

# Board of Regents Meeting

May 3, 2017  
Austin, Texas



**OFFICE OF THE CHANCELLOR**

3801 Campus Drive  
Waco, Texas 76705

254-867-4891  
254-867-3960

May 3, 2017

Mr. Keith Honey, Chair  
Members of the Board of Regents  
Texas State Technical College System  
Waco, Texas 76705

**SUBJECT:** Action Items for the Board of Regents' Meetings on May 3, 2017

Regents:

The attached materials have been prepared for consideration by the Board of Regents of Texas State Technical College for the May 3, 2017 meetings. These materials have been reviewed and approved by the appropriate staff members as indicated.

As Chancellor of the college, I have also reviewed and approved the recommendations and submit them for whatever action the Board of Regents deems proper.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael L. Reeser', followed by a horizontal line.

Michael L. Reeser  
Chancellor & CEO

/cjs

Attachments

May 4, 2017

Mr. Keith Honey, Chair  
Members of the Board of Regents  
Texas State Technical College System  
Waco, Texas 76705

SUBJECT: Quarterly Control & Compliance Attestation

Regents:

I am providing this letter in connection with the College's preparation of quarterly Board reporting. I understand that you and the Board of Regents will rely on these reports to assist with your governance responsibilities, specifically including, but not limited to, your responsibilities to the Governor's Office, Legislative Budget Board, and the Texas Higher Education Coordinating Board.

I have reviewed sections of the Board reports relevant to my operating responsibilities and believe the disclosures are informative and reasonably reflect the underlying events and the inclusion of other information necessary to give you a materially complete picture of our operations. I hereby certify, to the best of my knowledge and belief, that the reports do not contain any untrue statement of a material fact or omit any material fact(s) necessary to make the report misleading.

I confirm that I am responsible within areas of my operating responsibility for:

- a. The design and implementation of programs and controls to prevent and detect fraud;
- b. Establishing and maintaining effective internal control over financial reporting, effective and efficient operations, and regulatory compliance;
- c. Maintaining appropriate documentation of such internal control; and
- d. Financial reports, records and supporting documentation that were properly reviewed and to my knowledge, do not contain any untrue statement of material fact or omit material facts that would result in making the information and/or documentation misleading.

I confirm, to the best of my knowledge and belief, the following representations:

1. I have no knowledge of any regulatory violations, occurrences of misstatement, fraud or suspected fraud affecting the College during the period being reviewed that has not been reported to you, our General Counsel, the Internal Audit Director, or the Audit Committee;

2. There are no contingent claims that have not been reported to our Chief Financial Officer or General Counsel; and
3. I have maintained adequate internal control over financial reporting, effective and efficient operations, and regulatory compliance within my areas of operating responsibility as of March 31, 2017, based on criteria established by prudent risk management practices.
4. There have been no changes in internal control that might negatively affect the effectiveness of such controls, including any corrective actions taken with regard to related deficiencies and weaknesses previously identified. I have resolved, or am currently in the process of resolving, all such issues identified and communicated to me during previous audits (internal or external).
5. All material transactions have been communicated to the Chief Financial Officer for recording and disclosure in the financial statements and/or Board reports.
6. The following, to the extent applicable, have been appropriately identified and communicated for proper recording and disclosure:
  - a. Related-party transactions associated with vendor relationships; and
  - b. Significant contractual obligations, or other contingent liabilities.
7. Violations or possible violations of laws or regulations whose effects should be considered for disclosure due to their level of impact have been communicated to you, our General Counsel, the Internal Audit Director, or the Audit Committee.
8. The College has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
9. Other than those previously disclosed, no events have occurred subsequent to March 31, 2017, that should be disclosed due to their impact on the financial statements, effectiveness of existing systems of control, or regulatory compliance.

Please note that this correspondence includes the disclosure of a qualifying occurrence. This matter is summarized in an attachment to this letter. More details on this matter will be provided to the Board during the next Board Meeting.

Sincerely,



Michael L. Reeser  
Chancellor



# Attestation Attachment

Texas State Technical College

For the Calendar Quarter Ending March 2017

This attachment contains one matter for report under the attestation process.

## Student Accounting at TSTC in Waco

In late February, an issue was raised with respect to the handling of tuition billing and collections for students enrolled in flight training through the articulation agreement between TSTC and Baylor University. After a high-level review, it was determined that TSTC had not billed Baylor University for charges its students had made under this partnership. Upon more in-depth analysis and inquiry (including a collaboration amongst Finance leadership, Human Resources, and Internal Audit), a determination was made that the unbilled receivables were significant, the person responsible was fully aware of the extent and the duration of the issue, and leadership was not made aware of this oversight despite it accruing over 18 months. Due to the severity of the issue and the lack of transparency regarding the institution's exposure, the responsible party was terminated immediately.

The Financial Services division has shifted focus to further consolidate processes across the campuses. The Finance Chief of Staff is temporarily assigned to the department to participate with Student Accounting leadership in fully evaluating the processes within the department and further assessing issues therein. There are several opportunities to significantly improve collection processes at both within student accounts receivable and sponsored billing (intuition) receivables. We are currently working through the outstanding receivables with Baylor University and are reasonably certain the balance will be collected. In addition, personnel are reviewing other accounts receivable balances for collectability.

[end]

# **SCHEDULE OF ACTIVITIES**

## **TEXAS STATE TECHNICAL COLLEGE**

**Board of Regents**

**May 3, 2017**

**Austin, Texas**

**Reservations:**                    **AT&T Conference Center Hotel**  
1900 University Avenue  
Austin, TX 78705  
Telephone: (512) 404-1900

### **Wednesday, May 3, 2017**

#### **Board of Regents Meetings**

AT&T Conference Center

Room 104

8:00 a.m.    **Breakfast**

9:00 a.m.    **Board Working Group Meetings**

10:45 a.m.    **Audit Committee Meeting**

11:30 a.m.    **Lunch**

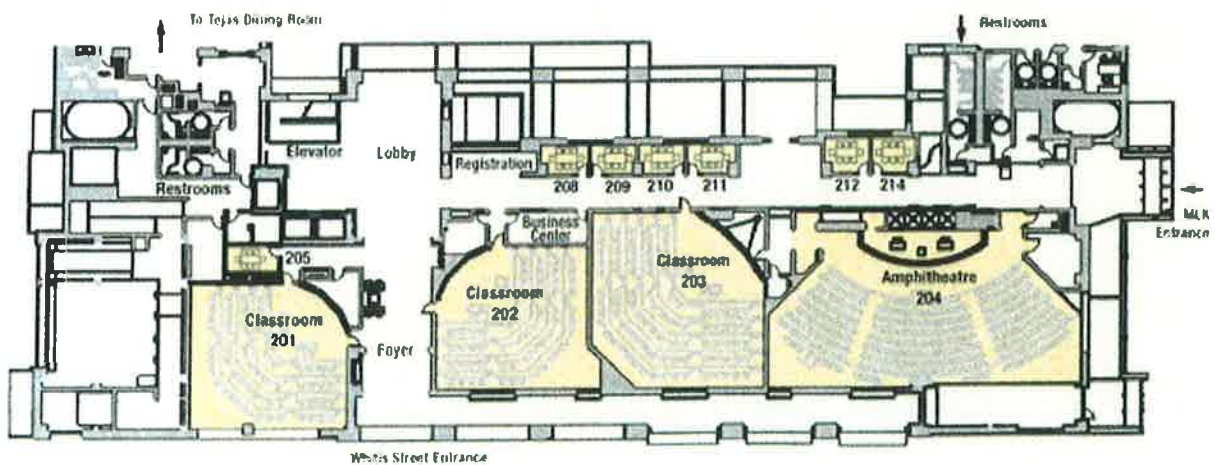
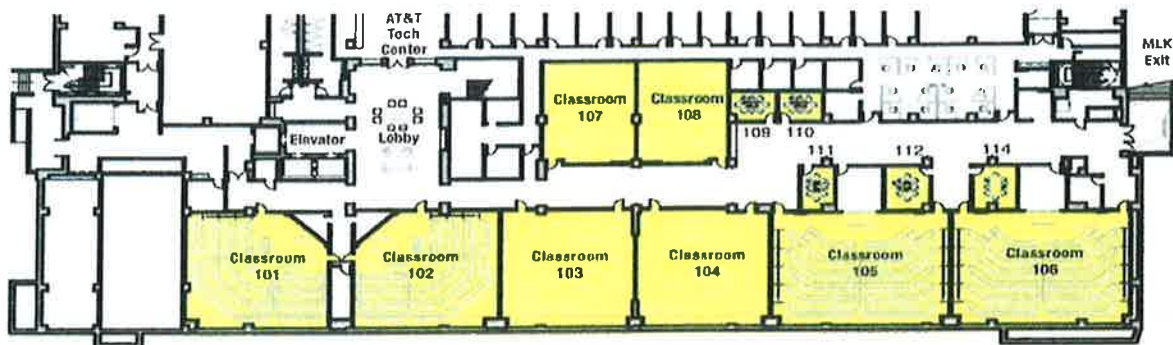
12:30 p.m.    **Board of Regents Committee Meetings**

