



## **Notice/Agenda of Regular September 2021 Board Meeting**

**The Board of Trustees  
College of the Mainland  
Doyle Family Administration Boardroom (A129)  
Monday, September 27, 2021  
1200 Amburn Road  
Texas City, TX 77591**

Regular September 2021 Board Meeting of the Board of Trustees of College of the Mainland will be held Monday, September 27, 2021, beginning at 1:30 PM in the Doyle Family Administration Boardroom (A129 ), 1200 Amburn Road, Texas City, Texas 77591.

The subjects to be discussed or considered or upon which any formal action may be taken are as listed below. The items listed in this notice may be considered in any order at the discretion of the Chair or Board and items listed for closed session discussion may be discussed and/or approved in open session and vice versa as permitted by law.

Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

1. **Call to Order**
2. **Pledge of Allegiance (American Flag), Texas Pledge & a Moment of Silence**
3. **Roll Call & Determination of Quorum**
4. **Minutes**
  - A. Consideration of and Possible Action to Approve the Full Board Minutes of Monday, August 23, 2021
5. **Comments from the Community**
  - A. Employees
  - B. Other Citizens
6. **Constituent Leader Activity Reports**
  - A. Professional Council
7. **Human Resources Items**
  - A. Consideration of and Possible Action on the Appointment Nomination of Myles Coulter to the Position of Director of Facility Services, Fiscal Affairs Division
  - B. Consideration of and Possible Action on the Appointment of Kermit Harris to the Position of Program Manager, Industrial Workforce Programs, CE Workforce Programs Department
  - C. Consideration of and Possible Acceptance of the Non-Contractual Positions Hiring Report
8. **Consideration of and Possible Action to Approve the 50 Plus Tiered Tuition Structure of \$15 Per Weekly Class Contact Hour**
9. **Consideration of and Possible Action to Approve the Request to Remove the Current Out-of-District Fee of \$5 for All Continuing Education and Lifelong Learning Classes Beginning in Spring 2022**

10. **Consideration of and Possible Action to Approve Award of Design-Build Contract 21-16 to Austin Commercial supporting the Glycol Separation Unit Project in the Amount Not-to-Exceed \$270,000 for Design and Pre-Construction Phase Services**
11. **Consideration of and Possible Action to Approve the Replacement of the College of the Mainland Math/Science Renovation Project with Option 1B to Design and Build the Shell Space in the STEAM and Industrial Careers Buildings**
12. **Consideration of and Possible Action to Approve Award of Contract 22-02 to PBK, Inc. for Architect and Engineering Services Supporting the Construction of STEAM and Industrial Careers Building Shell Spaces for a Not-to-Exceed Amount of \$262,500**
13. **Consideration of and Possible Action to Approve Award of Contract 21-14 for a Construction Manager at Risk (CMAR) to Turner Construction for a Fee Not-to-Exceed 2.97% of the Actual Direct Construction Costs, General Conditions Cost Not-to-Exceed 7.71% of the Approved Guaranteed Maximum Price (GMP) and Fee for Pre-Construction Services Not-to-Exceed \$27,577**
14. **Consideration of and Possible Action to Adopt a Resolution Authorizing the College to Apply Available Funds in a Principal Amount Not-to-Exceed \$1,000,000 to Defeas and Redeem Eligible Bonds in Order to Save Taxpayer Money by Reducing the Payment of Interest**
15. **Consideration of and Possible Action to Adopt a Maintenance on Operations Tax Rate of .16530/100 and an Interest and Sinking Rate of .1024/100 for a Total Rate of .26770/100 for the 2022 Tax Year A Roll Call Vote is Required**
16. **Consideration of and Possible Action to Accept the College's Investment Policy CAK(LEGAL) and CAK (LOCAL), Investment Strategy and Glen Burton, Vice President for Fiscal Affairs, and Trudy Trochesset, Controller, as the College's Investment Officers**
17. **Financial Report(s)**
  - A. Consideration of and Possible Acceptance of the August 2021 Investment and Financial Reports
  - B. Consideration of and Possible Acceptance of the May 2021 and August 2021 Quarterly Investment Report(s)
18. **Board Report**
19. **President's Report**
  - A. Updates
  - B. Reminders/Announcements
    1. Fall Graduation  
Saturday, December 11th, Virtual Event
    2. Board Meetings  
November - no meeting planned at this time  
December - Tuesday, December 7th, 1:30 p.m.
  - C. Resignations and Retirement Report
  - D. Miscellaneous
20. **Adjournment to closed or executive session pursuant to Texas Government Code of the Open Meetings Act**
21. **Adjourn**

*\*If, during the course of the meeting, discussion of any item on the agenda should be held in a closed meeting,*

*the Board reserves the right to conduct a closed meeting in accordance with the Texas Open Meetings Act, Texas Government Code, Chapter 551, Subchapters D and E, including but not limited to the following provisions; 1)Section 551.071-consultation with attorney, 2)Section 551.072-deliberation regarding real property, 3) Section 551.073-deliberation regarding prospective gifts, 4)Section 551.074-deliberation regarding personnel matters, and/or complaints against school personnel, 5)Section 551.082-deliberation regarding student disciplinary matters and/or complaints against personnel. 6)Section 551.087-deliberation regarding economic development negotiations, and/or 7)Section 551.089 – deliberation regarding security devices or security audits. Before any closed meeting is convened, the presiding officer will publicly identify the section or sections of the Act authorizing the closed meeting. All final votes, actions, or decisions will be taken in open meeting.*

The notice for this meeting was posted in compliance with the Texas Open Meeting Act on, The notice for this meeting was posted in compliance with the Texas Open Meeting Act on, The notice for this meeting was posted in compliance with the Texas Open Meeting Act on, Wednesday, September 22, 2021, 3:00 P.M..



Rosie E. Rojas  
Board Clerk

## ***Administration***

President Warren Nichols Ed.D.  
Vice President Jerry Fliger, Ph.D.  
Vice President Clen Burton, Ph.D.  
Vice President Helen Brewer, Ph.D.



PRESIDENT'S OFFICE

# Call to Order

Call to Order on **(insert date)**  
at **(insert time)**



PRESIDENT'S OFFICE

Pledge of Allegiance to the American Flag  
Texas Pledge  
Moment of Silence

The Texas State Flag Pledge  
"Honor the Texas flag; I pledge  
allegiance to thee, Texas, one state under  
God, one and indivisible."



College of the Mainland  
Board of Trustees  
2021-2023

Dr. Bill McGarvey,  
Board Chair  
808 Buttonwood Dr.  
Texas City, TX 77591  
409-770-3537  
[wmcgarvey@gmail.com](mailto:wmcgarvey@gmail.com)

Mr. Alan L. Waters,  
Board Vice Chair  
#1 South Pintail Street  
La Marque, TX 77568  
409-655-5055  
[awaters1@com.edu](mailto:awaters1@com.edu)

Mrs. Melissa Skipworth,  
Board Secretary  
1061 Misty Cliff  
Dickinson, TX 77539  
281-684-9146  
[mskipworth@com.edu](mailto:mskipworth@com.edu)

Dr. Verna J. Henson,  
Trustee  
7306 Heron Ln.  
Texas City, TX 77591  
409-995-0948  
[vhenson@com.edu](mailto:vhenson@com.edu)

Mr. Kyle L. Dickson,  
Trustee  
2514 Pilgrim Estate Dr.  
Texas City, TX 77590  
281-488-0630  
[dickson@murray-lobb.com](mailto:dickson@murray-lobb.com)

Mrs. Dawn King,  
Trustee  
P.O. Box 1105  
Dickinson, TX 77539  
832-860-0663  
[dking4@com.edu](mailto:dking4@com.edu)

Mr. Don Gartman,  
Trustee  
2538 Quaker Dr.  
Texas City, 77590  
409-739-2618  
[dgartman@com.edu](mailto:dgartman@com.edu)

**College of the Mainland Board of Trustees  
Minutes of Monday, August 23, 2021  
1:30 p.m., COM Administration Boardroom**

**Call to Order**

Bill McGarvey called the meeting to order at 1:31 p.m.

**Pledge of Allegiance (American Flag), Texas Pledge & a Moment of Silence**

**Roll Call & Determination of Quorum**

Roll call indicated that all Trustees were present.

**Minutes**

**Consideration of and Possible Action to Approve the Full Board Minutes of Monday, July 26, 2021**

Alan Waters moved for approval of the Full Board Minutes of Monday, July 26, 2021. Melissa Skipworth seconded the motion; all voted in approval.

**Consideration of and Possible Action to Accept Dr. Nichols' Recommendation Brought Forward, Consistent with College of the Mainland's Naming Policy, for the Administration Building to be Named, and Hereafter Known as, the Doyle Family Administration Building**

Don Gartman moved the Board of Trustees accept Dr. Nichols' recommendation brought forward, consistent with College of the Mainland's Naming Policy, for the Administration Building to be named, and hereafter known as, the Doyle Family Administration Building. Alan Waters seconded the motion; all voted in approval.

**Comments from the Community**

There were no comments this month.

**Constituent Leader Activity Reports**

Faculty Senate – Carol Switoyus updated the Board on Faculty Senate activities.

**Human Resources Items**

**Appointment Nominations**

**Consideration of and Possible Action on the Appointment Nomination of Irma Ortiz to the Position of Professional Tutor, Tutoring Center**

Alan Waters moved the Board of Trustees approve the appointment of Irma Ortiz to the position of Professional Tutor, Tutoring Center. Melissa Skipworth seconded the motion; all voted in approval.

**Consideration of and Possible Acceptance of the Non-Contractual Positions Hiring Report**

Melissa Skipworth moved the Board of Trustees accept the Non-Contractual Positions Hiring Report as written. Verna Henson seconded the motion; all voted in approval.

**Consideration of and Possible Action to Propose a Maintenance and Operations Tax Rate of .16530/100 and an Interest and Sinking Rate of .1024/100 for a Total Rate of .26770/100 for the 2022 Tax Year**

Kyle Dickson moved the Board of Trustees propose a maintenance and operations tax rate of .16530/100 and an interest and sinking rate of .1024/100 for a total rate of .26770/100 for the 2022 tax year. Alan Waters seconded the motion; all voted in approval.

**Consideration of and Possible Action to Set the Date to Adopt the 2022 Tax Rate on September 27, 2021**

Kyle Dickson move the Board of Trustees approve to set the date to adopt the 2022 tax rate on September 27, 2021. Alan Waters seconded the motion; a roll call vote indicated approval by all.

**Consideration of and Possible Action to Adopt the College of the Mainland's "Fiscal Analysis and Budget" as Presented by the Administration for Academic/Fiscal Year 2021-2022**

Verna Henson moved the Board of Trustees adopt the College of the Mainland "Fiscal Analysis and Budget" as presented by the Administration for Academic/Fiscal Year 2021-2022. Kyle Dickson seconded the motion; all voted in approval.

**Consideration of and Possible Approval of the Enlarged Electric Utility Easement with Texas-New Mexico Power Company**

Alan Waters moved the Board of Trustees approve the enlarged Electric Utility Easement with Texas-New Mexico Power Company. Dawn King seconded the motion; all voted in approval.

**Consideration of and Possible Approval of the Renewal of the Ellucian Colleague Annual Maintenance Agreement and Services for an Amount Not-to-Exceed \$445,392 to be Paid from FY22 Operating Budget**

Don Gartman moved the Board of Trustees approve the renewal of the Ellucian Colleague Annual Maintenance agreement and services for an amount not-to-exceed \$445,392.00 to be paid from FY22 Operating Budget. Melissa Skipworth seconded the motion; all voted in approval.

**Consideration of and Possible Action to Approve Award of Contract 21-15 in the Amount Not-to-Exceed \$153,000 to Maldonado Nursery & Landscaping for the Construction of the Student Center Landscaping and Hardscape Project, as Identified in the 2018 Bond Program**

Melissa Skipworth moved the Board of Trustees approve award of contract 21-15 in the amount not-to-exceed \$153,000 to Maldonado Nursery & Landscaping for the construction of the Student Center Landscaping and Hardscape Project, as identified in the 2018 Bond Program. Verna Henson seconded the motion; all voted in approval.

**Consideration of and Possible Action to Renew Contract 20-01 to IQS in an Amount Not-to-Exceed \$855,000 to be Paid from FY 2022 Operating Budget**

Don Gartman moved the Board of Trustees renew Contract 20-01 to IQS in an amount not-to-exceed \$855,000 to be paid from FY 2022 Operating Budget. Melissa Skipworth seconded the motion; all voted in approval.

**Consideration of and Possible Action to Approve an Amendment to Contract 20-22 for a Contract Increase Not-to-Exceed \$248,037 to Perform the Commissioning, Test, Adjusting, and Balancing for the New Industrial Careers Building (ICB), New Police Building (PD), and Math and Science (M/S) Renovations**

Kyle Dickson moved the Board of Trustees approve an amendment to contract 20-22 for a contract increase not-to-exceed \$161,327 to perform the commissioning, test, adjusting, and balancing for the new Industrial Careers Building (ICB), new Police Building (PD), and Math and Science (M/S) renovations. Dawn King seconded the motion; all voted in approval.

**Consideration of and Possible Action to Accept the Workers' Compensation & Unemployment Insurance Renewal Proposal from TASB Risk Management in the Amount of \$123,027 & \$63,998 Respectively**

Alan Waters moved the Board of Trustees accept the Workers' Compensation & Unemployment Insurance Renewal Proposal from TASB Risk Management in the amount of \$123,027 & \$63,998 respectively. Kyle Dickson seconded the motion; all voted in approval.

**Presentation - Exceptional Service Model**

Dr. Vicki Stanfield introduced Errol Allen, Errol Allen Consulting & Dr. Sarah David, COM Director, Institutional Equity. The Exceptional Service Model was then reviewed.

## **Financial Report(s)**

### **Consideration of and Possible Acceptance of the July 2021 Investment and Financial Reports**

Alan Waters moved the Board of Trustees accept the July 2021 Investment and Financial Reports. Verna Henson seconded the motion; all voted in approval.

### **Consideration of and Possible Action to Approve the Resolution of Galveston Central Appraisal District Board of Directors Nomination**

Alan Waters nominated Don Gartman to represent the College on the Galveston Central Appraisal Board of Directors. Dawn King seconded the motion; all voted in approval.

## **Board Report**

No report this month.

## **President's Report**

### **Updates**

Discussion of COM's COVID Contingency Plan

Dr. Nichols updated the Board on COM's COVID Contingency Plan

### **Reminders/Announcements**

Fall Graduation, Saturday, December 11th, 10:00 a.m., Abundant Life

**NOTE: This will now be held virtually.**

### **Board Meetings**

November – no meeting planned at this time.

December – Tuesday, December 7<sup>th</sup>, 1:30 p.m.

**Resignations and Retirements Report**– report attached in BOT packet.

## **Executive Session 3:01 p.m.**

Melissa Skipworth read the paragraph allowing the Board to move into executive session.

## **Open Session 3:32 p.m.**

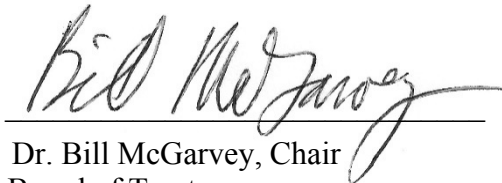
Alan Waters moved the Board of Trustees accept the Texas School Safety Junior College Audit Report.

Verna Henson seconded the motion; all voted in approval

## **Adjournment at 3:33 p.m.**



Melissa Skipworth, Secretary  
Board of Trustees



Dr. Bill McGarvey, Chair  
Board of Trustees



## MINUTE ORDER

To: Board of Trustees  
From: Dr. Warren Nichols, President  
Date: September 27, 2021  
Subject: Full Board Minutes

Presented for recommended acceptance to Board of Trustees on the same date.

### MINUTE ORDER

Motion to be acted upon: "I move the Board of Trustees approve the Full Board Minutes of August 23, 2021."

### PURPOSE

To ensure accuracy of the monthly minutes.

### BACKGROUND

Minutes are brought forward every month for approval.

### IMPLICATIONS

Financial: N/A

Strategic Goal #1: Strategic Goal #5: College of the Mainland will provide services/processes that enhance the integrity/safety/quality of the institution (including physical facilities) and that enhance the quality of the faculty and staff.

Human Resources: N/A

### Attachments

1. Minutes of 8/23/21

## Comments from the Community

A citizen desiring to appear before the Board of Trustees shall complete a Public Comment Request Form indicating the topic about which they wish to speak which shall be filed with the Board Clerk ten (10) minutes prior to the start of the meeting. Time allotted each citizen or organization shall be limited to five minutes. The total time for hearing of citizens shall be no more than 60 minutes at any one meeting. Presentation of matters concerning a complaint or charge against a College District employee or officer will be heard in closed session unless the individual who is the subject of the change or complaint requests a public hearing.

We appreciate your concerns. If the matter(s) you raise are not included on the board agenda, state law, specifically the Texas Open Meetings Act, prohibits the Board from discussing, commenting on or taking action on these issues at this board meeting. Thank you.



PRESIDENT'S OFFICE

## Constituents Leader Activity Reports

### A. Professional Council – Beth Richards



PRESIDENT'S OFFICE

**MINUTE ORDER**

To: Board of Trustees  
From: Dr. Warren Nichols, President  
Date: September 27, 2021  
Subject: Recommendation – Director of Facility Services (Replacement)

Presented for recommended approval to the Board of Trustees on September 27, 2021 and forwarded for recommended approval to Board of Trustees on the same date.

**MINUTE ORDER**

**Motion to be acted upon: “I move the Board of Trustees approve the appointment of Myles Coulter to the position of Director of Facility Services, Fiscal Affairs Division.”**

**PURPOSE**

Incumbent manages facility operations and staff, performs technical engineering functions, manages construction projects, negotiates contracts, interprets, and applies applicable laws and regulations and coordinates activities with internal and external departments or organizations.

**BACKGROUND**

This position is replacing Charlie King who retired September 2021.

**IMPLICATIONS**

Financial: \$99,908 from budget 11-0-0000-6101-5140.

Strategic Goal 5: College of the Mainland will provide services/processes that enhance the integrity/safety/quality of the institution (including physical facilities) and that enhance the quality of the faculty and staff.

**ATTACHMENTS**

1. Appointment Nomination



PRESIDENT'S OFFICE

**MINUTE ORDER**

To: Board of Trustees  
From: Dr. Warren Nichols, President  
Date: September 27, 2021  
Subject: Recommendation – Program Manager, Industrial Workforce Programs  
(Replacement)

Presented for recommended approval to the Board of Trustees on September 27, 2021 and forwarded for recommended approval to Board of Trustees on the same date.

**MINUTE ORDER**

**Motion to be acted upon: “I move the Board of Trustees approve the appointment of Kermit Harris to the position of Program Manager, Industrial Workforce Programs, CE Workforce Programs Department.”**

**PURPOSE**

The incumbent is responsible for overall leadership, development, evaluation, and supervision of Industrial Workforce programs for regional employees and job/career seekers in both open enrollment and employer-customized training formats within the industrial sector. Responsible for aligning employer and educational stakeholder interests and other educational factors that contribute to an individual's work readiness.

**BACKGROUND**

This position is replacing Christopher Hollman who resigned August 2021.

**IMPLICATIONS**

Financial: \$70,164 from budget 11-0-0000-3401-5140.

Strategic Goal 5: College of the Mainland will provide services/processes that enhance the integrity/safety/quality of the institution (including physical facilities) and that enhance the quality of the faculty and staff.

**ATTACHMENTS**

1. Appointment Nomination



## MINUTE ORDER

To: Board of Trustees  
From: Dr. Warren Nichols, President  
Date: September 27, 2021  
Subject: Recommendation – Acceptance of Non-Contractual Positions Hiring Report

Presented for recommended acceptance to Board of Trustees on September 27, 2021.

### MINUTE ORDER

**Motion to be acted upon: “I move the Board of Trustees accept the *Non-Contractual Positions Hiring Report* as written.”**

### PURPOSE

The *Non-Contractual Positions Hiring Report* is being presented to the Board of Trustees for review and acceptance.

### BACKGROUND

Notwithstanding Board policy DC (Local) which states that the Board delegates to the College President final authority to employ and dismiss non-contractual classified employees on an at-will basis, based on recommendations from the staff the persons listed on the attached Non-Contractual Positions Hiring Report is recommended for employment.

### IMPLICATIONS

#### Financial:

Administrative Assistant IV - \$47,550 from budget 11-0-0000-3105-5160

Administrative Assistant IV - \$47,284 from budget 11-0-0000-3103-5160

Strategic Goal #5: College of the Mainland will provide services/processes that enhance the integrity/safety/quality of the institution (including physical facilities) and that enhance the quality of the faculty and staff.

#### Attachments

Non-contractual Positions Hiring Report

	POSITION	DEPARTMENT	CLASS SUMMARY	POSITION STATUS	SELECTED CANDIDATE	SALARY	SALARY RANGE
1	Administrative Assistant IV	Science & Engineering / Math & Computer Science	Provides a variety of administrative support duties in relation to the Department of Science and Engineering and the Department of Math, Computer Science, and Information Technology including Biology, Chemistry, Drafting, Engineering, Geology, Physical Education, Physics, Math, and Computer Science.	Replacement position for Janet Kidd, who retired.	Jennifer Denison	\$47,550	\$38,338 - \$47,923 - \$57,508
2	Administrative Assistant IV	Fine Arts	Provides a variety of administrative support duties in relation to the Fine Arts Department including Art, Drama and Music.	Replacement position for Joyce Palmer, who retired.	Cindy Medford	\$47,284	\$38,338 - \$47,923 - \$57,508
3							
4							
5							
6							



## MINUTE ORDER

To: Board of Trustees  
From: Warren Nichols, President  
Date: September 10, 2021  
Subject: Approval of 50 Plus Tiered Tuition

Presented for recommended approval to the Board of Trustees on September 27, 2021.

### MINUTE ORDER

**Motion to be acted upon: "I move the Board of Trustees approve the 50 Plus tiered tuition structure of \$15 per weekly class contact hour."**

### PURPOSE

Continuing Education Department is seeking to obtain approval of a tuition increase and tiered tuition structure for 50 Plus classes beginning in Spring 2022.

### BACKGROUND

The 50 Plus class tuition has not changed since 2012 when the Board of Trustees approved a set tuition of \$15 per class. At the 50 Plus Advisory Committee meeting on 7/9/2021, a motion was passed to recommend a new tuition structure to COM administration and the Board of Trustees. This new tiered structure would include a tuition increase based on the amount of weekly class contact hours (i.e. 2-hour class \$30, 3-hour class \$45). Not only would a tuition increase improve financial stewardship by offsetting direct cost of instruction, but a tiered structure based on contact hours would be fairer to students as well. This is an optimal time to implement this change as students will also see the benefit of a new programming location and improved registration software system this upcoming spring.

### IMPLICATIONS

Financial: All other variables the same, tuition revenue will increase by 50%-66% annually.  
Values: Continuous Improvement and Accountability Human Resources:



## MINUTE ORDER

To: Board of Trustees

From: Warren Nichols, President

Date: September 7, 2021

Subject: Approval of Out of District Fee Removal for Continuing Education & Lifelong Learning

Presented for recommended approval to the Board of Trustees on September 27, 2021.

## MINUTE ORDER

### MINUTE ORDER

**Motion to be acted upon: "I move the Board of Trustees approve the request to remove the current out-of-district fee of \$5.00 for all Continuing Education and Lifelong Learning classes beginning in Spring 2022.**

### PURPOSE

The nominal fee of \$5 for out-of-district Continuing Education students poses difficulty for effective marketing and registration activities.

### BACKGROUND

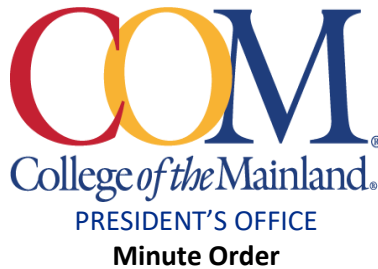
The Texas Higher Education Coordinating Board confirms that an out-of-district fee is not required for Continuing Education courses and programs. Additionally, College of the Mainland and Alvin Community College are the only colleges in the Gulf Coast Region that have established a fee structure for out-of-district fees.

Per the Guidelines for Instructional Programs in Workforce Education, Tuition and fees for workforce CE courses offered for CEU must be established by the institution's governing board and must be uniformly and consistently assessed. The institution's board must at least annually ratify or approve any changes in tuition and fees; however, the board may delegate interim authority for the establishment of tuition and fees.

In the current environment for Continuing Education courses, registration via WebAdvisor does not hinder an out-of-district student from selecting and paying for a course at the in-district rate. Additionally, the Marketing department has incurred issues publishing two different rates.

### IMPLICATIONS

There are no consequences to the CBM00C state report.



**To:** Board of Trustees  
**From:** Dr. Warren Nichols, President  
**Date:** September 27, 2021  
**Subject:** Agenda Item for COM Board of Trustees

**AGENDA ITEM DESCRIPTION:**

Award of Contract 21-16 Design-Build for Industrial Careers Building (ICB) Glycol Separation Unit (GSU)

**FUNDING SOURCE:**

2018 Bond Funds

**PURPOSE:**

Selection of a Design-Build firm for services including Pre-Construction, Design and Construction services for the Glycol Separation Unit (GSU) system to be constructed inside the COM Industrial Careers Building.

**PROPOSED MOTION:**

**“I move the Board of Trustees approve award of Design-Build contract 21-16 to Austin Commercial supporting the Glycol Separation Unit project in the amount not-to-exceed \$270,000.00 for design and pre-construction phase services.”**

**BACKGROUND:**

On July 26, 2021, in accordance with Government Code 2269, the Board of Trustees approved the Design-Build for the Glycol Separation Unit (GSU) project. Because of the specialized technical nature of the Glycol Separation Unit, and the requirement to align the completion of this project with the completion of the Industrial Careers Building project, a Design-Build project delivery method was recommended. This delivery method allows COM to enter into a single prime contract with one entity that is solely responsible for both designing and building the project. A recommendation for contract award is based on evaluation of qualifications and a negotiated proposal from Austin Commercial as the prime contract holder, partnered with Brandt Industries as the sub-contractor performing design and engineering services. Due to market conditions and equipment lead times, an interim request to approve purchasing of an equipment package may be recommended to the Board to accommodate the project schedule. A final approval will be presented to the Board of Trustees upon acceptance of a Guaranteed Maximum Price (GMP) and prior to the start of construction on the project.

