MINUTES OF THE
SPECIAL MEETING OF THE BOARD OF TRUSTEES
LONE STAR COLLEGE SYSTEM
TRAINING AND DEVELOPMENT CENTER BOARD ROOM
5000 RESEARCH FOREST DRIVE
THE WOODLANDS, TEXAS 77381
October 12, 2017
5:00 p.m.

PRESENT: Dr. Alton Smith, Chair
Dr. Kyle Scott, Vice Chair
Mr. Ken Lloyd, Secretary
Mr. David Vogt
Ms. Linda Good
Mr. Art Murillo
Dr. Ronald Trowbridge

ABSENT: Dr. David Holsey
Ms. Myriam Saldívar, Assistant Secretary

WORKSHOP AND REGULAR MEETING

I. CALL TO ORDER: Dr. Smith called the special meeting of the Board of Trustees to
order at 5:00 p.m. after determining that a quorum was present.

Mr. Vogt entered the meeting at 5:02 p.m.

II. PLEDGE OF ALLEGIANCE: Dr. Scott 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 had been properly posted. No
action was required. A copy is attached as Exhibit “A”.

IV. FINANCIAL REPORT AND CONSIDERATIONS:

Ms. Jennifer Olenick, executive vice chancellor of finance and administration and CFO,
gave a short presentation explaining the proposed tax rate, outlining the history of the tax rate and certified tax values and the proposed tax rate for FY 2017-18.

1. Consideration of Approval of Resolution and Ordinance Levying the Interest and Sinking (I&S) Component of the Ad Valorem Tax Rate for Tax Year 2017 (ACTION ITEM 1): Dr. Smith moved that the interest and sinking property tax rate of $0.0278 be adopted. Mr. Murillo seconded the motion and Dr. Smith proceeded with a roll call

2. **Consideration of Approval of Resolution and Ordinance Levying the Maintenance and Operations (M&O) Component of the Ad Valorem Tax Rate for Tax Year 2017 (ACTION ITEM 2):** Dr. Smith moved that the maintenance and operations property tax be increased by the adoption of a tax rate of $0.800, which is effectively a .56% increase in the maintenance and operations tax. Mr. Murillo seconded the motion and Dr. Smith proceeded with a roll call vote. Voting aye: Ron Trowbridge, Ken Lloyd, Alton Smith, Kyle Scott, David Vogt, Linda Good and Art Murillo. The item passed with a unanimous vote.

V. **CITIZENS COMMENTS:** None.

VI. **SUGGESTED FUTURE AGENDA ITEMS:** None.

VII. **ADJOURNMENT:** There being no further business, the meeting was adjourned at 5:10 p.m.

**ATTEST:**

Board of Trustees, Chair

Board of Trustees, Secretary
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 9th day of October, 2017 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 9th day of October, 2017.

LONE STAR COLLEGE SYSTEM

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Stephen C. Head
Chancellor
Financial Report and Consideration No. 1  (ACTION ITEM 1)  Board Meeting 10-12-17

Request: Consideration of Approval of Resolution and Ordinance Levying the Interest and Sinking (I&S) Component of the Ad Valorem Tax Rate for Tax Year 2017

Chancellor’s Recommendation: That the Board of Trustees adopt a resolution and ordinance levying the I&S component of the ad valorem tax rate for tax year 2017 at $.0278 per $100 assessed valuation.

Rationale: The I&S tax rate of $.0278 per $100 of assessed valuation is based on the debt service requirements for general obligation bonds in FY 2018 of $59.1 million, net of the amount ($2.66 million) that is anticipated to be funded from other sources.

As required by law, the College published all of the appropriate rates, statements and schedules.

Fiscal Impact: The recommended rate should generate tax revenues sufficient to pay the bonded debt obligation for FY 2018, net of the amount anticipated to be funded from other sources.