1:30 p.m.    **Board of Regents Meeting**

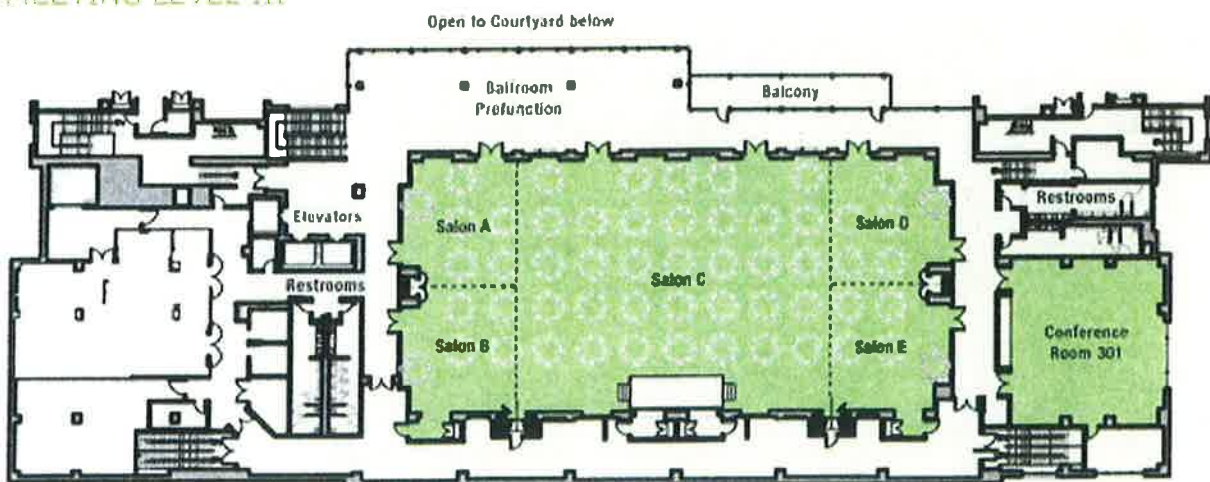
# AT&T Conference Center Floor Plan

AT&T CONFERENCE CENTER

MEETING LEVEL ONE



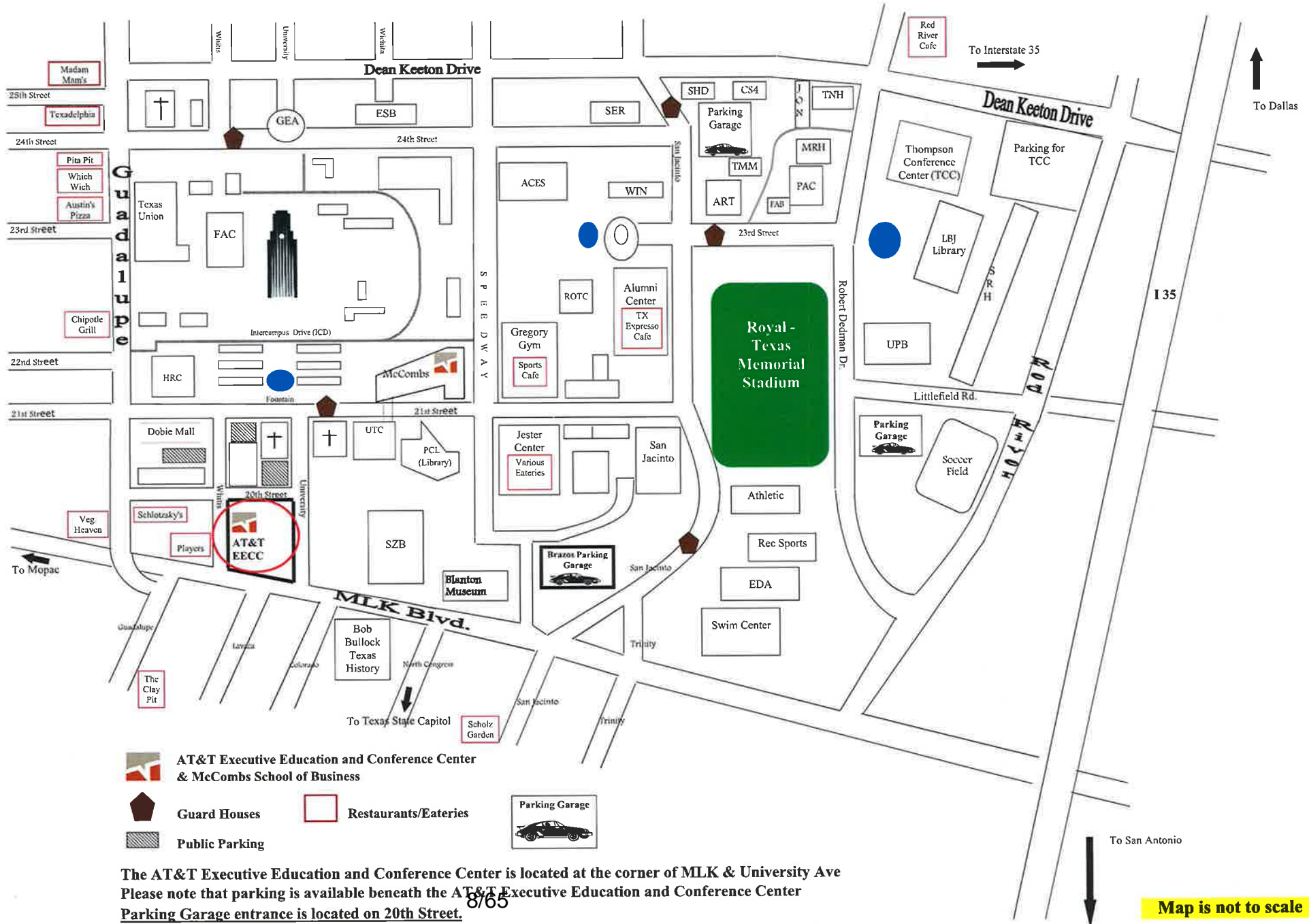
MEETING LEVEL III



# Texas Executive Education

## University of Texas at Austin

### AT&T Executive Education and Conference Center

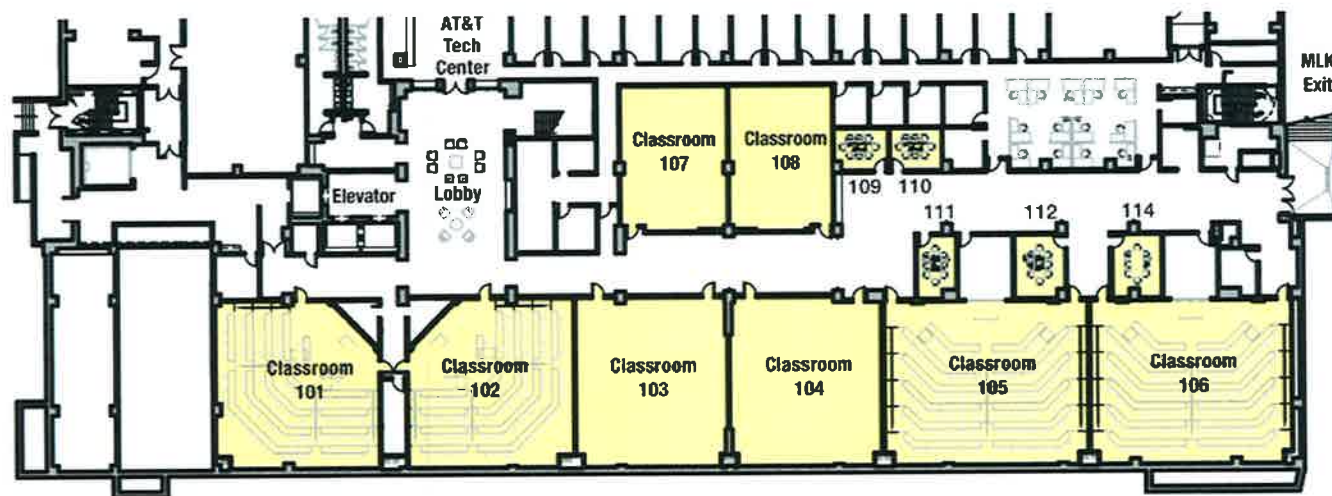


The AT&T Executive Education and Conference Center is located at the corner of MLK & University Ave  
Please note that parking is available beneath the AT&T Executive Education and Conference Center  
Parking Garage entrance is located on 20th Street.



## AT&amp;T CONFERENCE CENTER

## MEETING LEVEL ONE





**THE MEETING GRID HAS BEEN  
PREVIOUSLY PROVIDED**

**TEXAS STATE TECHNICAL COLLEGE**

**Board of Regents Committee Meetings**

**AT&T Executive Education and Conference Center  
Room 104  
1900 University Avenue  
Austin, TX 78705**

**Wednesday, May 3, 2017**

**12:30 p.m.**

**COMMITTEE AGENDA**

**Committee of the Whole**

1. Meeting Called to Order
2. Determination of Quorum
3. Chancellor's Comments
4. Recess to Committee Meetings

**Committee for Student Learning and Student Development**

[Joe Gurecky (Chair), Penny Forrest, Linda McKenna]

**Committee Chair Comments**

**Minute Orders:**

- 18-17(c) Declaration of the Gulfstream IISP Business Jet as Surplus Property Not Needed  
for Educational and Training Purposes at Texas State Technical College..... 16/65

**Reports:**

Update on Community College Partnerships (Oral Report) .....*Elton E. Stuckly, Jr.*

(c) denotes Consent Agenda Item

Please note: Meetings are scheduled to follow each other consecutively and may start earlier or later than the posted time depending on the length of the discussions and the reports of previous meetings. The estimated times are approximate and may be adjusted as required with no prior notice. Lunch will be at approximately noon.



**Committee for Strategic Relations**

[Joe Hearne (Chair), Ivan Andarza, J.V. Martin]

**Committee Chair Comments**

**Minute Orders:**

**Proposed MO #**

None.

**Reports:**

1. Comprehensive Compensation Philosophy Update (Oral Report) ..... *Gail Lawrence/  
Hannah Love*
2. Performance Review Process (Oral Report) ..... *Hannah Love*

**Committee for Facilities**

[Ellis Skinner (Chair), Penny Forrest, John Hatchel]

**Committee Chair Comments**

**Minute Orders:**

None.

**Reports:**

1. Major Facility Projects-Status Update ..... 21/65  
*Ray Fried*
2. Special Report (Oral Report) .....  
*Ray Fried*

**Committee for Fiscal Affairs**

[John Hatchel (Chair), Linda McKenna, Ellis Skinner]

**Committee Chair Comments**

**Minute Orders:**

- 19-17(c) Schedule of Charges for the Incidental Cost of Flight Related Instruction Effective  
Fall 2017 Semester ..... 25/65

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- 20-17(c) Sale of Gulfstream IISP Business Jet and Use of Proceeds to Purchase Additional Test Equipment for Challenger 600 at Texas State Technical College in Waco..... 28/65
- 21-17(c) Ground Lease Extension to Educator's Credit Union, Inc., on the Texas State Technical College Waco Campus ..... 31/65
- 22-17(c) Lease of Office Space to the East Texas Council on Alcoholism and Drug Abuse on the Campus at Texas State Technical College in Marshall ..... 35/65
- 23-17(c) Lease of Office Space to the Texas Early College High School on the Campus at Texas State Technical College in Marshall..... 37/65
- 24-17(c) Approve the Concept to Renovate Student Housing at the Texas State Technical College campus in Waco..... 42/65

### **Reports:**

1. Comparison of Budget to Expenditures and Encumbrances, September 1, 2016 through March 31, 2017 ..... 47/65  
*Jonathan Hoekstra*
2. TSTC Full Time Equivalent (FTE)..... 51/65  
*Jonathan Hoekstra*
3. Pledged Collateral - Collateral Pledged for Deposits in Excess of \$250,000, February 28, 2017 ..... 52/65  
*Jonathan Hoekstra*
4. Quarterly Investment Report, February 28, 2017 ..... 53/65  
*Jonathan Hoekstra*
5. Semi-annual Report Certifying Debt Management Policy Compliance, February 28, 2017 ..... 56/65  
*Jonathan Hoekstra*

### **Committee of the Whole**

#### **Chair Comments**

#### **Minute Orders:**

None.

(c) denotes Consent Agenda Item

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**Reports:**

None.

Chancellor's Comments

*Michael L. Reeser*

Continuing until complete.  
Committees Adjourn

(c) denotes Consent Agenda Item

Please note: Meetings are scheduled to follow each other consecutively and may start earlier or later than the posted time depending on the length of the discussions and the reports of previous meetings. The estimated times are approximate and may be adjusted as required with no prior notice. Lunch will be at approximately noon.

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**Committee for Student Learning and Student Development**

[Joe Gurecky (Chair), Penny Forrest, Linda McKenna]

**Committee Chair Comments**

**Minute Orders:**

**Proposed MO #**

**18-17(c)** [Declaration of the Gulfstream IISP Business Jet as Surplus Property Not Needed for Educational and Training Purposes at Texas State Technical College](#)..... 16/65

**Report:**

1. Update on Community College Partnerships (Oral Report).....*Elton E. Stuckly, Jr.*

**Board Meeting Date:** May 3, 2017

**Proposed Minute Order #:** 18-17(c)

**Proposed By:** Elton E. Stuckly, Jr., Executive Vice Chancellor & Chief Operating Officer

**Subject:** Declaration of the Gulfstream IISP Business Jet as Surplus Property Not Needed for Educational and Training Purposes at Texas State Technical College.

**Background:** Texas State Technical College (TSTC) acquired a 1975 Gulfstream IISP business jet in 2013. The jet is fully functional and has been incorporated into the Aircraft Maintenance Training degree program as well as the Avionics degree program, as a “live-systems” trainer. Utilized as such, students are able to work on jet aircraft systems, troubleshoot faults and gain a great deal of experience necessary for their job skills upon graduation.

The systems on the Gulfstream IISP are dated, but useful. The TSTC Aerospace program just recently took delivery of a more advanced business jet, the Challenger 600. The Challenger has newer, more advanced engines and cockpit systems, and is in much better shape to be utilized as a live-systems trainer.

TSTC Aerospace desires to sell the older Gulfstream IISP so that proceeds from the sale can be used to enhance the newest jet’s student training capability.

**Justification:** As the Gulfstream IISP ages, the cost to keep the jet usable as a live-systems trainer is climbing. The Rolls Royce Spey engines consume an enormous amount of jet fuel; even at idle, thus reducing the time students have to perform engine tests. The Challenger 600 however, has more fuel efficient engines, which will allow for longer engine run times at a more cost effective fuel flow. The systems on the Challenger 600 allow for expansion of the training value of the aircraft, with the planned incorporation of additional jet aircraft test equipment which shall be purchased with proceeds from the sale of the Gulfstream IISP.

**Additional Information:** The Gulfstream IISP’s value has plummeted over the last 3.5 years since acquisition. A fully flyable 1975 model three years ago sold for \$1.5 million, yet today, even with all mandated FAA modifications (which are very costly) they are selling for under \$250,000. A fully functioning Gulfstream IISP that is not flyable (as is the case with this jet) is most useful for parts and serviceable engines and can be acquired for well under \$100,000 at today’s market value. If TSTC Aerospace delays liquidating the Gulfstream IISP, it will not be of any value in the near future, and may even become a costly liability.

**Fiscal Implications:** TSTC Aerospace should, upon successful liquidation of the Gulfstream IISP jet, be able to purchase other training systems for the Challenger 600 jet for

use in a “live-systems” training environment with no cost to the budget.

**Attestation:** This Minute Order is in compliance with all applicable laws and regulations to the best of my knowledge.

**Attachment(s):** Gulfstream IISP photo

**Recommended Minute Order:** “The Board of Regents declares the Gulfstream IISP business jet as surplus property not needed for educational and training purposes at Texas State Technical College.”

**Recommended By:**

*Elton E. Stuckly, Jr.*

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Elton E. Stuckly, Jr., Executive Vice Chancellor & Chief Operating Officer



April 13, 2017

Mr. Michael Reeser  
Chancellor  
Texas State Technical College System  
3801 Campus Drive  
Waco, Texas 76705

RE: Declaration of Gulfstream IISP Business Jet as Surplus Property Not Needed for Educational Purposes

Dear Chancellor Reeser:

As requested, I have reviewed the proposed Minute Order regarding the declaration of the 1975 Gulfstream IISP Business Jet ("the Gulfstream") as surplus property not needed for educational purposes.

As is described in the Minute Order, TSTC has taken possession of a newer jet, the Challenger 600, which will better serve the instructional needs of the College. The Gulfstream is aging, and the cost to maintain the jet as a live-systems trainer is increasing. The engines are inefficient and consume enormous amounts of jet fuel, which increases costs while reducing the amount of time the jet is available for training.

The Gulfstream's value has plummeted in the three and one-half years since its acquisition. If the College delays liquidating the Gulfstream, its value will rapidly decrease and it could become a costly liability. These circumstances support declaring the jet surplus property not needed for educational and training purposes by TSTC.

I do not perceive any legal obstructions to the declaration of the Gulfstream as surplus property not needed for educational purposes. I believe that doing so is in the best interest of the College and of the State, and is supported by the applicable legal provisions.

If you have any questions or need additional information, please advise.

Respectfully submitted,



Susan Shafer

cc: Jonathan Hoekstra, Chief Financial Officer  
Ray Rushing, General Counsel of TSTC and Secretary of the Board of Regents  
Cynthia Saunders, Secretary, TSTC Board of Regents



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### Committee for Strategic Relations

[Joe Hearne (Chair), Ivan Andarza, J.V. Martin]

#### Committee Chair Comments

#### Minute Orders:

##### Proposed MO #

None.

#### Reports:

1. Comprehensive Compensation Philosophy Update (Oral Report) ..... *Gail Lawrence/  
Hannah Love*
2. Performance Review Process (Oral Report) ..... *Hannah Love*

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### Committee for Facilities

[Ellis Skinner (Chair), Penny Forrest, John Hatchel]

#### Committee Chair Comments

#### Minute Orders:

##### Proposed MO#

None.