ATTACHMENT: Austin Commercial Proposal



# RELOCATE & REFURBISH GLYCOL SEPARATION UNIT



Request for Proposal Design-BUILDER  
Submitted by Austin Commercial | Brandt  
September 16, 2021



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Austin Commercial | 4888 Loop Central Dr, Loop Central One, Suite 310, Houston, Texas 77081

September 16, 2021

Mrs. Sonja Blinka  
College of the Mainland  
Procurement Services  
1200 Amburn Road, Building 11  
Texas City, Texas 77591

Dear Mrs. Blinka:

The Austin Commercial | Brandt team is honored to present our cost proposal and preliminary schedule for the College of the Mainland Relocate and Refurbish Glycol Separation Unit project. Please see a breakout of the requested information below and on the following pages:

- **Phase 1 Design/Preconstruction Fee: \$270,000** – Please see Tab 1 for additional information.
- **Phase 2 Estimate (includes general conditions, \$100,000 contractor contingency, and fee): \$1,680,000**
- **Organizational Chart:** Please see attached in Tab 2.
- **Preliminary Schedule:** Please see attached in Tab 3.
- **Qualifications:** Please see attached in Tab 4.

Sincerely,

A handwritten signature in blue ink, appearing to read 'John A. Martin'.

John A. Martin DBIA  
Vice President  
jmartin@austin-ind.com  
512-751-1416



# 1

## COST PROPOSAL



# COLLEGE OF THE MAINLAND

## Relocate & Refurbish Glycol Separation Unit Estimate

Estimate Summary

Tuesday, September 14, 2021

DESCRIPTION	AMOUNT
Phase 1 Design Breakdown	
Programing / Investigation	\$ 50,000
Schematic Documents	\$ 25,000
Design Documents	\$ 60,000
Construction Documents	\$ 75,000
Preconstruction / Estimating	\$ 60,000
<b>Total Design/Preconstruction Services</b>	<b>\$ 270,000</b>
Phase 2 Estimate	
Construction Costs	\$ 1,580,000
Hazardous Material Abatement Owner Allowance	\$ 35,000
Contractor's Contingency	\$ 100,000
<b>Construction Phase Costs</b>	<b>\$ 1,715,000</b>
Owner's Construction Contingency	0% \$ -
<b>Total Phase 1 &amp; 2 Costs - Estimate</b>	<b>\$ 1,985,000</b>



9/7/2021

Kyle Canada  
Austin Commercial  
4888 Loop Central  
Houston, TX 77081

Arch: N/A  
Eng: N/A  
Plans: N/A  
Specs: N/A  
Addendas: N/A

Subj: **College of the Mainland**  
RFQ 21-16: Relocate and Refurbish Glycol Separation Unit  
Scope: Mechanical, Process Controls

Thank you for the opportunity to price this work.

Attached to this document you will find any bid forms requested. All breakouts are for accounting purposes only.

**A) Scope includes:**

**1 Pre-Construction Services:**

- Scanning
- Existing equipment assessment
- Mechanical and process controls engineering
- Modeling and schematic generation
- P&ID's
- Drawing generation to 100% CD
- PE Stamp
- Schedule and milestone generation
- Project management
- \* Reference attached deliverables list\*

**2 IGMP Construction:**

- Mechanical and Process Controls for the Relocation and Refurbishment of the GSU
- i. Qty (1) new chiller
- ii. Qty (1) new boiler
- iii. Qty (1) new feedwater tank
- iv. Qty (1) new blowdown tank
- v. Qty (1) new reflux drum
- vi. Qty (1) new bottoms pump
- vii. Qty (1) new OHD pump
- viii. Qty (1) new feed-bottoms exchanger
- ix. New pipe, valves, and fittings
- x. Reuse of controls
- xi. New Boiler Flue
- xii. Replacement column
- xiii. Insulation

- xiv. Management and supervision
- xv. Start-up and commissioning

**B) Terms and conditions:**

- 1 Brandt reserves the right to review and approve all contract conditions as a condition of this proposal offer. Brandt's proposal is an offer expressly conditioned upon the parties reaching mutually-agreeable contract terms, including but not limited to a waiver of or reasonable cap on liability for any consequential damages from any source. Any language in the contract documents that purports to exclude or supersede the conditions of this proposal is expressly rejected.
- 2 Brandt will promptly submit pricing for any changes, modifications, or additions to the scope of work set out in this proposal. Brandt will not be required to proceed with any changed/additional/modified work until it receives a signed change order at a mutually-agreed upon price. If Brandt is directed to proceed and time is of the essence, Brandt will only be required to perform the changed/additional/modified work upon receiving a signed "time and materials" work order. The cost and Brandt's fee for this T&M work may be billed during the billing period in which the work is performed and will be due and paid within 30 days. Brandt's proposal is expressly conditioned upon the acceptance of this provision and this provision is incorporated by reference into any applicable contract document & supersedes any provision to the contrary in those contract documents.
- 3 Brandt assumes they will be given clean access to the work; given in a sequential and methodical order that does not restrict the flow of work. Should the flow of the project reflect otherwise, Brandt reserves the right to a pricing adjustment that reflects costs associated with such a change in project work conditions.
- 4a Brandt and Customer agree that an extension of time is appropriate if Brandt's work is impacted or delayed under a Force Majeure Event. A Force Majeure Event means an unforeseen event or circumstances beyond the control of an affected Party, and which is not cause by an act or omission of a Party, which results in a delay in, or total or partial failure of, performance of the affected Party (other than in the obligation to make payments) after that Party has taken every reasonable step, including reasonable expenditures of money, to remedy, avoid or limit the impact of the event.
- 4b Force Majeure Events include Acts of God, severe and unforeseeable weather conditions, earthquakes that cause material damages to the structure requiring an engineering assessment of the damages prior to continued use of the facility or continuation of the Work, war and fire or explosions other than from construction equipment or supplies under control of Brandt. Public health emergencies (including, but not limited to, epidemics and pandemics), declared by a governmental agency shall be treated as Force Majeure Events. Force Majeure Events do not include (i) shortage of, inability to obtain, or increased cost of labor, equipment, materials or transportation, (ii) local strikes, lock-outs, or other industrial disputes or actions between either party and its or their employees, (iii) insolvency or change in economic circumstances, (iv) change in market conditions, (v) changes in laws or regulations affecting the performance of the work that should have been foreseeable or anticipated or that are part of the ordinary cost of doing business, or (vi) events involving a previous or existing condition at or before the Effective Date.
- 5 Based on current cost volatilities, proposal is valid for 14 calendar days from the date on this proposal.

**C) Clarifications:**

- 1 Brandt will validate all permits and inspections off the GC's general permit
- 2 Brandt assumes prompt award will allow sufficient time for submittal approval & procurement to meet schedule
- 3 Brandt assumes the work will be performed on a standard 5 day/40 hour week
- 4 Brandt will provide caulking for Brandt penetrations only in order to maintain fire and/or smoke ratings
- 5 Brandt will model work we install for BIM coordination prior to shop drawings
- 6 Brandt assumes that this project does NOT have any controlled insurance program (CIP) requirements
- 7 Brandt assumes use of permanent installations for all conditioning and testing during construction
- 8 Brandt uses ONLY acceptable manufacturers per specifications
- 9 Brandt assumes 3rd party welding inspections, including visual and/or X-ray, are paid for by owner
- 10 Brandt assumes there will be a reasonable division of work for all items requiring testing
- 11 Brandt assumes unions required by spec for "serviceability" require only one union at equipment connections

12 Brandt assumes in-slab work (sleeves, inserts, etc.) will be in a reasonable sequence in productive conditions

**D) Exclusions:**

- 1 Payment and performance bond, by Austin.
- 2 Sales tax, remodel tax
- 3 Acoustical caulking
- 4 Badging, orientation, or special training required for workers to be onsite
- 5 Building utility services
- 6 Camera or scoping work for any plumbing/piping systems
- 7 Cathodic protection or grounding (assumed by electrical contractor), by Austin.
- 8 Composite crew cleanup (Brandt will perform daily cleanup of Brandt's waste)
- 9 Concrete work of any kind; common examples are inertia bases, pads, curbs, pole bases, and handholes
- 10 Costs for unproductive labor if a third party requires all onsite personnel to attend safety or other meetings
- 11 Cutting and/or patching of concrete, masonry, brick, sheetrock, plaster, or other surfaces
- 12 Energy management system, raceway, or wiring including (but not limited to) interlock wiring
- 13 Fingerprinting, background checks, or any other security clearance costs
- 14 Fire alarm interlocks
- 15 Fire watch and/or ladder watch of any kind
- 16 Haul off of spoils or debris (Brandt will clean up and haul to a point on jobsite for haul off by others)
- 17 Integrating BIM with schedules (4D), procurement (5D), documentation (6D), or facility management (7D)
- 18 Investigation, testing, remediation, abatement or any other work relating to asbestos risk management
- 19 Irrigation, gutter, or fire protection systems
- 19 LEED certification and/or City of Dallas Green Construction Code plan review/building inspections
- 20 Membrane installation, removal, or concrete work for any membrane type drain devices
- 21 Modifications of existing systems for current code compliance
- 22 Modifying architectural (floors, walls, ceilings, roofs) or site (paving, landscaping, streets) elements
- 23 Painting and/or paint preparation of any kind other than touch-up on Brandt equipment if required
- 24 Preparation of or revisions to models by other trades or designers (for example, ARCH or STRUCT models)
- 25 Re-routing, repair, or relocation of any existing utilities
- 26 Scheduled overtime and/or shift work
- 27 Seismic isolation or accommodation of any type
- 28 Short or long-term maintenance on equipment
- 29 Subsoil or other drainage systems
- 30 Temporary utilities
- 31 Test and balance or third party commissioning
- 32 Trash removal from site (Brandt assumes trash for our work will be deposited in dumpsters provided by others)
- 33 Utility company costs of any kind (Brandt will pay for telephone/internet service to our jobsite trailers only)
- 34 VFD motor interference, bearing protection, and/or harmonic analysis
- 35 Warranty on systems and/or equipment not provided by Brandt

We appreciate your consideration of our firm and look forward to working with you.

Respectfully,

**Beau Heide**

Director of Preconstruction

(281)728-9359

<b>Austin</b>	<b>Dallas</b>	<b>Fort Worth</b>	<b>Houston</b>	<b>San Antonio</b>	<b>Waco</b>
TACLA30430C	TACLA19981C	TACLA00060298C	TACLA15221C	TACLA18441C	TACLA26979C
TECL20109	TECL20109	TECL20109	TECL20109	TECL20109	TECL20109

# MAGNUM

A BRANDT COMPANY  
TX REG. NO. 3100

Project Deliverables/Tasks per Discipline Typically Estimated		
Piping_Equipment	Issue for Estimate	Issue for Approval/Construction
Deliverable	Project Index	Final Project Index and check for package content
Deliverable	PFD	Final Check for PFD
Deliverable	P&ID's	Check P&ID's against final model (add vent/drains)
Deliverable	Demolition P&IDS	Finalize Demo P&ID's and Check
Task	Scanning/Processing	N/A
Task	Pipeline Modeling	Review Model /add vents/drains/enhance design
Task	Equipment Modeling	Check against MFG drawings
Task	Model Review with client (30%/60%/90%)	Final Model Review with client
Task	Pipe stress Calculations (if Required)	Check Model/Isos stress comments added
Deliverable	Naviswork Model	Final Navisworks Model
Deliverable	Overall Key Plan Drawings if required	Detail Key Plan Drawings and check
Deliverable	General Pipe/Equip Plan Drawing	Detail Plan Drawings and check
Deliverable	Construction Sketches (3D Visuals)	Detail Construction drawings and check
Deliverable	Global Pipe Bill of Material (90%)	Final Global Pipe Bill of Material (with any additions)
Deliverable	Piping Tie-in List	Finalize Tie-in List and Check
Deliverable	Piping Line List	Finalize Lined List and Check
Deliverable	Equipment List	Finalize Equipment List and Check
Deliverable	General Scope of Work	Detailed Scope of Work and Check
Deliverable	Piping Specifications	Finalize Pipe Specifications
Deliverable	Equipment Specifications	Finalize Equipment Specifications
Task	N/A	Review/Approve Equipment Vendors Drawings
Deliverable	N/A	Fabrication Isometrics with BOM/check
Deliverable	N/A	Demolition Isometrics with cutlines/tie-ins/check
Task	N/A	Incorporate client comments from IFA package
Civil_Structural	Issue for Estimate	Issue for Approval/Construction
Deliverable	Project Index	Final Project Index and check for package content
Task	Review of Geotechnical Report	N/A
Task	Review Laser Scan	N/A
Task	Equipment Foundation Modeling	Check against MFG drawings/civil calcs
Task	Steel (platform/structure) Modeling	Check against STAAD model (structural calcs)
Task	Pipe Support Modeling	Check against Pipe Model
Task	Civil Engineering Calculations	N/A
Task	Structural Engineering Calculations	N/A
Task	Coordinate Pipe Stress Structural Calculations	Finalize Pipe Stress Structural Calculations
Deliverable	Naviswork Model	Final Navisworks Model
Deliverable	Overall Key Plan Drawings if required	Detail Key Plan Drawings and check
Deliverable	General Civil Plan Drawing	Detail Civil Drawings Plan/Sections/ Details/ check
Deliverable	General Structural Drawings	Structural Drawings w/connection details added/check
Deliverable	Global Civil/Structural Bill of Material (90%)	Final GlobalC/S Bill of Material (with any additions)
Deliverable	General Scope of Work	Detailed Scope of Work and Check
Deliverable	N/A	Demolition Civil Drawings/check
Deliverable	N/A	Demolition Structural Drawings/check
Task	N/A	Review/Approve Structural Shop Drawings
Task	N/A	Incorporate client comments from IFA package
Instrument_Electrical	Issue for Estimate	Issue for Approval/Construction
Deliverable	Project Index	Final Project Index and check for package content
Deliverable	PFD	Final Check for PFD
Deliverable	P&ID's	Check P&ID's against final model (add vent/drains)
Deliverable	Demolition P&IDS	Finalize Demo P&ID's and Check
Deliverable	Bill of Materials, Bulks (90%)	Finalize Bill of Materials
Deliverable	Electrical Load List	Change Management, Issue Final
Deliverable	Electrical Area Classification Drawings - Preliminary	Finalize Electrical Area Classification Drawings
Deliverable	Electrical One Line Diagrams - Preliminary	Finalize Electrical One Line Diagrams
Deliverable	Conduit / Cable Schedule - Preliminary	Finalize Conduit / Cable Schedule
Deliverable	I/O List (Instrument Index)	Change Management, Issue Final
Deliverable	Overall Project Block Diagram - Preliminary	Finalize Overall Project Block Diagram

# MAGNUM

A BRANDT COMPANY  
TX REG. NO. 3100

Deliverable	Location Plans / Routing Plans Sketch	Finalize Location Plans, Routing Plans
Deliverable	Lighting Plans Sketch	Lighting Plans Final
Deliverable	MCC Elevations	Finalize MCC Elevations
Deliverable	Electrical Panel Board Schedules - Preliminary	Finalize Electrical Panel Board Schedules
Deliverable	Schematics/Wiring Diagrams - Review/Reference	Finalize Schematics
Deliverable	Instrument Specs - Inquiry	Instrument Specs - Purchase
Deliverable	Electrical Specs - Inquiry	Electrical Specs - Purchase
Deliverable	General Scope of Work	Detailed Scope of Work and Check
Deliverable	N/A	Installation Detail
Deliverable	N/A	Equipment Grounding Plans
Deliverable	N/A	Instrument Loop Diagrams
Task	Field Survey, As built	Check and finalize
Task	Instrument Calculations	Check and finalize
Task	Electrical Calculations	Check and finalize
Task	Lighting Calculations	Check and finalize
Task	Identify Face to face measurements for Inline items	Check and finalize



# 2

ORG CHART







3

SCHEDULE



# PRELIMINARY SCHEDULE

Activity ID	Activity Name	Dur	Start	Finish	2021					2022						
					Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
<b>COM - Glycol Separator Unit</b>		<b>232</b>	<b>08-02-21 A</b>	<b>06-30-22</b>												
COM - Glycol Separator Unit		232	08-02-21 A	06-30-22												
<b>DB Firm Selection</b>		<b>60</b>	<b>08-02-21 A</b>	<b>10-25-21</b>												
GSU.1000	First RFQ Advertisement	5	08-02-21	08-06-21	■											
GSU.1005	Second RFQ Advertisement	5	08-09-21	08-13-21	■											
GSU.1010	Qualifications Due & Shortlist	10	08-16-21	08-27-21	■	■										
GSU.1015	Interview Vendors	10	08-31-21 A	08-31-21 A												
GSU.1020	GC Proposals Due	0		09-08-21		◆										
GSU.1025	Recommendations To Board	0		09-17-21		◆										
GSU.1030	Board Selects DB Vendor	0		09-27-21			◆									
GSU.1040	DB Issue & Negotiate All Subcontracts	20	09-28-21	10-25-21			■	■								
GSU.1035	Negotiate Owner Contract	10	09-28-21	10-11-21			■									
<b>Design</b>		<b>35</b>	<b>09-20-21</b>	<b>11-05-21</b>												
GSU.1050	Develop 50% Design	30	09-20-21	10-29-21			■	■								
GSU.1045	3D Scan & Inspect Existing Equipment	5	09-20-21	09-27-21			■									
GSU.1100	Owner Approves 50% Design	5	11-01-21	11-05-21				■								
<b>GMP</b>		<b>26</b>	<b>10-18-21</b>	<b>11-22-21</b>												
RGSU.100	Develop GMP	20	10-18-21	11-12-21				■	■							
GSU.1130	Submit GMP To COM	5	11-15-21	11-19-21				■								
GSU.1135	Board Approves GMP (Special Session)	5	11-16-21	11-22-21				■								
<b>Permitting</b>		<b>75</b>	<b>12-15-21</b>	<b>04-01-22</b>												
GSU.1105	Submit 100% IFP To AHJ's For Permits	5	12-15-21	12-21-21					■							
GSU.1115	Buildings Department Approval	10	12-22-21	01-07-22					■	■						
GSU.1125	Fire Marshall Approval	20	01-10-22	02-04-22						■	■					
GSU.1140	End Of Spring 2022 Semester	0		04-01-22												
<b>Precon</b>		<b>110</b>	<b>11-17-21</b>	<b>04-26-22</b>												
GSU.1205	Award/Negotiate Contracts	15	11-17-21	12-09-21				■	■							
GSU.1065	Submit Submittals	10	12-03-21	12-16-21					■	■						
GSU.1070	Approve Submittals	10	12-17-21	01-04-22						■	■					
GSU.1095	Procure Tanks, Pumps, Valves, Etc.	50	01-05-22	03-15-22						■	■	■				
GSU.1090	Procure Boiler	60	01-05-22	03-29-22						■	■	■	■			
GSU.1085	Procure Chiller	80	01-05-22	04-26-22						■	■	■	■	■		
<b>Disassemble, Reassemble &amp; Construct GSU</b>		<b>103</b>	<b>02-07-22</b>	<b>06-30-22</b>												
GSU.1145	City Of TX City Issues Building Permits	5	02-07-22	02-11-22												
GSU.1150	Owner Decommission Laboratory	5	03-30-22	04-05-22												
GSU.1155	Demolition	10	04-06-22	04-19-22												
GSU.1160	Remove & Refurbish Column	30	04-13-22	05-24-22												
GSU.1165	Install Tanks, Pumps, Valves, Etc.	15	05-18-22	06-08-22												
GSU.1215	Install Column	5	05-25-22	06-01-22												
GSU.1180	Install Piping & Test	15	06-09-22	06-29-22												
GSU.1175	Install Chiller	5	06-09-22	06-15-22												
GSU.1170	Install Boiler	5	06-09-22	06-15-22												
GSU.1190	Commission	5	06-23-22	06-29-22												
GSU.1195	Final AHJ's Inspections	1	06-29-22	06-29-22												
GSU.1200	Substantially Complete	1	06-30-22	06-30-22*												



COM - Glycol Separator Unit

COM - GSU

Data Date: 08-02-21  
Run Date: 09-07-21  
Page 1 of 1  
jomurphy



# 4

## QUALIFICATIONS



# QUALIFICATIONS

1. ACLP/Brandt's RFP is based on the assumption that all contractual business terms will be the same as CPP #1 and #2 where applicable to the design build agreement.
2. It is assumed that all utility feeds, life safety measures, structural supports, modifications to the Industrial Careers Building, and any other support needs for the glycol separation unit will be funded from the CPP #2 project.
3. In the event that the equipment and components shown in the RFQ diagrams exceed COM's budget, the Design Builder will design the program to the Owner's budget unless alternative direction is provided. In reference to the revised section 17.9 of the RFQ, ACLP/Brandt has not had the opportunity to validate the project budget and cannot commit to redesign services at no cost as indicated. The preconstruction process will provide this opportunity for cost certainty.
4. The provided estimate is based on the limited information provided in the RFQ, historical data from similar projects, and assumptions on fitness of service of existing equipment. The Design Build team will need an investigatory period to provide a more accurate estimate and level of confidence in the current project budget.
5. ACLP has not included any owner contingencies in the provided estimate. A contingency can be added to the fGMP at owner's request.
6. ACLP assumes that the existing column has minimal corrosion and that the water has been treated appropriately. The Design Build team will test the column during the investigation process.
7. It is assumed that the controls, licenses, software, computers, monitors, and other supporting peripheral devices are OFOI FFE.
8. Delivery of the fGMP is conditioned on acceptance of design milestones and document approval per the attached schedule. Delays in critical path milestones will result in extension of the project schedule and extended general conditions.
9. A special board meeting will most likely be required for fGMP approval and to allow for efficient release of equipment procurement.
10. The provided schedule assumes immediate access to the existing GSU yard for laser scanning and examination of equipment. The Design Build team will work around COM's class schedule.
11. ACLP has included 6 weeks in the schedule for City of Texas City permit review and approval.
12. Following fGMP approval, the relocation and new build of the GSU will be self-performed by Austin and/or Brandt on a lump sum basis.
13. In the event that multiple GMPs are submitted for expediting equipment release or critical path activities, all GMPs will be combined into a single GMP.
14. Preconstruction fee and future negotiated GCs will be based on usage of the Tech-Voc childcare area currently occupied by ACLP for CPP #2.
15. In the pre-bid meeting, an additional 2 months of commissioning was mentioned. It is assumed that this is outside of the current project budget. Austin can price this separately at Owner's request. Labor and materials warranty will be from one year after substantial completion.
16. Hazardous material testing and abatement is included as a \$35,000 owner allowance.
17. ACLP proposes subcontractor selection as lump-sum basis as needed to expedite the procurement schedule. ACLP proposes a 5% fee on construction costs. Subcontractor mark-up on changes to be per CPP#2 business terms.
18. ACLP proposes lump-sum general conditions costs.
19. Policies regarding retainage and contingencies will be per COM CPP#2 terms.
20. An alternate for prompt payment will be provided at 50% document GMP. Payment terms to be negotiated. Wire transfer of payment from COM will be required.
21. Value engineering to be provided upon completion of existing system evaluation and schematic design.



## **Austin Commercial | Brandt**

4888 Loop Central Dr  
Loop Central One,  
Suite 310, Houston, TX 77081  
281-404-0700



PRESIDENT'S OFFICE  
**Minute Order**

**To:** Board of Trustees  
**From:** Dr. Warren Nichols, President  
**Date:** September 27, 2021  
**Subject:** Agenda Item for COM Board of Trustees

**AGENDA ITEM DESCRIPTION:**

Approval to replace the Math-Science Renovations project as identified in the original Master Plan with Option 1B for the design and construction of STEAM and Industrial Careers Building shell spaces

**FUNDING SOURCE:**

2018 Bond Funds

**PURPOSE:**

To allow the Program Team to move forward with option 1B project replacement in lieu of the Math-Science Renovation project

**PROPOSED MOTION:**

**"I move the Board of Trustees approve the replacement of the College of the Mainland Math/Science Renovation project with Option 1B to design and build the shell space in the STEAM and Industrial Careers buildings."**

**BACKGROUND:**

The COM Master Plan was approved to include a renovation to the Math-Science building to upgrade and replace mechanical and roofing systems. On June 22, 2021 the Board of Trustees approved a change order to Austin Commercial's CPP1 contract to include the construction of the Math-Science Renovation project in the amount of \$4,496,864. Upon award of this change order, Austin Commercial conducted an asbestos and hazardous materials survey and presented a subsequent report to COM, CBRE Heery and PBK reflecting extensive asbestos and mold in the Math-Science building. Additionally, because of current market escalation and extended lead times for materials and equipment, Austin Commercial reported delays to the anticipated project schedule. After careful consideration of return on investment by the CBRE Heery team, and in coordination with PBK, COM reevaluated the validity and value of the project to consider whether the current project and its challenges remained the most practical investment of funds. A Stop Work Order was issued to Austin Commercial and COM was presented with several options including 1b, 2c, 2d, 2e per the attached.

After evaluating costs, feasibility, schedule impacts and pros/cons of these options, it is recommended to proceed with Option 1B, as presented in the Special Called Meeting on September 8, 2021.

ATTACHMENT: Option Summary

**COLLEGE OF THE MAINLAND  
MATH/SCIENCE OPTIONS**

Option Name	Scope	Meets Schedule Needs	Total Building Sqft	Cost Estimate	Notes
1A	STEAM Shell Space	Yes	14,000 sf	\$3,952,500	Shown to BOT 8/18; Demo of existing M/S building
1B	STEAM + ICB Shell Space	Yes	18,000 sf	\$4,325,500	Demo of existing M/S building
2A	M/S – Partial Demo & Rebuild	No	25,000 sf	\$11,050,000	Replaces Math/Science at current building while maintaining part of current structure
2B	M/S – Partial Demo & Rebuild + STEAM Labs	Yes	35,000 sf	\$12,375,000	Change function of current M/S building to Gen Classrooms & Offices; Maintains part of current structure; Uses shell space at STEAM
2C	M/S – Complete Demo & Rebuild	No	25,000 sf	\$12,130,000 (single story)	Does not maintain any of current M/S building structure; Does not use space at ICB/STEAM
2D	M/S – Complete Demo & Rebuild + STEAM Labs	Yes	30,000 sf (single story)	\$10,285,000 (single story)	Change function of current M/S building to Gen Classrooms, Offices, possible shell space; Does not maintain any of current M/S building structure
2E	M/S – Complete Demo & Rebuild + STEAM Labs & ICB Classrooms	Yes	38,000 sf (single story)	\$11,340,000 (single story)	Replaces Labs and Classrooms at STEAM and ICB; Complete Demo & Rebuild of M/S for future added classrooms and offices



PRESIDENT'S OFFICE

**Minute Order**

**To:** Board of Trustees  
**From:** Dr. Warren Nichols, President  
**Date:** September 27, 2021  
**Subject:** Agenda Item for COM Board of Trustees

**AGENDA ITEM DESCRIPTION:**

Architect and Engineering Services for STEAM & ICB Shell Space Build Out (Option 1B)

**FUNDING SOURCE:**

2018 Bond Funds

**PURPOSE:**

Selection of an Architect & Engineering firm for services including programming, schematic design, construction documentation and administration support for the construction of the shell spaces at the STEAM and Industrial Careers buildings.

