

AGENDA OF REGULAR MEETING
Odessa College Board of Trustees
Tuesday, August 24, 2021, 6:30 PM
Saulsbury Campus Center, Zant Community Room
201 W UNIVERSITY
ODESSA, TX 79764

1. Call to Order - Mr. Gary Johnson	
2. Pledge of Allegiance: United States & Texas - Mr. Gary Johnson	
3. Introduce New Employees - Ms. Lindsey Bryant	
4. Approval of Minutes of Regular Meeting of August 3, 2021 - Mr. Gary Johnson	2
5. Action Items:	
A. Committee Reports	
1. Personnel/Policy Committee - Mr. Bruce Shearer	
a. Approval of Dr. Janice Hicks for Vice President of Institutional Effectiveness	
2. Finance Committee - Gary Johnson	
a. Conform 2021 Budget to Actual Expenditures	7
b. Consider and Approve Tax Rate	8
c. Consider for Approval the Execution of Tax Abatement Agreement with Nacero TX 1 LLC - Daniel Harper	10
B. Consider for Approval Interlocal Agreement for Joint Task Force Committee of School District, Hospital District, College District, County, and City and Appointment of Member of Board of Trustees to Joint Task Force Committee- Mr. Daniel Harper	31
C. Financial Reports - Ms. Brandy Ham	
1. Consider and Approve Investment Policy and Authorized Investment Brokers	55
2. Monthly Financial Statements & Budget Amendments	70
6. Informational Items:	
A. Education Report - QEP - Ms. Connie May	
B. Institutional Effectiveness Report - Dr. Janice Hicks	
C. Vision 2030+ Update - Mr. Ken Zartner	
D. President's Report - Dr. Gregory Williams	
1. Early College High School Students Return to Campus for Fall 2021	
2. OC Connections	
3. Recruitment Rush	
4. ECISD FAFSA night	
7. Adjournment - Mr. Gary Johnson	

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 Special Meeting of the Odessa College Board of Trustees held Tuesday, August 3, 2021, in the Zant Community Room, Saulsbury Campus Center, with the following:

<u>Present</u>	<u>Absent</u>
Trudy Lewis	
Laci Harris	
Hortencia Del Bosque	
Montie Garner	
Dr. Tara Deaver	
Gary Johnson	
Larry Johnson	
Bruce Shearer	
J. E. "Coach" Pressly	

Meeting was called to order by Board of Trustees Chair, Mr. Gary Johnson, at 6:32 p.m.

Pledge of Allegiance: United States & Texas

Mr. Gary Johnson led the group in the pledges.

Introduction of New Employees

Ms. Lindsey Bryant, Director of Human Resources, introduced the following new employees:

Alessandrea Ortega- Executive Director of Extension Sites
Asneth Hunter- Nursing Instructor
Curtis Kuperschmid- Writing Center Coordinator
London Bradley- Academic Success Coach
Patricia Hinds- Advisor Secretary
Reagan Paquette- Instructional Operations
Zachary James Williams- Assistant Program Director- Automotive and Diesel Technology

Approval of Minutes of Special meeting of June 22, 2021

Ms. Trudy Lewis moved, seconded by Mr. Bruce Shearer, to approve the minutes of the Special meeting of June 22, 2021.

Motion passed unanimously.

Approval of Minutes of Special meeting of June 30, 2021

Ms. Trudy Lewis moved, seconded by Mr. Bruce Shearer, to approve the minutes of the Special meeting of June 30, 2021.

Motion passed unanimously.

Committee Reports

1. Property Committee

a. **Report on Approval of Sports Center Sound System**

Committee Chair, Dr. Tara Deaver, stated that the Property Committee recently met to consider bids for the replacement for the 15-year-old sound system in the Sports Center. The committee approved a bid of \$78,387 from N-Tune music.

b. **Report on Approval of Replacement of Sports Center Emergency Lighting**

Committee Chair, Dr. Tara Deaver, stated that the Property Committee recently met to consider bids for the replacement for the emergency lighting equipment. The committee approved a bid of \$63,791 from TDI Industries.

2. Finance Committee

a. **Review of Proposed Budget for 2021-2022 Fiscal Year**

Brandy Ham, Chief Financial Officer, shared highlights of the proposed 21-22 budget. Budget priorities include:

Maintain a competitive salary environment
Support the OC 10,000 enrollment objective
Strategic investments into the student success strategies
Completion of the ongoing construction projects.

