

**REGULAR MEETING OF THE BOARD OF TRUSTEES
NORTH HARRIS MONTGOMERY COMMUNITY COLLEGE DISTRICT
DISTRICT SERVICES AND TRAINING CENTER
TRAINING AND DEVELOPMENT CENTER BOARD ROOM
5000 RESEARCH FOREST DRIVE
THE WOODLANDS, TEXAS 77381
March 2, 2006
6:00 p.m.**

- I.** Call to Order
- II.** Pledge of Allegiance
- III.** Certification of the Posting of the Notice of the Meeting
- IV.** Introductions, Special Guests, Recognitions
- V.** Approval of the Minutes of the February 2, 2006 Workshop Meeting and Regular Meeting
- VI.** Citizens Desiring to Address the Board
- VII.** Special Reports and Announcements
 - 1. Chancellor
 - 2. College Presidents
 - 3. Vice Chancellors
 - 4. Faculty Senate Presidents
- VIII.** Institutional Effectiveness Reports
 - 1. International Students by College, Spring 2005
 - 2. Concurrent Credit Students, Spring 2005
- X.** Consideration of Consent Agenda

(The purpose of the consent agenda is to allow the Board to identify and approve action items which require no additional information or discussion and for which there is unanimous approval. Trustees receive agenda materials one week in advance of the meeting to prepare for the business to be conducted.)

XI. Policy Reports and Considerations

1. Consideration of Approval of Revised Board Policy CAK (Local): Investment and Cash Management Policy (**SECOND READING**) (**ACTION ITEM 1**)
2. Consideration of Approval of the Order Calling Trustee and Bond Election (**ACTION ITEM 2**)
3. Consideration of Adoption of a Resolution Regarding Trustee and Bond Election (**ACTION ITEM 3**)

XII. Financial Reports and Considerations

1. Monthly Financial Statements
2. Consideration of Approval of a Catalog Information Systems Vendor (CISV) Lease Agreement for a Copier for the Print Services Department at Cy-Fair College (**ACTION ITEM 4**)
3. Consideration of Approval to Purchase Musical Instruments for Kingwood and Montgomery Colleges (**ACTION ITEM 5**)
4. Consideration of Ratification of the Purchase of a Commerce Management System for the District (**ACTION ITEM 6**)
5. Consideration of Approval of the Purchase of Business Intelligence Software and Implementation Support for the District (**ACTION ITEM 7**)
6. Consideration of Ratification of the Purchase of Computer Hardware Maintenance and Technical Support Services for the District (**ACTION ITEM 8**)
7. Consideration of Approval of Change Order No. 1 to the Variable Frequency Drive for the 1000 Ton Chiller at North Harris College (**ACTION ITEM 9**)
8. Consideration of Authorization for the Chancellor to Negotiate a Contract for the Purchase of Property Located East of Peoples Road, South of Pine Acres Road and North of Montgomery College (**ACTION ITEM 10**)
9. Consideration of Approval of Purchase of Services, Annual Software Maintenance, and Technical Support for Web Content Management Systems for the District (**ACTION ITEM 11**)
10. Consideration of Approval of the District-Wide Facilities Master Plan and Facilities Condition Assessments and Recommended Projects (**ACTION ITEM 12**)

11. Consideration of Approval of the Purchase of Virus Protection Software for the District Network (**ACTION ITEM 13**)
12. Consideration of Approval of the Interlocal Agreement for Construction, Use and Maintenance of a Joint Library Facility (Joint Library) at Tomball College (**ACTION ITEM 14**)

XIII. Building and Grounds Report

Construction Projects Update

XIV. Personnel Reports and Considerations

1. Consideration of Ratification of Appointments (**ACTION ITEM 15**)
2. Consideration of Acceptance of Resignations (**ACTION ITEM 16**)
3. Consideration of Approval of Commissioning of Peace Officer (**ACTION ITEM 17**)

XV. Suggested Future Agenda Items

XVI. Adjournment

The Board of Trustees, may at any time prior to adjournment, in accordance with Sections 551.001, et seq. of the Texas Government Code, move into Closed Session under the following provision(s) of the ACT:

Section 551.071 - Consultation With Attorney
Section 551.072 - Deliberation Regarding Real Property
Section 551.073 - Deliberation Regarding Prospective Gift
Section 551.074 - Personnel Matters
Section 551.076 - Deliberation Regarding Security Devices
Section 551.086 - Economic Development Negotiations

**Certification of Posting of Notice to the March 2, 2006
Regular Meeting of the
North Harris Montgomery Community College District's
Board of Trustees**

I, John E. Pickelman, Chancellor of the North Harris Montgomery Community College District, do hereby certify that a notice of this meeting was posted on Monday, the 27th day of February, 2006, in a place convenient to the public in the Administration Office of the District Services and Training Center and on all college campuses as required by Section 551.001 et seq., Texas Government Code.

Given under my hand this the 27th day of February, 2006.

John E. Pickelman, Ph.D.
Chancellor

**MINUTES OF THE
WORKSHOP MEETING OF THE BOARD OF TRUSTEES
NORTH HARRIS MONTGOMERY COMMUNITY COLLEGE DISTRICT
DISTRICT SERVICES AND TRAINING CENTER
TRAINING AND DEVELOPMENT CENTER BOARDROOM
5000 RESEARCH FOREST DRIVE
THE WOODLANDS, TEXAS 77381
February 2, 2006
3:00 p.m.**

PRESENT: Mr. David McIver, Chair
Mr. David Vogt, Vice Chair
Ms. Maria Flotte O'Neill, Secretary
Mr. John Fox, Assistant Secretary
Mr. Randy Bates
Dr. Richard Campbell
Ms. Priscilla Kelly
Ms. Stephanie Marquard

ABSENT: Dr. Martin Basaldua

- I. **CALL TO ORDER:** Mr. McIver called the meeting to order at 3:00 p.m.
- II. **CERTIFICATION OF THE POSTING OF THE NOTICE OF THE MEETING:** Chancellor Pickelman confirmed that the Notice for the meeting had been properly posted. No action was required. A copy is attached as Exhibit "A".
- III. **INTRODUCTORY REMARKS – CHANCELLOR:** Chancellor Pickelman presented a general overview of the master plan process.
- IV. **PRESENTATION OF LONG RANGE FINANCIAL PLAN – RBC DAIN RAUSCHER:** Financial advisors, RBC Dain Rauscher, presented a review of the district's existing debt schedule; a review of the impact of a bond election on the debt service rate and the district's credit rating; a review of the impact of possible revenue bonds for a parking facility; election calendars, and an overview of the interest rate market.
- V. **PRESENTATION OF PROJECTED IMPACT UPON DISTRICT OPERATING BUDGET – VICE CHANCELLOR AND CHIEF FINANCIAL OFFICER:** Ms. Cindy Gilliam, vice chancellor for business affairs and chief financial officer, presented an overview of proposed projects based on findings and recommendations from the district-wide master plan including: new square footage; renovations and upgrades; parking, roads, and entries; land acquisitions; security and information technology; contingency and bond costs; maintenance and renewal projects; and the total cost for the proposed projects.

- VI. PRESENTATION OF PROPOSED PROJECTS BY COLLEGE PRESIDENTS AND VICE CHANCELLOR:** Diane Troyer, president of Cy-Fair College; Linda Stegall, president of Kingwood College; Tom Butler, president of Montgomery College; David Sam, president of North Harris College; Ray Hawkins, president of Tomball College; and Cindy Gilliam, vice chancellor for business affairs and chief financial officer at District Services and Training Center, presented proposed projects for each respective campus.
- VII. BOARD DISCUSSION:** members of the Board of Trustees asked questions related to the proposed projects and the process used to identify the priorities.
- VIII. BOARD DINNER:** Mr. McIver moved the Board to the dinner workshop portion of the meeting.
- IX. CLOSED SESSION:** At 5:46 p.m. Mr. McIver convened the Board in closed session, in accordance with Section 551.001 et. seq. of the Texas Government Code under the following provision(s) of the Act:
- Section 551.074 – Personnel Matters.
- X. RECONVENE OPEN MEETING:** Mr. McIver reconvened the Open Meeting at 5:55 p.m.
- XI. CONFER WITH CHANCELLOR/STAFF:** Chancellor Pickelman provided certain information regarding operations of the District and gave the Board dates for several upcoming district-wide events. No action was taken.
- XII. ADJOURNMENT:** the meeting was adjourned at 6:08 p.m.

Board Chair

Board Secretary

**MINUTES OF THE
REGULAR MEETING OF THE BOARD OF TRUSTEES
NORTH HARRIS MONTGOMERY COMMUNITY COLLEGE DISTRICT
DISTRICT SERVICES AND TRAINING CENTER
TRAINING AND DEVELOPMENT CENTER BOARD ROOM
5000 RESEARCH FOREST DRIVE
THE WOODLANDS, TEXAS 77381
February 2, 2006
6:00 p.m.**

PRESENT: Mr. David McIver, Chair
Mr. David Vogt, Vice Chair
Mr. John Fox, Assistant Secretary
Ms. Maria Flotte O'Neill, Secretary
Mr. Randy Bates
Dr. Richard Campbell
Ms. Priscilla Kelly
Ms. Stephanie Marquard

ABSENT: Dr. Martin Basaldua

- I. **CALL TO ORDER:** Mr. McIver called the Regular Board Meeting to order at 6:10 p.m. after determining a quorum was present.
- II. **PLEDGE OF ALLEGIANCE:** Mr. Bates led the Board and guests in reciting the Pledge of Allegiance.
- III. **CERTIFICATION OF THE POSTING OF THE NOTICE OF THE MEETING:** Chancellor Pickelman confirmed that the Notice for the meeting had been properly posted. No action was required. A copy is attached as Exhibit "A."
- IV. **INTRODUCTIONS, SPECIAL GUESTS, RECOGNITIONS:** Dr. Pickelman welcomed Ms. Kim Feehery and Ms. Marilyn Lowry, citizens from Montgomery Independent School District.
- V. **APPROVAL OF THE MINUTES OF THE NOVEMBER 29, 2005 SPECIAL MEETING AND THE DECEMBER 1, 2005 WORKSHOP MEETING AND REGULAR MEETING:** upon a motion by Dr. Campbell and a second to the motion by Mr. Vogt, the Board approved the minutes of the November 29, 2005 Special Meeting and the December 1, 2005 Workshop Meeting and Regular Meeting. Mr. Bates abstained from the vote to approve the minutes of the December 1, 2005 Workshop Meeting and Regular Meeting.
- VI. **CITIZENS DESIRING TO ADDRESS THE BOARD:** none
- VII. **SPECIAL REPORTS AND ANNOUNCEMENTS:**

1. Chancellor: Dr. Pickelman reported that the spring 2005 semester showed a lower growth rate district-wide than the same time last academic year, and that of the twenty community colleges responding to a survey, fifteen have shown decreases. Possible explanations for the decrease in enrollments are: a strong economy, FEMA jobs offering fairly large salaries, and/or tuition increases made necessary by lower state funding. A careful analysis by zip codes will be conducted to pinpoint the lower growth and a report will be presented to the board when it is completed. Dr. Pickelman introduced faculty and administrators present at the Board meeting who have been awarded sabbaticals for the 2006-2007 academic year. The sabbatical recipients are as follows: Rose Austin, dean, institutional effectiveness at Kingwood College; Adrian Rapp, professor of sociology at North Harris College; Jean Whileyman, professor of chemistry at Kingwood College; Carolyn Grafton Davis, professor of political science at North Harris College; Steve Sansom, professor of English at North Harris College; Bonnie Longnion, associate vice chancellor of institutional and resource development at DSTC; Lynda Dodgen, professor of sociology at North Harris College; Glenn Ware, professor of criminal justice at North Harris College; Rhonda Cannon, director of counseling at North Harris College; Sandra Patton, district coordinator of student disability services at DSTC; George Younger, professor of veterinary technology at Tomball College; Clifton Fox, professor of geography at Tomball College; Rosario Martinez, director of articulation services at The University Center; Danel Olson, professor of English at North Harris College; and William Geoghegan, professor of biotechnology at Montgomery College.