**PROPOSED MOTION:**

**"I move the Board of Trustees approve award of contract 22-02 to PBK, Inc. for Architect and Engineering Services supporting the construction of STEAM and Industrial Careers building shell spaces for a not-to-exceed amount of \$262,500.00."**

**BACKGROUND:**

The COM Master Plan was approved to include a renovation to the Math-Science building to upgrade and replace mechanical and roofing systems. On August 14, 2020 the Board of Trustees approved Architecture and Engineering fees for PBK, in support of the construction of the Math-Science Renovation project in the amount of \$205,575.00. The construction work was awarded via change order to Austin Commercial, who conducted an asbestos and hazardous materials survey and presented a subsequent report to COM, CBRE Heery and PBK reflecting extensive asbestos and mold in the Math-Science building. Additionally, because of current market escalation and extended lead times for materials and equipment, Austin Commercial reported delays to the anticipated project schedule. After careful consideration of return on investment by the CBRE Heery team, and in coordination with PBK, COM reevaluated the validity and value of the project to consider whether the current project and its challenges remained the most practical investment of funds. COM was presented with several options, and after evaluating costs, feasibility, schedule impacts and pros/cons of these options, it was recommended to proceed with Option 1B, as presented in the Special Called Meeting on September 8, 2021. PBK's previous contract is being closed, returning the unused fee amount of \$43,560 to the Bond

Program. It is recommended to award the subject contract to PBK, Inc. as stated in the attached proposal for a not-to-exceed amount of \$262,500.00.

ATTACHMENT: PBK Proposal

10200 Grogans Mill Road, Suite 230  
The Woodlands, Texas 77380  
Phone: 281-528-1697  
Fax: 281-882-3285  
PBK.com

September 14, 2021



Mrs. Sonja Blinka  
Director of Purchasing  
College of the Mainland  
1200 Amburn Road  
Texas City, TX 77591

**RE: College of the Mainland – STEAM/ICB Shell Space Fit-out**

Dear Mrs. Blinka,

Thank you for the opportunity to submit this fee proposal to provide design services for the above referenced project. The following is a description of how the PBK team can offer services on this project.

**PROJECT UNDERSTANDING AND SCOPE OF WORK**

PBK understands that this proposal is for A/E services to build out the existing approximately 8,000 square feet of shell space in the new Industrial Careers Building and a partial build out of approximately 10,000 square feet of the STEAM 4<sup>th</sup> Floor shell space including all built-in casework, instructional technology, storage, necessary infrastructure, and furniture and equipment for education, IT, and A/V.

**SCOPE OF SERVICES**

Our scope of services shall include all contract conditions as described in the College of the Mainland standard owner-architect project agreement.

*Programming, Schematic and Design Development Phases*

PBK's team will facilitate all necessary meetings and provide necessary site investigations to develop a recommended "scope of work" based on the preliminary layouts presented to the COM Board of Trustees. PBK will conduct a thorough visual inspection of all existing building and site conditions.

*Construction Documentation*

Final working drawings will be developed, as well as a full project manual including specifications, plans and details, as required. PBK will facilitate progress set reviews (50%, 75%, 95% and 100%, as required) with client name and project consultants as instructed by College of the Mainland.

*Construction Administration*

The project will be administered in accordance with the construction documents and construction activities of the contractor. Field visits will be documented and Observation Reports executed throughout the construction period by PBK field representatives. Additionally, PBK representatives will attend construction progress meetings, execute meeting minutes and communicate regularly with the contractor on behalf of College of the Mainland to maximize quality assurance and quality control.

*Project Close-Out*

Project close-out documents will be reviewed by PBK, including Operation & Maintenance Manuals (warranties, maintenance contracts, operating instructions, etc.), certificate of inspection and bonds, documentation required with application of final payment, record drawings, certificate of occupancy as issued by the city building department, etc.

*Furniture, Fixtures and Equipment*

PBK FF&E services involve working with COM and dealers to select merchandise. Our services include the following:

- Initial Meeting: Review project requirements and establish budgets
- Create furniture plans to locate and identify furniture scope
- Develop inventory of necessary FF&E and cost estimate
- Identify suitable sources
- Review meeting: Review Selected Furnishings, fabric/finish options, and budget
- Update plans, selections and finishes.
- Final Meeting: review finalized sections and pricing
- Create detailed furniture cut sheets and plans identifying furniture locations for client procurement
- Review vendor bid proposals and compare to issued procurement documents and make recommendations to the College.
- Coordinate installation schedule with COM and selected vendors.
- Management and supervision of installation and delivery of all purchased items, including mounting artwork.
- Follow up with vendors for any product not up to standards established
- Continuous Quality Control
- Final Walk Through

*A/V and Technology Equipment*

PBK services include the following:

- Initial Meeting: Review project requirements and establish budgets
- Create plans to locate and identify scope
- Develop inventory of necessary equipment and cost estimate
- Identify suitable sources
- Review meetings as necessary
- Update plans, selections, and cost estimate
- Final Meeting: review finalized sections and pricing
- Create detailed cut sheets and plans identifying equipment locations for client procurement
- Review vendor bid proposals and compare to issued procurement documents and make recommendations to the College.
- Assisted COM with coordinated installation schedule with selected vendors.
- Follow up with vendors for any product not up to standards established
- Continuous Quality Control
- Final Walk Through

**COMPENSATION**

Our proposed compensation for A/E design services, including furniture and equipment, for this project shall be a lump sum fee of **Two Hundred Forty-Five Thousand Dollars and No Cents (\$245,000.00)**. Fees will be billed monthly in accordance with work completed.

Programming/Schematic Design Phase	15%
Design Development Phase	20%
Construction Documents Phase	40%
Bidding or Negotiation	5%
Construction Administration Phase	20%
Total	100%

**REIMBURSABLES**

Reimbursables would be limited to newspaper advertising, state and local agency review fees (if applicable), RAS fees (TAS/ADA), travel expenses, and cost of reproduction of documents. There would be no mark-up on reimbursed items.

TDLR Review & Inspection	\$2,500.00
Texas City Permitting	\$10,000.00
<u>Estimated Reimbursables (Printing/Travel)</u>	<u>\$5,000.00</u>
Estimated Total	<b>\$17,500.00</b>

**PAYMENT**

Invoices will be billed monthly, per individual project scopes of work, in proportion to services performed and reimbursable expenses incurred. Payment shall be made within thirty (30) days of the invoice date.

**PERSONNEL**

Alan Stilts will ultimately be responsible for the project as the Higher Education Regional Manager. Alan will be hands-on and apply his overall knowledge and expertise to the project at every phase of design through construction. Kelsey Williams will coordinate all team members. She will be responsible for documentation and for the day-to-day coordination of the project team.

**ADDITIONAL SERVICE FEES**

There would be no additional services without prior written authorization of the Owner.

We thank you for this incredible opportunity to serve the College of the Mainland on this important project. Please let us know if the terms of this proposal are acceptable. Should you have any questions or additional requests, please do not hesitate to contact me at 281-528-1697 or on my cell at 502-439-8653.

Sincerely,



Alan Stilts, AIA, NCARB, LEED AP BD+C  
Partner \ \ Higher Education Regional Manager

Cc: Cliff Whittingstall, PBK  
Betty Chapman, PBK  
File 1A

-----  
Agreed to and Accepted this 14 day of September 2021.

**College of the Mainland**

**PBK Architects, Inc.**

\_\_\_\_\_  
Signature

  
\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name and Title

**Alan Stilts, Partner \ \**  
**Higher Education Regional Manager**  
\_\_\_\_\_  
Printed Name and Title

\_\_\_\_\_  
Date

09/14/2021  
\_\_\_\_\_  
Date



PRESIDENT'S OFFICE  
**Minute Order**

**To:** Board of Trustees  
**From:** Dr. Warren Nichols, President  
**Date:** September 27, 2021  
**Subject:** Agenda Item for COM Board of Trustees

**AGENDA ITEM DESCRIPTION:**

Selection of a Construction Manager at Risk (CMAR) to serve as the General Contractor for construction of the Fine Arts Building Renovation and Expansion project.

**FUNDING SOURCE:**

2018 Bond Funds

**PURPOSE:**

Construction of projects identified in COM's Master Plan and included in the 2018 Bond Program.

**PROPOSED MOTION:**

**"I move the Board of Trustees approve award of contract 21-14 for a Construction Manager at Risk (CMAR) to Turner Construction for a Fee not-to-exceed 2.97% of the actual Direct Construction Costs, General Conditions Cost not-to-exceed 7.71% of the approved Guaranteed Maximum Price (GMP) and Fee for Pre-Construction services not-to-exceed \$27,577.00."**

**BACKGROUND:**

On May 24, 2021 the Board of Trustees approved the recommendation to seek a Construction Manager at Risk (CMAR) as the procurement method to deliver the Fine Arts Building Renovation and Expansion project. Therefore, a Request for Qualifications was advertised on August 3, 2021. Three (3) responses were received and evaluated and further invited to interview with an evaluation committee. The highest scoring proposer was invited to submit a proposal to include Fees, General Conditions and Pre-Construction Phase costs. Based on the results of the evaluation of qualifications, interview and proposal, it has been determined that Turner Construction is the best overall firm to support the subject construction project. Therefore, it is the recommendation of the evaluation committee, COM, PBK Architects and CBRE Heery to select Turner Construction based on best value analysis. A two (2) step Request for Qualifications procurement process was used in accordance with Government code 2269. Therefore, the competitive procurement process has been satisfied. A follow up approval will be presented to the Board of Trustees upon acceptance of a final Guaranteed Maximum Price (GMP) and prior to the start of construction on the project.

ATTACHMENT: Evaluation Summary  
Turner Construction Proposal

College of the Mainland  
 Texas City, TX  
 RFCSP 21-14 Fine Arts Construction & Renovations

**EVALUATION**

8/31/2021

Criterion	Value	Maximum	JE Dunn	Paradigm	Turner
		7 Evaluators	Score	Score	Score
1 Responsiveness to requirements of this RFQ	20	140	88.00	74.00	110.00
2 Experience & Reputation	15	105	78.75	45.00	86.25
3 Quality of Work	30	210	150.00	127.50	157.50
4 Safety Record	5	35	23.75	21.25	26.25
5 Proposed Team (Personnel)	17	119	85.00	55.25	97.75
6 Financial Statement	10	70	35.00	30.00	35.00
7 Prior History Executing Construction for COM	3	21	4.50	6.00	4.50
TOTAL	100	700	465.00	359.00	517.25
			<b>Score 66.4</b>	<b>51.3</b>	<b>73.9</b>

3  
 2  
 1



# College of the Mainland Fine Arts Building Addition and Renovation

Turner Construction Company | General Conditions & Fee  
September 8, 2021



September 14, 2021

Sonja Blinka,  
COM Director of Purchasing  
1200 Amburn Road, Building 11  
Texas City, TX 77591

**Turner**

13430 NW Fwy, Suite 500  
Houston, TX 77040  
(713) 840-8441

Dear Sonja and the Selection Committee,

On behalf of Turner Construction, I am pleased to submit our revised General Conditions & Fee package for the College of the Mainland's Fine Arts Building Addition and Renovation project.

As a native of Texas City born and raised, graduate of Texas City HS and a former COM student, I am genuinely overwhelmed with enthusiasm at the prospect of being a partner in enhancing the College and being an integral team member on this important project to ensure success. In addition to being the Vice President and General Manager of the Houston office, I will also be leading this project team as the Project Executive and am committed to maximizing your Fine Arts program through the successful delivery of this project.

You'll notice in our package that our fee proposal reflects those numbers that were presented in our presentation last week. In that regard, we are dedicated to your College and we promise to be transparent and use an open-book policy throughout the duration of the project. We want to be your partner.

As a Top Ranked Education Builder that holds a strong, long-lasting relationship with PBK Architects and CBRE Heery, Turner provides a huge advantage in experience and talent for the Fine Arts Building Addition and Renovation project. Please feel free to contact me through phone, 832.347.5536, or email, atandon@tcco.com, if you have any questions or requests. We look forward to working with you soon on this exciting project.

Thank you,



Andy Tandon, DBIA, CPC, LEED AP  
Vice President and General Manager  
Turner Construction Company

# General Conditions & Fee



**Turner**



Having examined the CM at Risk Request for Qualifications the undersigned submits their proposals for Pre-Construction Services, Fee, and General Conditions (in the second step of a two-step CM at Risk selection process) for the project(s) described below.

1. Pre-Construction Services, Fee and General Conditions: Fine Arts Renovations & Construction:

A. Pre-Construction Services (\$)

Twenty Seven Thousand Five Hundred Seventy Seven Dollars
(Amount written in words governs)

\$ 27,577.00
(LS Dollars)

B. Fee Percentage (%):

Two Point Nine Seven Percent
(Amount written in words governs)

2.97 %
Numerical Percentage

C. General Conditions Percentage (%)

Seven Point Seven One Percent
(Amount written in words governs)

7.71 %
(Numerical Percentage)

2. Addenda

Undersigned acknowledges receipt of Addenda Nos.: 1, 2, & 3

It is understood that the owner reserves the right to reject any/or all proposals, and or waive any informalities in the proposal process.

Handwritten signature: Andy Zandon
Authorized Representative

Vice President & General Manager
Title

Name & Address of Contracting Firm

Turner Construction Company

Phone: (832) 347 - 5536

Date: 09/08/2021

# College of the Mainland - Fine Arts Addition

## General Conditions & Fee

Description	Quantity	Unit	Amount	Comments
<b>On-Site Project Management Staff</b>				
Safety Coordinator / Assistant (s)	1	Mos	21,933.00	Varies
Project Executive	1	Mos	19,904.00	5% of the time
Assistant Project Manager	10	Mos	129,029.00	100% of the time
Assistant Superintendent (s)	3	Mos	30,554.00	3 months at 100% of time
Superintendent	9	Mos	132,481.00	100% of the time
CPM Scheduler	1	Mos	13,235.00	10% of the time
Project Managers	2	Mos	37,051.00	20% of the time
Project Support Staff	3	LS	39,172.00	Accounting & Purchasing
Out-of-State Project Specific Travel*	-	Mos	10,000.00	Jobsite Travel Mileage, NTE Mileage, Intended for checking on material storage. Out of state travel requires owner approval.
	<b>Subtotal</b>		<b>433,359.00</b>	
<b>Insurance</b>				
Bonds & Insurance	-	LS	-	Included Below
Builder's Risk Insurance	1	LS	30,000.00	
General Liability Insurance (unless ROCIP/CCIP)	1	LS	7,800.00	1.2% of the CMAR Component Only
Payment & Performance Bonds (not trade contractors or subcontractors' bond)	1	LS	60,000.00	

# College of the Mainland - Fine Arts Addition

## General Conditions & Fee

Description	Quantity	Unit	Amount	Comments
<b>Temporary Project Utilities</b>				*Based upon CMAR Setup (Turner only)
Dumpsters	6	Pulls	2,550.00	
Project Electricity Setup - owner provides monthly service	1	Mos	2,000.00	Providing Temp Power Pole in GC Cost, Balance of Work in Electrical Cost of Work
Hardwire Telephone	10	Mos	3,410.00	
Fencing & Covered Walkways	0	LF	-	Part of Cost of Work
Temporary Water Distribution & Meters (s)	1	LS	750.00	
Temporary Electrical Distribution & Meter	10	Mos	1,500.00	
Site Erosion Control (BMP) and Entrances	0	LF	-	Part of Cost of Work
Project Water	10	Mos	1,500.00	
Temporary Toilets	10	Mos	2,500.00	
Temporary Fire Protection	2	Ea	3,500.00	Fire Extinguishers
Telephone / Internet System Installation	1	LS	3,000.00	
	<b>Subtotal</b>		<b>20,710.00</b>	

\* Based on the total volume of \$7,500,000

\* All monthly rates are Fixed Rates

\* SDI part of the cost of work

\* Fee = 2.97% of Total Contract Volume - based on three addendums

\* Preconstruction = \$27,577 - based upon one estimate, one GMP development and inclusive of aesbestos survey per Addendum 1 (\$5,000)

# College of the Mainland - Fine Arts Addition

## General Conditions & Fee

Description	Quantity	Unit	Amount	Comments
<b>Field Offices &amp; Office Supplies</b>				*Based upon CMAR Setup (Turner only)
Partnering Costs	-	LS	-	
Job Photos / Videos	10	Mos	1,200.00	
Project Specific Signage - Temporary	1	LS	1,500.00	
Postage / Special Shipping	6	Mos	600.00	
Project As-Built (Record) Drawings	-	LS	-	Included
Project Milestone Events (s)*	1	LS	2,500.00	
Move In / Out & Office Setup	1	LS	2,000.00	Trailer pickup and removal no longer needed. Textura (Billing Software)
Employee Identification System	2	LS	2,350.00	LCP Trailer (Prevailing Wage Rates)
Small Tools & Storage Trailers	10	Mos	2,500.00	COVID Cleaning & Misc. Items - Small 10' Connex
Monthly Office Trailer Rental Costs	0	Mos	-	Turner to use existing office space with conference room provided by COM
Mobilization & Demobilization - equipment only	-	LS	-	Included
First Aid Supplies	-	Mos	-	Included
Reproduction Services	1	LS	1,500.00	For City of Texas City Permitting - permit costs part of cost of work
Monthly Office Supplies	10	Mos	5,000.00	Paper, Supplies, Office Items
Safety Material & Equipment	10	Mos	5,000.00	
Drinking Water & Accessories	10	Mos	600.00	
Office Clean-up / Janitorial Services	-	Mos	-	Included
Project Management Software System (Kahua)	10	Mos	2,000.00	Based on Kahua Cost
	<b>Subtotal</b>		<b>26,750.00</b>	
	<b>Grand Total</b>		<b>578,619.00</b>	

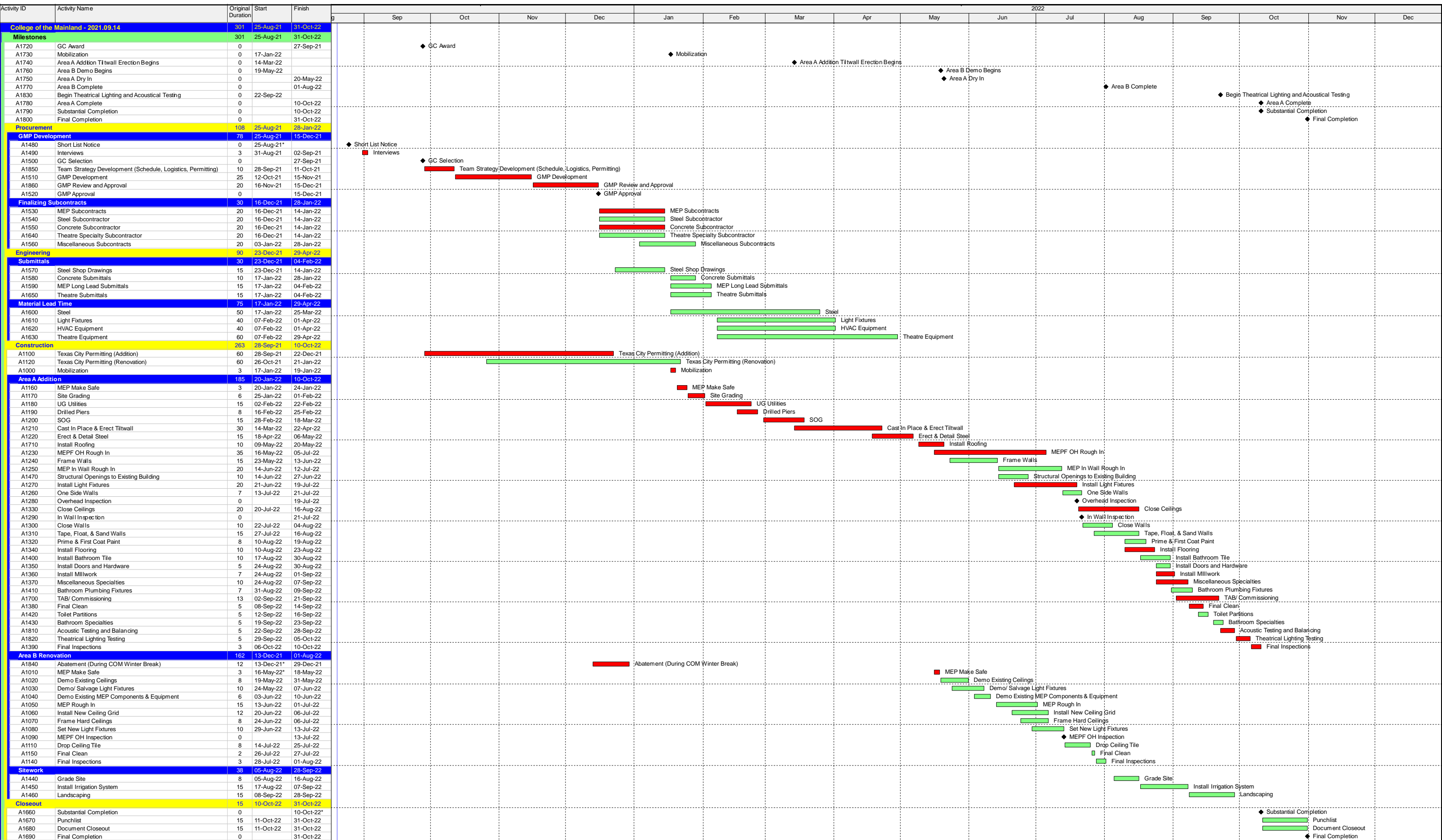
\* See bottom of page above for explanations



# Project Schedule



**Turner**



■ Remaining Level of Effort    ■ Remaining Work  
■ Actual Level of Effort    ■ Critical Remaining Work  
■ Actual Work    ◆ Milestone

Start Date: 25-Aug-21  
 Finish Date: 31-Oct-22  
 Data Date: 20-Aug-21  
 Run Date: 14-Sep-21

College of the Mainland - 2021.09.14  
 Page 1 of 1

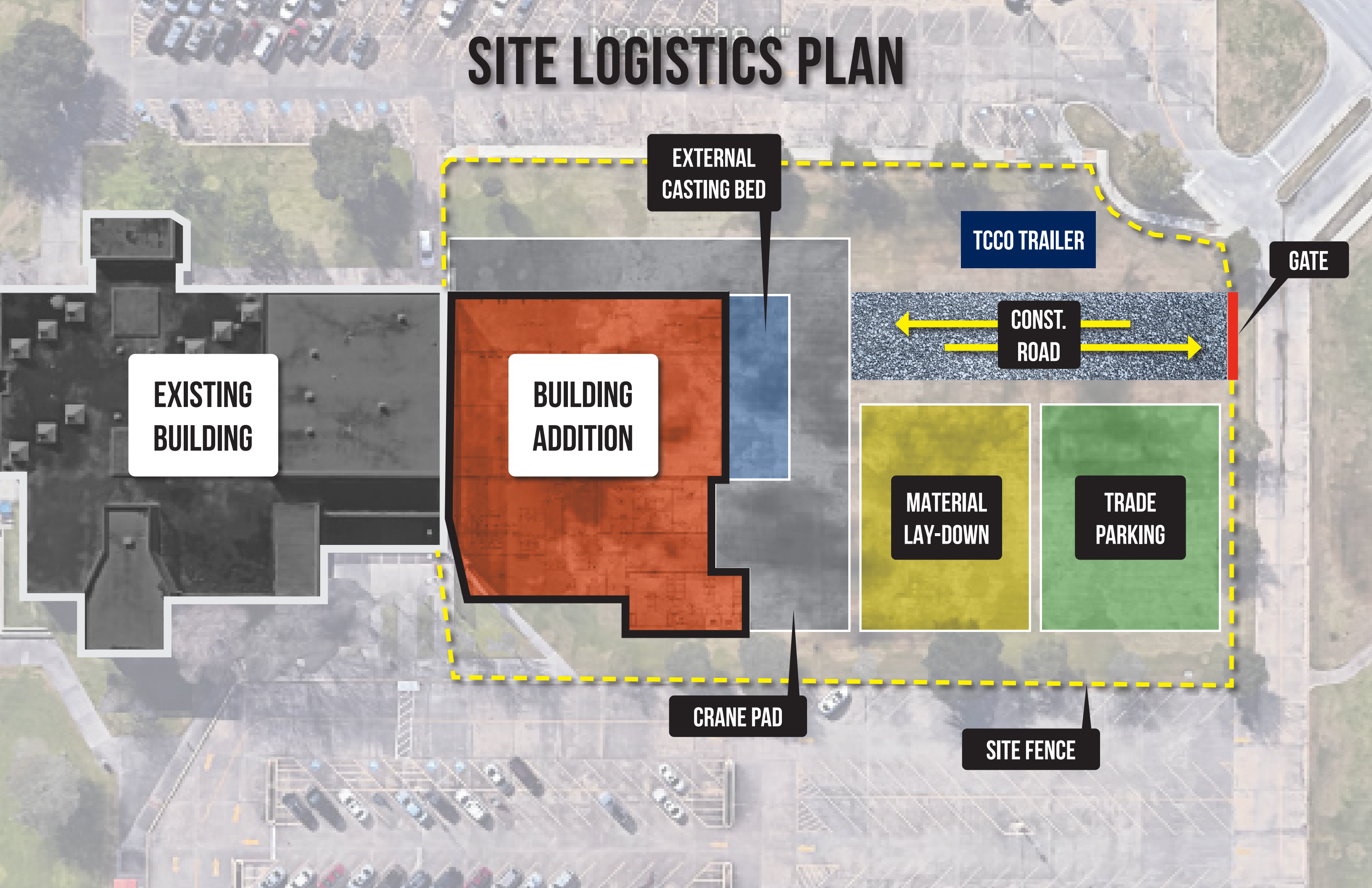


# Site Logistics Plan



**Turner**

# SITE LOGISTICS PLAN



**EXTERNAL  
CASTING BED**

**TCCO TRAILER**

**GATE**

**EXISTING  
BUILDING**

**BUILDING  
ADDITION**

**CONST.  
ROAD**

**MATERIAL  
LAY-DOWN**

**TRADE  
PARKING**

**CRANE PAD**

**SITE FENCE**



To: Board of Trustees  
From: Dr. Warren Nichols, President  
Date: September 27, 2021  
Subject: Agenda Item for COM Board of Trustees Meeting

**AGENDA ITEM DESCRIPTION:**

Discussion and possible action on a Resolution Calling for the Defeasance and Redemption of Certain Outstanding College of the Mainland Limited Tax General Obligation Bonds; Directing the Redemption of such Bonds; and containing other matters related thereto.

