

**Board of Trustees**

**Finance and  
Human Resources  
Committee Meeting**

**January 16, 2013**

**5:30 p.m.**

**Ann Richards Administration Building,  
Board Room-Pecan Campus-McAllen, TX**



**South Texas College**  
**Board of Trustees**  
**Finance and Human Resources Committee**  
**Ann Richards Administration Building Board Room**  
**Pecan Campus**  
**Thursday, January 16, 2014**  
**@ 5:30 p.m.**  
McAllen, Texas

“At anytime during the course of this meeting, the Board of Trustees may retire to Executive Session under Texas Government Code 551.071(2) to confer with its legal counsel on any subject matter on this agenda in which the duty of the attorney to the Board of Trustees under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Texas Government Code. Further, at anytime during the course of this meeting, the Board of Trustees may retire to Executive Session to deliberate on any subject slated for discussion at this meeting, as may be permitted under one or more of the exceptions to the Open Meetings Act set forth in Title 5, Subtitle A, Chapter 551, Subchapter D of the Texas Government Code.”

I. Overview of Live Broadcast of Board and Committee Meetings.....	1
II. Approval of December 12, 2013 Finance and Human Resources Committee Minutes.....	2-13
III. Update on Municipal Bond Market and Bond Issuance Debt Structure .....	14-23
IV. Discussion and Action as Necessary on Hidalgo County Tax Resale Property and Resolution Authorizing Tax Resale.....	24-28
V. Review and Recommend Action on Award of Proposal, Purchases, and Renewals.....	29-46
VI. Review and Recommend Action on Establishing a Bank Account for the Bond Construction Program .....	47
VII. Review and Discussion of the Texas Higher Education Coordinating Board Enrollment Data Audit Report.....	48-51

## **Overview of Live Broadcast of Board and Committee Meetings**

Mr. Cody Gregg, Dean of Library Services and Instructional Technologies, will provide an overview of the audio/video system installed to provide live and archived broadcast of all Board and Committee meetings, as required by state law.

Recently passed HB 2668 requires that all public meetings of the STC Board of Trustees, as with all junior colleges enrolling 20,000 students or more per semester, must be live broadcast through the College's website. Under this law, every meeting of the Trustees for which an agenda must be publicly posted must be broadcast in this manner, and all packets and other materials provided in support of public agenda items must also be posted online.

Executive Sessions are protected by state law. In the event that the Board must convene executive session in accordance with the Open Meetings Act, the conference room in X-206 will be kept available to allow for private discussion.

Mr. Gregg's demonstration will help the Committee understand the equipment and how it will assist with compliance with this law.

No action is required from the Committee. This item is presented for information and feedback to staff.

**Approval of December 12, 2013 Finance and Human Resources Committee Minutes**

The Minutes for the Finance and Human Resources Committee Meeting of December 12, 2013 are presented for Committee approval.

**South Texas College  
Board of Trustees  
Finance and Human Resources Committee  
Ann Richards Administration Building Board Room  
Pecan Campus  
Thursday, December 12th, 2013  
@ 5:30 p.m.  
McAllen, Texas**

**Minutes**

The Finance and Human Resources Committee Meeting was held on Thursday, November 14th, 2013 in the Ann Richards Administration Building Board Room at the Pecan Campus in McAllen, Texas. The meeting commenced at 5:30 p.m. with Mr. Roy de León presiding.

Members present: Mr. Roy de León, Ms. Rose Benavidez, and Mr. Paul R. Rodriguez

Other Board Members present: Mr. Gary Gurwitz

Members absent: None

Also present: Dr. Shirley A. Reed, Mrs. Mary Elizondo, Mrs. Diana A. Peña, Mr. Chuy Ramirez, Mrs. Becky Cavazos, Ms. Myriam Lopez, Mr. George McCaleb, Mr. Paul Varville, Mr. Paul Hernandez, Mr. Matt Hebbard, Ms. Brenda Jo Balderaz, Ms. Anne Burger Entekin, Mr. Mark Michna, Mr. Ruben Moreno, Mr. Aaron Rios, and Mr. Andrew Fish

**Approval of November 14, 2013 Finance and Human Resources Committee Minutes**

Upon a motion by Mr. Paul R. Rodriguez and a second by Ms. Rose Benavidez, the Minutes for the Finance and Human Resources Committee Meeting of November 14, 2013 were approved as written. The motion carried.

**Update on Municipal Bond Market**

Ms. Anne Burger Entekin from First Southwest provided the Committee members and administration with an update on the current municipal bond market conditions.

The Municipal Bond Market Update was included in the packet for the Committee's review and information.

No action was required from the Committee. This item was presented for information and feedback to staff.

### **Review and Recommend Action on Preliminary Bond Issuance Debt Structure**

Approval will be requested at the December 17, 2013 Board meeting for the Preliminary Bond Issuance Debt Structure in an amount not to exceed \$75 million.

As of the week of December 2, 2013, it was projected that the amount of the first bond sale would be approximately \$50 million. However, if the prevailing interest rate at the time of the pricing is lower than it was currently, it would be helpful to have the flexibility to increase the par amount of the sale in order to lock in more proceeds at a lower rate.

The Preliminary Tax Rate Analysis for an initial issuance of \$50 million and \$75 million was provided in the packet for the Committee's review and information. Both of the attachments assumed a 1/2 cent tax increase and use of Interest and Sinking fund balance of approximately \$10 million and \$11.9 million respectively.

As of August 31, 2013, the I&S cash fund balance was \$13,668,265. This balance accumulated as a result of the bond series that are currently outstanding but would be paid off by 2019. The I&S fund balance may only be used to pay down debt.

In both of the Preliminary Tax Rate Analysis provided, bonds were estimated to be sold in four (4) issues to keep the I&S tax rate impact as close to the ½ cent increase as possible. Both the \$50 million and the \$75 million initial issuance Preliminary Tax Rate Analysis also assumed the use of the available funds from the I&S fund balance. It was in the College's best interest to use only approximately \$10 million from I&S fund balance.

Ms. Anne Burger Entrekinn from First Southwest discussed the Preliminary Tax Rate Analysis with the Committee members. She informed the Committee that Board action would be necessary in January to approve the issuance, and therefore it would take place after the January 28, 2013 Board meeting. The Committee expressed an interest in a Special Board Meeting earlier in January to attempt to lock in better rates.

Administration will follow up with Anne to determine whether the College could realize a better interest rate, and will coordinate with the Board accordingly.

Upon a motion by Mr. Paul R. Rodriguez and a second by Ms. Rose Benavidez, the Finance and Human Resources Committee recommended Board approval of the Preliminary Bond Issuance Debt Structure in an amount not to exceed \$75 million as presented. The motion carried.

**The following agenda item was taken out of order to accommodate a guest:**

### **Review and Recommend Action on Texas General Land Office Electric Sales Agreement**

Approval will be requested at the December 17, 2013 Board meeting to contract with the Texas General Land Office (GLO) State Power Program for the purchase of electricity. The terms would be for a period of one year through 5 years at varying kilowatt rates. Pricing on

electric power and associated services from the State Power Program is administered by Cavallo Energy Texas, LLC. (Houston, TX).

Mr. George McCaleb, Director of Operations, attended the Finance and Human Resources Committee and provided a brief overview of the energy pricing available to the College and a comparison to previous contracted rates. He also responded to questions regarding the advantages of procuring a contract through the GLO as opposed to through the solicitation of competitive bids.

Mr. Mark Michna, Senior Sales Director from Cavallo Energy Texas attended the Finance Committee meeting and responded to questions regarding the volatility of energy prices and the advantages of securing a fixed rate through the GLO.

The electric sales agreement, through the General Land Office (GLO), would provide electric power to all STC locations which includes seventy (70) meters. By contracting with the GLO, the College would meet the State procurement requirements. The GLO contract included an exemption to the following charges: gross receipt tax, PUC assessment fee and sales tax. The exemption of gross receipt tax and PUC assessment fee was not available through other providers.

The General Land Office provider was currently offering the following rates which vary by term length:

Start Date	6/1/2014	6/1/2014	6/1/2014	6/1/2014	6/1/2014
Term	12	24	36	48	60
Effective Rate	\$ .04947	\$ .05027	\$ .05052	\$ .05059	\$ .05052

The following is STC history on providers and rates:

Method	Service Provider	Period	Rate per kWh
General Land Office	Reliant	04/1/02 - 03/31/04	\$0.03944
General Land Office	Reliant	04/01/04 - 05/31/06	\$0.05397
RFP	Hino Electric	06/01/06 - 05/31/07	\$0.08099
RFP	Hino Electric	06/01/07 - 05/31/08	\$0.08650
RFP	Gexa Energy	06/01/08 - 05/31/11	\$0.10200
RFP/General Land Office	Cavallo Energy Texas	06/01/11 - 05/31/14	\$0.05676

Funds for this expenditure were available in the Utilities budget for FY 2013 - 2014.

Upon a motion by Mr. Paul R. Rodriguez and a second by Ms. Rose Benavidez, the Finance and Human Resources Committee recommended Board approval to contract with the Texas General Land Office State Power Program for the purchase of electricity for a period of five years at the effective contracted rate that would be determined prior to the

December 17, 2013 Board meeting. Pricing on electric power and associated services from the State Power Program was administered by Cavallo Energy Texas, LLC. (Houston, TX).

**The Committee returned to the posted Agenda order for the remainder of the meeting:**

### **Update on Status of Fiscal Year 2013 Financial Audit**

Mr. Ruben Moreno from Long Chilton, LLP reviewed the status of the Comprehensive Annual Financial Report for the Fiscal Years Ended August 31, 2013 and 2012 with the Committee.

Included under separate cover is a draft of the Comprehensive Annual Financial Report for the Fiscal Years Ended August 31, 2013 and 2012. A copy of the final Comprehensive Annual Financial Report for the Fiscal Years Ended August 31, 2013 and 2012 was provided at the meeting.

There were no findings in the Audit, and Mr. Moreno spoke very highly of the College's Business Office staff. The Committee commended Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, Mrs. Diana Pena, Associate Vice President for Finance, and their staff for a long history of good work, as shown by these annual audits.

Mr. Paul R. Rodriguez also confirmed with the auditor that the Trustees are permitted to contact the auditors directly should they have any concerns.

The Board would be asked to take action on accepting the audit at the Tuesday, December 17, 2013 Board Meeting.

No action was required from the Committee. This item was presented for information and feedback to staff.

### **Review and Recommend Action on Award of Proposals, Purchases, and Renewals**

Approval of the following proposal awards, purchases, and renewals will be requested at the December 17, 2013 Board meeting as follows:

- 1) Security Cameras (Award):** award the proposal for security cameras to Halifax Security, Inc./dba North American Video (Brick, NJ) (New Vendor), at a total cost of \$16,071.00;
- 2) Call Center Training Systems (Purchase):** purchase call center training systems from SAVE Corporation (Edgewater, FL), (New Vendor) a sole source vendor, at a total cost of \$23,206.00;



- 3) Computers and Laptops (Purchase):** purchase computers and laptops from the State of Texas Department of Information Resources (DIR) approved vendors Dell Marketing, LP (Dallas, TX) and Apple Computer, Inc. (Dallas, TX) in the total amount of \$391,848.00;
- 4) Door Hardware (Purchase):** purchase door hardware from ADI (Houston, TX), a sole source vendor, at a total cost of \$52,822.75;
- 5) Furniture (Purchase):** purchase furniture from a State of Texas Multiple Award Schedule (TXMAS) approved vendor, at a total amount of \$16,203.71:
  - A) Allsteel, Inc.....\$ 2,291.92
  - B) Erg International.....\$ 1,012.75
  - C) Krueger International, Inc.....\$12,899.04
- 6) GED and TSI Testing Materials (Purchase):** purchase GED and TSI testing materials from Dr. Selina Vasquez Mireles/dba SNJ Academics, LLC. (Buda, TX), a sole source vendor, at a total cost of \$17,250.00;
- 7) Law Enforcement Equipment and Supplies (Purchase):** purchase law enforcement equipment and supplies from GT Distributors, Inc. (Austin, TX), a Texas Association of School Boards (TASB) – Buyboard approved vendor, at a total cost of \$29,108.77;
- 8) Maintenance Parts and Supplies (Purchase):** purchase maintenance parts and supplies from Bush Supply Company (Edinburg, TX), a Texas Association of School Boards (TASB) – Buyboard approved vendor, for the period beginning September 1, 2013 through August 31, 2014, at an estimated amount of \$55,000.00 based on prior year history;
- 9) Police Vehicle (Purchase):** purchase a police vehicle from Caldwell Country (Caldwell, TX), a Houston-Galveston Area Council (HGAC) approved vendor, at a total cost of \$27,745.00;
- 10) Time Clocks (Purchase):** purchase time clocks from Troncoso’s Time & Attendance (Pharr, TX), a sole source vendor, at a total cost of \$13,866.00;
- 11) Moving Services (Renewal):** renew the contracts for moving services with Groves Moving & Storage (Harlingen, TX) and Gateway Printing & Office Supply, Inc. (Edinburg, TX) for the period beginning February 19, 2014 through February 18, 2015, at an estimated annual cost of \$12,000.00;
- 12) Public Website Hosting Service (Renewal):** renew the public website hosting service agreement with Rackspace Managed Hosting (San Antonio, TX), a sole source vendor, for the period beginning February 1, 2014 through January 31, 2015, at an estimated cost of \$37,293.96;
- 13) Signs, Flags and Banners (Renewal):** renew the contracts for signs, flags and banners for the period beginning January 30, 2014 through January 29, 2015, at an estimated amount of \$18,000.00 with the following vendors:  
Primary: MPA Digital, LLC. (McAllen, TX)  
Secondary: FedEx Office (McAllen, TX)  
AGAS, Mfg. (Philadelphia, PA)
- 14) Third Party Administrator for 403(b) Plan (Renewal):** renew the contract for the third party administrator for 403(b) plan with TSA Consulting Group, Inc. (Ft. Walton Beach, FL), for the period beginning March 1, 2014 through February 28, 2015, at a total annual cost of \$6,000.00.

