The Kilgore Junior College District Board of Trustees met in regular session at 6:30 pm, Monday, June 8, 2015 in the Stewart McLaurin Administration Building, 2nd floor, with the following members present:

G. Scott Andrews  
Joe Carrington  
Bob Heath  
Karol Pruett  
James N. Walker, Presiding Officer (Vice President)  
Larry Woodfin

Members absent: Brian Nutt, Will Roberson, Secretary

Section I. on the Agenda was the Call to Order

James Walker called the meeting to order at 6:30 pm and welcomed the guests. Dr. Hilda led the invocation and the Pledge of Allegiance to the American Flag.

Section II. on the Agenda was Presentation

A. Swearing in of KC Board of Trustee Members Lon Ford, Karol Pruett, Cecelia Sanders and James Walker

Nancy Law, Recording Secretary for the Board of Trustees, administered the Oath of Office to Lon Ford, Karol Pruett, Cecelia Sanders and James Walker.

Lon Ford and Cecelia Sanders are now considered present for the remainder of the meeting. Will Roberson is no longer a board member.

B. East Texas Energy Symposium – Mark Goloby

Mark Goloby from the East Texas Energy Symposium did a presentation with the following information:

- The East Texas Energy Symposium was first conducted in 2010 and held at the East Texas Oil Museum
- In 2013 the event was transitioned to be a fundraiser with proceeds dedicated to the ETOM
- The focus of our endeavors is the East Texas Oil Museum. Like similar museums around the country that serve as primary avenues for the oil and gas industry to tell its story.
- Attendance doubled from 2014
- Attendees were drawn from:  
  - 50% Kilgore, Longview, Tyler  
  - 50% from Houston, Dallas
Section III. on the Agenda was Action Item

A. To determine method of nomination of board officers

Dr. Mike Turpin led the board in a discussion of methods to be used for the election of the officers. After discussing potential methods the motion was made by Karol Pruett to use the single ballot method (Option II). The motion was seconded by Bob Heath. The motion passed unanimously.

<table>
<thead>
<tr>
<th>I. To vote for officers individually, beginning with the office of Board President</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Nominations taken from the floor</td>
</tr>
<tr>
<td>(Nominations do not require a second. A motion to close the nominations is usually not necessary.)</td>
</tr>
<tr>
<td>B. Voting conducted by voice/hand</td>
</tr>
<tr>
<td>(When more than one person has been nominated and the election is by voice vote, the chair takes the vote on the candidates in the order in which they were nominated. Members must remember to vote yes only for the one candidate that they want. The first candidate to receive a majority vote wins.)</td>
</tr>
</tbody>
</table>

II. To vote for all officers with one ballot

A. Ballot includes all eligible and willing members

B. To vote, members mark a 3 for their first officer choice, a 2 for their second officer choice, and a 1 for their third officer choice. The member with the most points is elected president, followed by vice president, and then secretary.

B. To consider election of board officers

A paper ballot was then handed out to all members. Two board members opted to remove their name from the ballot; Scott Andrews and Lon Ford. All ballots were collected and tallied by Dr. Mike Turpin and the final results are as follows: President, Larry Woodfin with 20 points; Vice President, James Walker with 15 points; and Secretary, Karol Pruett with 10 points.

<table>
<thead>
<tr>
<th>Board Officer Elections</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 8, 2015</td>
</tr>
</tbody>
</table>

| Andrews, Scott |  |
| Carrington, Joe |  |
| Ford, Lon |  |
| Heath, Bob |  |
| Nutt, Brian |  |
| Pruett, Karol |  |
| Sanders, Cecelia |  |
| Walker, James |  |
| Woodfin, Larry |  |

Note: To vote, members mark a 3 for their first officer choice, a 2 for their second officer choice, and a 1 for their third officer choice. The member with the most votes is elected president, followed by vice president, and then secretary.
Section IV. on the Agenda was Citizens Comments
  - Tommy Konczak expressed certain concerns related to asbestos repairs.

Section V. on the Agenda was Consent Agenda
  A. To consider approving the minutes of the April 13, 2015 and May 8, 2015 regular board meetings and the May 19, 2015 special called meeting to canvas the result of the May 9, 2015 election.
  B. To consider re-adopting the Kilgore College Tax Abatement Guidelines - Exhibit #1

Exhibit #1

Kilgore College

Business Office

June 24, 2015

TO: Kilgore College Board of Trustees
FROM: Duane J. McNaney
SUBJECT: Abatement Guidelines Re-adoption

The Kilgore Junior College District Abatement Guidelines are effective for two years from the date adopted (Section I - General Purpose and Objectives). The guidelines were last adopted on April 9, 2012. After review of the guidelines, there are no recommended modifications.

Administration recommends re-adoption of the guidelines.

