



Odessa College

Regular Meeting

Tuesday, May 28, 2019 6:30 PM

AGENDA OF REGULAR MEETING
Odessa College Board of Trustees
Tuesday, May 28, 2019, 6:30 PM
Zant Community Room, 2nd Floor, Salusbury Campus Center

1. **Call to Order** - Mr. Tommy Clark
2. **Pledge of Allegiance: United States & Texas** - Mr. Tommy Clark
3. **Scholarship Presentation: Odessa Board of Realtors** - Ms. Jacqui Gore
4. **Introduce Employee Excellence Award Winners** - Ms. Kim McKay
5. **Introduce New Employees** - Mr. Ken Zartner
6. **Approval of Minutes of Regular Meeting of April 23, 2019 and Special Meeting of May 17, 2019** - Mr. Tommy Clark 4
7. **Action Items**
 - A. **Committee Reports**
 1. **Property Committee** - Dr. Tara Deaver
 - a. Report on Award of Bid for Replacement of Cardio Equipment for Sports Center 11
 - b. Report on Award of Bid for Roofing Repairs & Replacements 12
 - c. Report on Award of Bid for Automotive Lifts for Sewell Auto Tech 13
 - d. Report on Award of Bid for Sewell Auto Tech Signage 14
 - B. **Monthly Financial Statements & Budget Amendments** - Ms. Virginia Chisum 15
 - C. **Issuance of Certificates of Election** - Ms. Virginia Chisum
 - D. **Administer Oath of Office to Re-elected Board Members Royce Bodiford, Neil Grape, and Tommy Clark** - Ms. Gene Agnew
 - E. **Recommendation for Appointment of Independent Auditors** - Ms. Brandy Ham
 - F. **Amend Investment Policy to Designate Investment Officers** - Ms. Virginia Chisum 18
 - G. **Extension of Depository Contract with Frost Bank** - Ms. Virginia Chisum 35
 - H. **Approval of Municipal Advisory Agreement with RBC Capital Markets** - Ms. Virginia Chisum 36
 - I. **Reorganization of the Board** - Mr. Tommy Clark
8. **Informational Items**
 - A. **Report on Odessa College Foundation Student Success Scholarship Employee Campaign** - Ms. Jacqui Gore
 - B. **Education Report: New School Alignment** - Dr. Aimee Callahan
 - C. **Institutional Effectiveness Report** - Dr. Donald Wood
 - D. **President's Report** - Dr. Gregory Williams
 1. Record Graduations on May 10 & 11
 2. Golf Team Update
 3. SACSCOC Site Visit Results
9. **Adjournment** - Mr. Tommy Clark

Gregory D. Williams, Ed.D., President

EXECUTIVE/ CLOSED SESSION: If during the course of the meeting, any discussion of any item on the agenda should be held in executive or closed session, the Board will convene in such executive or closed session in accordance with the Texas Open Meeting Act, Section §551.001 of the Texas Government Code.

Minutes of a Regular Meeting of the Odessa College Board of Trustees held Tuesday, April 23, 2019, in the Zant Community Room, Saulsbury Campus Center, with the following:

Present

Royce Bodiford
Tommy Clark
Dr. Tara Deaver
Neil Grape
Gary Johnson
Larry Johnson
J. E. "Coach" Pressly
Bruce Shearer

Absent

Richard Abalos

Meeting was called to order by Board of Trustees President, Mr. Tommy Clark, at 6:34 p.m.

Pledge of Allegiance: United States & Texas

Mr. Clark led the group in the pledges.

Introduce Baseball Team

Mr. Wayne Baker, Athletic Director, introduced Coach Paul Chavez, in his 22nd year at Odessa College. Coach Chavez introduced the team. Coach Chavez stated that the team qualified for the national championship and that every team member had over a 3.0 GPA in the fall semester.

Introduce New Employees

Mr. Ken Zartner, Vice President for Administrative Services, introduced the following new employees:

Melissa Brumley – GED Instructor
Rachel Galindo – Customer Service Specialist
Luis Sanchez - Grounds

Approval of Minutes of Regular Meeting of March 25, 2019

Mr. Gary Johnson moved, seconded by Mr. Grape, to approve the minutes of the Regular Meeting of March 25, 2019, with the following correction: Under "Introduce Baseball Team" Coach Logan Lay should read Coach Kurtis Lay.

Motion passed unanimously.

Committee Reports

1. Finance Committee

a. Consider Tax Abatement Request from Origis Energy

Committee Chairman, Mr. Gary Johnson, stated that the Finance Committee met recently to

consider details of a tax abatement request from Origis Energy. The committee recommends an 80% abatement for the first 5 years, then 50% for the next 5 years.

Mr. Gary Johnson moved, seconded by Mr. Shearer, to approve a tax abatement for Origis Energy at 80% for the first 5 years, then 50% for the next 5 year.

Motion passed unanimously.

2. Property Committee

a. Report on Bid for 25-Passenger Bus

Committee Chairwoman, Dr. Tara Deaver, stated that the Property Committee met recently to review 4 bids for a 25-passenger bus. The committee approved a bid in the amount of \$89,999 from Creative Bus Sales, Irving, Texas. The bus will replace the 25-passenger bus that was involved in a weather-related accident in December, 2018, and totaled by the insurance company.

Reappointment of College Attorney

Dr. Gregory Williams, President, stated that college attorney, Eric Rich, of the Shafer Law Firm, has done a good job for the college over the past year and he recommended his reappointment.

Mr. Gary Johnson moved, seconded by Mr. Bodiford, to reappoint college attorney, Eric Rich.

Motion passed unanimously.

Monthly Financial Statements & Budget Amendments

Ms. Virginia Chisum, Vice President for Business Affairs, highlighted various areas of the financial statements and budget amendments as printed below:

(Kristi Gibbs will put financial reports in minute book)

Mr. Shearer moved, seconded by Dr. Deaver, to approve the Monthly Financial Statements and Budget Amendments.

Motion passed unanimously.

Executive Session: Personnel – Recommendation for Administrative Appointments Pursuant to Section 551.074 of the Texas Open Meetings Act of the Government Code

Executive Session: Personnel – Board Self-Evaluation, Pursuant to Item 551.074 of the Texas Open Meetings Act of the Government Code

Mr. Shearer moved, seconded by Mr. Gary Johnson, to go into executive session to discuss the results of the Board self-evaluation and the following administrative contracts:

Dr. Gregory Williams, President
Dr. Aimee Callahan, Vice President for Instruction

Ms. Kim McKay, Vice President for Student Services & Enrollment Management
Mr. Robert Rivas, Chief of Staff
Shawn Shreves, Vice President for Information Technology
Dr. Donald Wood, Vice President for Institutional Effectiveness
Mr. Ken Zartner, Vice President for Administrative Services

Motion passed unanimously.

The Board went into executive session at 6:48 p.m.

The meeting was resumed at 7:34 p.m.

Mr. Clark stated that no action was taken during the executive session. He stated that Dr. Williams is evaluated annually by the Board each April and that the Board conducts and discusses the results of their annual self-evaluation each April.

Mr. Gary Johnson moved, seconded by Mr. Shearer, to approve the following administrative appointments:

Dr. Aimee Callahan, Vice President for Instruction
Ms. Kim McKay, Vice President for Student Services & Enrollment Management
Mr. Robert Rivas, Chief of Staff
Shawn Shreves, Vice President for Information Technology
Dr. Donald Wood, Vice President for Institutional Effectiveness
Mr. Ken Zartner, Vice President for Administrative Services

Motion passed unanimously.

Mr. Gary Johnson moved, seconded by Mr. Bodiford, to approve the contract for Dr. Gregory Williams and extend it from 3 to 5 years, with an annual review.

Motion passed unanimously.

Education Report

Ms. Kim McKay, Vice President for Student Services and Enrollment Management, stated that not only was the Sports Center home to Wrangler athletics – but also to a first class fitness center. Ms. McKay introduced Ms. Christine Williams, Director of Community Recreation.

Ms. Williams stated that the Sports Center has increased operating hours by 40% since fall 2017, and is now open 7 days a week. The Sports Center has increased its membership options, added installment plans, and increased promotion. As a result, memberships have tripled. The over 110,000 sq. foot facility includes the main gym, the ICA gym, an indoor pool, community and athletics weight rooms, a fitness center, indoor and outdoor tracks, a group fitness studio, 2 classrooms, 3 racquetball courts, general and faculty/staff locker rooms, and also utilizes the 4 OC Softball & Tennis Complex tennis courts. Staff members include Ms. Williams, Al Almodova - Sports Center Manager, Minerva Younke - Sports Center Secretary, and over 100 part time staff including certified group fitness and water fitness instructors, certified personal trainers, certified swim instructors, a professional tennis player, summer camp coaches and instructors, and lifeguards. Services include over 70 group/water fitness classes per week, a personal training program, 4 and 8-week fitness boot campus, lifeguard certification courses, a 5K training class, AHA

CPR/AED certification courses, Wrangler fitness orientation, summer camps and group swim lessons. Ms. Williams shared some of the dates of upcoming courses.