**PURPOSE:**

To adopt a Resolution authorizing the College to apply available funds in a principal amount not to exceed \$1,000,000 to defease and redeem eligible Bonds in order to save taxpayer money by reducing the payment of interest.

**FUNDING SOURCE:**

**PROPOSED MOTION:**

**Suggested motion:** *"I move the Board of Trustees adopt* the Resolution Calling for the Defeasance and Redemption of Certain Outstanding College of the Mainland Limited Tax General Obligation Bonds; Directing the Redemption of Such Bonds; and Containing Other Matters Related Thereto."

**BACKGROUND**

In 2019 and 2020 The College sold general obligation bonds. The administration believes that it is in the best interests of the College and its taxpayers to apply legally available funds of the College, in a principal amount not to exceed \$1,000,000, to defease and redeem certain eligible Bonds as herein provided in order to reduce the payment of interest thereon, the College's aggregate debt service requirements, and the College's legal debt outstanding.

**ATTACHMENTS:**

RESOLUTION CALLING FOR THE DEFEASANCE AND REDEMPTION OF CERTAIN OUTSTANDING COLLEGE OF THE MAINLAND LIMITED TAX GENERAL OBLIGATION BONDS

A RESOLUTION CALLING FOR THE DEFEASANCE AND REDEMPTION OF CERTAIN OUTSTANDING COLLEGE OF THE MAINLAND LIMITED TAX GENERAL OBLIGATION BONDS; DIRECTING THE REDEMPTION OF SUCH BONDS; AND CONTAINING OTHER MATTERS RELATED THERETO

THE STATE OF TEXAS §  
COUNTY OF GALVESTON §  
COLLEGE OF THE MAINLAND §

WHEREAS, the Board of Trustees (the “Board”) of the College of the Mainland (the “College”) previously adopted an order on January 28, 2019 and an authorized representative of the College executed a pricing certificate on February 27, 2019 (together, the “Original Order”) authorizing the issuance of bonds designated as “College of the Mainland Limited Tax General Obligation Bonds, Series 2019,” dated March 1, 2019, in the original principal amount of \$89,930,000 (the “Bonds”); and

WHEREAS, the Bonds are currently outstanding in the principal amount of \$87,355,000 (representing Bonds stated to mature on August 15 in the years 2022 through 2039, inclusive, and on August 15 in the years 2044 and 2049); and

WHEREAS, the Bonds maturing on and after August 15, 2029 are subject to redemption on August 15, 2028, at the option of the College and term bonds maturing on or after August 15, 2044 and 2049 are subject to mandatory sinking fund redemption; and

WHEREAS, the Original Order provides the notice and publication requirements to effectuate the redemption of the eligible outstanding Bonds; and

WHEREAS, the Board hereby determines that it is in the best interests of the College and its taxpayers to apply legally available funds of the College to defease and redeem certain eligible Bonds in a par amount not to exceed \$1,000,000 and related defeasance costs as herein provided in order to reduce the payment of interest thereon, the College’s aggregate debt service requirements, and the College’s legal debt outstanding;

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE COLLEGE OF THE MAINLAND THAT:

SECTION 1: Redemption of Redeemed Bonds. The College hereby authorizes the application of legally available funds of the College, in an aggregate par amount not to exceed \$1,000,000 (plus any additional funds necessary to fund interest costs, escrow costs and expenses, verification expenses and any other costs necessary or appropriate in connection with such legal defeasance), towards the redemption of the Bonds stated to mature on August 15, 2049 (such redeemed bonds, the “Redeemed Bonds”). The Redeemed Bonds shall be called for redemption, and shall be redeemed, on August 15, 2028.

SECTION 2: Authorized Officers; Timing of Redemption. The Chair, Vice Chair and Secretary of the Board (the “Officers”) are each individually and collectively authorized and instructed to take all actions necessary to defease and redeem the Redeemed Bonds. Such Officers shall defease and effectuate the redemption the Redeemed Bonds and establish the

defeasance escrow as provided in Section 4 hereof no later than August 31, 2022. The Officers, or the designees thereof, are authorized to evidence adoption of this resolution (the “Redemption Resolution”) and to do any and all things necessary or convenient to effect the redemption described herein and otherwise give effect to the intent hereof

SECTION 3: Notice of Redemption. The Officers are authorized and directed to give notice of redemption to the paying agent/registrars for the Redeemed Bonds as provided in the Order. Such notice shall be in substantially the form attached hereto as Exhibit A hereto and which notice is incorporated fully herein for all purposes with appropriate additions and revisions as may be determined by the Officers within the parameters of this Redemption Resolution and based upon the total amount of the Redeemed Bonds. The Board’s authorization and direction to the Officers to redeem the Redeemed Bonds is irrevocable upon adoption of this Redemption Resolution.

SECTION 4: Escrow Agreement. The discharge and defeasance of the Redeemed Bonds shall be effectuated pursuant to the terms and provisions of an escrow agreement (the “Escrow Agreement”) with Zions Bancorporation, National Association, Amegy Bank Division, Houston, Texas (the “Escrow Agent”), in substantially the form attached hereto as Exhibit B, the terms and provisions of which are hereby approved in order to comply with all applicable laws and regulations relating to the redemption of the Redeemed Bonds and to carry out the other intents and purposes of this Resolution, including the execution of the Escrow Agreement. The Chair or Vice Chair of the Board is hereby authorized, as soon as is practicable, to take such actions as are necessary to effectuate the deposit with the Escrow Agent and the redemption of the of the Redeemed Bonds.

SECTION 5: Purchase of Escrow Securities. The Board hereby authorizes and directs the deposit of funds with the Escrow Agent to effectuate the defeasance of the Redeemed Bonds, and, if applicable, directs the College’s consultants and the Escrow Agent to subscribe for, agree to purchase and purchase obligations of the United States of America or other securities authorized by law, in such amounts and maturities and bearing interest at such rates as may be provided for in the Escrow Agreement, and to execute any and all subscriptions, agreements, commitments, letters of authorization and other documents necessary to effectuate the foregoing. Any actions heretofore taken for such purpose are hereby ratified and approved.

SECTION 6: Notice of Redemption. The Chair and Secretary of the Board are authorized and instructed to give notice of redemption described herein to the paying agent/registrars for these Redeemed Bonds called for early redemption as provided in the Original Order.

SECTION 7: Further Actions Authorized. The Chair and Secretary of the Board, or the designees thereof, are authorized to evidence adoption of this Redemption Resolution and to do any and all things necessary or convenient to effect the redemption described herein and otherwise give effect to the intent hereof.

SECTION 8: Recitals Incorporated. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Redemption Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

SECTION 9: Repealer. All orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Redemption Resolution are hereby repealed to the extent of such conflict, and the provisions of this Redemption Resolution shall be and remain controlling as to the matters resolved herein.

SECTION 10: Choice of Law. This Redemption Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 11: Severability. If any provision of this Redemption Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Redemption Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Redemption Resolution would have been enacted without such invalid provision.

SECTION 12: Open Meeting. It is officially found, determined, and declared that the meeting at which this Redemption Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Redemption Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 13: Headings. The titles and headings of the sections are for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms and provisions hereof.

SECTION 14: Effective Date. This Redemption Resolution shall be in force and effect from and after its final passage, and it is so resolved.

*[The remainder of this page intentionally left blank.]*

PASSED AND APPROVED, this the 27<sup>th</sup> day of September, 2021.

COLLEGE OF THE MAINLAND

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Chair, Board of Trustees

ATTEST:

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Secretary, Board of Trustees

## EXHIBIT A

### NOTICE OF PARTIAL REDEMPTION

Notice is hereby given that the College of the Mainland, acting through its Board of Trustees (the “Board”), has called for redemption the following outstanding obligations:

Certain mandatory sinking fund payments of the August 15, 2049 maturity of “College of the Mainland Limited Tax General Obligation Bonds, Series 2019,” dated March 1, 2019 (the “Bonds”), bearing interest, and subject to mandatory sinking fund payments as follows:

<u>Sinking Fund Maturity Date</u>	<u>Outstanding Sinking Fund Payment Amount (\$)</u>	<u>Amount Being Redeemed (\$)</u> <sup>1</sup>	<u>Interest Rate (%)</u>	<u>CUSIP (19427P)</u>
2048	1,825,000	115,000	5.00%	DG 1
2049	885,000	885,000	5.00%	DG 1

The date fixed for redemption of the Bonds is August 15, 2028 (the “Redemption Date”) as authorized by the order authorizing the issuance of the Bonds and as directed by the Board pursuant to a resolution adopted on September 27, 2021. You are hereby notified that the Bonds should be presented for redemption on or before the Redemption Date and that interest shall cease to accrue from and after that date, and that on such date there shall become due and payable on each of the Bonds the redemption price equal to the principal amount thereof, without premium, plus unpaid accrued interest to the Redemption Date.

Notice is further given that the Bonds will be payable at and should be submitted either in person or by certified or registered mail to Zions Bancorporation, National Association, Amegy Bank Division, at the following address:

Zions Bancorporation, National Association, Amegy Bank Division  
1801 Main Street, Suite 1190  
Houston, Texas 77002

This notice is issued and given pursuant to the option of redemption reserved to the Board in the order authorizing the issuance of the Bonds.

WITNESS MY OFFICIAL SIGNATURE this September 27, 2021.

COLLEGE OF THE MAINLAND

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Secretary, Board of Trustees

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<sup>1</sup> Complete as appropriate based on final Officer determinations.

**EXHIBIT B**  
**FORM OF ESCROW AGREEMENT**

## ESCROW AGREEMENT

THIS ESCROW AGREEMENT (this “Escrow Agreement”), dated for convenience as of September 27, 2021, but effective on the Escrow Funding Date described herein, is made and entered into by and between the COLLEGE OF THE MAINLAND, a college district duly created, organized and existing under the Constitution and laws of the State of Texas (together with any successor to its duties and functions, the “College”), and ZIONS BANCORPORATION, NATIONAL ASSOCIATION, AMEGY BANK DIVISION, as escrow agent (together with any successor or assign in such capacity, the “Escrow Agent”).

WHEREAS, the College has heretofore issued certain bonds (hereinafter defined as the “Redeemed Bonds”) that it desires to refund in advance of their maturities;

WHEREAS, Chapter 1207, Texas Government Code, as amended, authorizes and empowers the College to deposit with a paying agent for any of the Redeemed Bonds, or a trust company or commercial bank that does not act as a depository for the College, from available funds from any source, an amount sufficient to provide for the payment or redemption of the Redeemed Bonds;

WHEREAS, the governing body of the College has adopted a redemption resolution authorizing the defeasance and redemption of certain of its Limited General Obligation Bonds, Series 2019 as further described in Exhibit B hereto (the “Redeemed Bonds”), for the purpose, among other purposes, of providing the funds necessary to defease and redeem the Redeemed Bonds to reduce the payment of interest thereon and to reduce the College’s aggregate debt service requirements and legal debt outstanding;

WHEREAS, to provide for the payment of the Redeemed Bonds, the College has provided for the transfer to the Escrow Agent pursuant to this Escrow Agreement of money lawfully available for such purpose; and

WHEREAS, the governing body of the College has further determined to effectuate the defeasance and redemption pursuant to this Escrow Agreement, under which provision is made for the safekeeping, investment, reinvestment, administration and disposition of funds necessary to defease and redeem the Redeemed Bonds so as to provide firm banking and financial arrangements for the discharge and final payment of the Redeemed Bonds;

NOW, THEREFORE, in consideration of the mutual undertakings, promises and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, and in order to secure the full and timely payment of the principal of and interest on the Redeemed Bonds, the College and the Escrow Agent contract and agree as follows;

ARTICLE ONE  
DEFINITIONS AND INTERPRETATIONS

Section 1.1 Definitions.

Unless otherwise expressly provided or unless the context clearly requires otherwise, the following terms shall have the respective meanings specified below for all purposes of this Escrow Agreement:

“Board” shall mean the College’s Board of Trustees.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder and under the Internal Revenue Code of 1954.

“College” shall mean the College of the Mainland, and any successor to its duties and functions.

“Escrow Agent” shall mean Zions Bancorporation, National Association, Amegy Bank Division, Houston, Texas, in its capacity as escrow agent hereunder, and any successor or assign in such capacity.

“Escrow Agreement” shall mean this escrow agreement.

“Escrow Deposit” shall mean the initial deposit into the Escrow Fund, as more particularly described in Section 2.1.

“Escrow Fund” shall mean the fund created in Section 3.1 of this Escrow Agreement to be administered by the Escrow Agent pursuant to the provisions of this Escrow Agreement.

“Escrow Funding Date” shall mean the date on which the College deposits with the Escrow Agent the Escrow Deposit described in Section 2.1 which date shall be no later than August 31, 2021.

“Escrowed Securities” shall mean the Limited Yield Securities and the Open Market Securities.

“Limited Yield Securities” shall mean the non-callable United States Treasury Obligations-State and Local Government Series to be initially purchased with lawfully available funds of the College, together with all reinvestments of the proceeds thereof as may be directed in Section 4.2 or permitted in Section 4.3(b).

“Open Market Securities” shall mean the United States Treasury securities (or other direct non-callable obligations of the United States, including obligations that are unconditionally guaranteed by the United States) and any non-callable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the redemption of the Redeemed Bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or

its equivalent, to be purchased in the open market with cash, together with all reinvestments thereof as may be directed in Section 4.2 or permitted in Section 4.3(b), or cash or obligations substituted therefor pursuant to Section 4.3(a).

“Paying Agent for the Redeemed Bonds” shall mean Zions Bancorporation, National Association, Amegy Bank Division, Houston, Texas.

“Redeemed Bond Orders” shall mean the College’s orders authorizing the issuance, sale and delivery of the Redeemed Bonds.

“Redeemed Bonds” shall mean the outstanding bonds of the College as shown on Exhibit B hereto.

“Report” shall mean the verification report relating to the advance refunding of the Refunded Bonds, a copy of which is attached hereto as Exhibit C, and any subsequent verification report required by Section 4.3.

Section 1.1 Interpretations.

The titles and headings of the articles and sections of this Escrow Agreement have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict the terms hereof. This Escrow Agreement and all of the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to achieve the intended purpose of providing for the redemption of the Redeemed Bonds in accordance with applicable law.

ARTICLE TWO  
DEPOSIT OF FUNDS AND ESCROWED SECURITIES

Section 2.1 Deposits to Escrow Fund.

On the Escrow Funding Date, the College shall deposit, or cause to be deposited, into the Escrow Fund the Escrow Deposit, consisting of the following:

(a) As the beginning cash balance for the Escrow Fund, \$\_\_\_\_\_<sup>2</sup> from available funds of the College;

(b) the initial Limited Yield Securities with a purchase price of \$\_\_\_\_\_<sup>2</sup> from available funds of the College; and

(c) the initial Open Market Securities with a purchase price of \$\_\_\_\_\_<sup>2</sup> from available funds of the College.

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<sup>2</sup> Complete with information in the Report.

ARTICLE THREE  
CREATION AND OPERATION OF ESCROW FUND

Section 3.1 Escrow Fund.

On the Escrow Funding Date the Escrow Agent will create in its books a special fund and irrevocable escrow to be known as the “College of the Mainland 2021 Cash Defeasance Escrow Fund” (the “Escrow Fund”). On the Escrow Funding Date, the Escrow Deposit described in Section 2.1 will be deposited to the credit of the Escrow Fund, The Escrow Deposit and all proceeds therefrom shall be the property of the Escrow Fund and shall be applied only in strict conformity with the terms and conditions hereof. All Escrowed Securities, all proceeds therefrom and all cash balances from time to time on deposit in the Escrow Fund are hereby irrevocably pledged to the payment of the principal of, redemption premium, if any; and interest on the Redeemed Bonds, which payment shall be made by timely transfers to the Paying Agent for the Redeemed Bonds of such amounts at such times as are provided in Section 3.2. When the final transfers have been made to the Paying Agent for the Redeemed Bonds for the payment of such principal of, redemption premium, if any, and interest on the Redeemed Bonds, any balance then remaining in the Escrow Fund shall be transferred to the College, and the Escrow Agent shall thereupon be discharged from any further duties hereunder.

Section 3.2 Payment of Principal, Redemption Premium, if any, and Interest; Redemption of Certain Redeemed Bonds.

(a) The Escrow Agent is hereby irrevocably instructed to transfer to the Paying Agent for the Redeemed Bonds from the cash balance from time to time on deposit in the Escrow Fund the amounts required to pay the principal of, redemption premium, if any, and interest on the Redeemed Bonds in the amounts and at the times shown in the Report.

(b) Except for amounts transferred to the Paying Agent for the Redeemed Bonds pursuant to Section 3.2(a) and to the College pursuant to Section 4.2, the Escrow Agent agrees that it shall never make any withdrawals from the Escrow Fund or assert any claims, liens or charges against the Escrow Fund.

Section 3.3 Sufficiency of Escrow Fund.

The College represents (based upon the Report) that the successive receipts of the principal of and interest on the Escrowed Securities will assure that the cash balance on deposit from time to time in the Escrow Fund will be at all times sufficient to provide money for transfer to the Paying Agent for the Redeemed Bonds at the times and in the amounts required to pay the interest on the Redeemed Bonds as such interest comes due and to pay the principal of, redemption premium, if any, and interest on the Redeemed Bonds as the Redeemed Bonds mature or are called for redemption, all as more fully set forth in the Report. If, for any reason, at any time, the cash balances on deposit or scheduled to be on deposit in the Escrow Fund shall be insufficient to transfer the amounts required by the Paying Agent for the Redeemed Bonds to make the payments set forth in Section 3.2, the College shall timely deposit into the Escrow Fund, from lawfully available funds, additional funds in the amounts required to make such payments. Notice of any such insufficiency shall be given promptly by the Escrow Agent to the College as hereinafter provided, but the Escrow Agent shall not in any manner be responsible for

any insufficiency of funds in the Escrow Fund or the College's failure to make additional deposits thereto.

Section 3.4 Trust Fund.

The Escrow Agent at all times shall hold the Escrow Fund, the Escrowed Securities and all other assets of the Escrow Fund wholly segregated from all other funds and securities on deposit with the Escrow Agent; it shall never allow the Escrowed Securities or any other assets of the Escrow Fund to be commingled with any other funds or securities of the Escrow Agent; and it shall hold and dispose of the assets of the Escrow Fund only as set forth herein. The Escrowed Securities and other assets of the Escrow Fund always shall be maintained by the Escrow Agent for the benefit of the holders of the Redeemed Bonds; and a special account evidencing such fact shall be maintained at all times on the books of the Escrow Agent. The holders of the Redeemed Bonds shall be entitled to the same preferred claim and first lien upon the Escrowed Securities, the proceeds thereof and all other assets of the Escrow Fund to which they are entitled as holders of the Redeemed Bonds. The amounts received by the Escrow Agent under this Escrow Agreement shall not be considered as a banking deposit by the College, and the Escrow Agent shall have no right or title with respect thereto except as escrow agent under the terms hereof. The amounts received by the Escrow Agent hereunder shall not be subject to warrants, drafts or checks drawn by the College or, except to the extent expressly herein provided, by the Paying Agent for the Redeemed Bonds.

Section 3.5 Security for Cash Balances.

Cash balances from time to time on deposit in the Escrow Fund, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, shall be continuously secured by a pledge of direct obligations of, or obligations unconditionally guaranteed by, the United States of America, having a market value at least equal to such cash balances.

ARTICLE FOUR  
LIMITATION ON INVESTMENTS

Section 4.1 General.

Except as herein otherwise expressly provided, the Escrow Agent shall not have any power or duty to invest any money held hereunder, to make substitutions of the Escrowed Securities or to sell, transfer or otherwise dispose of the Escrowed Securities.

Section 4.2 Reinvestment of Proceeds of Escrowed Securities.

The Escrow Agent is hereby authorized and directed to reinvest proceeds of the Escrowed Securities which are attributable to amounts received as principal of or interest on the Escrowed Securities and which are not immediately needed to pay the Redeemed Bonds in direct obligations of the United States of America, i.e., United States Treasury Bonds, Bills and Notes, in the amounts, and maturing and bearing interest, all as set out in the Report. The College hereby designates and appoints the Escrow Agent as its agent and duly authorized representative for purposes of subscribing for and purchasing such obligations, all of which shall constitute

Escrowed Securities. Any income or increment earned from such reinvestment remaining after final payment of the Redeemed Bonds shall be promptly transferred to the College.

Section 4.3 Substitution of Securities.

(a) The College may, upon compliance with the conditions stated in subsection (c) of this Section 4.3, at its option, substitute cash or non-interest bearing obligations of the United States Treasury (i.e., Treasury obligations which mature and are payable in a stated amount on the maturity date thereof and for which there are no payments other than the payment made on the maturity date) for non-interest bearing Open Market Securities listed in the Report, but only if such cash and/or substituted non-interest bearing direct obligations of the United States Treasury:

- (i) are in an amount, and/or mature in an amount, which, together with any cash substituted for such obligations, is equal to or greater than the amount payable on the maturity date of the obligation listed in the Report for which such obligation is substituted, and
- (ii) mature on or before the maturity date of the obligation listed in the Report for which such obligation is substituted.

The College may at any time substitute any Open Market Securities which, as permitted by the preceding sentence, were not deposited to the credit of the Escrow Fund, for the cash and/or obligations that were substituted for such Open Market Securities.

(b) At the written request of the College, and upon compliance with the conditions hereinafter stated in subsection (c) of this Section 4.3, the Escrow Agent shall sell, transfer, otherwise dispose of or request the redemption of all or any portion of the Escrowed Securities and apply the proceeds therefrom to purchase Redeemed Bonds or direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America which do not permit the redemption thereof at the option of the obligor.

(c) Any such transaction described in subsections (a) and (b) of this Section 4.3 may be effected by the Escrow Agent only if (1) the Escrow Agent shall have received a written opinion from a recognized firm of certified public accountants that such transaction will not cause the amount of money and securities in the Escrow Fund to be reduced below an amount which will be sufficient, when added to the interest to accrue thereon, to provide for the payment of principal of, redemption premium, if any, and interest on the remaining Redeemed Bonds as they become due, and (2) the Escrow Agent shall have received the unqualified written legal opinion of nationally recognized bond counsel or tax counsel acceptable to the College and the Escrow Agent to the effect that (a) such transaction will not cause any of the Redeemed Bonds to be an “arbitrage bond” within the meaning of the Code and (b) that such transaction complies with the Constitution and laws of the State of Texas and with all relevant documents relating to the issuance of the Redeemed Bonds.

Section 4.4 Arbitrage.

The College hereby covenants and agrees that it shall never request the Escrow Agent to exercise any power hereunder or permit any part of the money in the Escrow Fund or proceeds from the sale of Escrowed Securities to be used directly or indirectly to acquire any securities or obligations if the exercise of such power or the acquisition of such securities or obligations would cause any Defeased Bond to be an “arbitrage bond” within the meaning of the Code.

ARTICLE FIVE  
RECORDS AND REPORTS

Section 5.1 Records.

The Escrow Agent shall keep books of record and account in which complete and correct entries shall be made of all transactions relating to the receipt, disbursement, allocation and application of the money and Escrowed Securities deposited to the Escrow Fund and all proceeds thereof, and such books shall be available for inspection at reasonable hours and under reasonable conditions by the College and the holders of the Redeemed Bonds.

Section 5.2 Reports.

For the period beginning on the Escrow Funding Date and ending on December 31, 2021, and for each twelve (12) month period thereafter while this Agreement remains in effect, the Escrow Agent shall prepare and send to the College within thirty (30) days following the end of such period a written report summarizing all transactions relating to the Escrow Fund during such period, including, without limitation, credits to the Escrow Fund as a result of interest payments on or maturities of the Escrowed Securities and transfers from the Escrow Fund to the Paying Agent for the Redeemed Bonds or otherwise, together with a detailed statement of all Escrowed Securities and the cash balance on deposit in the Escrow Fund as of the end, of such period.

ARTICLE SIX  
CONCERNING THE ESCROW AGENT

Section 6.1 Representations of Escrow Agent.

Zions Bancorporation, National Association, Amegy Bank Division, Houston, Texas, hereby represents (a) that it is either a (i) Paying Agent for the Redeemed Bonds or (ii) trust company or commercial bank that does not act as a depository for the College and (b) that it has all necessary power and authority to enter into this Escrow Agreement and undertake the obligations and responsibilities imposed upon it herein and that it will carry out all of its obligations hereunder. The Escrow Agent also serves as the Paying Agent for the Redeemed Bonds, and hereby represents that it has received a copy of the notice of redemption with respect to the Redeemed Bonds and agrees that it has sent or will send a copy of such notice of redemption in accordance with the provisions of the ordinance which authorized the issuance of the Redeemed Bonds.

Section 6.2 Limitation on Liability.

The liability of the Escrow Agent to transfer funds to the Paying Agent for the Redeemed Bonds for the payments of the principal of, redemption premium, if any, and interest on the Redeemed Bonds shall be limited to the proceeds of the Escrowed Securities and the cash balances from time to time on deposit in the Escrow Fund. Notwithstanding any provision contained herein to the contrary, the Escrow Agent shall have no liability whatsoever for the insufficiency of funds from time to time in the Escrow Fund or any failure of the obligor of the Escrowed Securities to make timely payment thereon, except for its obligation to notify the College promptly of any such occurrence.

The recitals herein and in the proceedings authorizing the Redeemed Bonds shall be taken as the statements of the College and shall not be considered as made by, or imposing any obligation or liability upon, the Escrow Agent. The Escrow Agent is not a party to the Redeemed Bond Orders and in its capacity as Escrow Agent is not responsible for or bound by any of the provisions thereof. In its capacity as Escrow Agent, it is agreed that the Escrow Agent need look only to the terms and provisions of this Escrow Agreement.

The Escrow Agent makes no representation as to the value, condition or sufficiency of the Escrow Fund, or any part thereof, or as to the title of the College thereto, or as to the security afforded thereby or hereby, and the Escrow Agent shall incur no liability or responsibility with respect to any of such matters.

It is the intention of the College and the Escrow Agent that the Escrow Agent shall never be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

The Escrow Agent shall not be liable for the performance of any duties, except such duties as are specifically set forth in this Escrow Agreement, and no implied covenants or obligations shall be read into this Escrow Agreement. Nothing herein contained shall relieve the Escrow Agent from liability for its own negligent action, negligent failure to act or willful misconduct, except that this sentence shall not be construed to limit the effect of the immediately preceding sentence. The Escrow Agent shall not incur any liability for any error of judgment made in good faith by a responsible officer thereof, unless it shall be proved that it was negligent in ascertaining the pertinent facts. The Escrow Agent shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties. The Escrow Agent may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith and in accordance therewith. The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct on the part of any agent, attorney, custodian or nominee so appointed.