Memorandum

Duane J. McNaney, CPA
Vice President of Finance and CFO

Phone: (903) 983-8107
FAX: (903) 983-8655
e-mail: mcnaneyd@kilgore.cc.tx.us

June 8, 2015 Minutes
C. To consider approval of personnel items submitted as follows:

1. **Recommendation to accept employee resignations as follows:**
   A. Police Officer, effective April 23, 2015 after six months of service
   B. Assistant Women’s Basketball Coach, effective May 7, 2015 after one year and nine months of service
   C. Support Specialist – LVN, effective May 29, 2015 after eighteen years and eight months of service
   D. Vocational Nursing Instructor, effective May 31, 2015 after nine months of service
   E. Assistant Women’s Softball Coach, effective May 31, 2015 after two years of service

2. **Recommendation to accept a one year leave of absence as follows:**
   A. Government Instructor, effective May 31, 2015 after one year and nine months of service

3. **Recommendation for renewal of faculty contracts as follows:**
   A. Head Women’s Softball Coach, based upon the approved faculty salary schedule for the period of June 1, 2015 – May 31, 2016

4. **Recommendation to make payment in excess of employee’s contractual amount for extra hours worked on Jenzabar conversion:**
   A. Director of Admissions & Registrar
   B. Director of Information Technology
   C. Computer Programmer & System Specialist
   D. Director of Financial Aid
   E. Assistant Director of Financial Aid
   F. Assistant Registrar
   G. Systems Administrator
   H. Director of Workforce Development

5. **Recommendation to change employment as follows:**
   A. Maintenance Technician II to Museum Technician, effective June 1, 2015

6. **Recommendation for employment as follows:**
   A. Instructor, Kinesiology & Head Women’s Basketball Coach – Math, Science & Health Sciences, effective April 16, 2015
   B. Police Officer, KCPD, effective, May 18, 2015
   C. Administrative Coordinator - Small Business Development Center, effective June 1, 2015
   D. Instructor, Vocational Nursing - KC-Longview Campus, effective May 11, 2015
   E. Instructor, Corrosion - Business, Technology & Public Services, effective September 1, 2015
   F. Instructor, History - Liberal & Fine Arts, effective September 1, 2015
   G. Instructor, Government - Liberal & Fine Arts, effective September 1, 2015
   H. Instructor, English – Liberal & Fine Arts, effective September 1, 2015

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

Scott Andrews made the motion to accept the Consent Agenda as written. James Walker seconded the motion. The motion passed unanimously.
1. **Recommendation to accept employee resignations as follows:**
   
   A. Mr. Jose Lozano, Police Officer, effective April 23, 2015 after six months of service
   
   B. Ms. Keturah Spotwood, Assistant Women’s Basketball Coach, effective May 7, 2015 after one year and nine months of service
   
   C. Ms. Sonja Moore, Support Specialist – LVN, effective May 29, 2015 after eighteen years and eight months of service
   
   D. Ms. Jade Lemoine, Vocational Nursing Instructor, effective May 31, 2015 after nine months of service
   
   E. Ms. Kristen Breaux, Assistant Women’s Softball Coach, effective May 31, 2015 after two years of service

2. **Recommendation to accept a one year leave of absence as follows:**

   A. Ms. Lindsey McLennan, Government Instructor, effective May 31, 2015, after one year and nine months of service

3. **Recommendation for renewal of faculty contracts as follows:**

   A. Ms. Leslie Messina, Head Women’s Softball Coach, based upon the approved faculty salary schedule for the period of June 1, 2015 – May 31, 2016

4. **Recommendation to make payment in excess of employee’s contractual amount for extra hours worked on Jenzabar conversion:**

<table>
<thead>
<tr>
<th>Name</th>
<th>Mr. Chris Gore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Position</td>
<td>Director of Admissions &amp; Registrar</td>
</tr>
<tr>
<td>Total Amount</td>
<td>$5,000</td>
</tr>
<tr>
<td>Payment due June 15, 2015</td>
<td>$2,500</td>
</tr>
<tr>
<td>Payment due after “Go Live” date</td>
<td>$2,500</td>
</tr>
</tbody>
</table>
B. Name: Mr. John Colville
   Position: Director of Information Technology
   Total Amount: $5,000
   Payment due June 15, 2015: $2,500
   Payment due after “Go Live” date: $2,500

C. Name: Mr. Ray Jackson
   Position: Computer Programmer & System Specialist
   Total Amount: $5,000
   Payment due June 15, 2015: $2,500
   Payment due after “Go Live” date: $2,500

D. Name: Ms. Annette Morgan
   Position: Director of Financial Aid
   Total Amount: $3,000
   Payment due June 15, 2015: $1,500
   Payment due after “Go Live” date: $1,500

E. Name: Ms. Jackie Kelley
   Position: Assistant Director, Financial Aid
   Total Amount: $3,000
   Payment due June 15, 2015: $1,500
   Payment due after “Go Live” date: $1,500
Personnel Agenda cont.  

<table>
<thead>
<tr>
<th>F. Name:</th>
<th>Ms. Pam Davis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Position:</td>
<td>Assistant Registrar</td>
</tr>
<tr>
<td>Total Amount:</td>
<td>$3,000</td>
</tr>
<tr>
<td>Payment due June 15, 2015:</td>
<td>$1,500</td>
</tr>
<tr>
<td>Payment due after “Go Live” date:</td>
<td>$1,500</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>G. Name:</th>
<th>Mr. Chris Carroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>Position:</td>
<td>Systems Administrator</td>
</tr>
<tr>
<td>Total Amount:</td>
<td>$3,000</td>
</tr>
<tr>
<td>Payment due June 15, 2015:</td>
<td>$1,500</td>
</tr>
<tr>
<td>Payment due after “Go Live” date:</td>
<td>$1,500</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>H. Name:</th>
<th>Ms. Martha Woodruff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Position:</td>
<td>Director of Workforce Development</td>
</tr>
<tr>
<td>Total Amount:</td>
<td>$3,000</td>
</tr>
<tr>
<td>Payment due June 15, 2015:</td>
<td>$1,500</td>
</tr>
<tr>
<td>Payment due after “Go Live” date:</td>
<td>$1,500</td>
</tr>
</tbody>
</table>

