

STATE OF TEXAS
COUNTIES OF GREGG, RUSK, UPSHUR AND SMITH
KILGORE JUNIOR COLLEGE DISTRICT

The Kilgore Junior College District Board of Trustees met in regular session at 6:30 pm, Monday, November 17, 2008, in the Stewart McLaurin Administration Building, 2nd floor, with the following members present:

B. Randell Brint
C.B. "Scooter" Griffin
Charles Hale
Robert "Bob" Heath, President
Fred Parsons
Will Roberson, Secretary
R. E. Spradlin
James N. Walker
Larry Woodfin, Vice President

Bob Heath, President, called the meeting to order at 6:30 p.m. on Monday, November 17, 2008, in the Stewart McLaurin Administration Building, 2nd floor.

Section I. on the Agenda was the Call to Order.

Dr. Holda led the invocation and Pledge of Allegiance to the United States of America Flag.

Section II. On the Agenda was Presentation.

There was a presentation by Holly Williams and Michelle Buchanan of Dini Partners. They conducted a feasibility study for fundraising for Kilgore College.

Section III. Consent Agenda.

- A. To consider approving the minutes of the September, 2008 regular board meeting.
- B. To consider approval of personnel items submitted as follows:
 - 1. **Recommendation to accept employee resignations as follows:**
 - a. Administrative Assistant II, Testing, effective September 16, 2008
 - b. Director Upward Bound Program, effective November 7, 2008
 - c. Instructor, Auto Repair, effective October 31, 2008
 - 2. **Recommendation for employment as follows:**
 - a. Special Populations Counselor, effective October 1, 2008
 - b. Administrative Assistant III, Workforce Development, effective October 1, 2008
 - c. Painter, effective September 30, 2008
 - d. Administrative Assistant II, Testing, effective October 10, 2008
 - e. Desktop Support Specialist, effective November 3, 2008
 - f. Instructor, Auto Body Repair, effective November 10, 2008
 - g. Police Officer, effective November 10, 2008
 - 3. **Recommendation for change in employment as follows:**
 - a. Learning Specialist – TRIO to Director of Upward Bound, effective November 10, 2008
 - b. Custodian – Night Supervisor, change in salary to reflect additional responsibilities, effective November 1, 2008

- c. Police Officer, change in salary to reflect adjustment in increasing the new position pay for a police officer to 95% of survey target
- d. Police Officer, change in salary to reflect adjustment in increasing the new position pay for a police officer to 95% of survey target
- e. Police Officer, change in salary to reflect adjustment in increasing the new position pay for a police officer to 95% of survey target

C. To consider payment of legal fees for services rendered.

These items are grouped together and do not necessarily need further discussion, although a Board Member may elect to remove an item/s from the Consent Agenda to Action Items for discussion. Will Roberson made the motion to approve the consent agenda presented. James Walker seconded the motion. The motion passed unanimously.

PERSONNEL AGENDA

Kilgore Junior College District Personnel Agenda November 17, 2008

1. Recommendation to accept employee resignations as follows:

- A. Ms. Norma Lewis, Administrative Assistant II – Testing, effective September 16, 2008
- B. Ms. Bertha Brown, Director Upward Bound Program, effective November 7, 2008
- C. Mr. Terry Brewer, Instructor, Auto Repair, effective October 31, 2008

2. Recommendation for employment as follows:

- A. Name:** Ms. Holly Davis
- Position:** Special Population Counselor
- Education:** Bachelor of Science
Sam Houston State University
Huntsville, Texas
- Masters of Art
Prairie View A&M University
Prairie View, Texas
- Experience:** School Counselor
Windham School District
Childress, Texas; 2008
- Director of Childress Center
Clarendon College
Pampa, Texas; 2007 – 2008
- Off Campus Student Service Coordinator
Blinn College
Bryan, Texas; 1998 - 2006

Effective Date: October 1, 2008

Salary: \$1800.45 per pay period which is equivalent to a 12 month salary of \$43,211

Note: Ms. Holly Davis replaces Kimberly Staten who resigned

B. Name: Ms. Lauri Woodson

Position: Administrative Assistant III – Workforce Development

Education: Bachelor of Business Administration
Northwestern State University
Natchitoches, Louisiana

Experience: Academic Secretary
East Texas Baptist University
Marshall, Texas; 2007 – 2008

University Center Technician
McLennan Community College
Waco, Texas; 2006 – 2007

Student Worker
Clerk of Court's Office
Shreveport, Louisiana; 2002 – 2006

Effective Date: October 1, 2008

Salary: \$899.88 per pay period which is equivalent to a 12 month salary of \$21,597

Note: This is a new, grant funded position

C. Name: Mr. Collin Ferguson

Position: Painter

Experience: Painter
C & C Painting
Tyler, Texas; 2000 – 2008

Painter
Warren Painting
Tyler, Texas; 2000 – 2001

Painter
Richard Warren Painting
Tyler, Texas; 1998 – 1999

Effective Date: September 30, 2008

Salary: \$1012.00 per pay period which is equivalent to a 12 month salary of \$24,288