2. College Presidents: Dr. David Sam, president of North Harris College, reported a decline in enrollments and stated that a study of zip code demographics is being conducted to determine possible reasons for the decline. Dr. Sam distributed folders containing information on a student project sponsored by Janice Hartgrove-Freile, professor of psychology. North Harris College is one of only a few sites where the endangered Houston Daisy is monitored by Texas Parks and Wildlife. The endangered daisy has been monitored at North Harris College since 1999. Another student project is the Greenway Trails Project. Peter Price, associate professor of geology, worked with three students, Roy Ebert, Kimberly Hiller and Michael Pierce to acquire data with global positioning systems and aerial photographs to produce a map of greenway trails for hiking and biking throughout the greater Houston and Harris County region. Professor Price believes that the Greenway Trails Project provided an excellent opportunity to demonstrate the quality and dedication of students and to provide them with a meaningful service learning experience that will enhance their portfolios and their sense of community. The project will highlight North Harris College's outstanding educational and technical capabilities. A proposal was prepared by Professor Price and accepted by The Park People, an organization which believes that Houston has the potential to create a world class trails network. A \$6000 grant was awarded to support the student effort as paid interns, to provide faculty release time, and to cover the cost of materials.

Dr. Linda Stegall, president of Kingwood College, distributed folders containing a fast facts brochure showing enrollment and demographic figures for the spring 2006 semester and noted that 15.3% of students served were Hispanic and 10.4% of

students served were African American. A Black History flyer outlined activities being conducted in celebration of Black History Month, which includes a dinner theater and free concert honoring the Tuskegee airman and members of the Old Negro League Baseball. Also enclosed was a brochure giving an overview of The Early College, where students have an opportunity to earn college credits and complete their first two years of college while still in high school. Dr. Stegall shared an *Observer Newspaper* article spotlighting The Early College program and the partnership between Kingwood College and the Humble Independent School District in developing the program. The flyer, *Kingwood College Happenings*, included several events held at the campus, including a photo of Jim “Mattress Mac” McIngvale, who spoke to faculty and staff about personal values and work ethics.

Dr. Ray Hawkins, president of Tomball College, distributed a spring 2006 handout showing preliminary enrollment analysis and research and planning. The handout also spotlighted two new buildings at Tomball College: the wellness center and the college and community library. Preliminary figures show a 3.9% increase in headcounts and a 1.2% increase in contact hours. Dr. Hawkins noted that one third of the student population at Willowchase Center is composed of minority students.

Dr. Tom Butler, president of Montgomery College, distributed folders containing 10th Anniversary memorabilia to include a historical account booklet and a commemorative bookmark. A calendar honoring fourteen winners of the 2005 Cherokee Inspired Comfort Award who were chosen for their exceptional service, sacrifice, and innovation was also included. Michelle Hokanson, student nurse at Montgomery College, was spotlighted for the month of April in the calendar for her honor’s project. Dr. Butler highlighted several statistics in the spring 2006 student demographics report provided, and noted that there was a 6% increase in students served as compared to spring 2005 and a 5.7% increase in enrollments. Student enrollments from the top 10 school districts were listed showing that Conroe ISD, Klein ISD, and Spring ISD ranked as the top three school districts of total students enrolled.

Dr. Diane Troyer, president of Cy-Fair College, provided an enrollment update showing an 8.3% increase in students served, and an 8.5% increase in enrollments, credit hours, and contact hours. Dr. Troyer reported that Cy-Fair College’s inaugural associate degree nursing class graduated twenty-six students on December 15, 2005, and six of those graduating were from Delgado Community College in New Orleans. The six students were displaced by Hurricane Katrina and had lost everything in the storm. They sought out a nursing program to finish their associate degree as their number one priority. They were turned down by several institutions. Dr. Troyer noted that the nature of Cy-Fair College’s nursing program allowed the displaced students to fit in well, as most of the curriculum was in line with their program at Delgado. Dr. Troyer introduced Tim Sebesta, chair of biology, chemistry and kinesiology, and Buck Buchanan, geographic information systems instructor. The two came up with the idea to combine fitness while using a global positioning system (GPS) unit and relating it to the *Amazing Race* program on television. Teams

consisting of two students will spread out across the college's 200 acre campus to find designated locations using a GPS unit.

3. Vice Chancellors: Vice Chancellor of Informational Systems, Ron Stauss, introduced the newly hired Executive Director of Web Information Services, Ms. Jennifer Murillo.

Vice Chancellor of External Affairs, Ray Laughter, distributed brochures announcing the NMHCCD District Foundation Star Gala date on April 8, 2006. The Gala will be held at The Woodlands Waterway Marriott Hotel and Convention Center from 6:30 p.m. until midnight. Mr. Laughter noted that the primary mission of the Foundation is to raise money to support students, faculty, and programs of the college district. He thanked the Board and those who attended the recent Chancellor's Breakfast, which spotlighted the essay contest winners and scholarship recipients for the 2005-2006 academic year.

4. Faculty Senate President: Professor of English and Faculty Senate President at Montgomery College, David Wickham, distributed folders containing photos of Dr. Pickelman's recent visit to the faculty senate meeting at Montgomery College, and a copy of the *Faculty Register*. David thanked the chancellor for attending the faculty senate meeting and indicated that the faculty members present were very appreciative of the opportunity to ask questions and discuss a variety of topics relevant to organizational and student success.
5. Other

Summary Report of Awards of Funding Proposals: Vice Chancellor of External Affairs, Ray Laughter, presented the report and noted that six grants were awarded during the first quarter totaling \$1,159,606. Mr. Laughter also noted that the Black History Month display in the foyer of the District Services and Training Center was possible due to a mini grant award. A copy is attached as Exhibit "B."

VIII. INSTITUTIONAL EFFECTIVENESS REPORT:

High School Penetration Comparing Numbers of High School Seniors and Fall 2005 Credit Students: The Board reviewed the report as presented. A copy is attached as Exhibit "C."

- IX. **CONSIDERATION OF CONSENT AGENDA**: Mr. McIver proceeded with the Consent Agenda and noted that Action Items 2, 3 and 12 were recommended by the Board for separate action. Mr. Bates made a motion to approve Action Items 1, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 16, 17, 18, 19, 20, and 21. Mr. Fox seconded the motion and the Board unanimously passed the Consent Agenda. A copy of the Consent Agenda is attached as Exhibit "D."

X. POLICY REPORTS AND CONSIDERATION:

1. Consideration of Approval of Revised Board Policy CAK (Local): Investment and Cash Management Policy (FIRST READING): the Board conducted the first reading of the proposed revisions to Board Policy CAK (Local): Investment and Cash Management Policy. The Board expressed no objection to adding the proposed policy to the March Board Meeting agenda for consideration and action. A copy is attached as Exhibit "E."
2. Consideration of Approval for Board of Trustees Travel (ACTION ITEM 1): the Board authorized Martin Basaldua to attend the Association of Community College Trustees National Legislative Summit in Washington, D.C. on February 5-8, 2006. This item was passed in the Consent Agenda. A copy is attached as Exhibit "F."
3. Consideration of the Adoption of a Resolution Regarding the Area Defined by the Cleveland Independent School District Becoming a Part of the North Harris Montgomery Community College District (ACTION ITEM 2): upon a motion by Mr. Bates and a second to the motion by Ms. O'Neill, the Board adopted a resolution regarding the area defined by the Cleveland Independent School District becoming a part of the North Harris Montgomery Community College District, subject to approval of the voters of the area. A copy is attached as Exhibit "G."
4. Consideration of the Adoption of a Resolution Regarding the Area Defined by the Montgomery Independent School District Becoming a Part of the North Harris Montgomery Community College District (ACTION ITEM 3): Ms. Marilyn Lowry, a citizen of the Montgomery Independent School District, addressed the Board and stated that she helped organize a petition drive requesting an election for Montgomery Independent School District to join the North Harris Montgomery Community College District. Upon a motion by Ms. Kelly and a second to the motion by Mr. Vogt, the Board adopted the resolution regarding the area defined by the Montgomery Independent School District becoming a part of the North Harris Montgomery Community College District, subject to approval of the voters in the area. A copy is attached as Exhibit "H."

XI. CURRICULUM REPORTS AND CONSIDERATIONS:

Consideration of Approval of Degree and Certificate Program Offerings in an On-line Format (ACTION ITEM 4): the Board approved degree and certificate program offerings in an on-line format. This item was passed in the Consent Agenda. A copy is attached as Exhibit "I."

XII. FINANCIAL REPORTS AND CONSIDERATIONS:

1. Monthly Financial Statements: Ms. Cindy Gilliam, vice chancellor of business affairs and chief financial officer, presented the monthly financial statements. A copy is attached as Exhibit "J."
2. Quarterly Investment Report: Ms. Cindy Gilliam, vice chancellor of business affairs and chief financial officer, presented the quarterly investment report. A copy is attached as Exhibit "K."

3. Consideration of Approval to Establish an Investment Account with TreasuryDirect (ACTION ITEM 5): the Board authorized the Vice Chancellor for Business Affairs/Chief Financial Officer to execute the necessary documents to establish an investment account with TreasuryDirect. This item was passed in the Consent Agenda. A copy is attached as Exhibit "L."
4. Consideration of Acceptance of Gifts (ACTION ITEM 6): the Board formally accepted and acknowledged the gifts donated to the North Harris Montgomery Community College District in accordance with the donors' wishes. This item was passed in the Consent Agenda. A copy is attached as Exhibit "M."
5. Consideration of Award of Contract for Printing the 2005-2006 District Catalog (ACTION ITEM 7): the Board approved the purchase of printing the District's 2006-2007 course catalog to the lowest bidder meeting specifications, Von Hoffman Corporation, for \$119,305. This item was passed in the Consent Agenda. A copy is attached as Exhibit "N."
6. Consideration of Approval of Interim Lease of Wastewater Treatment Capacity from Municipal Utility District (MUD) 155 for Cy-Fair College (ACTION ITEM 8): the Board approved the interim lease of wastewater treatment capacity from MUD 155 for Cy-Fair College in an amount not to exceed \$8,250. This item was passed in the Consent Agenda. A copy is attached as Exhibit "O."
7. Consideration of Ratification of the Purchase of a Variable Frequency Drive for the One Thousand Ton Chiller at North Harris College (ACTION ITEM 9): the Board ratified the purchase of a new variable frequency drive for the 1000 ton chiller at North Harris College from the respondent fully meeting specifications, Carrier Corporation, in the amount of \$163,698. This item was passed in the Consent Agenda. A copy is attached as Exhibit "P."
8. Consideration of Approval to Repair Existing Sidewalks and Upper Walkway Drains at North Harris College (ACTION ITEM 10): the Board approved the repair of the existing sidewalks and upper walkway drains at North Harris College (NHC) from the lowest bidder, Accompany Services, in the amount of \$28,933. This item was passed in the Consent Agenda. A copy is attached as Exhibit "Q."
9. Consideration of Ratification of Change Order No. 2 for the Boiler Replacement Project at North Harris College (ACTION ITEM 11): the Board ratified Change Order No. 2 to the boiler replacement project at North Harris College. The contractor is MLN Company. The change order resulted in an additional \$4,000 for a revised total project cost of \$350,055. This item was passed in the Consent Agenda. A copy is attached as Exhibit "R."
10. Consideration of Approval of Change Order No. 1 to Gilbane's Guaranteed Maximum Price (GMP) Contract for the Library and Wellness Center at Tomball College (ACTION ITEM 12): upon a motion by Mr. Bates and a second to the

motion by Mr. Fox, the Board approved the Change Order No.1 to Gilbane's guaranteed maximum price (GMP) for the library and wellness center at Tomball College. Ms. O'Neill abstained from the vote. A copy is attached as Exhibit "S."