Institutional Effectiveness Report

Dr. Don Wood, Vice President for Institutional Effectiveness, stated that since 2011, Permian Basin oil production has risen from 1 million to 4 million barrels a day, which has created all kinds of infrastructure issues and needs in our area. Community planning is needed to meet future needs and understand our resources – people, money, facilities. Individual communities in the area have their own unique issues and needs. Historically, colleges have served communities by presenting their offerings to the community, which isn't always effective. A "needs assessment" for each community would inform education program choices and investment. Odessa College has developed the ability to go into a community and do a needs assessment. Professional organizations provide this service, but they normally take several months and can cost over \$60,000. Odessa College started with the Andrews community. Dr. Wood shared key trend data from Andrews, including the employment increases, unemployment rate, and wages and shared the total workforce needs of the community. He also highlighted some findings from the Monahans needs assessment. Dr. Wood introduced Mr. Robert Rivas, Chief of Staff, who led the reorganization that allows us to take these needs assessments and apply them to specific programs in the community.

Mr. Rivas stated that he had the opportunity to work with our teams in the OC extension sites. While we take care of home very well, we didn't have a central home for the areas outside Ector County. Mr. Rivas stated that the board recently approved a new position: Executive Dean of Academic Partnerships - Dr. Jonathan Fuentes. Dr. Fuentes now oversees the OC Monahans, Andrews, and Pecos extension centers, dual credit, and other services all over our service area.

President's Report

Dr. Williams thanked the Board for their support. Dr. Williams introduced Dr. Brad Phillips, Achieving the Dream data coach, who was in attendance.

1. **Introduce Dr. Jonathan Fuentes, Executive Dean of Academic Partnerships**

Dr. Williams introduced Dr. Jonathan Fuentes, who addressed the board briefly.

2. **Graduation, Ector County Coliseum – May 10 & 11, 2019**

We will host 2 Spring graduation ceremonies in the Ector County Coliseum – Friday, May 10, at 7:00 p.m. and Saturday, May 11, at 10:00 a.m. We anticipate another record number of graduates!

3. **Drive to Success Mustang Giveaway – April 25, 2019**

We are looking forward to giving away our 12th Mustang and we hope you can join us on Thursday, April 25th, at 5:30 p.m. at the Taco Villa, 1710 E. 8th Street. Sponsors include Sewell Family of Companies, Taco Villa, Rosa's Café, Lone Star Instrumentation & Electric, Prosperity Bank, and UTPB.

4. **Student Awards of Excellence – April 29, 2019**

We hope you can join us for the Student Awards of Excellence, Monday, April 29, 7:00 p.m. in the OC Sports Center - main gym.

5. **Employee Service Awards – May 3, 2019**

You are also invited to the annual Employee Service Awards, Friday, May 3, in the OC Sports Center – main gym.

6. **Share Student Letter**

I'd like to share some excerpts from a very complimentary letter written by a student to Dr. Barun Gupta, Associate Professor II, Physics.

7. **Odessa College Leadership Institute High Impact Strategies Workshop**

The second Odessa College Leadership Institute High Impact Strategies Workshop took place April 10-12. 48 attendees from 4 colleges in California, Michigan, and Texas came to Odessa College to learn about our initiatives.

8. **Aspen Rising Star Award**

Dr. Williams stated that Odessa College was once again honored by The Aspen Institute with the Rising Star Award at a ceremony in Washington, DC on April 2nd.

Adjournment

The meeting was adjourned at 8:06 p.m.

Secretary

President

Minutes of a Called Meeting of the Odessa College Board of Trustees held Friday, May 17, 2019, in the Administration Bldg., Presidential Conference Room with the following:

Present

Dr. Tara Deaver
Royce Bodiford
Tommy Clark
Larry Johnson

Absent

Richard Abalos
Neil Grape
Gary Johnson
J. E. "Coach" Pressly
Bruce Shearer

Meeting was called to order by Board of Trustees President, Tommy Clark, at 12:05 p.m.

Canvass of Election Results

Mr. Clark supplied board members with copies of the official Canvass Report from the Joint Election of May 4, 2019, provided by Ector County Elections Official, Lisa Sertuche. The board compared the tally list of precinct returns with the totals. Mr. Clark read the following order:

ORDER CANVASSING AN ELECTION

**THE STATE OF TEXAS
COUNTY OF ECTOR
ODESSA COLLEGE DISTRICT**

WHEREAS, this Board of Trustees ordered an election to be held in said District on May 4, 2019, for the ELECTION of one person to the Board of Trustees of the Odessa College District, Place 9; and

WHEREAS, said Board of Trustees has investigated all matters pertaining to said election, including the ordering, giving notice, appointing election officers, holding and making returns of said election; and

WHEREAS, the election officers who held said election have duly made the returns of the result thereof, and said returns have been duly delivered to said Board of Trustees.

WHEREAS, it is hereby officially found and determined that the meeting at which this Order was adopted was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

THEREFORE, BE IT ORDERED BY THE BOARD OF TRUSTEES OF ODESSA COLLEGE DISTRICT:

1. That the Board of Trustees officially finds and determines that said election was duly ordered, that proper notice of said election was duly given, that proper election officers were duly appointed prior to said election, that said election was duly held, that the District has complied with the Federal Voting Rights Act and the Texas Election Code, that due returns of the result of said election have been made and delivered, and that the Board of Trustees has duly canvassed said returns, all in accordance with law and the Order calling said election.

2. That the Board of Trustees officially finds and determines that the following votes were cast in favor of the following declared candidates, as follows:

Declared Candidates, Place 9:

Robert Brescia	<u>126</u> votes
Laci Harris	<u>173</u> votes
Tommy J. Clark	<u>314</u> votes

3. That the Board of Trustees officially finds, determines and determines, and declares that **Tommy J. Clark** was elected to the Board of Trustees of said District subject to taking his oath.

Mr. Larry Johnson moved, seconded by Mr. Bodiford, to approve the Order Canvassing an Election.

Motion passed unanimously.

Adjournment

The meeting was adjourned at 12:09 p.m.

Secretary

President

PROPERTY COMMITTEE BID TABULATION
Sports Center Cardio Equipment Replacement

BID/RFP NO: #19-001 (BuyBoard Co-Op)
 PROJECT DESC: Sports Center Cardio Equipment Replacement
 OPENING DATE: 5-21-2019
 ESTIMATED BUDGET: \$45,000 annually
 EST. TIMELINE OF WORK: Completed by August 15, 2019

SCOPE OF PROJECT: The Sports Center Cardio Equipment is overdue for replacement through a rotating lease that expired on August 31, 2017. Competitive Proposals were sent to five qualified vendors. Two complete proposals were received. Marathon Fitness is the West Texas authorized distributor and service center for PreCor. Fitness Specialty is the authorized distributor for Cybex and Octane and is the service center for these manufacturers.

<u>VENDORS</u>	<u>MANUFACTURER</u>	<u>BID/PROPOSAL</u>
Marathon Fitness Sugar Land, Texas	PreCor	\$ 144,518.60
Fitness Specialist Odessa, Texas	Cybex-Octane	\$ 49,010.00
Grand Total		\$193,528.60

OTHER PERTINENT FACTS OR INFORMATION: The Sports Center staff, purchasing, and customers performed an evaluation to determine brands and manufactures deemed to be the best value in prior contract years. The annual cost for a 48-month lease for the new cardio equipment would be slightly over budget. However, due to increase of memberships, the lease would be manageable and would provide our customers excellent equipment and dependability, while providing a good trade in value at the end of the 48-month lease period.

The lease agreement would be a 48-month lease at .02231% for a monthly payment of \$4,318 or annual payment of \$50,943 due starting September 1, 2019 with a \$1 buyout at the end of 48 months. Total financing cost is \$10,243.

Administration Recommends: Award to Marathon Fitness for \$ 144,518.60
and to Fitness Specialist for \$ 49,010.00

Action of the Property Committee:

Awarded Vendor: Marathon Fitness & Fitness Specialist Amount: \$144,518.60 & \$49,010.00
 Voting For: T. Deaver, L. Johnson, R. Abalos, N. Grape
 Voting Against: -none- Date: 5-23-2019

**PROPERTY COMMITTEE BID TABULATION
ROOF REPLACEMENTS (MULTIPLE FACILITIES)**

PROJECT NO.: 19-1138-49
PROJECT NAME: ODESSA COLLEGE ROOF REPLACEMENTS - MULTI-FACILITIES
PRE-BID DATE: Thursday, May 16, 2019 AT 9:00 A.M.
BID DATE: Thursday, May 23, 2019 AT 2:00 P.M.