Note: This is a new position

D. Name: Yashica Finley

Position: Administrative Assistant II - Testing

Education: Associate of Applied Science (Graduates Dec. 2008)
Kilgore College
Kilgore, Texas

Experience: Evening Proctor
Kilgore College
Kilgore, Texas; 2008

Student Worker
Kilgore College
Kilgore, Texas; 2008

Technical Support/Secretary
Region VII
Kilgore, Texas; 2006 - 2007

Effective Date: October 10, 2008

Salary: \$796.63 per pay period on a 12 month assignment which is equivalent to an annual salary of \$19,119

Note: Ms. Finley replaces Ms. Norma Lewis, Administrative Assistant II - Testing who resigned effective September 16, 2008

E. Name: Mr. Mutesigwa Maradufu

Position: Desktop Support Specialist

Education: Bachelor of Science
University of Eastern Africa Baraton
Eldoret, Kenya

Experience: Help Desk Support (Part time)
Kilgore College
Kilgore, Texas; 2008

Lab Technician
IMEX Veterinary Inc.
Longview, Texas; 2006 – 2007

Assistant Lead
Applied Material
Austin, Texas; 2006

Computer Technician

Centris Information Systems
Longview, Texas; 2002 - 2005

Effective Date: November 3, 2008

Salary: \$1187.04 per pay period on a 12 month assignment which is equivalent to an annual salary of \$28,489

Note: Mr. Marafudu replaces Mr. Naivo Rajoelina who resigned

F. Name: Mr. Joel W. Laws

Position: Instructor, Auto Body Repair

Education: Associate of Arts (26 hours completed)
Kilgore College
Kilgore, Texas

Experience: Auto Repair Instructor
Pine Tree High School
Longview, Texas; 2006 - 2008

Owner/Operator
Laws Collision Repair
Gladewater, Texas; 1984 – 2006

Auto Repair Technician
Nelson Olds/McCraig Chevrolet
Gladewater, Texas; 1984 – 1994

Effective Date: November 10, 2008

Salary: \$33,840 for 9 months

Note: Mr. Laws replaces Mr. Terry Brewer who resigned

G. Name: Mr. Elize Turner

Position: Police Officer

Education: East Texas Police Academy (TCLEOSE)
Kilgore College
Kilgore, Texas

Experience: Owner/Operator
Code 3 Maintenance
White Oak, Texas; 2002 - 2008

Sergeant
Gladewater Police Department
Gladewater, Texas; 1987 – 2002

Security Police Specialist
U.S. Air force
1981 – 1986

Effective Date: November 10, 2008

Salary: \$1056.12 per pay period on a 12 month assignment which is equivalent to an annual salary of \$25,347

Note: Mr. Turner replaces David Dulude who resigned

3. Recommendation for change in employment as follows:

A. Name: Jude Dubois

Old Position: Learning Specialist –TRIO

New Position: Director of Upward Bound

Education: Bachelor of Science
University of Texas at Tyler
Tyler, Texas

Associate of Arts
Kilgore College
Kilgore, Texas

Masters of Science (Spring 2009)
Texas A&M – Texarkana
Texarkana, Texas

Experience: Learning Specialist - TRIO
Kilgore College
Kilgore, Texas; 2001 – 2008

Athletic Director/Instructor
East Texas Christian School
Longview, Texas; 1998 – 2001

Instructor
Longview Christian Fellowship School
Longview, Texas; 1995 - 1998

Effective Date: November 10, 2008

Old Salary: \$1610.54 per pay period on a 12 month assignment which is equivalent to an annual salary of \$38,653

New Salary: \$2059.66 per pay period on a 12 month assignment which is equivalent to an annual salary of \$49,432

Note: Mr. Dubois replaces Ms. Bertha Brown who resigned

B. Name: Scott Kirsch
Position: Custodian – Night Supervisor
Effective Date: November 1, 2008
Old Salary: \$8.64 per hour or \$17,971.00 annually
New Salary: \$9.69 per hour or \$20,155.00 annually
Note: This is a change in salary to reflect additional responsibilities

C. Name: John Hester
Position: Police Officer
Effective Date: November 16, 2008
Old Salary: \$1118.42 per pay period or \$26,842 annually
New Salary: \$1151.95 per pay period or \$27,647 annually
Note: This is a change in salary to reflect adjustment in increasing the new position pay for a police officer to 95% of survey target

D. Name: Tony Means
Position: Police Officer
Effective Date: November 16, 2008
Old Salary: \$1056.12 per pay period or \$25,347 annually
New Salary: \$1111.70 per pay period or \$26,681 annually
Note: This is a change in salary to reflect adjustment in increasing the new position pay for a police officer to 95% of survey target

E. Name: Thomas Smyser
Position: Police Officer
Effective Date: November 16, 2008
Old Salary: \$944.95 per pay period or \$22,679 annually
New Salary: \$1056.12 per pay period or \$25,347 annually
Note: This is a change in salary to reflect adjustment in increasing the new position pay for a police officer to 95% of survey target

Section IV. On the Agenda was Citizen Comments.

There were no citizen comments.

