The Board of Trustees of the Houston Community College System held a Special Meeting on Tuesday, October 16, 2007 at the System Administration Building, Second Floor Auditorium, 3100 Main, Houston, Texas.

Board of Trustees Present:
Christopher Oliver, Chair
Yolanda Navarro-Flores, Vice Chair
Diane Olmos Guzman, Secretary
Mills Worsham, Deputy Chancellor
Jay K. Aiyer
Bruce A. Austin
Abel Davila
Richard Schechter
Dr. Michael P. Williams

Administration Present:
Mary S. Spangler, Chancellor
Art Tyler, Deputy Chancellor
Doretha Eason, Executive Assistant to the Chancellor
Miles LeBlanc, General Counsel
Bill Carter, Vice Chancellor, Information Technology
Charles Hebert for Charles Cook, Vice Chancellor for Instruction
Irene Porcarello, Vice Chancellor Student Success
Gloria Walker, Vice Chancellor, Finance & Administration
Fena Garza, President, Southeast College
Cheryl Johnson for Dr. Harmon, President, Central College
Zachery Hodges, President, Northwest College
Willie Williams, Associate Vice Chancellor, Human Resources
Kelley Zuniga, Executive Director, HCC Foundation

Others Present:
Jarvis Hollingsworth, System Counsel, Bracewell & Giuliani

CALL TO ORDER
Chairman Oliver called the meeting to order at 3:56 p.m. and declared the Board convened to consider matters pertaining to the Houston Community College System as listed on the duly posted meeting notice.
EFFECTIVE, ROLLBACK, AND DEBT SERVICE TAX RATES CALCULATION AND PUBLIC HEARING DATES FOR PROPOSED TAX RATES

Recommendation – Discuss the calculation of the effective, rollback, and debt service tax rates for fiscal year 2007-2008 and approve the proposed maintenance and operations tax rate and the debt service tax rate. Take recorded vote, if proposed tax rate exceeds the rollback rate or the effective tax rate (whichever is lower).

Announce the first public hearing will be held October 25, 2008 at 4:00 p.m. and the second public hearing will be held November 1, 2007 at 4:00 p.m. at 3100 Main Street, Houston, Texas. A meeting of the Board of Trustees to adopt the tax rates is anticipated to be held on Thursday, November 8, 2007.

Gloria Walker informed that the purpose of this meeting is to discuss the proposed tax rate and announce the dates of the public hearings that are required to alert the public of the proposed tax rates. She apprised that administration is recommending proposing the rollback M&O tax rate of $.085192 instead of the effective tax rate of $.078882 and the current tax rate of $.08133.

Mrs. Walker provided the Board with revised calculations. She noted that the district’s rate has been $0.08500 for the past five years. She noted that the proposal is to consider a higher rate.

Mr. Austin noted that this was discussed in 2006 and noted that enrollment was the highpoint of the discussion. He apprised that there must be an increase in enrollment.

(Dr. Williams arrived at 4:10 p.m.)

The Board discussed the proposed tax rate.

Mr. Aiyer asked what would be the consequences if the Board deviates from administrations recommendation. Mrs. Walker noted that administration would need to pull funds from the reserve and streamline budget as well as fund Hayes Rd from the reserve. She noted that this would cause the reserve to fall below the approved ten percent to approximately eight percent.

Mr. Aiyer asked if there are any realistic consequences if the reserve is dropped to eight percent. Mrs. Walker noted that there are no consequences because the reserve rate is set by the Board.

Mrs. Walker noted that the value to the taxpayers would be diminutive.

Mr. Davila asked for a 3-5 year plan as it relates to the taxes so that the same discussion does not have to occur next year. Dr. Williams noted that the plan should include best-case and worst-case scenarios. Mr. Oliver asked that the plan take into consideration various trends.
Dr. Williams noted that if the Board decides to do a tax increase there should be a rapid and reasonable explanation to the community.

Mrs. Walker apprised that this meeting is only to discuss the proposed rate calculations for fiscal year 2007-2008 and inform the public of the two scheduled hearings. She apprised that the first public hearing is scheduled for Thursday, October 25, 2007 and the second public hearing will be held on Thursday, November 1, 2007. The Board will meet to adopt a tax rate on Thursday, November 8, 2007.

**Motion** - Dr. Williams motioned and Mr. Austin seconded that the Board discuss the proposed effective, rollback, and debt services tax rates for fiscal year 2007-2008 and that a public hearing be scheduled for Thursday, October 25, 2007 and Thursday, November 1, 2007. Motion passed with a vote of 9-0 as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Vote</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jay K. Aiyer</td>
<td>Yes</td>
</tr>
<tr>
<td>Bruce A. Austin</td>
<td>Yes</td>
</tr>
<tr>
<td>Abel Davila</td>
<td>Yes</td>
</tr>
<tr>
<td>Yolanda Navarro Flores</td>
<td>Yes</td>
</tr>
<tr>
<td>Diane Olmos Guzman</td>
<td>Yes</td>
</tr>
<tr>
<td>Richard Schechter</td>
<td>Yes</td>
</tr>
<tr>
<td>Dr. Michael Williams</td>
<td>Yes</td>
</tr>
<tr>
<td>Mills Worsham</td>
<td>Yes</td>
</tr>
</tbody>
</table>

**ADJOURNMENT**
With no further business coming before the Board, the meeting adjourned at 4:34 p.m.

**Minutes recorded and submitted by:**
*Sharon Wright, Executive Administrative Assistant, Board Services*

**Minutes Approved as Submitted:** __________________________