SUMMARY TOTAL:

The total for all proposal awards, purchases, and renewals is \$719,415.19.

Upon a motion by Ms. Rose Benavidez and a second by Mr. Paul R. Rodriguez, the Finance and Human Resources Committee recommended Board approval of the award of proposals, purchases, and renewals as presented. The motion carried.

**Review and Recommend Action on 2013 Tax Roll/Tax Levy for Hidalgo and Starr Counties**

Approval of the 2013 Tax Roll/Tax Levy for Hidalgo and Starr Counties will be requested at the December 17, 2013 Board meeting.

The 2013 Tax Roll/Tax Levy for Hidalgo and Starr Counties was requested in order to be in compliance with Section 26.09 Item (e) of the Property Tax Code, which reads:

“The assessor shall enter the amount of tax determined as provided by this section in the appraisal roll and submit it to the governing body of the unit for approval. The appraisal roll with amounts of tax entered as approved by the governing body constitutes the unit’s tax roll.”

Mr. Armando Barrera, Jr., RTA, Assessor-Collector of Hidalgo County, and Mrs. Carmen A. Peña, RTA, Assessor-Collector of Starr County, entered the amount of tax determined as provided by Section 26.09 Item (e) of the Property Tax Code and submitted to South Texas College the tax roll/tax levy totaling \$45,078,971.73. The comparison from the 2012 to 2013 tax levy by county is as follows:

	<b>Tax Year 2012 Tax Roll/Levy</b>		<b>Tax Year 2013 Tax Roll/Levy</b>
Hidalgo County	\$ 41,616,411.41	Hidalgo County	\$ 42,343,115.93
Starr County	\$ 2,735,414.30	Starr County	\$ 2,735,855.80
Total	<u>\$ 44,351,825.71</u>	Total	<u>\$ 45,078,971.73</u>

Upon a motion by Mr. Paul R. Rodriguez and a second by Ms. Rose Benavidez, the Finance and Human Resources Committee recommend for Board approval at the December 17, 2013 Board meeting, the 2013 Tax Roll/Tax Levy for Hidalgo and Starr Counties as presented. The motion carried.

### **Review and Recommend Action on Appraisal District Allocated Cost Payments for Hidalgo County and Starr County**

Approval to process payments to the Hidalgo County Appraisal District and Starr County Appraisal District for allocated cost, as described below, will be requested at the December 17, 2013 Board meeting.

The Hidalgo County Appraisal District and Starr County Appraisal District were considered a sole source and the College and other taxing entities were required to use their services to determine the assessed valuation of properties.

Each year the chief appraiser prepares a proposed budget for the operations of the appraisal district for the following tax year. The County's Appraiser submits copies of the budget to each taxing unit participating in the district and an estimate of the amount of the budget that will be allocated to each taxing unit.

Texas Property Tax Code Chapter 6 Section 6.06 (d) Appraisal District Budget and Financing indicates that the cost is allocated as follows: "Each taxing unit participating in the district is allocated a portion of the amount of the budget equal to the proportion that the total dollar amount of property taxes imposed in the district by the unit for the tax year in which the budget proposal is prepared bears to the sum of the total dollar amount of property taxes imposed in the district by each participating unit for that year".

Each taxing unit pays its allocation in four equal payments.

The tax year 2013 projected allocations, per the District's budgets, were \$449,667.00 for Hidalgo County Appraisal District and \$78,566.89 for Starr County Appraisal District, for a total of \$528,233.89. The first quarterly invoice was due by December 31, 2013 for Starr County and by January 10, 2014 for Hidalgo County.

The Tax Year 2013 allocations changed from the Tax Year 2012 allocations as follows:

- Hidalgo County Appraisal District increased by \$19,632.00
- Starr County Appraisal District decreased by \$4,229.53

The changes are based on the new year budgets of each Appraisal District.

Upon a motion by Mr. Paul R. Rodriguez and a second by Ms. Rose Benavidez, the Finance and Human Resources Committee recommended Board approval of the payments to the Hidalgo County Appraisal District and the Starr County Appraisal District for the allocated cost as stated in the Texas Property Tax Code, Chapter 6, Section 6.06 (e) and as presented. The motion carried.

### **Review and Recommend Action on Disposal/Recycle of Automotive Technology Program Donated Vehicles**

Approval to disposal/recycling automotive technology program donated vehicles through Wilkinson Metal Recycling Center (McAllen, TX) with an estimated amount of \$800.00 to be received for the recycling of metal will be requested at the December 17, 2013 Board meeting.

This disposal was as per Policy #5135 Disposal of Surplus Property.

The four (4) vehicles were donated to the South Texas College Division of Technology Automotive Technology Program for student instruction by General Motors. After many years of use, the vehicles were no longer beneficial for student instruction due to the age of the vehicles and change in technology.

The General Motors vehicle donation program required that all donated vehicles that are no longer beneficial for student instruction be sent for scrapping at the time of disposal. When General Motors donated these vehicles to the College, it was with the understanding that the vehicles were strictly for student instruction and not to be driven on the road. In order for General Motors to assure that these vehicles will never be driven on the road, they required all instructional institutions to complete a scrapping certification/authorization form.

The list of the vehicles was provided in the packet for the Committee's review and discussion.

Upon a motion by Mr. Paul R. Rodriguez and a second by Ms. Rose Benavidez, the Finance and Human Resources Committee recommended Board approval of the disposal/recycling of automotive technology program donated vehicles through Wilkinson Metal Recycling Center (McAllen, TX) with an estimated amount of \$800.00 to be received for the recycling of metal as presented. The motion carried.

### **Review and Recommend Action on Disposal of Surplus Property with a Value of Over \$1,000 through Online Auction Services**

Approval to dispose of surplus property with a value of over \$1,000 through The Public Group, a board approved vendor for online auction services, will be requested at the December 17, 2013 Board meeting.

The surplus property went through an evaluation process by the departments to determine if the items were damaged beyond repair and unable to be utilized district wide.

The auction items were located at the South Texas College Receiving Department, 3700 W. Military Hwy., McAllen, TX. The online auction would begin on January 6, 2014 and continue until all items were sold.

A listing of the Surplus Property over \$1,000 to be auctioned was included in the packet for the Committee's information and review. These items were included in the College's inventory through the Banner system.

Upon a motion by Mr. Paul R. Rodriguez and a second by Ms. Rose Benavidez, the Finance and Human Resources Committee recommended Board approval to dispose of surplus property with a value of over \$1,000 through The Public Group, a board approved vendor for online auction services, as presented. The motion carried.

### **Review and Recommend Action on Purchase of Vehicle Fuel through the State Fleet Card Program**

Approval of purchase of motor vehicle fuel through the State Fleet Card Program using U. S. Bank Market Fleet Voyager (Dacula, GA) (New Vendor), through the State of Texas Procurement and Support Services (TPASS) acting by and through the State of Texas Council of Competitive Government (CCG), for the period beginning December 18, 2013 through December 31, 2014, at an estimated cost of \$70,000.00 will be requested at the December 17, 2013 Board meeting.

The fuel card program would be used for College-owned vehicles used by Mail Services, Central Receiving, Maintenance and Operations, and the STC Police Department for the day-to-day operations of the College.

Use of the fuel cards would be controlled by the STC Business Office in coordination with supervisors from departments using the cards. The Business Office would have the ability to monitor online all fuel purchase transactions.

The advantages of using the state fleet card program are as follows:

- Each card will be issued a personal identification (PIN) number and transaction limits
- Odometer Reading may be required at the pump
- Business Office staff may monitor transactions online
- Rebates/Discounts are paid quarterly
- 40,000 approved locations which include locations less than a mile from the college's campuses (current card is limited to one provider)
- The gas station with the best price can be selected
- Net 30 days for monthly payment with no additional charge
- Various reports are available online for reference

The College would be billed on a monthly basis for the actual fuel charges only. No other type of fees were assessed to the College. The estimated price per gallon savings would increase from \$.02 to \$.052 which would be received quarterly in the form of a rebate. The rebate would be based on the vendors Texas sales volume average usage which can range from 1.150% to 1.760% as stated in the agreement.

It was anticipated that the fuel costs would remain approximately the same as current costs, however there are various advantages and additional controls through this vendor, as indicated above.

Funds for this expenditure were available in the Mail Services, Central Receiving, Maintenance and Operations, and STC Police Department budgets for FY 2013-2014.

Upon a motion by Mr. Paul R. Rodriguez and a second by Ms. Rose Benavidez, the Finance and Human Resources Committee recommended Board approval of the purchase of motor vehicle fuel through the State Fleet Card Program using U. S. Bank Market Fleet Voyager (Dacula, GA) (New Vendor), through the State of Texas Procurement and Support Services (TPASS) acting by and through the State of Texas Council of Competitive Government (CCG), for the period beginning December 18, 2013 through December 31, 2014. The motion carried.

#### **Review and Recommend Action to Delete and Replace Policy #1511: Conflicts of Interest; Prohibited Conduct**

A request for approval to delete Policy #1511: Conflicts of Interest; Prohibited Conduct and replace with proposed revised Policy #1511: Conflict of Interest, Disclosure of Interest, and Prohibited Conduct was intended for the December 17, 2013 Board meeting.

Due to concerns voiced during the December 12, 2013 Facilities Committee, the Finance and Human Resources Committee Chair agreed to refrain from action on this agenda item until the revisions had undergone further review by staff and Legal Counsel.

#### **Review and Discussion of Monthly Financial Reports**

Mary Elizondo, Vice President for Finance and Administrative Services and Dr. Shirley Reed were present to review the monthly financial reports presented to Board of Trustees each month for review and approval. The reports are as of November 30, 2013.

No action was required from the Committee. This item was presented for information and feedback to staff.

## **Adjournment**

There being no further business to discuss, the Finance and Human Resources Committee Meeting of the South Texas College Board of Trustees adjourned at 6:22 p.m.

I certify that the foregoing are the true and correct minutes of the December 12th, 2013 Finance and Human Resources Committee Meeting of the South Texas College Board of Trustees.

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Mr. Roy de León  
Chair

### **Update on Municipal Bond Market and Bond Issuance Debt Structure**

First Southwest Company has continued to work on the preparations for the sale of the Limited Tax Bonds, Series 2014. Staff has provided updated information for the Preliminary Official Statement. The following is the proposed timeline:

- Thursday, December 19, 2013      Send Preliminary Official Statement and related documents to rating agencies
- Week of January 13, 2014      Conference calls with rating agencies
- Friday, January 17, 2014      Receive ratings
- Tuesday, January 21, 2014      Preliminary Official Statement goes to i-Deal web site for posting
- Monday and Tuesday, January 27-28, 2014      Pricing
- Tuesday, January 28, 2014      Board of Trustees meeting to conduct sale of bonds and to consider the adoption of the Order Authorizing the Issuance of the Tax Bonds and Adopting the Order approving and authorizing the execution of the Bond Purchase Agreement
- Wednesday, February 26, 2014      Closing date

A Municipal Bond Market Update and a Tax Rate Impact Analysis follows in the packet for the Committee's review and information.

Ms. Anne Burger Entekin from First Southwest Company will be present at the meeting to discuss the Municipal Bond Market Update and the Tax Rate Impact Analysis for an initial issuance of \$42.5 million and \$50 million.

The College's legal counsel and bond counsel, Chuy Ramirez, will prepare the Order after the pricing and it will be presented for consideration and approval at the January 28, 2014 Board meeting.





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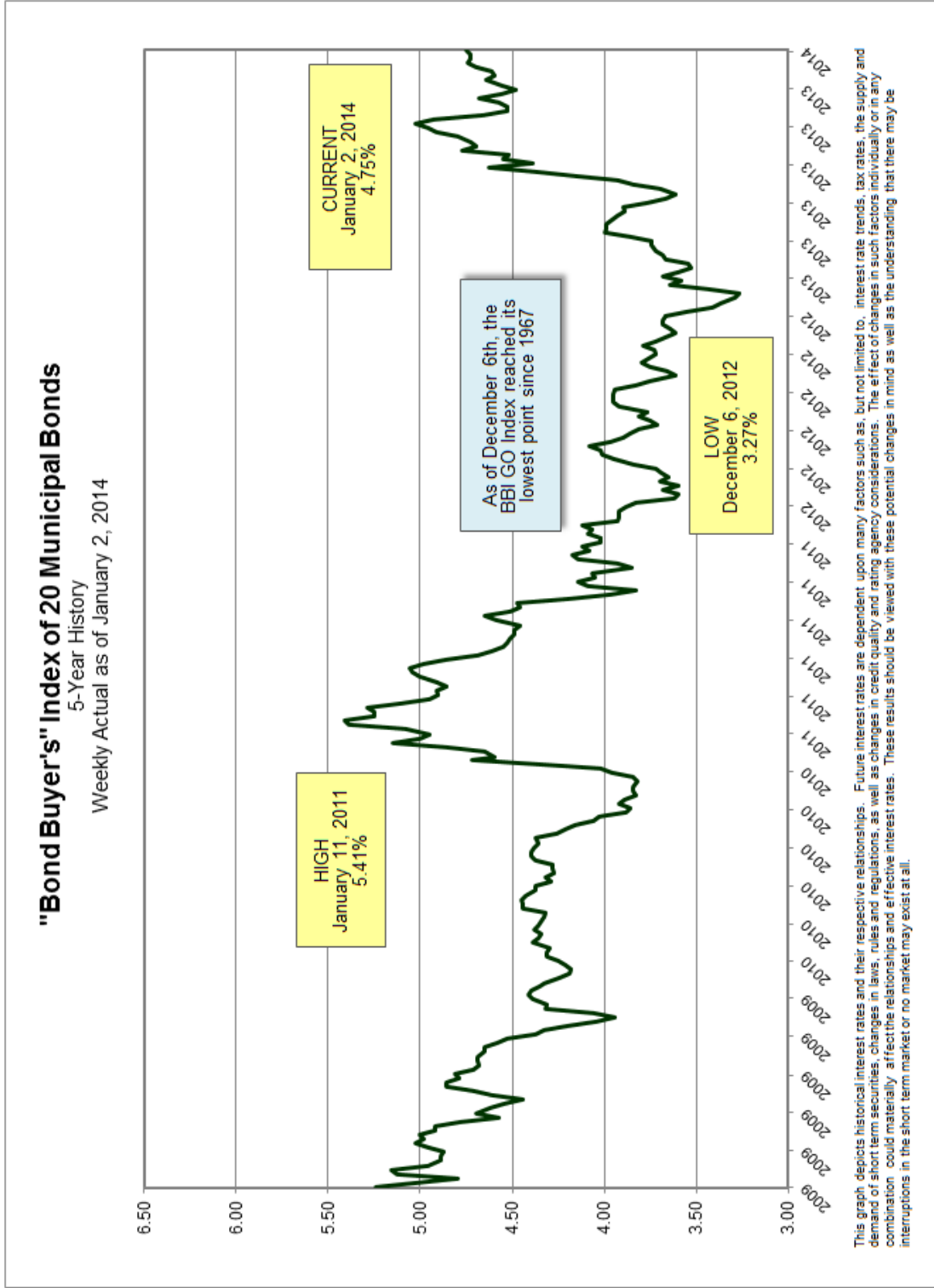
Municipal Market Update and Tax Rate Impact Analysis

