

**MEETING OF THE  
COMMITTEE OF THE WHOLE  
OF THE BOARD OF TRUSTEES  
HOUSTON COMMUNITY COLLEGE**

**October 10, 2013**

**Minutes**

The Committee of the Whole of the Board of Trustees of Houston Community College held a meeting on Thursday, October 10, 2013 at the HCC Administration Building, 3100 Main, 2nd Floor, Seminar Room A, Houston, Texas.

**MEMBERS PRESENT**

Bruce A. Austin, Chair  
Sandie Mullins, *Vice Chair*  
Eva Loreda, Secretary  
Yolanda Navarro Flores  
Herlinda Garcia  
Christopher Oliver  
Carroll G. Robinson  
Neeta Sane

**ADMINISTRATION**

Renee Byas, Acting Chancellor  
Destinee Waiters, Acting General Counsel  
Shantay Grays, Executive Officer to the Chancellor  
William Carter, Vice Chancellor, Information Technology  
Charles Cook, Vice Chancellor, Academic Affairs  
Thomas Estes, Vice Chancellor, Finance and Planning  
Diana Pino, Vice Chancellor, Student Success  
Margaret Ford Fisher, President, Northeast College  
Fena Garza, President, Southwest College  
Cheryl Peters for William Harmon, President, Central College  
Zachary Hodges, President, Northwest College  
Irene Porcarello, President, Southeast College  
Betty Young, President, Coleman College  
Janet May, Chief Human Resources Officer

**OTHERS PRESENT**

Amanda Edwards, System Counsel, Bracewell & Giuliani  
Michelle Novak, President, Faculty Senate  
Ava Cosey, President, COPA  
Other administrators, citizens and representatives from the news media

**CALL TO ORDER**

Mr. Austin, Chair called the meeting to order at 4:02 p.m. and declared the Committee convened to consider matters pertaining to Houston Community College as listed on the duly posted Meeting Notice.

Mr. Austin noted that the following items were pulled by administration:

- Update on Bond Capital Improvement Plan (CIP) Related Matters
- Report on 2012-2015 Strategic Plan

Motion – Mrs. Sane moved and Ms. Mullins seconded to move the following items to the consent agenda with a vote of 7-0:

- Employee Assistance Program Services (Project No. RFP 13-47)
- Alief Bissonnet Workforce Building Construction (Project No. RFCSP 13-31)
- Report on Interlocal & Cooperative Contracts Competitively Awarded

### **APPROVE BOND OVERSIGHT COMMITTEE MEMBERS**

Motion – Ms. Mullins moved and Mr. Robinson seconded.

Mr. Austin inquired if those pending appointments by the Board members could be provided later. Mrs. Byas informed that they could be submitted.

Mr. Robinson inquired as to who will be responsible for coordination of meetings for the committee and how will it be funded. Mrs. Byas apprised that there will be a part-time person hired who will report to Board Services and noted that Bond Counsel informed that the expense could come from bond funds.

Mr. Robinson noted that he would like for the meetings of the Bond Oversight Committee to be held at the other campuses.

Mrs. Garcia inquired if the part-time position will be advertised. Mrs. Byas informed that the position would be advertised.

*(Mrs. Flores arrived at 4:12 p.m.)*

Mrs. Garcia apprised that the roles are delineated and noted that administration should be amicable with the recommendation to moving the meetings around to the various facilities.

Mrs. Byas informed that all of the members of the committee would have to sign affidavits. She apprised that the committee would meet on a quarterly basis and will provide quarterly reports to the HCC Board.

Mr. Robinson noted that the Chair of the Houston Independent School District (HISD) Bond Oversight Committee had access to the regular board agenda.

Vote – The motion passed with a vote of 7-0.

### **LETTER OF INTENT BETWEEN HCC AND STEMEDICA**

Motion – Mr. Robinson moved and Mrs. Sane seconded.