BIDDERS	ATTENDED PRE-BID	BID BOND	PROPOSAL 1 - SPUR BLDG.	PROPOSAL 2 - SAULSBURY CAMPUS (ROOF AREAS A, B, C, D, E & F)	PROPOSAL 3 - WILLIAMS HALL (ROOF AREAS (A, B, C & D)	TOTAL - ALL BUILDINGS
BASE BID: Work shall include removal of the existing roof assembly down to the substrate. Mechanically fasten the specified 4" polyisocyanurate to the deck as per ASCE 7 Criteria. Adhere the specified cover board in Type IV asphalt. Install all associated crickets as noted on the roof plan. <u>Then install a new thermoplastic roof system as specified.</u>						
CS ADVANTAGE	Y	Y	\$349,000.00	\$500,000.00	\$210,000.00	\$1,059,000.00
RAIN SEAL	Y	Y	\$440,600.00	\$675,800.00	\$310,200.00	\$1,426,600.00
ADVANTAGE USAA	Y	Y	\$471,000.00	\$594,000.00	\$305,500.00	\$1,370,500.00
ALTERNATE A (Upgraded Roof): Work shall include removal of the existing roof assembly down to the substrate. Mechanically fasten the specified 4" polyisocyanurate to the deck as per ASCE 7 Criteria. Adhere the specified cover board in Type IV asphalt. Install all associated crickets as noted on the roof plan. Then adhering the 1/2" cover-board set it the specified adhesive. <u>Adhere one layer of the specified modified base sheet and one layer of the specified coal-tar elastomeric membrane, flood coat and gravel.</u>						
CS ADVANTAGE USAA	Y	Y	\$369,000.00	\$520,000.00	\$220,000.00	\$1,109,000.00
RAIN SEAL	Y	Y	\$425,800.00	\$645,000.00	\$270,000.00	\$1,340,800.00
ADVANTAGE USAA	Y	Y	\$462,000.00	\$582,000.00	\$299,500.00	\$1,343,500.00

Option 1:	<u>Base Proposal</u> on all buildings. TASB should cover 100% of cost.
Option 2:	<u>Alternate</u> for Codes and Upgrades. TASB will pay 100 % of Base Proposal. Odessa College will pay the difference of \$50,000 which will be covered by a \$63,000 Change Order from savings on the current roofing project at Rodgers Fine Arts Building.

ADMINISTRATION RECOMMENDS:

Option 2, award Alternate Bid for Codes and Upgrades to CS Advantage for total bid of \$1,109,000.00.

Action of the Property Committee:

Awarded Vendor: C S Advantage USAA Amount: \$1,109,000
 Voting For: T. Deaver, L. Johnson, N. Grape, R. Abalos
 Voting Against: - none- Date: 5/28/2019

BID TABULATION FOR PROPERTY COMMITTEE
Automotive Lift System for Sewell Tech

BID/RFP NO: #19-011 Automotive Lift System
 PROJECT DESC: Sewell AutoTech Lifts & Equipment
 OPENING DATE: 5-23-2019
 ESTIMATED BUDGET: \$120,000 ODC Grant
 EST. TIMELINE OF WORK: 8 weeks

SCOPE OF PROJECT: Competitive Proposals were sent to three qualified vendors. Two complete proposals and one partial proposal were received. Proposals include cost of items, delivery and installation.

<u>VENDORS</u>	<u>MANUFACTURER</u>	<u>BID/PROPOSAL</u>
Snap-On Industrial	John Beam	\$ 137,572.68
David Cowan Equipment	Rotary	\$ 127,445.00- 16k 2-Post \$ 137,645.00- 20k 2-Post
Reeder Distributors, Inc.	Steritil-Komi Rotary	\$78,120.00 (no bids on 2-Post Lifts)

OTHER PERTINENT FACTS OR INFORMATION: Rotary did not offer a scissor lift, suggested purchasing another 2 post lift.

Administration Recommends: Award to Snap-On Industrial for \$ 137,572.68

Action of the Property Committee:

Awarded Vendor: Snap-On Industrial Amount: \$137,572.68
 Voting For: T. Deaver, N. Grape, L. Johnson, R. Abalos
 Voting Against: -non- Date: 5-23-2019

PROPERTY COMMITTEE BID TABULATION

BID/RFP NO: RFP # 19-012

OPENING DATE: May 23, 2019

PROJECT DESC: Sewell AutoTech Signage

ESTIMATED TIMELINE: Complete within 90 days

SCOPE OF PROJECT:

Base Bid: Fabricate and Install Electronic Pylon Sign with BlackWatch LED Display
Alternate #1: Substitute Daktronics LED Display
Directional Signage: Provide and install one (1) Directional Sign.
Letter Forms: Truck Driving Academy, Sewell Auto Technology

OTHER PERTINENT FACTS OR INFORMATION:

RFP Packages and drawings were sent to by six vendors. They were given 3 weeks to complete the proposal. Only two Proposals were received.

	Base Bid	Alternate Daktronics	Directional Signage	Letter Forms	Total Bid
Ad Display Sign Systems Katy, Texas	\$ 153,322 +Permit \$400	\$ 162,698	\$ 5,064	\$13,533	\$172,319
Wellborn Sign Co. Lubbock, TX	\$125,700	No Bid	\$3,100	\$11,900	\$140,700
Odessa Sign Solution Odessa, Tx	No Bid				
Dale's Signs Odessa, TX	No Bid				
Vital Signs Odessa, TX	No Bid				
GraphTec Houston, TX	No Bid				

Administration Recommends: **Award to Wellborn Sign Co. for \$140,700**

Action of the Property Committee:

Awarded Vendor: _____ Amount: _____
 Voting For: _____
 Voting Against: _____ Date: _____

ODESSA COLLEGE
BUDGET COMPARISON STATEMENT
CURRENT UNRESTRICTED INCOME & EXPENDITURES
April 30, 2019 and 2018

	THROUGH APRIL 2019	TOTAL BUDGET 2018-2019	PERCENT OF BUDGET	THROUGH APRIL 2018	TOTAL BUDGET 2017-2018	PERCENT OF BUDGET
Revenues:						
State Appropriation	5,190,981	8,372,550	62.0%	5,197,909	8,370,061	62.1%
Ad Valorem Taxes	23,070,835	23,847,048	96.7%	21,203,799	22,175,000	95.6%
Tuition and Fees - Credit	11,057,284	10,982,652	100.7%	10,692,963	10,564,630	101.2%
Tuition and Fees - Non Credit	949,352	1,725,596	55.0%	780,336	1,587,015	49.2%
Federal Grants & Contracts	8,345	10,000	83.5%	8,655	10,000	86.6%
Other Income	717,985	1,211,488	59.3%	636,274	1,178,592	54.0%
Gift Income	18,547	116,245	16.0%	13,583	78,695	17.3%
Investment Income	342,388	350,000	97.8%	208,035	350,000	59.4%
Total Revenues	41,355,717	46,615,579	88.7%	38,741,554	44,313,993	87.4%
Salaries and Benefits:						
General Administration	1,324,954	2,030,089	65.3%	1,220,040	1,849,037	66.0%
Student Services	1,654,331	2,509,228	65.9%	1,453,162	2,464,998	59.0%
General Institutional	1,592,313	2,732,136	58.3%	1,556,546	2,597,973	59.9%
Instruction	7,824,328	12,395,876	63.1%	7,003,532	11,313,930	61.9%
Instructional Support	1,821,888	3,456,410	52.7%	1,706,050	3,212,449	53.1%
Public Service	362,426	691,719	52.4%	349,554	714,495	48.9%
Physical Plant	704,756	1,075,949	65.5%	664,588	1,012,801	65.6%
Staff Benefits	3,402,498	5,284,229	64.4%	3,226,933	5,107,182	63.2%
Total Payroll	18,687,494	30,175,636	61.9%	17,180,405	28,272,865	60.8%
Other Operating Expenditures:						
General Administration	227,513	344,856	66.0%	229,443	289,035	79.4%
Student Services	301,459	511,479	58.9%	358,446	553,917	64.7%
General Institutional	2,381,001	3,542,210	67.2%	2,595,986	3,382,517	76.7%
Instruction	789,784	1,074,481	73.5%	779,746	1,251,270	62.3%
Instructional Support	316,924	466,102	68.0%	290,025	507,997	57.1%
Public Service	60,353	165,799	36.4%	88,097	176,915	49.8%
Physical Plant Operations	1,132,169	1,541,641	73.4%	1,070,510	1,522,048	70.3%
Utilities	672,360	1,047,816	64.2%	685,595	1,023,211	67.0%
Scholarships & Allowances	1,352,472	1,603,700	84.3%	1,449,530	1,538,400	94.2%
	7,234,035	10,298,084	70.2%	7,547,378	10,245,310	73.7%
Transfers In:						
Bookstore Profit (Loss)	46,607	65,000	71.7%	91,159	100,000	91.2%
OER Reserve Fund	66,667	100,000	66.7%	-	-	n/a
Other Auxiliary Profit (Loss)	10,789	(38,973)	n/a	(66,032)	(78,385)	n/a
Investment Income - Plant Funds	54,357	30,000	181.2%	45,488	28,000	162.5%
Total Transfers In	178,420	156,027	114.4%	70,615	49,615	142.3%
Transfers Out:						
For Revenue Bond Debt Service	1,685,700	2,484,000	67.9%	1,687,200	2,485,800	67.9%
Tuition for TPEG Scholarships	436,495	450,000	97.0%	412,124	425,000	97.0%
To Technology Replacement Fund	359,823	450,000	80.0%	192,869	300,000	64.3%
To Plant Renew/Replace Fund	537,455	686,100	78.3%	228,683	300,000	76.2%
To Construction Funds	575,000	900,000	63.9%	666,667	1,000,000	66.7%
Athletics Subsidy	1,041,653	1,296,584	80.3%	901,435	1,136,170	79.3%
Other Transfers	-	31,202	0.0%	-	198,463	0.0%
Total Transfers Out	4,636,126	6,297,886	73.6%	4,088,978	5,845,433	70.0%
Excess of Revenues over Expenditures and Transfers	10,976,482	-		9,995,408	-	