Staff Resource:  Steve Head  832-813-6515
Jennifer Olenick  832-813-6512

Exhibit "B"

WHEREAS, the Lone Star College System has been duly organized in accordance with the laws of the State of Texas; and

WHEREAS, the Board of Trustees of the System has previously approved and adopted the budget for FY 2018 in accordance with state law; and

WHEREAS, the Board of Trustees of the System finds that it is necessary to levy ad valorem taxes for the tax year 2017 to provide for the interest and sinking fund requirements related to the general obligation bonds for the ensuing year as authorized by law; and

WHEREAS, the Board of Trustees of the System further find that the System has complied with all the procedural requirements for the setting of the 2017 ad valorem tax rate as specified by the Tax Code and Education Code;

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

Section 1. Ad valorem tax be levied at a rate of $.0278 on each one hundred dollar ($100) increment of assessed valuation of property for the interest and sinking (debt service) requirements related to the general obligation bonds of the System as authorized by law.

Section 2. THIS TAX RATE REMAINS THE SAME AS LAST YEAR’S RATE, BUT WILL RAISE MORE TAXES FOR INTEREST AND SINKING REQUIREMENTS DUE TO THE INCREASE IN PROPERTY VALUES.

Section 3. The assessed value of taxable property provided by the Harris and Montgomery County Tax Assessor-Collectors are approved and adopted and the taxes shall be levied on these valuations.

Section 4. This Resolution shall take effect immediately from and after its adoption.

ADOPTED this 12th day of October, 2017.

Chair, Board of Trustees
Lone Star College System
ATTEST:

[Signature]
Secretary, Board of Trustees
Lone Star College System

(SEAL)
Financial Report and Consideration No. 2  (ACTION ITEM 2)  Board Meeting 10-12-17

Request: Consideration of Approval of Resolution and Ordinance Levying the Maintenance and Operations (M&O) Component of the Ad Valorem Tax Rate for Tax Year 2017

Chancellor’s Recommendation: That the Board of Trustees adopt a resolution and ordinance levying the M&O component of the ad valorem tax rate for tax year 2017 at $.0800 per $100 assessed valuation.

Rationale: The M&O tax rate of $.0800 per $100 of assessed valuation generates revenue to support the College’s general fund expenditures for FY 2018. This rate remains the same as FY 2017 M&O tax rate, but will contribute additional revenue compared to last year due to the increase in the property values.

As required by law, the College published all of the appropriate rates, statements and schedules.

Fiscal Impact: The recommended rate should generate tax revenues sufficient to support the operations of the College for FY 2018.

Staff Resource: Steve Head 832-813-6515
Jennifer Olenick 832-813-6512

WHEREAS, the Lone Star College System has been duly organized in accordance with the laws of the State of Texas; and

WHEREAS, the Board of Trustees of the System has previously approved and adopted the budget for FY 2018 in accordance with state law; and

WHEREAS, the Board of Trustees of the System finds that it is necessary to levy ad valorem taxes for the tax year 2017 to provide the revenue requirements of the operating budget for the ensuing year as authorized by law; and

WHEREAS, the Board of Trustees of the System further find that the System has complied with all the procedural requirements for the setting of the 2017 ad valorem tax rate as specified by the Tax Code and Education Code;

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

Section 1. Ad valorem tax be levied at a rate of $.0800 on each one hundred dollar ($100) increment of assessed valuation of property for the maintenance and operations requirements of the System as authorized by law.

Section 2. THIS TAX RATE REMAINS THE SAME AS LAST YEAR’S RATE HOWEVER, IT WILL EFFECTIVELY BE RAISED BY .56 PERCENT. THE TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS ON A $100,000 HOME BY APPROXIMATELY $0.40 AND DUE TO THE INCREASE IN PROPERTY VALUES.

Section 3. The assessed value of taxable property made by the Harris and Montgomery County Tax Assessor-Collectors, pursuant to the contracts made for this purpose, are approved and adopted and the taxes shall be levied on these valuations.

Section 4. This Resolution shall take effect immediately from and after its adoption.

ADOPTED this 12th day of October 2017.

Chair, Board of Trustees
Lone Star College System
ATTEST:

[Signature]

Secretary, Board of Trustees
Lone Star College System

(SEAL)