REGULAR MEETING
OF THE BOARD OF TRUSTEES
HOUSTON COMMUNITY COLLEGE SYSTEM

October 25, 2007

Minutes

The Board of Trustees of the Houston Community College System held a Regular Meeting on Thursday, October 25, 2007 at the System Administration Building, Second Floor Auditorium, 3100 Main, Houston, Texas.

BOARD MEMBERS PRESENT
Christopher Oliver, Chairman
Yolanda Navarro Flores, Vice Chairman
Diane Olmos Guzman, Secretary
Mills Worsham, Deputy Secretary
Jay K. Aiyer
Bruce A. Austin
Abel Davila
Richard M. Schechter
Dr. Michael P. Williams

ADMINISTRATION
Mary Spangler, Chancellor
Art Tyler, Deputy Chancellor/COO
Doretha Eason, Executive Assistant to the Chancellor
Miles LeBlanc, General Counsel
William Carter, Vice Chancellor, Information Technology
Charles Cook, Vice Chancellor for Instruction
Irene Porcarello, Vice Chancellor, Student Success
Gloria Walker, Vice Chancellor, Finance and Administration
Winston Dahse, Interim President, Southwest College
Margaret Ford, President, Northeast College
Fena Garza, President, Southeast College
William Harmon, President, Central College
Butch Herod for Zachary Hodges, President, Northwest College
Marsal Stoll, President, Coleman College of Health Science
Willie Williams, Associate Vice Chancellor, Human Resources
Dan Seymour, Associate Vice Chancellor, CTCE
Dan Arguillo, Associate Vice Chancellor, Communications
Mike Kyme, Executive Director, Purchasing and Procurement

OTHERS PRESENT
Jarvis Hollingsworth, System Counsel, Bracewell & Giuliani
Paul Bettencourt, Tax Assessor, Harris County
Linda Koffel, President, Faculty Senate Association
Sherry Howell, President, COPA
Other administrators, citizens and representatives from the news media

CALL TO ORDER
Mr. Oliver, Chair, called the meeting to order at 4:26 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.

PRAYER AND PLEDGE OF ALLEGIANCE
Mr. Austin led the prayer and pledge of allegiance to the flag.

APPROVAL OF MINUTES
Approval of Minutes from the Special Meeting of September 14, 2007 and Regular Board Meeting of September 18, 2007.

Motion – Mr. Aiyer moved approval of the minutes as presented. Mr. Schechter seconded the motion. The motion carried 5-0.

(Mrs. Flores arrived at 4:29 p.m.)

HEARING OF CITIZENS
Mr. Oliver gave preface to the Hearing of Citizens and asked if there were any registered speakers to come forward.

Mr. Bettencourt was present to speak as a part of the First Public Hearing on the proposed property tax rate.

(Mrs. Guzman arrived at 4:31 p.m.)

Mr. Bettencourt noted that there has been an increased in property value in the Houston Community College District. He presented a letter and a copy of Harris County maps displaying the appraised value increases for all real property accounts in Harris County for property tax year 2006 and 2007.

Mr. Bettencourt noted that the proposed rate is above the revised truth-in-taxation calculation of the rollback rate of $.092434/100. He noted that the District would be subject to a rollback petition election if the proposed rate be adopted. He asked the Board to consider reducing the rate down towards the effective tax rate of $.087846.

Mr. Oliver noted that the agenda has been taken out of order to consider the First Public Hearing on the proposed tax rate and extended the privilege to any other citizens present who wanted to speak on the proposed tax rate. There were no other citizens present to speak on the proposed tax rate.

He also announced that the 2nd Public Hearing will be held on Thursday, November 1, 2007 @ 4:00 p.m. at the HCC System Administration Building, 3100 Main, 2nd Floor Seminar A.
AWARDS, PRESENTATION, AND RECOGNITION

*State Employee Charitable Campaign Award* – Ms. Holly Rice with the State Employee Charitable Campaign presented awards for 2006 employee contributions.

CHAIRMAN REPORT
Mr. Aiyer announced that the state approved to restore funding to the community colleges.

Mr. Oliver announced that Trustees Bruce Austin and Mills Worsham were re-elected to the Board at the meeting held on September 18, 2007.

CHANCELLOR’S REPORT

*(Mr. Oliver stepped out at 4:43 p.m.)*

Dr. Spangler report consists of the following:

- The strategic plan and announcement of the new logo and brand launched on Wednesday, October 24, 2007
- A successful community engagement meeting in northeast attended by residents of the community on October 17, 2007
- The state announced restoration of $154 million to community college funding *(She expressed appreciation to the legislators and all who participated in the effort.)*
- The foundation raised over $1 million and awarded approximately $500,000 in scholarships
- A report on the cost savings and income generating measures is forthcoming to the Board
- Introduction of the presidents of the Faculty Senate and COPA for 2007-2008

TOPIC FOR DISCUSSION AND/OR ACTION

*Motion* – Mr. Aiyer motioned and Mr. Davila seconded to move the topics for discussion and/or action to the consent agenda for approval with exception of item 4, 10, 11, 12.