**ODESSA COLLEGE
BUDGET ADJUSTMENTS
May 28, 2019**

GENERAL CONTINGENCY EXPENDITURES (11-10390-5388)

Original Budget, September 1, 2018	\$	600,000
Approved Adjustments, September 25, 2018		(42,500)
Approved Adjustments, December 6, 2018		(92,130)
Approved Adjustments, February 26, 2019		(44,161)
Proposed Adjustments, April 23, 2019		(12,535)
Proposed Adjustments, May 28, 2019	**	-
Balance Remaining for General Contingencies	\$	<u><u>408,674</u></u>

INCREASES (DECREASES) IN INCOME BUDGETS

None		-
	\$	<u><u>-</u></u>

INCREASES (DECREASES) IN EXPENDITURE BUDGETS

None		-
	\$	<u><u>-</u></u>

ODESSA COLLEGE
EXPENDITURE VOUCHERS EXCEEDING \$10,000
Apr 17, 2019 - May 21, 2019

04/17/2019	Ron Osborn Inc.	EST building Insulation Removal and Reinstallation	\$20,317.00
04/17/2019	Great Western Dining	Meal Charges (Week ending 04/03/19)	\$21,239.14
04/17/2019	Great Western Dining	Meal Charges (Week ending 03/27/19)	\$20,982.80
04/17/2019	Honeywell, Inc.	Building Automation Maintenance Agreement	\$10,833.54
04/17/2019	NRG Energy, Inc.	Electric Utilities -March	\$54,694.77
04/17/2019	Atmos Energy	Gas Utilities -March	\$11,252.31
04/17/2019	SHI Government Solutions	CommVault Backup Software	\$29,797.70
04/17/2019	Spectrum Corporation	Baseball Field Recreation Equipment and Lighting Products	\$50,051.00
04/24/2019	JLG PR Consulting, LLC	Digital Advertising	\$10,754.00
04/24/2019	Advantage USAA Inc	Roof Replacements - Pay Application #7 (Insurance Claim)	\$70,430.53
04/24/2019	G & G Construction	Deadrick Hall Office Space Remodel	\$19,600.00
04/24/2019	Great Western Dining	Meal Charges (Week ending 04/10/19)	\$27,259.78
04/29/2019	H.E.B.	All In Gift Cards	\$31,001.50
05/01/2019	Ellucian Company, L.P.	Touchnet Payment Center Licenses	\$25,386.00
05/01/2019	Great Western Dining	Meal Charges (Week ending 04/17/19)	\$30,259.48
05/01/2019	PEC Premier Safety Operations, LLC	Occupational Safety and Environment Tech Basic Orientation	\$12,984.35
05/01/2019	Honeywell, Inc.	Spur Hvac Upgrades	\$18,438.39
05/01/2019	Great Western Dining	Meal Charges (Week ending 04/24/19)	\$18,799.91
05/01/2019	Sewell Family of Companies	2019 Ford Mustang - Drive to Success	\$28,386.53
05/08/2019	Legend Fitness	Weight Room Equipment Wrangler Club Funded	\$48,833.22
05/08/2019	GCA Services Group	Custodial Services	\$58,761.48
05/08/2019	Onyx General Contractors LLC	Sewell AutoTech - Pay Application #9	\$716,905.15
05/08/2019	City of Odessa	Water & Sewer Utilities - April	\$15,949.63
05/10/2019	Quality Implement Co.	Graham Center Ranch Amaco Tandem Disc	\$15,000.00
05/14/2019	G & G Construction	Travis Hall Repairs to damaged concrete curb	\$13,080.00
05/15/2019	Stephen Cooper	Contract Instruction - Chevron CE Class (TWC Skills Dev Grant)	\$21,625.18
05/15/2019	NRG Energy, Inc.	Electric Utilities -April	\$46,770.38
05/15/2019	Great Western Dining	Meal Charges (Week ending 05/08/19)	\$26,200.64
05/15/2019	Geary D. Umsted	Contract Instruction - Chevron CE Class (TWC Skills Dev Grant)	\$12,000.00
05/15/2019	Stephen Cooper	Contract Instruction - Chevron CE Class (TWC Skills Dev Grant)	\$21,575.55
05/15/2019	Great Western Dining	Meal Charges (Week ending 05/01/19)	\$21,209.27
05/16/2019	Dacunha, Jeffrey J	Contract Instruction - Chevron CE Class ESP Training	\$11,550.00
05/16/2019	Dacunha, Jeffrey J	Contract Instruction - Chevron CE Class Intro ESP Training	\$12,050.00
05/16/2019	Geary D. Umsted	Contract Instruction - Chevron CE Class Production Operator Field	\$12,000.00

ODESSA JUNIOR COLLEGE DISTRICT

Resolution

ANNUAL REVIEW OF INVESTMENT POLICY

May 28, 2019

Whereas, Sec. 2256.005 (e) of the Texas Public Funds Investment Act states:

"The governing body of an investing entity shall review its investment policy and investment strategies not less than annually. The governing body shall adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the investment policy or investment strategies.";

Whereas, the investment officer has reviewed the policy and strategies with the finance committee of the board, and the finance committee has recommended changes to the investment policy and investment strategies, **as fully described in Exhibit A**;

Be it resolved that the Board of Trustees of ODESSA JUNIOR COLLEGE DISTRICT has on this date reviewed its investment policy and strategies and the proposed changes, and hereby adopts said policy and strategies.

The effective date of the Investment Policy shall be May 28, 2019.

President, Board of Trustees

Attest:

Secretary, Board of Trustees

EXHIBIT A

CHANGES TO INVESTMENT POLICY

May 28, 2019

Section 3.1 (Designated Investment Officer) is amended to add the Executive Director of Finance as an additional Investment Officer. (This change is needed due to the announced retirement of the Vice President for Business Affairs.)

- 3.1 Designated Investment Officer. The Vice President for Business Affairs shall be designated by resolution as the District's Investment Officer. The Investment Officer will approve all transactions conducted within the investment portfolio. The Investment Officer and Chairperson of the Finance Committee of the Board of Trustees or a designated alternate will be responsible for monitoring and reviewing all investment activity on a routine basis. The Executive Director of Finance or the Controller shall be designated as the District's Investment Officer to act in the absence of the Vice President for Business Affairs.