Section V. On the Agenda were Action Items.

A. To consider a construction manager at risk for the Industrial Maintenance Facility at KC Longview. Scooter Griffin made a motion to accept RLM as the construction manager at risk for the Industrial Maintenance Facility at KC Longview. James Walker seconded the motion. The motion passed unanimously.

EXHIBIT 1

Duane J. McNaney, CPA Vice President of Administrative Services (903) 983-6107 (v) (903) 983-6655 (f)	Kilgore College
<h1>Memo</h1>	
To: Kilgore College Board of Trustees	<i>DJM</i>
From: Duane J. McNaney, CPA	
CC: Dr. William Holda, President	
Date: 11/14/2008	
Re: Construction Manager at Risk -- Industrial Maintenance Building	
<hr/> <p>Kilgore College advertised for a Request for Proposal on a construction manager at risk for the construction of the Industrial Maintenance building. We had thirteen (13) companies request the RFP. We had three (3) companies actually submit proposals.</p>	
<p>Moore Building Associates RLM General Contractors RPR Construction Co. Inc.</p>	
<p>The proposals were reviewed by a committee comprised of Dr. Bill Holda, Dr. Julie Fowler, Dan Beach, and Duane McNaney. After review of the proposals RLM and RPR were interviewed.</p>	
<p>After the interviews were complete the committee selected RLM as the best candidate for this project. The committee felt that both companies submitted very strong RFPs. RLM's willingness to charge no fee for construction services and waive some of the reimbursable expenses, along with fact that RLM would be able to better satisfy the requirements of the LEDCO grant led us to select them. Part of the criteria of the LEDCO grant is for a significant portion of the construction needs to be from contractors and sub-contractors within Gregg County. When RPR discussed subcontractors, many were located in Smith County.</p>	

- B. To consider increased fees for Court Reporting, Radiologic Science, and Office Professionals beginning Spring Semester 2009. – *Exhibit #2*

Fred Parsons made the motion to accept Action Item B. Will Roberson seconded the motion. The motion passed unanimously.

EXHIBIT 2

Memo to: Dr. Bill Holda
From: Julie H. Fowler *JHF*
Date: November 4, 2008
Subject: Request for Approval of an Additional Fee for Court Reporting Students

In 2002 the owner of Brown Institute of Court Reporting expressed to Kilgore College officials that he wished to downsize his business activities and wanted the College to incorporate his Longview school into the College's instructional programs. Kilgore College purchased Mr. Brown's local assets for one dollar, hired two full-time instructors, and began classes in August of 2002. The students from Brown Institute of Court Reporting were incorporated into the Kilgore College classes.

Court reporting programs require more instructors than most other workforce programs since students begin each day by spending two hours listening to dictation and entering it on their machines. These "speed" classes must have the dictation read at the next level of speed the student needs to achieve; thus, the program requires instructors at each speed level and sometimes more than one. For example, "four-voice" dictation requires just that—four voices, as in the judge, two lawyers, and the witness.

In an effort to cut program costs, during the 2005-06 year, two changes were made in the program:

- One of the two full-time instructor positions was eliminated.
- A distance learning component to the program was instituted, which allows advanced students to accomplish their coursework from home two days per week. This change cuts part-time instructor costs. A \$130 online annual fee is collected from each student to cover the costs of the online instruction.

During the past year, the Court Reporting Program Director has conducted research on the progression of students through the program. She has learned that students are "stalling out" at the higher speeds. The reason for this inability to advance lies mainly in the students' failure to practice when they are away from the college. The remedy for this situation is to ensure that students are practicing each day.

The company, which offers the online portion of the program, also offers a service that will allow the Program Director to monitor the students practice each day. Students will log into the online website and practice with their Steno machines. The Program Director will be able to verify their work from her computer. The ability for the College to provide this extra online portion of the program will cost \$280 per student per year, which will be passed on to the student.

Therefore, I request approval of a \$140 speed development fee, assessed two times per year, for court reporting students.

EXHIBIT 2, cont.



Date: October 29, 2008

To: Dr. Stanglin, Vice President of Instruction

From: Ursula Dyer, Program Director *UD*
Radiologic Science Program

Subject: Fee Assessment Request


I would like to request that an \$80 fee be assessed with Spring tuition for second year students enrolled in the Radiologic Science Program. The fee will be used to purchase online access codes from a company called Corectec <https://www.corectec.com/online.html>. The access codes will allow students to review material and take practice exams in preparation for the national certification examination in radiography.

The online product was piloted at a reduced fee last year for RADR 2235 (Capstone course offered Summer II). The product worked well for this purpose and the students provided a lot of positive feedback. Although, there were two common remarks regarding how we could improve the utilization of the online product: 1) provide access earlier in the program for review purposes 2) assess the fee in a way that would better facilitate payment via grants, reimbursements, etc.

The typical fee for the course is \$100. Ordering through KC as a group the fee will be only \$80 per student. I plan to establish online access for students in March. This should allow those who are weaker in some areas and those eager to get started reviewing for the certification exam the ability to do so.

Thank you for your consideration.

EXHIBIT 2, cont.

