changes to the College’s investment policy, investment providers must re-certify their adherence to this policy.

The Board annually adopts a list of qualified brokers/dealers authorized to engage in investment transactions with the College. The Board considers service, market involvement, and creditworthiness when selecting brokers/dealers to provide brokerage services. Selected firms may include primary dealers and regional dealers qualifying under the SEC’s uniform net capital rule.

Each year, investment officers review and evaluate firms authorized to enter into investment transactions with the College. Their review and evaluation may include the following criteria:

(a) Number of transactions competitively won/attempted;

(b) Prompt and accurate confirmation of transactions;

(c) Efficiency of transaction settlement;

(d) Accuracy of market information; and

(e) Account servicing.

After their review and evaluation, investment officers recommend to the Board a list of firms to authorize to enter into investment transactions with the College for the following year.

III.C.2.13. Authorized and Unauthorized Investments
The College may invest in any investment authorized by Texas Government Code Chapter 2256 or its successor statute.

The College may not invest in the following:
(a) Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no interest.

(b) Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and pays no interest.

(c) Collateralized mortgage obligations with a stated final maturity greater than 10 years.

(d) Collateralized mortgage obligations with an interest rate determined by an index that adjusts opposite to the changes in a market index.

III.C.2.14. Securities Held by Custodians
All securities owned by the College are held by independent third party custodians approved by the College. The delivery shall be made under normal and recognized practices in the securities and banking industries, including the book entry procedure of the Federal Reserve Bank.

III.C.2.15. Delivery versus Payment
Except for investment pool funds and mutual funds, the College settles all security transactions on a delivery versus payment basis.

III.C.2.16. Competition
College investment activities occur in a competitive environment. Competitive elements include, but are not limited to, analyzing strategies, reviewing investment alternatives, monitoring market conditions, requesting solicitations from multiple investment providers, adhering to applicable “bona fide solicitation” rules, and overall performance evaluations.

The College may compare and evaluate, but does not require formal bidding, before investing in financial institution deposits, money market mutual funds, or local government investment pools. Bids or offers may be solicited orally, in writing, or electronically for securities and certificates of deposit. The College maintains records of all prices and levels bid, offered, or accepted.

III.C.2.17. Diversification
The College recognizes investment risks from issuer defaults, market price changes, or complications leading to temporary illiquidity. The College manages market risks by diversifying its portfolio within the following general guidelines:

(a) Avoid over-concentration in investments from a specific issuer or business sector;

(b) Limit investments with higher credit risk (such as commercial paper);

(c) Invest in instruments with varying maturities to meet the College’s cash flow projections;
(d) Continuously invest part of the portfolio in readily available funds (such as local government investment pools, financial institution deposits, money market funds, or overnight repurchase agreements) to maintain sufficient liquidity for ongoing obligations.

(e) Adhere to the following maximum limits (at time of purchase) by instrument for the College’s total portfolio:

1. US Treasury Obligations ................................................................. 90%
2. US Agencies and Instrumentalities.............................................. 90%
3. Certificates of Deposit ................................................................. 90%
4. Repurchase Agreements (excluding bond proceeds)................. 50%
5. Flexible Repurchase Agreements (bond proceeds) ..................... 100%
6. Investment Pools ...................................................................... 100%
7. Municipal Securities ................................................................. 30%
8. Commercial Paper .................................................................... 25%
9. Commercial Paper by issuer ..................................................... 5%

III.C.2.18. Hedging Transactions
As permitted by state law, the College may enter into hedging transactions related to commodities the College uses in its general operations or related to certain capital projects or other eligible projects. All hedging transactions must fully comply with all relevant state and federal laws, including Texas Government Code Chapter 2256 or its successor statute, the regulations of the federal Commodity Futures Trading Commission, and SEC regulations. Amounts the College receives under hedging transactions may be credited against expenses associated with a commodity purchase, and amounts the College pays under hedging transactions may be considered a maintenance and operations expense, an acquisition expense, a construction expense, or a project cost.

III.C.2.19. Internal Controls
Internal controls provide reasonable assurance that College funds are protected from loss, theft, or misuse. The concept of reasonable assurance recognizes that a control’s cost should not significantly exceed the benefits likely to be derived therefrom and that valuing costs and benefits requires estimates and judgments by management.

Internal controls for cash management and investment address at least the following points:

(a) Complete documentation of all transactions;

(b) Collusion control;

(c) Accounting and recordkeeping separation;

(d) Custodial safekeeping;
(e) Clear delegation of authority to subordinate staff members;

(f) Written confirmation for all transactions;

(g) Timely reconciliation of transactions; and

(h) Assurance of “delivery versus payment” settlement and competitive bidding.

III.C.2.20. Compliance Audit
At least once every two years, an external auditor in cooperation with, but independent of, the Chief Financial Officer reviews the College’s investment practices for compliance with College policies and procedures. The Chief Financial Officer coordinates this independent review in cooperation with the College’s Internal Auditor. Not later than January 1 of each even-numbered year, the College reports the most recent audit’s results to the Texas State Auditor’s Office.

III.C.2.21. Quarterly Reporting
Each quarter, investment officers prepare, sign, and present to the Chancellor and to the Board an investment report for the most recent quarter summarizing investment strategies employed and detailing the portfolio’s investment and earnings.