INVESTMENT POLICY

of the

ODESSA JUNIOR COLLEGE DISTRICT

Date of Review

~~September 25, 2018~~ May 28, 2019

**ODESSA JUNIOR COLLEGE DISTRICT
INVESTMENT POLICY
~~September 2018~~May 2019**

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**ODESSA JUNIOR COLLEGE DISTRICT
INVESTMENT POLICY**

**ARTICLE I
PURPOSE AND OBJECTIVES**

- 1.1 Purpose of Policy. The purpose of this Investment Policy is to provide the District with specific guidelines so that the return on available cash reserves in each of the funds under its control may be maximized while the risk to invested capital may be minimized.
- 1.2 Investment Objectives. Investment of funds shall be governed by the following investment objectives, **in order of priority**, for each investable fund listed in Article II.
- a. **Safety of Principal** - to ensure that potential capital losses are avoided by minimizing both credit risk and interest rate risk.
 - Credit Risk – The District will minimize credit risk, the risk of loss due to the failure of the issuer or backer of the investment, by
 - limiting investment to the safest types of investments,
 - pre-qualifying the financial institutions and broker/dealer with which the District will do investment business, and
 - diversifying the portfolio to avoid concentrations within individual financial institutions or types of investments.
 - Interest Rate Risk – The District will manage the risk that interest earnings and the market value of investments will fall due to changes in general interest rates by
 - limiting the maximum weighted average maturities of the investment pools,
 - structuring maturities to meet cash requirements to avoid the need to liquidate investments prior to maturity, and
 - diversifying maturities and staggering purchase dates to minimize the impact of interest rate movements over time.
 - b. **Liquidity** - by structuring maturities to enable the District to meet all cash requirements that might reasonably be anticipated. Because all possible cash demands cannot be anticipated, a portion of the portfolio will be invested in shares of money market mutual funds or local government investment pools that offer same-day liquidity. In addition, a portion of the portfolio will consist of securities with high marketability in secondary or resale markets.
 - c. **Yield** - to attain a market rate of return throughout budgetary and economic cycles, commensurate with prudent risk constraints and the cash flow requirements of the District. Specifically, the portfolio shall be designed with the objective of regularly meeting or exceeding the average rate of return on U.S. Treasury Bills with a maturity comparable to the portfolio's weighted average maturity.
 - d. **Public Trust** - in recognition of the District's primary educational mission and its role as a custodian of the public trust, to avoid any transaction that might impair

public confidence in its ability to govern effectively.

- 1.3 Annual Review of Investment Policy. The Board of Trustees shall review the Investment Policy and Investment Strategy not less than annually and shall adopt a written resolution stating that it has reviewed the investment policy and investment strategies. The resolution so adopted shall record any changes made to either the investment policy or investment strategies.

ARTICLE II SCOPE AND STRATEGY

2.1 Scope. This Investment Policy applies to all financial assets of the District which are accounted for in its annual financial report and may include:

- a. **The Pooled Operating Funds** consisting of:
 - 1. Current unrestricted funds,
 - 2. Current restricted funds whose investments are required by state or federal laws or board policy,
 - 3. Endowment funds, and
 - 4. Agency funds held in trust for others.
- b. **Unexpended Bond Proceeds;**
- c. **Debt Service Interest and Sinking Funds;**
- d. **Debt Service Reserve Funds;**
- e. **Renewal and Replacement Funds;**
- f. Any new fund or trust created by the District, unless specifically exempted from this Policy by the Board of Trustees or by State or Federal law.

2.2 Written Investment Strategy. Each major fund or fund group identified above 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, as well as changes in market and interest rate conditions. The Investment Officer will review the current investment strategy, make appropriate revisions, and present an updated Investment Strategy Statement as a part of each quarterly Investment Report (Article VIII). The written Investment Strategy Statement will address each of the investment objectives listed above.

- a. The investment strategies for the **Pooled Operating Funds** have as their primary objective the assurance that anticipated cash flows are matched with adequate liquidity. A secondary objective is to minimize volatility during economic cycles. Preservation and stability of principal may be accomplished by purchasing high quality, short to medium term securities. The maximum dollar weighted average maturity of the Pooled Operating Funds shall be 548 days, calculated using the stated final maturity dates of each security. No individual security shall have a stated final maturity of more than 5 years, and no more than 50 percent of the pooled operating funds shall be invested in securities having a stated final maturity of more than 2 years.
- b. The investment strategies for **Unexpended Bond Proceeds** have as their primary objective the ability to generate a dependable revenue stream with a low degree of volatility. The investment maturity of bond proceeds (excluding reserve and debt service fund) shall generally be limited to the anticipated cash flow requirement of the "temporary period," as defined by Federal tax law. During the "temporary period," bond proceeds may be invested at an unrestricted yield, subject first to the

objectives of preservation of principal and liquidity. After the expiration of the temporary period, bond proceeds subject to yield restriction shall be invested considering the anticipated cash flow requirements of the funds and market conditions to achieve compliance with the applicable regulations.

- c. Investment strategies for **Debt Service Interest and Sinking Funds** have as their primary objective the assurance of investment liquidity adequate to cover obligations on required payment dates. Funds shall be invested in such a manner so that the maturity date of any investment does not exceed an unfunded debt service date. The bond trustee will invest District funds that have been placed on deposit with the trustee in money market funds, local government investment pools and U.S. government obligations with maturities matching semiannual debt service requirements.
- d. Investment strategies for **Debt Service Reserve Funds** have as their primary objective the ability to generate a dependable revenue stream with a low degree of volatility. Market conditions, bond resolution covenants and arbitrage regulation compliance will be considered when formulating Reserve Fund investment strategy. Except as otherwise required, securities should be of high quality, with short to intermediate term maturities. Maturity limitations shall generally not exceed the call provisions of the bond resolution and shall not exceed the final maturity of the bond issue. The bond trustee will invest in securities that satisfy the Public Funds Investment Act and the terms of the trust indenture and bond resolution.
- e. The investment strategies for **Renewal and Replacement Funds** have as their primary objective the assurance that anticipated cash flows are matched with adequate liquidity. As a result, the appropriate investment scenarios for these funds may change from year to year as plans are developed for the expenditure of these funds. Preservation and stability of principal may be accomplished by purchasing high quality, short to medium term securities. The maximum dollar weighted average maturity of the Renewal and Replacement Funds shall be 2 years. No individual security shall have a stated final maturity of more than 5 years, with no more than 50 percent of the funds invested in securities having a stated final maturity of more than 2 years.

**ARTICLE III
INVESTMENT PERSONNEL**

- 3.1 Designated Investment Officer. The Vice President for Business Affairs shall be designated by resolution as the District's Investment Officer. The Investment Officer will approve all transactions conducted within the investment portfolio. The Investment Officer and Chairperson of the Finance Committee of the Board of Trustees or a designated alternate will be responsible for monitoring and reviewing all investment activity on a routine basis. The Executive Director of Finance and the Controller shall be designated as the District's Investment Officers to act in the absence of the Vice President for Business Affairs.
- 3.2 Term. Investment authority granted to the Investment Officer(s) to deposit, withdraw, invest, transfer, or manage the District's funds is effective until transcended by a resolution of the Board of Trustees.
- 3.3 Statement of Interest and Affiliation. Each Investment Officer shall file a statement disclosing any personal business relationships (as defined by Sec 2256.005 of the Government Code) with an entity seeking to engage in an investment transaction with the District. In addition, the Investment Officer shall file a disclosure statement if the officer is related within the second degree by affinity or consanguinity, as determined under Chapter 573, Government Code, to an individual seeking to engage in an investment transaction with the District. Such statements must be filed with the Texas Ethics Commission and with the Board of Trustees of Odessa College.
- 3.4 Standard of Care. Investment decisions shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the person's own affairs, not for speculation, but for investment. The decisions shall be governed by, in order of priority, safety of principal; liquidity; and yield. The prudence of these decisions shall be determined by taking into consideration the investment of all funds in the District's portfolio and whether the decision is consistent with the District's written Investment Policy.
- 3.5 Personal Responsibility. The designated Investment Officers shall perform their duties in accordance with the adopted Investment Policy. The designated Investment Officers, when acting in accordance with written procedures and this investment policy and exercising due diligence, shall be relieved of personal liability.

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**ARTICLE IV
TRAINING REQUIREMENTS**

- 4.1 Initial Training. The Investment Officers of the District shall attend at least one training session relating to the Officer's investment responsibilities within 6 months after taking office or assuming the investment duties. Each member of the governing board shall attend at least one training session or view the state-approved investment training video within 6 months after taking office.
- 4.2 Continuing Training. Thereafter, the Investment Officers must attend an investment training session not less than once in a two-year period that begins on the first day of the District's fiscal year and consists of the two consecutive fiscal years after that date from an independent source approved by the Board of Trustees. The Center for Public Management at the University of North Texas and the TexPool Academy online training program are approved by the Board of Trustees as providers of continuing investment training.
- 4.3 Topics. Such training shall include education in investment control, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the Texas Public Funds Investment Act, as amended.

**ARTICLE V
AUTHORIZED INVESTMENTS**

District funds shall be invested only in the following authorized investments in accordance with the Texas Public Funds Investment Act, as amended:

- 5.0 Maximum Maturities: In addition to any further maturity restrictions specified in sections 5.1 through 5.9 below, the District
 - a. will maintain a maximum average dollar-weighted maturity of 548 days for its pooled operating funds;
 - b. will not invest more than 50% of pooled operating funds in securities maturing more than two (2) years from the date of purchase;
 - c. will not invest more than 50% of renewal and replacement funds in securities maturing more than two (2) years from the date of purchase; and
 - d. will not invest in any individual security maturing more than five (5) years from the date of purchase.