# Market Update

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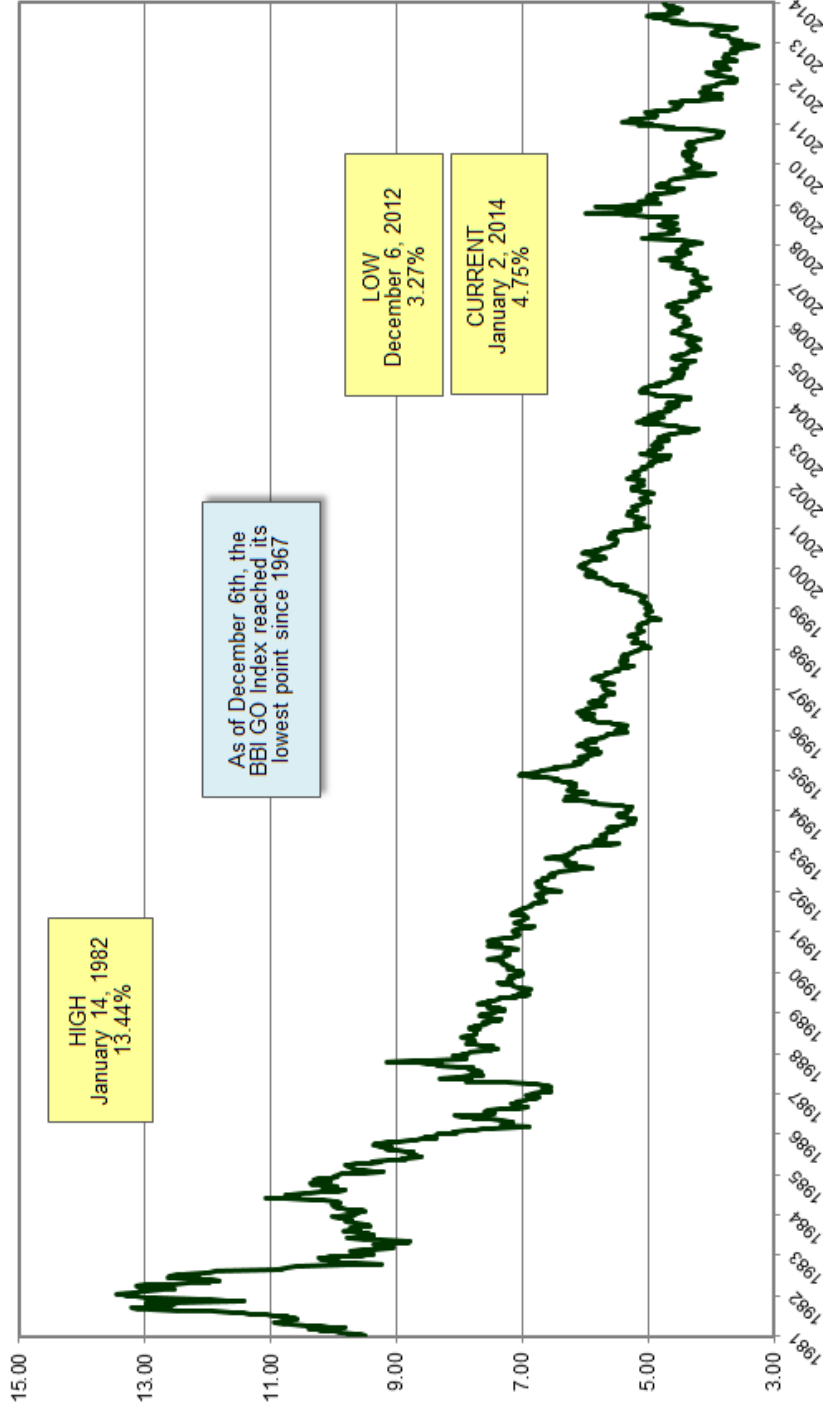
# Bond Buyer's Index of 20 Municipal Bonds



# Bond Buyer's Index of 20 Municipal Bonds

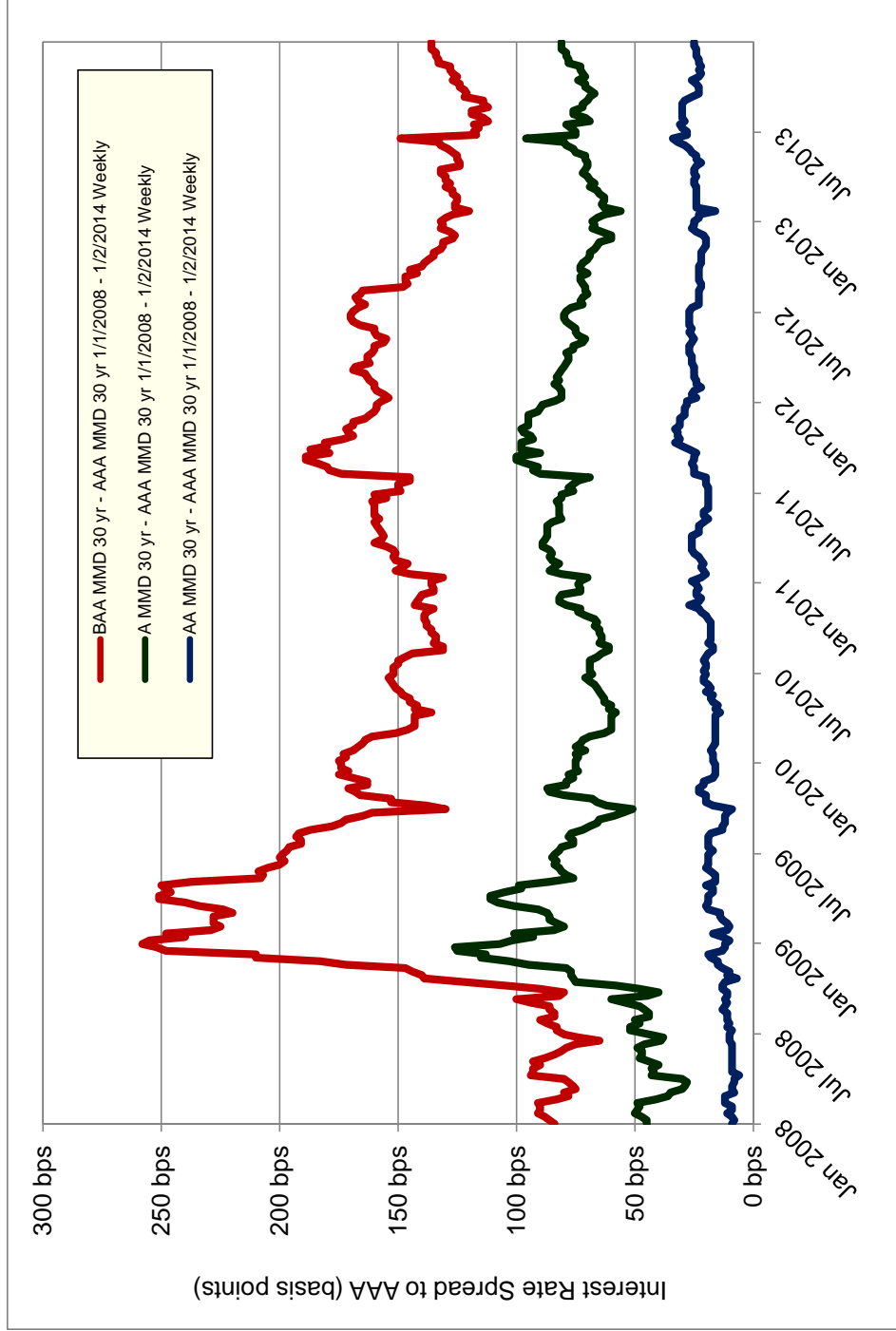
## "Bond Buyer's" Index of 20 Municipal Bonds

Historical Rates Since January 1, 1981  
Weekly Actual as of January 2, 2014

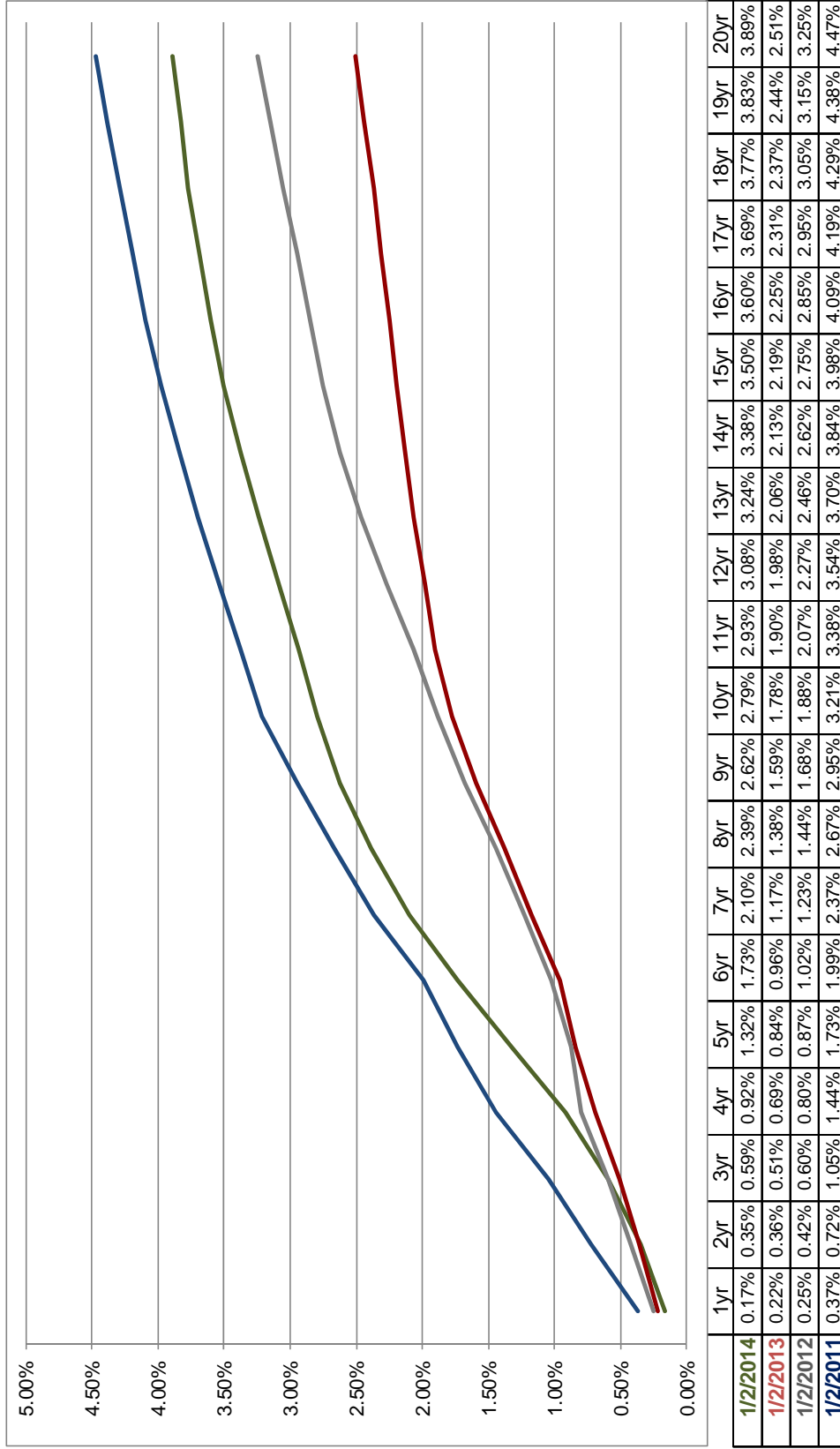


This graph depicts historical interest rates and their respective relationships. Future interest rates are dependent upon many factors such as, but not limited to, interest rate trends, tax rates, the supply and demand of short term securities, changes in laws, rules and regulations, as well as changes in credit quality and rating agency considerations. The effect of changes in such factors individually or in any combination could materially affect the relationships and effective interest rates. These results should be viewed with these potential changes in mind as well as the understanding that there may be interruptions in the short term market or no market may exist at all.

# Credit Spreads



## AAA MMD Yield Comparisons<sup>(1)</sup>



(1) Source: Thomson Reuters Municipal Market Data.