Ms. Ham reviewed new initiatives, faculty and staff changes, salary proposal, expenditures by class and revenue projections

Budget for unrestricted Funds:	\$53,223,726
Budget for restricted and plant funds:	\$21,365,139
ALL FUNDS:	\$74,588,865

Mr. Bruce Shearer moved, seconded by Hotencia Del Bosque, that Odessa College District unrestricted operating budget for the year 2021-2022 in the amount of \$53,223,726 and the total budget including all other funds in the amount of \$74,588,865 be adopted and that a certified copy of the budget be filed with the Texas Higher Education Coordinating Board; and that said budget be presented in the format required by the Texas Higher Education Coordinating Board; and that said budget be included by reference in its entirety as a part of the minutes of this meeting.

Motion passed unanimously.

Monthly Financial Statements and Budget Amendments

Ms. Brandy Ham highlighted various areas of the financial statements and budget amendments as printed below:

(Kristi Gibbs will put financial reports in minute book)

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

Motion passed unanimously.

Ms. Ham reviewed the quarterly Investment Report for the quarter ending May 31, 2021, including statement of compliance and a snapshot of the portfolio.

Face Amount/Shares	\$50,902,868.15
Market Value Total	\$51,818,137.06
Book Value Total	\$51,707,275.28
Yield to Maturity	0.59
Days to Maturity	648

Ms. Ham report the following quarter end results by Asset Class for the quarter ending May 31, 2021.

	Market Value	Book Value (Cost)	Yield
CD's	\$ 1,266,381	\$ 1,243,000	1.14%
U.S. Agencies	6,489,616	6,500,000	.92%
Municipal Bonds	\$ 23,217,272	\$ 23,119,407	.92%
Public Investment Pools	\$ 20,844, 868	\$ 20,844,868	.09%
TOTAL	\$ 61,818,137	\$ 51,707,275	0.59%

Annualized Performance

Interest Earned

- This Quarter \$ 69,824
- Fiscal Year to Date \$ 133,734

The annualized total rate of return on May 31, 2021, was 0.49%.

Dr. Tara Deaver moved, seconded by Ms. Montie Garner, to approve the Quarterly Investment Report.

Motion passed unanimously.

Education Report: COVID-19 Relief Funds Update

Kim McKay, Vice President of Student Services and Enrollment Management, stated that the Federal Government has distributed several rounds of relief funds to support students and Institutions of Higher Education during the ongoing pandemic. Some funds were given to support students financially and other funds to support the institution and ensure colleges and universities had the necessary infrastructure in place during this time. The first round of funding Odessa College received was the Coronavirus Aid, Relief and Economic Security Act (\$1,500,000). Coronavirus Response and Relief Supplemental Appropriations Act (\$2,394,000) was the second round of funds distributed, and both of these rounds of funds have been exhausted at Odessa College. The final and largest allocation that Odessa College received was the American Rescue Plan funds (\$4,427,818). These were the first funds that allowed the college to support international and undocumented students. This fall semester all students will receive a \$500 stimulus through this allocation. The Odessa College HERF Taskforce has led the effort in reviewing and awarding students all of these funds. Ken Zartner, Vice President of Administrative Services stated that the intuition has also received about \$8 million for institutional funding. These funds have been used to improve campus technology and resources to support students and improve evolving modes of instruction.

Dr. Janice Hicks, Associate Vice President for Institutional Effectiveness, joined to share updates on continuous improvement at Odessa College. Dr. Hicks shared that all improvements at Odessa College are led by the Strategic Planning Process. The annual strategic planning process is led by Connie May, Executive Director of Institutional Effectiveness, and is completed during the same time the campus is completing budget requests for the next academic year to ensure all budget requests are in line with the institutional and departmental strategic plan. Ms. May works closely with division Vice President's review and update strategic initiatives for the division. Next, Ms. May works closely with department heads and directors to review the previous year's strategic plans and assess what goals were and were not met then create a strategic plan and goals for the upcoming year. Dr. Hicks shared the institutional strategic goals at Odessa College are to increase enrollment and increase educational attainment. Next, Dr. Hicks stated that Odessa College will be expanding the Master Teaching Council in the 2021-2022 school year. Master Teachers providing training, support and mentorship to other teachers on campus. With this change there will be Master Teachers in the areas of Professional Learning Center, Open Educational Resources, and Honors College in the coming year.