Unless it is specifically provided otherwise herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the College with respect to arrangements or contracts

with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Fund and to dispose of and deliver the same in accordance with this Escrow Agreement. If, however, the Escrow Agent is called upon by the terms of this Escrow Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, only to exercise reasonable care and diligence, and in the event of error in making such determination the Escrow Agent shall be liable only for its own negligence or willful misconduct. In determining the occurrence of any such event or contingency the Escrow Agent may request from the College or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may make inquiries of, and consult with, the College, among others, at any time.

The Escrow Agent shall not be liable for any action taken or neglected to be taken by it in good faith in the exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Escrow Agreement, nor shall the Escrow Agent be responsible for the consequences of any error of judgment; nor shall the Escrow Agent be answerable, except for its own neglect or fault, for any loss unless the same shall have been through its negligence or willful misconduct.

In the absence of bad faith, the Escrow Agent may rely conclusively upon the truth, completeness and accuracy of the statements, certificates, opinions, resolutions and other documents conforming to the requirements of this Escrow Agreement, and shall not be obligated to make any independent investigation with respect thereto.

To the full extent permitted by law, the College agrees to indemnify, defend and hold the Escrow Agent harmless from and against any and all loss, damage, tax, liability and expense that may be incurred by the Escrow Agent arising out of or in connection with its acceptance or appointment as Escrow Agent hereunder, including attorneys' fees and expenses of defending itself against any claim or liability in connection with, its performance hereunder except that the Escrow Agent shall not be indemnified for any loss, damage, tax, liability, or expense resulting from its own negligence or willful misconduct. The foregoing indemnification shall survive the termination of this Escrow Agreement or the resignation or removal of the Escrow Agent for any reason.

### Section 6.3 Compensation.

On the Escrow Funding Date, the College will pay Zions Bancorporation, National Association, Amegy Bank Division, Houston, Texas, for performing its services as Escrow Agent hereunder and for all expenses incurred or to be incurred by the Escrow Agent in the administration of this Escrow Agreement, the fees set out in Exhibit A. If the Escrow Agent is requested to perform any extraordinary services hereunder, the College hereby agrees to pay reasonable fees to the Escrow Agent for such extraordinary services and to reimburse the Escrow Agent for all expenses incurred by the Escrow Agent in performing such extraordinary services. It is expressly provided that the Escrow Agent shall look only to the College for the payment of such additional fees and reimbursement of such additional expenses. The Escrow Agent hereby agrees that in no event shall it ever assert any claim or lien against the Escrow Fund for any fees for its services, whether regular, additional or extraordinary, as Escrow Agent, or in any other capacity, or for reimbursement for any of its expenses.

The Escrow Agent, in its capacity as the Paying Agent for the Redeemed Bonds, agrees to continue to act as paying agent for the Redeemed Bonds for the life of such bonds, under the fee schedule currently in effect for such bonds, with the remedy for nonpayment being solely an action against the College for amounts owing under the Paying Agent Agreement. The fees will continue to be paid by the College, and in no instance will the proceeds of the Escrow Fund be used to pay the fees of the Paying Agent for the Redeemed Bonds.

#### Section 6.4 Successor Escrow Agents.

If at any time the Escrow Agent or its legal successor or successors should become unable, through operation of law or otherwise, to act as escrow agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, a vacancy shall forthwith exist in the office of Escrow Agent hereunder. In such event the College, by appropriate action, shall promptly appoint a successor Escrow Agent to fill such vacancy. If no successor Escrow Agent shall have been appointed by the College within sixty (60) days of such vacancy, a successor may be appointed by the holders of a majority in aggregate principal amount of the Redeemed Bonds then outstanding by an instrument or instruments in writing filed with the College, signed by such holders or by their duly authorized attorneys. If, in a proper case, no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this section within three months after a vacancy shall have occurred, the holder of any Redeemed Bond then outstanding may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Escrow Agent.

Any successor Escrow Agent shall be qualified to act in such capacity under Chapter 1207, Texas Government Code, as amended, and shall be a corporation organized and doing business under the laws of the United States or the State of Texas, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$50,000,000 and subject to supervision or examination by federal or state authority.

Any successor Escrow Agent shall execute, acknowledge and deliver to the College and the Escrow Agent an instrument accepting such appointment hereunder, and the Escrow Agent shall execute and deliver an instrument transferring to such successor Escrow Agent, subject to the terms of this Agreement, all the rights, powers and trusts of the Escrow Agent hereunder. Upon the request of any such successor Escrow Agent, the College shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Agent all such rights, powers and duties. The Escrow Agent shall pay over to its successor Escrow Agent a proportional part of the Escrow Agent's fee paid hereunder.

The Escrow Agent at the time acting hereunder may at any time resign and be discharged from the escrow hereby created by giving not less than sixty (60) days' written notice to the College specifying the date when such resignation will take effect. No such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the holders of the Redeemed Bonds or by the College as herein provided and such successor Escrow Agent shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent. If an instrument of

acceptance by a successor Escrow Agent shall not have been delivered to the Escrow Agent within 60 days after the giving of such notice of resignation, the resigning Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor Escrow Agent.

The Escrow Agent may be removed at any time with thirty (30) days' prior notice by an instrument or concurrent instruments in writing delivered to the Escrow Agent and to the College and signed by the holders of a majority in aggregate principal amount of the Redeemed Bonds then outstanding.

ARTICLE SEVEN  
MISCELLANEOUS

Section 7.1    Notices.

Any notice, authorization, request or demand required or permitted to be given hereunder shall be made or given in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid, addressed as follows:

To the Escrow Agent:

Zions Corporation, National Association, Amegy Bank Division  
1801 Main Street, Suite 1190  
Houston, Texas 77002  
Attention: Trust Services

To the College:

College of the Mainland  
1200 Amburn Rd.  
Texas City, Texas 77591  
Attention: Accounting Manager

The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery. Either party hereto may change the address to which notices are to be delivered by giving to the other party not less than ten (10) days' prior written notice thereof.

Section 7.2    Termination of Responsibilities.

Upon the taking by the Escrow Agent of all the actions as described herein, the Escrow Agent shall have no further obligations or responsibilities hereunder to the College, the holders of the Redeemed Bonds or to any other person or persons in connection with this. Escrow Agreement.

Section 7.3    Binding Agreement; Amendment.

This Escrow Agreement shall be binding upon the College and the Escrow Agent and their respective successors and legal representatives and shall inure solely to the benefit of the holders of the Redeemed Bonds, the College, the Escrow Agent and their respective successors and legal representatives. This Escrow Agreement shall not be subject to amendment without the written consent of the holders of all Redeemed Bonds then outstanding.

Section 7.4 Severability.

If any one or more of the provisions contained in this Escrow Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Escrow Agreement, but this Escrow Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 7.5 Governing Law.

This Escrow Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Texas.

Section 7.6 Time of Essence.

Time shall be of the essence in the performance of obligations from time to time imposed upon the Escrow Agent by this Escrow Agreement.

Section 7.7 Legislative Contracting Requirements.

A. The undersigned verifies that, pursuant to Chapter 2270, Texas Government Code, and solely for purposes relating to Chapter 2270, Texas Government Code, it does not boycott Israel and agrees it will not boycott Israel during the term of this Escrow Agreement. Additionally, pursuant to Subchapter F of Chapter 2252, Texas Government Code, the undersigned certifies that it is not a company that contracts with or provides supplies or services to a foreign terrorist organization, as defined by Section 2252.151(2), Texas Government Code, and has not been identified as a company known to have contracts with or provide supplies or services to a foreign terrorist organization as identified on a list prepared and maintained by the Comptroller of Public Accounts under Sections 2270.0201 or 2252.153, Texas Government Code. At the request of the College, the undersigned agrees to execute further written certifications as may be necessary or convenient for College to establish compliance with these laws.

*[Execution Page Follows]*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

COLLEGE OF THE MAINLAND

By: \_\_\_\_\_  
Chair, Board of Trustees

Address: 1200 Amburn Rd.  
Texas City, Texas 77591

ATTEST:

By: \_\_\_\_\_  
Secretary, Board of Trustees

ZIONS BANCORPORATION, NATIONAL  
ASSOCIATION, AMEGY BANK DIVISION, as  
Escrow Agent

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Address: As listed in Section 7.1 hereof

ATTEST:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Exhibit A**  
**Fee Schedule**

## Exhibit B

### Schedule of Redeemed Bonds

Certain mandatory sinking fund payments of the August 15, 2049 maturity of “College of the Mainland Limited Tax General Obligation Bonds, Series 2019,” dated March 1, 2019 (the “Bonds”), bearing interest, and subject to mandatory sinking fund payments as follows:

<u>Sinking Fund Maturity Date</u>	<u>Outstanding Sinking Fund Payment Amount (\$)</u>	<u>Amount Being Redeemed (\$)</u> <sup>3</sup>	<u>Interest Rate (%)</u>	<u>CUSIP (19427P)</u>
2048	1,825,000	115,000	5.00%	DG 1
2049	885,000	885,000	5.00%	DG 1

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<sup>3</sup> Complete as appropriate based on final Officer determinations.



PRESIDENT'S OFFICE

**MINUTE ORDER**

To: Board of Trustees  
From: Dr. Warren Nichols  
Date: September 17, 2020  
Subject: Adoption of Tax Rate for 2022; Presented for recommended approval to the Board of Trustees on August 23, 2021

**AGENDA ITEM DESCRIPTION:**

Discussion and possible action to adopt a Tax Rate for 2022.

**FUNDING SOURCE AND NOT-TO-EXCEED AMOUNT:**

Not applicable because this is a revenue line item.

**PURPOSE:**

Per policy CAI (legal), state law requires the Board of Trustees to set a property tax rate each year. The purpose is to set a maintenance on operations tax rate that provides the college with enough revenues to fund the 2021-22 approved budget.

**SUGGESTED MOTION:**

**"I move the Board of Trustees adopt a maintenance on operations tax rate of .16530/100 ( and an interest and sinking rate of .1024/100 for a total rate of .26770/100 for the 2022 tax year."**

**BACKGROUND:**

The tax rate is calculated by the Galveston County Assessor using the Truth in Taxation form. The proposed rate presented for adoption is .16530/100 (0.0016530) of property value for maintenance and operations and .1024/\$100.00 (0.0001024) for interest and sinking for a total rate of 0.246770/\$100 (.0026770). A tax notice was published in the Galveston Daily News in August 2021.

**ATTACHMENTS:**

1. NOTICE OF PUBLIC HEARING ON TAX INCREASE
2. PROPOSED AD VALOREM TAXES FOR 2022

Advertisement for the Galveston Daily News

The following information was provided by the Tax Assessor Collector for Galveston County regarding the 2020 property tax rates for Galveston College. Last year's tax rate is the actual rate the taxing unit used to determine property taxes last year. This year's "no-new-revenue" (formerly effective) tax rate (NNRTR) would impose the same total taxes as last year if one compares properties taxed in both years. This year's voter-approval (formerly rollback) rate (VAR) is the highest tax rate the taxing unit can set before starting tax rollback procedures. In each case, these rates are found by dividing the total amount of taxes by the tax base (the total value of taxable property) with adjustments as required by state law. The rates are given per \$ 100 of property value.

Last year's tax rate	\$0.212755/\$ 100
This year's NNRTR	\$0.186771/\$ 100
This year's VAR	\$0.25421/\$ 100

In addition, the 2021 tax year is the first year the College of the Mainland will begin collecting taxes for the bonds sold in 2019. The rate required to service the 2021 debt payments of \$5,403,650 including \$1,175,000 in defeasance is:

2020 Debt Rate	0.055192/\$ 100.
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**College of the Mainland  
2020-21 Budget  
Proposed ad Valorem Taxes Calendar Year 2021**

<b>Maintenance and Operations (M&amp;O)</b>	<b>No-New-Revenue Tax Rate</b>	<b>Current Rate (As of 01/01/2019)</b>
Certified adjusted taxable value	11,464,037,041	9,567,785,352
Tax rate / 100	0.186771	0.212755
College Revenues	21,411,497	20,355,942
Sample home value	200,000	200,000
Less 20% exemption	(40,000)	(40,000)
Taxable value	160,000	160,000
ad Valorem tax	298.83	340.41

<b>Interest and Sinking (I&amp;S)</b>	<b>I&amp;S Rate</b>	<b>Current Rate (As of 01/01/2019)</b>
Certified adjusted taxable value	11,756,157,565	-
Tax rate / 100	0.055192	0
College Revenues	6,488,458	-
Sample home value	200,000	200,000
Less 20% exemption	(40,000)	(40,000)
Taxable value	160,000	160,000
Interest and sinking tax	88.31	-
Total tax on \$200,000 home	387.14	
Amount for defeasance	1,000,000	
Total 2021 Tax Rate:	<b>0.241963</b>	

19.8% increase in certified values.

12% drop in \$200,000 home tax amount (M&O).

Only \$46.73 increase in \$200,000 home tax amount (M&O and I&S).

Total .0234 increase tax on \$200,000 home for both (M&O and I&S).

# 2020 Tax Rate Calculation Worksheet

## Taxing Units Other Than School Districts or Water Districts

Date: 08/03/2020 05:09 PM

College of the Mainland

409-933-8261

Taxing Unit Name

Phone (area code and number)

1200 Amburn Road, Texas City, TX, 77591

www.com.edu

Taxing Unit Address, City, State, ZIP Code

Taxing Unit's Website Address

**GENERAL INFORMATION:** Tax Code Section 26.04(c) requires an officer or employee designated by the governing body to calculate the no-new-revenue (NNR) tax rate and voter-approval tax rate for the taxing unit. These tax rates are expressed in dollars per \$100 of taxable value calculated. The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll and the estimated values of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submits the rates to the governing body by Aug. 7 or as soon thereafter as practicable.

School districts do not use this form, but instead use Comptroller For 50-859 *Tax Rate Calculation Worksheet, School District without Chapter 313 Agreements* or Comptroller Form 50-884 *Tax Rate Calculation Worksheet, School District with Chapter 313 Agreements*.

Water districts as defined under Water Code Section 49.001(1) do use this form but instead use Comptroller Form 50-858 *Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts* or Comptroller Form 50-860 *Developed water District Voter-Approval Tax Rate Worksheet*.

The Comptroller's office provides this worksheet to assist taxing units in determining tax rates. The information provided in this worksheet is offered as technical assistance and not legal advice. Taxing units should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

### STEP 1: No-New-Revenue Tax Rate

The NNR tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of taxes (no new taxes) if applied to the same properties that are taxed in both years. When appraisal values increase, the NNR tax rate should decrease.

The NNR tax rate for a county is the sum of the NNR tax rates calculated for each type of tax the county levies.

While uncommon, it is possible for a taxing unit to provide an exemption for only maintenance and operations taxes. In this case, the taxing unit will need to calculate the NNR tax rate separately for the maintenance and operations tax and the debt tax, then add the two components together.

Line	No-New-Revenue Rate Activity	Amount/Rate
1.	<b>2019 total taxable value.</b> Enter the amount of 2019 taxable value on the 2019 tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-fourth and one-third over-appraisal corrections from these adjustments. Exclude any property value subject to an appeal under Chapter 42 as of July 25 (will add undisputed value in Line 6). This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (will deduct taxes in Line 17).[1]	\$12,024,061,227
2.	<b>2019 tax ceilings.</b> Counties, cities and junior college districts. Enter 2019 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in 2019 or a prior year for homeowners age 65 or older or disabled, use this step.[2]	\$1,193,438,959
3.	<b>Preliminary 2019 adjusted taxable value.</b> Subtract Line 2 from Line 1.	\$10,830,622,268
4.	<b>2019 total adopted tax rate.</b>	\$.204254
5.	<b>2019 taxable value lost because court appeals of ARB decisions reduced 2019 appraised value.</b>	
	<b>A. Original 2019 ARB values:</b>	\$18,603,950
	<b>B. 2019 values resulting from final court decisions:</b>	\$17,383,469
	<b>C. 2019 value loss.</b> Subtract B from A.[3]	\$1,220,481

Line	No-New-Revenue Rate Activity	Amount/Rate
6.	<b>2019 taxable value subject to an appeal under Chapter 42, as of July 25.</b>	
	<b>A. 2019 ARB certified value:</b>	0
	<b>B. 2019 disputed value:</b>	0
	<b>C. 2019 undisputed value</b> Subtract B from A.[4]	0
7.	<b>2019 Chapter 42-related adjusted values.</b> Add Line 5 and 6	1,220,481
8.	<b>2019 taxable value, adjusted for court-ordered reductions.</b> Add Line 3 and Line 7	\$10,831,842,749
9.	<b>2019 taxable value of property in territory the taxing unit deannexed after Jan. 1, 2019.</b> Enter the 2019 value of property in deannexed territory.[5]	\$0
10.	<b>2019 taxable value lost because property first qualified for an exemption in 2020.</b> If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport, goods-in-transit, temporary disaster exemptions. Note that lowering the amount or percentage of an existing exemption in 2020 does not create a new exemption or reduce taxable value.	
	<b>A. Absolute exemptions.</b> Use 2019 market value:	\$2,666,790
	<b>B. Partial exemptions.</b> 2020 exemption amount or 2020 percentage exemption times 2019 value:	\$95,250,718
	<b>C. Value loss.</b> Add A and B.[6]	\$97,917,508
11.	<b>2019 taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in 2020.</b> Use only properties that qualified in 2020 for the first time; do not use properties that qualified in 2019.	
	<b>A. 2019 market value:</b>	\$1,828,460
	<b>B. 2020 productivity or special appraised value:</b>	\$14,700
	<b>C. Value loss.</b> Subtract B from A.[7]	\$1,813,760
12.	<b>Total adjustments for lost value.</b> Add Lines 9, 10C and 11C.	\$99,731,268
13.	<b>Adjusted 2019 taxable value.</b> Subtract Line 12 from Line 8	\$10,732,111,481
14.	<b>Adjusted 2019 total levy.</b> Multiply Line 4 by Line 13 and divide by \$100	\$21,920,766
15.	<b>Taxes refunded for years preceding tax year 2019.</b> Enter the amount of taxes refunded by the district for tax years preceding tax year 2019. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2019. This line applies only to tax years preceding tax year 2019.[8]	\$63,772
16.	<b>Taxes in tax increment financing (TIF) for tax year 2019</b> Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no 2020 captured appraised value in Line 18D, enter 0.[9]	\$573,005
17.	<b>Adjusted 2019 levy with refunds and TIF adjustment.</b> Add Lines 14, and 15, subtract Line 16.[10]	\$21,411,533
18.	<b>Total 2020 taxable value on the 2020 certified appraisal roll today.</b> This value includes only certified values or certified estimate of values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 20). These homesteads include homeowners age 65 or older or disabled.[11]	
	<b>A. Certified values:</b>	\$12,753,734,577
	<b>B. Counties:</b> Include railroad rolling stock values certified by the Comptroller's office.	\$0
	<b>C. Pollution control and energy storage system exemption:</b> Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property	\$0
	<b>D. Tax increment financing:</b> Deduct the 2020 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the	\$339,102,774

Line	No-New-Revenue Rate Activity	Amount/Rate
	2020 taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 23 below.[12]	
	<b>E. Total 2020 value</b> Add A and B, then subtract C and D	\$12,414,631,803
<b>19.</b>	<b>Total value of properties under protest or not included on certified appraisal roll.[13]</b>	
	<b>A. 2020 taxable value of properties under protest</b> The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value under protest.[14]	\$692,434,008
	<b>B. 2020 value of properties not under protest or included on certified appraisal roll.</b> The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about but are not included in the appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value of property not on the certified roll.[15]	\$0
	<b>C. Total value under protest or not certified.</b> Add A and B.	\$692,434,008
<b>20.</b>	<b>2020 tax ceilings.</b> Counties, cities and junior colleges enter 2020 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in 2019 or a prior year for homeowners age 65 or older or disabled, use this step.[16]	\$1,350,908,246
<b>21.</b>	<b>2020 total taxable value.</b> Add Lines 18E and 19C. Subtract Line 20C.[17]	\$11,756,157,565
<b>22.</b>	<b>Total 2020 taxable value of properties in territory annexed after Jan. 1, 2019.</b> Include both real and personal property. Enter the 2020 value of property in territory annexed.[18]	\$0
<b>23.</b>	<b>Total 2020 taxable value of new improvements and new personal property located in new improvements.</b> New means the item was not on the appraisal roll in 2019. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after Jan. 1, 2019 and be located in a new improvement. New improvements <b>do</b> include property on which a tax abatement agreement has expired for 2020.[19]	\$292,120,524
<b>24.</b>	<b>Total adjustments to the 2020 taxable value.</b> Add Lines 22 and 23.	\$292,120,524
<b>25.</b>	<b>Adjusted 2020 taxable value.</b> Subtract Line 24 from Line 21.	\$11,464,037,041
<b>26.</b>	<b>2020 NNR tax rate.</b> Divide Line 17 by Line 25 and multiply by \$100.[20]	\$.186771 /\$100
<b>27.</b>	<b>COUNTIES ONLY.</b> Add together the NNR tax rates for each type of tax the county levies. The total is the 2020 county NNR tax rate.[21]	

- [1]Tex. Tax Code Section
- [3]Tex. Tax Code Section
- [5]Tex. Tax Code Section
- [7]Tex. Tax Code Section
- [9]Tex. Tax Code Section
- [11]Tex. Tax Code Section
- [13]Tex. Tax Code Section
- [15]Tex. Tax Code Section
- [17]Tex. Tax Code Section
- [19]Tex. Tax Code Section
- [21]Tex. Tax Code Section

- [2]Tex. Tax Code Section
- [4]Tex. Tax Code Section
- [6]Tex. Tax Code Section
- [8]Tex. Tax Code Section
- [10]Tex. Tax Code Section
- [12]Tex. Tax Code Section
- [14]Tex. Tax Code Section
- [16]Tex. Tax Code Section
- [18]Tex. Tax Code Section
- [20]Tex. Tax Code Section

## STEP 2: Voter-Approval Tax Rate

The voter-approval tax rate is the highest tax rate that a taxing unit may adopt without holding an election to seek voter approval of the rate. The voter-approval tax rate is split into two separate rates:

**1. Maintenance and Operations (M&O) Tax Rate:** The M&O portion is the tax rate that is needed to raise the same amount of taxes that the taxing unit levied in the prior year plus the applicable percentage allowed by law. This rate accounts for such things as salaries, utilities and day-to-day operations.

**2. Debt Rate:** The debt rate includes the debt service necessary to pay the taxing unit's debt payments in the coming year. This rate accounts for principal and interest on bonds and other debt secured by property tax revenue.

The voter-approval tax rate for a county is the sum of the voter-approval tax rates calculated for each type of tax the county levies. In most cases the voter-approval tax rate exceeds the no-new-revenue tax rate, but occasionally decreases in a taxing unit's debt service will cause the NNR tax rate to be higher than the voter-approval tax rate.