#### Reports:

1. [Major Facility Projects-Status Update](#) ..... 21/65  
*Ray Fried*
2. Special Report (Oral Report) .....  
*Ray Fried*

**Texas State Technical College**  
**Major Facility Projects-Status Update May 2017**

%											
Project Name		Campus	Managing Campus	Delivery Method	Fund Source		Cost Allocation		Required Approvals		Complete
1	Renovation of Building 20PM Engineering Center (Phase 2)	Harlingen	Harlingen	Construction Manager At Risk	Tuition Revenue Bonds	\$ 3,750,000	Architect/Engineer	\$ 250,000	Approve Concept	MO 34-13	7%
							Construction	3,400,000	Approve Budget	MO 55-15	
							Owners Cost	100,000	Approved MO amount	\$ 3,750,000	
					Subtotal Funds	\$ 3,750,000	Subtotal Construction	\$ 3,750,000	Acceptance	Fall 2018	
					Additional Information						
					TPFA	\$ 612,000	IT, FFE, Equip.	\$ 612,000			
					Total Funds	\$ 4,362,000	Total Cost	\$ 4,362,000			
2	Central Chiller Plant Engineering and design	Harlingen	Harlingen	Request for qualifications	Designated Tuition	\$ 40,000	Engineering / Design	\$ 578,330	Approve Concept and design project	MO 19-14	76%
					HEAF Bonds	605,000			Approved MO amount	\$ 800,000	
					Transfer to project #3	(45,500)			Accept Project	Fall 2017	
					Transfer to project #3	(21,170)	Total Cost	\$ 578,330			
					Total Funds	\$ 578,330					
3	Replace Central Chiller Plant	Harlingen	Harlingen	Construction Manager At Risk	HEAF Bonds	\$ 8,000,000	Construction	\$ 7,840,000	Approve Concept	MO 19-14	33%
					HEAF from project #2	45,500	Owners Cost	226,670	Approve Budget	MO 48-16	
					Savings from project #2	21,170			Approved MO amount	\$ 7,900,000	
					Total Funds	\$ 8,066,670	Total Cost	\$ 8,066,670	Accept Project	Fall 2017	
4	The Brazos Center	Fort Bend County	Harlingen	Construction Manager At Risk	Tuition Revenue Bonds	\$ 14,950,000	A/E	\$ 916,000	Approve Concept	MO 46-14	44%
							Construction	13,450,000	Approve Budget	MO 56-15	
					Donation Grant Aux.	\$ 250,000	Owners Cost	834,000	Approved MO amount	\$ 14,950,000	
					Subtotal Funds	\$ 15,200,000	Subtotal Construction	\$ 15,200,000	Accept Project	Fall 2017	
					Additional Information						
					Equipment TPFA	\$ 2,947,000	IT / Equipment	\$ 2,947,000			
					Total Funds	\$ 18,147,000	Total Costs	\$ 18,147,000			
5	Replace Water and Sewer Infrastructure on Main Campus	Waco	Waco	Competitive Sealed Proposal	HEAF Bonds	\$ 8,700,000	Architect/Engineer	\$ 1,169,871	Approve Concept	MO 47-14	10%
							Construction	7,430,129	Approve project & Budget	MO 07-16	
							Owners Cost	100,000	Approved MO amount	\$ 8,700,000	
					Total Funds	\$ 8,700,000	Total Cost	\$ 8,700,000	Accept project	Summer 2018	

**Texas State Technical College**  
**Major Facility Projects-Status Update May 2017**

Managing Campus											% Complete
Project Name		Campus	Managing Campus	Delivery Method	Fund Source		Cost Allocation		Required Approvals		% Complete
6	Accept real property and Construct TSTC West Texas Industrial Technology Center	Abilene	Sweetwater	Construction Manager At Risk	Tuition Revenue Bonds	\$ 12,000,000	Architect/Engineer	\$ 917,475	Approve Concept	MO 49-14	10%
							Construction	10,955,525	Issue Bonds	Spring 2016	
							Const. Auxiliary Services	-	Approved MO Amount	\$12,000,000	
							Owners Cost	127,000	Approve Project and Budget	MO 08-16	
					Subtotal Funds	\$ 12,000,000	Subtotal Construction	\$ 12,000,000	Approve Land Purchase from Donation	MO 68-16	
					Additional Information			Accept Project	Summer 2018		
				Gifts and donations	\$ 465,000	Land purchase	\$ 465,000				
				TPFA	\$ 3,540,000	Equipment, FFE, IT	3,540,000				
					Total Funds	\$ 16,005,000	Total Cost	\$ 16,005,000			
7	TSTC Monument and Wayfinding Project	Statewide	Statewide	Construction Manager at Risk	HEAF Bond	\$ 780,000	Construction	\$ 780,000	Approve Project and Budget	MO 03-17	0%
8	HVAC Replacement	Marshall	Marshall	Design Build Performance Contract	HEAF Bond	\$ 1,000,000	Construction	\$ 1,000,000	Approve Project and Budget	MO 04-17	0%
9	Rework and Replace Paving	Sweetwater	Sweetwater	RFQ	HEAF Bond	\$ 40,000	Engineering / Design	\$ 40,000	Approve Concept and design project	MO 07-17	0%
						\$ 57,679,000	\$ 57,679,000				

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### Committee for Fiscal Affairs

[John Hatchel (Chair), Linda McKenna, Ellis Skinner]

#### Committee Chair Comments

#### Minute Orders:

##### Proposed MO#

19-17(c)	<a href="#"><u>Schedule of Charges for the Incidental Cost of Flight Related Instruction Effective Fall 2017 Semester</u></a> .....	25/65
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24-17(c)	<a href="#"><u>Approve the Concept to Renovate Student Housing at Texas State Technical College in Waco</u></a> .....	42/65

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2.	<a href="#"><u>TSTC Full Time Equivalent (FTE)</u></a> .....	51/65	<i>Jonathan Hoekstra</i>
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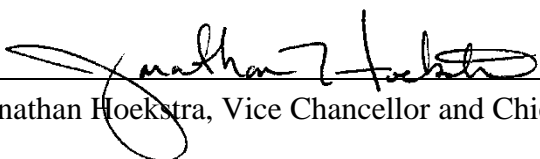
5. [Semi-annual Report Certifying Debt Management Policy Compliance,  
February 28, 2017](#) ..... 56/65  
*Jonathan Hoekstra*

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<b>Board Meeting Date:</b>	May 3, 2017	<b>Proposed Minute Order #:</b>	19-17(c)
<b>Proposed By:</b>	Elton E. Stuckly, Jr., Executive Vice Chancellor & Chief Operating Officer		
<b>Subject:</b>	Schedule of Charges for the Incidental Cost of Flight Related Instruction Effective Fall 2017 Semester		
<b>Background:</b>	<p>Texas State Technical College (TSTC) offers an Associate of Applied Science (AAS) degree in Aircraft Pilot Training Technology (APTT) to prepare men and women for careers in the aviation industry. In addition to training airplane (fixed-wing) pilots, and helicopter (rotary-wing) pilots. Beginning in Fall 2017, TSTC will offer a first-in-the-nation Agricultural Pilot (AG) specialization to meet the demands of an industry that is desperate for quality trained, new pilots for Texas agriculture.</p> <p>The cost of the AG specialization is more than our normal airplane rates, as training will be accomplished in state of the art, advanced turbo-prop aircraft. Starting salaries are significantly higher than starting airline salaries, with most starting at the average of \$80,000 per year, and will meet the industry mean of \$100,000 per year very quickly.</p> <p>Certain direct expenses of the APTT program, including specialized instruction, aircraft fleet leases, maintenance, and insurance, are supported by the Board of Regents approved schedule of charges that was last revised in May 2016.</p>		
<b>Justification:</b>	The proposed schedule of charges for the incidental cost of flight instruction allows for the efficient operation of an advanced turbo prop, crop-duster training aircraft, as well as for a slight increase in the hourly rate charged for flight instructors, due to increased personnel costs.		
<b>Additional Information:</b>	The proposed APTT program rates, instructor rates and program fees are competitive with other colleges and university level pilot training degree programs.		
<b>Fiscal Implications:</b>	Proposed rates ensure sufficient cost recovery for operation of aircraft for flight instruction.		
<b>Attestation:</b>	This Minute Order is in compliance with all applicable laws and regulations to the best of my knowledge.		
<b>Attachment:</b>	Schedule of Charges for the Incidental Cost of Flight Instruction and Flight Related Instruction, Effective Fall 2017 Semester		
<b>Recommended Minute Order:</b>	"The Board of Regents approves the Schedule of Charges for the Incidental Cost of Flight Instruction and Flight Related Instruction, Effective Fall 2017 Semester."		



**Recommended By:**

  
\_\_\_\_\_  
Jonathan Hoekstra, Vice Chancellor and Chief Financial Officer

**Texas State Technical College**

**Amended Schedule of Charges for the Incidental Cost of Flight Instruction. Effective Fall 2017**

A.

B.

C.

D.

<b>Description of Charge</b>	<b>Fall 2016</b>	<b>Recommended Effective Fall 2017</b>	<b>Comments</b>
1. Aircraft Pilot Training Fees, Fixed -Wing Instructor Charge	Not to exceed \$62 per hour.	Not to exceed \$65 per hour.	Reflects increased personnel costs.
2. Aircraft Pilot Training Fees, Rotary-Wing Instructor Charge	Not to exceed \$62 per hour.	Not to exceed \$65 per hour.	Reflects increased personnel costs.
3. Redbird FMX Full-Motion Flight Simulator	Courses and Related Fees: AIRP 1215 PVT Pilot: \$300 AIRP 2250 Instrument: \$600 AIRP 2239 Comm./Inter: \$200 AIRP 2236 Flight Instr.: \$300 AIRP 2251 Multi-Engine: #200	No change.	
4. FTS Helicopter Flight Simulator	N/A	Courses and Related Fees: AIRP 1215-10R1: PVT Pilot: \$300 AIRP 2250-10R1: Instrument: \$600 AIRP 2273-10R1: Comm./Inter: \$200 AIRP 2274-10R1: Flight Instr.: \$300	Same as Fixed-wing sim rates.
5. Adacel ICE (Intelligent Communications Environment) Air Traffic Control Simulator	Tower classes with lab (3) semesters: \$600 each semester.	No change.	
6. Air Traffic Control Simulator	Radar and Enroute classes with lab (3) semesters: \$300 each semester.	No change.	
7. Cessna 172	\$110 per hour	No change.	
8. Piper Arrow PA-28R-201 (retractable, 4-seats)	\$140 per hour	No change.	
9. Piper Seminole PA44-180 (twin-engine, 4 seats)	\$160 per hour	No change.	
10. Robinson R-22 Series Helicopter (2-seats)	\$400 per hour	No change.	*Includes fuel charge point
11. Robinson R-44 Series Helicopter (4-seats)	\$550 per hour	No change.	*Includes fuel charge point
12. Cessna L-19 Birdogg 305	N/A	\$230 per hour	AG Pilot aircraft with fuel included
13. AT 504 Turbo Prop Advanced Crop Duster	N/A	\$1,553 per hour	AG Pilot aircraft with fuel included
14. Aircraft Pilot Training Fees, AG Pilot Instructor Charge	N/A	Not to exceed \$65 per hour.	

\* Helicopter fuel charges are "dry," meaning that fuel is not included in the aircraft charge. Fuel may be purchased by students through TSTC or elsewhere. When purchased through TSTC, students will reimburse TSTC for their fuel costs. The "dual/wet" rate is shown however, only to provide a calculation point for the overall anticipated program cost per flight hour. Fuel prices may vary, so the student's repayment for fuel charges at TSTC Waco or, from another airfield, will differ as rates change, and will be tracked by accounting. Airplane rates are "dry". Fuel may be purchased by students through TSTC or elsewhere. When purchased through TSTC, students will reimburse TSTC for their fuel costs.

**Board Meeting Date:** May 3, 2017

**Proposed Minute Order #:** 20-17(c)

**Proposed By:** Elton E. Stuckly, Jr., Executive Vice Chancellor & Chief Operating Officer

**Subject:** Sale of Gulfstream IISP Business Jet and Use of Proceeds to Purchase Additional Test Equipment for Challenger 600 at Texas State Technical College in Waco.

**Background:** Texas State Technical College (TSTC) acquired a 1975 Gulfstream IISP business jet in 2013. The jet is fully functional and has been incorporated into the Aircraft Maintenance Training degree program as well as the Avionics degree program, as a “live-systems” trainer. Utilized as such, students are able to work on jet aircraft systems, troubleshoot faults and gain a great deal of experience necessary for their job skills upon graduation.

The systems on the Gulfstream IISP are dated, but useful. The TSTC Aerospace program just recently took delivery of a more advanced business jet, the Challenger 600. The Challenger has newer, more advanced engines and cockpit systems, and is in much better shape to be utilized as a live-systems trainer.

TSTC Aerospace desires to sell the older Gulfstream IISP so that proceeds from the sale can be used to enhance the newest jet’s student training capability.

**Justification:** As the Gulfstream IISP ages, the cost to keep the jet usable as a live-systems trainer is climbing. The Rolls Royce Spey engines consume an enormous amount of jet fuel; even at idle, thus reducing the time students have to perform engine tests. The Challenger 600 however, has more fuel efficient engines, which will allow for longer engine run times at a more cost effective fuel flow. The systems on the Challenger 600 allow for expansion of the training value of the aircraft, with the planned incorporation of additional jet aircraft test equipment which shall be purchased with proceeds from the sale of the Gulfstream IISP.

**Additional Information:** The Gulfstream IISP’s value has plummeted over the last 3.5 years since acquisition. A fully flyable 1975 model three years ago sold for \$1.5 million, yet today, even with all mandated FAA modifications (which are very costly) they are selling for under \$250,000. A fully functioning Gulfstream IISP that is not flyable (as is the case with this jet) is most useful for parts and serviceable engines and can be acquired for well under \$100,000 at today’s market value. If TSTC Aerospace delays liquidating the Gulfstream IISP, it will not be of any value in the near future, and may even become a costly liability.

**Fiscal Implications:** TSTC Aerospace should, upon successful liquidation of the Gulfstream IISP jet, be able to purchase other training systems for the Challenger 600 jet for

use in a “live-systems” training environment with no cost to the budget.

**Attestation:**

This Minute Order is in compliance with all applicable laws and regulations to the best of my knowledge.