# Tax Rate Impact Analysis

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# \$42,500,000 Limited Tax Bonds, Series 2014

FYE	Taxable Assessed Valuation <sup>(1)</sup>	Est. AV Growth <sup>(2)</sup>	Existing I&S Tax-Supported D/S	Projected Existing I&S Tax-Supported D/S	\$159,020,000 Projected - \$42.5 MM INITIAL ISSUANCE										Total I&S Tax Rate Change For Series 2014-17
					Series 2014 @ 4.28% <sup>(3)</sup> (Feb 2014) <sup>(4)</sup>	Series 2015 @ 4.50% <sup>(3)</sup> (Jan 2015) <sup>(5)</sup>	Series 2016 @ 4.75% <sup>(3)</sup> (Jan 2016) <sup>(6)</sup>	Series 2017 @ 4.75% <sup>(3)</sup> (Jan 2017) <sup>(7)</sup>	Total	Projected Total Debt Service	Less: Available Funds	Estimated Net Total	Debt I&S Tax Rate <sup>(8)</sup>		
2014	\$ 29,620,287,585	0.00%	\$ 11,139,750	0.0400	-	-	-	-	-	-	-	-	\$ 11,139,750	\$ -	0.0400
2015	29,620,287,585	0.00%	10,952,050	0.0375	\$ 3,108,610	-	-	-	-	\$ 3,108,610	-	-	14,060,660	(920,000)	0.0050
2016	29,620,287,585	0.00%	9,842,150	0.0337	2,115,500	\$ 2,767,350	-	-	-	4,882,850	-	-	14,725,000	(1,585,000)	0.0050
2017	29,620,287,585	0.00%	9,758,550	0.0334	2,115,500	1,747,800	\$ 2,921,092	-	-	6,784,392	-	-	16,542,942	(3,400,000)	0.0050
2018	29,620,287,585	0.00%	9,285,500	0.0318	2,115,500	1,747,800	1,844,900	\$ 2,921,092	-	8,629,292	-	-	17,914,792	(4,775,000)	0.0050
2019	29,620,287,585	0.00%	778,150	0.0027	3,970,500	3,317,800	3,259,900	2,349,900	-	12,898,100	-	-	13,676,250	13,676,250	0.0069
2020	29,620,287,585	0.00%			3,970,213	3,317,150	3,257,888	3,215,913	-	13,760,963	-	-	13,760,963	13,760,963	0.0072
2021	29,620,287,585	0.00%			3,967,975	3,318,350	3,257,388	3,214,650	-	13,758,363	-	-	13,758,363	13,758,363	0.0072
2022	29,620,287,585	0.00%			3,969,038	3,316,175	3,258,763	3,215,300	-	13,759,275	-	-	13,759,275	13,759,275	0.0072
2023	29,620,287,585	0.00%			3,971,488	3,315,625	3,256,575	3,217,825	-	13,761,313	-	-	13,761,313	13,761,313	0.0072
2024	29,620,287,585	0.00%			3,968,613	3,316,475	3,255,825	3,216,388	-	13,757,300	-	-	13,757,300	13,757,300	0.0072
2025	29,620,287,585	0.00%			3,969,963	3,318,500	3,256,275	3,216,588	-	13,761,325	-	-	13,761,325	13,761,325	0.0072
2026	29,620,287,585	0.00%			3,970,013	3,316,475	3,257,688	3,212,988	-	13,757,163	-	-	13,757,163	13,757,163	0.0072
2027	29,620,287,585	0.00%			3,968,500	3,320,400	3,259,825	3,215,588	-	13,764,313	-	-	13,764,313	13,764,313	0.0072
2028	29,620,287,585	0.00%			3,970,163	3,319,825	3,257,450	3,213,913	-	13,761,350	-	-	13,761,350	13,761,350	0.0072
2029	29,620,287,585	0.00%			3,969,475	3,319,750	3,260,563	3,217,963	-	13,767,750	-	-	13,767,750	13,767,750	0.0072
2030	29,620,287,585	0.00%			3,971,175	3,319,950	3,258,688	3,217,263	-	13,767,075	-	-	13,767,075	13,767,075	0.0072
2031	29,620,287,585	0.00%			3,969,738	3,315,200	3,256,825	3,216,813	-	13,758,575	-	-	13,758,575	13,758,575	0.0072
2032	29,620,287,585	0.00%			3,969,900	3,315,500	3,259,738	3,216,375	-	13,761,513	-	-	13,761,513	13,761,513	0.0072
2033	29,620,287,585	0.00%			3,971,138	3,315,400	3,256,950	3,215,713	-	13,759,200	-	-	13,759,200	13,759,200	0.0072
2034	29,620,287,585	0.00%			3,967,925	3,319,675	3,258,463	3,214,588	-	13,760,650	-	-	13,760,650	13,760,650	0.0072
2035	29,620,287,585	0.00%				3,317,875	3,258,800	3,212,763	-	9,789,438	-	-	9,789,438	9,789,438	-
2035	29,620,287,585	0.00%					3,257,725	3,215,000	-	6,472,725	-	-	6,472,725	6,472,725	-
2036	29,620,287,585	0.00%						3,215,825	-	3,215,825	-	-	3,215,825	3,215,825	-
					\$ 72,970,922	\$ 62,663,075	\$ 63,411,117	\$ 63,152,242	\$ 262,197,356	\$ 313,953,506	\$ (10,680,000)	\$ 303,273,506	\$ 0.0072		

Assumptions:

- (1) Fiscal Year 2013 and 2014 Taxable Assessed Valuation provided by the College.
- (2) Estimated Taxable Assessed Valuation growth for purposes of illustration only, subject to change.
- (3) Interest rates for purposes of illustration only; Preliminary, subject to change.
- (4) Assumes a Bond Election in November 2013, issued in February 2014, and the first principal payment in August 2019.
- (5) Assumes a Bond Election in November 2013, issued in January 2015, first interest payment in February 2015, and the first principal payment in August 2019.
- (6) Assumes a Bond Election in November 2013, issued in January 2016, first interest payment in February 2016, and the first principal payment in August 2019.
- (7) Assumes a Bond Election in November 2013, issued in January 2017, first interest payment in February 2017, and the first principal payment in August 2019.
- (8) Est. tax collections rate 98.50%





# \$50,000,000 Limited Tax Bonds, Series 2014

FYE 8/31	Taxable Assessed Valuation <sup>(1)</sup>	Est. AV Growth <sup>(2)</sup>	Existing I&S Tax- Supported D/S	Projected Existing Debt I&S Tax Rate <sup>(7)</sup>	\$159,020,000 Projected - \$50 MM INITIAL ISSUANCE										Total I&S Tax Rate Change For Series 2014-17
					Series 2014 @ 4.03% <sup>(3)</sup> (Feb 2014) <sup>(4)</sup>	Series 2015 @ 4.50% <sup>(3)</sup> (Jan 2015) <sup>(5)</sup>	Series 2016 @ 4.75% <sup>(3)</sup> (Jan 2016) <sup>(6)</sup>	Series 2017 @ 4.75% <sup>(3)</sup> (Jan 2017) <sup>(7)</sup>	Total D/S	Projected Total Debt Service	Less: Available Funds	Estimated Net Total D/S	Debt I&S Tax Rate <sup>(8)</sup>		
2014	\$ 29,620,287,585	0.00%	\$ 11,139,750	0.0400	-	-	-	-	-	-	-	-	\$ 11,139,750	\$ -	0.0071
2015	29,620,287,585	0.00%	10,962,050	0.0375	\$ 3,470,020	-	-	-	-	\$ 3,470,020	-	-	14,422,070	(1,280,000)	0.0050
2016	29,620,287,585	0.00%	9,842,150	0.0337	2,361,450	\$ 2,589,225	-	-	-	4,950,675	-	-	14,792,825	(1,650,000)	0.0050
2017	29,620,287,585	0.00%	9,758,550	0.0334	2,361,450	1,635,300	\$ 2,733,071	-	-	6,729,821	-	-	16,488,371	(3,345,000)	0.0050
2018	29,620,287,585	0.00%	9,285,500	0.0318	2,361,450	1,635,300	1,726,150	\$ 2,733,071	8,455,971	12,969,050	-	-	17,741,471	(4,600,000)	0.0050
2019	29,620,287,585	0.00%	778,150	0.0027	4,586,450	3,105,300	3,046,150	2,231,150	12,969,050	13,747,200	-	-	13,747,200	13,142,070	0.0071
2020	29,620,287,585	0.00%			4,589,700	3,104,150	3,048,450	3,007,163	13,749,463	13,749,463	-	-	13,749,463	13,749,463	0.0071
2021	29,620,287,585	0.00%			4,585,850	3,105,075	3,047,663	3,005,175	13,743,763	13,743,763	-	-	13,743,763	13,743,763	0.0071
2022	29,620,287,585	0.00%			4,586,450	3,102,850	3,048,788	3,005,338	13,743,425	13,743,425	-	-	13,743,425	13,743,425	0.0071
2023	29,620,287,585	0.00%			4,588,250	3,102,475	3,046,588	3,007,413	13,744,725	13,744,725	-	-	13,744,725	13,744,725	0.0071
2024	29,620,287,585	0.00%			4,590,500	3,103,725	3,051,063	3,006,163	13,751,450	13,751,450	-	-	13,751,450	13,751,450	0.0071
2025	29,620,287,585	0.00%			4,586,250	3,101,375	3,046,738	3,006,588	13,740,950	13,740,950	-	-	13,740,950	13,740,950	0.0071
2026	29,620,287,585	0.00%			4,585,500	3,105,425	3,048,850	3,003,450	13,743,225	13,743,225	-	-	13,743,225	13,743,225	0.0071
2027	29,620,287,585	0.00%			4,587,750	3,105,425	3,046,925	3,006,750	13,746,850	13,746,850	-	-	13,746,850	13,746,850	0.0071
2028	29,620,287,585	0.00%			4,587,500	3,106,375	3,050,963	3,006,013	13,750,850	13,750,850	-	-	13,750,850	13,750,850	0.0071
2029	29,620,287,585	0.00%			4,589,500	3,103,050	3,050,488	3,006,238	13,749,275	13,749,275	-	-	13,749,275	13,749,275	0.0071
2030	29,620,287,585	0.00%			4,588,250	3,105,450	3,050,500	3,007,188	13,751,388	13,751,388	-	-	13,751,388	13,751,388	0.0071
2031	29,620,287,585	0.00%			4,588,500	3,103,125	3,050,763	3,003,625	13,746,013	13,746,013	-	-	13,746,013	13,746,013	0.0071
2032	29,620,287,585	0.00%			4,589,750	3,106,075	3,046,038	3,005,550	13,747,413	13,747,413	-	-	13,747,413	13,747,413	0.0071
2033	29,620,287,585	0.00%			4,586,500	3,103,850	3,046,325	3,007,488	13,744,163	13,744,163	-	-	13,744,163	13,744,163	0.0071
2034	29,620,287,585	0.00%			4,588,500	3,101,450	3,046,150	3,004,200	13,740,300	13,740,300	-	-	13,740,300	13,740,300	0.0071
2035	29,620,287,585	0.00%			3,103,650	3,050,275	3,050,688	3,005,688	9,159,613	9,159,613	-	-	9,159,613	9,159,613	0.0071
2035	29,620,287,585	0.00%			3,048,225	3,048,225	3,048,225	3,006,475	6,054,700	6,054,700	-	-	6,054,700	6,054,700	0.0208
2036	29,620,287,585	0.00%				3,006,325	3,006,325	3,006,325	3,006,325	3,006,325	-	-	3,006,325	3,006,325	0.0103
					\$ 83,959,570	\$ 58,628,650	\$ 59,330,158	\$ 59,071,046	\$ 260,989,424	\$ 312,745,574	\$ (10,875,000)	\$ 301,870,574	\$ 0.0071		

Assumptions:

- (1) Fiscal Year 2013 and 2014 Taxable Assessed Valuation provided by the College.
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- (8) Est. tax collections rate 98.50%

**Discussion and Action as Necessary on Hidalgo County Tax Resale Property  
and Resolution Authorizing Tax Resale**

Approval of the Hidalgo County Tax Resale Property on Cause No. T-749-03-B; Pharr-San Juan-Alamo I.S.D, City of Pharr, City of San Juan, South Texas College and Hidalgo County vs. Melody Cawthorn and the Resolution Authorizing the Tax Resale will be requested at the January 28, 2014 Board meeting.

The law offices of Linebarger Goggan Blair & Sampson, LLP have requested consideration and possible action on the tax resale of this property.

On November 7, 2013, a private written bid was received by Linebarger Goggan Blair & Sampson, LLP for one (1) property listed as follows:

- Cause No. T-749-03-B; Pharr-San Juan-Alamo I.S.D, City of Pharr, City of San Juan, South Texas College and Hidalgo County vs. Melody Cawthorn

On struck off property as follows:

1.00 acre, more or less, out of the southwest corner of Lot 181, Kelly Pharr Subdivision of porciones 69 and 70, a subdivision in Hidalgo County, Texas, as described in volume 794, page 35, deed records of Hidalgo County, Texas. Account No. K2400-00-000-0181-09

The total amount the College will receive is \$1,778.25.

Linebarger Goggan Blair & Sampson, LLP is submitting for the Board of Trustees' consideration the private written bid received. The Tax Resale Property is on the agenda for approval on January 20, 2014 for Pharr-San Juan-Alamo I.S.D and on January 21, 2014 for South Texas ISD. The City of Pharr and Hidalgo County are still pending.

The analysis of written bid received for struck-off property and the Resolution Authorizing Tax Resale follow in the packet for the Committee's review and information.

A representative from Linebarger Goggan Blair & Sampson, LLP will be present at the meeting.

It is requested that the Finance and Human Resources Committee recommend for Board approval at the January 28, 2014 Board meeting, the Hidalgo County Tax Resale Property on Cause No. T-749-03-B; Pharr-San Juan-Alamo I.S.D, City of Pharr, City of San Juan, South Texas College, and Hidalgo County vs. Melody Cawthorn and the Resolution Authorizing the Tax Resale to St. Jude Thaddeus Catholic Church as presented.