Line	Voter Approval Tax Rate Activity	Amount/Rat
28.	<b>2019 M&amp;O tax rate.</b> Enter the 2019 M&O tax rate.	\$ .204254
29.	<b>2019 taxable value, adjusted for actual and potential court-ordered adjustments.</b> Enter the amount in Line 8 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	10,831,842,749
30.	<b>Total 2019 M&amp;O levy.</b> Multiply Line 28 by Line 29 and divide by 100.	22,124,472
31.	<b>Adjusted 2019 levy for calculating NNR M&amp;O rate.</b>	
	<b>A. 2019 sales tax specifically to reduce property taxes.</b> For cities, counties and hospital districts, enter the amount of additional sales tax collected and spent on M&O expenses in 2019, if any. Other taxing units, enter 0. Counties must exclude any amount that was spent for economic development grants from the amount of sales tax spent.	0
	<b>B. M&amp;O taxes refunded for years preceding tax year 2019.</b> Enter the amount of M&O taxes refunded in the preceding year for taxes before that year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2019. This line applies only to tax years preceding tax year 2019.	63,772
	<b>C. 2019 taxes in TIF:</b> Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no 2020 captured appraised value in Line 18D, enter 0.	573,005
	<b>D. 2019 transferred function:</b> If discontinuing all of a department, function or activity and transferring it to another taxing unit by written contract, enter the amount spent by the taxing unit discontinuing the function in the 12 months preceding the month of this calculation. If the taxing unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the taxing unit operated the function. The taxing unit discontinuing the function will subtract this amount in E below. The taxing unit receiving the function will add this amount in E below. Other taxing units enter 0.	0
	<b>E. 2019 M&amp;O levy adjustments.</b> Add A and B, then subtract C. For taxing unit with D, subtract if discontinuing function and add if receiving function	-509,233
	<b>F. Add Line 30 to 31E.</b>	22,124,472
32.	<b>Adjusted 2020 taxable value.</b> Enter the amount in Line 25 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	11,464,037,041
33.	<b>2020 NNR M&amp;O rate (unadjusted)</b> Divide Line 31F by Line 32 and multiply by \$100.	0.192990
34.	<b>Rate adjustment for state criminal justice mandate. [23]</b>	
	<b>A. 2020 state criminal justice mandate.</b> Enter the amount spent by a county in the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose.	0
	<b>B. 2019 state criminal justice mandate</b> Enter the amount spent by a county in the 12 months prior to the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. Enter zero if this is the first time the mandate applies	0

Line	Voter Approval Tax Rate Activity	Amount/Rate
	C. Subtract B from A and divide by Line 32 and multiply by \$100	0.000000
	D. Enter the rate calculated in C. If not applicable, enter 0.	0.000000
<b>35.</b>	<b>Rate adjustment for indigent health care expenditures[24]</b>	
	<b>A. 2020 indigent health care expenditures</b> Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2019 and ending on June 30, 2020, less any state assistance received for the same purpose	0
	<b>B. 2019 indigent health care expenditures</b> Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2018 and ending on June 30, 2019, less any state assistance received for the same purpose	0
	C. Subtract B from A and divide by Line 32 and multiply by \$100	0.000000
	D. Enter the rate calculated in C. If not applicable, enter 0.	0.000000
<b>36.</b>	<b>Rate adjustment for county indigent defense compensation.[25]</b>	
	<b>A. 2020 indigent defense compensation expenditures.</b> Enter the amount paid by a county to provide appointed counsel for indigent individuals for the period beginning on July 1, 2019 and ending on June 30, 2020, less any state grants received by the county for the same purpose	0
	<b>B. 2019 indigent defense compensation expenditures.</b> Enter the amount paid by a county to provide appointed counsel for indigent individuals for the period beginning on July 1, 2018 and ending on June 30, 2019, less any state grants received by the county for the same purpose	0
	C. Subtract B from A and divide by Line 32 and multiply by \$100	0.000000
	D. Multiply B by 0.05 and divide by Line 32 and multiply by \$100.	0.000000
	E. Enter the lessor of C and D. If not applicable, enter 0.	0.000000
<b>37.</b>	<b>Rate adjustment for county hospital expenditures.</b>	
	<b>A. 2020 eligible county hospital expenditures</b> Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2019 and ending on June 30, 2020	0
	<b>B. 2019 eligible county hospital expenditures</b> Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2018 and ending on June 30, 2019	0
	C. Subtract B from A and divide by Line 32 and multiply by \$100	0.000000
	D. Multiply B by 0.08 and divide by Line 32 and multiply by \$100	0.000000
	E. Enter the lessor of C and D, if applicable. If not applicable, enter 0.	0.000000
<b>38.</b>	<b>Adjusted 2020 NNR M&amp;O rate.</b> Add Lines 33, 34D, 35D, 36E, and 37E.	0.192990
<b>39.</b>	<b>2020 voter-approval M&amp;O rate.</b> Enter the rate as calculated by the appropriate scenario below. <b>Special Taxing Unit</b> If the taxing unit qualifies as a special taxing unit, multiply Line 38 by 1.08 <b>-or-</b> <b>Other Taxing Unit</b> If the taxing unit does not qualify as a special taxing unit, multiply Line 38 by 1.035. <b>-or-</b> <b>Taxing unit affected by disaster declaration</b> If the taxing unit is located in an area declared as disaster area, the governing body may direct the person calculating the voter-approval rate to calculate in the manner provided for a special taxing unit. The taxing unit shall continue to calculate the voter-approval rate in this manner until the earlier of 1) the second year in which total taxable value on the certified appraisal roll exceeds the total taxable value of the tax year in which the disaster occurred, and 2) the third tax year after the tax year in which the disaster occurred. If the taxing unit qualifies under this scenario, multiply Line 38 by 1.08. [27]	0.000000

Line	Voter Approval Tax Rate Activity	Amount/Rate
40.	<b>Total 2020 debt to be paid with property taxes and additional sales tax revenue.</b> Debt means the interest and principal that will be paid on debts that: (1) are paid by property taxes, (2) are secured by property taxes, (3) are scheduled for payment over a period longer than one year, and (4) are not classified in the taxing unit's budget as M&O expenses.	
	<b>A. Debt</b> also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. Enter debt amount	6,628,650
	<b>B. Subtract unencumbered fund amount</b> used to reduce total debt.	0
	<b>C. Subtract certified amount spent from sales tax to reduce debt</b> (enter zero if none)	0
	<b>D. Subtract amount paid</b> from other resources	0
	<b>E. Adjusted debt</b> Subtract B, C and D from A	6,628,650
41.	<b>Certified 2019 excess debt collections</b> Enter the amount certified by the collector.	0
42.	<b>Adjusted 2020 debt</b> Subtract Line 41 from Line 40E	6,628,650
43.	<b>2020 anticipated collection rate.</b>	
	<b>A.</b> Enter the 2020 anticipated collection rate certified by the collector	100.00
	<b>B.</b> Enter the 2019 actual collection rate	102.43
	<b>C.</b> Enter the 2018 actual collection rate	102.16
	<b>D.</b> Enter the 2017 actual collection rate	104.60
	<b>E.</b> If the anticipated collection rate in A is lower than actual collection rates in B, C and D, enter the lowest collection rate from B, C and D. If the anticipated rate in A is higher than at least one of the rates in the prior three years, enter the rate from A. Note that the rate can be greater than 100%.	102.16
44.	<b>2020 debt adjusted for collections.</b> Divide Line 42 by Line 43E.	6,488,498
45.	<b>2020 total taxable value.</b> Enter the amount on Line 21 of the No-New-Revenue Tax Rate Worksheet.	11,756,157,565
46.	<b>2020 debt rate</b> Divide Line 44 by Line 45 and multiply by \$100.	0.055192
47.	<b>2020 voter-approval tax rate.</b> Add Line 39 and 46.	0.263621
48.	<b>COUNTIES ONLY.</b> Add together the voter-approval tax rate for each type of tax the county levies. The total is the 2020 county voter-approval tax rate.	
STEP 3 NNR Tax Rate and Voter-Approval Tax Rate Adjustments for Additional Sales Tax to Reduce Property Taxes		

Cities, counties and hospital districts may levy a sales tax specifically to reduce property taxes. Local voters by election must approve imposing or abolishing the additional sales tax. If approved, the taxing unit must reduce its NNR and voter-approval tax rates to offset the expected sales tax revenue.

This section should only be completed by a county, city or hospital district that is required to adjust its NNR tax rate and/or voter-approval tax rate because it adopted the additional sales tax.

Line	Additional Sales and Use Tax Worksheet	Amount/Rate
49.	<b>Taxable sales.</b> For taxing units that adopted the sales tax in November 2019 or May 2020, enter the Comptroller's estimate of taxable sales for the previous four quarters [32]. Estimates of taxable sales may be obtained through the Comptroller's Allocation Historical Summary webpage. Taxing units that adopted the sales tax before November 2019, skip this line.	0
50.	<b>Estimated sales tax revenue.</b> Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue.[33] <b>Taxing units that adopted the sales tax in November 2019 or in May 2020.</b> Multiply the amount on Line 49 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95 [34] -or- <b>Taxing units that adopted the sales tax before November 2019.</b> Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.	0

Line	Additional Sales and Use Tax Worksheet	Amount/Rate
51.	<b>2020 total taxable value.</b> Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	11,756,157,565
52.	<b>Sales tax adjustment rate.</b> Divide Line 50 by Line 51 and multiply by \$100.	0.000000
53.	<b>2020 NNR tax rate, unadjusted for sales tax</b> [35]. Enter the rate from Line 26 or 27, as applicable, on the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$.186771
54.	<b>2020 NNR tax rate, adjusted for sales tax.</b> <b>Taxing units that adopted the sales tax in November 2019 or in May 2020.</b> Subtract Line 52 from Line 53. Skip to Line 55 if you adopted the additional sales tax before November 2019.	\$.186771
55.	<b>2020 voter-approval tax rate, unadjusted for sales tax.</b> [36] Enter the rate from Line 47 or Line 48 as applicable, of the <i>Voter-Approval Tax Rate Worksheet</i>	0.263621
56.	<b>2020 voter-approval tax rate, adjusted for sales tax.</b> Subtract Line 52 from Line 55.	0.263621

[37]Tex. Tax Code Section [38]Tex. Tax Code Section

#### STEP 4: Additional Rollback Protection for Pollution Control

A taxing unit may raise its rate for M&O funds used to pay for a facility, device or method for the control of air, water or land pollution. This includes any land, structure, building, installation, excavation, machinery, equipment or device that is used, constructed, acquired or installed wholly or partly to meet or exceed pollution control requirements. The taxing unit's expenses are those necessary to meet the requirements of a permit issued by the Texas Commission on Environmental Quality (TCEQ). The taxing unit must provide the tax assessor with a copy of the TCEQ letter of determination that states the portion of the cost of the installation for pollution control.

This section should only be completed by a taxing unit that uses M&O Funds to pay for a facility, device or method for the control of air, water or land pollution.

This section should only be completed by a taxing unit that uses M&O funds to pay for a facility, device or method for the control of air, water or land pollution.

Line	Activity	Amount/Rate
57.	<b>Certified expenses from the Texas Commission on Environmental Quality (TCEQ).</b> Enter the amount certified in the determination letter from TCEQ [37]. The taxing unit shall provide its tax assessor-collector with a copy of the letter.[38]	\$0
58.	<b>2020 total taxable value.</b> Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$11,756,157,565
59.	<b>Additional rate for pollution control.</b> Divide Line 57 by Line 58 and multiply by \$100.	0.000000
60.	<b>2020 voter-approval tax rate, adjusted for pollution control.</b> Add Line 59 to one of the following lines (as applicable): Line 47, Line 48 (counties) or Line 56 (taxing units with the additional sales tax).	0.253421

[37]Tex. Tax Code Section

[38]Tex. Tax Code Section

**STEP 5: Voter-Approval Tax Rate Adjustment for Unused Increment Rate**

The unused increment rate is the rate equal to the difference between the adopted tax rate and voter-approval tax rate before the unused increment rate for the prior three years [39]. In a year where a special taxing unit adopts a rate above the voter-approval tax rate by applying any portion of the unused increment rate, the unused increment rate for that year would be zero.

For each tax year before 2020, the difference between the adopted tax rate and voter-approval rate is considered zero, therefore the unused increment rate for 2020 is zero.[40]

This section should only be completed by a taxing unit that is a municipality of less than 30,000 or a taxing unit that does not meet the definition of a special taxing unit. [41]

Line	Activity	Amount/Rate
61.	<b>2019 unused increment rate.</b> Subtract the 2019 actual tax rate and the 2019 unused increment rate from the 2019 voter-approval tax rate. If the number is less than zero, enter zero. If the year is prior to 2020, enter zero.	0.000000
62.	<b>2018 unused increment rate.</b> Subtract the 2018 actual tax rate and the 2018 unused increment rate from the 2018 voter-approval tax rate. If the number is less than zero, enter zero. If the year is prior to 2020, enter zero.	0.000000
63.	<b>2017 unused increment rate.</b> Subtract the 2017 actual tax rate and the 2017 unused increment rate from the 2017 voter-approval tax rate. If the number is less than zero, enter zero. If the year is prior to 2020, enter zero.	0.000000
64.	<b>2020 unused increment rate.</b> Add Lines 61, 62 and 63.	0.000000
65.	<b>2020 voter-approval tax rate, adjusted for unused increment rate.</b> Add Line 64 to one of the following lines (as applicable): Line 47, Line 48 (counties), Line 56 (taxing units with the additional sales tax or Line 60 taxing units with pollution control).	

**STEP 6: De Minimis Rate**

The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate, the rate that will raise \$500,000, and the current debt rate for a taxing unit.[42]

This section should only be completed by a taxing unit that is a municipality of less than 30,000 or a taxing unit that does not meet the definition of a special taxing unit. [43]

Line	Activity	Amount/Rate
66.	<b>Adjusted 2020 NNR M&amp;O tax rate.</b> Enter the rate from Line 38 of the <i>Voter-Approval Tax Rate Worksheet</i>	0.000000
67.	<b>2020 total taxable value.</b> Enter the amount on Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i>	0
68.	<b>Rate necessary to impose \$500,000 in taxes.</b> Divide \$500,000 by Line 67 and multiply by \$100.	0.000000
69.	<b>2020 debt rate</b> Enter the rate from Line 46 of the <i>Voter- Approval Tax Rate Worksheet</i>	0.000000
70.	<b>De minimis rate</b> Add Lines 66, 68 and 69.	0.000000

**STEP 7: Total Tax Rate**

Indicate the applicable total tax rates as calculated above.

<b>No-new-revenue tax rate</b>	0.186771
<b>Voter-Approval Tax Rate</b>	0.253421
<b>De minimis rate</b>	0.000000

**STEP 8: Taxing Unit Representative Name and Signature**

print here CHERYL E JOHNSON  
Printed Name of Taxing Unit Representative

sign here   
Taxing Unit Representative

8/3/20  
Date

**RESOLUTION AND ORDER OF THE BOARD OF TRUSTEES  
OF COLLEGE OF THE MAINLAND  
IN GALVESTON COUNTY, TEXAS FOR THE ADOPTION OF THE TAX RATE AND  
LEVYING AD VALOREM TAXES FOR THE YEAR 2021, FOR THE SUPPORT,  
MAINTENANCE, AND DEBT SERVICE OF COLLEGE OF THE MAINLAND**

**WHEREAS**, College of the Mainland has been duly organized in accordance with the laws of the State of Texas; and

**WHEREAS**, it is necessary that ad valorem taxes be levied for the support, maintenance, and debt service of College of the Mainland for the fiscal year 2020-2021 and tax year 2021; and

**WHEREAS**, The Galveston County Tax Assessor using the Truth in Taxation form calculated a maintenance and operations rate of \$0.186771, on each one hundred dollars (\$100) of valuation and an interest and sinking rate of .055192 on each one hundred dollars (\$100) of valuation as required by Section 26.04 of the Tax Code; and

**WHEREAS**, the Board of Trustees of College of the Mainland in Galveston County, Texas, has determined that the amount of money needed by the College District to maintain the same amount of tax revenues for maintenance and operations and an additional amount for interest and sinking, will require a tax levy at the rate of \$0.241963 on each one hundred dollars (\$100) of valuation; and

**WHEREAS**, the Board of Trustees of College of the Mainland has previously adopted and approved a budget for the 2020-21 fiscal year in compliance with state law; and

**WHEREAS**, the Board of Trustees of College of the Mainland has complied with all the procedural requirements for the setting of the 2021 ad valorem tax rate as specified by the Tax Code and Education Code,

**NOW, THEREFORE BE IT ORDAINED AND ORDERED** by the Board of Trustees of COLLEGE OF THE MAINLAND that we do hereby levy or adopt the rate on \$100 evaluation for this community college district for the tax year 2021 as follows:

<u>\$0.186771</u>	for the purpose of maintenance and operation
<u>\$0.055192</u>	for the payment of principal and interest on debt of this college district
<u>\$0.241963</u>	Total tax rate

**BE IT FURTHER ORDERED** that, upon the adoption of this Resolution and Order, the Secretary of the Board of Trustees of College of the Mainland shall certify a copy of this Resolution and Order and forward to both the Assessor and Collector of Taxes.

This Resolution and Order shall take effect from and immediately upon its adoption.

**PASSED, APPROVED AND ADOPTED** THIS 24th day of August, 2020.

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Kyle Dickson  
Board Chairman, Board of Trustees

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Melissa Skipworth  
Secretary, Board of Trustees



## MINUTE ORDER

To: Board of Trustees

From: Warren Nichols, President

Date: September 17, 2021

Subject: Investment Policy, Investment Strategy, and annual appointment of Investment Officers.

Presented for recommended approval to the Board of Trustees on September 27, 2021.

### MINUTE ORDER

**Motion to be acted upon: “I move the Board of Trustees accept the College’s Investment Policy CAK (Legal) and CAK (Local), Investment Strategy and Clen Burton, Vice President for Fiscal Affairs, and Trudy Trochesset, Controller, as the College’s Investment Officers.”**

### PURPOSE

For the Board of Trustees to conduct the annual review and approval of the College’s Investment Policy CAK (Legal) and CAK (Local), Investment Strategy and to approve the Investment Officers.

### BACKGROUND

Currently, the College’s surplus funds are invested in available interest-earning checking accounts of the College’s depository bank, and in TexPool and Logic Investment Services for public funds.

However, in the future, it is our intent to utilize any of the investment instruments that the Board of Trustees approved in Policy CAK (Local).

### ATTACHMENTS

1. Investment Strategy
2. Policy CAK (Legal) and CAK (Local)



## **Investment Strategy**

### **Assessment of Available Cash Balances for Investment**

Operating cash balances are anticipated to remain at a level sufficient to provide for timely payment of expenditures while still earning interest income on the remaining balance. Budget projections for fiscal year 2020-2021 and 2021-2022 indicate surplus cash levels to be invested on a short-term basis, which in one year or less, should remain consistent with the cash flow from the prior year.

### **Strategy for all Funds**

- Investments must be such that both principal and interest are available on a given date to provide for timely payment of expenditures.
- Investment maturities will be matched to cash flow requirements.
- Remaining cash balances in the College's bank accounts or "float" balance draw interest under the terms of the depository contract with respect to interest bearing checking accounts.
- If large and/or long-term cash surpluses exist, other acceptable investments will be pursued to maximize the College's interest earnings. However, preservation and safety of principal will be the priority.

### **Types of Investments**

Currently, the College's surplus funds are invested in available interest-bearing checking accounts of deposit of the College's depository bank, and in TexPool and Logic Investment services for public funds. But in the future, it is our intent to utilize any of the investment instruments that the Board of Trustees approved in Policy CAK (Local) and are listed below:

1. Obligations of, or guaranteed by, governmental entities as permitted by Government Code 256.009.
2. Certificates of deposit and share certificates as permitted by Government Code 2256.010.
3. Fully collateralized repurchase agreements permitted by Government Code 2256.011.
4. A securities lending program as permitted by Government Code 2256.015.
5. Banker's acceptances as permitted by Government Code 2256.012.
6. Commercial paper as permitted by Government Code 2256.013.
7. No-load money market mutual funds and no-load mutual funds as permitted by Government Code 2256.014.
8. A guaranteed investment contract as an investment vehicle for bond proceeds, provided it meets the criteria and eligibility requirements established by Government Code 2256.015.
9. Public fund investment pools as permitted by Government Code 2256.016.

Approved by the Board of Trustees on 9/27/2021

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**Public Funds  
Investment Act**

A college district must comply with the Public Funds Investment Act, Government Code Chapter 2256.

**Investment  
Compliance**

All investments made by investing entities, including college districts, shall comply with Government Code Chapter 2256, Subchapter A, and all federal, state, and local statutes, rules, or regulations. *Gov't Code 2256.026*

**Written Policies**

The governing body of an investing entity shall adopt by rule, order, ordinance, or resolution, as appropriate, a written investment policy regarding the investment of its funds under its control. The investment policies must be written; primarily emphasize safety of principal and liquidity; and address investment diversification, yield, and maturity and the quality and capability of investment management; and include:

1. A list of the types of authorized investments in which the investing entity's funds may be invested;
2. The maximum allowable stated maturity of any individual investment owned by the entity;
3. For pooled fund groups, the maximum dollar-weighted average maturity allowed based on the stated maturity date of the portfolio;
4. Methods to monitor the market price of investments acquired with public funds;
5. A requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis; and
6. Procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the provisions of Government Code 2256.021 [see Loss of Required Rating, below].

*Gov't Code 2256.005(a)–(b)*

**Annual Review**

The governing body of an investing entity shall review its investment policy and investment strategies not less than annually. The governing body shall adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the investment policy or investment strategies. *Education Code 51.0032; Gov't Code 2256.005(e)*

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Investment  
Strategies

As an integral part of the investment policy, the governing body shall adopt a separate written investment strategy for each of the funds or group of funds under its control. Each investment strategy must describe the investment objectives for the particular fund using the following priorities in order of importance:

1. Understanding of the suitability of the investment to the financial requirements of the entity;
2. Preservation and safety of principal;
3. Liquidity;
4. Marketability of the investment if the need arises to liquidate the investment before maturity;
5. Diversification of the investment portfolio; and
6. Yield.

*Gov't Code 2256.005(d)*

Investment Officer

Each investing entity shall designate, by rule, order, ordinance, or resolution, as appropriate, one or more officers or employees as investment officer to be responsible for the investment of its funds consistent with the investment policy adopted by the entity. If the governing body of an investing entity has contracted with another investing entity to invest its funds, the investment officer of the other investing entity is considered to be the investment officer of the first investing entity for purposes of Government Code Chapter 2256. Authority granted to a person to invest an entity's funds is effective until rescinded by the investing entity, until the expiration of the officer's term or the termination of the person's employment by the investing entity, or if an investment management firm, until the expiration of the contract with the investing entity. In the administration of the duties of an investment officer, the person designated as investment officer shall exercise the judgment and care, under prevailing circumstances, that a prudent person would exercise in the management of the person's own affairs, but the governing body of the investing entity retains the ultimate responsibility as fiduciaries of the assets of the investing entity. Unless authorized by law, a person may not deposit, withdraw, transfer, or manage in any other manner the funds of the investing entity. *Gov't Code 2256.005(f)*

Government Code Chapter 2256 does not prohibit an investing entity or investment officer from using the entity's employees or the services of a contractor of the entity to aid the investment officer in the execution of the officer's duties under Government Code Chapter 2256. *Gov't Code 2256.003(c)*

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**Investment Training**

Initial Training for  
Board Members  
and Investment  
Officer

Each member of the governing board of a state agency and its investment officer shall attend at least one training session relating to the person's responsibilities under Government Code Chapter 2256 within six months after taking office or assuming duties. The Coordinating Board shall provide the training under Government Code 2256.007. The training must include education in:

1. Investment controls;
2. Security risks;
3. Strategy risks;
4. Market risks;
5. Diversification of investment portfolio; and
6. Compliance with Chapter 2256.

*Gov't Code 2256.007(a)–(c)*

Biennial Training for  
Investment Officer

The investment officer shall attend a training session not less than once each state fiscal biennium and may receive training from any independent source approved by the governing body of the state agency. *Gov't Code 2256.007(d)*

Training for  
Investment Officer  
and Other College  
Officials

The treasurer, the chief financial officer if the treasurer is not the chief financial officer, and the investment officer of a local government shall:

1. Attend at least one training session from an independent source approved by the governing body of the local government or a designated investment committee advising the investment officer as provided for in the investment policy of the local government and containing at least ten hours of instruction relating to the treasurer's or officer's responsibilities under Government Code Chapter 2256, Subchapter A within 12 months after taking office or assuming duties; and
2. Attend an investment training session not less than once in a two-year period that begins on the first day of that local government's fiscal year and consists of the two consecutive fiscal years after that date, and receive not less than ten hours of instruction relating to investment responsibilities under Chapter 2256, Subchapter A from an independent source approved by the governing body of the local government or a designated investment committee advising the investment officer as provided for in the investment policy of the local government.

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The training must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with Government Code Chapter 2256.

*Gov't Code 2256.008(a), (c)*

**Standard of Care**

Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of his or her own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived. Investment of funds shall be governed by the following objectives in order of priority:

1. Preservation and safety of principal;
2. Liquidity; and
3. Yield.

In determining whether an investment officer has exercised prudence with respect to an investment decision, the following shall be taken into consideration:

1. The investment of all funds, or funds under the entity's control over which the officer had responsibility rather than a consideration as to the prudence of a single investment; and
2. Whether the investment decision was consistent with the written investment policy of the entity.

*Gov't Code 2256.006*

**Personal Interest**

An investment officer of an entity who has a personal business relationship with a business organization offering to engage in an investment transaction with the entity shall file a statement disclosing that personal business interest. An investment officer who is related within the second degree by affinity or consanguinity, as determined by Government Code Chapter 573, to an individual seeking to sell an investment to the investment officer's entity shall file a statement disclosing that relationship. A required statement must be filed with the Texas Ethics Commission and the governing body of the entity. For purposes of this policy, an investment officer has a personal business relationship with a business organization if:

1. The investment officer owns ten percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;

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2. Funds received by the investment officer from the business organization exceed ten percent of the investment officer's gross income for the previous year; or
3. The investment officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the investment officer.

*Gov't Code 2256.005(i)*

**Reports**

Quarterly Reports

Not less than quarterly, the investment officer shall prepare and submit to the governing body of the entity a written report of investment transactions for all funds covered by the Public Funds Investment Act for the preceding reporting period. This report shall be presented not less than quarterly to the governing body and the chief executive officer of the entity within a reasonable time after the end of the period. The report must:

1. Describe in detail the investment position of the entity on the date of the report;
2. Be prepared jointly by all investment officers of the entity;
3. Be signed by each investment officer of the entity;
4. Contain a summary statement for each pooled fund group (i.e., each internally created fund of an investing entity in which one or more institutional accounts of the investing entity are invested) that states the:
  - a. Beginning market value for the reporting period;
  - b. Ending market value for the period; and
  - c. Fully accrued interest for the reporting period;
5. State the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested;
6. State the maturity date of each separately invested asset that has a maturity date;
7. State the account or fund or pooled group fund in the state agency or local government for which each individual investment was acquired; and
8. State the compliance of the investment portfolio of the state agency or local government as it relates to the investment

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strategy expressed in the agency's or local government's investment policy and relevant provisions of Government Code Chapter 2256.

If the entity invests in other than money market mutual funds, investment pools or accounts offered by its depository bank in the form of certificates of deposit, or money market accounts or similar accounts, the reports prepared by the investment officer under Government Code Chapter 2256 shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the governing body by that auditor.

*Education Code 51.0032; Gov't Code 2256.001, .002 (9), .023*

Biennial Report

The investment officer shall prepare a report on Government Code Chapter 2256, Subchapter A and deliver it to the governing body of the state agency no later than the 180th day after the last day of each regular session of the legislature. *Gov't Code 2256.007(d)*

**Selection of Broker**

The governing body of an entity subject to Government Code Chapter 2256, Subchapter A or a designated investment committee, shall, at least annually, review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the entity. *Gov't Code 2256.025*

**Authorized Investments**

Each governing body of a local government or a state agency may purchase, sell, and invest its funds and funds under its control in investments described below, in compliance with investment policies approved by the governing body and according to the standard of care set out in this policy. The governing body of an investing entity may specify in its investment policy that any investment authorized by Government Code Chapter 2256 is not suitable. Investments may be made directly by the governing body or by a nonprofit corporation acting on behalf of the governing body or an investment pool acting on behalf of two or more local governments, state agencies, or a combination of those entities.

In the exercise of these powers, the governing body of an investing entity may contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control. A contract made for such purpose may not be for a term longer than two years. A renewal or extension of the contract must be made by the governing body of an investing entity by order, ordinance, or resolution.

*Gov't Code 2256.003(a)–(b), .005(j)*

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Obligations

Except as provided below, the following are authorized investments under the Public Funds Investment Act:

1. Obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks;
2. Direct obligations of this state or its agencies and instrumentalities;
3. Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;
4. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the state of Texas, the United States, or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or by the explicit full faith and credit of the United States;
5. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent;
6. Bonds issued, assumed, or guaranteed by the state of Israel;
7. Interest-bearing banking deposits that are guaranteed or insured by:
  - a. The FDIC or its successor; or
  - b. The National Credit Union Share Insurance Fund or its successor; and
8. Interest-bearing banking deposits other than those described by item 7 if:
  - a. The funds invested in the banking deposits are invested through a broker with a main office or branch office in this state that the investing entity selects from a list the governing body or designated investment committee of the entity adopts as required by Government Code 2256.025 or a depository institution with a main office or branch office in this state that the investing entity selects;

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- b. The selected broker or depository institution arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the investing entity's account;
- c. The full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and
- d. The investing entity appoints as the entity's custodian of the banking deposits issued for the entity's account the selected depository institution, an entity described by Government Code 2257.041(d), or a clearing broker dealer registered with the Securities and Exchange Commission and operating under Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. 240.15c3-3).