Each quarterly investment report includes a summary statement of investment activity. Quarterly reports allow the reader to ascertain whether investment activities during the reporting period adhered to the College’s investment policy. Each report includes at least the following:

(a) A detailed listing of individual investments by maturity date at the reporting period’s end;

(b) A portfolio summary by market sectors and maturities;

(c) The beginning and ending book and market values of each security and position by asset type and fund type invested;

(d) Unrealized market gains or losses at the reporting period’s end;

(e) The account, fund, or pooled group fund for which each individual investment was acquired;

(f) The portfolio’s average weighted yield to maturity as compared to its benchmark;

(g) Net accrued investment earnings for the reporting period;

(h) Diversification by market sectors; and
(i) A statement of compliance with the Act and the College’s investment policy and strategy as approved by the Board.

III.C.2.22. Market Values in Quarterly Reports
Market values used in quarterly reports are obtained from reputable and independent sources, which may include financial/investment publications and electronic media, investment tracking software, depository banks, commercial or investment banks, financial advisors, and representatives or advisors of investment pools or money market funds.

III.C.2.23. Annual Reporting
As required by the Texas State Auditor’s Office in accordance with the 82nd Texas Legislature’s General Appropriations Act, Article III, Rider 5–Investment Reports, the College files with the State Auditor, Comptroller of Public Accounts, Legislative Budget Board, and the Governor an annual report of all investment transactions involving endowment funds, short-term and long-term investment funds, and all other securities transactions, in a method prescribed by the State Auditor’s Office. The public may inspect copies of these reports, and the annual investment report is posted on the College’s website by December 31 of each year.

LSCS Policy Manual Section adopted by the Board of Trustees on March 1, 2018
Request: Consideration of Approval and Acceptance of the Comprehensive Annual Financial Report (“CAFR”) and the Independent Auditors’ Reports

Chancellor’s Recommendation: That the Board of Trustees consider the Board Audit and Finance Committee’s recommendation regarding the approval and acceptance of the CAFR and the independent auditors’ reports.

Rationale: The CAFR for the fiscal years ended August 31, 2018 and August 31, 2019 and the independent auditors’ reports are presented for Board approval and acceptance. The independent auditing firm Weaver and Tidwell, L.L.P. has issued an unmodified or “clean” opinion on the College’s financial statements and federal financial assistance programs. As required by the Texas Administrative Code (19 Tex. Admin. Code § 13.62(c)), the CAFR is required to be filed with various state agencies by January 1, 2020.

The reports are scheduled to be reviewed by the Board of Trustees Audit and Finance Committee before the December 5, 2019 Board meeting.

Fiscal Impact: None.

Staff Resource: Jennifer Mott 832-813-6512
Request: Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute an Interlocal Agreement and a Resolution on Behalf of Lone Star College (the “College”) with Educational Purchasing Interlocal Cooperative at ESC Region 6 (“EPIC6”)

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or Designee to negotiate and execute an Interlocal Agreement and a Resolution on behalf of the College with EPIC6, 3332 Montgomery Road, Huntsville, TX 77340.

Rationale: The purpose of the EPIC6 Purchasing Cooperative is facilitating procurement between “members” (public school districts, private schools, charter schools, colleges, universities, cities, municipalities, counties, and state agencies), and the “vendors” through pre-negotiated contracts that enable the member to receive a better value.

The EPIC6 cooperative consists of more than 100 contracts for the purchase of maintenance-repair operations, supplies, equipment, consulting services, instructional supplies, police, fire equipment, office supplies, furniture, and copy paper. By purchasing goods and services under this Cooperative, the College satisfies its requirements to seek competitive bids, and the College will benefit from EPIC6-negotiated discounts.

A local government may contract with another local government, the state, or a state agency to purchase goods and services. The local government that purchase the goods and services through the Cooperative satisfies legal procurement requirements.

Board Policy III.D.2.6. (e) Interlocal Purchase Agreements & Cooperative Purchasing Programs requires Board authorization of all interlocal agreements.

Fiscal Impact: Using EPIC6 contracts will provide savings and efficiencies in the procurement of goods and services. Participation in the EPIC6 program does not require a membership fee.

Staff Resource: Jennifer Mott 832-813-6512
Request: Consideration of Approval to Authorize the Chancellor or Designee to Purchase Computerized Assessment Tests

Chancellor’s Recommendation: That the Board of Trustees authorize the purchase of computerized assessment tests with College Entrance Examination Board, 250 Vesey Street, New York, NY 10281, for a sum not exceeding $1,500,000 over a five-year period.

Rationale: Assessment instruments are utilized by the assessment centers throughout Lone Star College (the “College”) to place students in appropriate classes in mathematics, reading, writing, and English for Speakers of Other Languages (“ESOL”). The Texas Higher Education Coordinating Board (“THECB”) approved the following assessment instruments: Texas Success Initiative Assessment (“TSIA”), Accuplacer (for higher-level math only), and Accuplacer ESL for ESOL.

THECB mandates the College to administer TSIA for student placement. The College delivers this exam on the Accuplacer platform—in addition to Accuplacer math for higher-level math placement—and Accuplacer ESL for placement of non-native speakers into the ESOL program. The College purchases these assessment instruments and offsets exam costs by collecting student fees.

The Chief Financial Officer certifies that this purchase complies with Texas Education Code Section 44.031(j) where a sole source purchase is justified for an item for which competition is precluded because of the existence of a patent, copyright, secret process, or monopoly.

Fiscal Impact: Funds for these purchases are included in the approved FY 2020 operating budget. Funds for subsequent years will be included in future proposed budgets. The College will offset these costs by collecting $10-29 from students per exam.