Memo to: Dr. Bill Holda
From: Julie H. Fowler 
Date: November 6, 2008
Subject: Request for Approval of a Fee Increase for Office Professional Students

The Office Professional Program offers two classes which include Microsoft certification testing as part of the class requirements. These classes are

POFI 1301, Computer Applications I
POFI 2340, Advanced Word Processing

The fee for this testing is bundled in our computer system with each class and is charged to the student along with the tuition for the class.

The Office Professional Program Director has just determined that the testing fee has increased from \$65 to \$70. Therefore, I request that we increase the certification testing fee to \$75 per student for the Spring 2009 semester. This increase covers the cost of the test and allows an extra \$5 for administrative costs.

C. To consider a tax abatement for Antique Capital RV Park, LLC – *Exhibit #3*

Randy Brint made the motion to accept Action Item C. Fred Parsons seconded the motion. The motion passed unanimously.

EXHIBIT 3

TAX ABATEMENT IMPACT ANALYSIS
Antique Capital RV Park, LLC

The proposed abatement for Antique Capital RV Park, LLC does conform to the Kilgore Junior College District Abatement Guidelines.

The agreement with Antique Capital RV Park, LLC was approved by the Gladewater City Council on August 21, 2008. The agreement will abate taxes on a minimum of \$400,000 in acquisition/construction costs (current value is \$21,790). Improvements will be located on 22.861 acres of land near S. Loop 485 and S. Roden Ln in Gladewater, Texas.

Following is an estimate of the effect of the tax abatement based on the current tax rate (.1540/\$100) and using \$400,000 as the value of the real and personal property improvements:

YEAR	TAXES ON FULL VALUE (\$0.1540/\$100)	TAXES ABATED ON IMPROVEMENTS (\$0.1540/\$100)	TOTAL TAXES DUE ON IMPROVEMENTS (FROM COMPANY)
		Schedule I	
Year 1	\$ 616.00	\$ 462.00 (75%)	\$ 154.00 (25%)
Year 2	\$ 616.00	\$ 462.00 (75%)	\$ 154.00 (25%)
Year 3	\$ 616.00	\$ 462.00 (75%)	\$ 154.00 (25%)
Year 4	\$ 616.00	\$ 308.00 (50%)	\$ 308.00 (50%)
Year 5	\$ 616.00	\$ 308.00 (50%)	\$ 308.00 (50%)
Year 6	\$ 616.00	\$ 308.00 (50%)	\$ 308.00 (50%)
Year 7	\$ 616.00	\$ -0-	\$ 616.00 (100%)
TOTAL	\$ 4,312.00	\$ 2,310.00	\$ 2,002.00

- D. To consider an Investment Policy for the College – *Exhibit #4*

Larry Woodfin made the motion to accept Action Item D. Charles Hale seconded the motion. The motion passed unanimously.

EXHIBIT 4

Reviewed/Adopted March 20, 2007

INVESTMENT POLICY

Purpose, Scope, Objectives and Strategy

1.0 Purpose of Policy. It is the policy of Kilgore College that the Administration of its funds and the investment of those funds shall be handled as its highest public trust. Investments shall be made in a manner which will provide the maximum security of principal invested through limitations and diversification while meeting the daily cash flow needs of the college and conforming to all applicable state laws governing the investment of public funds. The receipt of a market rate of return will be secondary to the requirements for safety and liquidity. It is the intent of the college to be in compliance with local policies and the Texas Public Funds Investment Act. The earnings from investments will be used in a manner that best serves the public trust and interests of the college.

2.0 Scope of Policy. This investment policy applies to all financial assets of the college which are accounted for in its annual financial report and may include:

2.1 Operating Funds:

- A. Unrestricted funds
- B. Restricted funds
- C. Agency funds

2.2 Reserve Funds:

- A. Cash reserve funds
- B. Debt service funds
- C. Endowment funds

2.3 Bond Proceeds

3.0 Objectives and Strategy. It is the policy of the college that all funds shall be managed and invested with the following primary objectives, listed in order of their priority: safety, suitability, liquidity, diversification and yield. These objectives encompass:

EXHIBIT 4, cont.

- 3.1 Safety of principal is the foremost objective. Investments shall be undertaken in a manner that seeks to insure that potential capital losses are avoided whether they be from defaults or erosion of market value.
 - 3.2 Investment suitability is considered in recognition of the college's primary educational mission, its role as a custodian of the public trust, its unique budgetary and cash flow cycles, and restrictions of state and federal laws.
 - 3.3 The college's investment portfolio will remain sufficiently liquid to enable it to meet all operating requirements which might be reasonably anticipated.
 - 3.4 Diversification of the portfolio will include diversification by maturity and market sector and will include the use of a number of broker/dealers for diversification and market coverage. The concept of competitive bidding from approved broker/agents will be used when appropriate, excepting Certificates of Deposit from authorized depositories and excluding those investments purchased directly from the U.S. Treasury.
 - 3.5 The college's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the college's risk constraints and the cash flow necessities of the portfolio. "Market rate of return" may be defined as the average yield of the current three-month U. S. Treasury Bill or such other index that most closely matches the average maturity of the portfolio.
 - 3.6 The college shall have a written investment strategy. Each major fund type has varying cash flow requirements and liquidity needs. Therefore, specific investment strategies shall be implemented and changed from time to time considering the fund's unique requirements. The investment officers will review the current investment strategy, make appropriate revisions, and present an updated investment strategy statement as requested by the investment committee.
- 4.0 Statutory Authorization. Direct specific investment parameters for the investment of public funds in Texas are found in the Public Funds Investment Act, Chapter 2256, Texas Government Code. The Public Funds Collateral Act, Chapter 2257, Texas Government Code, specifies collateral requirements for all public funds deposits.
- 4.1 The Interlocal Cooperation Act, Chapter 791, Texas Government Code, authorizes local governments in Texas to participate in an investment pool established there under. That statute and reference to authorized investment pools in the act,