Vision 2030+ Update

Mr. Ken Zartner provided updated on progress on the Vision 2030+ project. Mr. Zartner highlighted 2 new projects including the Sports Center emergency lighting project as well as the new portable purchased for a dining facility for the Early College High Schools. JSA Architect, Cruz Castillo, shared some design concepts being created by JSA. The firm is working on the schematic designs for many Vision 2030+ projects including the new Wood Health Sciences Building. The firm believes by February of 2022 this building should go out for public bid with a start date during spring break of 2022 and an expected 24 months to build. Mr. Castillo then highlighted other projects such as the Odessa College downtown project and Rudy Acosta Pavilion.

President's Report

Odessa College Preview Day Fair

On July 22, 2021, Odessa College held its first Preview Day Fair, in which the Odessa community was invited to visit with Odessa College departments and programs, listen to live music, visit local food trucks, register for classes and apply for Financial Aid. More than 700 people attended this outdoor event.

Early College High School Bridge Program

The week of July 23, Odessa College welcomed 267 Early College High School students to campus for a Summer Bridge Program. During these events students participated in orientation sessions, TSI preparation, TSI testing and team building sessions to help these students ready themselves for their new journey in the early college high schools at Odessa College.

Odessa College Pantry Gardens Updates

Odessa College Food Pantry has been busy serving more than 300 students during the summer months. During the summer of 2021, the Atmos Pantry Gardens has supplied cucumbers, squash, eggplant, peppers, okra, tomatoes and more to students through the Food Pantry. The addition of fresh produce has been hit with all of the Food Pantry guests. The Pantry Gardens will begin seedlings for fall soon to transition to fall vegetables. A

special thank you to Atmos Energy for being the sponsor and to the volunteers who have helped in the garden this year.

Post of the Week

A new “Post of the Week” marketing campaign has been established to increase the reach of specific posts on social media. Each week a social media post is created and branded the Odessa College #postoftheweek. This post will focus on resources and information to help students get ready for classes in the fall semester. The community is encouraged to like and comment on the post to be entered into a drawing for a \$100 gift card.

Strong and Smart Start to Fall 2021

Odessa College continues to prioritize student's safety and education during the ongoing pandemic. Last week, the CDC issued new guidelines for mitigating the spread of COVID-19 including the recommendation to wear a mask, keep your social distance, wash your hands, and sanitize your work and learning spaces. Odessa College continues to encourage our campus to be vigilant in mitigating the spread of COVID-19 by following the recommendations of the CDC to ensure a strong and smart start to the Fall 2021 semester.

OC 8K

The OC 8k Committee has been meeting once a week to ensure steady enrollment growth for the fall semester with a goal to reach 8,000 enrolled. The committee has set growth goals for various groups of students and assigned individuals to each of these goals to create plans and report back on the progress of those efforts. These meetings have led to call campaigns that are reaching out to more than 2,000 students who have not yet enrolled for Fall 2021 and the creation of the post of the week campaign.

Adjournment

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

Secretary

Chair

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MOTION TO CONFORM BUDGET
TO ACTUAL EXPENDITURES AT YEAR END

I make a motion that the operating budget for 2020-2021 is hereby adjusted to conform to actual expenditures at the end of the fiscal year ending August 31, 2021.

ODESSA COLLEGE TAX RATE PROPOSAL

	2021 Roll	2020 Roll	Annual Increase
PROPERTY VALUES			
Mineral Property	\$ 1,072,933,545	\$ 1,452,556,166	-26.1%
Real Estate - Residential, Farm & Ranch	\$ 8,784,548,018	\$ 8,389,262,455	4.7%
Real Estate - Commercial & Industrial	\$ 4,503,350,257	\$ 4,499,086,720	0.1%
Personal Property	\$ 4,431,790,591	\$ 4,512,979,582	-1.8%
Less: Exemptions	\$ (3,497,079,632)	\$ (3,244,370,643)	7.8%
NET TAXABLE VALUES	\$ 15,295,542,779	\$ 15,609,514,280	-2.0%

TAX RATES:	Proposed	Current Year
For Maintenance & Operations	\$ 0.172599	\$ 0.162721
For Debt Service	\$ 0.029124	\$ 0.026244
Total Combined Tax Rate	\$ 0.201723	\$ 0.188965
2021 No-New-Revenue Tax Rate	(a) \$ 0.197289	
2021 Proposed Rate	(b) \$ 0.201723	
Effective Tax Increase [(b-a)/a]		2.25%
2021 Maximum Voter-Approval Tax Rate	\$ 0.214653	