**ANALYSIS OF WRITTEN BID RECEIVED FOR STRUCK-OFF  
PROPERTY**

**STYLE OF CASE:** T-749-03-B; PHARR-SAN JUAN-ALAMO I.S.D., CITY OF PHARR, CITY OF SAN JUAN, SOUTH TEXAS COLLEGE AND HIDALGO COUNTY VS MELODY CAWTHORN

**LEGAL DESCRIPTION:** 1.00 acre, more or less, out of the southwest corner of Lot 181, Kelly Pharr Subd. of Porciones 69 and 70  
Account No. K2400-00-000-0181-09

**PROPERTY LOCATION:** 701 S. Ironwood St.

**JUDGMENT DATE:** February 13, 2013

**DATE OF TAX SALE:** May 7, 2013

**YEARS IN JUDGMENT:** 1982-2012

**SHERIFF'S DEED RECORDED:** July 16, 2013

**AMOUNT OF JUDGMENT:** \$165,491.20

**COSTS OF SALE:** \$5,725.00

**AMOUNT OF BID:** \$65,000.00

**CURRENT APPRAISED VALUE:** \$146,361.00

**VALUE AT JUDGMENT:** \$146,361.00

Entity Name	Judgment Amount Due Each Entity	Percentage To Be Received	Amount You Will Receive
<b>Pharr-San Juan-Alamo I.S.D.</b>	\$80,058.22	48%	\$28,452.00
<b>South Texas I.S.D.</b>	\$2,595.34	2%	\$1,185.50
<b>South Texas College</b>	\$5,153.79	3%	\$1,778.25
<b>City of Pharr</b>	\$41,196.25	25%	\$14,818.75
<b>Hidalgo County</b>	\$30,596.30	18%	\$10,669.50
<b>Hidalgo Co. Drain Dist. No. 1</b>	\$5,891.30	4%	\$2,371.00

**COMMENTS: PLEASE APPLY PROCEEDS PURSUANT TO TEXAS PROPERTY TAX CODE SECTION 34.06 (B) - (E). JUDGMENT YEARS ARE TO BE PAID BEFORE POST JUDGMENT YEARS. ANY REMAINING BALANCE SHOULD BE REMOVED.**

**BIDDER: St. Jude Thaddeus Catholic Church**

**Notice of confidentiality rights: If you are a natural person, you may remove or strike any or all of the following information from any instrument that transfers an interest in real property before it is filed for record in the public records: your social security number or your driver's license number.**

**RESOLUTION AUTHORIZING TAX RESALE**

WHEREAS, by Constable's Sale conducted on May 7, 2013, the property described below was struck-off to Pharr-San Juan-Alamo Independent School District, Trustee, pursuant to a delinquent tax foreclosure decree of the 93<sup>rd</sup> Judicial District Court, Hidalgo County, Texas, and

WHEREAS, the sum of \$65,000.00 has been tendered by St. Jude Thaddeus Church of Hidalgo County for the purchase of said property pursuant to Section 34.05, Texas Tax Code Ann. (Vernon, 1982);

NOW, THEREFORE, BE IT RESOLVED by the Board of South Texas College that its Board Chair, Rose Benavidez, be and she is hereby authorized to execute a tax resale deed on behalf of South Texas College conveying to St. Jude Thaddeus Church all of the right, title, and interest of South Texas College and all other taxing units interested in the tax foreclosure judgment in the following described real property located in Hidalgo County, Texas

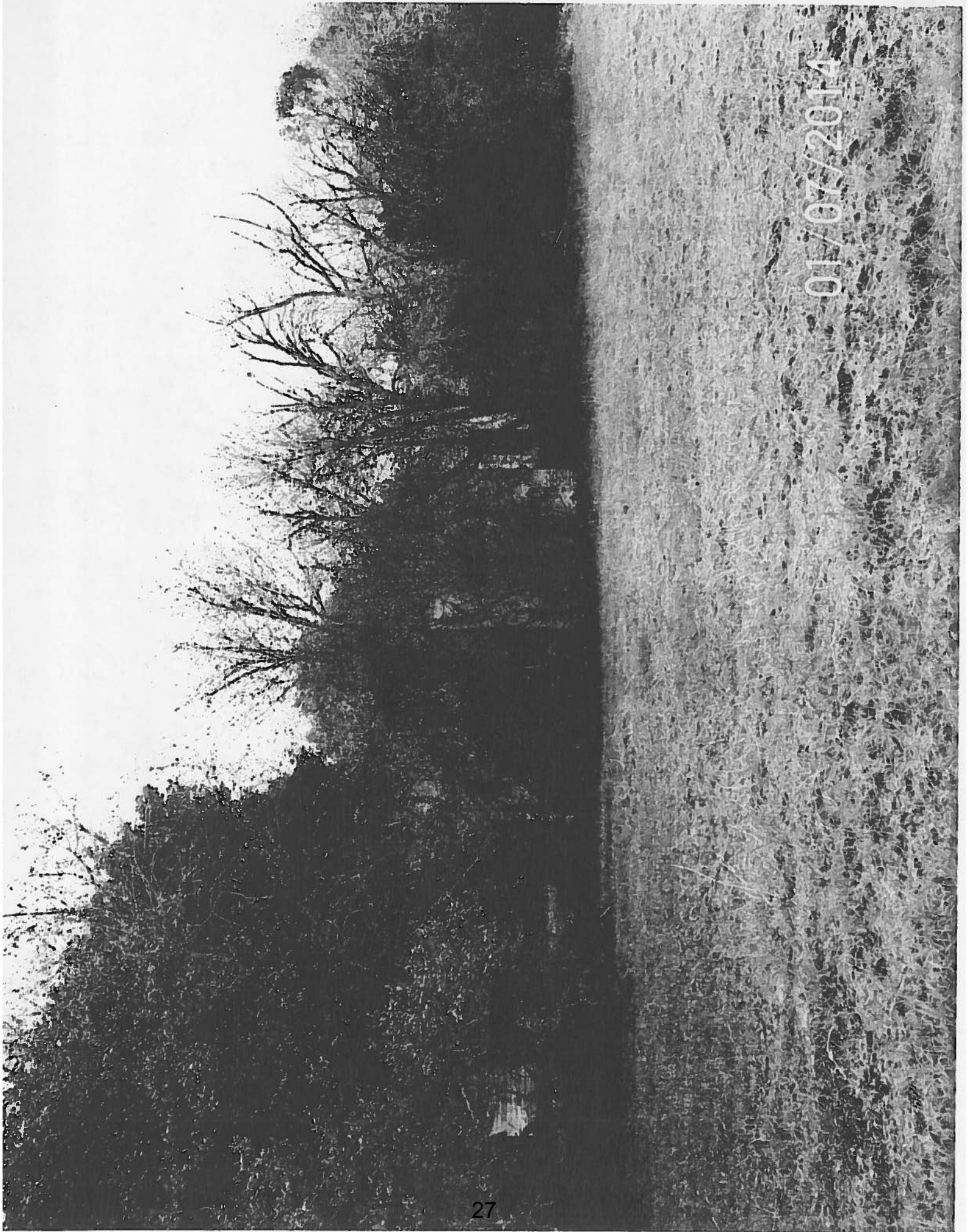
**1.00 ACRE, MORE OR LESS, OUT OF THE SOUTHWEST  
CORNER OF LOT 181, KELLY PHARR SUBDIVISION OF  
PORCIONES 69 AND 70, A SUBDIVISION IN HIDALGO  
COUNTY, TEXAS, AS DESCRIBED IN VOLUME 794, PAGE 35,  
DEED RECORDS OF HIDALGO COUNTY, TEXAS.  
ACCOUNT NO. K2400-00-000-0181-09**

PASSED AND APPROVED this \_\_\_\_ day of \_\_\_\_\_, 2014.

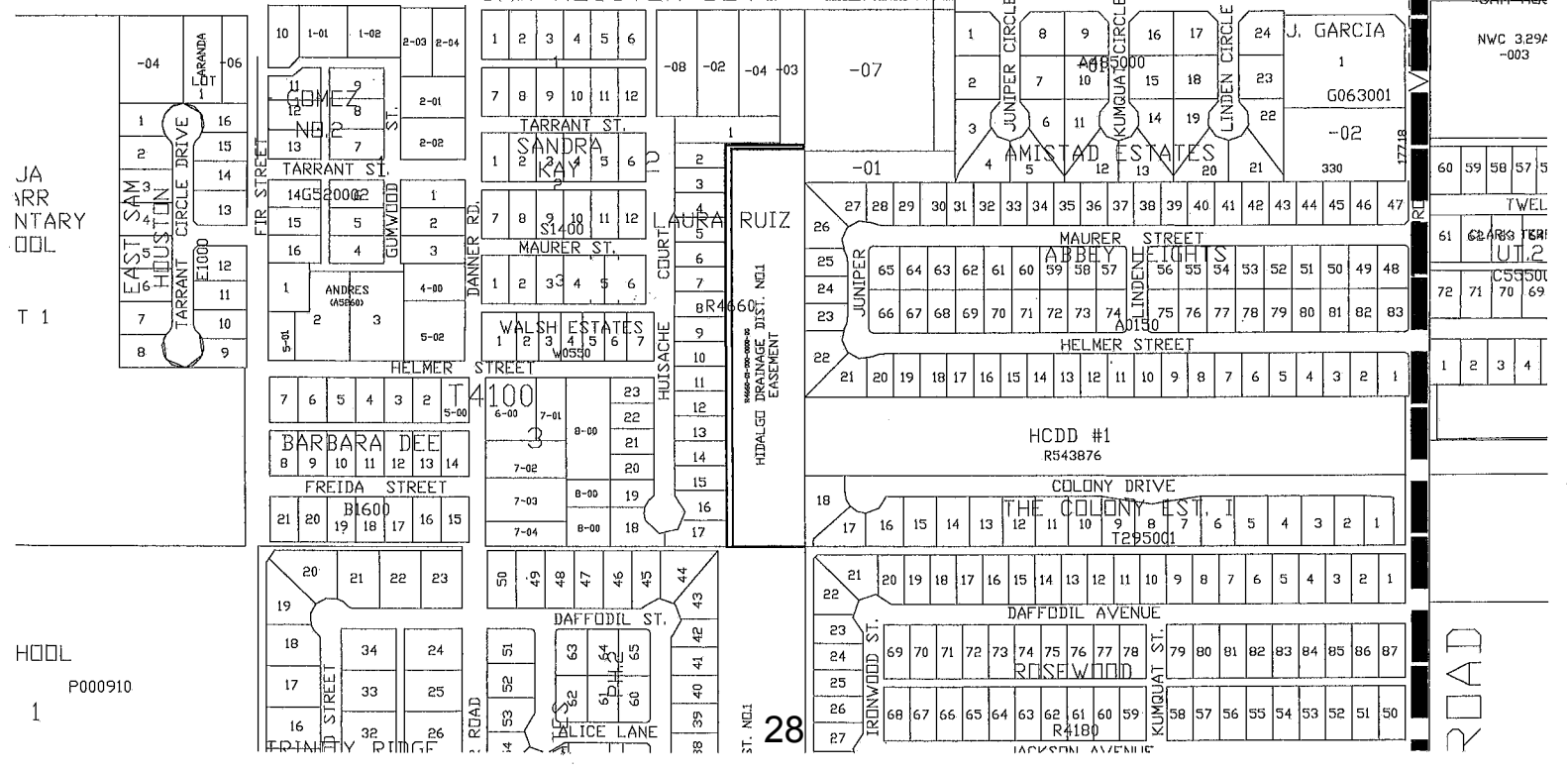
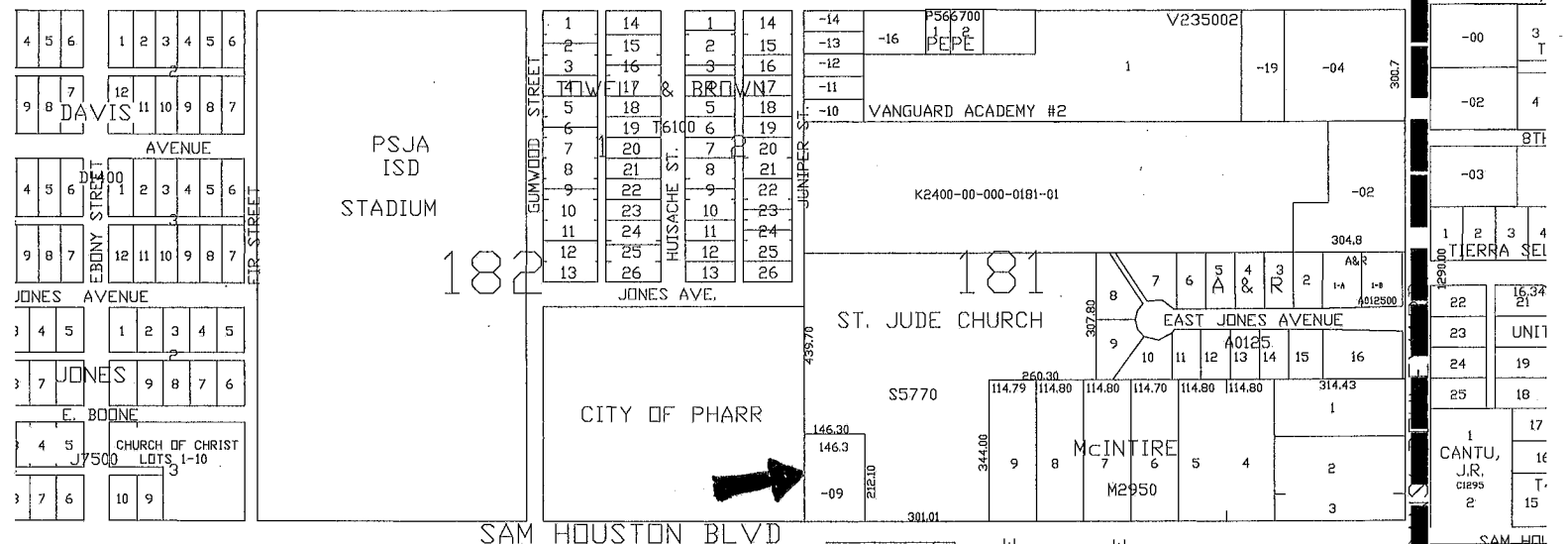
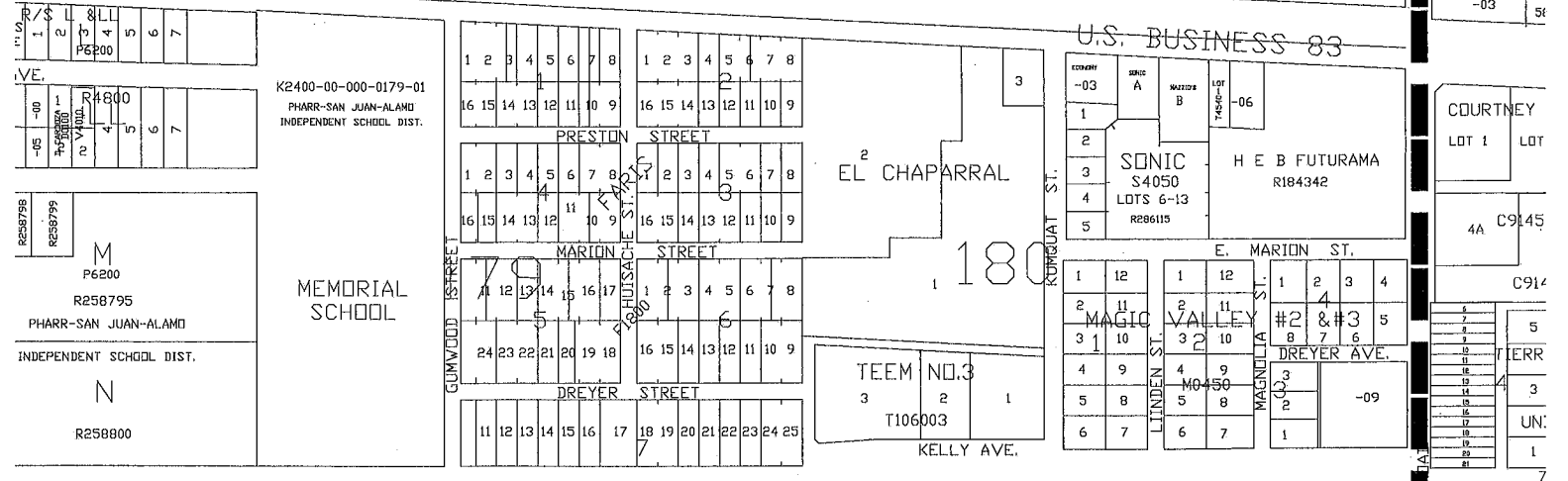
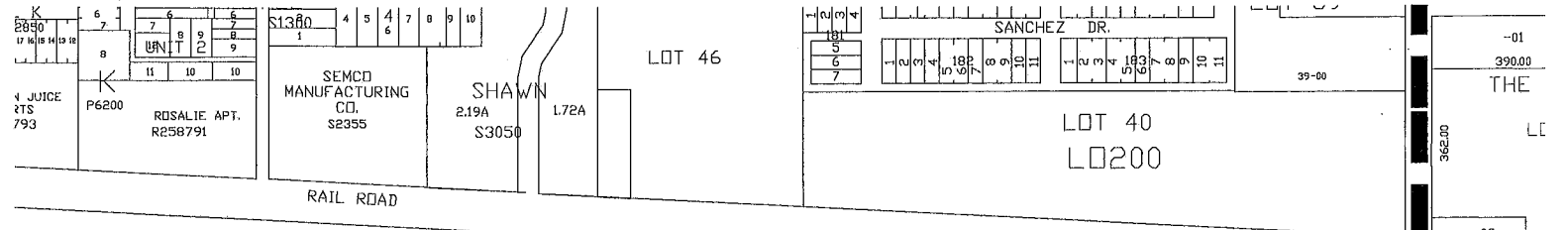
\_\_\_\_\_  
Rose Benavidez  
Board Chair