5. Recommendation to change employment as follows:

<table>
<thead>
<tr>
<th>A. Name:</th>
<th>Mr. Russell Turner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Old Position:</td>
<td>Maintenance Technician II</td>
</tr>
<tr>
<td>New Position:</td>
<td>Museum Technician</td>
</tr>
<tr>
<td>Effective Date:</td>
<td>June 1, 2015</td>
</tr>
<tr>
<td>Salary:</td>
<td>No change in salary</td>
</tr>
</tbody>
</table>
6. Recommendation for employment as follows:

**A. Name:**
- Ms. Anna Nimz

**Position:**
- Instructor, Kinesiology & Head Women's Basketball Coach

**Location:**
- Math, Science & Health Sciences

**Education:**
- Master of Science
  - Pittsburg State University
  - Pittsburg, Kansas
- Bachelor of Science
  - Pittsburg State University
  - Pittsburg, Kansas

**Experience:**
- Head Women's Basketball Coach
  - Labette Community College
  - Parsons, Kansas; 2010-2015
- Assistant Women's Basketball Coach
  - Pittsburg State University
  - Pittsburg, Kansas; 2008-2010
- Camp Director & Administrator
  - Various Kansas Schools & Organizations
  - Pittsburg, Kansas; 2007-2012

**Effective Date:**
- April 16, 2015

**Salary:**
- $2,363 per pay period which is equivalent to a 12 month contract of $56,700 plus a $10,500 PPA for coaching

**Note:**
- Ms. Nimz replaces Mr. Roy Thomas

**B. Name:**
- Mr. Brian Froiseth

**Position:**
- Police Officer

**Location:**
- KCPOD

**Education:**
- TCLEOSE Certification
  - Navarro Jr. College – Police Academy
  - Corsicana, Texas
Personnel Agenda cont.

| Experience | Police Officer  
| University of Texas at Tyler  
| Tyler, Texas; 2006-2015  
|  
| Police Officer  
| City of Palestine  
| Palestine, Texas; 2004-2006  
|  
| Video Editor/Security Officer  
| Lockheed Martin  
| Sunnyvale, California; 1998-2004  
| May 18, 2015  
|  
| Effective Date: |  
|  
| Salary: | $1,311.96 per pay period which is equivalent to a 12 month salary of $31,487  
|  
| Note: | Mr. Froiseth replaces Mr. Jose Lozano who resigned  
|  
| C. Name: | Mr. Jeff Bock  
|  
| Position: | Administrative Coordinator  
|  
| Location: | Small Business Development Center  
|  
| Education: | Master of Arts  
| University of Texas at Tyler  
| Tyler, Texas  
|  
| Bachelor of Science  
| University of Texas at Tyler  
| Tyler, Texas  
|  
| Experience: | Operations Manager  
| Speedy Media, LLC  
| Longview, Texas; 2011-2015  
|  
| Marketing Account Manager  
| Strategic Fulfillment Group  
| Big Sandy, Texas; 2010-2011  
|  
| Mail Center Manager  
| LeTourneau University  
| Longview, Texas; 2005-2010  
|  
| Effective Date: | June 1, 2015  
|  
Personnel Agenda cont. on next page
<table>
<thead>
<tr>
<th><strong>Personnel Agenda cont.</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Salary:</strong> $1,541.67 per pay period which is equivalent to a 12 month salary of $37,000</td>
</tr>
<tr>
<td><strong>Note:</strong> Mr. Bock replaces Barbara Garrett who resigned. This is a grant funded position</td>
</tr>
</tbody>
</table>

| **D. Name:** Ms. Kevin Kay Neal |
| **Position:** Instructor, Vocational Nursing |
| **Location:** KC - Longview Campus |
| **Education:** Bachelor of Science - Nursing Clayton College & State University Marrow, Georgia Associate of Science Kilgore College Kilgore, Texas |
| **Experience:** Clinical Consultant Medhost, Inc. Plano, Texas; 2012-2015 Independent Contractor Medhost, Inc. Plano, Texas; 2010-2011 Director Emergency Department Henry Medical Center Stockbridge, Georgia; 2007-2012 |
| **Effective Date:** May 11, 2015 |
| **Salary:** $2,331.96 per pay period which is equivalent to a 12 month contract of $55,967 |
| **Note:** Ms. Neal replaces Brooke Black who resigned |

| **E. Name:** Ms. Bonnie Burgess |
| **Position:** Instructor, Corrosion |
| **Location:** Business, Technology & Public Services |

*Personnel Agenda cont. on next page*
### Personnel Agenda cont.

| **Education:** | Associate of Applied Science  
|                | Kilgore College  
|                | Kilgore, Texas  
| **Experience:** | Integrity Specialist  
|                | Sunoco Logistics  
|                | Drumright, Oklahoma; 2006-2015  
|                | Sr. Operations & Maintenance Tech.  
|                | Houston Pipeline Company  
|                | Lumberton, Texas; 1999-2006  
|                | Corrosion Technician  
|                | Koch Gateway Pipeline  
|                | Longview, Texas; 1996-1999  
| **Effective Date:** | September 1, 2015  
| **Salary:** | $1,733.33 per pay period which is equivalent to a 9 month contract of $41,600  
| **Note:** | Ms. Burgess replaces Mr. Tim Loomis who retired  

| **F. Name:** | Mr. Joseph Preston Lewis  
| **Position:** | Instructor, History  
| **Location:** | Liberal & Fine Arts  
| **Education:** | Master of Arts  
|                | University of North Carolina  
|                | Charlotte, North Carolina  
|                | Bachelor of Arts  
|                | University of North Carolina  
|                | Charlotte, North Carolina  
|                | Bachelor of Science  
|                | University of North Carolina  
|                | Charlotte, North Carolina  
| **Experience:** | Adjunct Instructor  
|                | Central Piedmont Community College  
|                | Charlotte, North Carolina; 2012-2015  

*Personnel Agenda cont. on next page*
Personnel Agenda cont.

