The Board of Trustees of the Houston Community College System held a Regular Meeting on Thursday, November 29, 2007 at the System Administration Building, Second Floor Auditorium, 3100 Main, Houston, Texas.

BOARD MEMBERS PRESENT
Christopher Oliver, Chairman
Yolanda Navarro Flores, Vice Chair
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
William 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 and Administration
Winston Dahse, Interim President, Southwest College
Margaret Ford, President, Northeast College
Fena Garza, President, Southeast College
William Harmon, President, Central College
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 Arguijo, Associate Vice Chancellor, Communications
Mike Kyme, Executive Director, Purchasing and Procurement

OTHERS PRESENT
Jarvis Hollingsworth, System Counsel, Bracewell & Giuliani
Linda Koffel, President, Faculty Senate Association
Dwight Boykins, Consultant, dBoykins
Sherry Howell, President, COPA
Chief Thomas Lambert, Metropolitan Transit
Other administrators, citizens and representatives from the news media
CALL TO ORDER
Mrs. Flores, Vice Chair, called the meeting to order at 4:31 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. Aiyer led the prayer and pledge of allegiance to the flag.

APPROVAL OF MINUTES

Motion – Mr. Aiyer moved approval of the minutes as presented. Mrs. Guzman seconded the motion. The motion carried 6-0.

HEARING OF CITIZENS
Mrs. Flores gave preface to the Hearing of Citizens and asked if there were any registered speakers to come forward. There were no Citizens signed up to speak before the Board.

AWARDS, PRESENTATION, AND RECOGNITION

Presentation from METRO to HCCS Foundation
Dr. Spangler recognized Chief Thomas Lambert from the Metropolitan Transit Authority of Harris County. Mr. Lambert presented a check on behalf of the METRO Board of Directors and Frank Wilson, Chief Executive Officer of METRO for $500,000 to HCCS Foundation to establish the METRO Scholarship Fund to benefit current and potential METRO employees enrolled in classes at HCC-Northeast’s Public Safety Institute.

CHAIRMAN’S REPORT
Mrs. Flores extended wishes for a speedy recovery to Chairman Oliver who was involved in an automobile accident earlier part of the week.

Mrs. Flores asked those present to pause for a moment of silence in memory of Dr. Jim Engle, former HCC Central College President, who passed on Wednesday, November 28, 2007. She noted that the family is requesting that donations be made to the American Cancer Society in lieu of flowers.

Mrs. Flores presented a resolution from the Board of Trustees to Trustee Jay K. Aiyer in recognition and appreciation of his tenure on the HCC Board. She noted that this is Trustee Aiyer’s last meeting as a member of the Board and extended the opportunity for each Trustee and Chancellor to provide comments and farewell to Trustee Aiyer.

(Mr. Davila arrived at 4:47 p.m.)
Mr. Aiyer thanked the Board and Dr. Spangler for their comments and apprised that the moment is bitter sweet for him. Mr. Aiyer stated that he enjoyed the tenure and the experience of being a member on the HCC Board of Trustees. He also expressed appreciation to the college presidents, administration, faculty, and staff for their diligent efforts to make HCC one of the best institutions.

CHANCELLOR’S REPORT

Dr. Spangler’s report consists of the following:

- Congratulated the staff of the Public Safety Institute and noted twenty one cadets graduated from the basic peace officer licensing program with a hundred percent pass rate on the exam; HCC is currently ranked number one in the region with the highest percentage of success on the exam with over ninety-three on the first attempt

- Provided a brief report on the cost savings priorities; 563 unique suggestions submitted during the month of September 2007, which have been aggregated and categorized. An all day strategic planning meeting was held in early November 2007 attended by seventy-five administrators, faculty, and staff throughout the district; each president and division leader was asked to review and identify their top ten recommendations for implementation from the “immediate review and consideration category”.