*Gov't Code 2256.009(a)*

The following investments are not authorized:

1. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal.
2. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest.
3. Collateralized mortgage obligations that have a stated final maturity date of greater than ten years.
4. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

*Gov't Code 2256.009(b)*

Certificates of  
Deposit and Share  
Certificates

A certificate of deposit or share certificate is an authorized investment if the certificate is issued by a depository institution that has its main office or a branch office in Texas and is:

1. Guaranteed or insured by the FDIC or its successor or the National Credit Union Share Insurance Fund or its successor;
2. Secured by obligations described by Government Code 2256.009(a) above, including mortgage-backed securities directly issued by a federal agency or instrumentality that have a market value of not less than the principal amount of the

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certificates, but excluding those mortgage-backed securities of the nature described by Section 2256.009(b); or

3. Secured in accordance with Government Code Chapter 2257 or in any other manner and amount provided by law for the deposits of the investing entity.

In addition to the authority to invest funds in certificates of deposit under the previous section, an investment in certificates of deposit made in accordance with the following conditions is an authorized investment under Government Code 2256.010:

1. The funds are invested by an investing entity through a broker that has its main office or a branch office in this state and is selected from a list adopted by the investing entity as required by Government Code 2256.025, or a depository institution that has its main office or a branch office in this state and that is selected by the investing entity;
2. The broker or depository institution selected by the investing entity arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the investing entity;
3. The full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; and
4. The investing entity appoints the depository institution selected by the investing entity under paragraph a above or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. 240.15c3-3) as custodian for the investing entity with respect to the certificates of deposit issued for the account of the investing entity.

*Gov't Code 2256.010*

The investment policies may provide that bids for certificates of deposit be solicited orally, in writing, electronically, or in any combination of those methods. *Gov't Code 2256.005(c)*

Repurchase  
Agreements

A fully collateralized repurchase agreement is an authorized investment under the Public Funds Investment Act if the repurchase agreement:

1. Has a defined termination date;
2. Is secured by a combination of cash and obligations described by Government Code 2256.009(a)(1) or 2256.013 or, if applicable, 2256.0204;

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3. Requires the securities being purchased by the entity or cash held by the entity to be pledged to the entity, held in the entity's name, and deposited with the entity or a third party selected and approved by the entity; and
4. Is placed through a primary government securities dealer, as defined by the Federal Reserve or a financial institution doing business in Texas.

Notwithstanding any other law, the term of any reverse security repurchase agreement may not exceed 90 days after the date the reverse security repurchase agreement is delivered. Money received by an entity under the terms of a reverse security repurchase agreement shall be used to acquire additional authorized investments, but the term of the authorized investments acquired must mature not later than the expiration date stated in the reverse security repurchase agreement.

Government Code 1371.059(c) applies to the execution of a repurchase agreement by an investing entity.

A "repurchase agreement" means a simultaneous agreement to buy, hold for a specified time, and sell back at a future date obligations described by Section 2256.009(a)(1) or 2256.013 or, if applicable, 2256.0204, at a market value at the time the funds are disbursed of not less than the principal amount of the funds disbursed. The term includes a direct security repurchase agreement and a reverse security repurchase agreement.

*Gov't Code 2256.011*

Securities Lending  
Program

A securities lending program is an authorized investment if:

1. The value of securities loaned must not be less than 100 percent collateralized, including accrued income, and the loan must allow for termination at any time;
2. The loan must be secured by:
  - a. Pledged securities described by Government Code 2256.009;
  - b. Pledged irrevocable letters of credit issued by a bank that is organized and existing under the laws of the United States or any other state and continuously rated by at least one nationally recognized investment rating firm at not less than A or its equivalent; or
  - c. Cash invested in accordance with Government Code 2256.009, 2256.013, 2256.014, or 2256.016;

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3. The terms of the loan require that the securities being held as collateral be pledged to the investing entity, held in the investing entity's name, and deposited at the time the investment is made with the entity or with a third party selected by or approved by the investing entity; and
4. The loan must be placed through a primary government securities dealer, as defined by 5 C.F.R. 6801.102(f), as that regulation existed on September 1, 2003, or a financial institution doing business in this state.

An agreement to lend securities under a securities lending program must have a term of one year or less.

*Gov't Code 2256.0115*

Banker's  
Acceptance

A banker's acceptance is an authorized investment if the banker's acceptance:

1. Has a stated maturity of 270 days or fewer from the date of issuance;
2. Will be, in accordance with its terms, liquidated in full at maturity;
3. Is eligible for collateral for borrowing from a Federal Reserve Bank; and
4. Is accepted by a bank organized and existing under the laws of the United States or any state, if the short-term obligations of the bank, or of a bank holding company of which the bank is the largest subsidiary, are rated not less than A-1 or P-1 or an equivalent rating by at least one nationally recognized credit rating agency.

*Gov't Code 2256.012*

Commercial Paper

Commercial paper is an authorized investment if the commercial paper:

1. Has a stated maturity of 365 days or fewer from the date of issuance; and
2. Is rated not less than A1-1 or P-1 or an equivalent rating by at least two nationally recognized credit rating agencies, or by one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state.

*Gov't Code 2256.013*

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Mutual Funds

A no-load money market mutual fund is an authorized investment if the mutual fund:

1. Is registered with and regulated by the Securities and Exchange Commission;
2. Provides the investing entity with a prospectus and other information required by the Securities and Exchange Act of 1934 (15 U.S.C. 78a et seq.) or the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.); and
3. Complies with federal Securities and Exchange Commission Rule 2a-7 (17 C.F.R. Section 270.2a-7), promulgated under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.).

A no-load mutual fund is an authorized investment if the mutual fund:

1. Is registered with the Securities and Exchange Commission;
2. Has an average weighted maturity of less than two years; and
3. Either has a duration of one year or more and is invested exclusively in obligations approved by Government Code Chapter 2256, Subchapter A, regarding authorized investments (Public Funds Investment Act) or has a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities.

Investments in no-load money market mutual funds shall be limited to the percentages authorized by Government Code 2256.014(c). In addition, the investing entity may not invest any portion of bond proceeds, reserves, and funds held for debt service, in no-load mutual funds.

*Gov't Code 2256.014*

Guaranteed  
Investment  
Contracts

A guaranteed investment contract is an authorized investment for bond proceeds if the guaranteed investment contract:

1. Has a defined termination date;
2. Is secured by obligations described by Government Code 2256.009(a)(1), excluding those obligations described by Section 2256.009(b), in an amount at least equal to the amount of bond proceeds invested under the contract; and
3. Is pledged to the entity and deposited with the entity or with a third party selected and approved by the entity.

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Bond proceeds, other than bond proceeds representing reserves and funds maintained for debt service purposes, may not be invested in a guaranteed investment contract with a term longer than five years from the date of issuance of the bonds.

To be eligible as an authorized investment:

1. The governing body of the entity must specifically authorize guaranteed investment contracts as eligible investments in the order, ordinance, or resolution authorizing the issuance of bonds;
2. The entity must receive bids from at least three separate providers with no material financial interest in the bonds from which proceeds were received;
3. The entity must purchase the highest yielding guaranteed investment contract for which a qualifying bid is received;
4. The price of the guaranteed investment contract must take into account the reasonably expected drawdown schedule for the bond proceeds to be invested; and
5. The provider must certify the administrative costs reasonably expected to be paid to third parties in connection with the guaranteed investment contract.

Government Code 1371.059(c) applies to the execution of a guaranteed investment contract by an investing entity.

*Gov't Code 2256.015*

Investment Pools

A public funds investment pool is an authorized investment if it meets the requirements of Government Code 2256.016 and 2256.019, including that the governing body of the entity authorizes the investment in the particular pool by rule, order, ordinance, or resolution, as appropriate. *Gov't Code 2256.016, .019*

Hedging  
Transactions

A hedging transaction is an authorized investment if an eligible entity meets the requirements of Government Code 2256.0206.

"Eligible entity" means a political subdivision, including a college district, that has:

1. A principal amount of at least \$250 million in outstanding long-term indebtedness, long-term indebtedness proposed to be issued, or a combination of outstanding long-term indebtedness and long-term indebtedness proposed to be issued; and
2. Outstanding long-term indebtedness that is rated in one of the four highest rating categories for long-term debt instruments

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by a nationally recognized rating agency for municipal securities, without regard to the effect of any credit agreement or other form of credit enhancement entered into in connection with the obligation.

*Gov't Code 2256.0206*

Funds from Mineral  
Rights

The governing board of a public junior college district may invest funds received by the district from a lease or contract for the management and development of land owned by the district and leased for oil, gas, or other mineral development in any investment authorized to be made by a trustee under Property Code Title 9, Subtitle B (Texas Trust Code).

Funds invested by the governing board of a public junior college district under this section shall be segregated and accounted for separately from other funds of the district.

*Gov't Code 2256.0207*

Authorized  
Investments  
Specific to  
Institutions of  
Higher Education

In addition to the authorized investments permitted by Government Code Chapter 2256, Subchapter A, an institution of higher education may purchase, sell, and invest its funds and funds under its control in the following:

1. Cash management and fixed income funds sponsored by organizations exempt from federal income taxation under Section 501(f), Internal Revenue Code of 1986, 26 U.S.C. Section (f);
2. Negotiable certificates of deposit issued by a bank that has a certificate of deposit rating of at least 1 or the equivalent by a nationally recognized credit rating agency or that is associated with a holding company having a commercial paper rating of at least A-1, P-1, or the equivalent by a nationally recognized credit rating agency; and
3. Corporate bonds, debentures, or similar debt obligations rated by a nationally recognized investment rating firm in one of the two highest long-term rating categories, without regard to gradations within those categories.

*Gov't Code 2256.020*

Change in Law

Except as provided by Government Code Chapter 2270, an entity is not required to liquidate investments that were authorized investments at the time of purchase. *Gov't Code 2256.017*

Loss of Required  
Rating

An investment that requires a minimum rating under Government Code Chapter 2256, Subchapter A does not qualify as an authorized investment during the period the investment does not have the

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minimum rating. An entity shall take all prudent measures that are consistent with its investment policy to liquidate an investment that does not have the minimum rating. *Gov't Code 2256.021*

**Investment of Bond Proceeds and Pledged Revenue**

The investment officer of a local government, including a college district, may invest bond proceeds or pledged revenue only to the extent permitted by Government Code Chapter 2256, in accordance with:

1. Statutory provisions governing the debt issuance or the agreement, as applicable; and
2. The local government's investment policy regarding the debt issuance or the agreement, as applicable.

"Pledged revenue" means money pledged to the payment of or as security for bonds or other indebtedness issued by a local government; obligations under a lease, installment sale, or other agreement of a local government; or certificates of participation in a debt or obligation.

*Gov't Code 2256.0208*

**Investment of Debt Service Funds**

A school district, including a junior college district, may enter into a contract with a term not to exceed seven years to purchase investments with the proceeds of taxes levied or to be levied by the district for the purpose of paying debt service on bonds issued by the district.

A contract under this section may provide for the purchase of investments at a stated yield or yields.

Before entering a contract under this section, a school district must solicit and receive bids from at least three separate providers. The district must accept the qualifying bid that provides for the highest yield investments over the term of the contract.

A contract under this section may provide only for the purchase of an obligation described by Government Code 2256.009(a)(1), other than an obligation described by Government Code 2256.009(b).

*Education Code 45.112*

**General Deposits**

The governing board of each institution of higher education may invest the funds received as general deposits authorized by Education Code 54.502 in the manner provided under either Education Code 51.003 or 51.0031. *Education Code 54.5022*

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**Sellers of  
Investments**

A written copy of the investment policy shall be presented to any business organization offering to engage in an investment transaction with an investing entity. For purposes of this section, "business organization" means an investment pool or an investment management firm under contract with an investing entity to invest or manage the entity's investment portfolio that has accepted authority granted by the entity under the contract to exercise investment discretion in regard to the investing entity's funds. The qualified representative of the business organization offering to engage in an investment transaction with an investing entity shall execute a written instrument in a form acceptable to the investing entity and the business organization substantially to the effect that the business organization has:

1. Received and reviewed the investment policy of the entity; and
2. Acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the entity and the organization that are not authorized by the entity's policy, except to the extent that this authorization is dependent on an analysis of the makeup of the entity's entire portfolio, requires an interpretation of subjective investment standards, or relates to investment transactions of the entity that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority.

The investment officer of an entity may not acquire or otherwise obtain any authorized investment described in the investment policy of the investing entity from a business organization that has not delivered to the entity the instrument described above.

*Gov't Code 2256.005(k)-(l)*

**Donations**

Government Code Chapter 2256, Subchapter A does not apply to an investment donated to an investing entity for a particular purpose or under terms of use specified by the donor. *Gov't Code 2256.004(b)*

**Electronic Funds  
Transfer**

Any local government, including a college district, may use electronic means to transfer or invest all funds collected or controlled by the local government. *Gov't Code 2256.051*

**Private Auditor**

Notwithstanding any other law, a state agency, including a college district, shall employ a private auditor if authorized by the legislative audit committee either on the committee's initiative or on request of the governing body of the agency. *Gov't Code 2256.052*

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**Investment Authority** The College President or other person designated by Board resolution shall serve as the investment officer of the College District and shall invest College District funds as directed by the Board and in accordance with the College District's written investment policy and generally accepted accounting procedures. All investment transactions except investment pool funds and mutual funds shall be settled on a delivery versus payment basis.

**Approved Investment Instruments** From those investments authorized by law and described further in CAK(LEGAL) under Authorized Investments, the Board shall permit investment of College District funds, including bond proceeds and pledged revenue to the extent allowed by law, in only the following investment types, consistent with the strategies and maturities defined in this policy:

1. Obligations of, or guaranteed by, governmental entities as permitted by Government Code 2256.009.
2. Certificates of deposit and share certificates as permitted by Government Code 2256.010.
3. Fully collateralized repurchase agreements permitted by Government Code 2256.011.
4. A securities lending program as permitted by Government Code 2256.0115.
5. Banker's acceptances as permitted by Government Code 2256.012.
6. Commercial paper as permitted by Government Code 2256.013.
7. No-load mutual funds, except for bond proceeds, and no-load money market mutual funds as permitted by Government Code 2256.014.
8. A guaranteed investment contract as an investment vehicle for bond proceeds, provided it meets the criteria and eligibility requirements established by Government Code 2256.015.
9. Public funds investment pools as permitted by Government Code 2256.016.
10. Cash management and fixed income funds as permitted by Government Code 2256.020.
11. Negotiable certificates of deposit as permitted by Government Code 2256.020.
12. Corporate bonds, debentures, or similar debt obligations as permitted by Government Code 2256.020.

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<b>Safety</b>	<p>The primary goal of the investment program is to ensure safety of principal, to maintain liquidity, and to maximize financial returns within current market conditions in accordance with this policy. Investments shall be made in a manner that ensures the preservation of capital in the overall portfolio, and offsets during a 12-month period any market price losses resulting from interest-rate fluctuations by income received from the balance of the portfolio. No individual investment transaction shall be undertaken that jeopardizes the total capital position of the overall portfolio.</p>
<b>Investment Management</b>	<p>In accordance with Government Code 2256.005(b)(3), the quality and capability of investment management for College District funds shall be in accordance with the standard of care, investment training, and other requirements set forth in Government Code Chapter 2256.</p>
<b>Liquidity and Maturity</b>	<p>Any internally created pool fund group of the College District shall have a maximum dollar weighted maturity of 180 days. The maximum allowable stated maturity of any other individual investment owned by the College District shall not exceed one year from the time of purchase. The Board may specifically authorize a longer maturity for a given investment, within legal limits.</p> <p>The College District's investment portfolio shall have sufficient liquidity to meet anticipated cash flow requirements.</p>
<b>Diversity</b>	<p>The investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from overconcentration of assets in a specific class of investments, specific maturity, or specific issuer.</p>
<b>Monitoring Market Prices</b>	<p>The investment officer shall monitor the investment portfolio and shall keep the Board informed of significant changes in the market value of the College District's investment portfolio. Information sources may include financial/investment publications and electronic media, available software for tracking investments, depository banks, commercial or investment banks, financial advisers, and representatives/advisers of investment pools or money market funds. Monitoring shall be done at least quarterly, as required by law, and more often as economic conditions warrant by using appropriate reports, indices, or benchmarks for the type of investment.</p>
<b>Monitoring Rating Changes</b>	<p>In accordance with Government Code 2256.005(b), the investment officer shall develop a procedure to monitor changes in investment ratings and to liquidate investments that do not maintain satisfactory ratings.</p>

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<b>Funds / Strategies</b>	Investments of the following fund categories shall be consistent with this policy and in accordance with the applicable strategy defined below. All strategies described below for the investment of a particular fund should be based on an understanding of the suitability of an investment to the financial requirements of the College District and consider preservation and safety of principal, liquidity, marketability of an investment if the need arises to liquidate before maturity, diversification of the investment portfolio, and yield.
Operating Funds	Investment strategies for operating funds (including any commingled pools containing operating funds) shall have as their primary objectives preservation and safety of principal, investment liquidity, and maturity sufficient to meet anticipated cash flow requirements.
Custodial Funds	Investment strategies for custodial funds shall have as their primary objectives preservation and safety of principal, investment liquidity, and maturity sufficient to meet anticipated cash flow requirements.
Debt Service Funds	Investment strategies for debt service funds shall have as their primary objective sufficient investment liquidity to timely meet debt service payment obligations in accordance with provisions in the bond documents. Maturities longer than one year are authorized provided legal limits are not exceeded.
Capital Project Funds	Investment strategies for capital project funds shall have as their primary objective sufficient investment liquidity to timely meet capital project obligations. Maturities longer than one year are authorized provided legal limits are not exceeded.
<b>Safekeeping and Custody</b>	The College District shall retain clearly marked receipts providing proof of the College District's ownership. The College District may delegate, however, to an investment pool the authority to hold legal title as custodian of investments purchased with College District funds by the investment pool.
<b>Sellers of Investments</b>	<p>Prior to handling investments on behalf of the College District, a broker/dealer or a qualified representative of a business organization must submit required written documents in accordance with law.</p> <p>Representatives of brokers/dealers shall be registered with the Texas State Securities Board and must have membership in the Securities Investor Protection Corporation (SIPC), and be in good standing with the Financial Industry Regulatory Authority (FINRA).</p>
<b>Soliciting Bids for CDs</b>	In order to get the best return on its investments, the College District may solicit bids for certificates of deposit in writing, by telephone, or electronically, or by a combination of these methods.

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<b>Interest Rate Risk</b>	<p>To reduce exposure to changes in interest rates that could adversely affect the value of investments, the College District shall use final and weighted-average-maturity limits and diversification.</p> <p>The College District shall monitor interest rate risk using weighted average maturity and specific identification.</p>
<b>Internal Controls</b>	<p>A system of internal controls shall be established and documented in writing and must include specific procedures designating who has authority to withdraw funds. Also, they shall be designed to protect against losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the College District. Controls deemed most important shall include:</p> <ol style="list-style-type: none"><li>1. Separation of transaction authority from accounting and recordkeeping and electronic transfer of funds.</li><li>2. Avoidance of collusion.</li><li>3. Custodial safekeeping.</li><li>4. Clear delegation of authority.</li><li>5. Written confirmation of telephone transactions.</li><li>6. Documentation of dealer questionnaires, quotations and bids, evaluations, transactions, and rationale.</li><li>7. Avoidance of bearer-form securities.</li></ol> <p>These controls shall be reviewed by the College District's independent auditing firm.</p>
<b>Annual Review</b>	<p>The Board shall review this investment policy and investment strategies not less than annually and shall document its review in writing, which shall include whether any changes were made to either the investment policy or investment strategies.</p>
<b>Annual Audit</b>	<p>In conjunction with the annual financial audit, the College District shall perform a compliance audit of management controls on investments and adherence to the College District's established investment policies.</p>



## MINUTE ORDER

To: Board of Trustees  
From: Dr. Warren Nichols, President  
Date: September 17, 2021  
Subject: Monthly Financial & Investment Reports

### **AGENDA ITEM DESCRIPTION:**

Consideration of and possible acceptance of the August 2021 Investment and Financial Reports.

### **PURPOSE**

To report to the Board of Trustees the year-to-date revenues and expenses for the college, comparison of revenues and expenses to budget, and the college's current cash balance.

### **FUNDING SOURCE:**

N/A

### **PROPOSED MOTION:**

*Suggested motion: "I move the Board of Trustees accept the August 2021 Investment Report and the August 2021 Financial Reports."*

### **BACKGROUND**

The investment officer shall prepare and submit to the Board a written report of investment transactions for all funds covered by the PFIA under Education Code 51.0032 and Government Code 2256.023.

In accordance with COM policy CDA (LOCAL) – Periodic financial reports shall be submitted to the Board outlining the progress of the budget to that date and reporting on the status of all District funds and District accounts.

### **ATTACHMENTS**

1. August 2021 Investment Discussion & Report
2. August 2021 Revenue & Expense Summary
3. August 2021 Expense by Division Report



**INVESTMENT REPORT**  
**For the Month Ended August 2021**

**Investment discussion:**

College of the Mainland earned \$2,402 for the month of August on its short-term investments in TexPool & Logic for a total of \$109,889 investment interest earned fiscal year to date. The College earned an additional \$2.00, fiscal year to date, from interest-bearing checking accounts. In total, the College earned \$109,891 interest for the fiscal year to date period ending August: TexPool - \$8,260 Logic 19 - \$16,157, Logic 20 - \$85,472, and TFB - \$2.

Investments in the TexPool & Logic investment pools remain more profitable than fixed rate certificate of deposits purchased at our depository bank. In addition, the investment pool provides more efficient liquidity than certificates of deposit, which are restricted to specific term lengths. Therefore, all investment funds remain in TexPool, Logic and interest earning checking accounts.

**Investment Compliance Statement:**

We provide reasonable assurance that the attached listing constitutes all investments currently owned by the College of the Mainland District as of the date indicated and that all these investments and investing procedures conform to the "Public Funds Investment Act" as amended by House Bill 2459 of the 74<sup>th</sup> Texas Legislature.

Furthermore, these same investments are in compliance with College of the Mainland's investment policy and strategy as adopted by the College of the Mainland's Board of Trustees.

A handwritten signature in blue ink, appearing to read 'Clen Burton', written over a horizontal line.

Clen Burton  
Vice President of Fiscal Affairs  
College of the Mainland

A handwritten signature in blue ink, appearing to read 'Trudy Trochesset', written over a horizontal line.

Trudy Trochesset  
Controller  
College of the Mainland



**TexPool Investments for August 2021.**

Investment	COM Fund	Balance Beginning of Month	Increases	Decreases	Interest Earned	Balance End of Month	Average Balance	Annualized Average Interest Rate
Operating	11	\$ 23,308,996	\$ 1,500,000	\$ 4,964,325	402	19,845,073	21,270,962	0.023%
Moody	41	26,600	-	-	1	26,600	26,600	0.024%
<b>Totals</b>		<b>\$ 23,335,596</b>	<b>\$ 1,500,000</b>	<b>\$ 4,964,325</b>	<b>\$ 402</b>	<b>\$ 19,871,674</b>	<b>\$ 21,297,562</b>	

Note: For the above listed investments in TexPool, book value is equivalent to market value.  
There was no accrued interest as of August 2021.