<table>
<thead>
<tr>
<th>Effective Date:</th>
<th>September 1, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary:</td>
<td>$1,775.00 per pay period which is equivalent to a 9 month contract of $42,600</td>
</tr>
<tr>
<td>Note:</td>
<td>Mr. Lewis replaces Mr. H.K. Park who retired</td>
</tr>
</tbody>
</table>

**G. Name:**
- Mr. Derek Hunter

**Position:**
- Instructor, Government

**Location:**
- Liberal & Fine Arts

**Education:**
- Master of Arts
  - Sam Houston State University
  - Huntsville, Texas
- Bachelor of Arts
  - Sam Houston State University
  - Huntsville, Texas

**Experience:**
- Adjunct Instructor
  - Kilgore College
  - Kilgore, Texas; 2013-2015
- Adjunct Instructor
  - Panola College
  - Carthage, Texas; 2012-2015

<table>
<thead>
<tr>
<th>Effective Date:</th>
<th>September 1, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary:</td>
<td>$1,775.63 per pay period which is equivalent to a 9 month contract of $42,615</td>
</tr>
<tr>
<td>Note:</td>
<td>Mr. Hunter replaces Ms. Lindsey McLennan who has taken a one year leave of absence</td>
</tr>
</tbody>
</table>

**H. Name:**
- Ms. Portia Scott

**Location:**
- Liberal & Fine Arts

**Position:**
- Instructor, English
**Personnel Agenda cont.**

| Education:                          | Master of Arts          |
|                                    | Texas State University  |
|                                    | San Marcos, Texas       |
| Experience:                        | Teacher                 |
|                                    | Gilmer ISD              |
|                                    | Gilmer, Texas; 2012-2015|
|                                    | Kilgore College         |
|                                    | Adjunct Instructor      |
|                                    | Kilgore, Texas; 2012-2015|
|                                    | Teacher                 |
|                                    | Longview ISD            |
|                                    | Longview, Texas; 2010-2012|
| Effective Date:                    | September 1, 2015       |
| Salary:                            | $1,842.29 per pay period which is equivalent to a 9 month contract of $44,215 |

**Note:**

Ms. Scott replaces Ms. Brenda Ellis who retired

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**Section VI.** on the Agenda was Executive Session

**REAL ESTATE:** (Government Code 551.072)
1. Various properties in Longview on South, Center, Cotton and College Street

The board adjourned to executive session at 7:08pm. They reconvened to open meeting at 8:02pm. A certified agenda was prepared and no action was taken by the board during executive session.

**Section VII.** on the Agenda was Action Items

A. To consider authorizing KC Administration to proceed with the purchase of property in Longview, TX as discussed in Executive Session

Karol Pruett made the motion to accept Action Item A as written. Scott Andrews seconded the motion. The motion passed unanimously.
B. To consider approving a tax abatement for Skeeter Products, Inc. – Exhibit #2

Joe Carrington made the motion to accept Action Item B as written. James Walker seconded the motion. The motion passed unanimously.

Exhibit #2

**TAX ABATEMENT IMPACT ANALYSIS**  
Skeeter Products, Inc.

The proposed abatement for Skeeter Products, Inc. does conform to the Kilgore Junior College District Abatement Guidelines. The abatement was passed by Kilgore City Council on May 12, 2015.

The agreement with Skeeter Products, Inc. will abate taxes on a minimum of $3,700,000 in real and personal property (current taxable base value of $15,801,830). Improvements will be located on One Skeeter Rd., Kilgore, Texas. Additionally at least 20 new jobs will be or created within the first three years.

Following is an estimate of the effect of the tax abatement based on the current tax rate (.15400/$100) and using $3,700,000 as the value of the real and personal property improvements:

<table>
<thead>
<tr>
<th>YEAR</th>
<th>TAXES ON FULL VALUE ($0.15400/$100)</th>
<th>TAXES ABATED ON IMPROVEMENTS ($0.15400/$100)</th>
<th>TOTAL TAXES DUE ON IMPROVEMENTS (FROM COMPANY)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Schedule I</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year 1</td>
<td>$ 5,698.00</td>
<td>$ 5,698.00 (100%)</td>
<td>$ 0.00 (0%)</td>
</tr>
<tr>
<td>Year 2</td>
<td>$ 5,698.00</td>
<td>$ 5,698.00 (100%)</td>
<td>$ 0.00 (0%)</td>
</tr>
<tr>
<td>Year 3</td>
<td>$ 5,698.00</td>
<td>$ 5,698.00 (100%)</td>
<td>$ 0.00 (0%)</td>
</tr>
<tr>
<td>Year 4</td>
<td>$ 5,698.00</td>
<td>$ 4,273.50 (75%)</td>
<td>$ 1,424.50 (25%)</td>
</tr>
<tr>
<td>Year 5</td>
<td>$ 5,698.00</td>
<td>$ 2,849.00 (50%)</td>
<td>$ 2,849.00 (50%)</td>
</tr>
<tr>
<td>Year 6</td>
<td>$ 5,698.00</td>
<td>$ 1,424.50 (25%)</td>
<td>$ 4,273.50 (75%)</td>
</tr>
<tr>
<td>Year 7</td>
<td>$ 5,698.00</td>
<td>$ 0.00 (0%)</td>
<td>$ 5,698.00 (100%)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$ 39,886.00</td>
<td>$ 25,641.00</td>
<td>$ 14,245.00</td>
</tr>
</tbody>
</table>

Source: Amanda Nobles, KEDC
C. To consider extending the bank depository contract for the period September 1, 2015 through August 31, 2017 – Exhibit #3

Scott Andrews made the motion to accept Action Item C as written (Austin Bank). Joe Carrington seconded the motion. The motion passed unanimously.