Staff Resource: Dwight Smith 832-813-6603
Jennifer Mott 832-813-6832
Request: Consideration of Approval to Authorize the Chancellor or Designee to Purchase Professional Services with Weaver and Tidwell, LLP

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or designee to purchase professional services under an existing Master Services Agreement from Weaver and Tidwell, LLP (“Weaver”), 24 Greenway Plaza, Suite 1800, Houston, TX 77046 for a sum not exceeding $189,000 to assist with conducting internal audits of construction projects.

Rationale: The Audit and Consulting Services Department, in collaboration with the Financial Operations and Facilities Division, has sought a professional services firm to assist with conducting internal audits of select construction projects completed with 2014 General Obligation Bond funds. The firm was selected from a pool of audit and consulting companies already approved by the Board of Trustees on June 1, 2017 Regular Board Meeting.

<table>
<thead>
<tr>
<th>Selected Construction Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lone Star College-CyFair Instructional Building</td>
</tr>
<tr>
<td>Lone Star College-CyFair Surface Parking</td>
</tr>
<tr>
<td>Lone Star College-CyFair Central Plant Expansion</td>
</tr>
<tr>
<td>Lone Star College-CyFair Renovations CASA Elevators</td>
</tr>
<tr>
<td>Lone Star College-North Harris Construction and Skilled Trades Technology Center</td>
</tr>
</tbody>
</table>

A Scope of Work (“SOW”) was issued on October 2, 2019 soliciting responses from firms included in the vendor pool for internal audit or consulting projects. The College received and evaluated two responses resulting in the selection of Weaver as provider of the professional services.

The cost for this project exceeds the $100,000 threshold approved by the Board on June 1, 2017.

Fiscal Impact: Funds for these professional services are available from the 2014 General Obligation Bond, Series 2017A.

Staff Resource: Mario K. Castillo 832-813-6655
Jennifer Mott 832-813-6512
Request: Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute a Contract on Behalf of Lone Star College (the “College”) to Purchase Specialized Equipment for the Mechatronics Degree Program at Lone Star College-North Harris (“LSC-North Harris”)

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or designee to negotiate and execute contracts on behalf of the College to purchase specialized equipment for the Mechatronics Degree Program with T.S. Enterprise Associates, Inc., dba Advanced Technologies Consultants, 110 W. Main Street, Northville, MI 48167, in a sum not exceeding $1,391,000.

Rationale: The LSC-North Harris Mechatronics Degree program provides specialty workforce education for the mechatronics-automated-manufacturing workspace. The equipment will be used to train students to work on and with equipment integrating electronics, mechanics, pneumatics, hydraulics, and computer controls. The College will train students using the current standards, best practices, and accepted methodologies in order to create competent, safe, and skilled graduates; plus providing a training environment that embraces advanced technology that is based upon real time training relevant to and related to current technology and standards used in manufacturing facilities.

This purchase complies with Texas Education Code §44.031(a)(4) allowing the use of interlocal contracts. The College will purchase equipment from Advanced Technologies Consultants (“ATC”) through the Southeast Texas Purchasing Cooperative Contract #20190402. ATC is the exclusive educational distributor for this equipment.

Fiscal Impact: $1,391,000 for these purchases is available from Workforce Council Funds.

Staff Resource: Gerald Napoles 281-618-5444
Dwight Smith 832-813-6603
Jennifer Mott 832-813-6512
Request: Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute a Contract on Behalf of Lone Star College (the “College”) to Purchase Construction Services for Lone Star College-Houston North (“LSC-Houston North”) Fairbanks

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or designee to negotiate and execute contracts on behalf of the College for construction services with Vaughn Construction (“Vaughn”), 10355 Westpark Drive, Houston, Texas for LSC-Houston North Fairbanks in a sum not exceeding $1,000,000. If negotiations cease for any reason with Vaughn, the College may proceed to negotiate with the next firm in the order of selection ranking with a score of not less than 70 until a contract is executed. The term of the contract shall be for the duration of the project awarded.

Rationale: The objective of this project is to build a new chemistry lab to educate and train students in up to three levels of chemistry. The classroom will accommodate 18 to 24 students with an adjacent approximate 2,200 sq. ft preparation room. There will be some additional supporting spaces for chemical storage and equipment rooms, for a total area of 5,900 sq. ft.

The chemistry lab will ensure that LSC-Houston North meets all Southern Association of Colleges and Schools Commission on Colleges requirements for adequate physical resources needed to offer an Associate of Science degree.

In compliance with the provisions of Texas Government Code §2269.055 (a), a Competitive Sealed Proposal (“CSP”) #692 was publicly advertised and the College received two responses. The College conducted evaluations based on price, experience, reputation, quality of goods and services, safety record, proposed personnel, financial capability, the extent to which certified historically underutilized businesses (“HUB”), minority and/or veteran or women-owned businesses are utilized, other relevant factors, and the project schedule timeline.

Fiscal Impact: Funds for this purchase are available from the 2014 General Obligation Bonds, Series 2017A.

Staff Resource: Quentin Wright 832-813-6688
Jennifer Mott 832-813-6512
Request: Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute a Contract on Behalf of Lone Star College (the “College”) to Purchase Construction Services for Lone Star College-Houston North (“LSC-Houston North”) Greenspoint

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or designee to negotiate and execute contracts on behalf of the College with Vaughn Construction (“Vaughn”), 10355 Westpark Drive, Houston, Texas for construction services for LSC-Houston North Greenspoint for a sum not exceeding $700,000.