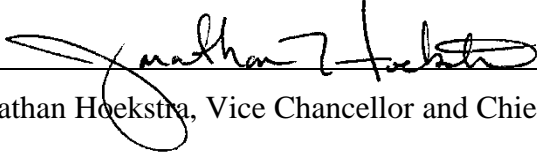
**Attachment:**

Letter from General Counsel

**Recommended  
Minute Order:**

“The Board of Regents approves the sale of the Gulfstream IISP business jet and the use of the proceeds to purchase additional test equipment for the Challenger 600 aircraft at Texas State Technical College in Waco and authorizes the Chancellor, or his designee, to sell the Gulfstream IISP and purchase training equipment for the Challenger 600 with the proceeds from the sale.”

**Recommended By:**

A handwritten signature in black ink, appearing to read "Jonathan Hoekstra", is written over a horizontal line.

Jonathan Hoekstra, Vice Chancellor and Chief Financial Officer

April 13, 2017

Mr. Michael Reeser  
Chancellor  
Texas State Technical College System  
3801 Campus Drive  
Waco, Texas 76705

RE: Sale of Gulfstream IISP Business Jet and Reinvestment of Proceeds

Dear Chancellor Reeser:

As requested, I have reviewed the proposed Minute Order regarding the sale of the 1975 Gulfstream IISP Business Jet ("the Gulfstream") and the reinvestment of the proceeds of the sale into the newer Challenger 600 jet.

As is described in the Minute Order, TSTC has taken possession of the newer jet, the Challenger 600, which will better serve the instructional needs of the College. The Gulfstream is aging, and the cost to maintain the jet as a live-systems trainer is increasing. The engines are inefficient and consume enormous amounts of jet fuel, which increases costs while reducing the amount of time the jet is available for training.

The Gulfstream's value has plummeted in the three and one-half years since its acquisition. If the College delays liquidating the Gulfstream, its value will rapidly decrease and it could become a costly liability. These circumstances support selling the jet and reinvesting the proceeds into the newer Challenger 600.

I do not perceive any legal obstructions to the sale of the jet by bid, and I believe that selling the Gulfstream in order to reinvest the proceeds into a newer jet which will serve our educational needs much better is in the best interest of the College and of the State, and is supported by the applicable legal provisions.

If you have any questions or need additional information, please advise.

Respectfully submitted,



Susan Shafer

cc: Jonathan Hoekstra, Chief Financial Officer  
Ray Rushing, General Counsel of TSTC and Secretary of the Board of Regents  
Cynthia Saunders, Secretary, TSTC Board of Regents



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**Board Meeting Date:** May 3, 2017

**Proposed Minute Order #:** 21-17(c)

**Proposed By:** Jonathan Hoekstra, Vice Chancellor/Chief Financial Officer

**Subject:** Ground Lease Extension to Educator's Credit Union, Inc., on the Texas State Technical College Waco Campus

**Background:** The original ground lease agreement with Educator's Credit Union (Educator's), a Texas Corporation, originated in 1997 to facilitate the construction and operation of commercial building to facilitate the performance of financial services traditionally performed by credit unions. The ground lease extension has recently expired with ownership of the 4,000 square foot facility transferring to the College.

Attempts to secure a longer-term lease arrangement closer to market value did not reach a mutual agreement. Alternatively, TSTC and Educator's seek to extend the current lease an additional three years. The original lease covers 0.919 acres (40,020 sf) located in Block 43 of the Texas State Technical College (TSTC) Waco campus (100 Bolling). This term will enable Educator's the opportunity to secure another location to meet their long-term plans.

While there is not an imminent need for the property at this time, being located near the campus entrance and immediately adjacent to the recently renovated state-wide meeting space, management anticipates this property to provide significant opportunities in the near future.

**Justification:** The ground lease extension agreement to Educator's will allow continued use the facility to provide financial services to College students and employees while TSTC markets the property or reconsiders it useful purpose.

**Additional Information:** This parcel of real estate is not needed for instruction or training at this time.

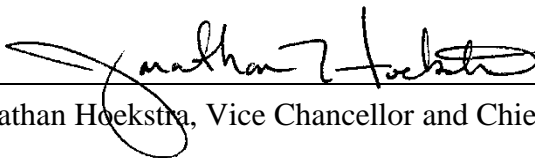
**Fiscal Implications:** The College is to receive \$1,500 in monthly payments for a period of three years. Educator's is responsible for all maintenance and upkeep costs, along with related utilities. General liability coverage in the amount of \$3 million is also required to be effectively maintained.

**Attestation:** This Minute Order is in compliance with all applicable laws and regulations to the best of my knowledge.

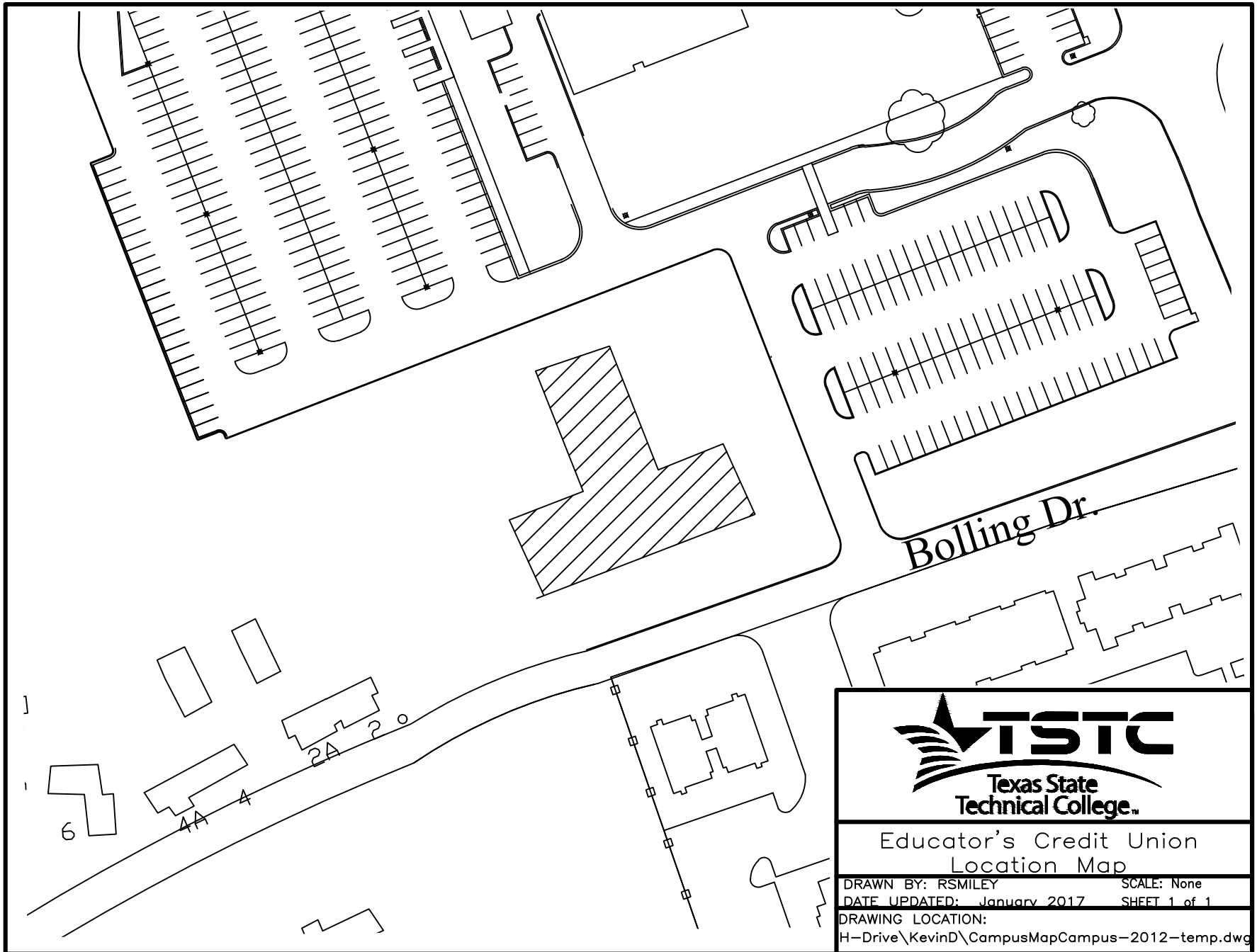
**Attachment:** Location Map, Letter from General Counsel

**Recommended Minute Order:** “The Board of Regents approves the ground lease extension for .919 acres located at 100 Bolling on the Campus at Texas State Technical College in Waco and authorizes the Chancellor, or his designee, to execute the lease agreement with Educator’s Credit Union, Inc.”

**Recommended By:**

  
\_\_\_\_\_  
Jonathan Hoekstra, Vice Chancellor and Chief Financial Officer





Educator's Credit Union  
Location Map

DRAWN BY: RSMILEY	SCALE: None
DATE UPDATED: January 2017	SHEET 1 of 1
DRAWING LOCATION: H-Drive\KevinD\CampusMapCampus-2012-temp.dwg	

April 14, 2017

254-867-3972

Mr. Michael Reeser  
Chancellor  
Texas State Technical College System  
3801 Campus Drive  
Waco, Texas 76705

RE: Lease Extension to the Educators Credit Union, Inc., on the Texas State Technical College  
Waco Campus

Dear Chancellor Reeser:

As requested, I have considered the legal ramifications of the Lease Extension of property located on the TSTC Waco Campus (100 Bolling Drive, Waco, Texas 76705) to the Educators Credit Union, Inc. (Lessee).

The original ground lease agreement with Lessee originated in 1997 to facilitate the construction and operation of a commercial building to facilitate the performance of financial services traditionally performed by credit unions. The prior extension has expired and a longer-term extension agreement could not be reached with Lessee's management as they were unwilling to pay the market rate of \$4,500 on a monthly basis. Thus, this extension covers a period of three years on the original .919 acres (40,020 sf) located in Block 43 of the TSTC Waco campus, to enable Lessee the opportunity to secure another location to facilitate their long-term plans.

Contingent upon approval by the Board of Regents, the term of the lease will begin on March 1, 2017, and would run through February 28, 2020. Lessee will carry insurance to protect against damage to property and harm to persons.

Having reviewed the Lease, it is my opinion that the terms and conditions comport with state law and TSTC policy, and that leasing the space in the contemplated manner is in the best interest of TSTC students as well as the State of Texas.

If you have any questions or need additional information, please advise.

Respectfully submitted,

  
Edward C. Vallejo, J.D.  
Associate General Counsel

cc: Ray Rushing, J.D.  
General Counsel of TSTC and Secretary, TSTC Board of Regents

Jonathan Hoekstra  
Chief Financial Officer, TSTC

Cynthia Saunders  
Manager of Board Support

**Board Meeting Date:** May 3, 2017

**Proposed Minute Order #:** 22-17(c)

**Proposed By:** Jonathan Hoekstra, Vice Chancellor and Chief Financial Officer

**Subject:** Lease of Office Space to the East Texas Council on Alcoholism and Drug Abuse on the Campus at Texas State Technical College in Marshall

**Background:** The lease agreement with the East Texas Council on Alcoholism and Drug Abuse (ETCADA) is for 144 SF of office space in Building D for three years. Either party may terminate with thirty (30) days written notice. ETCADA has utilized the noted room for several years. Administration does not anticipate a need for the room for the foreseeable future.

**Justification:** Campus Administration at Texas State Technical College in Marshall recommends the lease agreement to the ETCADA, as this entity provides needed counseling and support for both our students and citizens from the surrounding area.

**Additional Information:** The 144 SF of office space within Building D is not needed for instruction or training.

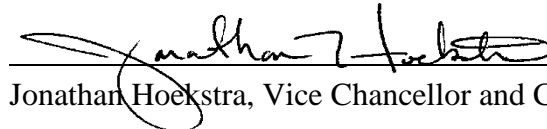
**Fiscal Implications:** None

**Attestation:** This Minute Order is in compliance with all applicable laws and regulations to the best of my knowledge.

**Attachment:** Letter from General Counsel

**Recommended Minute Order:** “The Board of Regents approves the lease agreement for 144 SF of office space located in Building D, at the campus at Texas State Technical College in Marshall and authorizes the Chancellor or his designee to execute the lease agreement with the East Texas Council on Alcoholism and Drug Abuse.”

**Recommended By:**



Jonathan Hoekstra, Vice Chancellor and Chief Financial Officer

April 14, 2017

Mr. Michael Reeser  
Chancellor  
Texas State Technical College System  
3801 Campus Drive  
Waco, Texas 76705

RE: Lease of Office Space to the East Texas Council on Alcoholism and Drug Abuse on the  
Campus of Texas State Technical College in Marshall

Dear Chancellor Reeser:

As requested, I have considered the legal ramifications regarding the lease of office space on the campus of Texas State Technical College in Marshall to the East Texas Council on Alcoholism and Drug Abuse (ETCADA).

The leased premises, approximately 144 square feet of office space in Building D of the TSTC campus in Marshall, will be leased for a term of three years, with either party having the right to terminate with thirty days written notice to the other party.

ETCADA has utilized the space for several years. The demised space is not anticipated to be needed by the College for such needs in the foreseeable future. ETCADA serves the students and the community surrounding TSTC at Marshall.

Having reviewed the Lease, it is my opinion that the terms and conditions comport with state law and TSTC policy, and that leasing the space in the contemplated manner is in the best interest of TSTC students as well as the State of Texas.

If you have any questions or need additional information, please advise.