Exhibit #3

June 1, 2015

Board of Trustees
Kilgore College
1100 Broadway
Kilgore, Texas 75662

Board Members:

Thank you for the opportunity to continue providing banking services to Kilgore College. In response to your request, Austin Bank agrees to extend the current contract dated September 1, 2013 for two additional years under the same terms and conditions.

This agreement shall be in effect from September 1, 2015 until August 31, 2017 (termination date) and supersedes all previous agreements and may be amended only by written agreement executed by both parties.

Sincerely,

[Signature]
Rcnt Bryson, President
Kilgore Branch
Austin Bank Texas, N.A.

Accepted and Agreed:
Kilgore College

By: ____________________________

Date: __________________________

Austin Bank

By: ____________________________

1006 State Road, Kilgore, TX 75662
903-983-1584 Fax 903-983-2261
Member FDIC
D. To consider approving engagement letter from Henry & Peters, PC for the audit of FY2015 – Exhibit #4

Joe Carrington made the motion to accept Action Item D as written. Lon Ford seconded the motion. The motion passed unanimously.

Exhibit #4

HENRY & PETERS, PC
CERTIFIED PUBLIC ACCOUNTANTS

June 1, 2015

Board of Trustees and Management
Kilgore Junior College District
Kilgore, Texas 75662

We are pleased to confirm our understanding of the services we are to provide Kilgore Junior College District (the District) for the year ended August 31, 2015. We will audit the basic financial statements of the District as of and for the year ended August 31, 2015. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management’s discussion and analysis (MD&A), to supplement the District’s basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District’s RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

We have also been engaged to report on supplementary information other than RSI that accompanies the District’s financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole:

1) Schedule of Expenditures of Federal Awards
2) Schedule of Expenditures of State Awards
3) Schedule of Operating Revenues
4) Schedule of Operating Expenses by Object
5) Schedule of Non-Operating Revenues and Expenses
6) Schedule of Net Assets by Source and Availability

The statistical supplements accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor’s report will not provide an opinion or any assurance on such information.

Audit Objective

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on –

Exhibit #4 cont. on next page
Exhibit #4 cont.

Kilgore Junior College District
June 1, 2015
Page 3-

- Internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with Government Auditing Standards.

- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB A-133, Audits of States, Local Governments, and Non-Profit Organizations.

The Government Auditing Standards report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. The OMB Circular A-133 report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133, and will include tests of the accounting records, a determination of major programs in accordance with OMB Circular A-133, and other procedures we consider necessary to enable us to express such opinions and to render the required reports. We will issue a written report upon completion of our audit of the District's financial statements. Our report will be addressed to the Board of Trustees of Kilgore Junior College District. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements or the Single Audit compliance opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

Management Responsibilities

Management is responsible for the basic financial statements, schedule of expenditures of federal awards, schedule of expenditures of state awards and all accompanying information, as well as all representations contained therein. Management is also responsible for identifying all federal and state awards and understanding and complying with the compliance requirements, and for preparation of the schedules of expenditures of federal and state awards (including notes and noncash assistance received) in accordance with the requirements of OMB Circular A-133. As part of the audit, we will assist with preparation of your financial statements, schedules of expenditures of federal and state awards, and related notes. Nonaudit services do not constitute an audit under Government Auditing Standards and such services will not be conducted in accordance with Government Auditing Standards. You agree to assume all management responsibilities relating to the financial statements, schedules of expenditures of federal and state awards, related notes, and any other nonaudit services we provide.

You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedules of expenditures of federal and state awards, and related notes and that you have reviewed and approved the financial statements, schedules of expenditures of federal and state awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience, evaluate the adequacy and results of those services; and accept responsibility for them.

Management is responsible for (a) establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (b) following laws and regulations; (c) ensuring that there is reasonable assurance that

Exhibit #4 cont. on next page

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Kilgore Junior College District
June 1, 2015
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Exhibit #4 cont.

government programs are administered in compliance with compliance requirements; and (d) ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and presentation of the financial statements in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to personnel within the District from whom we determine it necessary to obtain audit evidence.

Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the District involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the District received in communications from employees, former employees, grantees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, agreements, or values that we report. Additionally, as required by OMB Circular A-133, it is management’s responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan.

You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to present the supplementary information with the audited financial statements. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management’s views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the
reasonable of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, Government Auditing Standards do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and Government Auditing Standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any latter periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the basic financial statements; schedule of expenditures of federal awards; schedule of expenditures of state awards; federal award programs; compliance with laws, regulations, contract, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures - Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to Government Auditing Standards.

As required by OMB Circular A-133, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, Government Auditing Standards, and OMB Circular A-133.
Kilgore Junior College District
June 1, 2015
Page 5

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Kilgore Junior College District’s compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to Government Auditing Standards.