- Acknowledged the Communications and Information Technology Departments for the communications and imaging in regards to the strategic plan. Thanks to Trustee Flores, Chair of the Communications Committee for efforts and assistance in launching the new Trustees webpage. The new college webpage was launched on November 12, 2007 and new brand standards for the college; HCC/TV held a premier party of the station was held on November 12.

CONSENT AGENDA

Motion – Mr. Aiyer moved approval on the consent agenda. Mr. Davila seconded. The motion passed with a vote of 8-0 to approve the consent agenda with the exception of items B.2 and B.4, which were pulled for discussion.
APPROVE ASSESSMENT INSTRUMENT FOR CHANCELLOR’S EVALUATION

**Motion** - Mr. Aiyer moved to approve and Mr. Schechter seconded. The motion passed with a vote of 8-0.

Mr. Austin noted that the backup material was not included and asked that the supporting documentation is provided to the Board.

Mr. Schechter mentioned that the item was discussed and approved unanimously in the Chancellor’s Evaluation Committee meeting. He apprised that the supporting documentation was to be provided to the Board under separate cover.

**Motion** - Mr. Austin moved to reconsider the item to Approve Assessment Instrument for the Chancellor’s Evaluation. Mr. Davila seconded. The motion passed with a vote of 8-0.

**Motion** - Dr. Williams moved to approve the item and Mr. Austin seconded the motion.

Mr. Schechter noted that the Chancellor Evaluation assessment instrument will be distributed to the Board and apprised that the instrument is a series of general questions with data points that will be used to analyze if the chancellor has met the goals for 2007.

He informed that there was also discussion as it relates to the evaluation for 2008. He informed that the Committee agreed that there should be an effective evaluation instrument created as early in the year as possible and recommended holding a Special meeting on January 3, 2008 to swear-in Trustees and elect officers. Mr. Schechter informed that the Committee also recommended holding a retreat in January to discuss the Board’s priorities for 2008 and what the board will do to effectuate the goals. He noted that the timeline would include:

- Board adopt priorities in January 2008
- Chancellor should prepare a draft document that identifies her performance goals and objectives for 2008 that focuses on priorities identified for the college by the Board
- Board will review the document and make any changes necessary to reach agreed performance standards, which will be the Chancellor’s evaluation form for 2008
- Board will create goals and matrix for self-assessment

Dr. Williams asked if there is a time frame for holding the retreat.

Mr. Davila asked if there could be a policy where the Board has standard dates for Board retreats.

Mr. Aiyer asked that the next Chair lock in dates for the retreat as well as the Chancellor’s evaluation so that calendars can be coordinated.

Dr. Williams informed that it is important to have a process identified with a negotiated matrix and noted that it would not be fair to the Chancellor otherwise.
Dr. Spangler noted that the January 3, 2008 date would be somewhat programmatic since the college will not re-open until January 2, 2008.

The Board concluded that Board Services should poll the Trustees for a Special meeting on January 4, 2008 to conduct the swearing-in of Trustees and election of officers and a possible retreat on January 12, 2008.

The assessment instrument will be provided to the Board. The Board concluded to revisit the item after Executive Session.

**APPROVE EXTENSION OF CONSTRUCTION PROGRAM MANAGEMENT SERVICES**

**Motion** - Mr. Aiyer moved to approve and seconded by Mr. Worsham.

Mr. Schechter informed that he submitted a series of questions; however, he did not receive a response. Dr. Spangler informed that the response was emailed to the Trustees; however, several Trustees expressed that they did not receive the information.

The Board concluded to pull the item for discussion at a later date.

**TOPIC FOR DISCUSSION AND/OR ACTION**

**EXTERNAL AUDIT FOR HOUSTON COMMUNITY COLLEGE**

Dr. Spangler mentioned that the Board previously discussed the item and noted there was discussion as to what would constitutes the external audit. She apprised that notes from October 25, 2007 meeting recorded a focus on an audit of economy and efficiency.

