

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, Tuesday, March 20, 2007, in the Stewart McLaurin Administration Building, 2nd floor, with the following members present:

B. Randell Brint, President
Robert Heath, Vice President
Carolyn Johnston, Secretary
Fred S. Parsons
Will Roberson
R. E. Spradlin
Marion Turner
James N. Walker
Larry Woodfin

Members absent:

AGENDA
March 20, 2007

I. CALL TO ORDER

- A. Invocation and Pledge of Allegiance

II. PRESENTATION

III. CONSENT AGENDA

- A. To consider approving the minutes of the January 16, 2007, and February 19, 2007 regular board meetings.
- B. To consider resolutions canceling the trustee elections in the North, Central and South zones in accordance with Texas Election Laws in Section 2.051 and Texas Education Code, Section 130.0825.
- C. To review and consider approval of the Kilgore College Investment Policy. *Exhibit 1*
- D. To consider approval of personnel items submitted as follows:
1. **Recommendation to Accept Employee Retirements as follows:**
 - a. Instructor-Geology, effective January 31, 2007.
 - b. Administrative Assistant – KC Longview, effective March 31, 2007.
 2. **Recommendation to Accept Employee Resignations as follows:**
 - a. Instructor-Physical Therapist Assistant Program, effective January 12, 2007.
 - b. Police Officer, effective January 2007.
 - c. Assistant to the Controller, effective April 30, 2007.
 3. **Recommendation for Employment as follows:**
 - a. Administrative Assistant III – Kilgore College-Longview, effective March 19, 2007.
 - b. Administrative Assistant III – Evening/Continuing Education, effective January 19, 2007.
 - c. Assistant Registrar, effective February 26, 2007.
 - d. Interim Instructor-Physical Therapist Assistant Program, effective January 8, 2007.
 - e. Maintenance Technician – Plumbing Services, effective February 6, 2007.
 - f. Police Officer, effective February 24, 2007.

- E. To consider payment of legal fees for services rendered.

IV. CITIZEN COMMENTS

V. ACTION ITEMS

- A. To consider recommendations for 2007-2008 (FY 2008) Tuition and Fees. *Exhibit # 2*
- B. To consider the selection of a Financial Advisor for the Advanced Refunding of the Combined Fee Revenue Bonds, Series 1997. *Exhibit # 3*

VI. EXECUTIVE SESSION

Adjournment to executive session pursuant to Texas Government Code Sections 551.071 - 551.084, the Open Meetings Act, for the following purposes:

"The Board has adjourned to executive session at _____ p.m. on March 20, 2007.

PERSONNEL: (Government Code 551.074)

LEGAL: (Government Code 551.071)

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

REAL ESTATE: (Government Code 551.072)

RECONVENING IN OPEN MEETING

"The Board has reconvened in open session at _____ p.m. on March 20, 2007."

IF, DURING THE COURSE OF THE MEETING COVERED BY THIS NOTICE, THE BOARD SHOULD DETERMINE THAT A CLOSED OR EXECUTIVE MEETING OR SESSION OF THE BOARD SHOULD BE HELD OR IS REQUIRED IN RELATION TO ANY ITEM INCLUDED IN THIS NOTICE, THEN SUCH CLOSED OR EXECUTIVE MEETING OR SESSION AS AUTHORIZED BY SECTION 551.001 ET SEQ. OF THE TEXAS GOVERNMENT CODE (THE OPEN MEETINGS ACT) WILL BE HELD BY THE BOARD AT THAT DATE, HOUR AND PLACE GIVEN IN THIS NOTICE OR AS SOON AFTER THE COMMENCEMENT OF THE MEETING COVERED BY THIS NOTICE AS THE BOARD MAY CONVENIENTLY MEET IN SUCH CLOSED OR EXECUTIVE MEETING OR SESSION CONCERNING ANY AND ALL SUBJECTS AND FOR ANY AND ALL PURPOSES PERMITTED BY SECTIONS 551.071-551.084, INCLUSIVE, OF THE OPEN MEETINGS ACT.

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

- a. the open meeting covered by this notice upon the reconvening of this public meeting, or
- b. at a subsequent public meeting of the Board upon notice thereof, as the Board shall determine.

VII. DISCUSSION ITEMS

- A. Budget Reports
- B. Quarterly Investment Reports

VIII. BOARD COMMENTS

IX. ADMINISTRATION COMMENTS

X. ADJOURNMENT

MINUTES
March 20, 2007

Randy Brint, President, called the meeting to order at 6:30 p.m. on March 20, 2007, in the Stewart McLaurin Administration Building, 2nd floor.