Rationale: The objective of this project is to convert two classrooms to build a new health clinic and pharmacy; add a single-accessible restroom on the first floor; add three new offices on the third floor for executives; and expand a multi-purpose room. The total affected area of this project is approximately 3,800 sq. ft.

LSC-Houston North Greenspoint is partnering with Avenue 360, a Federal Qualified Health Clinic, to provide low-cost health services for students and members of the community. This service is part of LSC-Houston North Greenspoint’s student success model of providing wraparound support services designed to reduce barriers for students entering and persisting in college.

This purchase complies with Texas Education Code §44.031(a)(4) allowing the use of cooperative contracts. The purchase from Vaughn is being conducted through Choice Partners Cooperative – Contract #15/041JN-16. A market analysis was conducted to determine best value.

Fiscal Impact: Funds for this purchase are available from the TIRZ funds.

Staff Resource: Quentin Wright 832-813-6688
Jennifer Mott 832-813-6512
Request: Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute a Contract on Behalf of Lone Star College (the “College”) to Purchase Construction Manager-At-Risk (“CMAR”) Construction Management Services for the Lone Star College-University Park (“LSC-University Park”) Visual Arts Building

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or designee to negotiate and execute a contract on behalf of the College for CMAR services with Durotech Inc. General Contractors (“Durotech”), 11931 Wickchester Lane, Suite 205, Houston, Texas in a sum not exceeding $1,500,000. If negotiations cease for any reason with Durotech, the College may proceed to negotiate with the next firm in the order of selection ranking with a score of not less than 70 until a contract is executed. The term of the contract shall be for the duration of the project awarded.

Rationale: The CMAR services will be utilized to build a complex that will support the growing visual and performing arts program at LSC-University Park. The building will be used for theater, music, and fine arts classes for the Department of Arts and Humanities, as well as art events, theater, and music performances open to the community and University Interscholastic League (“UIL”) events. The CMAR services will include, but are not limited to, project management, constructability reviews, cost estimating, scheduling, subcontracting, quality and safety control, and project closeout.

In compliance with the provisions of Texas Government Code Section 2269.251, a Request for Qualifications (“RFQ”) #688 was publicly advertised and five responses were received. The College conducted evaluations of qualifications using a two-step process. For step one, the evaluations were conducted based on the firm’s qualifications; experience; reputation; relevant higher education project experience; client references; methodology and project schedule timeline; experience of proposed lead personnel; quality control and safety programs; extent to which certified historically underutilized businesses (“HUB”), minority and/or veteran or women-owned businesses are utilized; and the completeness and thoroughness of the response.

For step two, onsite presentations were made by the top three firms that received the highest scores from step one. The three firms were evaluated based upon the revised criteria of the firm’s qualifications; experience; reputation; relevant higher education project experience; client references; methodology and project schedule timeline; experience of proposed lead personnel; extent to which certified HUB, minority and/or veteran or
women owned businesses are utilized; and the addition of pricing for contractor fee, bonding fees, and general conditions.

**Fiscal Impact:** Funds for this purchase are available from the 2014 General Obligation Bonds, Series 2017A.

**Staff Resource:**

<table>
<thead>
<tr>
<th>Name</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shah Ardalan</td>
<td>281-290-2999</td>
</tr>
<tr>
<td>Jennifer Mott</td>
<td>832-813-6512</td>
</tr>
</tbody>
</table>
Request: Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute a Contract on Behalf of Lone Star College (the “College”) for Construction of the Lone Star College-Tomball (“LSC-Tomball”) Entrances Landscaping

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or designee to negotiate and execute a contract on behalf of the College for construction with Landscape Art, Inc., 2303 Dickinson Avenue, League City, Texas, for the LSC-Tomball entrances landscaping in a sum not exceeding $800,000. If negotiations cease for any reason with Landscape Art, the College may proceed to negotiate with the next firm in the order of selection ranking with a score of not less than 70 until a contract is executed. The term of the contract shall be for the duration of the project awarded.

Rationale: This project is to install landscaping, irrigation system(s), reform the existing detention pond, and signage at both entrances for LSC-Tomball. It is a two-phase project. The first phase will include the installation of landscaping, irrigation system(s), and the reformation of the existing detention pond. The second phase will complete the landscaping, the irrigation system(s), and the installation of signage.

In compliance with Texas Government Code §2269.055, a Competitive Sealed Proposal (“CSP”) #684 was publicly advertised and five responses were received. The College conducted evaluations of the proposals based on price; qualifications; experience; service needs met; references; quality of services; the extent to which certified historically underutilized business (“HUB”), minority and/or veteran or women owned businesses are utilized; safety record; proposed lead personnel; financial capability; and other relevant factors.

Fiscal Impact: Funds for this purchase are available from the 2014 General Obligation Bond, Series 2017A.

Staff Resource: Lee Ann Nutt 281-351-3378
Jennifer Mott 832-813-6512
Request: Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute One or More Guaranteed Maximum Price (“GMP”) Contracts on Behalf of Lone Star College (the “College”) for Construction Services of the Lone Star College-Kingwood (“LSC-Kingwood”) Healthcare Instructional Building

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or designee to negotiate and execute one or more GMP contracts on behalf of the College for additional construction services with CMAR Tellepsen Builders, L.P. (Tellepsen) 777 Benmar Drive, Suite 400, Houston, Texas for the LSC-Kingwood Healthcare Instructional Building in a sum not exceeding $19,300,000, for a total revised sum not exceeding $20,453,494.

