

**San Jacinto College District Board Workshop  
 March 2, 2015  
 District Administration Building, Suite 201**

**MINUTES**

	<b>Board Workshop Attendees:</b>	<b>Board Members:</b> Marie Flickinger, Brad Hance, Dan Mims, John Moon, Jr., Keith Sinor, Ruede Wheeler, Larry Wilson <b>Chancellor:</b> Brenda Hellyer <b>Others:</b> Clarence Grier, Ken Lynn, Mandi Reiland, Danny Snooks
	<b>Agenda Item:</b>	<b>Discussion/Information</b>
<b>I.</b>	<b>Call the Meeting to Order</b>	<b>Workshop began at 5:30 p.m.</b>
<b>II.</b>	<b>Roll Call of Board Members</b>	<b>Board Members:</b> Dan Mims, Marie Flickinger, Brad Hance, John Moon, Jr., Keith Sinor, Dr. Ruede Wheeler, Larry Wilson
<b>III.</b>	<b>Adjournment to closed or executive session pursuant to Texas Government Code Section 551.072, the Texas Open Meetings Act, for the following purposes:        Discuss Real Estate Options</b>	Adjourned to closed session at 5:31 p.m. Danny Snooks also in attendance for closed session.
<b>IV.</b>	<b>Reconvene in Open Meeting</b>	Reconvened in open meeting at 6:24 p.m.

<b>VI.</b>	<b>Election Update</b>	<p>Brenda Hellyer gave an update on the election. The three incumbents filed as well as one additional person. That person is not eligible to be a candidate on the ballot for the San Jacinto College Board of Trustees election because he is not a resident of the taxing district; he subsequently withdrew. Because of the timeline for posting the agenda for this board meeting and the end of the filing period, the election will not be cancelled at tonight's meeting. A special board meeting will be held on March 11, 2015 at 4:30 p.m. for the purpose of cancelling the election. A quorum must be present to hold this meeting.</p>
<p>Clarence Grier and Ken Lynn joined the meeting.</p>		
<b>V.</b>	<b>Bond Parameter Discussion</b>	<p>Ken Lynn introduced Clarence Grier who is with RBC Capital Markets. The interest rates in the bond market are favorable that some of the College's higher interest rate debt may be refundable at lower rates. Ken would like to get authorizations in place so that when the market and the interest rates are at the most advantageous levels, San Jacinto College can initiate a refunding transaction.</p> <p>Clarence provided a handout and gave an overview of the current market, existing debt and refunding parameters. Highlights include:</p> <ul style="list-style-type: none"> <li>• Interest rates are at some of the lowest rates in history, going back to 1961. This trend indicates that rates should be increasing in the future.</li> <li>• There is demand for quality municipal and government holdings.</li> <li>• San Jacinto College has a high grade and high quality rating for Moody's (Aa2) and Standard &amp; Poor's (AA).</li> <li>• San Jacinto College has \$284,729,848 of outstanding voted general obligation debt and \$3,315,000 of maintenance tax notes.</li> <li>• The Board is being asked to approve a parameter order authorizing the issuance of \$206 million of Limited Tax Obligation Refunding Bonds. Eligible bonds consist of series 2007, 2008, 2008a, 2009, and 2011. Thresholds for refunding include a minimum present value savings of 4% and negative arbitrage to present value savings ratio of 60% by maturity. Price of the bonds is not to be less than 90% of the original principle.</li> <li>• With the approval of the parameter order, the Attorney General will allow the College one year from the time of approval to sell and deliver the refunding bonds. This would allow the College to capitalize on favorable market opportunities.</li> </ul>

		<ul style="list-style-type: none"> <li>• An example analysis was provided (p. 14 of the handout).</li> </ul> <p>Marie Flickinger asked if we are going to save the \$2.3 million and what are the expenses costing us.  Clarence responded that the net present value of projected savings is \$1.9 million and is net of all costs.  Marie asked for a breakdown of the fees associated with the refunding transaction. Clarence will send this to the Chancellor.  The proposed action item is for the refunding based on meeting the six parameters.  John Moon, Jr. asked if we will get updates on this.  Ken Lynn explained that every time a transaction is complete it will come back to the Board for ratification.</p>
<p>Clarence Grier and Ken Lynn left the meeting.</p>		
<p><b>VII.</b></p>	<p><b>Legislative Update</b></p>	<p>Brenda Hellyer gave a legislative update.</p> <ul style="list-style-type: none"> <li>• Proposed property tax revenue reductions, exemption increases, and the impact on community colleges are being monitored.</li> <li>• Concealed guns- There is no local option for higher education. Concealed handguns would be prohibited at daycares but that does not work with our dual credit and Early College High School programs. Brenda is working with legislators and school district superintendents on this issue.</li> <li>• Common course numbering- Senator Taylor has sponsored the Senate bill for this issue.</li> </ul> <p>Brenda will have an update at the next board workshop.</p>
<p><b>VIII.</b></p>	<p><b>Calendar</b></p>	<p>Brenda referenced the yellow handout and asked that the Board members fill out their availability and return to Mandi.  Brenda Hellyer went over the Board calendar:</p> <ul style="list-style-type: none"> <li>• 3/11 Special Board Meeting at 4:30 p.m.</li> <li>• 3/12 South Channel Region Chamber Luncheon</li> <li>• 3/12 Mindtrekkers VIP Luncheon</li> <li>• 3/25 La Porte Bayshore Chamber State of the City Luncheon</li> <li>• 4/6 Board Retreat 3:00 – 5:15 pm</li> <li>• 4/9 Houston Hispanic Chamber of Commerce Luncheon and Business Expo</li> <li>• 4/10 Service Awards Dinner</li> </ul>

<b>IX.</b>	<b>General Discussion of Meeting Items</b>	There were no items discussed.
<b>X.</b>	<b>Adjournment</b>	<b>Workshop adjourned at 6:52 p.m.</b>