However, the District may invest its bond reserve funds in authorized securities exceeding these maturity limitations if the maturities are made to coincide as nearly as practicable with the expected use of the funds, do not exceed the call provisions of the bonds, and do not exceed the final maturity of the bond issue.

- 5.1 Obligations of, or Guaranteed by, Governmental Entities.
 - a. Obligations of the United States or its agencies and instrumentalities, including

- U.S. Treasury Bonds, U.S. Treasury Notes, and U. S. Treasury Bills;
- b. Direct obligations of the state of Texas or its agencies and instrumentalities;
- c. Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;
- d. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the state of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; and
- e. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality of not less than A by a nationally recognized investment rating firm.

5.2 Certificates of Deposit.

- a. The District shall invest funds in certificates of deposit through:
 - 1. A broker that has its main office or a branch office in this state and is selected from a list adopted by the District as required by this policy; or
 - 2. A depository institution that has its main office or branch office in the state of Texas and is selected from a list adopted by the District as required by this policy;
- b. The broker or depository institution shall arrange for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions for the account of the District;
- c. The full amount of the principal and accrued interest of each of the certificates of deposit must be insured by the FDIC or an instrumentality of the United States; and
- d. The District shall appoint the depository institution or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to SEC Rule 15c3-3 as custodian for the certificates of deposit.

5.3 Repurchase Agreements.

- a. A "repurchase agreement" means a simultaneous agreement to buy, hold for a specified time, and sell back at a future date obligations described by Article 5.1 above. The agreement must have a defined termination date no greater than 2 years from the date of purchase.
- b. The agreement must be secured in accordance with the Texas State Public Funds Investment Act, as amended.
- c. The securities must be pledged to the District, held in the District's name, and deposited at the time the investment is made with the District or with a third party selected and approved by the District.
- d. The agreement must be placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in Texas.

5.4 Reverse Repurchase Agreements.

- a. The term must not exceed 90 days after the date the reverse repurchase agreement is delivered.
- b. Money received under the terms of a reverse repurchase agreement shall be used to

acquire additional authorized investments, but the term of the authorized investments acquired must mature no later than the expiration date stated in the reverse security repurchase agreement.

5.5 Bankers' Acceptances.

- a. The stated maturity shall not exceed 270 days from the issuance date.
- b. The investment shall be fully liquidated at maturity.
- c. The investment may be used as collateral for borrowing from a Federal Reserve Bank.
- d. The investment may only be accepted by a bank organized and existing under the laws of the United States or any state, if the short-term obligations of the bank or of a bank holding company (of which the bank is the largest subsidiary) are rated not less than A-1, P-1, or an equivalent by at least one nationally recognized credit rating agency.

5.6 Commercial Paper.

- a. The stated maturity shall not exceed 270 days from the issuance date.
- b. The paper must be rated not less than A-1, P-1, or an equivalent by at least:
 - 1) two nationally recognized credit rating agencies; or
 - 2) one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state.

5.7 No-Load Money Market Mutual Fund.

- a. Such fund must be registered with and regulated by the Securities and Exchange Commission (SEC).
- b. Such fund must have a dollar-weighted average stated maturity of not more than 90 days.
- c. Such fund must include in its investment objectives the maintenance of a stable net asset value of \$1 for each share.
- d. The District may not invest, in the aggregate, more than 80% of its monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service, in such fund.
- f. The District's portion may not exceed 10% of the total assets of any individual money market mutual fund.
- g. Such fund must provide the District with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940.

5.8 No-Load Mutual Fund.

- a. The fund must be registered with the Securities and Exchange Commission (SEC).
- b. The fund must have a weighted average maturity of less than 2 years.
- c. The fund must be invested exclusively in obligations approved by the Texas Public Funds Investment Act, as amended.
- d. The fund's investment quality must be continuously rated not less than AAA or its equivalent by at least one nationally recognized rating firm.
- e. The District may not invest in the aggregate more than 15% of its monthly average

fund balance, excluding bond proceeds and reserves and other funds held for debt service, in such fund.

- f. The District may not invest any portion of bond proceeds, reserves, or funds held for debt service in mutual funds described by Article 5.8.

5.9 Public Funds Investment Pools.

- a. The District must authorize investments to be made through a particular pool by resolution.
- b. The investment pool must furnish to the investment officer an offering circular or other similar disclosure instrument than contains information required by Sections 2256.016 (b) through (h) of the Texas Public Funds Investment Act, as amended.
- c. An investment pool created to function as a money market mutual fund must mark its portfolio to market daily and, to the extent reasonably possible, stabilize at a \$1 net asset value.
- d. A public funds investment pool that is managed by a state agency shall establish an advisory board in accordance with the Texas Public Funds Investment Act, as amended.
- e. A public funds investment pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service.

5.10 Corporate Bonds.

- a. The District may invest in corporate bonds, debentures, or similar debt obligations rated by a nationally recognized investment rating firm in one of the two highest long-term rating categories, as authorized by Section 2256.020 (Authorized Investments for Institutions of Higher Education.)
- b. The District shall not invest, in the aggregate, more than 25% of its monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service, in such investments.

**ARTICLE VI
UNAUTHORIZED INVESTMENTS**

6.1 The District shall not invest in:

- a. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal (interest-only strips);
- b. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest (principal-only strips);
- c. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index (inverse floaters); or
- d. Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years.

6.2 The District shall not invest any bond proceeds, interest and sinking funds, or reserve funds in any securities or obligations not otherwise authorized by the applicable bond resolution.

**ARTICLE VII
INVESTMENT PROCEDURES**

7.1 General.

- a. All vouchers, checks, drafts, and certificates of deposit, and any other instruments necessary in the transaction of the District's financial affairs shall bear the signature of any two (2) District officers except orders for the release or exchange of securities held as collateral for the District's funds on deposit with its depository bank, which shall require a signature as set forth on the Pledged Signature Authorization Form on file with the bank.
- b. Pursuant to the Texas Public Funds Investment Act, funds may be transferred by electronic means.
- c. All security transactions, except investment pools and mutual funds, shall be conducted on a delivery versus payment (DVP) basis. Securities will be held by a third party custodian and evidenced by safekeeping receipts.
- d. The Investment Officer shall solicit bids for the purchase of certificates of deposit from at least three sources. The bids may be solicited orally, in writing, electronically, or in any combination of the above. Oral bids shall be recorded by the Investment Officer and shall include the bidder's name, telephone number and date of offer.

7.2 Authorized Business Organizations.

- a. The Investment Officer must present a written copy of the District's Investment Policy to each person or organization offering to engage in an investment transaction with the District.
- b. The District is prohibited from purchasing investments unless the qualified representative of the business organization offering to engage in an investment transaction has signed and delivered a written instrument (in substantially the form as provided in Exhibit A) stating that the business organization:
 - (1) has received and reviewed this Investment Policy and
 - (2) has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the District and the organization that are not authorized by this investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the District's entire portfolio or requires an interpretation of subjective investment standards.
- c. The Board of Trustees or the Finance Committee of the Board of Trustees shall annually review, revise, and adopt a list of qualified business organizations authorized to engage in investment transactions with the District.

ARTICLE VIII REPORTING REQUIREMENTS

- 8.1 Internal Management Reports.
- a. The Investment Officer shall prepare a written quarterly report of investment transactions.
 - b. The report shall be signed by the Investment Officer and presented to the Board of Trustees and the President of the College within a reasonable time after the end of the quarter.
 - c. The report must present detailed and summary investment information as prescribed in Section 2256.023 (b) of the Texas Public Funds Investment Act.
 - d. The report shall compare the portfolio's interest earnings to a performance standard. The benchmark shall be the average rate of return on 3-month U.S. Treasury Bills.
 - e. The report shall state the compliance of the investment portfolio as it relates to the District's Investment Strategy and the Texas Public Funds Investment Act.
 - f. The report shall state the investment strategy to be followed for each fund during the next quarterly reporting period.
 - g. If the District invests in other than money market mutual funds, investment pools or accounts offered by its depository bank in the form of certificates of deposit, or money market accounts or similar accounts, the reports prepared by the investment officers under this section shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the governing body by that auditor.
- 8.2 Methods to Monitor Market Prices and Rating Changes
- a. Market value shall be defined as the price at which a security is trading and could presumably be sold. For those securities that are not marked to market daily, market values will be determined on a quarterly basis. Acceptable methods of monitoring market prices to be reported in internal and external investment reports include:
 1. The Bid price as quoted in the Wall Street Journal, or
 2. The written bid indicator quoted by a financial institution or qualified security broker/dealer who is authorized to engage in investment transactions with the District and independent of the organization from which the security was purchased.
 - b. Credit ratings of investments that require a minimum rating under the Texas Public Funds Investment Act will be monitored on a monthly basis. The District will immediately liquidate any investment that does not have the minimum rating.
- 8.3 Audit Reports. A compliance audit of management controls on investments and adherence to this Investment Policy shall be performed in conjunction with the District's annual financial audit.