EXHIBIT 4, cont.

provide primary authority for use of investment pools by political subdivisions of the state of Texas.

5.0 Delegation of Investment Authority. The president of the college, the vice president for administrative services and one other employee of the college selected by the president of the college and approved by the investment committee, acting on behalf of the Board of Trustees, are designated as the investment officers and are responsible for investment management decisions and activities. The Board of Trustees is also responsible for considering the quality and capability of staff, investment advisors, and consultants involved in investment management and procedures. All participants in the investment process shall seek to act responsibly as custodians of the public trust.

5.1 The investment committee will advise the college's Board of Trustees with regard to:

5.1.A Any amendments or revisions of the college's Investment Policy

5.1.B An investment strategy for the transition of investments to current policies

5.2 The investment committee is composed of no less than three or more than five members; all of which shall be members of the Kilgore College Board of Trustees except one member who may be elected from the community at large. Committee members will be appointed at the first board meeting following the election of board members in odd numbered years to a term of two years.

5.3 The investment committee shall be responsible for establishing a system of controls to regulate the activities of subordinate officials and staff. No officer may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the investment committee.

5.4 A trading resolution is established with this investment policy, and attached hereto, authorizing the investment officer(s) or agent to engage in investment transactions on behalf of the college. The trading resolution shall be used to establish brokerage and banking accounts in the performance of this policy. The persons authorized by the trading resolution to transact business for the college are also authorized to approve wire transfers used in the process of investing (see Exhibit A).

6.0 Prudence. The standard of prudence to be used in the investment function shall be the "prudent person" standard and shall be applied in the context of managing the overall portfolio. This standard states:

EXHIBIT 4, cont.

"investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the expected income to be derived."

6.1 The investment officers and those delegated investment authority under this policy, when acting in accordance with the written procedures and this policy and in accord with the prudent person rule, shall be relieved of personal responsibility and liability in the management of the portfolio provided that deviations from expectations for a specific security's credit risk or market price change or portfolio shifts are reported in a timely manner and that appropriate action is taken to control adverse market effects.

7.0 Internal Procedures. Cash flow forecasting is designed to protect and sustain cash flow requirements of the college. Supplemental to the financial and budgetary systems, the investment officers will maintain a cash flow forecasting process designed to monitor and forecast cash positions for investment purposes. Cash flow will include the historical researching and monitoring of specific cash flow items, payables and receivables as well as overall cash position and patterns.

8.0 Authorized Investments. Acceptable investments under this policy shall be limited to the instruments listed below. The investments are to be chosen in a manner which promotes diversity of market sector and maturity. The choice of high-grade government investments and high-grade money market instruments is designed to assure the marketability of those investments should liquidity needs arise.

8.1 Obligations of the United States government, its agencies and instrumentalities, and government sponsoring enterprises, including U.S. Treasury Bills, U.S. Treasury Notes and U. S. Treasury Bonds.

8.2 Fully insured or collateralized Certificates of Deposit from a bank domiciled in the state of Texas and under the terms of a written depository agreement with that bank, not to exceed one year to the stated maturity.

8.3 Repurchase agreements and reverse purchase agreements as defined by the Public Funds Investment Act: not to exceed 180 days to stated maturity, provided an executed PSA master repurchase agreement is on file with the college and the counter party bank or primary dealer.

8.4 Texas local government investment pools as defined by the Public Funds Investment Act.

EXHIBIT 4, cont.