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

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

Section II. on the Agenda was Presentation. There were no presentations.

Section III. Consent Agenda.

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. Dr. Holda gave a brief overview of each consent agenda item. Bob Heath made the motion to accept the Consent Agenda as presented and James Walker seconded. The motion passed with 7 votes. R.E Spradlin and Will Roberson had not yet arrived.

EXHIBIT # 1

TO: Kilgore College Board of Trustees
FROM: Duane J. McNaney
DATE: April 2, 2007
SUBJECT: Annual Review of Investment Policy

Section 15.0 of our Investment Policy states that:

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.

The policy was last reviewed and re-adopted by the board at their regularly scheduled meeting on December 13, 2005. At the January 26, 2007 meeting of the Investment Committee, the Investment Policy was reviewed.

The Committee recommends NO changes to the Investment Policy.

PERSONNEL AGENDA

**Kilgore Junior College District
Personnel Agenda
March 20, 2007**

1. Recommendation to accept employee retirement as follows:

- A. Dr. Robert Bernard Black, Instructor-Geology, effective January 31, 2007, after 18 years of service
- B. Ms. Lynne E. Hanson, Administrative Assistant – KC Longview, effective March 31, 2007, after 11 years of service.

2. Recommendation to accept employee resignations as follows:

- A. Dr. Florence Thillet-Bice, Instructor-Physical Therapist Assistant Program, effective January 12, 2007, after 1 semester of service
- B. Ms. Nashabra J. Morgan, Police Officer, effective January 31, 2007, after 8.5 years of service
- C. Ms. Jean A. Butler, Assistant to the Controller, effective April 30, 2007, after 14 years of service

3. Recommendation for employment as follows:

- A. **Name:** Ms. Laura L. Bogenschutz
Position: Administrative Assistant III – Kilgore College-Longview
Experience: Part Time Administrative Assistant
QUEST Program at KC-Longview
Longview, Texas; 2006 - present

Receptionist
Career Personnel
Longview, Texas; 2004 – 2005

Secretary
International Hammer/Spindletop
Kilgore, Texas; 2003 - 2004

Effective Date: March 19, 2007
Salary: \$22,103 for twelve months
Note: Ms. Bogenschutz replaces Lynne Hanson who retired.

- B. **Name:** Ms. Nelda Ferguson
Position: Administrative Assistant III – Evening/Continuing Education
Education: Business Certificate
BMI School of Business
Longview, Texas
Experience: Operations Support Representative
Center Point Energy
Kilgore, Texas; 1977 – 2006
Effective Date: January 19, 2007
Salary: \$22,500 for twelve months
Note: Ms. Ferguson replaces Shirley Honeycutt who retired.

- C. **Name:** Ms. Autumn B. Hanson
Position: Assistant Registrar
Education: Master of Science degree, Human Resources
The University of Texas at Tyler
Tyler, Texas

Bachelor of Business Administration degree, Management
Stephen F. Austin State University
Nacogdoches, Texas

Associate of Science degree, Business
Trinity Valley Community College
Athens, Texas

Experience: Recorder I
The University of Texas at Tyler
Tyler, Texas; 2004 – 2007

Records Coordinator
Tyler Junior College
Tyler, Texas; 2002 – 2004

Effective Date: February 26, 2007

Salary: \$31,887 for twelve months

Note: Ms. Hanson replaces Staci Martin who was promoted to Registrar.

D. Name: Ms. Cindy J. Lavine

Position: Interim Instructor-Physical Therapist Assistant Program

Education: Master's degree, Public Health
The University of Texas Health Science Center at Houston
Houston, Texas

Bachelor's degree, Health Education
The University of Texas Medical Branch
Galveston, Texas

Associate of Applied Science, Physical Therapist Assistant
Tarrant County Junior College
Hurst, Texas

Experience: Director, Physical Therapist Assistant Program
Northeast Texas Community College
Mt. Pleasant, Texas; 2005 – 2006

Instructor, Physical Therapist Assistant Program
Kilgore College
Kilgore, Texas; 1996 – 2005

Effective Date: January 8, 2007

Salary: \$20,247 for the Spring 2007 semester

Note: This is an interim appointment for the remainder of the academic year replacing Dr. Florence Thillet-Bice who resigned.

E. Name: Mr. James Kevin Perry

Position: Maintenance Technician – Plumbing Services

Experience: Plumbing Apprentice
Mosby Mechanical
Longview, Texas; 2001 – 2007

Part's Sales
Durham Chevrolet
Kilgore, Texas; 1999 - 2003

Effective Date: February 6, 2007
Salary: \$24,814 for twelve months
Note: Mr. Perry replaces Ronnie Lee who retired.