EXHIBIT A

**CERTIFICATION BY BUSINESS ORGANIZATION
As required by the Texas Public Funds Investment Act**

This certification is executed on behalf of **ODESSA JUNIOR COLLEGE DISTRICT** (the Investor) and _____ (the Business Organization) pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code (the Act) in connection with investment transactions conducted between the Investor and the Business Organization.

The undersigned Qualified Representative of the Business organization hereby certifies on behalf of the Business organization that:

1. The undersigned is a Qualified Representative of the Business organization offering to enter an investment transaction with the Investor as such terms are used in the public funds Investment Act, Chapter 2256, Texas Government Code and
2. The Qualified Representative of the Business organization has received and reviewed the Investment Policy furnished by the Investor and
3. The Qualified Representative of the Business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the investor that are not authorized by the District's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the District's entire portfolio or requires an interpretation of subjective investment standards.

Qualified Representative of the Business Organization

Signature: _____

Name: _____

Title: _____

Date: _____

Address: _____

City, State, Zip _____

**RESOLUTION OF THE BOARD OF TRUSTEES
OF ODESSA COLLEGE DISTRICT
IN ECTOR COUNTY, TEXAS**

On the 28th day of May 2019, at a Regular Meeting of the Board of Trustees for the Odessa College District (hereinafter, “Board of Trustees”) held in the City of Odessa, Ector County, Texas with a quorum of the Board Members present, the following Resolution was adopted:

WHEREAS, this college district entered into a Bank Depository Agreement dated September 1, 2017 with Frost Bank.

WHEREAS, the Bank Depository Agreement allows for the extension of said contract for two years, for the period September 1, 2019 through August 31, 2021.

WHEREAS, both parties agree that all pricing, terms and conditions of the original proposal package shall remain the same until said contract expiration date.

NOW, THEREFORE BE IT RESOLVED by the Board of Trustees that the Bank Depository Agreement between Frost Bank and Odessa College District be extended through August 31, 2021.

THE FOLLOWING VOTE WAS RECORDED:

Bruce Shearer (Place 1)	Yes:___	No:___	Absent:___
Richard C. Abalos (Place 2)	Yes:___	No:___	Absent:___
Royce Bodiford (Place 3)	Yes:___	No:___	Absent:___
J.E. “Coach” Pressly (Place 4)	Yes:___	No:___	Absent:___
Larry Johnson (Place 5)	Yes:___	No:___	Absent:___
Neil Grape (Place 6)	Yes:___	No:___	Absent:___
Gary S. Johnson (Place 7)	Yes:___	No:___	Absent:___
Tara Deaver (Place 8)	Yes:___	No:___	Absent:___
Tommy Clark (Place 9)	Yes:___	No:___	Absent:___

Gregory D. William, Ed.D., President
Odessa Junior College District

Larry Johnson, Secretary Board of Trustees
Odessa Junior College District



May 28, 2019

The Honorable Chairman and Members of the Board of Trustees
Odessa Junior College District
DBA Odessa College
201 West University Boulevard
Odessa, Texas 79764

Re: Municipal Advisory Agreement

Ladies and Gentlemen:

1. **Retention of RBC Capital Markets, LLC.** RBC Capital Markets, LLC (“RBC CM”) appreciates the opportunity to serve as municipal advisor to the Odessa Junior College District (the “Odessa College” or the “College”) in association with the issuance of obligations in the form of municipal securities or loan(s) either in a single financing or in a series of financings (the “Obligations”). Upon your acceptance, this engagement letter (the “Agreement”) will serve as our mutual agreement with respect to the terms and conditions of our engagement as your municipal advisor, effective on the date this Agreement is executed by the College (the “Effective Date”).
2. **Scope of Services for Municipal Securities.** RBC CM is engaged by Odessa College as its municipal advisor to provide the services set forth below (the “Scope of Services”) regarding the Obligations:
 - (a) Analyze the financing and structuring alternatives available to the College if and as requested by the College, taking into account its borrowing capacity, future financing needs, policy considerations, and such other factors as we deem appropriate to consider.
 - (b) Recommend a plan for the issuance of the Obligations, consistent with the goals and needs of the College, that may include: (1) the type of Obligations (e.g. current interest, capital appreciation, deferred income, etc.); (2) the date of issue; (3) principal amount; (4) interest structure (e.g., fixed rate, variable rate, etc.); (5) interest payment dates; (6) a schedule of maturities; (7) early redemption options; (8) security provisions; (9) method of sale (e.g., public sale, direct purchase by a bank or other investor, etc.); (10) as applicable, the investment of proceeds of the Obligations via state and local government obligations (SLGS), competitively bid open market securities or guaranteed investment contracts; and (10) other matters that we consider appropriate to best serve the College’s interests.
 - (c) Advise you of current conditions in the relevant debt market, market supply and demand issues, and other general market information and economic data which might reasonably be expected to influence interest rates, sale or bidding conditions or timing of issuance.
 - (d) Organize and coordinate the financing team selected by you. If requested, we will recommend qualified paying agents, escrow agents and verification agents, as the particular transaction may require, each of whom will be retained and compensated by you. In a negotiated offering, we will assist in the preparation of soliciting underwriter proposals upon request and provide assistance to you for the hiring of the underwriter(s).
 - (e) Work with counsel on the transaction, including bond counsel whom you retain, who will be recognized municipal bond attorneys, whose fees will be paid by you, and who will prepare the proceedings, provide legal advice concerning the steps necessary to be taken to issue the Obligations, and issue an unqualified opinion (in a form standard for the particular type of financing) approving the legality of the Obligations and (as applicable) tax exemption of the interest paid thereon. In addition, bond counsel, disclosure counsel or underwriter’s counsel (as applicable) will issue an opinion to the effect that the disclosure document does not contain an untrue statement of a material fact or omit to state a material fact necessary

in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading. Generally, working with counsel will mean coordinating with the attorneys and reviewing as municipal advisor such counsel's preparation of appropriate legal proceedings and documents, including documents concerning any required election.

- (f) As applicable, assist in the College's preparation of the preliminary official statement and the official statement or equivalent document as the particular transaction may require (such as a private placement memorandum).
- (g) Make recommendations as to the need for credit rating(s) for the proposed Obligations and, should the College seek a rating, coordinate the process of working with the rating agency or agencies and assist in the preparation of presentations as necessary.
- (h) Analyze the value and costs of obtaining municipal bond insurance, a liquidity facility or other credit enhancement for the Obligations and, should the College seek any such credit enhancement, coordinate the process and assist in the preparation of presentations as necessary.
- (i) Attend meetings of governing bodies of the College, its staff, representatives or committees as requested.
- (j) Coordinate with all parties to consummate the sale and delivery of the Obligations in a timely manner.
- (k) After closing, deliver to the College and the paying agent(s) definitive debt records, including a schedule of annual debt service requirements on the Obligations.
- (l) You acknowledge that advice and recommendations involve professional judgment on our part and that the results cannot be, and are not, guaranteed. Further:
 - i. Unless otherwise provided in the Scope of Services described herein, RBC CM is not responsible for the information included in any preliminary or final official statement, or for certifying as to the accuracy or completeness of any preliminary or final official statement, other than with respect to any information about RBC CM provided by RBC CM for inclusion in such documents.
 - ii. The Scope of Services does not include tax, legal, accounting or engineering advice with respect to any issue or in connection with any opinion or certificate rendered by counsel or any other person at closing, and does not include review or advice on any feasibility study.
 - iii. The Scope of Services does not include providing advice or services with respect to investment advisory services, brokerage services or derivative products.
 - iv. If the College designates RBC CM as its independent registered municipal advisor ("IRMA") pursuant to the Municipal Advisor Rule (the "MA Rule") of the Securities and Exchange Commission (the "SEC") with respect to the activities and aspects described in the Scope of Services, the College agrees to disclose to RBC CM the existence of any such IRMA designations. Any reference to RBC CM, its personnel and its role as IRMA in the written representation of the Client contemplated under the MA Rule is subject to prior approval by RBC CM. RBC CM is not responsible for verifying that it is independent (within the meaning of the MA Rule as interpreted by the SEC) from any party.