Respectfully submitted,



Susan Shafer  
Associate General Counsel

cc: Jonathan Hoekstra, Chief Financial Officer  
Ray Rushing, General Counsel of TSTC and Secretary of the Board of Regents  
Cynthia Saunders, Manager of Board Support



**Board Meeting Date:** May 3, 2017

**Proposed Minute Order #:** 23-17(c)

**Proposed By:** Jonathan Hoekstra, Vice Chancellor/Chief Financial Officer

**Subject:** Lease of Office Space to the Texas Early College High School on the Campus at Texas State Technical College in Marshall

**Background:** The lease agreement with the Texas Early College High School (TXECHS) is for approximately 8,487 SF of office and/or classroom space (room #110, 113, 114, 115, 117, 119, 121, 108, 116, 122, 124, 126, and 128) in the North Building on the campus at Texas State Technical College (TSTC) in Marshall for three years, with either party being able to terminate with thirty (30) days written notice. TXECHS has utilized the noted space for over a decade. The rooms, which are part of the original structure once utilized to address instructional needs, are not anticipated to be needed by the College in the foreseeable future.

**Justification:** Campus Administration recommends the lease agreement to the TXECHS, as this collaboration provides essential dual credit needs for the area. Specifically, this initiative services grades eight through twelve, and provides Concurrent Enrollment for dual credit college courses for high school students for whom a smooth transition into postsecondary education is problematic; including low-income students, students who are highly motivated but have not received the preparation necessary to meet the standards for high school and college preparation, and students for whom the cost of college may be prohibitive.

**Additional Information:** The 8,487 SF of office and/or classroom space within the North Building is not needed for instruction or training. TXECHS students must meet the admissions and enrollment policies prior to registration and related textbooks are purchased through the Marshall campus bookstore.

**Fiscal Implications:** The College will receive \$1,500 per classroom and \$500 per office space for each semester taught; this equates to \$25,000 per year, factoring in two semesters annually. The rent covers custodial services and utilities, with the TXECHS covering all operating costs.

**Attestation:** This Minute Order is in compliance with all applicable laws and regulations to the best of my knowledge.

**Attachment:** Building Layout, Letter from General Counsel

**Recommended  
Minute Order:**

“The Board of Regents approves the lease agreement for 8,487 SF of office and/or classroom space located in the North Building, on the campus at Texas State Technical College in Marshall and authorizes the Chancellor or his designee to execute the lease agreement with the Texas Early College High School.”

**Recommended By:**

A handwritten signature in black ink, appearing to read "Jonathan Hoekstra", written over a horizontal line.

Jonathan Hoekstra, Chief Financial Officer

## North Building





April 14, 2017

Mr. Michael Reeser  
Chancellor  
Texas State Technical College System  
3801 Campus Drive  
Waco, Texas 76705

RE: Lease of Office Space to the Texas Early College High School on the Campus of Texas State Technical College in Marshall

Dear Chancellor Reeser:

As requested, I have considered the legal ramifications regarding the lease of office space on the campus of Texas State Technical College in Marshall to the Early College High School (TXECHS).

The leased premises, approximately 8,487 square feet of office and/or classroom space (rooms 110, 113, 114, 115, 117, 119, 121, 108, 116, 122, 124, 126 and 128) in the North Building of the TSTC campus in Marshall, will be leased for a term of three years, with either party having the right to terminate with thirty days written notice to the other party.

TXECHS has utilized the space for over a decade. The demised rooms, which are part of the original structure once used by TSTC for educational needs, are not anticipated to be needed by the College for such needs in the foreseeable future.

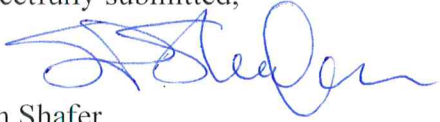
The College will receive \$1,500.00 per classroom and \$500.00 per office for each semester taught, equaling \$25,000.00 annually for two semesters per year. The rent covers custodial services and utilities, with TXECHS covering all operating expenses.

Having reviewed the Lease, it is my opinion that the terms and conditions comport with state law and TSTC policy, and that leasing the space in the contemplated manner is in the best interest of TSTC students as well as the State of Texas.



If you have any questions or need additional information, please advise.

Respectfully submitted,



Susan Shafer  
Associate General Counsel

cc: Jonathan Hoekstra, Chief Financial Officer  
Ray Rushing, General Counsel of TSTC and Secretary of the Board of Regents  
Cynthia Saunders, Manager of Board Support

**Board Meeting Date:** May 3, 2017

**Proposed Minute Order #:** 24-17(c)

**Proposed By:** Kevin Dorton, Associate Vice Chancellor for Auxiliary Services

**Subject:** Approve the Concept to Renovate Student Housing at Texas State Technical College in Waco

**Background:** The portfolio of properties contained on the campus at Texas State Technical College (TSTC) in Waco includes the following units:

- The Brazos Community: 754\* wood-frame and wood/brick single-family and duplex units, built between 1948 and 1960.  
\* Approximately 220 of these units are currently not habitable due to extensive damage and deterioration. Significant abatement and remediation is required whether TSTC restores to market value or demolishes the units.
- Red River Apartments: 56 apartment units built in 1980, with an average square footage of 827.
- Lavaca Hall: 77 dormitory units built in 1943, with an average square footage of 192.

Occupancy rates at the Waco campus have historically been high, with waiting lists due to increasing enrollment.

**Justification:** Investment in student housing structures on the TSTC Waco campus is necessary to rehabilitate and modernize all substandard and uninhabitable units in order to optimize performance and to bring the property condition/quality closer to TSTC's overall brand position. Returning units on-line and renovation of the other structures will provide new auxiliary cash flow streams with margins sufficient to return funds to the college. The administration believes there is sufficient market opportunity to support the project and maintain the condition and earnings capacity of the housing portfolio on the Waco campus.

Historically high occupancy rates provide evidence of sufficient market demand for the units, despite their poor condition. The demand for all categories of housing units at the Waco campus far exceeds the demand at all of the other campuses at Texas State Technical College.

**Additional  
Information:**

Approval of the concept will authorize the Chancellor or his designee to initiate the following:

- Housing Strategy & Market Study: Engage program management advisors to develop a comprehensive strategy that aligns TSTC's goals with the existing market and financial opportunities.
- Financial Feasibility: Engage an independent financial advisor to assist TSTC with project definition and a funding and delivery plan.
- Implementation: Engage development and financing partners who can assume development risks and expedite delivery of the project.

**Fiscal Implications:**

The market and financial studies will help determine the project scope and budget, and the deal structure that will provide the desired level of control with reduced development risk, while producing maximum returned value on TSTC's real property investments. Development costs will be provided by public financing and possibly private equity, and increased cash flows from rentals will cover debt service, operations, and capital reserves.

The most basic renovation to bring units online to a reasonable and marketable standard will exceed \$13 million. Consideration of longer-term master plan for this portfolio will likely increase the required investment.

**Attestation:**

This Minute Order is in compliance with all applicable laws and regulations to the best of my knowledge.

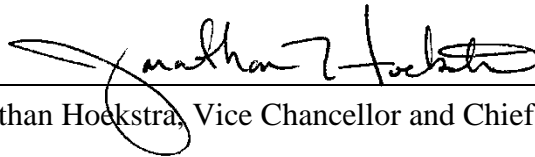
**Attachment(s):**

Campus map and photos of housing

**Recommended  
Minute Order:**

"The Board of Regents approves the concept to renovate and modernize the housing facilities at Texas State Technical College in Waco, and authorizes the Chancellor or his designee to engage professional services required to develop the scope and plans for the renovation project."

**Recommended By:**



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Jonathan Hoekstra, Vice Chancellor and Chief Financial Officer

TSTC Waco  
Current Housing Options

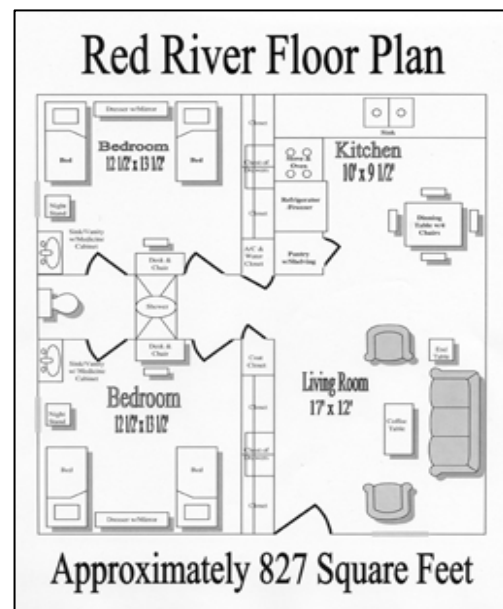


TSTC Waco  
Current Housing Options

Lavaca Hall Dormitory



Red River Apartments



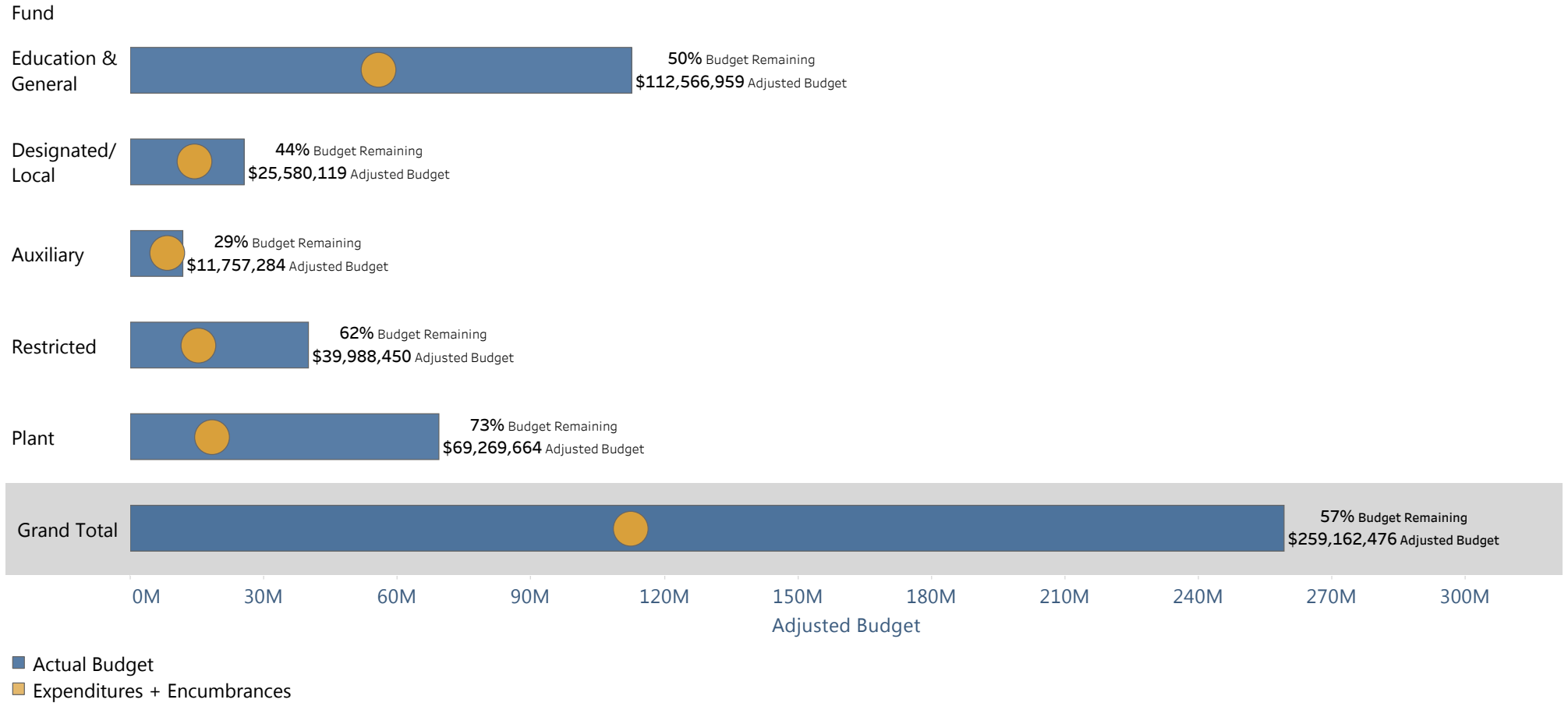


TSTC Waco  
Current Housing Options

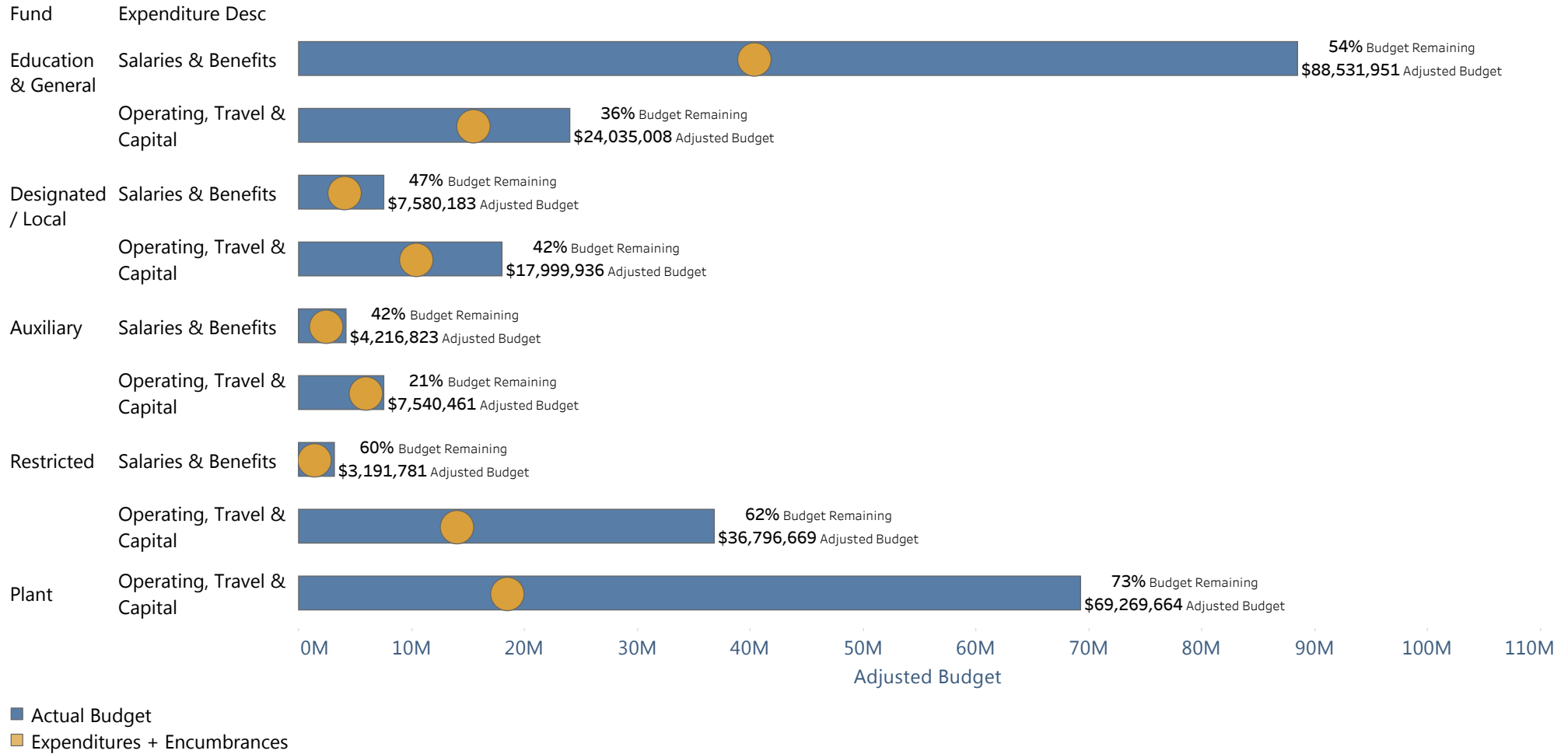
Brazos Community Family Housing



**Texas State Technical College**  
**Comparison of Budget to Expenditures and Encumbrances**  
**September 1, 2016 - March 31, 2017**