F. **Name:** Mr. Joshua I. Tubb
Position: Police Officer
Experience: Security Officer
Good Shepherd Medical Center
Longview, Texas; 2003 – 2007

Reserve Officer
Tatum Police Department; 2006 - 2007
Lakeport Police Department; 2003 - 2006

Chief of Police
Easton Police Department
Easton, Texas; 2001 - 2003

Effective Date: February 24, 2007
Salary: \$22,360 for twelve months
Note: Mr. Tubb replaces Nashabra Morgan who resigned.

Section IV. on the Agenda was Citizen Comments. There were no citizen comments.

Section V. on the Agenda was Action Items.

A. Was to consider recommendations for 2007-2008 (FY 2008) Tuition and Fees. *Exhibit # 2*

Dr. Holda reminded the board of KC's five year plan which is in year four of the possible need to raise tuition because of less school funding and/or tax values. The increase is \$1 per semester hour for in-district tuition, \$2 per semester hour for out-of-district tuition, and \$3 per semester tuition for out-of-state tuition. Larry Woodfin made the motion to accept Action Item A as presented and Bob Heath seconded the motion. The motion passed with 9 votes.

EXHIBIT # 2

DATE: March 8, 2007
TO: KC Board of Trustees
FROM: William M. Holda
SUBJECT: Proposed increases in tuition and fees

After a great deal of deliberation with the Executive Council, I respectfully request that the Board approve the following tuition and fee increases. These are for credit hour classes and would become effective for academic year 2007-2008:

- o Increase Tuition by \$1 per semester hour
- o Increase Out-of-District Fee by \$2 per semester hour
- o Increase Non-Resident Tuition by \$3 per semester hour

I anticipate that this increase will generate about \$225,000 of increased revenue to the College.

- B. Was to consider the selection of a Financial Advisor for the Advanced Refunding of the Combined Fee Revenue Bonds, Series 1997. *Exhibit # 3*
Christopher J. Janning, Senior Vice President of First Southwest Company Dallas, was present to answer any questions the Board might have. Duane McNaney also informed the Board that he had spoken with Southwest Securities as an option to use. After general discussion, Marion Turner made the motion to accept Action Item B and Fred Parsons seconded the motion. It passed with 9 votes.

EXHIBIT # 3

TO: Kilgore College Board of Trustees

FROM: Duane J. McNaney

SUBJECT: Advanced Refunding of the Combined Fee Revenue Bonds, Series 1997
Selecting the Financial Advisor for the Advanced Refunding

In the Official Statement and the Bond Resolution, The District reserves the right, at its option, to redeem Bonds having stated maturities on and after February 15, 2009, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2008, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption.

A current refunding is - Retiring an outstanding bond issue at maturity (or when they are callable) by using money from the sale of a new offering. An advanced refunding is - A bond issuance in which new bonds are sold at a lower rate than outstanding ones. The proceeds are then invested, and when the older bonds become callable they are paid off with the invested proceeds.

Since we are considering refunding prior to the callable date in the Bond Resolution, February 15, 2008, this would be an advanced refunding. The advantage of an advanced refunding is that you can more accurately estimate what your savings would be and lock them in. We do not know what the market price for our bonds might be in eleven months. Interest rates could go down and increase our savings, or they could go up and erode those savings.

A tentative schedule would be:

March 20 - board approves refunding

April 30 - Rating/Insurance meeting

May 3 - Receive ratings

May 4 - Receive insurance bids

May 8 - Price the bonds

May 8 - Board Authorizes Issuance of Refunding Bonds

May 22 - Close Series 2007 and Deliver funds to the Escrow Agent

January 15 - Issue Call Notice

February 15 - Escrow Agent releases Series 2007 proceeds to pay Callable Series 1997

The Investment Committee met on January 26, 2007, and recommends the advanced refunding of the Combined Fee Revenue Bonds, Series 1997.

I have talked to both Southwest Securities and First Southwest Company about the advanced refunding of the Combined Fee Revenue Bonds, Series 1997. **It is the Investment Committee's recommendation to select First Southwest Company as the Financial Advisor for the advanced refunding, and request that First Southwest Company consider Southwest Securities as a potential underwriter.** First Southwest Company was the Financial Advisor for the original issue.