3. Scope of Services for Loans with Bank or Governmental Agency/Authority.

- (a) As requested, analyze the risks and benefits of a loan with a bank or governmental agency/authority loan versus the issuance of municipal securities via the public debt markets.
- (b) Recommend a plan for the structure of the loan, including: (1) the debt repayment structure (e.g., current interest, capital appreciation, etc.) and maturity dates; (2) loan amount; (3) interest structure (e.g., fixed or variable rate, etc.); (4), payment dates and early redemption dates, if applicable; (5) security provisions; and (6) as applicable, the investment of loan proceeds via state and local government obligations (SLGs),

competitively bid open market securities or guaranteed investment contracts; and (7) other matters that we consider appropriate to best serve the Client's needs.

- (c) Recommend: (1) lenders who are or may be active in the market for tax exempt municipal loans; (2) participate in the drafting for your review and approval appropriate request for bids or qualification for lenders to submit bids to provide a loan; and (3) facilitate the distribution of requests for bids or qualifications.
- (d) Analyze and negotiate the term sheets obtained and advise you and recommend the terms that meet your financial objectives.

4. Amendment to Scope of Services.

The Scope of Services may be changed only by written amendment or supplement to the Scope of Services described herein. The parties agree to amend or supplement the Scope of Services described herein promptly to reflect any material changes or additions to the Scope of Services.

5. RBC CM's Regulatory Duties When Servicing the Client under MSRB Rule G-42.

RBC CM must make a reasonable inquiry as to the facts that are relevant to the College's determination whether to proceed with a course of action, or that form the basis for any advice provided by RBC CM to the College. Municipal Securities Rulemaking Board ("MSRB") Rule G-42 also requires that RBC CM undertake a reasonable investigation to determine that it is not basing any recommendation on materially inaccurate or incomplete information. RBC CM is also required to use reasonable diligence to know the essential facts concerning the College and concerning the authority of each person acting on the College's behalf. If the review of a recommendation of another party is requested by the College and is within the Scope of Services of the Agreement, RBC CM must determine based on information obtained through reasonable diligence, whether the proposed securities transaction or financial product is or is not suitable for the College. To the extent our services involve advising you with respect to a bank loan or a loan with a governmental agency or authority, certain rules and regulations of the Securities and Exchange Commission and MSRB may not apply to the activities of RBC CM.

Odessa College agrees to assist RBC CM in carrying out these regulatory duties, including providing to RBC CM accurate and complete information and reasonable access to relevant documents, other information and personnel needed to fulfill such duties. In addition, the College agrees to notify RBC CM if the College requests that RBC CM review any recommendation of a third party.

6. Term of this Engagement.

The term of this Agreement is for 60 months, beginning on the Effective Date and ending on May 28, 2024, unless earlier terminated as provided below. If neither party provides written termination prior to the end of the initial Term, this Agreement will automatically renew for one additional Term. This Agreement may be terminated with or without cause by either party upon the giving of at least thirty (30) days' prior written notice to the other party of its intention to terminate, specifying in such notice the effective date of such termination.

7. Compensation.

The fees due to RBC CM hereunder shall be as set forth in Appendix A hereto. In addition, RBC CM shall be entitled to reimbursement of expenses incurred in connection with any services provided hereunder as set forth in Appendix A.

8. Limitation of Liability.

- (a) In the absence of willful misconduct, bad faith, gross negligence or reckless disregard of obligations or duties hereunder on the part of RBC CM or any of its associated persons, RBC CM and its associated persons shall have no liability to the College for any act or omission in the course of, or connected with, rendering services hereunder, or for any error of judgment or mistake of law, or for any loss arising out of any issuance of any Obligations, or investments of bond proceeds, or for any financial or other damages resulting from the College's election to act or not to act, as the case may be, contrary to any advice or recommendation provided by RBC CM to the College. No recourse shall be had against RBC CM for loss, damage, liability, cost or expense (whether direct, indirect or consequential) of the College arising out of or

in defending, prosecuting, negotiating or responding to any inquiry, questionnaire, audit, suit, action, or other proceeding brought or received from the Internal Revenue Service in connection with any issue or otherwise relating to the tax treatment of any issue, or in connection with any opinion or certificate rendered by counsel or any other party.

- (b) **Official Statement and Waiver of Sovereign Immunity.** Odessa College acknowledges that it is responsible for the contents of the preliminary official statement, official statement or any other document related to the issuance of the Obligations as contemplated herein ("Offering Documents"). The College will take all reasonable steps to ensure that the governing body has reviewed and approved the contents of the Offering Documents. In addition, Odessa College agrees and understands that this Agreement is a contract for services and to the extent permitted under the applicable state law, waives any claims or defenses you may have that you are immune from suit for any matter arising from or relating to this Agreement.

9. Required Disclosures.

MSRB Rules G-10 and G-42 require that RBC CM provide you with disclosures of pertinent regulatory information, potential and actual conflicts of interest, and information regarding certain legal events and disciplinary history. Such disclosures are provided in RBC CM's Disclosure Statement delivered to the College together with this Agreement.

10. Know Your Client, Anti-Money Laundering, and Terrorist Financing Rules and Regulations.

The College agrees to provide information to satisfy "Know Your Client," "Anti-Money Laundering" and Terrorist Financing" rules and regulations, in each case, in accordance with RBC CM's requirements.

11. Waiver of Jury Trial.

EACH PARTY AGREES TO WAIVE ANY RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY CLAIM, COUNTERCLAIM OR ACTION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THE RELATIONSHIP BETWEEN THE PARTIES. PARTIES AGREE TO WAIVE CONSEQUENTIAL AND PUNATIVE DAMAGES.

12. Choice of Law.

This Agreement shall be construed and given effect in accordance with the laws of the State of Texas.

13. Binding Effect; Assignment.

This Agreement shall be binding upon and inure to the benefit of the College and RBC CM, their respective successors and permitted assigns; provided however, neither party may assign or transfer any of its rights or obligations hereunder without the prior written consent of the other party.

14. Entire Agreement.

This instrument, including all appendices hereto, contains the entire agreement between the parties relating to the rights herein granted and obligations herein assumed. This Agreement may not be amended, supplemented or modified except by means of a written instrument executed by both parties.

15. Severability.

If any provision of this Agreement is, or is held or deemed to be, invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions because it conflicts with any provisions of any constitution, statute, rule or public policy, or for any other reason, such circumstances shall not make the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or make any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

16. No Third Party Beneficiary.

This Agreement is made solely for the benefit of the parties and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, is intended to confer on any person, other than the parties and their respective successors and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

17. Authority.

The undersigned representative of Odessa College represents and warrants that (s)he has full legal authority to execute this Agreement on behalf of the College. The following individuals have the authority to direct RBC CM's performance of its activities under this Agreement on behalf of the College:

Dr. Gregory Williams, President
Ms. Virginia Chisum, Vice President of Business Affairs

18. Counterparts.

This Agreement may be executed in counterparts, each of which shall be an original, but which taken together, shall constitute one and the same instrument.

RBC CAPITAL MARKETS, LLC

By Matthew Boles
Name Matthew Boles
Title Managing Director
Date May 28, 2019

ACCEPTANCE

ACCEPTED this 28th day of May, 2019 by Odessa College

By _____
Name _____
Title _____
Date _____

Attest:

By _____
Name _____
Title _____
Date _____

FEE SCHEDULE

In consideration for the services rendered by RBC CM, Odessa College agrees that RBC CM's fee for each issue of Obligations will be as follows:

Fee Schedule for Financial Advisory Services

<u>More Than</u>	<u>Obligation Proceeds</u> <u>And Not More Than</u>	<u>The Fee Is</u>
\$ -0-	\$2,500,000	\$17,500
2,500,000	5,000,000	\$17,500 plus \$3.00 per \$1,000 for all over \$2,500,000
5,000,000	10,000,000	\$25,000 plus \$2.50 per \$1,000 for all over \$5,000,000
10,000,000	20,000,000	\$37,500 plus \$1.50 per \$1,000 for all over \$10,000,000
20,000,000	No Limit	\$52,500 plus \$1.00 per \$1,000 for all over \$20,000,000

The above fee schedule does not include our expenses (i.e., travel to the College, telephone, copying, or personal presentation to rating agencies) for which RBC CM will be reimbursed. We anticipate that all other expenses associated with a debt sale such as Bond Counsel, Paying Agent, Verification Agent in the event of an advance refunding, official statement printing, rating agency fees and travel expenses incurred for a personal rating presentation, Permanent School Fund Guarantee or private bond insurance, etc. will be paid by the College.

Fees for a negotiated sale, a sale involving a credit agreement, a sale of refunding obligations and obligations involving an escrow agreement will be the fee schedule set out above plus 25%. In addition, should RBC CM be requested to bid/purchase investment securities, as agent, RBC CM will charge a commission to be negotiated with the College.

RBC CM will bill the College at closing (via a closing memorandum or invoice) for each issue of Obligations an amount which will include the fee as well as any "out-of-pocket" expenses incurred on behalf of the College.