Mrs. Guzman apprised that Mr. Schechter made a recommendation to the Board that included three processes that should be adhered to. Mr. Austin noted that the item was a committee recommendation that was presented to the Board. He expressed that it would be more prudent to design a more efficient plan that should be included in the next year’s audit.

Mr. Aiyer noted that there has been a discussion on the item and noted that his thinking was some form of global performance audit. He noted that a possible resolution would be to define the scope of the audit and the parameters.

Dr. Williams noted that in order to conduct successful audit planning, there needs to be an audit committee.

Mr. Austin apprised that he was asked by the Chair to appoint an Audit committee and apprised that the committee would consist of Trustees Guzman, Worsham, and himself.

Mr. Austin recommended that the AGB Audit committee responsibilities are presented to the Board.

Dr. Williams noted that the minutes stated that an economy and efficiency audit was approved.
Mrs. Guzman noted that the CIP was being discussed during the Board Governance and Policies Committee meeting and it was recommended that a performance audit be conducted on the CIP. She noted that it became all inclusive when the item came to the Board for approval.

Mr. Schechter noted that his position has changed and noted that a performance audit on the entire college would be too expensive.

Mr. Austin noted that a risk analysis needs to be conducted and noted that there should be a focus on areas in the college that does not have policies and procedures.

The Board concluded that the item should be referred to the audit committee.

Mr. Schechter recommended that administration review three or four areas for a performance audit.

Dr. Spangler noted that the internal audit department, which is reporting to the Chancellor, is currently conducting a risk assessment to be provided for the audit committee to review.

Dr. Williams noted that any reports from the internal audit department should be provided to the Board and Chancellor simultaneously.

(Mr. Oliver arrived at 5:49 p.m.)

Mrs. Flores noted that the chancellor will identify areas for the performance audit and submit the recommendation to the audit committee.

ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED AUGUST 31, 2007

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

Mrs. Walker introduced Wayne McConnell and Godwin Okoye with McConnell & Jones, LLP who conducted the audit.


Mr. Schechter referenced the second paragraph on page 74 of the audit report and apprised that he thought that the purpose of the audit was financial control. He asked what would need to be done to have someone to review the internal controls over financial reporting.

Mr. McConnell informed that nature of the work conducted by McConnell in connection with internal control is to determine the nature extent and the timing of the audit procedures to determine if financial statements are presented fairly and in accordance with General Accepted Accounting Standards and OMB Circular A-133. He noted that a more detail analysis would need to be conducted for a firm to render an opinion on financial controls and whether they are operating effectively.
Mr. Schechter asked what would be the cost for this type of analysis. Mr. McConnell noted that he would not be able to provide such information, but apprised that it would be a six figure number.

Mr. Schechter noted that the Board had to sign a statement on the related party questionnaire and asked if upper level administration had to complete the same. Mr. McConnell apprised that an increment observation was performed.

Mr. Schechter asked that if any concerns of fraud were expressed, would there be an investigation and asked if there were any problems reported. Mr. McConnell apprised that the problem would be reported; however, no problems were found.

Vote – Motion passed with a vote of 9-0.

PAYMENT TO BRACEWELL AND GIULIANI LLP FOR PROFESSIONAL SERVICES
Motion – Mr. Aiyer moved to approve and Mr. Davila seconded. The motion passed with a vote of 9-0.

GOVERNMENT RELATIONS CONTRACT
Dr. Spangler informed that the current contracts will expire mid January and noted that she would be exceeding signature authority if the contracts are extended.

Mr. Aiyer noted that the contract ends in January 2008 and mentioned that a certain amount of time needs to be built in to allow for solicitation of services. He recommended posting a contract for a period of time approved by the Board. He recommended placing the renewal item on the January 2008 agenda.

Motion - Mr. Aiyer moved that administration place on the January 2008 agenda, the extension of the federal and state contracts through August 2008 with a defined performance matrix that will allow for an adequate evaluation for the contract period. Mr. Oliver seconded the motion.