**Logic (Hilltop Securities) Investments for August 2021.**

Investment	COM Fund	Balance Beginning of Month	Increases	Decreases	Interest Earned	Balance End of Month	Average Balance	Annualized Average Interest Rate
COM Bond 2020	46	\$ 62,017,311	\$ -	\$ 3,316,128	2,000	58,703,182	60,498,763	1.000%
<b>Totals</b>		<b>\$ 62,017,311</b>	<b>\$ -</b>	<b>\$ 3,316,128</b>	<b>\$ 2,000</b>	<b>\$ 58,703,182</b>	<b>\$ 60,498,763</b>	
<b>Totals</b>		<b>\$ 85,352,907</b>	<b>\$ 1,500,000</b>	<b>\$ 8,280,453</b>	<b>\$ 2,402</b>	<b>\$ 78,574,856</b>	<b>\$ 81,796,325</b>	

Unrestricted Fund (Unaudited)

Summary of Revenue

	<u>Current Actual</u>	<u>2020-21 Budget</u>	<u>Budget Remaining</u>	<u>Budget Pct.YTD</u>	<u>Prior Year to Actual</u>	<u>Curr. vs Prior Year to Year</u>
<b>Operating revenue</b>						
Tuition-credit	(5,045,544)	(5,201,169)	(155,625)	97%	(5,545,401)	499,857
Tuition-non-credit	(389,839)	(1,288,889)	(899,050)	30%	(409,407)	19,567
Exemptions and waivers	1,534,033	1,368,240	(165,793)	112%	1,586,829	(52,796)
Registration fees	(2,406,124)	(2,209,200)	196,924	109%	(2,419,923)	13,799
Other fees	(150,220)	(168,982)	(18,762)	89%	(99,801)	(50,418)
Grant revenue	(418,746)	(81,568)	337,178	513%	(130,349)	(288,398)
Sales and service revenue	(7,804)	(533,800)	(525,996)	1%	(27,750)	19,946
Miscellaneous revenue	(151,136)	(134,632)	16,504	112%	2,406	(153,542)
TPEG transfer in/out	0	250,000	250,000	0%	0	0
<b><u>Totals for Operating revenue</u></b>	<b><u>(7,035,380)</u></b>	<b><u>(8,000,000)</u></b>	<b><u>(964,620)</u></b>	<b><u>88%</u></b>	<b><u>(7,043,396)</u></b>	<b><u>8,016</u></b>
<b>Non-operating revenue</b>						
State appropriation-Academic	(6,534,911)	(6,533,000)	1,911	100%	(6,535,282)	371
Property tax revenue	(23,712,492)	(23,450,000)	262,492	101%	(23,739,138)	26,647
Interest revenue	(8,247)	(350,000)	(341,753)	2%	(154,161)	145,914
FTZ reimbursement	(531,472)	(350,000)	181,472	152%	(483,127)	(48,345)
Renew & replace transfer out	0	1,783,000	1,783,000	0%	0	0
<b><u>Totals for Non-operating revenue</u></b>	<b><u>(30,787,122)</u></b>	<b><u>(28,900,000)</u></b>	<b><u>1,887,122)</u></b>	<b><u>107%</u></b>	<b><u>(30,911,708)</u></b>	<b><u>124,586</u></b>
<b><u>Total Revenue</u></b>	<b><u>(37,822,502)</u></b>	<b><u>(36,900,000)</u></b>	<b><u>922,502</u></b>	<b><u>103%</u></b>	<b><u>(37,955,104)</u></b>	<b><u>132,602</u></b>

Unrestricted Fund (Unaudited)

Summary of Expense	Current <u>Actual</u>	2020-21 <u>Budget</u>	Budget <u>Remaining</u>	Budget <u>Pct.YTD</u>	Prior Year to <u>Actual</u>	Curr. vs Prior <u>Year to Year</u>
<b>Salary and wages</b>						
Faculty full-time	7,562,416	7,748,736	186,320	98%	7,524,355	38,060
Admin full-time	1,616,680	1,524,001	(92,679)	106%	1,546,492	70,188
Professional full-time	7,053,075	7,125,261	72,186	99%	7,234,191	(181,116)
Classified full-time	319,289	4,102,272	3,782,983	8%	3,302,585	(2,983,296)
Part-time	2,430,228	3,845,478	1,415,250	63%	3,445,911	(1,015,683)
Salary increase	0	282,223	282,223	0%	0	0
Vacancy savings	0	(970,000)	(970,000)	0%	0	0
<b><u>Totals for Salary and wages</u></b>	<b><u>18,981,688</u></b>	<b><u>23,657,971</u></b>	<b><u>4,676,283</u></b>	<b><u>80%</u></b>	<b><u>23,053,535</u></b>	<b><u>(4,071,847)</u></b>
<b>Benefits</b>						
Benefits	4,268,088	4,156,934	(111,154)	103%	3,258,670	1,009,418
<b><u>Totals for Benefits</u></b>	<b><u>4,268,088</u></b>	<b><u>4,156,934</u></b>	<b><u>(111,154)</u></b>	<b><u>103%</u></b>	<b><u>3,258,670</u></b>	<b><u>1,009,418</u></b>
<b>Operating expenses</b>						
Contract services	2,846,132	2,883,922	37,790	99%	2,682,353	163,779
Legal	7,046	12,485	5,439	56%	5,509	1,537
Operations	377,199	683,198	305,999	55%	527,680	(150,481)
Utilities and Rent	1,485,437	1,503,680	18,243	99%	1,435,910	49,528
Postage, printing, and supplies	818,847	1,335,290	516,443	61%	761,146	57,700
Bank fees	70,532	84,000	13,468	84%	84,742	(14,210)
Capital outlay & leases	58,087	58,088	1	100%	74,204	(16,117)
Insurance	1,638,231	852,013	(786,218)	192%	801,704	836,527
Public relations and advertising	180,147	243,822	63,675	74%	210,880	(30,733)
Misc.	402,691	377,186	(25,505)	107%	490,138	(87,447)
Reimbursement from Others	0	(148,590)	(148,590)	0%	0	0
MTN Payment	337,500	1,200,000	862,500	28%	493,680	(156,180)

**Unrestricted Fund (Unaudited)**

Arbitrage Payment	35,806	0	(35,806)	0%	0	35,806
<b><u>Totals for Operating expenses</u></b>	<b><u>8,257,655</u></b>	<b><u>9,085,095</u></b>	<b><u>827,440</u></b>	<b><u>91%</u></b>	<b><u>7,567,946</u></b>	<b><u>689,709</u></b>
<b><u>Total Expense</u></b>	<b><u>31,507,431</u></b>	<b><u>36,900,000</u></b>	<b><u>5,392,569</u></b>	<b><u>85%</u></b>	<b><u>33,880,151</u></b>	<b><u>(2,372,719)</u></b>

Unrestricted Fund (Unaudited)

Summary of Fund Bal

	<u>Current Actual</u>	<u>2020-21 Budget</u>	<u>Budget Remaining</u>	<u>Budget Pct.YTD</u>	<u>Prior Year to Actual</u>	<u>Curr. vs Prior Year to Year</u>
<b>Benefits</b>						
Benefits	0	0	0	0%	1,134,315	(1,134,315)
<b><u>Totals for Benefits</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0%</u></b>	<b><u>1,134,315</u></b>	<b><u>(1,134,315)</u></b>
<b>Operating expenses</b>						
Contract services	503,077	0	(503,077)	0%	244,584	258,493
Operations	0	0	0	0%	22,391	(22,391)
Utilities and Rent	122,463	0	(122,463)	0%	0	122,463
Postage, printing, and supplies	735,012	0	(735,012)	0%	476,816	258,196
Capital outlay & leases	494,357	0	(494,357)	0%	432,080	62,277
Misc.	67,050	0	(67,050)	0%	0	67,050
<b><u>Totals for Operating expenses</u></b>	<b><u>1,921,959</u></b>	<b><u>0</u></b>	<b><u>(1,921,959)</u></b>	<b><u>0%</u></b>	<b><u>1,175,871</u></b>	<b><u>746,088</u></b>
<b><u>Total Fund Bal</u></b>	<b><u>1,921,959</u></b>	<b><u>0</u></b>	<b><u>(1,921,959)</u></b>	<b><u>0%</u></b>	<b><u>2,310,186</u></b>	<b><u>(388,227)</u></b>



Unrestricted Fund (Unaudited)

	<u>Current Actual</u>	<u>2020-21 Budget</u>	<u>Budget Remaining</u>	<u>Budget Pct.YTD</u>	<u>Prior Year to Actual</u>	<u>Curr. vs Prior Year to Year</u>
<b><u>Expense by Division</u></b>						
<b><u>Summary for President</u></b>						
Board of Trustees	13,104	17,900	4,796	73%	31,556	(18,452)
Campus Police	452,897	870,532	417,635	52%	657,968	(205,072)
Emergency Management	0	0	0	0%	195	(195)
Gen Institution	349,645	308,404	(41,241)	113%	424,734	(75,089)
Information Technology Serv	1,651,842	2,039,327	387,485	81%	1,744,579	(92,737)
Internal Audit	151,560	150,000	(1,560)	101%	157,026	(5,466)
OPEAR	464,459	466,045	1,586	100%	423,724	40,736
Presidents Office	563,997	618,433	54,436	91%	571,545	(7,549)
Self Study SACS	10,363	18,000	7,637	58%	14,797	(4,434)
Staff Attorney	146,441	181,761	35,320	81%	153,444	(7,003)
<b>Totals for President</b>	<b>3,804,309</b>	<b>4,670,402</b>	<b>866,094</b>	<b>81%</b>	<b>4,179,569</b>	<b>(375,261)</b>
<b><u>Summary for VP Fiscal Affairs</u></b>						
Central Mail	42,492	134,236	91,744	32%	103,565	(61,074)
Custodial Services	168,791	380,114	211,323	44%	327,354	(158,563)
Facilities	3,781,373	3,148,469	(632,903)	120%	3,008,383	772,990
Financial Services	539,881	921,290	381,409	59%	824,719	(284,838)
Grounds	83,787	119,823	36,036	70%	143,248	(59,461)
Human Resources	440,024	550,492	110,468	80%	462,173	(22,149)
Maintenance Tax Note	337,500	1,200,000	862,500	28%	493,680	(156,180)
Purchasing	277,517	304,131	26,614	91%	272,167	5,350
Records Mgmt	15,747	20,952	5,205	75%	19,993	(4,246)
Reimbursement	0	(148,590)	(148,590)	0%	0	0
Salary Savings	0	(970,000)	(970,000)	0%	0	0
Staff Benefits	886,105	1,057,174	171,069	84%	0	886,106

**Unrestricted Fund (Unaudited)**

	<u>Current Actual</u>	<u>2020-21 Budget</u>	<u>Budget Remaining</u>	<u>Budget Pct.YTD</u>	<u>Prior Year to Actual</u>	<u>Curr. vs Prior Year to Year</u>
Tax Admin	287,938	232,631	(55,307)	124%	229,194	58,744
Telecommunications	0	0	0	0%	594	(594)
Utilities	668,927	625,000	(43,927)	107%	654,908	14,019
Vehicle Operations	62,825	111,063	48,237	57%	94,435	(31,610)
VP College & Fin Svcs	198,843	243,368	44,525	82%	256,428	(57,586)
<b><u>Totals for VP Fiscal Affairs</u></b>	<b><u>7,791,750</u></b>	<b><u>7,930,155</u></b>	<b><u>138,405</u></b>	<b><u>98%</u></b>	<b><u>6,890,840</u></b>	<b><u>900,909</u></b>
<b><u>Summary for VP Institutional Advancement</u></b>						
COM Foundation Dept	36,142	107,095	70,954	34%	93,765	(57,623)
Marketing and Communications	697,394	846,189	148,794	82%	794,898	(97,504)
VP Institutional Advancement	621,587	603,948	(17,639)	103%	573,387	48,200
<b><u>Totals for VP Institutional Advancement</u></b>	<b><u>1,355,123</u></b>	<b><u>1,557,232</u></b>	<b><u>202,109</u></b>	<b><u>87%</u></b>	<b><u>1,462,050</u></b>	<b><u>(106,927)</u></b>
<b><u>Summary for VP Instruction</u></b>						
Acad Succ Re/Wr	949,165	877,349	(71,815)	108%	996,567	(47,402)
Accting-Credit	184,431	119,307	(65,124)	155%	161,506	22,926
Adm-C.I.D.T.	15,820	71,598	55,778	22%	52,231	(36,412)
Adm-Cont Ed	399,563	387,951	(11,612)	103%	513,717	(114,153)
Adm-Ind Tech	0	8,000	8,000	0%	3,529	(3,529)
Adm-Instruct	16,182	79,364	63,183	20%	55,050	(38,868)
Adm-Perf & Vis Arts	17,867	82,328	64,461	22%	68,008	(50,141)
Adm-Pub Svc Ed	14,722	63,393	48,670	23%	74,259	(59,537)
Adm-Science	10,558	66,179	55,621	16%	27,910	(17,352)
Adm-Soc Sci	21,350	81,618	60,268	26%	61,443	(40,093)
Adult Education	128,199	210,557	82,357	61%	174,873	(46,673)
Allied Health CE	268,154	302,554	34,400	89%	264,732	3,422
Art	249,569	243,793	(5,776)	102%	253,796	(4,227)
Art Gallery	62,556	61,453	(1,103)	102%	59,057	3,499
Biol & Nutrition	727,184	744,739	17,556	98%	768,852	(41,669)

Unrestricted Fund (Unaudited)

	<u>Current Actual</u>	<u>2020-21 Budget</u>	<u>Budget Remaining</u>	<u>Budget Pct.YTD</u>	<u>Prior Year to Actual</u>	<u>Curr. vs Prior Year to Year</u>
Bus Ed-NonCR	0	0	0	0%	0	0
Bus Tech	24,518	17,366	(7,152)	141%	34,849	(10,331)
C.I.S.	98,922	100,770	1,848	98%	104,466	(5,544)
Chemistry	204,645	200,773	(3,872)	102%	225,985	(21,339)
Child Dev CE	0	0	0	0%	0	0
Child Develop	76,752	74,905	(1,847)	102%	77,393	(641)
Child Develop Lab	0	0	0	0%	570,380	(570,380)
Cmnty Theater	300,189	402,973	102,784	74%	327,724	(27,534)
Collegiate H.S.-CR	115,517	154,419	38,902	75%	146,822	(31,304)
Cosmetology	645,560	683,970	38,410	94%	625,877	19,683
Criminal Justice	92,600	90,502	(2,098)	102%	105,044	(12,444)
Dean Cont Ed	722	173,672	172,950	0%	597	125
Dean Gen Ed	140,994	202,122	61,128	70%	197,827	(56,834)
Distance Ed	447,542	434,213	(13,330)	103%	462,527	(14,985)
Drafting	81,492	80,283	(1,210)	102%	89,711	(8,218)
Dual Credit Dept	121,995	177,852	55,857	69%	160,850	(38,855)
Economics	89,963	80,891	(9,072)	111%	95,149	(5,186)
Emergency Management Credit	0	0	0	0%	27,964	(27,964)
EMS-Credit	297,678	280,823	(16,855)	106%	275,709	21,969
Fire Tech	330,782	318,264	(12,518)	104%	283,561	47,220
Firearms Acad	38,754	106,191	67,437	36%	73,828	(35,074)
Foreign Lang	82,440	71,393	(11,047)	115%	95,206	(12,767)
Gen Bus-Credit	93,956	96,304	2,348	98%	61,638	32,318
Geology	87,782	83,844	(3,938)	105%	90,970	(3,189)
Government	364,782	325,813	(38,968)	112%	393,346	(28,564)
Graphic Arts	114,762	106,575	(8,187)	108%	126,335	(11,573)
Health and PE Credit	174,056	157,196	(16,860)	111%	184,492	(10,436)
Health Info Mgmt	168,110	216,237	48,127	78%	184,500	(16,390)



Unrestricted Fund (Unaudited)

	<u>Current Actual</u>	<u>2020-21 Budget</u>	<u>Budget Remaining</u>	<u>Budget Pct.YTD</u>	<u>Prior Year to Actual</u>	<u>Curr. vs Prior Year to Year</u>
Hist & Geog	330,520	298,201	(32,320)	111%	357,858	(27,338)
Humanities	249,215	222,374	(26,842)	112%	231,577	17,638
Instr Tech Department	150,912	248,350	97,439	61%	204,564	(53,652)
Instr Tech Lab Mgrs	39,742	190,617	150,876	21%	227,913	(188,171)
Law Enforcement	83,170	117,364	34,193	71%	88,939	(5,768)
Law Enforcemnt-NonCR	76,274	36,316	(39,958)	210%	64,190	12,083
LC Ctr Admin	5,329	13,074	7,744	41%	24,387	(19,057)
Library	543,478	667,986	124,508	81%	575,394	(31,916)
Management	62,860	81,125	18,265	77%	92,097	(29,237)
Massage Therapy	0	7,400	7,400	0%	759	(759)
Math	795,450	785,627	(9,823)	101%	932,102	(136,653)
Medical Assistant	83,964	101,342	17,378	83%	91,648	(7,684)
Music	378,823	374,539	(4,284)	101%	393,379	(14,556)
Networking	86,966	99,704	12,738	87%	96,531	(9,564)
Nursing Administration	288,265	406,146	117,882	71%	367,508	(79,244)
Nursing-AD	1,347,039	1,597,083	250,043	84%	1,510,094	(163,055)
Nursing-VN	331,839	343,085	11,246	97%	358,268	(26,429)
Pharmacy Tech	100,844	100,168	(676)	101%	102,941	(2,097)
Philosophy	54,466	21,983	(32,482)	248%	74,425	(19,959)
Physics	150,515	136,221	(14,294)	110%	173,434	(22,919)
Process Tech	692,971	659,479	(33,492)	105%	747,380	(54,409)
Prof Develop Acad	0	12,000	12,000	0%	39,131	(39,131)
Psychology	412,763	378,170	(34,593)	109%	442,459	(29,696)
QEP	0	0	0	0%	0	0
Safety-CR	90,069	112,906	22,837	80%	118,075	(28,006)
Senior Adult Dept	157,455	249,279	91,824	63%	332,468	(175,013)
Social Science Non CR	42,423	74,941	32,519	57%	39,663	2,759
Sociology	83,270	75,759	(7,510)	110%	88,609	(5,339)

**Unrestricted Fund (Unaudited)**

	<u>Current Actual</u>	<u>2020-21 Budget</u>	<u>Budget Remaining</u>	<u>Budget Pct.YTD</u>	<u>Prior Year to Actual</u>	<u>Curr. vs Prior Year to Year</u>
Speaking,Reading,Writing	464,132	543,542	79,410	85%	527,528	(63,395)
Theater Arts-Credit	66,201	90,350	24,149	73%	65,062	1,139
Thermal Tech-NonCR	86,890	75,763	(11,127)	115%	76,406	10,484
Virtual College TX	1,120	1,120	0	100%	0	1,120
VP Instruction	443,549	1,828,083	1,384,535	24%	286,077	157,472
Welding-Cred	486,435	648,926	162,491	75%	521,060	(34,625)
<b><u>Totals for VP Instruction</u></b>	<b><u>15,446,781</u></b>	<b><u>18,636,556</u></b>	<b><u>3,189,775</u></b>	<b><u>83%</u></b>	<b><u>17,810,203</u></b>	<b><u>(2,363,421)</u></b>
<b><u>Summary for VP Student Services</u></b>						
Admissions	254,635	365,865	111,230	70%	371,058	(116,423)
Advise Center	689,694	728,410	38,716	95%	598,859	90,835
Career & Placement	11,600	69,351	57,751	17%	0	11,600
Career Svcs	0	1,715	1,715	0%	281	(281)
Counseling	0	265	265	0%	74,541	(74,541)
Enrollment Mgmt	122,368	81,476	(40,893)	150%	37,438	84,930
Facilities & Student Recreat	82,043	121,150	39,107	68%	180,360	(98,316)
Judicial Affairs	147,824	197,050	49,226	75%	238,083	(90,259)
Multicultural Department	2,494	12,500	10,006	20%	8,058	(5,564)
Recruitment	344,335	482,702	138,367	71%	475,579	(131,244)
Stu Financial Svcs	441,383	631,072	189,689	70%	530,193	(88,810)
Stu Organizations	245,222	323,539	78,317	76%	143,272	101,950
Student Graduation	50,601	74,080	23,479	68%	19,376	31,225
Svcs-Disab Students	9,126	52,021	42,896	18%	74,557	(65,431)
Testing	138,885	376,608	237,724	37%	284,983	(146,098)
Title V Grant	242	0	(242)	0%	243	(1)
Veteran Affairs	166,314	162,626	(3,688)	102%	163,427	2,887
VP Student Services	402,703	425,223	22,521	95%	337,182	65,521
<b><u>Totals for VP Student Services</u></b>	<b><u>3,109,469</u></b>	<b><u>4,105,654</u></b>	<b><u>996,185</u></b>	<b><u>76%</u></b>	<b><u>3,537,489</u></b>	<b><u>(428,020)</u></b>



**Unrestricted Fund (Unaudited)**

	<u>Current Actual</u>	<u>2020-21 Budget</u>	<u>Budget Remaining</u>	<u>Budget Pct.YTD</u>	<u>Prior Year to Actual</u>	<u>Curr. vs Prior Year to Year</u>
<b><u>Totals for Expense</u></b>	<b><u>31,507,431</u></b>	<b><u>36,900,000</u></b>	<b><u>5,392,569</u></b>	<b><u>85%</u></b>	<b><u>33,880,151</u></b>	<b><u>(2,372,719)</u></b>
<b><u>Fund Bal by Division</u></b>						
<b><u>Summary for President</u></b>						
Fund Balance - IT	0	0	0	0%	1,254	(1,254)
<b><u>Totals for President</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0%</u></b>	<b><u>1,254</u></b>	<b><u>(1,254)</u></b>
<b><u>Summary for VP Fiscal Affairs</u></b>						
Fund Balance - Academic Support	0	0	0	0%	62,637	(62,637)
Fund Balance - Institutional Support	750,124	0	(750,124)	0%	1,672,564	(922,440)
Fund Balance - Instruction	836,383	0	(836,383)	0%	305,222	531,161
Fund Balance - Oper & Maint	82,763	0	(82,763)	0%	26,430	56,333
Fund Balance - Public Service	0	0	0	0%	4,543	(4,543)
Fund Balance - Student Services	252,689	0	(252,689)	0%	237,536	15,153
<b><u>Totals for VP Fiscal Affairs</u></b>	<b><u>1,921,959</u></b>	<b><u>0</u></b>	<b><u>(1,921,959)</u></b>	<b><u>0%</u></b>	<b><u>2,308,932</u></b>	<b><u>(386,973)</u></b>
<b><u>Totals for Fund Bal</u></b>	<b><u>1,921,959</u></b>	<b><u>0</u></b>	<b><u>(1,921,959)</u></b>	<b><u>0%</u></b>	<b><u>2,310,186</u></b>	<b><u>(388,227)</u></b>
<b><u>Totals for Report</u></b>	<b><u>33,429,390</u></b>	<b><u>36,900,000</u></b>	<b><u>3,470,610</u></b>		<b><u>36,190,337</u></b>	<b><u>(2,760,947)</u></b>

# Monthly Financial Report

# Cash Situation

- Cash balance at the end of month was: \$19.8 million
- Minimum required cash : \$ 7.1 million
- Excess cash above minimum: \$12.7 million

# Unaudited Operations Year to Date

- Revenues: Budget: \$36.9 million  
Actual: \$37.8 million
- Expense: Budget: \$36.9 million  
Actual: \$31.5 million  
(85% Spent at 100% of year)



## MINUTE ORDER

To: Board of Trustees  
From: Dr. Warren Nichols, President  
Date: September 17, 2021  
Subject: Agenda Item for Board of Trustees Meeting

### **AGENDA ITEM DESCRIPTION:**

Consideration of and possible acceptance of the May 2021 and August 2021 Quarterly Investment Report.

### **PURPOSE**

To report to the Board of Trustees the quarterly investments for the college.

### **FUNDING SOURCE:**

N/A

### **PROPOSED MOTION:**

**Suggested motion:** *“I move the Board of Trustees accept the May 2021 and August 2021 Quarterly Investment Report.”*

### **BACKGROUND**

The investment officer shall prepare and submit to the Board a written report of investment transactions for all funds covered by the PFIA under Education Code 51.0032 and Government Code 2256.023.

In accordance with COM policy CDA (LOCAL) – Periodic financial reports shall be submitted to the Board outlining the progress of the budget to that date and reporting on the status of all District funds and District accounts.

### **ATTACHMENTS**

1. May 2021 Quarterly Investment Report
2. August 2021 Quarterly Investment Report



**Quarterly Summary of Investments**

<u>Quarter Ending</u>	<u>COM Fund</u>	<u>Type</u>	<u>Beginning Book Balance</u>	<u>Beginning Market Value</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Ending Book Balance</u>	<u>Ending Market Value</u>
May 2021	11	TexPool-Operating	\$ 29,173,357	\$ 29,173,357	\$ 3,000,963	\$ 5,816,000	\$ 26,358,320	\$ 26,358,320
	41	TexPool-Moody	26,599	26,599	1	-	26,600	26,600
	45	Logic Bond 2019	3,609,734	3,609,734	231	3,609,966	(0)	(0)
	46	Logic Bond 2020	74,270,299	74,270,299	16,649	4,557,098	69,729,851	69,729,851
Total investments all funds for quarter:			<u>\$ 107,079,989</u>	<u>\$ 107,079,989</u>	<u>\$ 3,017,845</u>	<u>\$ 13,983,063</u>	<u>\$ 96,114,771</u>	<u>\$ 96,114,771</u>

I certify that the attached listing constitutes all investments currently owned by the College of the Mainland District as of the date indicated and all of these investments and investing procedures conform to the "Public Funds Investment Act" as amended by House Bill 2459 of the 74th Texas Legislature. Furthermore, these same investments are in compliance with the College of the Mainland's Investment Policy and Strategy as adopted by the College of the Mainland's Board of Trustees.

Clen Burton  
Vice President of Fiscal Affairs

Trudy Trochesse  
Controller



**Quarterly Summary of Investments**

<u>Quarter Ending</u>	<u>COM Fund</u>	<u>Type</u>	<u>Beginning Book Balance</u>	<u>Beginning Market Value</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Ending Book Balance</u>	<u>Ending Market Value</u>
August 2021	11	TexPool-Operating	\$ 26,358,320	\$ 26,358,320	\$ 1,501,079	\$ 8,014,325	\$ 19,845,074	\$ 19,845,074
	41	TexPool-Moody	26,600	26,600	1	-	26,601	26,601
	45	Logic Bond 2019	-	-	-	-	-	-
	46	Logic Bond 2020	69,729,851	69,729,851	8,102	11,034,770	58,703,183	58,703,183
Total investments all funds for quarter:			<u>\$ 96,114,771</u>	<u>\$ 96,114,771</u>	<u>\$ 1,509,182</u>	<u>\$ 19,049,095</u>	<u>\$ 78,574,858</u>	<u>\$ 78,574,858</u>

I certify that the attached listing constitutes all investments currently owned by the College of the Mainland District as of the date indicated and all of these investments and investing procedures conform to the "Public Funds Investment Act" as amended by House Bill 2459 of the 74th Texas Legislature. Furthermore, these same investments are in compliance with the College of the Mainland's Investment Policy and Strategy as adopted by the College of the Mainland's Board of Trustees.

Clen Burton  
Vice President of Fiscal Affairs

Trudy Trocheset  
Controller



PRESIDENT'S OFFICE

## Board Report

Presenter: Board Chair

A. Miscellaneous Updates



PRESIDENT'S OFFICE

## President's Report

Presenter: Dr. Warren Nichols

A. Updates

1.

B. Reminders/Announcements

1. Fall Graduation

Saturday, December 11<sup>th</sup>, Virtual Event

2. Board Meetings

a. November – no meeting planned at this time.

b. December – Tuesday, December 7<sup>th</sup>, 1:30 p.m.

C. Resignations and Retirement Report

D. Miscellaneous Updates



PRESIDENT'S OFFICE

Resignations & Retirements

Last Name	First Name	Position	Hire Date	Last Date of Work	Termination Reason
Ganter	Blaine	Academic Advisor	04/11/2016	09/03/2021	Resignation
Ordonez	Amanda	Director, Nursing	09/01/2012	09/24/2021	Resignation
Wilson	Diane	Dental Hygiene Program Coordinator	06/28/2021	10/06/2021	Resignation



## PRESIDENT'S OFFICE

# Executive Session

If, during the course of the meeting covered by this Notice, the Board should determine that a closed or executive meeting or session of the Board should be held or is required in relation to any items included in this Notice, then such closed or executive meeting or session as authorized by Section 551.001 et seq. of the Texas Government Code (the Open Meetings Act) will be held by the Board at that date, hour and place given in this Notice or as soon after the commencement of the meeting covered by the Notice as the Board may conveniently meet in such closed or executive meeting or session concerning any and all subjects and for any and all purposes permitted by Sections 551.071, inclusive, of the Open Meetings Act, including, but not limited to:

Section 551.071 – For the purpose of a private consultation with the Board's attorney on any or all subjects or matters authorized by law.

Section 551.072 – For the purpose of discussing the purchase, exchange, lease or value of real property.

Section 551.073 – For the purpose of considering a negotiated contract for a prospective gift or donation.

Section 551.074 – For the purpose of considering the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear complaints or charges against a public officer or employee.

Section 551.076 – To consider the deployment, or specific occasions for implementation, of security personnel or devices.

Section 551.082 – For the purpose of considering discipline of a student or to hear a complaint by an employee against another employee if the complaint or charge directly results in a need for a hearing.

Section 551.084 – For the purpose of excluding a witness or witnesses from a hearing during examination of another witness.

Should any final action, final decision, or final vote be required in the opinion of the Board with regard to any matter considered in such closed or executive meeting or session, then such final action, final decision, or final vote shall be at either:

- A. The open meeting covered by this Notice upon the reconvening of the public meeting, or
- B. At a subsequent public meeting of the Board upon notice thereof, as the Board shall determine.