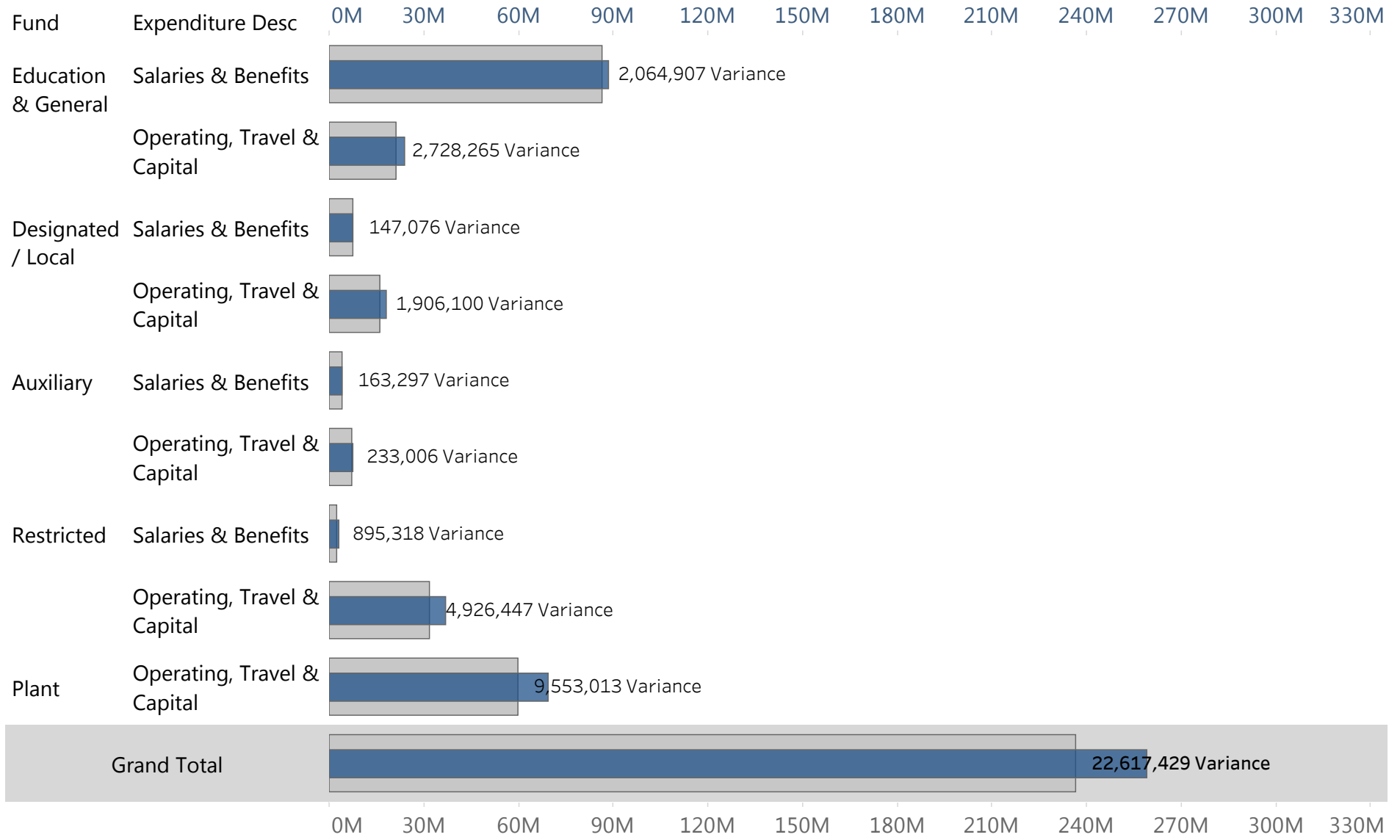
**Texas State Technical College**  
**Comparison of Budget to Expenditures and Encumbrances**  
**September 1, 2016 - March 31, 2017**





**Texas State Technical College**  
**Variance of Adjusted Budget to Original Budget**  
**September 1, 2016 - March 31, 2017**

Adjusted Budget



Original Budget

Measure Names

■ Actual Budget

■ Orig Budget

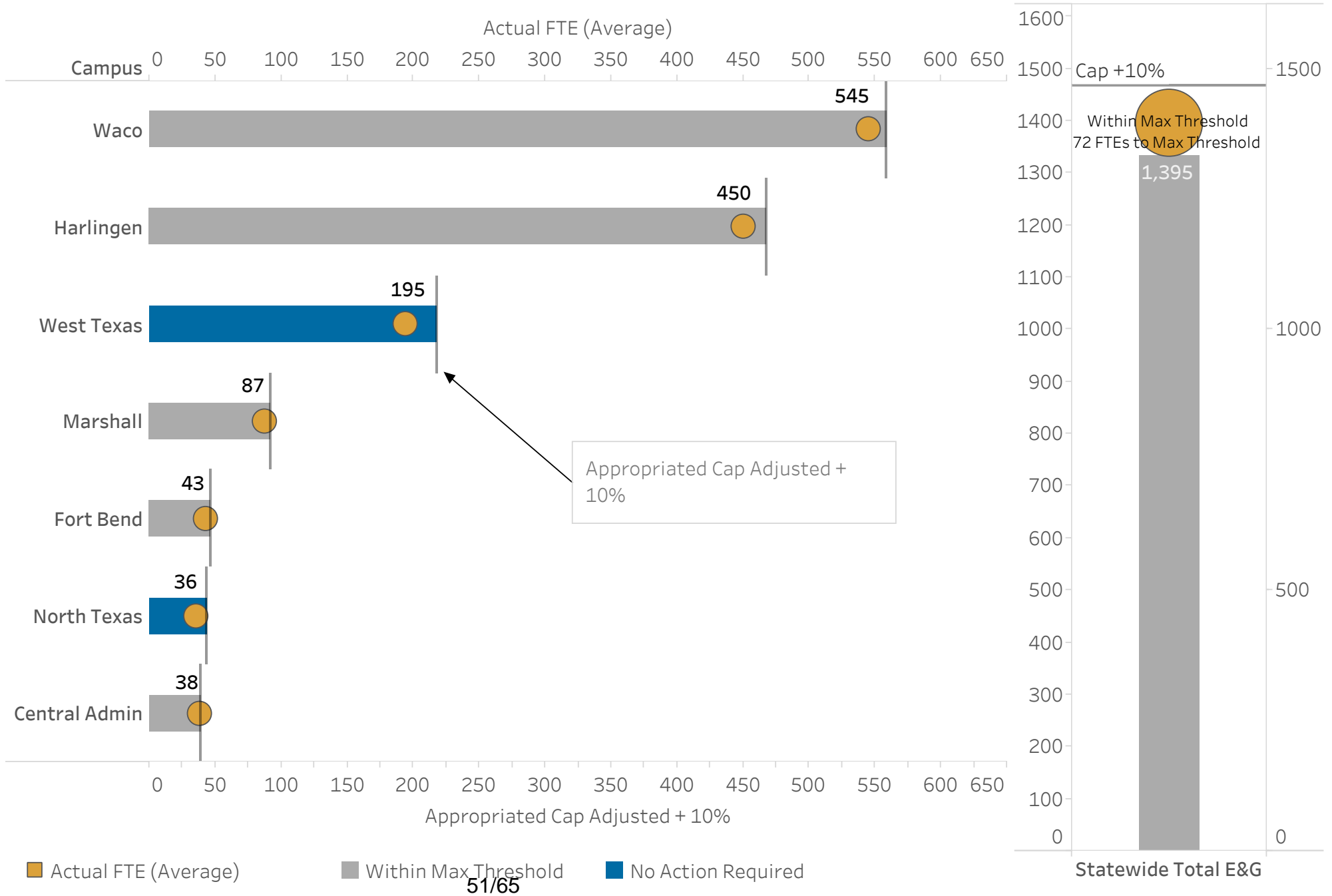
**Texas State Technical College**  
**Comparison of Budget to Expenditures and Encumbrances**  
**September 1, 2016 - March 31, 2017**

Fund	Expenditure Desc	Orig Budget	Actual Budget	Expenditures	Encumbrances	Budget Remaining	% Remaining
Education & General	Salaries & Benefits	86,467,044	88,531,951	40,353,152	0	48,178,799	54%
	Operating, Travel & Capital	21,306,743	24,035,008	9,704,222	5,779,106	8,551,680	36%
	Total	107,773,787	112,566,959	50,057,374	5,779,106	56,730,479	50%
Designated/ Local	Salaries & Benefits	7,433,107	7,580,183	4,052,133	0	3,528,050	47%
	Operating, Travel & Capital	16,093,836	17,999,936	7,460,295	2,914,209	7,625,433	42%
	Total	23,526,943	25,580,119	11,512,428	2,914,209	11,153,482	44%
Auxiliary	Salaries & Benefits	4,053,526	4,216,823	2,409,846	36,008	1,770,970	42%
	Operating, Travel & Capital	7,307,455	7,540,461	4,631,360	1,305,044	1,604,056	21%
	Total	11,360,981	11,757,284	7,041,206	1,341,052	3,375,026	29%
Restricted	Salaries & Benefits	2,296,463	3,191,781	1,274,230	0	1,917,551	60%
	Operating, Travel & Capital	31,870,222	36,796,669	13,038,847	958,697	22,799,125	62%
	Total	34,166,685	39,988,450	14,313,077	958,697	24,716,676	62%
Plant	Operating, Travel & Capital	59,716,651	69,269,664	17,493,076	925,904	50,850,684	73%
	Total	59,716,651	69,269,664	17,493,076	925,904	50,850,684	73%
Grand Total		236,545,047	259,162,476	100,417,160	11,918,968	146,826,348	57%

# Texas State Technical College

## State Appropriated Employees-Full Time Equivalent

### FY 2017 - As of 2/28/2017



# TEXAS STATE TECHNICAL COLLEGE

## PLEDGED COLLATERAL REPORT

February 28, 2017

A	B	C	D	E	F	G	H	I
	PORTFOLIO				SECURITY ON DEPOSITS			
DEPOSITORY-LOCATION	REGULAR DEMAND DEPOSITS	INTEREST BEARING DEMAND DEPOSITS	TIME DEPOSITS	TOTAL DEPOSITS AND INVESTMENTS	SIPC/FDIC** COVERAGE	REQUIRED COLLATERAL	COLLATERAL AT MARKET VALUE February	SUFFICIENT (INSUFFICIENT)
1 BANK OF AMERICA - WACO	-	-	10,000	10,000	10,000	-	-	-
2 BRECKENRIDGE INTERBANK	-	236,605	-	236,605	236,605	-	-	-
3 CAPITAL ONE BANK - MARSHALL	-	-	2,105	2,105	2,105	-	-	-
4 CITIZENS NATIONAL BANK - RED OAK	-	325,269	-	325,269	250,000	75,269	-	(75,269) ***
5 COMPASS BANK - WACO	-	-	8,502,279	8,502,279	250,000	8,252,279	9,500,000	1,247,721
6 ELSA STATE BANK & TRUST COMPANY	-	-	131,636	131,636	131,636	-	-	-
7 EXTRACO BANKS N. A.	-	-	245,000	245,000	245,000	-	-	-
8 FIRST COMMUNITY BANK - SAN BENITO	-	-	40,121	40,121	40,121	-	53,800	53,800
9 FIRST NATIONAL BANK ALBANY / BRECKENRIDGE	-	-	199,215	199,215	199,215	-	-	-
10 FIRST NATIONAL BANK OF CENTRAL TX- WACO	238,704	6,637,493	5,883,853	12,760,050	500,000	12,260,050	18,535,700	6,275,650
11 FROST NATIONAL BANK	279,237	2,345,108	-	2,624,345	250,000	2,374,345	10,367,707	7,993,362
12 GUARANTY BANK & TRUST (FORMERLY GUARANTY BOND BK)	-	-	2,216	2,216	2,216	-	-	-
13 LIBERTY BANK - FORT WORTH	-	-	10,000	10,000	10,000	-	-	-
14 MILLS COUNTY STATE BANK	-	-	200,000	200,000	200,000	-	-	-
15 PROSPERITY BANK (Formerly American State Bank)	-	1,574,147	-	1,574,147	250,000	1,324,147	1,903,389	579,242
16 TEXAS BANK - BROWNWOOD	-	191,307	-	191,307	191,307	-	-	-
17 TEXAS BANK & TRUST - LONGVIEW	5,304	627,450	157,690	790,444	407,690	382,754	3,772,267	3,389,513
18 TEXAS NATIONAL BANK - SWEETWATER	1	1,021,387	-	1,021,388	250,000	771,388	3,271,095	2,499,707
19	523,246	12,958,766	15,384,115	28,866,127	3,425,895	25,440,232	47,403,958	21,963,726
20 TEXASTERM - TRB Bonds*			9,027,610	9,027,610	N/A	N/A	N/A	N/A
21 TEXASTERM - HEAF Bonds*			9,529,144	9,529,144	N/A	N/A	N/A	N/A
22 TEXPOOL - TOTAL* (Other & TRB Bonds)			9,650,317	9,650,317	N/A	N/A	N/A	N/A
23 TEXPOOL - OTHER *			1	1	N/A	N/A	N/A	N/A
24 TEXPOOL - LOCAL REV BOND PROCEEDS SER 11A *			1	1	N/A	N/A	N/A	N/A
25 TEXPOOL - TOTAL* (Other & HEAF Bonds)			5,664,533	5,664,533	N/A	N/A	N/A	N/A
26			33,871,606	33,871,606				
27 TOTAL	523,246	12,958,766	49,255,721	62,737,733	3,425,895	25,440,232	47,403,958	21,963,726

\* No collateral required.