11. Consideration of Approval of Snack and Beverage Resale/Retail Food Service Providers List for the District (ACTION ITEM 13): the Board approved the list of qualified specialty snack and beverage retail/resale food service providers for the District. This item was passed in the Consent Agenda. A copy is attached as Exhibit "T."
12. Consideration of Approval of an Amendment to the Macromedia Premier Education Program Agreement with the District (ACTION ITEM 14): the Board approved the amendment to the Macromedia Premier Education Program agreement. This item was passed in the Consent Agenda. A copy is attached as Exhibit "U."
13. Consideration of Ratification of the Purchase of Additional Office Furniture for the District Services and Training Center (DSTC) (ACTION ITEM 15): the Board ratified the purchase of additional furniture for the DSTC from Debner & Company, in the amount of \$72,088. This item was passed in the Consent Agenda. A copy is attached as Exhibit "V."
14. Consideration of Approval of the Lease of an Automatic Document Inserting Machine for the Accounts Payable Department at the District Services and Training Center (DSTC) (ACTION ITEM 16): the Board approved the lease of an automatic document inserting machine from Pitney-Bowes (a Texas Building and Procurement Commission vendor), for a monthly rate of \$535 and a 48-month lease total in the amount of \$25,680. This item was passed in the Consent Agenda. A copy is attached as Exhibit "W."
15. Consideration of Ratification of an Agreement for the Grant of Easement to Canyon Lakes 1892, LTD (a Land Tejas entity) (ACTION ITEM 17): the Board ratified an agreement for a Grant of Easement to Canyon Lakes 1892, LTD. This item was passed in the Consent Agenda. A copy is attached as Exhibit "X."
16. Consideration of Approval of Purchase of an On-Line Applicant Tracking System for the District (ACTION ITEM 18): the Board approved the purchase of an on-line applicant tracking system for the District from the lowest bidder, PeopleAdmin, Inc., in the amount of \$43,500. This item was passed in the Consent Agenda. A copy is attached as Exhibit "Y."
17. Consideration of Ratification of an Agreement for the Short-Term Purchase of Electricity Supply Services for the District from a Retail Electric Provider (REP), and Authorize the Chancellor or Designee to enter into Additional Short-Term Purchase Agreements (ACTION ITEM 19): the Board ratified an agreement for the purchase of electricity supply services for the District from Energy for Schools, and authorized the Chancellor or Designee to enter into additional short-term purchase agreements, if

necessary. This item was passed in the Consent Agenda. A copy is attached as Exhibit “Z.”

XIII. BUILDING AND GROUNDS REPORT:

1. Construction Projects Update: the Board reviewed the reports as presented. A copy is attached as Exhibit “aa.”

XIV. PERSONNEL REPORTS AND CONSIDERATIONS

1. Consideration of Ratification of Appointments (ACTION ITEM 23): the Board ratified the appointments as presented. This item was passed in the Consent Agenda. A copy is attached as Exhibit “bb.”
2. Consideration of Acceptance of Resignations (ACTION ITEM 24): the Board accepted the resignations as presented. This item was passed in the Consent Agenda. A copy is attached as Exhibit “cc.”

XV. SUGGESTED FUTURE AGENDA ITEMS: None.

XVI. ADJOURNMENT: there being no further business, Mr. McIver adjourned the meeting at 7:10 p.m.

ATTEST:

Board of Trustees, Chair

Board of Trustees, Secretary

Report: International Students by College, Spring 2006

Goal: Provide quality, accessible courses and programs of instruction which meet transfer, workforce development, and lifelong learning needs of students

Indicator: International students enrolled in credit classes

The district serves students who were born outside of the United States. These include not only those who are immigrants or permanent residents, but also students attending on foreign student visas.

Highlights of the report on the following pages include:

- Overall, the spring 2006 enrollment of international students district-wide totals 1,512 students who are from at least 100 different countries. This represents 4% of the total students enrolled, and is an increase of 8.3% over spring 2005, when there were 1,396 international students.
- About 26% of all international students attending are from Mexico (393 students). Significant numbers of students are also from Columbia (91 students), Venezuela (77 students), South Korea (60 students), Pakistan (59 students), and the Philippines (54).
- North Harris College has the highest number of international students, 580, which represents 5.4% of their total student population. Cy-Fair also enrolled a high number of international students: 520 or 5.2% of their total student population.

Data in the following tables reflect enrollment for the spring 2006 term classes.

Staff	Martha Oburn	832 813-6764
Resource:	Steve Head	832 813-6522

**North Harris Montgomery Community College District
International Students by College
Spring 2006**

COUNTRY	NHMCCD (Unduplicated)	NORTH HARRIS	KINGWOOD	TOMBALL	MONTGOMERY	CY-FAIR
Angola	2			2		
Argentina	8	6	3		1	
Armenia	1		1			
Aruba	1				1	
Australia	2		1	2	1	1
Bahamas, The	1					1
Bangladesh	2					2
Belize	2		1	1	1	
Bolivia	2	1				1
Bosnia and Herzegovina	3			1		3
Brazil	17	2	1	5		9
British Virgin Islands	1	1				
Bulgaria	4	4			2	
Burkina Faso	1	1		1		
Burma	3	2			1	
Cambodia	3	3	1		1	
Cameroon	7	5		1	1	1
Canada	33	8	7	6	6	12
Chad	1	1				1
Chile	6	3		1	1	2
China	22	6	3	5	3	8
Colombia	91	39	12	13	10	36
Costa Rica	5	4				1
Cuba	1	1				
Czech Republic	1		1			
Denmark	1	1				
Dominica	2			1		1
Dominican Republic	1		1			
Ecuador	11	2	1		4	5
Egypt	1					1
El Salvador	36	14	4	5	4	15
Estonia	1	1				
Ethiopia	1					1
France	14	8	4	5	4	2
Gambia, The	2	2			1	
Germany	6			1	4	1
Ghana	1		1			
Grenada	1	1				
Guatemala	12	1	1	4	2	7
Guinea	1				1	
Honduras	14	5	2	4		3
Hong Kong	5		2	2		4
Hungary	1	1				
India	44	13	6	6	10	16
Indonesia	3					3
Iran	7	1	2	2		2
Ireland	2					2
Israel	3	1	1	1		1

International Students by College Spring 2006

COUNTRY	NHMCCD (Unduplicated)	NORTH HARRIS	KINGWOOD	TOMBALL	MONTGOMERY	CY-FAIR
Jamaica	22	3	3	14		5
Japan	12	3	2	2	1	5
Jordan	7	2		1	2	2
Kazakhstan	10			1		9
Kenya	50	21	6	14	4	17
Korea, North	2	1			1	1
Korea, South	60	4	1	3	8	44
Kuwait	1	1				
Kyrgyzstan	3				2	1
Lebanon	2	2		1	1	
Liberia	3			1		2
Libya	1	1				
Malaysia	6	1		2	2	3
Mali	1	1				
Mexico	393	200	47	42	44	86
Mongolia	1					1
Morocco	2			1		1
Nepal	20	16	3	1		2
Netherlands	5	1		2		2
New Zealand	1					1
Nicaragua	3	2				1
Nigeria	40	15	10	6	4	11
Norway	1				1	
Pakistan	59	33	10	7	5	16
Panama	2	1			1	
Peru	17	7		4	3	5
Philippines	54	26	9	10	12	6
Poland	7	3	1	3	3	2
Romania	1			1		
Russia	3	1	1		1	1
Saudi Arabia	1					1
Senegal	1	1				
Serbia and Montenegro	1			1		
Sierra Leone	1					1
Singapore	5	2	1	1		2
Somalia	1			1		
South Africa	5	3		1	1	
Spain	1	1				
Sudan	2	1		1		
Switzerland	1	1				
Syria	4	2		1		2
Taiwan	14	6	3	3	4	2
Tanzania	17	5	1	5	2	8
Thailand	13	4	3	2	3	6
Trinidad and Tobago	4	1	1			2
Turkey	9		1		2	6
Turkmenistan	5					5
Uganda	4	2				2
Ukraine	1					1

International Students by College Spring 2006

COUNTRY	NHMCCD (Unduplicated)	NORTH HARRIS	KINGWOOD	TOMBALL	MONTGOMERY	CY-FAIR
United Kingdom	18		1	6	3	11
Venezuela	77	24	9	19	11	28
Vietnam	50	33	4	6	4	12
Zambia	11	6	1	2	1	1
Zimbabwe	1	1	1	1		
Other Foreign	1	1				
Missing	85	3	7	10	10	64
Total	1,512	580	182	245	195	520

Note: Students taking classes at more than one college are counted once at each college.

International students are those whose residency code is one of the following:

- 40 - International Student
- 60 - Resides Out of Country
- 1F - International In-District Pending INS
- 2F - International Out-of-District Pending INS
- 1H - International In-District HS/GED
- 2H - International Out-of-District HS/GED

Report: Concurrent Credit Students, Spring 2006

Goal: Provide quality, accessible courses and programs of instruction which meet transfer, workforce development, and lifelong learning needs of students

Indicator: High School students taking concurrent credit classes

High school students are provided the opportunity to take college credit classes prior to high school graduation. Students may enroll in classes that are either restricted to high school students or are regularly scheduled classes at one of the colleges.

As of the fall 2004 term, partial tuition waivers for concurrent students were available.

Highlights of the report on the next page include:

- The district continues to provide access to high school students by providing concurrent credit classes to 3,413 individual students during spring 2006. This represents an increase of 21% compared to spring 2005.
- School districts with over 200 high school students taking credit classes include Conroe, Cy-Fair, Humble, Klein, Spring, Magnolia, and Tomball.
- The college with the highest numbers of concurrent credit students and course enrollments is Cy Fair College, with 873 students enrolled in 1,097 separate classes.
- North Harris College and Tomball experienced the greatest increase in students: Tomball by 40% or 243 students and North Harris by 31% or 175 students.

Data in the following table reflect enrollment for spring 2006 term classes.

Staff	Martha Oburn	832 813-6764
Resource:	Steve Head	832 813-6523

North Harris Montgomery Community College District
Concurrent Credit Students¹
Spring 2006

College	ISD	Spring 2006 Enrollment ²			Students ³		
		High School ⁴	College ⁵	Total	Spring 2006	Spring 2005	% Change
NHMCCD Total (Unduplicated)		3,530	810	4,340	3,413	2,819	21.1%
North Harris	Klein	315	5	320	274	245	11.8%
	Spring	266	28	294	245	189	29.6%
	Aldine	161	53	214	185	101	83.2%
	Cy-Fair	14	5	19	14	11	27.3%
	Humble	1	0	1	1	0	
	Magnolia	0	0	0	0	3	
	Conroe	3	2	5	4	2	
	Splendora	0	0	0	0	1	
	Tomball	3	0	3	3	1	
	Willis	0	2	2	1	0	
	Other ⁶	7	1	8	7	6	
Totals		770	96	866	734	559	31.3%
Kingwood	Humble	475	59	534	398	386	3.1%
	New Caney	34	12	46	34	35	-2.9%
	Splendora	0	9	9	9	25	-64.0%
	Huffman	0	12	12	7	6	
	Conroe	1	6	7	5	2	
	Aldine	1	0	1	1	2	
	Cleveland	0	0	0	0	1	
	Other ⁶	4	18	22	14	13	
Totals		515	116	631	468	470	-0.4%
Tomball	Tomball	346	14	360	265	197	34.5%
	Klein	106	167	273	240	159	50.9%
	Magnolia	211	83	294	210	102	105.9%
	Waller	82	0	82	52	65	-20.0%
	Cy-Fair	69	22	91	57	64	-10.9%
	Spring	4	6	10	7	7	
	Splendora	0	2	2	2	5	
	Montgomery	1	3	4	2	2	
	Conroe	2	0	2	2	1	
	Aldine	0	0	0	0	1	
	Houston	1	0	1	1	0	
	Humble	2	1	3	2	1	
	Willis	0	0	0	0	1	
	Other ⁶	6	7	13	10	2	
Totals		830	305	1,135	850	607	40.0%

College	ISD	Spring 2006 Enrollment ²			Students ³		
		High School ⁴	College ⁵	Total	Spring 2006	Spring 2005	% Change
Montgomery	Conroe	346	118	464	404	333	21.3%
	Cleveland	0	1	1	1	0	
	Cy-Fair	0	1	1	1	0	
	Willis	39	12	51	40	28	42.9%
	Magnolia	0	16	16	12	20	-40.0%
	Montgomery	0	29	29	15	8	
	Klein	0	8	8	6	4	
	Splendora	0	1	1	1	2	
	Spring	0	14	14	8	2	
	New Caney	0	0	0	0	2	
	Tomball	0	2	2	2	0	
	Other ⁶	0	6	6	4	1	
Totals		385	208	593	494	400	23.5%
Cy-Fair	Cy-Fair	1,025	72	1,097	873	800	9.1%
	Aldine	0	2	2	2	6	
	Splendora	0	0	0	0	4	
	Katy	0	0	0	0	2	
	Klein	1	3	4	4	1	
	Tomball	0	2	2	1	1	
	Spring	0	0	0	0	1	
	Waller	0	2	2	1	0	
	Willis	0	2	2	1	1	
	Other ⁶	4	3	7	7	4	
Totals		1,030	86	1,116	889	820	8.4%

¹Concurrent Credit Students: Concurrent credit students are those who have a dual credit tuition waiver in the Financial Aid file.