Dr. Young informed that there is not a financial obligation on behalf of HCC. She apprised that Stemedica needed a letter of intent in order to seek funding from the state.

Mr. Robinson expressed appreciation to Chancellor Byas and Dr. Young for entertaining the initiative. He noted that the program will generate approximately 250 jobs. He informed that the effort is innovative and apprised that an equity stake should be taken in the approach.

Mrs. Sane inquired if HCC will be required to pay the lease. Dr. Young noted that Stemedica would pay the college for the lease at the O'Quinn building.

Mrs. Flores inquired of the purpose of the state required letter of intent. Mrs. Byas informed that the letter is needed to show that they have secured possible space in order for Stemedica to receive funding.

Mrs. Flores inquired of the jobs to be generated for the project. Dr. Young apprised that 250 to 300 positions will be available as well as internships and eighty percent of the jobs will require an associate's degree. She noted that additional space may be needed depending on the success and growth of the program.

Dr. Young informed that the company expressed partnering with HCC to staff positions and will have reviewed internship opportunities.

Mrs. Flores inquired as to how Dr. Young heard about the opportunity. Dr. Young apprised that the entity discussed the opportunity with an individual in the medical center and researched the availability of the O'Quinn building. She was contacted to meet with the representatives.

Mrs. Loreda inquired as to how much Building D encompasses of the area that will be used for the lease space. She inquired of the upgrade cost for utilizing the building. Mrs. Byas informed that Stemedica would cover the build-out expense.

*(Mrs. Sane stepped out at 4:27 p.m.)*

Mrs. Loreda apprised that some of the space would be used for the dental program. Dr. Young noted that discussion of housing the dental program at the building was prior to the bond passage.

*(Mrs. Sane returned at 4:28 p.m.)*

Ms. Mullins inquired of the timeline. Mrs. Byas informed that the lease would be for ten years with the option to renew.

Mrs. Garcia inquired as to how long has the discussion been held on the issue. She inquired as to when was the property purchased. Mrs. Byas apprised that the property was purchased in July 2010.

Mrs. Garcia informed that there was a discussion in May regarding the dental program and noted that this particular program was not discussed at that time. Mrs. Byas informed that due diligence discussion begin in August 2013.

Mrs. Garcia inquired of the benefit to the firm especially given the renovations needed. Dr. Young apprised that the benefit for the firm is a location in the medical center in Houston.

Mrs. Sane noted that once negotiation proceeds, the lease will be brought back to the Board.

Vote – The motion passed with a vote of 6-0-1 with Mrs. Garcia abstaining.

### **CONSTRUCTION AUDIT SERVICES**

Motion – Mr. Robinson moved and Mrs. Flores seconded.

Mr. Robinson informed that he needs to make a statement relating to the bond program.

*(Mr. Oliver arrived at 4:35 p.m.)*

*(Mrs. Garcia and Mr. Oliver stepped out at 4:36 p.m.)*

Mr. Robinson apprised that ten tiers of procedure protection oversight have been engaged to make certain the program is properly operating. He noted that there is the Board, Audit Committee, Bond Oversight Committee, Construction Audit Firm, External Auditor, Internal Auditor, Program Manager and three Project Managers.

Vote – The motion passed with vote of 6-0.

*(Mrs. Garcia and Mr. Oliver returned at 4:39 p.m.)*

### **EXTERNAL FINANCIAL AUDIT SERVICES (PROJECT NO. RFQ 13-30)**

Motion – Mr. Robinson moved and Ms. Mullins seconded.

Mrs. Garcia inquired if the issue has been resolved regarding the review of the credit cards. Mr. Austin apprised that the item was recommended to be covered under the internal auditor.

Mrs. Garcia noted that the internal audit should be autonomous. She inquired as to who would be handling the audit of Qatar.

Mrs. Byas informed that as part of the external auditor procedures, they would review the Qatar program.