\*\* Securities Investment Protection Corp/Federal Deposit Insurance Corp. The current FDIC coverage for demand deposit accounts is \$250,000 per owner and is \$250,000 for time and savings accounts per owner.

\*\*\* A Letter of Credit totaling \$250,000 with the Federal Home Loan Bank of Dallas was pledged by the bank on 03/15/17 to sufficiently secure TSTC's deposits

TEXAS STATE TECHNICAL COLLEGE  
QUARTERLY INVESTMENTS REPORT  
February 28, 2017

A	B	C	D	E	F	G	H	I	J	K	L
DEPOSITORY-LOCATION		REGULAR DEMAND DEPOSITS	INTEREST BEARING DEMAND DEPOSITS	TIME DEPOSITS & SHORT TERM INVESTMENTS	TOTAL DEPOSITS AND INVESTMENTS	MATURITY DATE	RATE	ACCOUNT TYPE	CAMPUS	FUND NO.	DAYS MAT
1 Bank of America - Waco Total				10,000	10,000	08/10/17	0.05%		Waco	5	365
2 Breckenridge InterBank Total			236,605		236,605		0.25%	Operating	Breck		
3 Capital One Bank - Marshall Total	*			2,105	2,105	02/08/18	0.05%		Marshall	5	365
4 Citizens National Bank - Red Oak			325,269		325,269		0.10%	Operating	North TX	9	
5 Compass Bank - Waco	*			4,000,000	4,000,000	02/13/18	0.90%	HEAF Bonds Proceeds	Waco	8	365
6	*			4,000,000	4,000,000	02/13/18	0.90%	TRB Bond Proceeds	Abilene	8	365
7				339,327	339,327	MMKT	0.35%		Harl	3	
8				162,952	162,952	MMKT	0.35%		Harl	8	
9 Compass Bank - Waco Total		0	0	8,502,279	8,502,279						
10 Elsa State Bank & Trust Co.				131,636	131,636	10/05/17	0.65%		Harl	6	365
11 Extraco Banks N. A.				245,000	245,000	06/02/17	1.00%		Waco	4	365
12 First Community Bank- San Benito				40,121	40,121	06/18/17	0.50%		Harl	6	365
13 First National Bank, Albany/Breckenridge				65,000	65,000	04/06/17	0.75%		Breck	5	365
14				100,000	100,000	04/14/17	0.75%		Swee	4	365
15				34,215	34,215	04/14/17	0.75%		Abilene	5	365
16 First National Bank, Albany/Breck Total		0	0	199,215	199,215						
17 First National Bank of Central TX, Waco			936,939		936,939		0.25%	Operating	Waco		
18		238,704	657,442		657,442		0.25%	Bookstore	Waco		
19					238,704		0.00%	Fed Funds	Waco		
20			401,583		401,583		0.25%	Café	Waco		
21			335,811		335,811		0.25%	Operating	System Op		
22			1,457,233		1,457,233		0.25%	HEAF Bond Proceeds	System Op		
23			1,577,663		1,577,663		0.25%	TRB Bond Proceeds	System Op		
24			1,265,164		1,265,164		0.25%	Payroll	System Op		
25			5,658		5,658		0.25%	Corp Col On-Line	System Op		
26				884,000	884,000	04/05/17	0.85%		System Op	8	365
27				250,000	250,000	06/17/17	0.85%		Waco	4	365
28				250,000	250,000	07/05/17	0.85%		Waco	3	365
29				250,000	250,000	08/03/17	0.85%		Waco	3	365
30	*			195,553	195,553	12/01/17	0.85%		Waco	5	365
31	*			1,500,000	1,500,000	02/10/18	0.85%	TRB Bond Proceeds	Abilene	8	365
32				1,607,051	1,607,051	MMKT	0.60%		Waco	4	
33				87,929	87,929	MMKT	0.60%		System Op	8	
34				859,320	859,320	MMKT	0.60%		Waco	3	
35 FNB of Central TX Total		238,704	6,637,493	5,883,853	12,760,050						
36 Frost Bank		279,187			279,187		0.00%	Operating	Fort Bend		
37			2,345,108		2,345,108		0.01%	Operating	Harl		
38		50			50		0.00%	Financial Aid	Harl		
39 Frost Bank Total		279,237	2,345,108	0	2,624,345						
40 Guaranty Bank & Trust (Formerly Guaranty Bond Bank	*			2,216	2,216	02/13/18	0.65%		Marshall	5	366
41 Liberty Bank-N. Richland Hills Total				10,000	10,000	09/07/18	0.75%		Waco	5	731
42 Mills County State Bank	*			200,000	200,000	01/17/18	0.57%		Swee	4	365

TEXAS STATE TECHNICAL COLLEGE  
QUARTERLY INVESTMENTS REPORT  
February 28, 2017

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DEPOSITORY-LOCATION		REGULAR DEMAND DEPOSITS	INTEREST BEARING DEMAND DEPOSITS	TIME DEPOSITS & SHORT TERM INVESTMENTS	TOTAL DEPOSITS & AND INVESTMENTS	MATURITY DATE	RATE	ACCOUNT TYPE	CAMPUS	FUND NO.	DAYS MAT
43 Prosperity Bank (Formerly American State Bank-Abilene)			1,574,147		1,574,147		0.20%	Operating	Abilene		
44 Texas Bank- Brownwood Total			191,307		191,307		0.02%	Operating	Swee		
45 Texas Bank and Trust - Longview			627,450		627,450		0.10%	Operating	Marshall		
46		5,304			5,304		0.00%	Fed Funds	Marshall		
47				36,744	36,744	06/06/17	0.75%		Marshall	5	365
48	*			55,861	55,861	01/25/18	1.00%		Marshall	5	365
49				15,745	15,745	03/06/17	0.75%		Marshall	5	365
50				5,820	5,820	06/28/17	0.75%		Marshall	5	365
51				43,520	43,520	10/29/17	0.50%		Marshall	5	365
52 Texas Bank and Trust Total		5,304	627,450	157,690	790,444						
53 Texas National Bank- Sweetwater			720,328		720,328		0.18%	Operating	Swee		
54			301,059		301,059		0.18%	BkStore Cr Crd	Swee		
55		1			1		0.00%	Financial Aid	Swee		
56 Texas National Bank Total		1	1,021,387	0	1,021,388						
57 TexasTerm - Ser 2016 TRB Bond Proceeds		0	0	4,012,271	4,012,271		0.59%		Fort Bend	8	
58 TexasTerm - Ser 2016 TRB Bond Proceeds		0	0	1,003,068	1,003,068		0.59%		Harlingen	8	
59 TexasTerm - Ser 2016 TRB Bond Proceeds		0	0	4,012,271	4,012,271		0.59%		Abilene	8	
60 TexasTerm TRB Bonds - Total		0	0	9,027,610	9,027,610						
61 TexasTerm - Ser 2016 HEAF Bond Proceeds		0	0	5,516,873	5,516,873		0.59%		Waco	8	
62 TexasTerm - Ser 2016 HEAF Bond Proceeds		0	0	4,012,271	4,012,271		0.59%		Harlingen	8	
63 TexasTerm HEAF Bonds - Total		0	0	9,529,144	9,529,144						
64 TexPool - Other Total		0	0	1	1		0.56%		System Op	8	
65 TexPool - Ser 2016 TRB Bond Proceeds	*	0	0	5,097,765	5,097,765		0.56%		Fort Bend	8	
66 TexPool - Ser 2016 TRB Bond Proceeds	*	0	0	2,463,276	2,463,276		0.56%		Harlingen	8	
67 TexPool - Ser 2016 TRB Bond Proceeds	*	0	0	2,084,333	2,084,333		0.56%		Abilene	8	
68 TexPool - Ser 2016 TRB Bond Proceeds		0	0	4,942	4,942		0.56%		North TX	8	
69 TexPool - Total		0	0	9,650,317	9,650,317						
70 TexPool - Other Total		0	0	1	1		0.56%		Waco	8	
71 TexPool Loc Rev Bd Proceeds Ser 11A Total		0	0	1	1		0.56%		Harl	8	
72 TexPool - Other Total		0	0	1	1		0.56%		System Op	4	
73 TexPool - Ser 2016 HEAF Bond Proceeds	*	0	0	1,437,630	1,437,630		0.56%		Waco	8	
74 TexPool - Ser 2016 HEAF Bond Proceeds	*	0	0	2,156,347	2,156,347		0.56%		Harlingen	8	
75 TexPool - Ser 2016 HEAF Bond Proceeds	*	0	0	995,794	995,794		0.56%		Swee	8	
76 TexPool - Ser 2016 HEAF Bond Proceeds	*	0	0	1,074,761	1,074,761		0.56%		Marshall	8	
77 TexPool - Total		0	0	5,664,533	5,664,533						
78 TOTAL ALL INVESTMENTS		523,246	12,958,766	49,255,721	62,737,733						

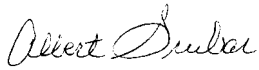
TEXAS STATE TECHNICAL COLLEGE  
QUARTERLY INVESTMENTS REPORT  
February 28, 2017

A	B	C	D	E	F	G	H	I	J	K	L
DEPOSITORY-LOCATION	FUND NO.	REGULAR DEMAND DEPOSITS	INTEREST BEARING DEMAND DEPOSITS	TIME DEPOSITS & SHORT TERM INVESTMENTS	TOTAL DEPOSITS AND INVESTMENTS	MATURITY DATE	RATE	ACCOUNT TYPE	CAMPUS	FUND NO.	DAYS MAT
79 TIME DEPOSITS BY FUND:											
80 DESIGNATED FUNDS	3			1,698,647							
81 AUXILIARY ENTERPRISES FUNDS	4			2,402,052							
82 ENDOWMENT FUNDS	5			281,226							
83 RESTRICTED FUNDS	6			367,310							
84 UNEXPENDED PLANT FUNDS	8			44,506,486							
85				<u>49,255,721</u>							
86 TIME DEPOSITS BY LOCATION:											
87 SYSTEM OPERATIONS				971,931							
88 WACO				14,631,428							
89 HARLINGEN				10,308,999							
90 FORT BEND				9,110,036							
91 WEST TEXAS				12,991,613							
92 MARSHALL				1,236,772							
93 NORTH TEXAS				4,942							
94				<u>49,255,721</u>							
95 WEIGHTED AVERAGE RATE OF INTEREST				0.65%							
96 BENCHMARK - TREASURY BOND YIELDS AS OF											
97 2-28-17											
97 1-YEAR				0.88%							
98 WEIGHTED AVERAGE MATURITY (CD'S)				394							
99 INTEREST RECEIVED AND ACCRUED ON CASH IN BANK AND INVESTMENTS FY 17				158,579							
100 INVESTMENT ACTIVITY FY17											
101 Balance November 30, 2016				56,446,560							
102 Interest Added to Investments				63,608							
103 Time Deposits Increase (Decrease)				9,695,553							
104 TexPool Funds-Other Increase (Decrease)											
105 TexPool Funds-TRB Increase (Decrease)				(8,650,000)							
106 TexPool Funds-HEAF Bonds Increase (Decrease)				(8,300,000)							
107 TexasTerm Funds-TRB Increase (Decrease)											
108 TexasTerm Funds-HEAF Bonds Increase (Decrease)											
109 Money Market-Loc Rev Bonds Increase (Decrease)											
110 Money Market Funds-Other Increase (Decrease)											
111 Balance February 28, 2017				<u>49,255,721</u>							

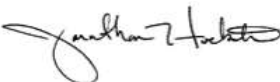
\* Investment Changes December 2016, January 2017, & February 2017

ALL INVESTMENTS ARE SHOWN AT COST. MARKET VALUE EQUALS COST DUE TO THE TYPE OF INVESTMENT.

I CERTIFY THAT THIS INVESTMENT PORTFOLIO IS IN COMPLIANCE WITH TEXAS STATE TECHNICAL COLLEGE'S POLICY ON INVESTMENTS AND THE PUBLIC FUNDS INVESTMENT ACT (TEXAS GOVERNMENT CODE, SECTION 2256).