²Enrollment: Each student is counted once for each course taken.

³Students: Number of high school students taking at least one college-level course.

⁴High School: Enrollments in sections limited to high school students only.

⁵College: Enrollments in sections taught at colleges or centers.

⁶Other: Includes students whose ISD information is incomplete.

Consideration of Consent Agenda

Board Meeting 3-2-06

Consent

Agenda: A roll call of individual action items will determine the consent agenda. If a trustee has a question or plans to cast a negative vote regarding a specific recommendation, then the trustee/trustees need to acknowledge their intention to the Chair by show of hand during the roll call: this action item will be considered in the regular order of business as an individual action item.

Those action items that the trustees plan to approve without further question or discussion will be placed on the consent agenda during roll call of individual action items. Upon the creation of the consent agenda, a motion, a second to the motion, and unanimous approval of the Board of Trustees is needed to approve the action items. Upon approval of the consent agenda, the Board of Trustees will proceed with the remainder of the agenda.

Rationale: The consent agenda format is an organization process for meetings that allow the governing board to focus their time and attention on action items that require more elaboration, information, and/or discussion. The intent of the consent agenda is to support efficiency and effectiveness of the meeting.

Tally of
Action Items:

	<u>Consent</u>	<u>Chancellor</u>	<u>Board</u>
	<u>Agenda</u>	<u>Recommended</u>	<u>Separate</u>
		<u>Separate Action</u>	<u>Action</u>
# 1 – Approve Policy CAK (Local)Investment and Cash Mgmt	_____	_____	_____
# 2 – Approve Order Calling Trustee and Bond Election	_____	<u>X</u>	_____
# 3 – Approve Resolution Regarding Trustee/Bond Election	_____	<u>X</u>	_____
# 4 – Approve Lease Agreement/Copier/CFC	_____	_____	_____
# 5 – Approve Purchase/Musical Instruments/KC/MC	_____	_____	_____
# 6 – Ratify Purchase/Commerce Management System	_____	_____	_____
# 7 – Approve Pur/Consulting Svc/Bus Intelligence Sftw	_____	_____	_____
# 8 – Ratify Purchase/Computer Hdw Mtc/Tech Support Svc	_____	_____	_____
# 9 – Approve Change Order No. 1/Drive for Chiller/NHC	_____	_____	_____
#10 – Authorize Chancellor/Neg/Purchase/Property/MC	_____	_____	_____
#11 – Approve Purchase/Svc/Sftw Mtc/Tech Support/Web CT	_____	_____	_____
#12 – Approve Facilities Master Plan/Condition Assessments	_____	<u>X</u>	_____
#13 – Approve Purchase/Virus Protection Software	_____	_____	_____
#14 – Approve Agrmt/Joint Library Facility/Harris Cty/TC	_____	_____	_____
#15 – Ratify Appointments	_____	_____	_____
#16 – Accept Resignations	_____	_____	_____
#17 – Approve Commissioning of Peace Officer	_____	_____	_____

Request: Consideration of Approval of Revised Board Policy CAK (Local): Investment and Cash Management Policy (**SECOND READING**)

Chancellor's Recommendation: That the Board of Trustees approve the proposed revisions to Board Policy CAK (Local): Investment and Cash Management Policy (**SECOND READING**)

Rationale: The District is required by policy CAK (Local) and the Public Funds Investment Act to perform an annual review and Revision of Policy CAK (Local). The revisions proposed for the current year are clarifications of the policy statements adopted in 2005 and a reduction in the percentage of the portfolio allowed to be invested in commercial paper of one issuer from 10% to 5% as required by Government Accounting Standards Board Statement 44.

Fiscal Impact: No change in financial resources.

Staff Resource: Ken Lynn 832-813-6545
Cindy Gilliam 832-813-6512

NORTH HARRIS MONTGOMERY COMMUNITY COLLEGE DISTRICT

APPROPRIATIONS AND REVENUE SOURCES: INVESTMENTS

CAK
(LOCAL)

POLICY

It is the policy of the District that after allowing for the anticipated cash flow requirements of the District and giving due consideration to the safety and risk of investment, all available funds shall be invested in conformity with this investment policy and governing statutes, seeking to safeguard assets, maintain liquidity and optimize interest earnings.

Effective cash management is recognized as essential to good fiscal management and investment interest serves as a source of revenue to the District. The District's investment portfolio shall be designed and managed in a prudent manner to obtain reasonable revenue within the limitations of the District's cash flow needs, to be responsive to public trust, and to be in compliance with legal requirements and limitations.

Investments shall be made with the following objectives in priority order:

- Safety and preservation of principal
- Maintenance of sufficient liquidity to meet operating needs
- Diversification
- Optimization of earnings in the portfolio

This Investment Policy extends to all financial assets under the direct control of the District.

PURPOSE

The purpose of this Investment Policy is to comply with the Public Funds Investment Act Chapter 2256 of the Texas Government Code (the "Act"), which requires that the District annually adopt a written investment policy regarding the investment of its funds and funds under its control. This Policy addresses the methods, procedures and practices that must be exercised to ensure effective and judicious fiscal management of the District's funds.

STRATEGY

The overall objective of the Investment and Cash Management Policy is to ensure that District financial assets are properly safeguarded, provide sufficient liquidity, and produce a reasonable rate of return while enabling the District to react to changes in economic and market conditions.

The longer the maturity of investments, the greater their price volatility. Therefore, the District's concentrates its investment portfolio in short and intermediate term securities to limit market risk caused by changes in interest rates. The District attempts to match its investments with anticipated cash flow requirements.

Cash flow requirements generally divide the portfolio into four major parts: liquidity needs, short term needs, intermediate term needs, and longer term, core investment. The District will not invest in securities maturing more than three (3) years from the date of purchase.

NORTH HARRIS MONTGOMERY COMMUNITY COLLEGE DISTRICT

APPROPRIATIONS AND REVENUE SOURCES: INVESTMENTS

CAK
(LOCAL)

The District commingles its operating and reserve funds into one investment portfolio for investment purposes of efficiency, accurate distribution of interest, and maximum investment opportunity. Bond funds are managed separately in accordance with their anticipated expenditure schedules and bond document requirements. Although commingled, the District recognizes the unique characteristics and needs of the individual funds in its strategy statement and in the management of the funds. The maximum dollar weighted average maturity (WAM) of the entire commingled portfolio reflecting cash flow needs shall be no greater than one (1) year and the corresponding benchmark for the commingled portfolio shall be the comparable one year US Treasury security.

GENERAL FUND

The General Fund includes all operating funds of the District including, but not limited to, the general fund, payroll fund, technology fund, student activity fee fund, repair and replacement fund, and, the auxiliary operating fund. The primary investment strategy for this fund is to assure the preservation and safety of principal; and, secondly, that anticipated cash flows are matched with adequate investment liquidity. These objectives shall be accomplished by purchasing high credit quality, short-to intermediate term securities matching cash flow requirements. Funds not needed for short-term cash flow requirements will be invested in diversified instruments with diversified maturities and be readily marketable in the secondary market. Yield will be enhanced by the use of maturity extensions available within the confines of accurate cash flow projections and market cycle timing. Based on ongoing cash flow analysis needs the maximum weighted average maturity shall be one year.

RESTRICTED FUND

The Restricted Fund includes local, state and federal grant funds as well as funds from other sources that are restricted for instructional use. The primary objectives are safety and liquidity sufficient to meet anticipated cash flow requirements as well as yield optimization. These objectives shall be accomplished by purchasing high-credit quality, short-term securities, diversified by instrument and maturity, and matching the maturity of the securities with anticipated liabilities. A ladder of short-term securities with sufficient liquidity from pool investments will be used to maintain a maximum weighted average maturity of one year. The maximum stated maturity will be two years.

CAPITAL PROJECTS

The primary investment objective for the Capital Projects Fund is preservation and safety of principal. In addition, the District will seek to match cash flows from maturities and earnings of diversified investments to anticipated needs while obtaining a reasonable market yield. Investments will be made in an attempt to attain a rate equal to or above the arbitrage yield in order to avoid negative arbitrage. These objectives shall be accomplished by purchasing high-credit quality, short and intermediate-term securities with maturities closely matching the

NORTH HARRIS MONTGOMERY COMMUNITY COLLEGE DISTRICT

APPROPRIATIONS AND REVENUE SOURCES:
INVESTMENTS

CAK
(LOCAL)

projected cash flow schedules. The maximum maturity of an individual security shall not exceed the expenditure plan of the funds.

DEBT SERVICE

The investment strategy for the Debt Service Fund has as its primary objective the preservation and safety of capital while optimizing yield in order to fund debt service payments in accordance with provisions in the bond documents. Funds not required for immediate liquidity shall be invested in diversified instruments. Each successive debt service payment shall be fully funded before extensions are made. The maximum maturity of an individual security shall not exceed two years. The maximum dollar average weighted maturity shall not exceed one year.

*TRUST AND
AGENCY FUND*

The Trust and Agency Fund is comprised of local scholarship funds, club funds, and other funds for which the District acts as fiduciary and which have short average lives and high liquidity needs. The primary objectives are safety, liquidity, diversification and yield. These objectives shall be accomplished by purchasing high credit quality, short-term securities and utilizing investment pools for liquidity. The maximum maturity shall be one year and the maximum weighted average maturity six months.

*PRUDENT
PERSON RULE*

Investments shall be made, considering prevailing internal and market circumstances, which persons of prudence, discretion, and intelligence would exercise in the management of their own affairs not for speculation, but for investment, and considering the probable safety of capital as well as probable income from an investment decision.

In determining whether an Investment Officer has exercised prudence with respect to an investment decision, the determination shall take into account the investment of all funds rather than a single investment, and, whether the investment decision was consistent with the District's Investment Policy.

DOWNGRADES

The District is not required to liquidate investments that were authorized investments at the time of purchase, if they subsequently become unauthorized. However, it is the policy of the District to liquidate as quickly as is prudently possible any investment that becomes unauthorized while held in the District's portfolio.

The Investment Officers will meet within two business days on any security which has been downgraded or placed on credit-watch to evaluate and take any necessary and prudent measures to assure the safety of District funds.

NORTH HARRIS MONTGOMERY COMMUNITY COLLEGE DISTRICT

APPROPRIATIONS AND REVENUE SOURCES:
INVESTMENTS

CAK
(LOCAL)

**DELEGATION OF
RESPONSIBILITY:**

Authority to manage the District's investment program is derived from and delegated pursuant to provisions of the Act.

**INVESTMENT
OFFICERS**

The Board designates the Vice Chancellor for Business Affairs and CFO and the Deputy Vice Chancellor for Finance & Treasurer as the District's Investment Officers. Management's responsibility for the investment program is hereby delegated to the Investment Officers. The Investment Officers shall exercise judgment and care, under prevailing circumstances, which a prudent person would exercise in the management of the person's own affairs, but the Board retains ultimate fiduciary responsibility.

The Investment Officers shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. The Investment Officers shall establish and maintain a cash flow analysis used as the basis of investment decisions. The Officers shall develop written procedures for the investment program consistent with the Investment Policy. Procedures shall include explicit delegation of authority for all investment activities and provide controls for all transactions. The Officers will report quarterly to the Board on investment results and annually on counterparties used in the process.

No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Investment Officers. Investment Officers acting in good faith and in accordance with these Policies and Procedures shall be relieved of personal liability.

**CAPABILITY
OF
INVESTMENT
OFFICERS**

The District shall provide access to periodic training in investments for Trustees and designated Investment Officers and other investment personnel through courses and seminars offered by professional organizations, associations, and other independent sources in compliance with the Act to insure the quality and capability of investment management.

TRAINING

Members of the Board of Trustees and designated Investment Officers shall acquire 5 hours of investment training from the Texas Higher Education Coordinating Board within 6 months after taking office or assuming duties. Training must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the Act. Training must be obtained from an independent source approved by the Board.

Thereafter Investment Officers are required to complete 5 hours of training ~~must be completed~~ every two years.