TAX LEVY (Revenue):	Proposed	Current Year
For Maintenance & Operations	\$ 26,400,000	\$ 25,400,000
For Debt Service	\$ 4,454,694	\$ 4,096,652
Total Tax Revenue	\$ 30,854,694	\$ 29,496,652

Average Home Value:	Proposed	Current Year
Average Home Market Value	\$ 217,966	\$ 209,268
Average Home Taxable Value	\$ 172,973	\$ 165,858
Average Annual Tax Bill:		
Annual Increase	\$ 35.51	\$ 313.41
Monthly Increase	\$ 2.96	11.3%

PROPOSED TAX HEARING CALENDAR

August 2021

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
22	23	24 Discuss Tax Rate, Take Record Vote	25	26	27	28

September 2021

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
29	30	31	1	2 <u>Publish in OA:</u> "Notice of Public Hearing on Tax Increase" (wait 7 days for hearing)	3	4
5	6	7	8	9 1st Public Hearing 6 pm - Saulsbury Campus Center Room 128 (wait 3 days for 2nd hearing)	10	11
12	13	14 2nd Public Hearing Noon – Saulsbury Campus Center Room 128	15	16	17	18
19	20	21 <u>Publish in OA:</u> "Notice of Meeting to Vote on Tax Rate"	22	23	24	25
26	27	28 Adopt Tax Rate at Regular Board Mtg.	29	30		

STATE OF TEXAS §
COUNTY OF ECTOR §

ENTERPRISE ZONE
TAX ABATEMENT AGREEMENT

This Enterprise Zone Tax Abatement Agreement (“Agreement”) is made this the _____ of _____, 2021, by the Odessa College District, hereinafter referred to as “College”, and Nacero TX 1 LLC, hereinafter collectively referred to as “Company”, for tax abatement for certain Eligible Property (as defined herein) to be located on the site in the unincorporated community of Penwell in Ector County, Texas, and further described by metes and bounds described in its entirety in Exhibit A-1 hereto (the “Site”), pursuant to the following terms and conditions:

I. Purpose

The College is authorized by the Property Redevelopment and Tax Abatement Act (Chapter 312, Tax Code, the “Act”) to provide tax abatement incentives which will be reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract major investment in the zone that would be a benefit to the property and that would contribute to the economic development of the College’s District. The College has previously elected to be eligible to participate in property tax abatement under the Act, and has previously adopted and renewed Guidelines Governing Criteria for Tax Abatement in Enterprise Zones (the “Guidelines”) pursuant to the Act. The College and Company wish to enter into an agreement by which College will provide tax abatement for Company’s Eligible Property in accordance with the Act. In consideration for these benefits, Company agrees to a specified level of capital investment and certain job creation obligations (as more fully set forth herein) in the Enterprise Zone and further to comply with the College’s governing ordinances and the other terms and conditions set forth in this Agreement.

Company proposes to construct improvements on the Site in the Enterprise Zone consisting of a natural gas processing and gasoline production facility (the “Project”). It is anticipated that Company will make a minimum capital investment in the Project of \$3.0 billion (the “Minimum Capital Investment”). The certified appraised value of the Project will depend upon annual appraisals by the Ector County Appraisal District and may be more than or less than the Minimum Capital Investment. Construction of the Project is scheduled to commence in the first quarter of 2022. Company shall keep College apprised of the Project’s construction progress and status. The Odessa College Board of Trustees voted in Open Meeting on April 15, 2021 and approved the ten year tax abatement requested by Nacero with 100% tax abatement for the first five years, declining by 10% each year for the final five years of the abatement period, and providing further -provided for increasing the abatement to 100% for the final five years of the Abatement Period upon Nacaero's agreement to pay payment of \$3,360,189.00 in year one of the abatement period Abatement Period as pre-payment in full of the estimated tax obligations which would otherwise be due accrue in the final five years of the abatement period.

II. Special Conditions

- 2.1 **Benefits:** College will provide a tax abatement on the Company’s Eligible Property located in Enterprise Zone as according to the terms of this Agreement.
- 2.2 **Base Year:** The base year assessed value for the Eligible Property for which tax abatement is sought is the certified appraised value for the 2021 Tax Year (“Base Year Value”), as shown on the appraisal tax rolls of the Ector County Appraisal District. College and Company agree that the Base Year Value of Company’s personal property included in the Eligible Property is zero.
- 2.3 **Base Year Assessment:** Taxes paid on the Base Year Value shall not be abated as a result of this Agreement.