- 8.5 Investment-grade obligations of state, provincial and local governments and public authorities.
 - 8.6 Bankers acceptances as defined by the Public Funds Investment Act not to exceed 180 days to stated maturity.
 - 8.7 Commercial paper rated A-1/P-1 or the equivalent by at least two nationally recognized rating agencies not to exceed 180 days to stated maturity.
 - 8.8 No-load, SEC registered money market funds, only after receipt of the prospectus for the fund and after specific approval by the Board of Trustees. No more than 80% of the College's monthly average fund balance may be invested in money market funds.
 - 8.9 No-load, SEC registered mutual funds, only after receipt of the prospectus for the fund and after specific approval by the Board of Trustees. No more than 15% of the college's monthly average fund balance may be invested in mutual funds.
 - 8.10 Corporate bonds, debentures, or similar debt obligations as defined by the Public Funds Investment Act which have been rated by a nationally recognized investment rating firm in one of the two highest long-term rating categories, without regard to gradations within those categories.
 - 8.11 If additional types of securities are approved for investment of public funds by state statute, they will not be eligible for investment until this policy has been amended and the amended version approved by the Board of Trustees.
 - 8.12 The college presently owns investments purchased prior to September 1, 1995. These securities are no longer authorized investments under Section 2256.009 (b) of the Texas Public Funds Investment Act, as amended. Pursuant to Section 11 of the Act, the college is not required to liquidate those securities before the final stated maturity of the investments.
- 9.0 Authorized Financial Dealers and Institutions. All investments made by the college will be made through either the college's banking services institution (trading desk) or a primary dealer.
- 9.1 All security transactions, including collateral for repurchase agreements, entered into by the college, shall be conducted on a delivery versus payment (DVP) basis.

EXHIBIT 4, cont.

- 9.2 The college shall maintain a list of financial institutions which are authorized to provide investment services. Banks shall continuously provide their most recent "consolidated report of condition" (Call Report).
- 9.3 The college shall maintain and update a list of securities broker/dealers not affiliated with a bank. They shall be required to be classified as reporting dealers affiliated with the New York Reserve as primary dealers, and meet certain other criteria as determined by the investment officers. The following criteria must be met by those firms on the list:
- 9.3.A Provision of an audited financial statement for the most recent period
 - 9.3.B Proof of certification by the National Association of Securities Dealers (NASD)
 - 9.3.C Proof of current registration with the State Securities Commission
 - 9.3.D Completion of a college questionnaire
- 9.4 Every dealer with whom the college transacts business will be provided a copy of this investment policy to assure that they are familiar with the goals and objectives of the investment program. The broker/dealer will be required to return a signed copy of the certification form certifying that the policy has been received and reviewed (see Exhibit B).
- 10.0 Diversification and Maturity Limitations. It is the policy of the college to diversify its investment portfolio. Invested funds shall be diversified to minimize risk or loss resulting from over-concentration of assets in a specific maturity, specific issuer, or specific class of securities. Diversification strategies shall be established and periodically reviewed.
- 11.0 Safekeeping and Collateralization. The laws of the state and prudent treasury management require that all purchased securities be bought on a delivery versus payment basis and be held in safekeeping by either the college, an independent third party financial institution, or the college's designated depository.
- 11.1 All safekeeping arrangements shall be designated by the investment officers and an agreement of the terms executed in writing. The third party custodian shall be required to issue safekeeping receipts to the college listing each specific security, rate, description, maturity, CUSIP number, and other pertinent information. Each safekeeping receipt will be clearly marked that the security is held for the college or pledged to the college.

EXHIBIT 4, cont.

11.2 All securities pledged to the college for Certificates of Deposit or demand deposits shall be held by an independent third party bank domiciled in Texas or any Federal Reserve Bank. The safekeeping bank may not be within the same holding company as the bank from which the securities are pledged.

11.3 Collateralization shall be required on two types of investments:

11.3.A Certificates of Deposits over the FDIC insurance coverage of \$100,000

11.3.B Repurchase agreements

11.4 In order to anticipate market changes and provide a level of additional security, all funds shall be fully collateralized for the market value of the principal and the accrued interest.

12.0 Performance Evaluation and Reporting. The investment officers shall submit quarterly reports to the Board of Trustees containing sufficient information to permit an informed outside reader to evaluate the performance of the investment program. At a minimum, this report shall contain:

12.0.A Beginning and ending market value of the portfolio by market sector and total portfolio

12.0.B Beginning and ending carrying (book) value of the portfolio by market sector and total portfolio

12.0.C Transactions which change market and book value

12.0.D Detail reporting on each asset (book, market and maturity dates at a minimum)

12.0.E Overall current yield of the portfolio

12.0.F Overall weighted average maturity of the portfolio

12.0.G Maximum maturities in the portfolio

12.1 The report will be reviewed and approved by all involved in the investment activity and be signed by at least two investment officers.

12.2 An annual independent review by an external auditor will be conducted. This review will provide internal control by assuring compliance with the college's investment policies and procedures.

13.0 Training Requirements. An investment officer of the college shall attend at least one training session relating to the officer's investment responsibilities within 12 months after taking office or assuming investment duties. The investment officers must attend a training

EXHIBIT 4, cont.

session once every two years. The training must be provided by an independent source approved by the Trustees of the college.


13.1 Such training shall include education in investment control, security risks, strategy risks, market risks, and compliance with the Texas Public Funds Investment Act, as amended.

14.0 Depositories. The college will designate one banking institution through a competitive process as its central banking services provider. This institution will be used for normal banking services including disbursements, deposits, lockbox, controlled disbursement and safekeeping of securities. Other banking institutions from which the college may purchase Certificates of Deposit will also be designated after they provide their latest audited financial statements to the college.


15.0 Investment Policy Adoption by the Board of Trustees. The college's investment policy shall be adopted by the Board of Trustees and shall be reviewed on an annual basis by the investment officers and the Board of Trustees.