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the OMB Circular A-133 Compliance Supplement and related addenda for the types of compliance requirements that could have a direct and material effect on each of Kilgore Junior College District’s major programs. The purpose of these procedures will be to express an opinion on Kilgore Junior College District’s compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to OMB Circular A-133.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings.

It is management’s responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors’ reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors’ reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

We will provide copies of our reports to the Board of Trustees of Kilgore Junior College District; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Henry & Peters, P.C. and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to an oversight agency, its designee, or to a federal agency providing direct or indirect funding for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Henry & Peters, P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release or for any additional period requested by an oversight agency or pass-through entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Jana K. Brousard is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services will be at our standard hourly rates, and is estimated to total $61,250. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each
month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2013 peer review report accompanies this letter.

We appreciate the opportunity to be of service to Kilgore Junior College District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

HENRY & PETERS, P.C.

[Signature]

Jane K. Broussard
Certified Public Accountant

RESPONSE:

This letter correctly sets forth the understanding of Kilgore Junior College District.

Governance Signature:

By: ____________________________

Title: __________________________

Date: __________________________

Management Signature:

By: ____________________________

Title: __________________________

Date: __________________________
SYSTEM REVIEW REPORT

November 22, 2013

To the Owners
Henry & Peters, P.C.
and the Peer Review Committee of the Texas Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Henry & Peters, P.C. for the year ended June 30, 2013. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm’s compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under Government Auditing Standards; audits of employee benefit plans and audits performed under FDICIA.

In our opinion, the system of quality control for the accounting and auditing practice of Henry & Peters, P.C. in effect for the year ended June 30, 2013, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(es) or fail. Henry & Peters, P.C. has received a peer review rating of pass.

Condley and Company, L.L.P.

Condley and Company, L.L.P.
E. To consider a resolution by Smith County Appraisal District approving the addition of square footage and improvements to its current office – Michael Barnett, Chief Appraiser or Carol Planta, Director of Operations and Board of Directors Chair, Pat Pinkerton-Walker (all from Smith County Appraisal District) – Exhibit #5

Michael Barnett made a brief presentation of their proposal. Karol Pruett made the motion to accept Action Item E as written. Cecelia Sanders seconded the motion. The motion passed unanimously.

Exhibit #5

| Resolution for Taxing Jurisdiction |
| Kilgore College |

STATE OF TEXAS

COUNTY OF SMITH

RESOLUTION TO APPROVE CONSTRUCTION AND IMPROVEMENTS FOR SMITH COUNTY APPRAISAL DISTRICT PROPERTY

WHEREAS, § 6.051, Tex. Property Tax Code authorizes the Board of Directors of an appraisal district to purchase or lease real property, construct or renovate a building or other improvements as necessary to establish and operate the appraisal office.

WHEREAS, the appraisal district received approval from the taxing entities of Smith County in 2004 to construct additional square footage and site improvements with completion in 2005. A decision to purchase land to facilitate entrance and exit from Erwin St. was deferred.

WHEREAS, as part of this proposal, the appraisal district will now seek to acquire the necessary land for an Erwin St. entrance and exit.

WHEREAS, the Board of Directors of the Smith County Appraisal District desires to construct an addition of approximately 5000 square feet to the property situated at 245 S.S.E. Loop 323 and whereas the building in its current condition needs some remodel consistent with current code and legal compliance.

Exhibit #5 cont. on next page
WHEREAS, the referenced provisions of the Texas Property Tax Code authorize the following action:

WHEREAS, on March 19th the Smith County Appraisal District passed a resolution to construct additional improvements to the building located at 245 S.S.E. Loop 323.

- The estimated cost of building addition $750,000
- The estimated cost of parking lot and improvements $400,000
- The estimated remodel cost of existing space $75,000
- The estimated cost for existing roof replacement $180,000
- The estimated cost of storage building (864 sq. ft.) $45,000
- Total $1,450,000
- Architect fees at 6% $87,000
- *Not to exceed 10% in variance $1,537,000

WHEREAS, such Resolution is for purposes of obtaining the required approval of each taxing unit entitled to vote on the approval of the proposal and that the passage of this resolution does not constitute acceptance of any bids submitted by any entities in anticipation of the renovation of the property.

NOW, THEREFORE, BE IT RESOLVED by Kilgore College.

RESOLVED, pursuant to Section 6.051 of the Tax Code, Kilgore College [approves or disapproves] the resolution for the construction and renovation of the appraisal district building.

ADOPTED this 8th day of June, 2015.

________________________
Board President

ATTEST:

________________________

Exhibit #5 cont. on next page
STATE OF TEXAS

COUNTY OF SMITH

RESOLUTION # of the SMITH COUNTY APPRAISAL DISTRICT

WHEREAS, § 6.051, Tex. PROPERTY TAX Code authorizes the Board of Directors of an appraisal district to purchase or lease real property, construct or renovate a building or other improvements as necessary to establish and operate the appraisal office.

WHEREAS, the appraisal district received approval from the taxing entities of Smith County in 2004 to construct additional square footage and site improvements with completion in 2005. A decision to purchase land to facilitate entrance and exit from Erwin St. was deferred.

WHEREAS, as part of this proposal, the appraisal district will now seek to acquire the necessary land for an Erwin St. entrance and exit.