Commented [DK1]: This is the correct defined term. See Tax Code Section 25.24.

2.4 **Ineligible Property:** Taxes shall not be abated for the following specific types of property:

- (a) vehicles;
- (b) aircraft;
- (c) residential (except as allowed for a Residential Facility as defined in the Guidelines);
- (d) boats;
- (e) property owned by the State of Texas or any state agency;
- (f) property owned or leased by a member of the governing body of an affected taxing unit;
- (g) property purchased or leased by companies that are moving to the Enterprise Zone from other locations subject to taxes by the College;
- (h) personal property and equipment moved from other locations subject to taxes by the College; and
- (i) property not owned by Company, except property owned by Company's wholly-owned subsidiary or affiliate and property on which Company is contractually obligated to pay property taxes are not Ineligible Property and shall be subject to abatement.

2.5 **Value: Amount of Abatement:** In exchange for the payment by Company described in this Agreement, during the Abatement Period (as defined ~~at Section 2.9 herein~~herein to begin in year 2025 based on certified appraised value in 2024), the percentage of the certified appraised value of the Eligible Property over and above the Base Year Value that will be abated ~~for~~during each year of the Abatement Period shall be as follows:

Commented |DK2: Change heading to Amount of Abatement

Tax Year	Abatement (Real & Personal Property)
2025	100%
2026	100%
2027	100%
2028	100%
2029	100%
2030	100%
2031	100%
2032	100%
2033	100%
2034	100%

2.6 **Eligible Property:** “Eligible Property” means property eligible for abatement under the Guidelines and the Act, including: new, expanded or modernized buildings and structures; fixed machinery and equipment; Site improvements; related fixed improvements; other tangible items necessary to the operation and administration of the Project or facility; and all other real and tangible personal property permitted by the Act and the Guidelines. Taxes on real property may be abated only to the extent the property’s value for a given year exceeds its Base Year Value. Tangible personal property located on the Site at any time before the execution of this Agreement is not eligible for tax abatement. Tangible personal property eligible for tax abatement shall not include any of the ineligible property listed in Section 2.4 above.

2.7 **Procedures for the Taxation of Company's Property:** The College and Company specifically agree and acknowledge that the property on the Site within the Enterprise Zone shall be taxable in the following ways before and during the Term of this Agreement:

- (a) Property not eligible for abatement, if any, shall be fully taxable at all times;
- (b) The certified appraised value of property existing on the Site prior to execution of this Agreement shall be fully taxable at all times;
- (c) Prior to commencement of the Abatement Period, 100% of property taxes levied on the certified appraised value of real and personal property located on the Site will be owed and payable by Company;
- (d) All property taxes levied by the College on the certified appraised value of Eligible Property shall be abated in the percentages provided for in Section 2.5 above for each year of the Abatement Period; and
- (e) 100% of the certified appraised value of Eligible Property existing on the Site shall be fully taxable after expiration of the Abatement periodAbatement Period.

2.8 **New and Retained Jobs and Investment:** As a condition to receiving the tax abatement provided for in this Agreement, Company shall make the Minimum Capital Investment in the Enterprise Zone prior to the commencement of the Abatement Period. Further, Company covenants to create and maintain on the Site at least three hundred ten (310) retained jobs during years 6 through 10 of the Abatement Period (the "Committed Jobs"). The Committed Jobs may be created and maintained by either the Company or one or more third parties contracted by the Company to construct and/or operate the Project.

2.9 **Abatement Term:** The Agreement shall be effective when executed by all of the parties. The “Abatement Period” under this Agreement shall (i) commence on January 1 of the calendar year 2025, and (ii) end on the conclusion of ten (10) full calendar years thereafter. Notwithstanding any statement or implication in this Agreement to the contrary, the parties agree that the Abatement Period (and the tax abatement granted herein) shall cover ten (10) tax years and it expires at the conclusion of the final year of abatement, not extend beyond ten (10) calendar years.

2.10 **Access:** Company shall provide access to and authorize inspection of the Eligible Property in accordance with standard safety procedures by employees of the College to insure that the Project improvements are made according to the Agreement.

2.11 **Use:** Company shall use the Eligible Property for the purpose of operating the Project and producing gasoline and other related products.

2.12 **Administration:** The College may administer and enforce this Agreement through its delegated officials and employees.