E. To consider a permanent utility easement of KC property to the City of Kilgore – *Exhibit #5*
Larry Woodfin made the following motion, “I make the motion that the college donates a permanent utility easement to the City of Kilgore across the property located between the Adult Education Center and North Street.” The motion was seconded by James Walker. The motion passed unanimously.

EXHIBIT 5



KILGORE



Where Civic Pride is Justified

October 22, 2008

Dr. William M. Holda
President
Kilgore College
1100 Broadway Blvd.
Kilgore, Texas 75652

Re: Texas Community Development Program - Contract # 727240


Dear Dr. Holda:

The City of Kilgore has received a grant from the Texas Community Development Program. This grant will enable us to make water system improvements that will benefit citizens living in the Central Section of our city.

A permanent utility easement is needed on Kilgore College property. We are requesting that Kilgore College donate to the City that portion of your property described on the enclosed Parcel 20 Maps and Bounds Description. (Please note that you are not required to make this donation unless you wish to do so.) The City of Kilgore has estimated the value of that portion of your property, and the dollar amount is stated on the Valuation Worksheet. You also have the right, by law, to an appraisal of the Fair Market Value, if any, of the property described, and to receive just compensation.

Please initial the box beside the statement that represents your response to this invitation, and sign the Notice of Agreement form in the space provided. Also enclosed are two (2) copies of the easement agreement for review.

We appreciate your cooperation in helping us bring you and other residents of the City of Kilgore this needed service.

Sincerely,

Cary Howell
City Manager

Enclosures: Notice of Agreement Form (2 copies)
Exhibit A - Description and Exhibit B - Survey
Valuation Worksheet & Appraisal District Information
Booklet - When a Public Agency Acquires Your Property

852 North Kilgore Street • P.O. Box 520 • Kilgore, Texas 75652 • (936) 884-5081 • FAX (936) 840-3532
<http://www.kilgore.tx.us> • E-mail: info@cityofkilgore.com

EXHIBIT 5, cont.

NOTICE OF AGREEMENT

TCDP Contractor: City of Kilgore
TCDP Contract No. 727340

Name of Owner: Kilgore College
Date Notified: October 22, 2008

Address: 1100 Broadway Blvd.
Location: N Henderson Blvd.

City/State/Zip: Kilgore, Texas 75662
3.643 acre tract

I understand that the City of Kilgore needs to acquire a portion of my property for a waterline easement in connection with a project under the Texas Community Development Program. The needed portion of my property is described as follows:

Being 0.090 acres (3,920 square feet) of land for the purpose of a waterline easement, situated in the Mary Van Winkle Survey, A-208, Gregg County, Texas, and being a portion of a 3.643 acre tract which was conveyed to Kilgore Junior College District by an instrument recorded in Volume 2424, Page 190, of Gregg County Deed Records.

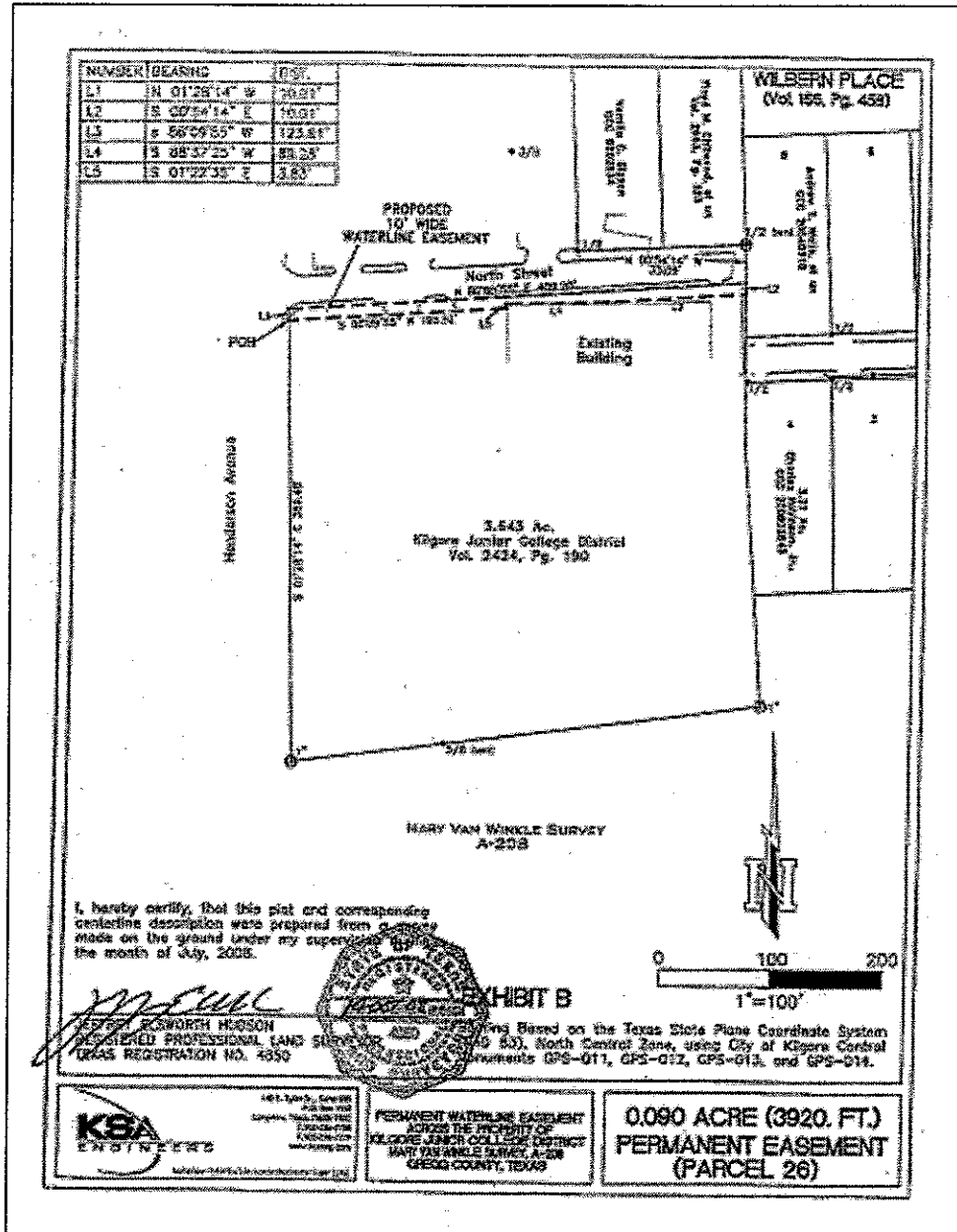
I understand this portion of my property will be used to provide water system improvements. The City of Kilgore has estimated the combined value of the permanent utility easement at Four Thousand Seven Hundred Eighty-two and 40/100 Dollars (\$4,782.40).