NORTH HARRIS MONTGOMERY COMMUNITY COLLEGE DISTRICT

APPROPRIATIONS AND REVENUE SOURCES:
INVESTMENTS

CAK
(LOCAL)

*ETHICS AND
DISCLOSURE
OF CONFLICTS
INTEREST*

Investment Officers and employees of the District involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions. All Investment Officers shall complete disclosure related to potential conflicts of interest annually or as conditions change. Investment Officers must file a disclosure statement with the Texas Ethics Commission and the District if:

1. The officer has a personal business relationship with a business organization offering to engage in an investment transaction with the District.
2. The officer is related within the second degree by affinity or consanguinity, as determined by Chapter 537 of the Texas Government Code, to an individual seeking to transact investment business with the District.

*AUTHORIZED
FINANCIAL
DEALERS AND
INSTITUTIONS*

The Investment Officers shall obtain and maintain information on all financial institutions and brokers/dealers authorized to transact financial transactions with the District. The information shall include the following:

1. Audited annual financial statements.
2. Proof of National Association of Security Dealers membership and CRD number (as applicable).
3. Proof of registration with the Texas State Securities Commission (as applicable)
4. Completed District questionnaire.

Certification that the authorized representative of the firm has received and thoroughly reviewed the District's current Investment Policy. This statement shall certify that the firm has implemented reasonable procedures and controls in an effort to preclude transactions conducted with the District not authorized by the Investment Policy except to the extent that this authorization is dependent on the analysis of the makeup of the District's entire portfolio or requires interpretation of subjective investment standards.

NORTH HARRIS MONTGOMERY COMMUNITY COLLEGE DISTRICT

APPROPRIATIONS AND REVENUE SOURCES:
INVESTMENTS

CAK
(LOCAL)

*ANNUAL
REVIEW*

The Investment Officers shall annually submit a list of financial institutions for Board approval. These institutions shall be authorized to provide depository services to the District. No District deposit shall be made except in an authorized public depository as defined by state law.

The Investment Officers shall annually submit a list of financial and brokers/dealer institutions for Board approval. These institutions shall be selected for service, market involvement, and credit worthiness and be authorized to provide brokerage services. These may include primary dealers and regional dealers that qualify under the Securities and Exchange Commission uniform net capital rule (Rule 15C3-1).

The Board shall annually review and evaluate the firms authorized to enter into investment or depository transactions with the District. The following minimum criteria may be included in the review and evaluation:

1. Number of transactions competitively won/tried/lost.
2. Prompt and accurate confirmation of transactions.
3. Efficiency of securities deliveries.
4. Accuracy of market information.
5. Account servicing.

Subsequent to the review and evaluation, the Board will approve a list of firms authorized to enter into investment or depository transactions with the District for the following year.

*AUTHORIZED
INVESTMENTS*

The following are authorized for investment with District funds:

1. Obligations of the United States of America, its agencies and instrumentalities, excluding mortgage backed securities (MBS) and with a stated maturity date not to exceed three (3) years;
2. Certificates of Deposit issued by a bank domiciled in Texas, or a savings bank domiciled in Texas and that is guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or secured by obligations in a manner consistent with state law and the Investment Policy, with a stated maximum maturity not to exceed one year.
3. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of the United States government or its respective agencies and instrumentalities, excluding mortgage backed securities;
4. Fully collateralized repurchase agreements with a defined termination date secured by obligations of the United States government, its agencies and instrumentalities including mortgage backed securities. Underlying securities shall be held in

NORTH HARRIS MONTGOMERY COMMUNITY COLLEGE DISTRICT

APPROPRIATIONS AND REVENUE SOURCES: INVESTMENTS

CAK
(LOCAL)

the District's name, deposited at the time the investment is made with the District, and held by an independent custodian approved by the District. Repurchase agreements must be purchased through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in Texas. The Bond Industry Association Master Repurchase Agreement must be executed prior to the transaction. All repurchase agreements will be executed on a delivery vs. payment basis. Underlying securities shall have a continuous market value greater than or equal to 102 percent. The transaction shall have a maximum maturity of 120 days except flex repurchase agreements used for bond proceeds. The maximum maturity for a flex shall be matched to project cash flow projections and the requirements of the governing bond ordinance.

5. SEC registered Money Market Mutual Funds continuously rated AAA by at least one nationally recognized rating service and in compliance with the requirements of Section 2256.014 of the Act.
6. Constant dollar local government investment pools in Texas which, 1) meet the requirements of the Act, 2) are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service, 3) seek to maintain a \$1.00 net asset value, and 4) are authorized by resolution of the Board.
7. Commercial paper with a maximum maturity of 120 days, rated A1/P1 or equivalent by at least two nationally recognized credit rating agencies.

Other types of investments which may be authorized by statute are not authorized for investment by the District until the Investment Policy is amended and adopted by the Board.

The following are not authorized for investment with District funds:

1. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no interest;
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 of greater than 10 years; and,
4. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

NORTH HARRIS MONTGOMERY COMMUNITY COLLEGE DISTRICT

APPROPRIATIONS AND REVENUE SOURCES:
INVESTMENTS

CAK
(LOCAL)

COLLATERIZATION Consistent with the requirements of the Public Funds Collateral Act (Texas Government Code §2257), it is the policy of the District to require full collateralization of all District time and demand deposits. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% (and 110% on mortgage backed collateral) of market value of principal and accrued interest on the deposits less an amount insured by the FDIC.

Securities pledged as collateral shall be held by an independent third party bank outside the holding company of the pledging bank, approved by the District, and under a tri-party custodial agreement executed under the terms of FIRREA.

The Vice Chancellor of Business Affairs and CFO is authorized to execute depository and/or collateral agreements approved by the Board of Trustees. The agreements shall specify the acceptable investment securities for collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities with prior District approval, documentation of the pledge of securities, and the monthly reporting on the valuation of collateral. Original evidences of ownership (safekeeping receipt) must be supplied to the District and retained. The financial institution shall be contractually liable for monitoring and maintaining the required collateral and collateral margins at all times.

*AUTHORIZED
COLLATERAL*

The District authorizes only the following types of collateral:

- Obligations of the United States or its agencies and instrumentalities including mortgage backed securities which pass the bank test;
- Direct obligations of the State of Texas or its agencies and instrumentalities;
- Obligations of states, agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized rating firm not less than A or it's equivalent.

All collateral shall be subject to inspection and audit by the District's internal audit staff or by its independent auditors on a reasonable basis.

NORTH HARRIS MONTGOMERY COMMUNITY COLLEGE DISTRICT

APPROPRIATIONS AND REVENUE SOURCES:
INVESTMENTS

CAK
(LOCAL)

*SAFEKEEPING
AND CUSTODY:
INDEPENDENT
THIRD PARTY*

All securities owned by the District and collateral pledged to the District shall be held by independent third party custodians approved by the District and held in the District's name as evidenced by original safekeeping receipts of the institution with which the securities are deposited.

*DELIVERY
VERSUS
PAYMENT*

All investment transactions except investment pool funds and mutual funds shall be executed on a delivery versus payment basis.

*COMPETITIVE
BIDDING*

A competitive bidding process, involving a minimum of three bids/offers from firms authorized to engage in investment transactions with the District is required. Comparison and evaluation of comparables, but not formal bidding, may be used to invest in money market mutual funds or local government investment pools.

Bids/offers may be solicited orally, in writing, or electronically. Records shall be kept of the prices/levels (bid and/or offered and accepted) on the District's trade ticket. The District shall determine what constitutes a responsive bid/offer.

*INVESTMENT
PARAMETERS:
DIVERSIFICATION*

The District recognizes that investment risks can result from issuer defaults, market price changes, or various complications leading to temporary illiquidity. Market risks are managed through portfolio diversification that shall be achieved within the following general guidelines:

- Limiting investments to avoid over concentration in investments from a specific issuer or business sector (excluding U.S. Treasury securities).
- Limiting investments with higher credit risk (such as commercial paper)
- Investing in securities with varying maturities and in accordance with the District's cash flow projections, and
- Continuously investing a portion of the portfolio in readily available funds such as local government investment pools, money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

To assure diversification of the portfolio and reduce market risk, the following maximum limits, by instrument, are established for the District's total portfolio:

NORTH HARRIS MONTGOMERY COMMUNITY COLLEGE DISTRICT

APPROPRIATIONS AND REVENUE SOURCES:
INVESTMENTS

CAK
(LOCAL)

US Treasury Obligations	90%
US Agencies and Instrumentalities	80%
Certificates of Deposit	30%
Repurchase Agreements	50%
Flex Repurchase Agreements	100% of proceeds
Investment Pools	100%
Municipal Securities	30%
Commercial Paper	25%
<u>Commercial Paper</u> by issuer	<u>5%</u> 10%

The internal control structure shall be designed to provide reasonable assurance that District funds are protected from loss, theft, or misuse. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The internal controls established for the cash management and investment process shall address the following points at a minimum:

- Complete documentation of all transactions
- Control of collusion
- Separation of accounting and record keeping
- Custodial safekeeping
- Clear delegation of authority to subordinate staff members
- Written confirmation for all transactions
- Timely reconciliation of transactions
- Assurance of delivery versus payment and competitive bidding

The Vice Chancellor of Affairs and CFO shall establish a process for annual independent review by an external auditor to assure compliance with policies and procedures.

REPORTING:

**MONTHLY
REPORTING**

The Investment Officers shall prepare a monthly report on all investment positions as of the close of business for the prior month. The report shall be provided to the Board as an integral part of the monthly financial reports.

**QUARTERLY
REPORTING**

The Investment Officers shall prepare and present an investment report to the Board on a quarterly basis that summarizes investment strategies employed in the most recent quarter, details the portfolio in terms of investment securities and earnings, and summarizes the overall strategy for the period.

NORTH HARRIS MONTGOMERY COMMUNITY COLLEGE DISTRICT

APPROPRIATIONS AND REVENUE SOURCES:
INVESTMENTS

CAK
(LOCAL)

The quarterly investment report shall include a summary statement of investment activity prepared in compliance with generally accepted accounting principles and the Act. The reports will be prepared in a manner that will allow the reader and the District to ascertain whether investment activities during the reporting period have conformed to the Investment Policy. The report will include the following at a minimum:

- A detailed listing of individual securities and depository accounts by maturity date at the end of the reporting period;
- A summary of the portfolio by market sectors and maturities;
- The beginning and ending book and market value of each security and position by the type of asset and fund type invested;
- Unrealized market gains or losses at the end of the period;
- Additions and changes in market value from the beginning of the period;
- The account or fund or pooled group fund for which each individual investment was acquired;
- Average weighted yield to maturity of the portfolio as compared to its benchmark;
- Interest earnings for the reporting period (accrued net of amortization);
- Diversification by market sectors;

Statement of compliance with the Act and the District's Investment Policy and strategy as approved by the Board.

*MARK TO
MARKET*

Market values used in the monthly and quarterly reports will be obtained from reputable and independent sources. Information sources may include: financial/investment publications and electronic media, available software for tracking investments, depository banks, commercial or investment banks, financial advisors, and representatives/advisors of investment pools or money market funds.

*COMPLIANCE
AUDIT*

The District's independent auditors will perform a formal annual review of the quarterly reports with the results reported to the Board. The compliance audit should review management controls on investments and adherence to the entity's established investment policies.

*ANNUAL POLICY
REVIEW AND
ADOPTION*

The Board of Trustees shall, not less than annually, adopt by resolution the District's Investment Policy and incorporated investment strategy. The adopting resolution shall state any changes made to either the policy or strategies. Material changes to the policy will require re-certification by financial firms.

Request: Consideration of Approval of the Order Calling Trustee and Bond Election and to Appoint a Staff Agent for the Board Secretary to Perform the Election Duties

Chancellor's

Recommendation: That the Board of Trustees approve the order calling the trustee and bond election on May 13, 2006. The trustee election is for Position No. 1, Position No. 2 and Position No. 8 for a six year term on the Board of Trustees of the North Harris Montgomery Community College District. The bond election is to authorize the issuance of bonds for the construction and equipment of school buildings in the District and the purchase of the necessary sites.