Rationale: On December 7, 2017, the Board approved Tellepsen to provide CMAR services for the construction of the new LSC-Kingwood Healthcare Instructional Building and Surface Parking through a formal Request for Qualifications (“RFQ”) process in compliance with Texas Government Code Section 2269.251.

The LSC–Kingwood Healthcare Instructional Building is part of the expansion of healthcare education and workforce programs offered by the College for Dental Hygiene, Nursing, Occupational Therapy, and Respiratory Care, as well as continuing education for professional certifications. This project is ready to move forward with the building portion of the project. Additional board approval will be sought once the parking lot portion of the project begins.

The table below summarizes the approvals by the Board to date for this firm:

<table>
<thead>
<tr>
<th>Tellepsen Contract Summary</th>
<th>Approval</th>
<th>Description</th>
<th>Sum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Approval</td>
<td>12/7/2017</td>
<td>Kingwood Healthcare/ Surface Parking pre construction</td>
<td>$1,153,494</td>
</tr>
<tr>
<td>Proposed GMP Amendment</td>
<td>12/5/2019</td>
<td>Kingwood Healthcare Instructional Building</td>
<td>$19,300,000</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>$20,453,494</td>
</tr>
</tbody>
</table>
Fiscal Impact: Funds for these purchases are available from the 2014 General Obligation Bond, Series 2017A.

Staff Resource: Jennifer Mott 832-813-6512
Request: Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute Master Service Contracts to Solicit and Develop Agreements on Behalf of Lone Star College (the “College”) for Consulting Services with Registered Accessibility Specialists (“RAS”)

Chancellor’s Recommendation: That the Board of Trustees authorizes the Chancellor or designee to negotiate and execute agreements on behalf of the College for consulting services with RAS firms in a sum not exceeding $800,000 from Bond funds and a sum not exceeding $700,000 from R&R funds, with a total sum not exceeding $1,500,000 over a five-year period. See the attached list for recommended vendors.

Rationale: The College does not currently have internal resources trained or qualified on building accessibility codes. The RAS firms will document compliance with the Americans with Disability Act (“ADA”) and Texas Accessibility Standards (“TAS”), and prepare deficiency reports, action items, and provide construction estimates for the College.

The scope of the award is for individual projects with estimated expenses of less than $100,000, but total annual expenses for these services are expected to be $500,000. Bond funds will be utilized for Pre and Post construction reviews. R&R funds will be utilized for facility assessments and action items.

In compliance with the provisions of Texas Education Code 44.031 (a), Request for Proposals (“RFP”)

Fiscal Impact: Funds for this purchase are available from the 2014 General Obligation Bonds, Series 2017A and the approved FY 2020 R&R budget. Funds for subsequent years will be included in future proposed budgets.

Staff Resource: Jennifer Mott 832-813-6512
Request: Consideration and Authorization for the Chancellor or Designee to Execute Proposed Employment Contracts for the Attached Individuals

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or a designee to execute proposed employment contracts for the attached individuals. Each individual’s name, job title, not-to-exceed contract sum, and hire start date is attached.

Rationale: Board Policy Section III.D.1.3.(a) requires Board approval of employment contracts. In accordance with this policy, this authorization would expressly delegate such authority to the Chancellor or a designee for the attached individuals.

Fiscal Impact: Positions and salaries have been budgeted for 2019–2020.

Staff Resource: Mario K. Castillo 832-813-6606
<table>
<thead>
<tr>
<th>Last Name</th>
<th>First Name</th>
<th>Job Title</th>
<th>Not-to-Exceed Contract Sum</th>
<th>Hire Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cordova</td>
<td>Rafael</td>
<td>Executive Director, Financial Services</td>
<td>$99,340</td>
<td>11/18/2019</td>
</tr>
<tr>
<td>Dickinson</td>
<td>Keith</td>
<td>Executive Director, Financial Aid Student Services</td>
<td>$85,960</td>
<td>11/1/2019</td>
</tr>
<tr>
<td>Gorman</td>
<td>Jeffrey</td>
<td>Instructor, Chemistry</td>
<td>$31,015</td>
<td>10/21/2019</td>
</tr>
<tr>
<td>Lee</td>
<td>Tina</td>
<td>Vice President, Administrative Services</td>
<td>$125,140</td>
<td>10/16/2019</td>
</tr>
<tr>
<td>Mai</td>
<td>Alexander</td>
<td>Director, Campus Services</td>
<td>$106,272</td>
<td>11/1/2019</td>
</tr>
<tr>
<td>Thomas</td>
<td>Marie</td>
<td>Workforce Skills Instructor, Truck Driving</td>
<td>$61,437</td>
<td>10/16/2019</td>
</tr>
<tr>
<td>Valenzuela</td>
<td>Ernesto</td>
<td>Director, Institutional Effectiveness</td>
<td>$74,380</td>
<td>10/16/2019</td>
</tr>
<tr>
<td>Williamson</td>
<td>W. Cole</td>
<td>Reference Librarian/Associate Professor</td>
<td>$64,381</td>
<td>11/1/2019</td>
</tr>
</tbody>
</table>
Report: Monthly Financial Statements

The financial statements for the month ended October 31, 2019 are presented for Board review.
# LONE STAR COLLEGE