PLEASE INITIAL THE BOX BESIDE THE STATEMENT THAT REPRESENTS YOUR RESPONSE TO THIS INVITATION TO DONATE PROPERTY.]

- I wish to donate the property described above to the City of Kilgore and I wish to waive my right to an appraisal.
- I wish to donate the property described above but I wish to have this property appraised at Fair Market Value before donating. I understand that I may claim a deduction on the estimated value of that easement for federal income tax purposes.
- I do not wish to donate the property described above. I am requesting that the City of Kilgore pay me the estimated value stated above for the Property, and waive my right to an appraisal. I understand that I must report any additional income from the sale of this property on my Federal income tax return.
- I wish to have this property appraised at Fair Market Value and to receive just compensation for it, if any.

Owner: _____ Date: _____
Kilgore College - Property Owner
By Dr. William M. Holda, President

EXHIBIT 5, cont.



- F. To consider submitting a proposal to the City of Kilgore on 5 acres of property located on Commerce Street.

Larry Woodfin made the following motion, "I make the motion that the college authorizes the Administration to negotiate with the City of Kilgore to acquire 5 acres of land on Commerce Street by satisfying no more than the delinquent taxes on the property." The motion was seconded by Fred Parsons. Eight voted in favor and Mr. Walker voted against. The motion passed.

Section VI. On the Agenda was Executive Session.
The Board did not adjourn into Executive Session.

Section VII. On the Agenda was Discussion Items.

A. Budget Reports

Duane McNaney was available to answer questions from the Board members.

B. Date for the December 2008 Board Meeting

It was decided that the December 2008 Board Meeting will be on Tuesday, December 9, 2008 at 6:30pm. A meal will be served at 6:00pm before the Board Meeting.

C. December 12, 2008 Graduation Commencement Attendance.

Fred Parsons is the Commencement Speaker at the December 12, 2008 graduation ceremony. It was discussed which board members would be present for the reception before graduation and then the actual graduation ceremony.

Section VIII. On the Agenda was Board Comments.

The Audit Committee will meet November 25, 2008.

The Board Members seem to be receiving the Flare 1-2 weeks late. We will mail from the President's Office as soon as we receive them.

Charles Hale stated that the Theatre Department is doing a great job.

Fred Parsons asked about the Porter Building – the HVAC is 75% - 80% complete.

Scooter Griffin stated that the Ad Hoc Committee on minerals is meeting.

James Walker commented on the Dini Partners Presentation and how many interviews were completed.

Section IX. On the Agenda was Administration Comments.

Dr. Holda gave a report on the number of students using the Ranger Ride System.

Dr. Holda let the board know that the KC Football Team is going to the Aztec Bowl in Mexico.

Dr. Holda let the board know that we have received a letter from SACS stating what needs to be done for KC's re-certification process to be complete.

Because Austin Bank has purchased National City Bank Duane McNaney & Dr. Holda stated that new bank bids will go out in mid April. The banks will have to return those bids by the end of May.

Section X. On the Agenda was Adjournment.

The meeting adjourned at 7:28 p.m.

Respectfully submitted,

Nancy Law

Nancy Law, Recording Secretary
Kilgore College Board of Trustees

A. O. Hart

President of the Board

Will Roberson

Secretary of the Board