Rationale: Board of Trustees Policy BBB (Legal): Elections, in accordance with Chapter 130 of the Texas Education Code, requires an election of trustees of the District for the following three positions for a six year term:

Position No. 1 on the Board of Trustees of the North Harris Montgomery Community College District to succeed Dr. Martin Basaldua, who was appointed by the Board of Trustees to fill an unexpired term of Mrs. Mary Matteson-Parrish who resigned from the Board prior to the expiration of his term and whose term is expiring; and

Position No. 2 on the Board of Trustees of the North Harris Montgomery Community College District to succeed Mr. David McIver, whose term is expiring; and

Position No. 8 on the Board of Trustees for the North Harris Montgomery Community College District to succeed Mr. Randy Bates, whose term is expiring.

The Board has determined that the priority educational needs of the District require the construction and rehabilitation of certain facilities and that these needs require the consideration of the issuance of bonds by the voters.

The Board is also requested to appoint Judy Stubblefield as the agent for Board Secretary, Maria Flotte O'Neill, to perform the election duties and to keep the office hours required by Section 31.123 of the Election Code. A notice will be posted in accordance with the Election law requirements.

Fiscal Impact:

Approximately \$65,000 based on previous election costs and adjusted for the District's running of the election resulting in cost savings to the taxpayers.

Judy Stubblefield
Renee Smith Byas

832-813-6514
832-813-6655

ORDER CALLING SCHOOL TRUSTEE AND BOND ELECTION

THE STATE OF TEXAS §
COUNTIES OF HARRIS AND MONTGOMERY §
NORTH HARRIS MONTGOMERY COMMUNITY COLLEGE DISTRICT §

WHEREAS, under the laws governing the North Harris Montgomery Community College District (“District”), an election for Trustees to Position Nos. 1, 2 and 8, respectively, on the Board of Trustees of the North Harris Montgomery Community College District, shall be held on May 13, 2006, under the direction of the Chancellor of the District or his designee; AND

WHEREAS, the Board of Trustees deems it necessary to call a Bond election.

NOW, THEREFORE, be it ordered by the Board of Trustees of the North Harris Montgomery Community College District that:

SECTION 1: An election shall be held within the District on May 13, 2006, between the hours of 7:00 a.m. and 7:00 p.m. for the purpose of electing Trustees to fill Position Nos.1, 2 and 8, respectively, of the Board of the District and authorizing a Bond election and that the Chairman and Secretary of the Board be authorized and directed to give notice of such election in the manner and for the time required by law. All of the duly qualified resident electors of the District shall be qualified to vote in said election.

SECTION 2: Any qualified voter desiring election for a position on such Board shall file with Ms. Judy Stubblefield as the agent for Ms. Maria Flotte O’Neill, the Secretary of the Board of Trustees, between February 11, 2006 and March 13, 2006 a completed application and filing fee of two-hundred dollars (\$200.00) or a petition with the signatures of two-hundred (200) registered voters of the North Harris Montgomery Community College District to have his or her name placed on the official ballot and the position number on such Board for which he or she desires to become a candidate.

No candidate shall be eligible to have his or her name placed on the official ballot under more than one position to be filled at such election. All candidates for Trustee in such election shall be voted upon and elected separately for positions on said Board, and all candidates shall be designated on the official ballot according to the number of such position to which they may seek election.

No person shall have a vote counted for him or her as a write-in candidate unless that person has filed a written declaration of write-in candidacy with Judy Stubblefield, Assistant to the Chancellor, by 5:00 p.m. on March 20, 2006 at the North Harris Montgomery Community College District Services and Training Center.

In the event that there is only one candidate for election to each position at the close of the declaration of write-in candidacy deadline at 5:00 p.m. on March 20, 2006, Ms. Maria Flotte O’Neill, Board of Trustees Secretary, shall certify in writing that all candidates are unopposed for election. The certification shall be delivered to the Board of Trustees as soon as possible and the Board, in accordance with Texas Open Meeting requirements, shall declare each unopposed candidate elected to office.

SECTION 3: At said election the following PROPOSITION shall be submitted in accordance with law:

PROPOSITION

SHALL THE BOARD OF TRUSTEES OF NORTH HARRIS MONTGOMERY COMMUNITY COLLEGE DISTRICT (THE "DISTRICT") BE AUTHORIZED TO ISSUE AND SELL AT ANY PRICE OR PRICES THE BONDS OF THE DISTRICT IN THE AMOUNT OF \$237,600,000 FOR THE CONSTRUCTION AND EQUIPMENT OF SCHOOL BUILDINGS IN THE DISTRICT AND THE PURCHASE OF THE NECESSARY SITES THEREFORE, WHICH BONDS MAY BE ISSUED IN VARIOUS ISSUES OR SERIES, SHALL MATURE SERIALY

OR OTHERWISE NOT MORE THAN 40 YEARS FROM THEIR DATE, AND SHALL BEAR INTEREST AT SUCH RATE OR RATES, NOT TO EXCEED THE MAXIMUM RATE NOW OR HEREAFTER AUTHORIZED BY LAW, AS SHALL BE DETERMINED BY THE BOARD OF TRUSTEES OF THE DISTRICT WITHIN THE DISCRETION OF THE BOARD AT THE TIME OF ISSUANCE; AND SHALL THE BOARD OF TRUSTEES BE AUTHORIZED TO LEVY AND PLEDGE, AND CAUSE TO BE ASSESSED AND COLLECTED, ANNUAL AD VALOREM TAXES ON ALL TAXABLE PROPERTY IN THE DISTRICT SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON SAID BONDS AS THE SAME COME DUE AND THE COSTS OF ANY CREDIT AGREEMENTS EXECUTED IN CONNECTION WITH THE BONDS, PROVIDED THAT THE AGGREGATE BOND TAXES IN THE DISTRICT SHALL NOT EXCEED \$0.50 ON THE \$100 VALUATION OF TAXABLE PROPERTY AND PROVIDED THAT THE AMOUNT OF BOND TAX TOGETHER WITH THE AMOUNT OF MAINTENANCE TAX SHALL NOT EXCEED \$0.80 ON THE \$100 VALUATION OF TAXABLE PROPERTY; SAID BONDS TO BE ISSUED AND SAID TAXES TO BE LEVIED, PLEDGED, ASSESSED, AND COLLECTED UNDER THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS INCLUDING THE TEXAS EDUCATION CODE?

Section 4: The official ballot shall have printed on it:

Official Ballot
North Harris Montgomery
Community College District
Trustees and Bond Election

and shall have designating numbers of each position to be filled, with the list of candidates under the position to which they respectively seek election. The names of the candidates for each position shall be arranged by lot.

The official ballot shall also have printed on it:

PROPOSITION

<input type="checkbox"/> FOR)	THE ISSUANCE OF \$237,600,000 SCHOOL BUILDING
)	BONDS AND THE LEVYING OF THE TAX IN PAYMENT
<input type="checkbox"/> AGAINST)	THEREOF

At such election each qualified voter shall not vote for more than one (1) candidate for each position and shall vote "FOR" or "AGAINST" the aforesaid PROPOSITION.

The candidates shall be elected by plurality vote with the candidate receiving the most number of votes in the respective position being declared the winner.

The results of the election shall be canvassed by the Board on Monday, May 22, 2006 at 6:00 p.m., in the Board Room of the North Harris Montgomery Community College District Services and Training Center, 5000 Research Forest Drive, The Woodlands, Texas.

Section 5: The election shall be held at the following election precincts in Harris County and Montgomery County within the boundaries and limits of the District. The election precincts established shall be designated by numbers, and the boundaries of the election precincts shall be those respectively designated and numbered precincts, lying within the boundaries and limits of the District, which have been duly described, designated and established by order of the Harris County Commissioners Court and Montgomery County Commissioners Court. The following are designated as polling places:

Election
Precinct

Polling Places and County Precincts

- 1 Carver Center, 2330 South Victory Street, Houston, Texas 77088-7630, all or part of Harris County Precinct Nos. 109, 147, 157, 169, 197, 270 322, 366, 405, 450, 467, 494, 496, 576, 594, 613, 628, 697, 723, 848, 855, 859, 861, and 868
(Parts of Aldine ISD, Cypress Fairbanks ISD and Klein ISD)
- 2 Career & Technology Center, 9155 Will Clayton Parkway, Humble, Texas 77347 all or part of Harris County Precinct Nos. 45, 83, 108, 199, 340, 351, 357, 363, 380, 388, 459, 469, 563, 590, 598, 612, 635, 636, 658, 659, 670, 674, 742, 758, 760, 764, 776, 799, 840, and 847
(Parts of Aldine ISD, Humble ISD and New Caney ISD)
- 3 Center for Business & Technology Training, 102 Longview Drive, Conroe, Texas 77301, all or part of Montgomery County Precincts Nos. 1, 2, 8, 10, 11, 12, 15, 17, 20, 21, 22, 23, 25, 27, 40, 42, 43, 44, 50, 51, 55, 57, 60, 64, 73, 77, 83, and 85 and part of San Jacinto County Precinct Nos. 5 and 14
(Parts of Conroe ISD, New Caney ISD, Splendor ISD and Willis ISD)
- 4 Cy-Fair College, 9191 Barker Cypress Road, Cypress, Texas 77433-1383, all or part of Harris County Precinct Nos. 50, 111, 119, 121, 124, 143, 149, 300, 305, 314, 370, 481, 517, 553, 616, 617, 640, 643, 650, 651, 667, 688, 709, 712, 734, 768, 800, 803, and 804
(Part of Cypress Fairbanks ISD)
- 5 East Montgomery County Improvement District Center, 21575 Highway 59 N, New Caney, Texas 77357, all or part of Montgomery County Precinct Nos.7, 16, 26, 36, 41, 52, 53, 54, and 82
(Parts of Splendor ISD, Conroe ISD and New Caney ISD)
- 6 Fairbanks Center, 14955 Northwest Freeway, Houston, Texas 77040 all or part of Harris County Precinct Nos. 74, 117, 155, 225, 260, 364, 383, 398, 495, 498, 512, 518, 593, 609, 622, 642, 661, 687, 689, 701, 753, and 771
(Parts of Aldine ISD and Cypress Fairbanks ISD)
- 7 Kingwood College, 20000 Kingwood Drive, Kingwood, Texas 77339-3801, all or part of Montgomery County Precinct Nos. 14 and 37
(Parts of Conroe ISD and New Caney ISD)
- 8 Montgomery College, 3200 College Park Drive, Conroe, Texas 77384-4500, all or part of Montgomery County Precinct Nos. 3, 4, 6, 9, 13, 18, 24, 28, 29, 30,31, 32, 33, 34, 35 39, 45, 46, 47, 48, 49, 56, 58, 59, 61, 62, 65, 66, 67, 68, 69, 70, 71 74, 75, 76, 78, 79, 80, 81 and 84
(Parts of Conroe ISD, Tomball ISD and all of Magnolia ISD)
- 9 North Harris College, 2700 W. W. Thorne, Houston, Texas 77073-3499, all or part of Harris County Precinct Nos. 6, 35, 41, 110, 334, 342, 399,410, 449, 457, 500, 520, 550,586, 587, 588, 596, 599, 634, 657, 705, 729, 737, 738, 747, 756, 757, and 767
(Parts of Aldine ISD, Humble ISD and Spring ISD)

- 10 Parkway Center, 250 N. Sam Houston Parkway East, Houston, TX 77060-2000, all or part of Harris County Precinct Nos. 61, 101, 106, 152, 185, 212, 241, 254, 320, 321, 358, 397, 408, 409, 411, 423, 468, 497, 549, 571, 591, 595, 608, 629, 660, 664, 698, 717, 733, 743, 780, 792, 794, 817, 843, and 864
(Parts of Aldine ISD, Klein ISD and Spring ISD)
- 11 Tomball College, 30555 Tomball Parkway, Tomball, Texas 77375-4036, all or part of Harris County Precinct Nos. 114, 126, 127, 173, 245, 263, 452, 482, 485, 486, 529, 551, 552, 575, 690, 726, 735, and 851
(Parts of Cypress Fairbanks ISD, Klein ISD, Spring ISD and Tomball ISD)
- 12 Willow Chase Center, 9449 Grant Road, Houston, Texas 77070, all or part of Harris County Precinct Nos. 112, 113, 125, 244, 246, 442, 451, 464, 465, 466, 477, 478, 479, 480, 484, 511, 513, 514, 515, 516, 519, 548, 592, 601, 602, 614, 615, 623, 624, 631, 633, 641, 648, 668, 669, 671, 691, 713, 759, 783, 805, 823, 828, 841, 853, 873, 874, 875,
(Parts of Cypress Fairbanks ISD, Klein ISD, Spring ISD and Tomball ISD)