## Statement of Revenues and Expenditures

### General and Auxiliary Funds

YTD October 31, 2019

Unaudited

<table>
<thead>
<tr>
<th></th>
<th>PRIOR YEAR</th>
<th>% ACTUAL TO BUDGET</th>
<th>PRIOR YEAR</th>
<th>% ACTUAL TO BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ACTUAL</td>
<td>ELAPSED</td>
<td>17% FY</td>
<td>ELAPSED</td>
</tr>
<tr>
<td></td>
<td>Forecasted</td>
<td>Fiscal YTD</td>
<td>17% FY</td>
<td>Fiscal YTD</td>
</tr>
<tr>
<td><strong>REVENUES:</strong></td>
<td>Budget</td>
<td>Variance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Appropriations</td>
<td>$ 78,683,229</td>
<td>- $ 18,883,998</td>
<td>24.0% $ 18,715,679</td>
<td>24.0%</td>
</tr>
<tr>
<td>Tuition and Fees</td>
<td>130,284,570</td>
<td>(444,903)</td>
<td>45.3% 54,917,254</td>
<td>44.1%</td>
</tr>
<tr>
<td>Taxes</td>
<td>163,837,188</td>
<td>- 982,939</td>
<td>0.6% 1,443,121</td>
<td>0.9%</td>
</tr>
<tr>
<td>Investments</td>
<td>1,986,012</td>
<td>- 440,845</td>
<td>22.2% 319,706</td>
<td>19.2%</td>
</tr>
<tr>
<td>Product/Service</td>
<td>7,669,160</td>
<td>- 1,232,364</td>
<td>16.1% 1,225,761</td>
<td>18.6%</td>
</tr>
<tr>
<td>Misc Revenues</td>
<td>9,660,194</td>
<td>- 1,330,754</td>
<td>13.8% 1,921,907</td>
<td>20.5%</td>
</tr>
<tr>
<td><strong>Total Revenues:</strong></td>
<td>392,120,353</td>
<td>(444,903)</td>
<td>20.9% 78,543,428</td>
<td>20.6%</td>
</tr>
</tbody>
</table>

| EXPENDITURES:        |            |                     |            |                     |
|                      | Budget     | Variance            |            |                     |
| Full Time Faculty    | 74,594,717 | - 12,145,267        | 16.3% 11,873,266 | 16.5%                |
| Part Time Faculty    | 30,463,809 | - 7,481,246         | 24.6% 6,504,857 | 20.7%                |
| Full Time Staff      | 124,956,517 | - 19,183,983     | 15.4% 17,705,118 | 15.3%                |
| Part Time Staff      | 13,029,651 | - 1,613,458        | 12.4% 1,429,587 | 12.6%                |
| Staff Benefits       | 33,238,333 | - 5,520,358        | 16.6% 4,910,043 | 14.2%                |
| Other Employee Benefits | 2,516,317 | - 299,417         | 11.9% 205,190 | 7.5%                |
| Services             | 46,813,526 | - 7,713,663        | 16.5% 7,663,380 | 17.8%                |
| ProfDev/Travel       | 4,034,726  | - 201,541          | 5.0% 360,571 | 9.8%                |
| Supplies             | 11,889,535 | - 1,349,533        | 11.4% 1,345,764 | 12.5%                |
| Monthly Charges      | 6,768,363  | - 352,327          | 5.2% 342,251 | 5.1%                |
| Utilities            | 9,264,200  | - 819,346          | 8.8% 1,465,061 | 14.7%                |
| Other                | 16,117,251 | (444,903)            | 3.7% 952,459 | 5.2%                |
| Non-Capital Equipment | 5,609,284 | - 214,148         | 3.8% 116,045 | 2.1%                |
| CIP Land/Building    | 0          | - 0               | 0.0% 8,415 | 0.0%                |
| Capital Expenditures | 316,400    | - 13,846          | 4.4% 19,123 | 6.3%                |
| Furniture, Fixture, Equipment | 972,283 | - 63,360       | 6.5% 7,631 | 0.4%                |
| **Total Expenditures** | 380,584,912 | (444,903)  | 15.1% 54,908,761 | 14.9%                |
| Other Changes - Capital Project Transfers | 6,902 | - 6,901 | -         | -                  |
| Other Changes - Debt Service Transfers | 8,200,000 | - 2,365,213 | 2,285,113 | 2.1%                |
| Other Changes - R&R Transfers | 3,350,000 | - 3,350,000 | 5,642,409 | 0.0%                |
| Total Operating Transfers | 11,556,902 | - 5,722,114 | 7,927,522 | 0.0%                |
| **Total Expenditures & Transfers** | 392,141,814 | (444,903) | 63,292,941 | 62,836,283 | 0.0%                |

**TOTAL NET INCREASE IN FUND BALANCES**  
$ (21,461) $ 0 $ 18,587,206 $ 15,707,145

### LONG TERM CASH RESERVES:

Revised Forecasted Net Increase in Fund Balance  
$ (21,461)

FY 2020 "One-Time" Cash Transactions  
Beginning Cash Reserves, 9/1/2019  
66,483,441

Forecasted Cash Reserves, 8/31/2020  
$ 66,461,980

### LONG TERM CASH RESERVES AS A % OF BUDGETED EXPENDITURES AND CAPITAL PROJECT TRANSFERS  
17.5%
## Balance Sheet

**October 31, 2019**

**Unaudited**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>General &amp; Auxiliary</th>
<th>Restricted</th>
<th>GASB Reporting Entries (*)</th>
<th>Memorandum Totals Current Year</th>
<th>Memorandum Totals Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts receivable, net</td>
<td>23,786,266</td>
<td>3,397,016</td>
<td>5,836,586</td>
<td>33,174,324</td>
<td></td>
</tr>
<tr>
<td>Prepaid and deferred expenses</td>
<td>1,907,219</td>
<td>-</td>
<td>1,907,219</td>
<td>1,746,099</td>
<td></td>
</tr>
<tr>
<td>Inventories, at cost</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>-</td>
<td>-</td>
<td>950,695,623</td>
<td>950,695,623</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>119,981,949</strong></td>
<td><strong>102,573,987</strong></td>
<td><strong>956,532,209</strong></td>
<td><strong>1,179,088,145</strong></td>
<td></td>
</tr>
</tbody>
</table>

| Deferred Outflows Pension & OPEB | - | - | 167,229,450 | 17,189,226 |
| **TOTAL ASSETS AND DEFERRED OUTFLOWS** | **119,981,949** | **102,573,987** | **1,123,761,659** | **1,346,317,595** |