ATTEST:

\_\_\_\_\_  
Secretary to the Board



01/07/2014



## **Review and Recommend Action on Award of Proposal, Purchases, and Renewals**

Approval of the following proposal award, purchases, and renewals will be requested at the January 28, 2014 Board meeting as follows:

### **1) Graduation Caps and Gowns (Award)**

Award the proposal for graduation caps and gowns to Jostens, Inc. (Minneapolis, MN) for the period beginning February 1, 2014 through January 31, 2015 with two one year options to renew, at an estimated cost of \$36,696.75.

The graduation caps and gowns will be issued to all STC graduates of May 2014.

Proposal documents were advertised and sent to five (5) vendors. Four (4) responses were received and reviewed by Admissions and Records and Purchasing Department.

Funds for this expenditure are budgeted in the Graduation budget for FY 2013-2014.

### **2) Computers, Laptop and Server (Purchase)**

Purchase computers, laptop and server from the State of Texas Department of Information Resources (DIR) approved vendors Dell Marketing, LP (Dallas, TX) and Apple Computer, Inc. (Dallas, TX) in the total amount of \$17,529.00.

All purchase requests for computers and laptops have been evaluated by Technology Resources Department and the Chief Information Officer. An itemized list with justification is included for your review and information. The purchases can be summarized as follows:

The purchases can be summarized as follows:

- Staff-Use Computers
  - ⇒ 2 Computers for Accountability and Management Services
- Faculty-Use Computers
  - ⇒ 2 Computers for Mathematics
  - ⇒ 2 Computers for World Language Department
  - ⇒ 2 Computers for Medical Information
- Staff-Use Laptop
  - ⇒ 1 Laptop for World Language Department
- Server
  - ⇒ 1 Server for Public Relations/Marketing

Funds for these expenditures are budgeted in the requesting department's budget for FY 2013-2014 as follows: Accountability and Management Services, Mathematics, World Language Department, Medical Information, and Public Relations/Marketing.

### **3) Interactive Pen Displays (Purchase)**

Purchase interactive pen displays from Computime (Saint Louis, MO) (New Vendor), a sole source vendor, at a total cost of \$20,430.13.

The nineteen (19) interactive pen displays will be used for student instruction in the Computer Aided Drafting and Design (CADD) program in the Division of Technology. These displays/monitors will enable the students to draw with a digital pen using specific applications (Photoshop and other art software). It will enhance the students drawing skills using the latest technology.

Funds for this expenditure are budgeted in the CADD program budget for FY 2013-2014.

### **4) Internet Services (Purchase)**

Purchase internet services from AT&T Corporation (Dallas, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning March 1, 2014 through February 28, 2017, at a monthly cost of \$3,750.88 and an annual amount of \$45,010.56 for the following locations:

- Nursing Allied Health Campus - \$700.00 per month: \$8,400.00 annually
- Technology Campus - \$767.20 per month: \$9,206.40 annually
- Pecan Plaza - \$694.40 per month; \$8,332.80 annually
- Hidalgo Training Center - \$869.12 per month; \$10,429.44 annually
- Pharr Training Center - \$720.16 per month: \$8,641.92 annually

The State of Texas Department of Information Resources (DIR) contracts are for a three (3) year period. The total cost of the three-year contract is \$135,031.68.

The internet services will be provided from the STC Pecan Campus at 3200 W. Pecan Blvd. to the various locations which will be utilized by students, faculty and staff and will replace the current services provided by AT&T located at 3201 W. Pecan Blvd.

Funds for this expenditure are budgeted in the Phones Central Office budget for FY 2013-2014 and FY 2014-2017 pending board approval of budgets.

### **5) Internet Services – Pecan Campus (Purchase)**

Purchase internet services – Pecan Campus from AT&T Corporation (Dallas, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning March 1, 2014 through February 28, 2017, at a monthly cost of \$6,246.46 and an annual amount of \$74,957.52 and a one-time installation charge of \$5,600.00.

The State of Texas Department of Information Resources (DIR) contracts are for a three (3) year period. The total cost of the three-year contract is \$224,872.56.

The internet services will be provided to the STC Pecan Campus at 3200 W. Pecan Blvd. to be utilized by students, faculty and staff and will replace the current AT&T services located at 3201 W. Pecan Blvd.



Funds for this expenditure are budgeted in the Phones Central Office budget for FY 2013-2014 and FY 2014-2017 pending board approval of budgets.

**6) Predictive Data Analytics Technology/Hosting Service (Purchase)**

Purchase predictive data analytics technology from Civitas Learning, Inc. (Austin, TX) (New Vendor), for the period beginning February 1, 2014 through January 31, 2015, at a total cost to STC of \$75,000.00. The total investment is \$300,000.00 which the Texas Higher Education Coordinating Board (THECB) will pay \$150,000 and Texas A & M University – Commerce will pay \$75,000.00.

The Bachelors of Applied Science in Organizational Leadership (BAS-OL) was approved by the Southern Association of Colleges and Schools (SACS) on December 18, 2013. As a part of this program, the College is required to have in place a student learning and analytic assessment solution. The BAS-OL program will begin Spring 2014 with 15 students. By Fall of 2014, the program will grow to have over 100 students. This degree is part of a grant project being completed with THECB and Texas A & M University – Commerce.

The predictive analytics technology/hosting service is a cloud based service that also includes integrative applications (APPS). The technology platform delivers real time data analytics recommendations based on inputs from various information systems internal to the college (Banner, Blackboard, etc.). The platform takes in information from these various systems and makes predictions about student performance and success. This information is refreshed and updated in real time and predictions are adjusted accordingly. Based on these predictions information is sent to students, faculty, advisors, and administrators within the college, allowing for real time action and interventions.

This technology will be utilized to analyze student data to make predictions about student performance and success. These predictions will serve as triggers so that all parties know what type and when intervention is required to ensure student progress and success. It is a behavioral based technology that looks at past and present student performance to make predictions about future success. The technology allows students, faculty, advisors, and administrators to implement informative, individualized, preventive measures to aid in student performance and success. The Bachelors of Applied Science in Organizational Leadership degree is structured with six seven week terms. As such early identification and intervention will be critical to ensuring student success.

The predictive analysis technology/hosting service benefits are as follows:

- Students can easily select the best courses and degree plans for themselves, and identify ideal support resources to achieve their goals
- Faculty and advisors increase student engagement, understand which students are at risk, and know the right time to intervene
- Administrators analyze student performance, correctly identify which investments are working, and forecast needs for staffing, programs, and courses

- Ability to capture and understand performance of competency-based students in comparison to the student completing the curriculum in the traditional manner
- Facilitates degree completion, supports STC Comprehensive mission and strategic initiatives by being student centered, affordable, accessible, providing an alternative pathway to a bachelor degree with an emphasis on student success and completion.

Funds for this expenditure are budgeted in the BAT/BAS budget for FY 2013-2014.

### **7) Student Printers (Purchase)**

Purchase student printers from Reyna Enterprises, Inc./dba Computer Repair Center (CRC) (McAllen, TX), a State of Texas Department of Information Resources (DIR) approved vendor, at a total cost of \$11,058.00.

The six (6) student printers will be installed at the following campuses: two (2) printers will be replaced at the Mid-Valley Library and two (2) at the Mid-Valley Open Labs. Two (2) printers will be set up at the NAH campus. These campuses have high volume printing and the printers at these campuses are obsolete and out of warranty.

Funds for this expenditure are budgeted in the Instructional Resources Open Lab budget for FY 2013-2014.

### **8) Subscription of Online Books (Purchase)**

Purchase a subscription of online books from EBSCO Information Services (Dallas, TX), a sole source vendor, for the period beginning March 1, 2014 through February 28, 2015, at a total cost of \$11,277.00.

The subscription of online books includes 121,000 current electronic titles that will be concurrently accessible by faculty, staff and students. It will support online research across most academic and vocational disciplines including, art, business, economics, education, engineering, English, history, leadership, mathematics, nursing, performing arts, philosophy, political science, social sciences and technology. The digital format will be especially suitable for distance education and dual enrollment courses.

Funds for this expenditure are budgeted in the Library Services budget for FY 2013-2014.

### **9) Geotechnical Engineering and Materials Testing Services (Renewal)**

Renew the geotechnical engineering and materials testing services contracts to provide services on an as needed basis for projects with a fee not to exceed \$30,000 per project beginning February 19, 2014 through February 18, 2015 with the following firms:

- Raba-Kistner Consultants, Inc. (McAllen, TX)
- Terracon Consultants, Inc. (Pharr, TX)

Some of the anticipated testing services which may be provided are as follows: environmental conditions including air quality, identifying asbestos type materials, soil

conditions for proper foundation design, select fill dirt for proper compaction during construction, concrete samples during concrete pours, sub-grades, caliche base and asphalt for parking and road construction, structural steel reinforcing during construction, steel welding during construction and floors for levelness during construction.

The Board awarded the contracts for geotechnical engineering and materials testing services at the January 31, 2012 Board of Trustees meeting for one year with two one-year annual renewals. The last renewal period begins February 19, 2014 through February 18, 2015.

The firms have complied with all the terms and conditions of the contract and services have been satisfactory.

Funds for this expenditure are budgeted in the Construction budgets for F 2013-2014 and FY 2014-2015 pending Board approval of the budget.

**10) Training Services for Dental Assisting and Dialysis Technician (Renewal)**

Renew the contract for training services for dental assisting and dialysis technician with Condensed Curriculum International (Fairfield, NJ) for the period beginning February 1, 2014 through January 31, 2015, at a commission of 20% - 35% depending on the number of students per class.

The training services for dental assistant and dialysis technician will prepare participants for jobs in these demand fields.

The Board awarded the contract for training services for dental assisting and dialysis technician at the January 29, 2013 Board of Trustees meeting for one year with two one-year annual renewals. The first renewal period begins February 1, 2014 through January 31, 2015.

The vendor has complied with all the terms and conditions of the contract and services have been satisfactory.