  
Albert Srubar, Comptroller

4/13/2017  
Date

  
Jonathan Hoekstra, Vice Chancellor for Finance

4/13/2017  
Date

3801 Campus Drive  
Waco, Texas 76705

254-867-3916  
254-867-4888

April 5, 2017

Mr. Keith Honey  
Members of the Board of Regents  
Texas State Technical College  
Waco, Texas 76705

SUBJECT: Semi-annual Report Certifying Debt Management Policy Compliance

Regents:

As detailed in Texas State Technical College *Statewide Operating Standard FA 2.4, Policy for Debt Management*, it is the policy of the College to use debt to finance capital projects needed to achieve its strategic objects. The College will ensure that prudent practices are in place to maintain financial stability, minimize interest costs, and preserve future financial flexibility. Additionally, a semi-annual report from the Office of Accounting & Reporting is to be provided to the Board of Regents certifying compliance with the policy.


Accordingly, I hereby certify that the College currently complies with *SOS FA 2.4, Policy for Debt Management*, and with all bond covenants. Further, I have verified that current and projected revenues are sufficient to fund debt service, as of February 28, 2017. Details of outstanding principal balances, current debt service due, and the sources of debt service funding have been provided to the Committee for Fiscal Affairs.

If you have any questions or need additional information, please advise.

Respectfully submitted,



Jonathan Hoekstra  
Chief Financial Officer



Chad Wooten  
Vice President – Accounting & Reporting



# **TEXAS STATE TECHNICAL COLLEGE**

## **Board of Regents Meeting**

**AT&T Executive Education and Conference Center  
Room 104  
1900 University Avenue  
Austin, TX 78705**

**Wednesday, May 3, 2017**

**1:30 p.m.**

## **AGENDA**

- I. Invocation**
- II. Meeting Called to Order**
- III. Determination of Quorum**
- IV. Adoption of Agenda**
- V. Approval of Minutes of February 9, 2017 Meeting** **p.61**
- VI. Recognition of Guests**
- VII. Chancellor's Comments**
- VIII. Committee Reports**
  - a. Committee for Student Learning and Student Development (Joe Gurecky – Chair)**
  - b. Committee for Strategic Relations (Joe Hearne – Chair)**
  - c. Committee for Facilities (Ellis Skinner – Chair)**
  - d. Audit Committee (Ivan Andarza – Chair)**
  - e. Committee for Fiscal Affairs (John Hatchel – Chair)**
- IX. Consent Agenda Items**
  - 18-17(c) Declaration of the Gulfstream IISP Business Jet as Surplus Property Not Needed for Educational and Training Purposes at Texas State Technical College
  - 19-17(c) Schedule of Charges for the Incidental Cost of Flight Related Instruction Effective Fall 2017 Semester

Please note: Meetings are scheduled to follow each other consecutively and may start earlier or later than the posted time depending on the length of the discussions and the reports of previous meetings. The estimated times are approximate and may be adjusted as required with no prior notice. Lunch will be at approximately noon.

- 20-17(c) Sale of Gulfstream IISP Business Jet and Use of Proceeds to Purchase Additional Test Equipment for Challenger 600 at Texas State Technical College in Waco
- 21-17(c) Ground Lease Extension to Educator's Credit Union, Inc., on the Texas State Technical College Waco Campus
- 22-17(c) Lease of Office Space to the East Texas Council on Alcoholism and Drug Abuse on the Campus at Texas State Technical College in Marshall
- 23-17(c) Lease of Office Space to the Texas Early College High School on the Campus at Texas State Technical College in Marshall
- 24-17(c) Approve the Concept to Renovate Student Housing at the Texas State Technical College campus in Waco

**X. Unfinished Business**

**XI. New Business**

**XII. Public Comments**

**XIII. Closed Meeting**

- A. Public remains seated.
- B. Chair announces: The meeting of the TSTC Board of Regents held at AT&T Executive Education and Conference Center, Austin, Texas on Wednesday, May 3, 2017, after proper posting and in accordance with Chapter 551 of the Texas Government Code for the specific purpose provided in sections 551.071, 551.072, and 551.074 will recess from Open Meeting into Closed Meeting at time.
- C. Chair dismisses public.
- D. Announcement of a quorum present.

Please note: Meetings are scheduled to follow each other consecutively and may start earlier or later than the posted time depending on the length of the discussions and the reports of previous meetings. The estimated times are approximate and may be adjusted as required with no prior notice. Lunch will be at approximately noon.

E. Consultation with Attorney (Texas Government Code, Section 551.071)

*Texas Government Code, Section 551.071*

*“A governmental body may not conduct a private consultation with its attorney except:*

- (1) When the governmental body seeks the advice of its attorney about:*
  - (A) pending or contemplated litigation; or*
  - (B) a settlement offer; or*
- (2) on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter.”*

F. Deliberation Regarding Real Property (Texas Government Code, Section 551.072)

*Texas Government Code, Section 551.072*

*“A governmental body may conduct a closed meeting to deliberate the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person.”*

G. Personnel Matters (Texas Government Code, Section 551.074)

*Texas Government Code, Section 551.074*

*“(a) This chapter does not require a governmental body to conduct an open meeting:*

- (1) to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or*
- (2) to hear a complaint or charge against an officer or employee.*
- (b) Subsection (a) does not apply if the officer or employee who is the subject of the deliberation or hearing requests a public hearing.”*

H. Chair announces that the Closed Meeting will adjourn and the Board will reconvene into Open Meeting at time\_\_\_\_\_.

**XIV. Action**

Possible Action from Closed Meeting.

Please note: Meetings are scheduled to follow each other consecutively and may start earlier or later than the posted time depending on the length of the discussions and the reports of previous meetings. The estimated times are approximate and may be adjusted as required with no prior notice. Lunch will be at approximately noon.

**XV. Chancellor Comments**

**XVI. Board Comments**

**Adjourn**

Please note: Meetings are scheduled to follow each other consecutively and may start earlier or later than the posted time depending on the length of the discussions and the reports of previous meetings. The estimated times are approximate and may be adjusted as required with no prior notice. Lunch will be at approximately noon.



**The Texas State Technical College System  
Board of Regents  
Minutes  
Thursday, February 9, 2017  
Col. James T. Connally Aerospace Center  
Board Room  
3801 Campus Drive  
Waco, Texas 76705**

The meeting of the Texas State Technical College Board of Regents was called to order at 1:46 p.m., February 9, 2017, by Chair Keith Honey.

**DETERMINATION OF QUORUM**

Members Present: Joe Gurecky, Penny Forrest, John Hatchel, Joe Hearne, Keith Honey, J.V. Martin, and Ellis Skinner

Members Absent: Ivan Andarza and Linda McKenna

A quorum was present and the notice of the meeting had been published.

**RECOGNITION OF GUESTS**

**CHANCELLOR'S COMMENTS**

**COMMITTEE REPORTS**

No reports were given.

**ADOPTION OF AGENDA**

Upon a motion by Mr. Skinner and second by Mrs. Forrest, the Agenda was adopted unanimously.

**APPROVAL OF MINUTES OF November 17, 2016**

Upon a motion by Mr. Martin and second by Mr. Hatchell, the Minutes of the November 17, 2016, Board of Regents meeting were approved unanimously.



## **CONSENT AGENDA ITEMS**

Upon a motion by Ms. Forrest and second by Mr. Gurecky, the following Consent Agenda Items were approved unanimously:

### **01-17(c) Revision of Fiscal 2017 Audit Plan**

“The Board of Regents approves the revised audit plan for Fiscal Year 2017.”

### **02-17(c) Statewide Energy Contract Approval**

“The Board of Regents authorizes the Chancellor or his designee to enter into and sign contracts in excess of One Million Dollars to purchase electrical energy at Texas State Technical College campuses.”

### **03-17(c) Statewide Signage and Wayfinding**

“The Board of Regents approves the Statewide Signage and Way-Finding Project, the budget of \$780,000, and further authorizes the Chancellor or his designee to proceed with the project.”

### **04-17(c) HVAC Replacement at TSTC Marshall**

“The Board of Regents approves the Heating Ventilation and Cooling Project and the budget of \$1,000,000 and authorizes the Chancellor or his designee to proceed with the project.”

### **05-17(c) JBC 3<sup>rd</sup> Floor Renovations Acceptance February 2017**

“The Board of Regents authorizes the Chancellor or Designee to accept the Renovation of the Third Floor of the John B. Connally Building at Texas State Technical College in Waco upon receipt of the Certificate of Substantial Completion and to pay the contractor ninety-five percent of the construction cost pending final acceptance. Upon receipt of notification of final acceptance, the Board of Regents authorizes the Chancellor or his designee to make final payment due to the contractor in the full amount.”

### **06-17(c) 4AUT BCT Acceptance February 2017**

“The Board of Regents authorizes the Chancellor or Designee to accept the Renovation of Building 4AUT and Building 4BCT at Texas State Technical College in Sweetwater and upon Substantial Completion to pay the contractor ninety-five percent of the construction cost pending final acceptance. Upon final acceptance, the Board of Regents authorizes the Chancellor or his designee to make final payment due to the contractor in the full amount.”

### **07-17(c) West Texas Paving**

“The Board of Regents approves the concept to repair and replace asphalt paving on the Sweetwater Campus and delegates the authority to the Chancellor or his designee to move forward on the engineering design of the project.”

**08-17(c) Authorization of the Chancellor of Designee to Change Signature Authorizations for Texas State Technical College**

“The Board of Regents authorizes the Chancellor or his designee to make changes to the signature authorizations for Texas State Technical College.”

**09-17(c) Schedule of Tuition and Fees Effective Fall 2017 Semester**

“The Board of Regents approves the Schedule of Tuition and Fees Effective Fall 2017 Semester.”

**10-17(c) Schedule of Tuition and Fee Exemptions and Waivers, Non-mandatory, Effective Fall 2017 Semester**

“The Board of Regents approves the Schedule of Tuition and Fee Exemptions and Waivers, Non-mandatory, Effective Fall 2017.”

**11-17(c) Schedule of Student and Family Housing Rental Rates, Room and Board Rates, Services Charges, and Deposits, Effective Fall 2017 Semester**

“The Board of Regents approves the Schedule of Student and Family Housing Rental Rates, Room and Board Rates, Service Charges, and Deposits Effective Fall 2017 Semester.”

**12-17(c) Increase 2017 Budget for Faculty Salary Increases**

“The Board of Regents approves the following Request for Budget Change totaling \$1,712,640 for Fiscal Year 2017:

TSTC Abilene	\$ 102,758
TSTC East Williamson County	\$ 68,506
TSTC Fort Bend	\$ 119,885
TSTC Harlingen	\$ 633,677
TSTC Marshall	\$ 17,126
TSTC Waco	\$ 685,056
TSTC Sweetwater	\$ 85,632.”

**13-17(c) Employee Holiday Calendar for Fiscal Year 2018**

“The Board of Regents approves the Fiscal Year 2018 Employee Holiday Schedule for Texas State Technical College.”

**14-17(c) Approval of the Concept to Negotiate a Ground Lease for up to 400 Acres on the TSTC Waco Airport**

“The Board of Regents approves the Concept to Negotiate a Ground Lease for up to 400 Acres on the TSTC Waco Airport.”

**UNFINISHED BUSINESS**

None

## NEW BUSINESS

None

## PUBLIC COMMENTS

None

## CLOSED MEETING

Chair announced: The meeting of the TSTC Board of Regents held at Texas State Technical College, Waco, Texas on Thursday, February 9, 2017, after proper posting and in accordance with Chapter 551 of the Texas Government Code for the specific purpose provided in Sections 551.071, 551.072 and 551.074, will recess from Open Meeting into Closed Meeting at 12:06 p.m.

### Consultation with Attorney (Texas Government Code, Section 551.071)

#### *Texas Government Code, Section 551.071*

*"A governmental body may not conduct a private consultation with its attorney except:*

- (1) When the governmental body seeks the advice of its attorney about:*
  - (A) pending or contemplated litigation; or*
  - (B) a settlement offer; or*
- (2) on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter."*

### Deliberation Regarding Real Property (Texas Government Code, Section 551.072)

#### *Texas Government Code, Section 551.072*

*"A governmental body may conduct a closed meeting to deliberate the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person."*

- 1. Land Acquisition
- 2. Land Sale

### Personnel Matters (Texas Government Code, Section 551.074)

#### *Texas Government Code, Section 551.074*

*"(a) This chapter does not require a governmental body to conduct an open meeting:*

- (1) to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or*
  - (2) to hear a complaint or charge against an officer or employee.*
- (b) Subsection (a) does not apply if the officer or employee who is the subject of the deliberation or hearing requests a public hearing."*



*(b) Subsection (a) does not apply if the officer or employee who is the subject of the deliberation or hearing requests a public hearing."*

1. Chancellor's Performance Review

**OPEN MEETING**

The Board of Regents reconvened into Open Meeting at 2:31 p.m., and reported that no action was taken in the Closed Meeting.

**ACTION**

Upon a motion by Mr. Hatchell and second by Mr. Skinner, the following minute orders were approved unanimously:

- 16-17      Regents approve the purchase of one acre of real estate adjacent to the east side of the TSTC Waco Airport and authorizes the Chancellor, or his designee, to negotiate the purchase agreement with the existing property owner.**
- 15-17      Declare approximately 17 acres of real estate located adjacent to the Texas State Technical College Airport as surplus property not needed for educational purposes and authorize the Chancellor or his designee to sell the noted tract of land.**
- 17-17      The Board of Regents after review of the Chancellor's performance evaluation, authorizes a 3% increase in the Chancellor's compensation.**

**CHANCELLOR COMMENTS**

**BOARD COMMENTS**

None.

**ADJOURN**

The meeting adjourned at 4:16 p.m.

The next meeting of the Board of Regents is scheduled for May 3, 2017 in Waco, TX.

  
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Ray Rushing  
Secretary to the Board of Regents