KILGORE COLLEGE
Illustration Of Probable Savings Given The Refunding Of Outstanding Revenue Bonds
Prepared 2-28-2007

Preface: The following illustration provides the best picture of before and after payments that we believe is reasonable give today's (2-28-07) interest cost market but not taken into account is any benefit this week's rally in the bond market may provide. Rally is simply an increase in the market price of outstanding bonds to reflect comparable current values and since most but not all bonds have a fixed rate of interest (coupon rate) payable to a holder/investor, a lower market rate of yield for a comparable bond often requires the market price of an outstanding bond to be raised to a level that makes the fixed amount of interest, divided by the bond's current market price, equal a percent of return corresponding to that rate of return (yield) available in the current market. The increase in market price may exceed that of the par value or may exceed the price the holder/investor paid for the bond. Conversely, when market yields increase, the price of an outstanding bond may have to decrease to a lower price than its par value or the amount the holder/investor paid to make its yield adjust to the market yield. More simply and succinctly put, rally means a great thing when an issuer is readying itself to issue bonds.

Fiscal Year Ending 8-31:	Present Debt Service	Less The Refunded P&I	And Substituting The New P&I In Place Thereof	Produces NET New Debt Service As Follows	PROBABLE PROJECTED FUTURE SAVINGS	Year Ending 8-31:
2007	\$ 449,926	\$ 176,474	\$ 163,683	\$ 437,136	\$ 12,790	2007
2008	447,768	176,474	162,600	433,894	13,874	2008
2009	449,824	449,824	436,200	436,200	13,624	2009
2010	446,069	446,069	429,100	429,100	16,969	2010
2011	446,491	446,491	431,600	431,600	14,891	2011
2012	445,819	445,819	433,500	433,500	12,319	2012
2013	444,034	444,034	429,900	429,900	14,134	2013
2014	446,353	446,353	430,800	430,800	15,553	2014
2015	442,775	442,775	426,200	426,200	16,575	2015
2016	443,300	443,300	431,000	431,000	12,300	2016
2017	442,800	442,800	430,100	430,100	12,700	2017
2018	446,147	446,147	433,500	433,500	12,647	2018
	<u>\$ 5,351,306</u>	<u>\$ 4,806,559</u>	<u>\$ 4,638,183</u>	<u>\$ 5,182,930</u>	<u>\$ 168,376</u>	
				Estimated Savings Net Of Any And All Costs:	<u>\$ 168,376</u>	
				Estimated Present Value Of Those Savings:	\$ 136,560	
				Estimated Present Value Of Those Savings As A Percent Of The Refunded Bonds' Principal:	3.91%	

Noted is the fact that no monies are required of the College in order to issue the bonds and produce the savings, i.e., all costs (\$50,000 is estimated) have been budgeted in the new bonds' principal amount and will be a transparent payment made by the College. Since no out-of-pocket payments for incurred costs will be made by the College, the savings above, already labeled as NET, are the actual savings that the College will realize if our price views are confirmed in the sale of the bonds. It cannot be overemphasized that everything above and herein is projected/estimated, even when the language refers to a projected amount as "actual". Only the market prevailing on the day of the sale will determine the amount of savings to be realized upon the issuance of the bonds.

Michael D. "Mike" Byrd
Senior Vice President
mbyrd@firstsw.com

Preliminary

Kilgore Junior College District

Combined Fee Revenue Refunding Bonds, Series 2007 \$3,655,000.00

Bond Issue

2.28.2007 FSC Desk Scale: Non-Callable

Sources & Uses

Dated 01/15/2007 | Delivered 01/15/2007

Sources Of Funds

Par Amount of Bonds	\$3,655,000.00
Reoffering Premium	48,244.05

Total Sources \$3,703,244.05

Uses Of Funds

Total Underwriter's Discount (0.750%)	27,412.50
Costs of Issuance	50,000.00
Gross Bond Insurance Premium (30.0 bp)	13,914.55
Deposit to Net Cash Escrow Fund	3,608,162.43
Rounding Amount	3,754.57

Total Uses \$3,703,244.05

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 provided the Board with Budget reports in their Board packets and answered questions on the budget.
- B. Quarterly Investment Reports – Duane McNaney informed the Board that the Texas Public Fund Investment Act requires that these reports be distributed to Board members. Quarterly investment reports received were for period ending November 30, 2006.

Section VII. on the Agenda was Board Comments.

After Election every two years, the previous three President's of the Board serve as the Nominating Committee to re-organize the officers of the Board.


Section IX. on the Agenda was Administration Comments. There were no administration comments.

Section X. on the Agenda was Adjournment. Larry Woodfin moved that the meeting adjourn. R.E. Spradlin seconded the motion. All present voted in favor. The meeting adjourned at 7:30 p.m.

Respectfully submitted,



Sharlene Robinett, Recording Secretary
Kilgore College Board of Trustees



President of the Board



Secretary of the Board