*Motion* - Mr. Aiyer and seconded by Mrs. Flores to approve the consent agenda excluding items A.1, B.2, and Topic for Discussion items A.2, C.10, and C.12. The following items were approved as a consensus:

1. Salzburg Seminar International Study Program Agreement with HCC and Salzburg Seminar
2. Selection of Vendors for Vehicle Transportation Services (Project #07-32)
3. Houston Community College System Investment Policy for Fiscal Year 2007-2008

4. Payment to Bracewell & Giuliani LLP for Professional Services (September 2007)

5. Investment Report for the Month of August 2007

6. Investment Report for the Month of September 2007

7. Resolution for Abandonment, Closure, and Acquisition of a Portion of Redwood Street and Granting of Easement

EXTERNAL AUDIT OF HCC FINANCIAL CONDITION

Motion - Dr. Williams moved and Mrs. Guzman seconded.

Mr. Austin apprised that the item was presented in the Board Governance Committee meeting as a discussion item and noted that it may not be necessary to have an external audit process of this nature. He noted that the chair was not originator of the later part of the recommendation of the external audit.

Mr. Austin noted that the discussion was allowing consistency with the core practice of other community colleges. He also noted that several changes were recommended by the Chancellor brought about the discussion of the internal audit.

Mrs. Guzman noted that there was a motion made and seconded on the item relating to the external financial audit. She noted that there were three separate audits discussed and a motion was made on those items.

Dr. Williams noted that item is referencing a performance-based audit, which would be a snapshot audit.

Mrs. Guzman explained that her reason for recommending the audit was because the budget for this fiscal year remain the same and noted that the audit would allow a comparison of last year budget to the current year.

(Mr. Worsham arrived at 5:00 p.m.)

Mr. Austin noted that it needs to be determined exactly what type of audit is desired by the Board.

Mr. Aiyer noted that the issue is with the wording of the agenda item and noted that he understood it to be three separate items discussed in the committee meeting: (1) Chancellor was to develop a report on the internal audit system (2) continue the annual external and (3) a one-time external financial management audit to determine whether the college is spending the way desired.
Mr. Aiyer called the question. Dr. Williams noted that Mr. Aiyer’s reiteration of the item brings more clarity and noted that the item is approval of an audit on economy and efficiency.

**Vote** – motion passed with a vote of 9-0.

**APPLICATION OF PRINCIPLES OF ACCREDITATION AND BOARD AUTHORITY, ORGANIZATION RESTRUCTURE, FINANCIAL OBLIGATIONS AND BOARD INVOLVEMENT**

**Motion** – Dr. Williams moved approval and Mr. Aiyer seconded.

Mr. Austin referenced the Principals of Accreditation detailing the definition of the governing body of the institution. He also referred to the performance by the Texas Schools Performance and inquired of clarification from legal counsel as it relates to governing body of the institution.

*(Mrs. Flores stepped out at 5:15 p.m.)*

Mr. Austin asked Counsel about definition Education Code 61.0013 of Public Junior College and 661.352 Governing Board. Jarvis Hollingsworth noted that he only has the sections dealing with the Texas Educational Code.

Mr. Austin asked Mr. Hollingsworth if he was familiar with the textbook that was referenced by Mr. Kelly Frels with Bracewell and Patterson. Mr. Hollingsworth apprised that he is familiar with the material.

Mr. Austin explained that he wanted to establish that the Board is the governing body for making policy on behalf of the institution. He noted that no action was required.

**SELECTION OF VENDORS FOR VEHICLE TRANSPORTATION SERVICES**

**(PROJECT #07-32)**

**Motion** – Dr. Williams moved approval and Mr. Aiyer seconded.

Dr. Williams apprised that he pulled the item for discussion; however, his concerns had been clarified.

**Vote** – The motion passed with a vote of 8-0 *(Mrs. Flores was not present at the time of the vote)*.

**ADJOURNED TO CLOSED SESSION**

Mr. Oliver adjourned the meeting to Executive Session at 5:20 p.m., notice having previously been given and reiterated in accordance with Sections 551.071, 551.072, and/or 551.074 of the Open Meetings Law. Mr. Oliver stated that any final action, vote or decision on any item discussed in Executive Session would be taken up in Open Session or in a subsequent Public Meeting.

Mr. Oliver reconvened the meeting in Open Session at 6:44 p.m. and entertained motions on pending matters.
PURCHASE OF PROPERTY LOCATED AT 1302 ALABAMA STREET, HOUSTON, TEXAS 77004
Motion – Mr. Flores moved approval and Mrs. Guzman seconded. The motion passed with a vote of 8-0.

PERSONNEL AGENDA FOR OCTOBER 2007
Motion – Mrs. Flores moved approval of the personnel agenda. Mr. Davila seconded the motion. The motion passed with a vote of 8-0.

SETTLEMENT PROPOSAL IN MOERS V. HOUSTON COMMUNITY COLLEGE SYS., C.A. NO. 06-01755, IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF TEXAS
Motion – Dr. Williams moved to approve the proposed settlement agreement in the Moers v. HCCS case as discussed in Closed Session. Mr. Worsham seconded the motion. The motion passed with a vote of 8-0.

ADJOURNMENT
With no further business coming before the Board, the meeting adjourned at 6:45 p.m.

DINNER
Following adjournment, the Board of Trustees met for dinner in the Chancellor’s Conference Room on the 12th floor, where they may discuss System business but will not take action on such business.

Minutes recorded, transcribed & submitted by:
Sharon Wright, Executive Administrative Assistant, Board Services

Minutes Approved as Submitted: __________________________