<table>
<thead>
<tr>
<th>LIABILITIES AND FUND BALANCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIABILITIES:</td>
</tr>
<tr>
<td>Accounts payable</td>
</tr>
<tr>
<td>Deferred revenues</td>
</tr>
<tr>
<td>Accrued compensable absences payable</td>
</tr>
<tr>
<td>Accrued interest payable</td>
</tr>
<tr>
<td>Bonds payable</td>
</tr>
<tr>
<td>Net Pension &amp; OPEB Liability</td>
</tr>
<tr>
<td>Assets held in custody for others</td>
</tr>
<tr>
<td>L/T Due to Other Local Government</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
</tr>
</tbody>
</table>

| Deferred Inflows Pension & OPEB | - | - | 73,316,457 | 73,316,457 |
| **TOTAL LIABILITIES AND DEFERRED INFLOWS** | **33,712,129** | **33,257,342** | **1,045,268,561** | **1,082,554,496** |

| FUND BALANCES: |
| Unrestricted Operating | 7,996,728 | - | 7,996,728 | (15,782,372) |
| Restricted for Technology | 1,087,113 | - | 1,087,113 | 7,552,245 |
| Restricted for Student Activity | 656,442 | - | 656,442 | 2,399,641 |
| Unrestricted Auxiliary | 2,154,304 | - | 2,154,304 | 2,263,503 |
| Unrestricted Tenant Related | 8,829,882 | - | 8,829,882 | 8,057,444 |
| Restricted Operating Cash - Short Term Reserves | 17,906,948 | - | 17,906,948 | 20,508,204 |
| Restricted Operating Cash - Long Term Reserves | 47,638,403 | - | 47,638,403 | 48,709,245 |
| Restricted for Grants | - | (16,147,628) | (16,147,628) | (9,126,355) |
| Restricted for Debt Service | - | 18,300,004 | 18,300,004 | 20,446,616 |
| Restricted for Construction | - | 67,164,269 | 67,164,269 | 109,821,295 |
| **TOTAL FUND BALANCES** | **86,269,820** | **69,316,645** | **78,493,098** | **234,079,563** |

| **TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES** | **119,981,949** | **102,573,987** | **1,123,761,659** | **1,346,317,595** | **1,194,094,106** |

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

Subject to Change pending completion of the August 31, 2019 audit

FY 2018 Prior Year audited as of August 31, 2018
LONE STAR COLLEGE

Statement of Revenues and Expenditures
Fund 35 Harvey Recovery
PROFORMA from inception to 10.31.19
Unaudited

<table>
<thead>
<tr>
<th></th>
<th>System Office</th>
<th>North Harris</th>
<th>Kingwood</th>
<th>Tomball</th>
<th>Montgomery</th>
<th>CyFair</th>
<th>University Park</th>
<th>UP SO</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ACTUAL</td>
<td>ACTUAL</td>
<td>ACTUAL</td>
<td>ACTUAL</td>
<td>ACTUAL</td>
<td>ACTUAL</td>
<td>ACTUAL</td>
<td>ACTUAL</td>
<td>ACTUAL</td>
</tr>
<tr>
<td>REVENUES:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>$</td>
<td>33,751,383</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$</td>
<td>33,751,383</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>EXPENDITURES:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>$</td>
<td>8,744</td>
<td>49,733</td>
<td>24,033,559</td>
<td>17,566</td>
<td>49,710</td>
<td>796,629</td>
<td>10,671</td>
<td>24,966,612</td>
</tr>
<tr>
<td>Contracts</td>
<td>786,279</td>
<td>1,832</td>
<td>11,627,834</td>
<td>49,212</td>
<td>88,805</td>
<td>10,855</td>
<td>9,231,017</td>
<td>12,564,817</td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>577,564</td>
<td>8,429,862</td>
<td>18,813</td>
<td>204,779</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9,231,017</td>
</tr>
<tr>
<td>Insurance Deductible/Attorney</td>
<td>1,504,050</td>
<td></td>
<td>25,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,529,050</td>
</tr>
<tr>
<td>Personnel</td>
<td>319,923</td>
<td>11,679</td>
<td>680,367</td>
<td>16,561</td>
<td>12,905</td>
<td>21,946</td>
<td>11,365</td>
<td>30,084</td>
<td>1,104,829</td>
</tr>
<tr>
<td>Supplies</td>
<td>20,264</td>
<td>1,567</td>
<td>661,783</td>
<td>5,819</td>
<td>1,171</td>
<td>5,876</td>
<td></td>
<td></td>
<td>696,480</td>
</tr>
<tr>
<td>Travel</td>
<td>1,563</td>
<td>203</td>
<td>1,149</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2,917</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$</td>
<td>3,218,387</td>
<td>65,013</td>
<td>45,434,553</td>
<td>22,381</td>
<td>80,853</td>
<td>185,149</td>
<td>12,564,817</td>
<td>50,095,722</td>
</tr>
<tr>
<td>FUND BALANCE - Increase (Decrease)</td>
<td>$ 30,532,996</td>
<td>(65,013)</td>
<td>(45,434,553)</td>
<td>(22,381)</td>
<td>(80,853)</td>
<td>(185,149)</td>
<td>(1,048,629)</td>
<td>(40,757)</td>
<td>(16,344,339)</td>
</tr>
<tr>
<td>Encumbrances</td>
<td>-</td>
<td>-</td>
<td>(1,964,288)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(168,750)</td>
<td></td>
<td>(2,133,038)</td>
</tr>
<tr>
<td>ADJUSTED FUND BALANCE</td>
<td>$</td>
<td>30,532,996</td>
<td>(65,013)</td>
<td>(47,398,841)</td>
<td>(22,381)</td>
<td>(80,853)</td>
<td>(185,149)</td>
<td>(1,048,629)</td>
<td>(209,507)</td>
</tr>
</tbody>
</table>
LONE STAR COLLEGE