**Recommendation:**

It is requested that the Finance and Human Resources Committee recommend for Board approval at the January 28, 2014 Board meeting the proposal award, purchases, and renewals as listed below:

- 1) Graduation Caps and Gowns (Award):** award the proposal for graduation caps and gowns to Jostens, Inc. (Minneapolis, MN) for the period beginning February 1, 2014 through January 31, 2015 with two one year options to renew, at an estimated cost of \$36,696.75;

- 2) **Computers, Laptop and Server (Purchase):** purchase computers, laptop and server from the State of Texas Department of Information Resources (DIR) approved vendor Dell Marketing, LP (Dallas, TX) and Apple Computer, Inc. (Dallas, TX) in the total amount of \$17, 529.00;
- 3) **Interactive Pen Displays (Purchase):** purchase interactive pen displays from Computime (Saint Louis, MO) (New Vendor), a sole source vendor, at a total cost of \$20,430.13;
- 4) **Internet Services (Purchase):** purchase internet services from AT&T Corporation (Dallas, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning March 1, 2014 through February 28, 2017, at a monthly cost of \$3,750.88 and an annual amount of \$45,010.56 for the following locations:
  - Nursing Allied Health Campus - \$700.00 per month; \$8,400.00 annually
  - Technology Campus - \$767.20 per month; \$9,206.40 annually
  - Pecan Plaza - \$693.40 per month; \$8,332.80 annually
  - Hidalgo Training Center - \$869.12 per month; \$10,429.44 annually
  - Pharr Training Center - \$720.16 per month; \$8,641.92 annually
- 5) **Internet Services – Pecan Campus (Purchase):** purchase internet services – Pecan Campus from AT&T Corporation (Dallas, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning March 1, 2014 through February 28, 2017, at a monthly cost of \$6,246.46 and an annual amount of \$74,957.52 and a one-time installation charge of \$5,600.00;
- 6) **Predictive Data Analytics Technology/Hosting Service (Purchase):** purchase predictive data analytics technology from Civitas Learning, Inc. (Austin, TX) (New Vendor), a sole source vendor, for the period beginning February 1, 2014 through January 31, 2015, at a total cost to STC of \$75,000.00. The total investment is \$300,000.00 which the THECB will pay \$150,000 and Texas A & M University – Commerce will pay \$75,000.00;
- 7) **Student Printers (Purchase):** purchase student printers from Reyna Enterprises, Inc./dba Computer Repair Center (CRC) (McAllen, TX), a State of Texas Department of Information Resources (DIR) approved vendor, at a total cost of \$11,058.00;
- 8) **Subscription of Online Books (Purchase):** purchase a subscription of online books from EBSCO Information Services (Dallas, TX), a sole source vendor, for the period beginning March 1, 2014 through February 28, 2015, at a total cost of \$11,277.00;
- 9) **Geotechnical Engineering and Materials Testing Services (Renewal):** renew the geotechnical engineering and materials testing services contracts to provide services on an as needed basis for projects with a fee not to exceed \$30,000 per project beginning February 19, 2014 through February 18, 2015 with the following firms:
  - Raba-Kistner Consultants, Inc. (McAllen, TX)
  - Terracon Consultants, Inc. (Pharr, TX)
- 10) **Training Services for Dental Assisting and Dialysis Technician (Renewal):** renew the contract for training services for dental assisting and dialysis technical with Condensed Curriculum International (Fairfield, NJ), for the period beginning February 1, 2014 through January 31, 2015, at a commission of 20% - 35% depending on the number of students per class.

**SUMMARY TOTAL:**

The total for all proposal award, purchases, and renewals is \$291,958.96

**SOUTH TEXAS COLLEGE  
1. GRADUATION CAPS AND GOWNS  
PROJECT NO. 13-14-1034**

<b>VENDOR</b>		<b>Graduate Affairs/ Willis Company</b>		<b>Herrf Jones</b>		<b>Jostens, Inc.</b>		<b>Oak Hall Industries, LP.</b>		
<b>ADDRESS</b>		1305 S Calle Palo Fierro		2401 N 10th Ste A		3601 Minnesota Dr		840 Union St		
<b>CITY/STATE</b>		Palm Springs, CA		McAllen, TX		Minneapolis, MN		Salem, VA		
<b>PHONE</b>		972-839-4588		956-971-0064		952-830-3300		800-223-0429		
<b>FAX</b>		972-546-3636		956-971-9602		952-830-3342		540-387-4385		
<b>CONTACT</b>		Tim Giuliani		Luis J. Garza		Jim Simpson		Donna Hodges		
#	Qty	Description	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension		
1	3000	Student Cap/Gown/Tassel	\$ 15.00	\$45,000.00	\$ 11.25	\$33,750.00	\$ 11.25	\$ 33,750.00		
<b>Faculty Caps and Gowns</b>										
2	15	Associates Cap/Gown/Tassel	\$ 15.00	\$ 225.00	\$ 22.50	\$ 337.50	\$ 11.25	\$ 168.75		
3	15	Associates Hood	\$ 5.00	\$ 75.00	\$ 22.50	\$ 337.50	\$ 12.60	\$ 189.00		
4	20	Bachelor Cap/Gown/Tassel	\$ 15.00	\$ 300.00	\$ 22.50	\$ 450.00	\$ 11.25	\$ 225.00		
5	20	Bachelor Hood	\$ 10.00	\$ 200.00	\$ 22.50	\$ 450.00	\$ 12.60	\$ 252.00		
6	60	Master Cap/Gown/Tassel	\$ 16.00	\$ 960.00	\$ 25.00	\$ 1,500.00	\$ 12.25	\$ 735.00		
7	60	Master Hood	\$ 10.00	\$ 600.00	\$ 25.00	\$ 1,500.00	\$ 13.80	\$ 828.00		
8	15	Doctorate Cap/Gown/Tassel	\$ 18.00	\$ 270.00	\$ 27.50	\$ 412.50	\$ 16.80	\$ 252.00		
9	15	Doctorate Hood	\$ 17.00	\$ 255.00	\$ 27.50	\$ 412.50	\$ 19.80	\$ 297.00		
10	1	Shipping and Handling		\$ -	\$ -	\$ -	\$ -	\$ -		
2nd Year Escalation		0%		3%		2%		0%		
3rd Year Escalation		0%		3%		2%		0%		
<b>TOTAL BID AMOUNT</b>			\$	47,885.00	\$	39,150.00	\$	36,696.75	\$	41,790.00
<b>TOTAL AWARD AMOUNT</b>										
<b>TOTAL RANKING POINTS</b>			78.66		76.33		95.65		85	
<b>RANKING</b>			3		4		1		2	

**SOUTH TEXAS COLLEGE  
1. GRADUATION CAPS AND GOWNS  
PROJECT NO. 13-14-1034  
EVALUATION FORM**

<b>VENDOR</b>		<b>Graduate Affairs/ Willis Company</b>		<b>Herff Jones</b>		<b>Jostens, Inc.</b>		<b>Oak Hall Industries, LP.</b>	
<b>ADDRESS</b>		1305 S Calle Palo Fierro		2401 N 10th Ste A		3601 Minnesota Dr		840 Union St	
<b>CITY/STATE</b>		Palm Springs, CA		McAllen, TX		Minneapolis, MN		Salem, VA	
<b>PHONE</b>		972-839-4588		956-971-0064		952-830-3300		800-223-0429	
<b>FAX</b>		972-546-3636		956-971-9602		952-830-3342		540-387-4385	
<b>CONTACT</b>		Tim Giuliani		Luis J. Garza		Jim Simpson		Donna Hodges	
1	The purchase price. (up to 50 points)	34	34	42	42	45	45	40	40
		34		42		45		40	
		34		42		45		40	
2	The reputation of the vendor and the vendor's goods and/or services. (up to 10 points)	8	8	5	6	10	9.66	8	8.66
		8		7		9		9	
		8		6		10		9	
3	The quality of the vendor's goods and/or services. (up to 18 points)	14	15	14	14	18	17.33	15	15.33
		16		16		17		16	
		15		12		17		15	
4	The extent to which the vendor's goods and/or services meet the College's needs. (up to 18 points)	16	15	10	12	18	17.33	14	14.66
		16		14		17		16	
		13		12		17		14	
5	The vendor's past relationship with the College. (up to 3 points)	2	2	1	1	3	3	2	2
		2		1		3		2	
		2		1		3		2	
6	The impact on the ability of the College to comply with laws and rules relating to Historically Underutilized Businesses. (up to 1 points)	0	0	0	0	0	0	0	0
		0		0		0		0	
		0		0		0		0	
7	The total long-term cost to the College to acquire the vendor's goods or services. (up to 2 points)	2	2	0	0	1	1	2	2
		2		0		1		2	
		2		0		1		2	
8	The vendor's policy on handling customer service issues. (up to 3 points)	2	2.66	1	1.33	3	2.33	3	2.33
		3		2		1		2	
		3		1		3		2	
<b>TOTAL EVALUATION POINTS</b>		78.66		76.33		95.65		84.98	
<b>RANKING</b>		3		4		1		2	

SOUTH TEXAS COLLEGE  
2. DISTRICT WIDE TECHNOLOGY REQUEST  
JANUARY 28, 2014

<b>COMPUTERS</b>					
#	Qty	Description	Unit Price	Extension	Requesting Department
1	2	Computer 7010 MT, 3.4GHz 1600MHz, 250GB Hard Drive, 8GB Memory 19" Monitor, 1GB Radeon Video Card, 16X DVD+-RW, Warranty	\$ 758.00	\$ 1,516.00	Accountability & Management Services - Arely Benaidez New systems for new Dept Staff
2	2	Computer 7010 MT, 3.4GHz 1600MHz, 250GB Hard Drive, 8GB Memory 19" Monitor, 1GB Radeon Video Card, 16X DVD+-RW, Warranty	\$ 758.00	\$ 1,516.00	Mathematics - Mahmoud Fathelden Replacement of 9-yr-old system for Dept Faculty Replacement of 7-yr-old system for Dept Faculty
3	2	Computer 7010 MT, 3.4GHz 1600MHz, 250GB Hard Drive, 8GB Memory 19" Monitor, 1GB Radeon Video Card, 16X DVD+-RW, Warranty	\$ 758.00	\$ 1,516.00	World Language Department - Delia Magdaleno Replacement of 10-yr-old system for Dept Faculty Replacement of 7-yr-old system for Dept Faculty
4	2	Computer 7010 MT, 3.4GHz 1600MHz, 250GB Hard Drive, 8GB Memory 19" Monitor, 1GB Radeon Video Card, 16X DVD+-RW, Warranty	\$ 758.00	\$ 1,516.00	Medical Information - Irma Rodriguez Replacement of 10-yr-old system for Dept Faculty Replacement of 8-yr-old system for Dept Faculty
		<b>COMPUTER TOTAL</b>		<b>\$ 6,064.00</b>	
<b>LAPTOP</b>					
5	1	Laptop MacBook Pro, 2.4GHz Dual-Core Intel i5, 128GB Flash Storage, 8GB Memory, Warranty	\$ 1,466.00	\$ 1,466.00	World Language Department - Delia Magdaleno Additional system to facilitate the publication of Tierra Firme Magazine
		<b>LAPTOP TOTAL</b>		<b>\$ 1,466.00</b>	
<b>SERVER</b>					
6	1	PowerVault MD3200i, Dual 2G Cache Controller, HD Multi-Select Rails for 4-Post Racks, Warranty	\$ 9,999.00	\$ 9,999.00	Public Relations/Marketing - Daniel Ramirez New system for network storage of videos, commercials, and other projects
		<b>SERVER TOTAL</b>		<b>\$ 9,999.00</b>	
		<b>COMPUTER/LAPTOP/SERVER TOTAL</b>		<b>\$ 17,529.00</b>	

**SOUTH TEXAS COLLEGE**  
**3. INTERACTIVE PEN DISPLAYS**  
**QUOTE NO. R0058157**

<b>NAME</b>			Computime	
<b>ADDRESS</b>			2055 Walton Rd	
<b>CITY/STATE/ZIP</b>			Saint Louis, MO 63114	
<b>PHONE</b>			800-423-8826	
<b>FAX</b>			314-428-0314	
<b>CONTACT</b>			Brandon Barbier	
#	Qty	Description	Unit Price	Extension
1	19	Wacom DTU-1631 Interactive Pen Display	\$ 1,060.00	\$ 20,140.00
2	1	Shipping and Handling	\$ 290.13	\$ 290.13
<b>TOTAL AMOUNT</b>			\$	20,430.13



**SOUTH TEXAS COLLEGE  
4. INTERNET SERVICES  
QUOTE NO. R0058647**

<b>NAME</b>			AT&T Corporation	
<b>ADDRESS</b>			One AT&T Plaza	
<b>CITY/STATE/ZIP</b>			Dallas, TX 75202	
<b>PHONE</b>			512-421-5160	
<b>FAX</b>			512-870-4388	
<b>CONTACT</b>			Marcus Montemayor	
#	Qty	Description	Unit Price	Extension
1	12	Internet Service: Nursing Allied Health Campus	\$ 700.00	\$ 8,400.00
2	12	Internet Service: Technology Campus	\$ 767.20	\$ 9,206.40
3	12	Internet Service: Pecan Plaza	\$ 694.40	\$ 8,332.80
4	12	Internet Service: Hidalgo Training Center	\$ 869.12	\$ 10,429.44
5	12	Internet Service: Pharr Training Center	\$ 720.16	\$ 8,641.92
<b>TOTAL AMOUNT</b>			\$	45,010.56

**SOUTH TEXAS COLLEGE  
5. INTERNET SERVICES  
QUOTE NO. R0058652**

<b>NAME</b>			AT&T Corporation	
<b>ADDRESS</b>			One AT&T Plaza	
<b>CITY/STATE/ZIP</b>			Dallas, TX 75202	
<b>PHONE</b>			512-421-5160	
<b>FAX</b>			512-870-4388	
<b>CONTACT</b>			Marcus Montemayor	
<b>#</b>	<b>Qty</b>	<b>Description</b>	<b>Unit Price</b>	<b>Extension</b>
1	12	Internet Service - Pecan Campus Period: 3/1/14 - 2/28/15	\$ 6,246.46	\$ 74,957.52
<b>TOTAL AMOUNT</b>			\$ 74,957.52	