Section 5. Early voting by personal appearance shall begin on May 1 and continue through May 9, 2006 at the following locations and times:

Early Voting

Precinct 1	Carver Center, 2330 S. Victory Houston, TX 77088-7630	May 1 – May 9 Monday through Friday	9:00 a.m. – 7:00 p.m.
Precinct 2	Career and Technology Education Center, 9155 Will Clayton Parkway Humble, TX 77347	May 1 – May 9 Monday through Friday s	9:00 a.m. – 7:00 p.m.
Precinct 3	Center for Business and Technology Training, 102 Longview St., Conroe, TX 77301	May 1 – May 9 Monday through Friday s	9:00 a.m. – 7:00 p.m.
Precinct 4	Cy-Fair College, 9191 Barker Cypress Road, Cypress, TX 77433-1383	May 1 – May 9 Monday through Friday	9:00 a.m. – 7:00 p.m.
Precinct 5	East Montgomery County Improvement District Center, 21575 Highway 59 N, New Caney, TX 77357	May 1 – May 9 Monday through Friday	9:00 a.m. – 7:00 p.m.
Precinct 6	Fairbanks Center, 14955 Northwest Freeway, Houston, TX 77040	May 1 – May 9 Monday through Friday	9:00 a.m. – 7:00 p.m.
Precinct 7	Kingwood College, 20000 Kingwood Drive, Kingwood, TX 77339-3801	May 1 – May 9 Monday through Friday	9:00 a.m. – 7:00 p.m.
Precinct 8	Montgomery College, 3200 College Park Drive, Conroe, TX 77384-4500	May 1 – May 9 Monday through Friday s	9:00 a.m. – 7:00 p.m.
Precinct 9	North Harris College, 2700 W. W. Thorne Drive, Houston, TX 77073	May 1 – May 9 Monday through Friday	9:00 a.m. – 7:00 p.m.

Precinct 10	Parkway Center, 250 N. Sam Houston Parkway East, Houston, TX 77060-2000	May 1 – May 9 Monday through Friday	9:00 a.m. – 7:00 p.m.
Precinct 11	Tomball College, 30555 Tomball Parkway, Tomball, TX 77375-4036	May 1 – May 9 Monday through Friday	9:00 a.m. – 7:00 p.m.
Precinct 12	Willow Chase Center, 9449 Grant Road, Houston, TX 77070	May 1 – May 9 Monday through Friday	9:00 a.m. – 7:00 p.m.

Early voting by mail shall be conducted by the Early Voting Clerk hereby designated to be Marilyn Fisher and

North Harris Montgomery Community College District
District Services and Training Center
5000 Research Forest Drive
The Woodlands, TX 77381

Is hereby designated as the place early ballot applications and early ballots by mail may be sent.

Section 6: The voting at each election site shall be by voting machines duly adopted by the Commissioners Court of Harris County and Montgomery County utilizing a ballot method approved for use in elections held in each County. Voters in Harris County and Montgomery County shall use the Harris County electronic voting system to vote for a candidate for each position and to vote for or against the Proposition by operating eSlate’s Rotary Select to highlight the name of the candidate for whom the voter desires to vote and also to select ”FOR” or “AGAINST” the PROPOSITION. The voter will push the ENTER button to register their vote.

Section 7: This Order shall constitute the election order for the call of the election and the same or a substantial copy thereof shall constitute the notice of such election; and the Secretary of the Board is ordered to cause notice of the election to be given as required by law. Immediately after the election, the officers holding the election shall convey returns of the results to the Board of the District. The Board shall canvass such returns, declare the results of such election, and issue certificates of election to the persons shown by such returns to be elected to each of the three (3) named positions.

Notice of such election shall be given by publishing a substantial copy of this election order, in English, Spanish and Vietnamese, one time, not earlier than the thirtieth day nor later than the tenth day prior to the date set for the election, in a newspaper published in the District, and by posting a copy of this order on the bulletin board used for posting notices of Board of Trustees meetings and the District’s web page, not later than the 21st day prior to the date set for the election.

Said election shall be held in accordance with the Texas Election Code, except as modified by the Texas Education Code and the Federal Voting Rights Act of 1965, as amended.

It is hereby officially found and determined that notice of the meeting at which this order is adopted was given as required by the Texas Open Meetings Act, and that such meeting has been open to the public at all times when this order was discussed and acted on.

PASSED AND APPROVED on the 2nd day of March, 2006.

Chair, Board of Trustees
NORTH HARRIS MONTGOMERY
COMMUNITY COLLEGE DISTRICT

ATTEST:

Secretary, Board of Trustees
NORTH HARRIS MONTGOMERY
COMMUNITY COLLEGE DISTRICT

(SEAL)

Request: Consideration of Adoption of a Resolution Regarding Trustee and Bond Election

Chancellor's Recommendation: That the Board of Trustees adopt the resolution regarding Trustee and Bond election.

Rationale: North Harris Montgomery Community College District must submit documentation of the actions taken by the Board of Trustees on March 2, 2006 to the United States Department of Justice Voting Rights Section as part of the process of seeking preclearance of the Board of Trustees election. In the past, the District has delayed the submission of the Election Order until after the Board met to approve the minutes at which the Order had been approved. By adopting a resolution that can be signed by the Board Chair and Secretary documenting the actions taken by the Board, the request can be submitted immediately and preclearance received more promptly.

Fiscal Impact: None.

Staff Resource: Judy Stubblefield 832-813-6514
Renee Smith Byas 832-813-6655

STATE OF TEXAS

§
§
§

COUNTY OF MONTGOMERY

**RESOLUTION OF NORTH HARRIS MONTGOMERY COMMUNITY
COLLEGE DISTRICT**

WHEREAS, at a duly called meeting with a proper quorum present, the North Harris Montgomery Community College District (“District”) has taken the following actions relating to the Board of Trustees election to be held May 13, 2006:

1. Adopted an Order calling the election, that identifies early voting procedures, locations and dates, and the precincts, times and voting equipment to be used on election day;
2. Appointed the Assistant to the Chancellor as Administrator of the election process on March 2, 2006, and as the agent for Board Secretary to perform the election duties and to keep the office hours required by Section 31.23 of the Election Code.

THEREFORE, BE IT RESOLVED by the Board of Trustees of the North Harris Montgomery Community College District that the actions taken today will provide access to familiar locations at convenient times to permit all voters to exercise their right to participate in NHMCCD Board of Trustees election on May 13, 2006, that appropriate steps will be taken to communicate information pertinent to this election in English, Spanish and Vietnamese, and that the General Counsel and Vice Chancellor is directed to submit documentation of the actions taken today to the United States Department of Justice Voting Rights Section to seek preclearance of the Board of Trustees election.

RESOLVED THIS ____ DAY OF MARCH, 2006.

Chairman

Board of Trustees, North Harris Montgomery Community College District

ATTEST:

Secretary

Financial Report and Consideration No. 1

Board Meeting 3-2-06

Report: Monthly Financial Statements

The financial statements for the month ended January 31, 2006 are presented for Board review.

NORTH HARRIS MONTGOMERY COMMUNITY COLLEGE DISTRICT

STATEMENT OF CURRENT OPERATING FUNDS, EXCLUDING THE TECHNOLOGY FUND
 REVENUES, EXPENDITURES AND OTHER CHANGES - BUDGET & ACTUAL
 FOR THE FIVE MONTHS ENDED JANUARY 31, 2006

	<u>BUDGET</u>	<u>42% OF FISCAL YEAR ACTUAL</u>	<u>% ACTUAL TO BUDGET</u>	<u>PRIOR YEAR ACTUAL 01/31/05</u>	<u>% OF 08/31/05 ACTUAL</u>
REVENUES:					
STATE APPROPRIATIONS	\$ 49,155,000	\$ 21,134,586	43.00%	\$ 21,513,642	48.21%
TUITION AND FEES	37,314,000	31,095,185	83.33%	27,666,221	81.71%
TAXES	70,100,000	46,208,948	65.92%	37,962,763	62.89%
INVESTMENTS	700,000	303,116	43.30%	157,253	23.39%
OTHER	<u>2,116,000</u>	<u>848,231</u>	<u>40.09%</u>	<u>895,301</u>	<u>37.85%</u>
TOTAL EDUCATIONAL AND GENERAL REVENUES	159,385,000	99,590,066	62.48%	88,195,180	62.16%
REPAIR, REPLACEMENT AND OTHER INTERNALLY DESIGNATED	<u>400,000</u>	<u>195,486</u>	<u>48.87%</u>	<u>128,799</u>	<u>32.95%</u>
TOTAL REVENUES	<u>159,785,000</u>	<u>99,785,552</u>	<u>62.45%</u>	<u>88,323,979</u>	<u>62.08%</u>
EXPENDITURES:					
GENERAL ADMINISTRATION & STUDENT SERVICES	22,430,266	8,121,637	36.21%	7,867,807	40.08%
GENERAL INSTITUTIONAL	14,265,085	4,006,077	28.08%	3,848,184	42.13%
STAFF BENEFITS	9,347,208	4,240,988	45.37%	4,746,415	53.74%
RESIDENT INSTRUCTION GENERAL ACADEMIC PROGRAMS	59,530,483	25,596,068	43.00%	23,435,346	42.98%
RESIDENT INSTRUCTION VOCATIONAL-TECHNICAL PROGRAMS	22,672,026	9,172,488	40.46%	8,612,329	39.92%
LIBRARY	7,310,912	2,830,417	38.71%	2,738,120	41.32%
EXTENSION AND PUBLIC SERVICE	797,336	249,393	31.28%	312,233	42.91%
PHYSICAL PLANT OPERATION AND MAINTENANCE	<u>18,491,684</u>	<u>6,614,324</u>	<u>35.77%</u>	<u>6,207,007</u>	<u>39.87%</u>
TOTAL EDUCATIONAL AND GENERAL EXPENDITURES	154,845,000	60,831,392	39.29%	57,767,441	42.28%
REPAIR, REPLACEMENT AND OTHER INTERNALLY DESIGNATED	<u>1,250,000</u>	<u>632,273</u>	<u>50.58%</u>	<u>115,316</u>	<u>20.46%</u>
TOTAL EXPENDITURES	156,095,000	61,463,665	39.38%	57,882,757	42.19%
OTHER CHANGES - DEBT SERVICE & FUND TRANSFERS	<u>2,700,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN FUND BALANCES	<u>\$ 990,000</u>	<u>\$ 38,321,887</u>		<u>\$ 30,441,222</u>	

NORTH HARRIS MONTGOMERY COMMUNITY COLLEGE DISTRICT

STATEMENT OF OPERATIONS - TECHNOLOGY FUND
 REVENUES, EXPENDITURES AND OTHER CHANGES - BUDGET & ACTUAL
 FOR THE FIVE MONTHS ENDED JANUARY 31, 2006