WHEREAS, the Board of Directors of the Smith County Appraisal District desires to construct an addition of approximately 5000 square feet to the property situated at 245 S.S.E. Loop 323 and whereas the building in its current condition needs some remodel consistent with current code and legal compliance.

WHEREAS, the referenced provisions of the Texas Property Tax Code authorize the following action:

Exhibit #5 cont. on next page
WHEREAS, on March 19th the Smith County Appraisal District passed a resolution to construct additional improvements to the building located at 245 S.S.E. Loop 323.

- The estimated cost of building addition $750,000
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- The estimated remodel cost of existing space $75,000
- The estimated cost for existing roof replacement $180,000
- The estimated cost of storage building (864 sq. ft.) $45,000
  Total $1,450,000
- Architect fees at 6% $87,000
  Total $1,537,000

WHEREAS, such Resolution is for purposes of obtaining the required approval of each taxing unit entitled to vote on the approval of the proposal and that the passage of this resolution does not constitute acceptance of any bids submitted by any entities in anticipation of the renovation of the property.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Smith County Appraisal District:

RESOLVED, pursuant to Section 6.051 of the Tax Code, the Smith County Appraisal District approves site improvements, construction and renovation of the appraisal district property at an estimated cost of $1,537,000.

ADOPTED this 19th day of March 2015.

Chairman of the Board of Directors
Smith County Appraisal District

ATTEST:

Exhibit #5 cont. on next page
### 2016 Estimated Allocation for Appraisal District Improvements

$1.5 Million Note @3.5%-4% for 20 Years = $100,000

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<tr>
<th>Taxing Unit</th>
<th>2014 Tax Levy</th>
<th>Percent of Total Levy</th>
<th>Payment Based On 100,000</th>
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<td><strong>100,000</strong></td>
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Exhibit #5 cont. on next page

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Summary of Options and the Projected Cost

In considering whether to move forward in expanding or remodeling the appraisal district, consideration has been given to other options. A summary for the options of relocating or leasing similar property that would meet the needs of the appraisal district follows:

Relocation to an existing property ($2,100,000 or more)

Features that need to be considered in looking at an existing property are square footage, parking, accessibility, and energy efficiency. The appraisal district needs approximately 24,000 square feet and 125 parking spaces.

There are very few properties that readily meet our move in requirements. Most are limited with parking and the need to do considerable rehab.

This past year we looked at a property on the North Loop. Considerable redesign would have been required. The property recently sold for $973,000. Current remodel is estimated at $1 million will be used for retail space. We previously considered a property on Broadway and Front St. This property had limited parking and would have required substantial remodel. This property recently sold for approximately $1.2 million. We recently inspected a building located on the corner of Broadway and Elm St. This building is currently on the market for $600,000. This building has 8 stories and approximately 50,000 square feet. The building is a shell and could probably be purchased for $500,000. We estimate another $2.5 million or greater to rehab. There is no surface parking although the recently constructed City of Tyler parking garage across the street would be available.

Though there appear to be no good matches, we have tried to extract from recent market sales a probable purchase price for an existing building.

Based upon current market trends, we believe it to be reasonable that an existing building in the 20,000 square foot range would cost $65-$85 per square foot. Considering a $25 per square foot allowance for rehab we estimate that the total cost for us to acquire an existing building would be $2,100,000 or more ($85 x 24,000 square feet), depending on rehab costs.

Relocation to build a new property ($3,500,000 or more)

Consideration for building a new property would in part be driven by the purchase of a site. We estimate site size to be 3-6 acres. We have given consideration to sites that are located east, west, or north of central Tyler. Sites that are to the south will have a more significant acquisition cost (minimum $10/square foot).

In conclusion, we estimate acquisition of a new site would range from $5-$6 a square foot or approximately $1 million.

We estimate new construction to be $110 per square foot or $2.4 million. This is substantiated by a building that is currently under construction for the State of Texas at a confirmed price of $100 per square foot. Such building is a basic brick veneer single story.

The estimated combined land and building price for a new 24,000 square foot building is $3.5 million or $145 per square foot.

Lease an existing property ($264,000 annual lease or more)

A third option is consideration for a long term lease. The inherent limitation is predicting future lease rates and not having ownership that would limit tenant rights.

Due to the limited number of properties with 20,000 square feet or more currently available, we have identified only one suitable prospect for a lease. Given size and location demands, an analysis of the potential lease is as follows:
Summary of Options and the Projected Cost

A single tenant building located on Broadway has 23,000 square feet. The asking rent is $11.50 NN, which includes a standard rehab allowance.

We estimate current market lease rate to be $10-$11 NN per square foot. Based on this rate, the annual lease payment for 24,000 square feet would be $254,000. An option to lease based upon new construction would be driven by site value and new improvement costs, with a potential new lease to be in range of $13-$15 per square foot. The recent State of Texas construction lease is confirmed to be $12 per square foot.

Proposal

We estimate the current market value of the appraisal district building to be at $900,000 ($48 per square foot). The current facility is well adapted to its use. We estimate the approximately 6,200 square foot addition to cost $750,000. Additionally, a roof replacement for the existing portion of the building is estimated at $160,000.

Consideration for the new construction takes into consideration the marketability of the building if sometime in the future a sale is indicated. The retrofitted building with the new addition could be easily divided into multi-tenant space. Another consideration is that the current building is fairly energy efficient and with the new roof should be even more efficient.

We recommend the best solution is to move forward with the addition of approximately 6,200 square feet.