**SOUTH TEXAS COLLEGE**  
**6. PREDICTIVE DATA ANALYTICS TECHNOLOGY/**  
**HOSTING SERVICE**

<b>NAME</b>			Civitas Learning, Inc.	
<b>ADDRESS</b>			1145 W 5th St	
<b>CITY/STATE/ZIP</b>			Austin, TX 78703	
<b>PHONE</b>			512-289-4728	
<b>CONTACT</b>			Andy Prince	
#	Qty	Description	Unit Price	Extension
1	1	Annual Subscription Fee Period: 2/1/14 - 1/31/15	\$ 75,000.00	\$ 75,000.00
<b>TOTAL AMOUNT</b>			\$	75,000.00

**SOUTH TEXAS COLLEGE  
7. STUDENT PRINTERS  
QUOTE NO. R0058409**

<b>NAME</b>			Reyna Enterprise, Inc./dba Computer Repair Center (CRC)	
<b>ADDRESS</b>			131 E Pecan Blvd	
<b>CITY/STATE/ZIP</b>			McAllen, TX 78501	
<b>PHONE</b>			956-631-2321	
<b>FAX</b>			956-631-4696	
<b>CONTACT</b>			Daniel Reyna	
#	Qty	Description	Unit Price	Extension
1	6	HP LaserJet Enterprise 600 M602dn	\$ 1,088.00	\$ 6,528.00
2	6	HP 512MB DDR2 144 pin x32 DIMM	\$ 39.00	\$ 234.00
3	6	HP LaserJet 1500 Sheet High Capacity Input Tray	\$ 453.00	\$ 2,718.00
4	6	HP 3 Year Next Business Day Warranty	\$ 263.00	\$ 1,578.00
<b>TOTAL AMOUNT</b>			\$	11,058.00

**SOUTH TEXAS COLLEGE**  
**8. SUBSCRIPTION OF ONLINE BOOKS**  
**QUOTE NO. R0058643**

<b>NAME</b>		EBSCO Information Services		
<b>ADDRESS</b>		5339 Alpha Rd Ste 400		
<b>CITY/STATE/ZIP</b>		Dallas, TX 75240		
<b>PHONE</b>		800-438-9046		
<b>FAX</b>		205-980-3951		
<b>CONTACT</b>		Erik Kurth		
<b>#</b>	<b>Qty</b>	<b>Description</b>	<b>Unit Price</b>	<b>Extension</b>
1	1	eBook Academic Subscription Collection Period: 3/1/14 - 2/28/15	\$ 11,277.00	\$ 11,277.00
<b>TOTAL AMOUNT</b>			\$ 11,277.00	



P.O. Box 9701  
McAllen, TX 78502-9701

Purchasing Department  
3200 W. Pecan Blvd. • McAllen, TX 78501

(956) 872-4681  
Fax (956) 872-4688

December 8, 2013

Raba-Kistner Consultants, Inc.  
Attn: Mr. Isidoro Arjona  
800 East Hackberry  
McAllen, TX 78501

Dear Mr. Arjona,

On January 31, 2012, South Texas College awarded a contract to your company for Geotechnical and Material Testing-Engineering Services. The award allowed for two one-year renewal options on the contract if the terms and conditions remain the same. We are currently in the last few months of the second year of the contract and would like to renew for one additional one-year period. The last renewal period will be from February 19, 2014 through February 18, 2015.

We are requesting that you respond to us in writing if you accept this offer to renew. For your convenience, we are providing a place for your signature approval at the bottom of the letter. If in acceptance of this extension, you may sign where indicated. The letter can be faxed back to STC at (956) 872-4688 or emailed to Becky Cavazos at [beckyc@southtexascollege.edu](mailto:beckyc@southtexascollege.edu).

Sincerely,

Rebecca R. Cavazos  
Director of Purchasing

Renewal of contract accepted through February 18, 2015 with no change in the terms and conditions as per the South Texas College proposal previously submitted.

Authorized Signature: \_\_\_\_\_

Name (Printed): Isidoro Arjona, P.E., PMP, Vice President

Date: 12/09/13



P.O. Box 9701  
McAllen, TX 78502-9701

Purchasing Department  
3200 W. Pecan Blvd. • McAllen, TX 78501

(956) 872-4681  
Fax (956) 872-4688

December 8, 2013

Terracon Consultants, Inc.  
Attn: Jorge A. Flores  
1506 Mid-Cities Drive  
Pharr, TX 78577

Dear Mr. Flores,

On January 31, 2012, South Texas College awarded a contract to your company for Geotechnical and Material Testing-Engineering Services. The award allowed for two one-year renewal options on the contract if the terms and conditions remain the same. We are currently in the last few months of the second year of the contract and would like to renew for one additional one-year period. The last renewal period will be from February 19, 2014 through February 18, 2015.

We are requesting that you respond to us in writing if you accept this offer to renew. For your convenience, we are providing a place for your signature approval at the bottom of the letter. If in acceptance of this extension, you may sign where indicated. The letter can be faxed back to STC at (956) 872-4688 or emailed to Becky Cavazos at [beckyc@southtexascollege.edu](mailto:beckyc@southtexascollege.edu).

Sincerely,

Rebecca R. Cavazos  
Director of Purchasing

Renewal of contract accepted through February 18, 2015 with no change in the terms and conditions as per the South Texas College proposal previously submitted.

Authorized Signature: Jorge A. Flores  
Name (Printed): Jorge A. Flores  
Date: 12/9/13

10



P.O. Box 9701  
McAllen, TX 78502-9701

Purchasing Department  
3200 W. Pecan Blvd. • McAllen, TX 78501

(956) 872-4681  
Fax (956) 872-4688

January 3, 2014

Condensed Curriculum International  
Attn: Mr. Thomas A. Ruziska  
214 Little Falls Rd  
Fairfield, NJ 07004

Dear Mr. Ruziska:

On January 29, 2013, South Texas College awarded a contract to Condensed Curriculum International for Training Services for Dental Assistant and Dialysis Technician. The award allowed for two one-year renewal options on the contract if the terms and conditions remain the same. We are currently in the last few months of the first year of the contract and would like to renew for an additional one-year period. The first renewal period will be from February 1, 2014 through January 31, 2015.

We are requesting that you respond to us in writing if this would be acceptable to your company. For your convenience, we are providing a place for your signature approval at the bottom of the letter. If in acceptance of this extension, you may sign where indicated. The letter may be return via fax at (956) 872-4688 or email to Becky Cavazos at [beckyc@southtexascollege.edu](mailto:beckyc@southtexascollege.edu).

Sincerely,

A handwritten signature in cursive script that reads "Becky Cavazos".

Rebecca R. Cavazos  
Director of Purchasing

Renewal of contract accepted through January 31, 2015 with no change in terms and conditions as per the South Texas College bid previously submitted.

Authorized Signature: 

Name Printed: Thomas A. Ruziska

Date: 1/6/14



**Review and Recommend Action on Establishing a Bank Account for the  
Bond Construction Program**

Approval to establish a new bank account at the College's depository bank will be requested at the January 28, 2014 Board meeting.

The primary purpose of establishing a new bank account is for depositing the proceeds of the South Texas College District Limited Tax Bonds, Series 2014, as needed to pay for the construction and equipping of College buildings in the College District.

Per Board Policy #5110: Comptrollership Function: Collection, Deposit, and Disbursement of College and Grant Funds, the Board of Trustees must approve the establishment of a bank account. The College anticipates to sell Bonds in January 2014 and to receive the bond proceeds in February 2014.

The funds will be deposited in accordance with the STC Board of Trustees approved Investment Policy and in a manner meeting the construction needs of the College.

It is requested that the Finance and Human Resources Committee recommend for Board approval at the January 28, 2014 Board meeting, to establish a new bank account at the College's depository bank for the primary purpose of depositing the South Texas College District Limited Tax Bonds, Series 2014 proceeds, as presented.

### **Review and Discussion of the Texas Higher Education Coordinating Board Enrollment Data Audit Report**

Matthew Hebbard, Dean of Enrollment Services and Registrar, will present the Texas Higher Education Coordinating Board Enrollment Data Audit Report.

The Texas Higher Education Coordinating Board is authorized, per Rider 8 of the General Appropriations Act, 82nd Legislature, Regular Session and Texas Administrative Code Section 13, to review the accuracy of the contact hour data reported to the Coordinating Board by community college districts. In the event of data reporting errors, the Coordinating Board is authorized to adjust the fiscal year's formula appropriations as necessary to reflect the corrected data elements.

South Texas College complied with all of the relevant rules and regulations for the enrollment data used for formula funding and therefore, no adjustment to the College's formula appropriations is necessary.

The Enrollment Data Audit Report follows in the packet for the Committee's review and information.

No action is required from the Committee. This item is presented for information and feedback to staff.



# TEXAS HIGHER EDUCATION COORDINATING BOARD

P.O. Box 12788 Austin, Texas 78711

December 23, 2013

Harold W. Hahn  
CHAIR

Robert W. Jenkins, Jr.  
VICE CHAIR

Dennis D. Golden, O.D.  
SECRETARY OF THE BOARD

Alice Schneider  
STUDENT REPRESENTATIVE

Durga D. Agrawal, Ph.D.  
Fred W. Heldenfels IV  
Christopher M. Huckabee  
Janelle Shepard  
David D. Teuscher, M.D.

Raymund A. Paredes  
COMMISSIONER  
OF HIGHER EDUCATION

512/ 427-6101  
Fax 512/ 427-6127

Web site:  
<http://www.thecb.state.tx.us>

Dr. Shirley A. Reed  
President  
South Texas College  
3201 W. Pecan Boulevard  
Ann Richards Administration Building  
2<sup>nd</sup> Floor, x232  
McAllen, Texas 78501

Dear: Dr. Reed

South Texas College (STC) complied with relevant Coordinating Board (THECB) rules and regulations for enrollment data used for formula funding, with Texas Administrative Code Section 13, and with Rider 8 of the General Appropriations Act, 82<sup>nd</sup> Legislature, Regular Session (Rider 8).

We conducted this audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and recommendations based on our audit objectives. We believe the evidence obtained provides a reasonable basis for the findings and recommendations based on the audit objectives.

## Summary

### **Contact Hours Were Eligible for Formula Funding**

No reportable findings were noted.

### **Student Payment was Received per Requirements**

No reportable findings were noted.

### **Instructors of Record Meet Applicable Requirements**

No reportable findings were noted.

### **Data Used for Performance Measures**

No reportable findings were noted.

### **The Control System Provides Reasonable Assurance That the Data Reported by STC To the THECB Is Accurate and Complete**

No reportable findings were noted.

## **Scope, Objective, and Methodology**

Our audit included tests of relevant enrollment data reported and certified by South Texas College for the CBM004 during summer 1 2012, summer 2 2012, fall 2012, and spring 2013, for the CBM00C during quarter 3 2012, quarter 4 2012, quarter 1 2013, and quarter 2 2013 and for Success Points during 2010, 2011, and for accuracy and completeness, in accordance with Rider 8. Our work included procedures to verify:

- Contact hours/enrollment met reporting requirements;
- Contact hours were eligible for formula funding;
- Student payment was received per requirements;
- Instructors of record meet applicable requirements;
- Data used for performance measures
- The control system provides reasonable assurance that the data reported by BC to the THECB is accurate and complete.

The methodology employed during this audit included objectively reviewing and analyzing various forms of documentation, conducting interviews and observations, and other tests necessary to achieve the objectives of the audit. THECB used random sampling to determine the extent to which South Texas College accurately reported enrollment data.

## **Background**

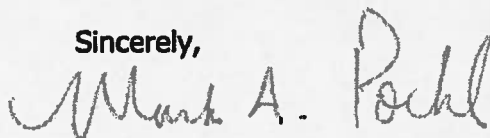
Fifty public community college districts receive state appropriations based on their student enrollment data. These institutions are governed by locally elected boards that have the authority to levy property taxes in their districts. The state appropriations the colleges receive are used to fund administrative and instructional (education and general) services for post-secondary academic and vocational/technical education.

State financing of higher education programs for public community colleges is provided from the State's General Revenue Fund. The THECB and the Comptroller of Public Accounts distribute these appropriations to colleges based on allocations and performance measures made by the Legislative Budget Board. Each college submits enrollment reports (CBM Reports) to the THECB to document the number of contact hours taught by the college in each semester. The formula for state funding involves multiplying the base period contact hours submitted by colleges by the applicable funding rates per contact hour set by the THECB.

South Texas College submitted certified enrollment data for summer 1 2012, summer 2 2012, fall 2012, and spring 2013 and for quarter 3 2012, quarter 4 2012, quarter 1 2013, and quarter 2 2013.

The cooperation of your staff during this audit is greatly appreciated. If you have any comments or concerns on the conduct of this audit, please let me know.

Sincerely,



Mark A. Poehl, CPA, CIA, CISA, CFE  
Director, Internal Audit and Compliance

**PERFORMED BY:**

Mr. David Mahoney, Compliance Specialist

cc:

**THECB**

**Board Members**

**Commissioner's Office**

Dr. Raymund A. Paredes, Commissioner of Higher Education

Dr. Arturo Alonzo, Deputy Commissioner for Finance and Administration/Chief  
Operating Officer

Dr. David Gardner, Deputy Commissioner for Academic Planning and Policy/Chief  
Academic Officer

Ms. Linda Battles, Associate Commissioner/Chief of Staff

Mr. William Franz, General Counsel/Ethics Officer

**Planning and Accountability**

Ms. Susan Brown, Assistant Commissioner Planning and Accountability

Mr. Gary Johnstone, Deputy Assistant Commissioner Planning and Accountability

**South Texas College**

Mr. Matthew Hebbard, Director of Admissions and Registrar

**Texas Association of Community Colleges**

Dr. Reynaldo Garcia, President

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**State Auditor's Office**

Internal Audit Coordinator

**Sunset Advisory Commission**

Mr. Ken Levine