Mr. Schechter recommended having the contract go through November 2008. He noted that an RFQ should be placed in the spring to allow for sufficient time to apply. He also recommended that a matrix should be developed, which will be used for evaluation. Mr. Schechter asked that administration should review what other community colleges are receiving in the appropriation bills out of the federal system as a result of hiring someone for assistance.

Amended motion – Mr. Aiyer amended the motion that administration place on the January agenda to one-year contract for both the federal and state contracts through December 2008. Mr. Oliver seconded the motion.

Dr. Williams apprised that this is an example of the need for fair evaluation standards.

Mr. Austin noted that there is a concern with the statements that the contracts do not have an evaluation performance criterion. He informed that he reviewed the contracts and noted that the performance criteria are included. He asked if the information had been shared with the Board.
Dr. Williams noted that priorities should be crafted with the administration and legal/legislative committee.

Mr. Worsham stated that committee recommended a two year extension; however, not certain why it has not been presented to the Board for final approval. Mr. Worsham noted that performance must be included in the contract.

Mr. Oliver noted that the focus should not just be on the government relations contract but parameters should be reviewed for all contracts.

Mr. Davila noted that there should be a review of the direct and indirect outcomes and whether there is in-house grant writing capability, and the available resources for the various colleges as to whether they can handle the grants received.

Dr. Spangler noted that the competitive grants do not involve legislative. She noted that the appropriation process is none competitive and apprised the awards have been very little. She apprised that she conducted a survey of the larger community colleges to see what appropriations received and noted that Maricopa was the only one to have received any significant appropriations over the last few years.

Mrs. Flores apprised that the government relations contracts would fall under professional services and would not be an extension.

Motion Withdrawn - Mr. Aiyer withdrew his motion and Mr. Oliver withdrew the second.

Motion - Mr. Aiyer moved to approve the professional services and Mr. Oliver seconded. The motion passed with a vote of 9-0.

Motion – Mr. Aiyer moved to approve the government relations contract as professional services. Mr. Oliver seconded. The motion passed 9-0.

Motion – Mr. Aiyer moved that administration place on the January 2008 agenda two separate one-year professional services contracts for governmental relations at the federal and state level to terminate December 31, 2008. Dr. Williams seconded the motion. The motion passed with a vote of 9-0.

ADJOURNED TO CLOSED SESSION
Mrs. Flores adjourned the meeting to Executive Session at 6:25 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. Mrs. Flores 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.

Mrs. Flores reconvened the meeting in Open Session at 7:37 p.m. and entertained motions on pending matters.
INVESTMENT REPORT FOR MONTH OF OCTOBER 2007
Motion – Aiyer motioned to approve the investment report and Dr. Williams seconded. Motion passed with a vote 8-0.

PERSONNEL AGENDA FOR NOVEMBER 2007
Motion – Dr. Williams moved approval of the personnel agenda. Mr. Worsham seconded the motion. The motion passed with a vote of 8-0.

CHANCELLOR’S EVALUATION
Motion - Mr. Schechter motioned to approve the Chancellor’s evaluation instrument of 2007 and Dr. Williams seconded the motion. Motion passed with a vote of 8-0.

APPROVE EXTENTION OF CONSTRUCTION PROGRAM MANAGEMENT SERVICES
Pulled - Dr. Spangler recommended that the item is pulled.

APPROVE STRUCTURED CABLING SERVICES (Project #07-20)
Motion – Mr. Aiyer moved to authorize the Chancellor to negotiate and execute a contract with AT&T to provide structured cabling services for Capital Improvement Program (CIP) and other projects and any other related legal services. If the district is not successful in negotiating a contract, then the district will negotiate with the next highest ranked vendor. The action constitutes final board approval. Mr. Schechter seconded the motion. The motion passed with a vote of 5-2-1 with Mr. Davila and Mrs. Guzman opposing and Mrs. Flores opposing.

ADJOURNMENT
With no further business coming before the Board, the meeting adjourned at 7:41 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: _________________