Likewise, the current site provides ample room to expand parking and a suitable site for a storage building. The site would be further enhanced should the district proceed with the purchase of a lot that is contiguous with the north-west corner of the existing property with frontage on Erwin St. This would provide access from Erwin St. Ingress/egress is extremely important as a significant number of our visitors are senior citizens and this would provide an alternative exit should an emergency occur.

Of great importance is that the new addition would significantly improve security. Adjacent board rooms may be more easily observed by security personnel. Our current layout places board rooms at opposite ends of the building.

Summary

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building addition</td>
<td>$750,000</td>
</tr>
<tr>
<td>Parking lot &amp; improvements</td>
<td>$400,000</td>
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<tr>
<td>Remodel of existing space</td>
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<tr>
<td>Existing roof replacement</td>
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<tr>
<td>Storage building</td>
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<tr>
<td>Total</td>
<td>$1,450,000</td>
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<tr>
<td>Architect fees at 6%</td>
<td>$ 87,000</td>
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<tr>
<td></td>
<td>$1,537,000</td>
</tr>
</tbody>
</table>
F. To consider a 50% historical property tax exemption for the Dr. E.L. and Nancy Walker Recorded Historic Texas Landmark home in Gladewater, Texas owned by Matthew and Memori Ruesing – Exhibit #6

James Walker made the motion to accept Action Item F as written. Bob Heath seconded the motion. The motion passed with 6 yea votes and 2 nay votes by Scott Andrews and Joe Carrington.

Exhibit #6

Kilgore College
Attention Nancy Law, Assistant to the President
1100 Broadway
Kilgore, Texas 75662

To Whom It May Concern: Kilgore College Board

This letter is presented to the Kilgore College Board in reference to Texas Tax Code 11.24 part of the Texas Constitution, which states

The governing body of a taxing unit by official action of the body adopted in the manner required by law for official actions may exempt from taxation part or all of the assessed value of a structure or archeological site and the land necessary for access to and use of the structure or archeological site, if the structure or archeological site is:
(1) designated as a Recorded Texas Historic Landmark under Chapter 442, Government Code, or a state archeological landmark under Chapter 191, Natural Resources Code, by the Texas Historical Commission; or
(2) designated as a historically or archeologically significant site in need of tax relief to encourage its preservation pursuant to an ordinance or other law adopted by the governing body of the unit.
Amended by 1995 Tex. Laws, p. 917, ch. 109, Sec. 21.

Cross References:
Exemption application form, see Rule Sec. 9.415.
Annual application required, see Sec. 11.43(b).
Constitutional authorization, see art. VIII, Sec. 1-f, Tex. Const.
Historical preservation societies, charitable exemption, see Sec. 11.13.

We own the Dr. E.L. and Nancy Walker Recorded Historic Texas Landmark home in Gladewater, Texas (refer to enclosed letter). This home is our primary residence and roughly 900 square feet of the property is being used for our Bed and Breakfast business.

Many of the Recorded Historic Texas Landmark homes in Tyler, Texas receive the above mentioned historical property tax exemption at a rate of 50 to 75%. We are petitioning the Kilgore College Board to grant this same exemption in the amount of 50% which according to the current Gregg County Appraisal tax roles would be $223.91 for the tax year.

We look forward to your vote in favor of this request and a letter detailing your decision.

Thank you,

Sincerely,

Matthew and Memori Ruesing

Exhibit #6 cont. on next page
August 12, 2013

Memory Reusing
214 E. Commerce
Gladewater, Texas 75647

Re: Dr. E. L. and Nannie Lewis Walker House, 214 E. Commerce, Gladewater, Gregg County

Dear Mr. Ruesing,

This letter serves as comment from the State Historic Preservation Officer (SHPO), the Executive Director of the Texas Historical Commission (THC).

This is to confirm the Dr. E. L. and Nannie Lewis Walker House, located at 214 E. Commerce in Gladewater, Texas is a Recorded Texas Historic Landmark (RTHL). The historic designation was awarded to the building in 2004. This information is also available on the Atlas of our website: http://atlas.thc.state.tx.us/index.asp. Attached is a printout of the page from the Atlas.

If there are any questions concerning this information or if we can be of further assistance, please contact Quana Childs at 512/483-9122.

Sincerely,

[Signature]

Quana Childs, Architect
For: Mark Wolfe, State Historic Preservation Officer

Attachment

cc: Gregg County Historical Commission

MW/OC
Section VIII. on the Agenda was Board Discussion Items

Bill Holda read a letter from ERI suggesting KC take no action related to asbestos until the Asbestos Management Report is delivered later in the summer.

Section IX. on the Agenda was Administrative Discussion Items
A. Budget Reports – Duane McNaney
B. Quarterly Budget Adjustments – Duane McNaney

Duane McNaney was available to answer questions related to Items A and B.

Section X. on the Agenda was Administration Comments
A. Upcoming Dates and Events – Dr. Bill Holda

Dr. Holda reported on upcoming dates and events, including an upcoming Board Training Session with Roberto Zarate. A calendar of events can be found on the Kilgore College website at www.kilgore.edu.

B. Reports on recent college happenings – Dr. Bill Holda

Dr. Holda reported on various college activities.

Section XI. on the Agenda was Adjournment

Mr. Woodfin adjourned the meeting at 8:39pm.

Respectfully submitted,

[Signature]
Nancy Law
Nancy Law, Recording Secretary
Kilgore College Board of Trustees

[Signature]
Larry Woodfin
President of the Board

[Signature]
J. Karol Emmett
Secretary of the Board

June 8, 2015 Minutes