	BUDGET	42 % OF FISCAL YEAR ACTUAL	% ACTUAL TO BUDGET	PRIOR YEAR ACTUAL 1/31/2005	% OF 08/31/05 ACTUAL
REVENUES:					
Technology fee	\$ 4,720,000	\$ 4,009,378	84.94%	\$ 3,797,380	83.59%
Investments	60,000	37,241	62.07%	24,020	40.98%
Miscellaneous	45,000	29,969	66.60%	-	-
Total revenues & additions	<u>4,825,000</u>	<u>4,076,588</u>	<u>84.49%</u>	<u>3,821,400</u>	<u>82.55%</u>
EXPENDITURES:					
<u>Automated Library System</u>					
Salaries and Benefits	-	-	-	26,565	41.57%
Services	256,565	194,192	75.69%	129,853	57.83%
Travel and Professional Development	4,100	1,533	37.39%	1,841	24.03%
Supplies	14,400	6,043	41.97%	2,181	14.86%
Communications	24,050	10,001	41.58%	5	0.04%
Equipment	-	-	-	-	-
Total Dynix Library System	<u>299,115</u>	<u>211,769</u>	<u>70.80%</u>	<u>160,445</u>	<u>49.11%</u>
<u>Datatel Services</u>					
Salaries and Benefits	34,840	3,209	9.21%	35,910	27.58%
Services	950,486	579,998	61.02%	605,166	65.34%
Travel and Professional Development	39,500	4,591	11.62%	34,456	49.87%
Supplies	5,375	1,948	36.24%	-	-
Communications	15,664	5,783	36.92%	3,031	20.59%
Equipment	25,428	1,103	4.34%	265,440	76.90%
Total Datatel Services	<u>1,071,293</u>	<u>596,632</u>	<u>55.69%</u>	<u>944,003</u>	<u>63.43%</u>
<u>E-Mail Services & Telecommunications</u>					
Administrative Salaries and related benefits	-	-	-	38,397	40.56%
Services	656,332	477,323	72.73%	413,783	65.78%
Travel and Professional Development	27,875	5,035	18.06%	331	2.47%
Supplies	62,745	2,325	3.71%	1,910	20.26%
Communications	155,580	50,766	32.63%	34,196	33.50%
Equipment	404,629	32,567	8.05%	150,445	53.73%
Total E-Mail Services & Telecommunications	<u>1,307,161</u>	<u>568,016</u>	<u>43.45%</u>	<u>639,062</u>	<u>56.62%</u>
<u>Campus Support</u>					
Salaries and Benefits	-	-	-	10,740	43.44%
Services	81,333	54,678	67.23%	60,790	97.99%
Supplies	153,909	50,849	33.04%	63,219	21.37%
Travel	15,500	6,274	40.48%	-	-
Equipment	1,896,689	735,535	38.78%	666,605	65.54%
Total Campus Support	<u>2,147,431</u>	<u>847,336</u>	<u>39.46%</u>	<u>801,354</u>	<u>57.25%</u>
Total expenditures	<u>4,825,000</u>	<u>2,223,753</u>	<u>46.09%</u>	<u>2,544,864</u>	<u>58.60%</u>
NET INCREASE (DECREASE) IN FUND BALANCE	<u>\$ -</u>	<u>\$ 1,852,835</u>		<u>\$ 1,276,536</u>	

**NORTH HARRIS MONTGOMERY COMMUNITY COLLEGE DISTRICT
BALANCE SHEET
JANUARY 31, 2006**

ASSETS	Operating Funds			Loan Funds	Plant Funds		Debt Service		Agency Funds	Memorandum Totals Current Year
	Unrestricted	Auxiliary	Restricted		CIP	Investment in Fixed Assets	Interest and Sinking	Bond Payable		
Cash	\$ 1,376,845	\$ 699,264	\$ (542,494)	\$ 468,670	\$ (1,724,864)	\$ -	\$ 29,032	\$ -	\$ 854,943	\$ 1,161,396
Accounts receivable (net of allowance for doubtful accounts)	2,870,515	9,367	10,964,778	2,415					449,241	14,296,316
Taxes receivable (net of allowance for doubtful accounts of \$1,916,955 and \$898,333 in the Current Unrestricted and Plant Retirement of Indebtedness Funds, respectively)	27,795,257						11,516,905			39,312,162
Due from grantor agency										
Due from other funds	14,053,818	108,153	2,884,549	14,546					112,327	17,173,393
Investments	63,815,128		7,613				19,999,068			83,821,809
Accrued interest receivable	207,035									207,035
Prepaid and deferred expenses	528,075	14,737								542,812
Deposits	87,883									87,883
Inventories, at cost		60,798								60,798
Land							42,313,685			42,313,685
Buildings							315,396,925			315,396,925
Leasehold Improvements							5,589,001			5,589,001
Library books							11,461,642			11,461,642
Furniture, Fixtures & Equipment							18,179,649			18,179,649
Capitalized Interest Costs							4,650,717			4,650,717
Construction In Progress							902,035			902,035
TOTAL ASSETS	\$ 110,734,556	\$ 892,319	\$ 13,314,446	\$ 485,631	\$ (1,724,864)	\$ 398,493,654	\$ 31,545,005	\$ -	\$ 1,416,511	\$ 555,157,258
LIABILITIES AND FUND BALANCES										
LIABILITIES:										
Accounts payable	\$ 5,829,035	\$ 22,374	\$ -	\$ -	\$ 31,505	\$ -	\$ -	\$ -	\$ -	\$ 5,882,914
Accrued salaries	2,066,893									2,066,893
Due to other funds	5,383,248	48,536	11,420,434		10,342				310,833	17,173,393
Deferred revenues	27,800,869		1,302,135				11,516,905			40,619,909
Accrued compensable absences payable	3,880,692									3,880,692
Accrued Interest Payable							2,523,554			2,523,554
Bonds payable								248,554,324		248,554,324
Assets held in custody for others			591,877						1,105,678	1,697,555
TOTAL LIABILITIES	44,960,737	70,910	13,314,446		41,847	-	14,040,459	248,554,324	1,416,511	322,399,234
FUND BALANCES:										
Unrestricted	65,773,819									65,773,819
Auxiliary		821,409								821,409
Restricted										
Loans				485,631						485,631
Restricted for construction					(1,766,711)					(1,766,711)
Investment in fixed assets						398,493,654				398,493,654
Debt service							17,504,546			17,504,546
To be provided for debt service								(248,554,324)		(248,554,324)
TOTAL FUND BALANCES	65,773,819	821,409	-	\$ 485,631	(1,766,711)	398,493,654	17,504,546	(248,554,324)	-	232,758,024
TOTAL LIABILITIES AND FUND BALANCES	\$ 110,734,556	\$ 892,319	\$ 13,314,446	\$ 485,631	\$ (1,724,864)	\$ 398,493,654	\$ 31,545,005	\$ -	\$ 1,416,511	\$ 555,157,258

**NORTH HARRIS MONTGOMERY COMMUNITY COLLEGE DISTRICT
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE FIVE MONTHS ENDED JANUARY 31, 2006**

	Operating Funds				Loan Funds	Plant Funds		Debt Service		Memorandum Totals Current Year
	Unrestricted	Auxiliary	Restricted	Total		CIP	Investment in Fixed Assets	Interest and Sinking	Bond Payable	
FUND BALANCES, September 1, 2005	\$ 25,599,097	\$ 1,097,346	\$ -	\$ 26,696,443	\$ 485,631	\$ (561,003)	\$ 398,493,654	\$ 953,329	\$ (248,630,151)	\$ 177,437,903
REVENUES AND OTHER ADDITIONS:										
Current Funds revenue	57,117,349	1,911,211		59,028,560						59,028,560
Taxes	46,208,948			46,208,948				18,646,358		64,855,306
Federal grants and contracts			17,971,777	17,971,777						17,971,777
State grants and contracts			584,158	584,158						584,158
Local gifts, grants and contracts			274,219	274,219						274,219
Interest income	535,843			535,843		479		82,106		618,428
M&O debt transfers and other Expended for plant facilities						74,756				74,756
Bond proceeds										
Total revenues and other additions	103,862,140	1,911,211	18,830,154	124,603,505	-	75,235	-	18,728,464	-	143,407,204
EXPENDITURES AND OTHER DEDUCTIONS:										
Current Funds expenditures	63,687,418	2,187,148	18,830,154	84,704,720						84,704,720
Expended for plant facilities						1,280,943				1,280,943
Disposal of plant assets										
Administrative and collection costs								212,129		212,129
Bond Issuance cost										
Bond principal payments								75,827	75,827	151,654
Lease principal payments										
Bond interest expense								1,867,139		1,867,139
Bond agency fees								22,152		22,152
Total expenditures and other deductions	63,687,418	2,187,148	18,830,154	84,704,720	-	1,280,943	-	2,177,247	75,827	88,238,737
(NON)MANDATORY TRANSFERS	-	-	-	-	-	-	-	-	-	-
CHANGES IN FUND BALANCE	40,174,722	(275,937)	-	39,898,785	-	(1,205,708)	-	16,551,217	75,827	55,320,121
FUND BALANCE, JANUARY 31, 2006	\$ 65,773,819	\$ 821,409	\$ -	\$ 66,595,228	\$ 485,631	\$ (1,766,711)	\$ 398,493,654	\$ 17,504,546	\$ (248,554,324)	\$ 232,758,024

**NORTH HARRIS MONTGOMERY COMMUNITY COLLEGE DISTRICT
SUMMARY OF INVESTMENTS
AS OF JANUARY 31, 2006**

	<u>Book Value</u>	<u>Market Value</u>	<u>Weighted Avg. Days To Maturity</u>	<u>Weighted Avg. Purchase Yield</u>
OPERATING UNRESTRICTED				
(Includes Renewal and Replacement Funds)				
U. S. Government Agencies	20,780,808	20,290,875		2.80%
Logic	2,093	2,093		4.29%
Lone Star	36,515,723	36,515,723		4.20%
TexPool	6,516,504	6,516,504		4.30%
TOTAL	<u>\$ 63,815,128</u>	<u>\$ 63,325,195</u>	<u>134</u>	<u>3.75%</u>
OPERATING RESTRICTED				
Lone Star	7,613	7,613		4.20%
TOTAL	<u>\$ 7,613</u>	<u>\$ 7,613</u>	<u>1</u>	<u>4.20%</u>
CONSTRUCTION IN PROGRESS				
Lone Star				
TexPool				
TOTAL				
INTEREST & SINKING				
Logic	1,046	1,046		4.29%
Lone Star	19,993,831	19,993,831		4.20%
TexPool	4,191	4,191		4.30%
TOTAL	<u>\$ 19,999,068</u>	<u>\$ 19,999,068</u>	<u>1</u>	<u>4.20%</u>
TOTAL INVESTMENTS	<u>\$ 83,821,809</u>	<u>\$ 83,331,876</u>	<u>102</u>	<u>3.86%</u>

Benchmark: 90 day U. S. Treasury Bill for Current Unrestricted and Restricted Funds 4.46%

Benchmark: 1 year U. S. Global Agency for Construction in Progress and Interest
& Sinking Funds 4.75%

Weighted Average pool funds use the daily average yield

NORTH HARRIS MONTGOMERY COMMUNITY COLLEGE DISTRICT

INVESTMENT ACTIVITY REPORT

FOR THE MONTH ENDED JANUARY 31, 2006

	Operating Unrestricted*	Avg Buy Yield	Operating Restricted	Avg Buy Yield	Construction In Progress	Avg Buy Yield	Interest & Sinking	Avg Buy Yield	Total	Avg Buy Yield
BEGINNING BOOK VALUE	\$ 31,574,873	3.25%	\$ 7,579	4.04%			\$ 2,220,340	4.04%	\$ 33,802,792	3.30%
PURCHASES:										
Lone Star	31,779,709	4.30%	34	4.30%			17,778,710	4.30%	49,558,453	4.30%
Logic	8	4.20%					3	4.20%	11	4.20%
TexPool	460,265	4.29%					15	4.29%	460,280	4.29%
TOTAL PURCHASES	<u>\$ 32,239,982</u>	4.30%	<u>\$ 34</u>	4.30%			<u>\$ 17,778,728</u>	4.30%	<u>\$ 50,018,744</u>	4.30%
MATURITIES										
Lone Star										
Logic										
Texpool										
TOTAL MATURITIES										
Premium / (Discount)	273								273	
Unrealized Gains (Losses)										
ENDING BOOK VALUE	<u>\$ 63,815,128</u>	3.76%	<u>\$ 7,613</u>	4.20%			<u>\$ 19,999,068</u>	4.20%	<u>\$ 83,821,809</u>	3.86%
Beg. Unrealized Gains (Losses)	\$ (512,004)								(512,004)	
Unrealized Gains (Losses) Chg.	22,071								22,071	
ENDING MARKET VALUE	<u>\$ 63,325,195</u>		<u>\$ 7,613</u>		<u>\$ -</u>		<u>\$ 19,999,068</u>		<u>\$ 83,331,876</u>	

*Includes Renewal & Replacement Fund

**High Speed Copier for Print Services Department
at Cy-Fair College**

BID TABULATION

<u>Company</u>	<u>Monthly Cost</u>
TLC Office Systems	\$1,275
Danka	\$1,314
Canon	\$1,343
IKON	\$1,695
Xerox	\$2,181
OCE North America	\$2,352

CRITERIA EVALUATION

<u>Company</u>	<u>Total Points</u>
Danka	99
Canon	98
IKON	95
TLC Office Systems	80
OCE North America	69
Xerox	65