Mrs. Garcia apprised that the approval was the audit of the finances for Qatar and noted that it should be presented to the audit committee. Dr. Thomas Estes informed that the external auditors will audit all areas of the institution. He informed that because Qatar is such a small portion of the college's finances, it may not be selected.

Mr. Oliver apprised that any issues regarding audit services will be discussed through the audit committee.

Mrs. Flores noted that Dr. Estes informed this is his first time hearing about the audit of Qatar and apprised one of the reasons for hiring him was to review the Qatar services.

Mr. Austin noted that what needs to be explained is the Qatar contract and requested that an explanation be provided.

Mrs. Garcia informed that the Qatar project is a big issue that needs to be resolved.

Vote – The motion passed with a vote of 8-0.

*(Mrs. Garcia left at 4:54 p.m.)*

### **MONTHLY FINANCE REPORT FOR SEPTEMBER 2013**

Motion – Mrs. Sane moved and Ms. Mullins seconded.

Mrs. Byas informed that Dr. Estes was recently hired as the Vice Chancellor for Finance and Planning.

Dr. Estes apprised that he is recommending a revision to the format for the monthly financial statements provided to the Board. He noted that the current format provides an overwhelming amount of information. Dr. Estes provided an overview of the financial statements in the new format.

Dr. Estes informed that college's net worth increased. He noted that the new format would provide the opportunity for the financial report to be provided to the Board in a more expeditious manner.

Dr. Estes apprised that audit adjustments will probably be necessary once the audit is completed by the external auditor; however, it is not anticipated to be a large amount.

Mr. Robinson inquired if it is possible to review each of the six colleges as revenue/expense centers as well as all HCC programs available. He noted that the effort would provide for a review of each area so that an evaluation could be made. He informed that his interest would be a discussion of the minimum required balance.

Mr. Robinson apprised that his effort is to establish a scholarship fund. He noted that Qatar is more than the \$43 million because it is about Board and administration integrity of conversation regarding financial matters. He noted that if intermingled funding occurred, then the funds be properly replaced. He noted that this was the reason for the review request.

Mr. Robinson apprised that contingency funding will also be one of his inquiries.

Mrs. Flores inquired of the breakdown of the expenditures. Dr. Estes referenced page three and noted that it provides an overview of the auxiliary budget by fund.

Mrs. Flores inquired of the scholarships and inquired where the money is coming from and what are the expenditures. Dr. Estes informed that the number was negative because of the exemption and waivers were not included. Dr. Estes apprised that the inquiry would be reviewed and a response will be provided to the Board.

Mrs. Sane expressed appreciation for the simplified format. She inquired if the auxiliary funds line item transactions could be available for review by the board.

Mr. Robinson inquired as to how much of the general funds were spent on credit card expenses over the course of the fiscal year ending August 31, 2013. He noted that the effort is to review the amount of money that can be reallocated.

Ms. Mullins informed that some of the credit card expenses may be legitimate and justifiable.

Vote – The motion was passed with a vote of 7-0.

#### **ADJOURNED TO CLOSED SESSION**

Mr. Austin adjourned the meeting to Executive Session at 5:29 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. Austin 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.

Ms. Mullins reconvened the meeting in Open Session at 6:32 p.m. and entertained any motions on pending matters.

*(The following Trustees were present: Flores, Lored, Mullins, Oliver, and Robinson)*

Ms. Mullins apprised that the following items are moved to the Regular Meeting agenda:

- Investment Report for the Month of August 2013
- Payment to Bracewell & Giuliani LLP For Professional Services (August 2013)
- Threat/Vulnerability Assessment & Risk Analysis (Project No. RFP 13-38)

#### **ADJOURNMENT**

With no further business, the meeting adjourned at 6:33 p.m.

*Recorded, transcribed and submitted by:*  
Sharon R. Wright, Manager, Board Services

Minutes Approved: \_\_\_\_\_ November 21, 2013