Balance Sheet
Fund 35 Harvey Recovery
As of 10.31.19
Unaudited

<table>
<thead>
<tr>
<th>Assets</th>
<th>All Locations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>370,739</td>
</tr>
<tr>
<td>Prepaid and deferred expenses</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>370,739</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities and Fund Balances</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities:</td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>44,050</td>
</tr>
<tr>
<td>Due To Others</td>
<td>16,671,028</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>16,715,078</td>
</tr>
</tbody>
</table>

| **TOTAL FUND BALANCE**                      | (16,344,339)  |
| **TOTAL LIABILITIES AND FUND BALANCE**      | $ 370,739     |
**LONE STAR COLLEGE**  
**SUMMARY OF OPERATING FUNDS**  
**AS OF OCTOBER 31, 2019**

**OPERATING FUNDS 10/31/2019**

<table>
<thead>
<tr>
<th>OPERATING SHORT TERM CASH</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>DEPOSITORY</td>
<td>$</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Operating Cash - Subtotal</td>
<td>$</td>
<td>2,000,000</td>
</tr>
<tr>
<td>POOLS</td>
<td>$</td>
<td>14,023,198</td>
</tr>
<tr>
<td>MONEY MARKET ACCOUNTS</td>
<td></td>
<td>1,883,750</td>
</tr>
<tr>
<td>Operating Short Term Cash Reserves</td>
<td>$</td>
<td>15,906,948</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPERATING LONG TERM CASH RESERVES</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>US GOVT. AGENCIES</td>
<td>$</td>
<td>30,301,228</td>
</tr>
<tr>
<td>MUNICIPAL BONDS</td>
<td></td>
<td>1,600,000</td>
</tr>
<tr>
<td>US TREASURY NOTES</td>
<td></td>
<td>12,795,242</td>
</tr>
<tr>
<td>COMMERCIAL PAPER</td>
<td></td>
<td>2,941,933</td>
</tr>
<tr>
<td>Operating Long Term Cash Reserves</td>
<td>$</td>
<td>47,638,403</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$</td>
<td>65,545,351</td>
</tr>
</tbody>
</table>
Report: Construction Projects Update

The monthly construction projects update is presented for Board review.
1. LSC-Kingwood: Hurricane Harvey Recovery:
   A renovation of 200,000 sf of the first floors of five of six buildings. The architect is AutoArch and design was completed August 2018. The construction firm is Anslow Bryant. Substantial completion was reached on January 6, 2019 for five of the six buildings as well as May 17, 2019 for the library, respectively. Final completion details are underway and expected to be complete by February 2020.
   - Substantial Completion: Spring 2019
   - Budget: $52,553,603
2. LSC-Tomball: South Entrance Drive Monument:
   A new main entrance monument, sign, and landscaping, this project will support the new Tomball South Drive Entrance completed January 2018. Currently in bid process for the project.
   - **Substantial Completion:** Fall 2020
   - **Budget:** $2,650,000

3. LSC-Corporate College: Transportation Institute:
   A new 16,000 sf building, this project will support the growing truck driving program. The architect is PBK Architects and design was completed September 2018. The construction firm is Tellepsen and construction began February 2019.
   - **Substantial Completion:** Spring 2020
   - **Budget:** $13,000,000

4. LSC-University Park: Visual Performing Arts Center:
   A new 40,000 sf building, this project will support an instructional arts program. Currently selecting the Construction Manager at Risk with re-programming to begin December 2019.
   - **Substantial Completion:** Fall 2022
   - **Budget:** $21,675,000

5. LSC-Montgomery: Student Services Building:
   A new 50,000+ sf building, this project will support expanded student services capabilities. The architect is Harrison Kornberg and programming began June 2018. The construction firm is Durotech, Inc. General Contractors.
   - **Substantial Completion:** Fall 2021
   - **Budget:** $25,650,000

6. LSC-Kingwood: Healthcare Instructional Building:
   A new 50,000+ sf building, this project will support a healthcare instructional program. The architect is AutoArch. The construction firm is Tellepsen and estimated construction notice to proceed is February 2020.
   - **Substantial Completion:** Fall 2021
   - **Budget:** $27,590,000

7. LSC-Magnolia Center:
   - A new 50,000+ sf building, this project will support the needs of the Magnolia community. Land was recently purchased, the architect is Harrison Kornberg and programming was completed July 2019.
   - **Substantial Completion:** TBD
   - **Budget:** $28,858,538