2.13 **Reports and Monitoring:** Company agrees to the following reporting and monitoring provisions during the Abatement Period:

(a) Company shall provide a report to College confirming the creation and retention of the Committed Jobs at the Project. Documentation for the Committed Jobs may be in the form of quarterly IRS 941 returns, TWC Employer Quarterly Reports, or employee rosters that show the hours worked and positions filled and such other reports as may reasonably be required. It is acknowledged the information in the report is proprietary and will be kept confidential to the extent permitted by law. A job position filled by more than

one employee during a particular calendar year shall be given credit for creating one Committed Job.

- (b) Company shall allow College personnel access to the Property to verify compliance with this Agreement and to confirm the Committed Jobs under standard safety protocols when accompanied by a representative of Company during normal business hours.
- (c) Company shall certify annually to the College, in a form mutually agreed upon by College and Company, that the Company is in compliance with each applicable term of this Agreement. Company shall also provide any other reports that are reasonably necessary for College to make such certification.
- (d) Company shall provide any forms required by the Texas Comptroller.

2.14 **Assessment:** The Chief Appraiser of the Ector County Appraisal District shall annually review all of the real and personal property of Company comprising the Project and assess taxes for the property that are not subject to tax abatement. Each year Company shall furnish to the Chief Appraiser such information as may be required or authorized by law for the Chief Appraiser to perform the Chief Appraiser's duties. Once the appraised value and the amount of any abatement has been established, the Chief Appraiser shall notify Company and College of the amount to be abated and the amount of assessment. Company reserves the right to contest the appraised value of all of its property in accordance with applicable law. A portion or all of the Company's Project property may be eligible for complete or partial exemption from ad valorem taxes as a result of existing law or future legislation. This Agreement is not to be construed as evidence that no such exemptions shall apply to the Company's Project property.

2.15 **Company Obligations:** Company agrees to the following:

(a) On or before January 1, 2025, Company shall pay to College \$3,360,189.00 as payment in full of the tax obligations that would have otherwise have been incurred on the unabated portions of the Eligible Property during the Years 6 through 10 of the Abatement Period. The parties agree this advance payment of \$3,360,189.00 shall be conclusively accepted as payment in full even though the actual taxable appraised values and tax rates for Years 6 – 10 of the Abatement Period are unknown at this time (100% tax abatement for the first five years, declining by 10% each year for the final five years of the abatement period). The agreement of the Parties to provide a 100% abatement on the Eligible Property for Years 6 – 10 of the Abatement Period is based on the making of this payment. If for any reason the \$3,360,189.00 payment is not made timely (or during any applicable cure period), the Amount of Abatement for Years 6 – 10 shall be as follows:

<u>Tax Year</u>	<u>Abatement (Real & Personal Property)</u>
<u>2030</u>	<u>90%</u>
<u>2031</u>	<u>80%</u>
<u>2032</u>	<u>70%</u>
<u>2033</u>	<u>60%</u>
<u>2034</u>	<u>50%</u>

- (b) After the commencement of the Abatement Period, Company and its assigns shall continue their agreed use of the Eligible Property at the Site at all times during the Abatement Period.
- (c) Except for taxes abated pursuant to this Agreement, Company shall pay all taxes due and owing by it which are not in good faith being contested by Company to College.
- (d) Company shall obtain and maintain all necessary rights, licenses, permits, and authorities to carry on its business.
- (e) Company is aware of all applicable statutory limitations on the tax abatement under the Act and acknowledges that Company shall comply with such law as well as all other related laws and regulations.
- (f) Company shall comply with all of the terms of this Agreement.

2.16 **College's Representations and Warranties:** The College represents that (i) the College has formally elected to be eligible to grant property tax abatements under the Act; (ii) the Guidelines were adopted in accordance with the Act and are in effect as of the date of this Agreement; (iii) the Enterprise Zone and this Agreement have been created in accordance with the Act and the Guidelines as both exist on the date of this Agreement; (iv) as applicable, (a) no interest in the Project or the Site is held or subleased by a member of the College's Board, or (b) any member of the College's Board that has a potential economic or financial interest in the Project or the Site has abstained from any vote or decision regarding this Agreement; (v) the College has made and will continue to make all required filings with the Office of the Comptroller of Public Accounts and other governmental entities concerning the Enterprise Zone and this Agreement.

III. Default and Remedies

3.1 **Termination on Default:** If Company should fail to comply with any of the provisions listed in this Agreement (including but not limited to making payments to or filing any necessary reports or applications with College or the Ector County Appraisal District,), the breach of any one of which shall constitute an event of default, and fail to cure such violation within sixty (60) days of written notice or demonstrate to the reasonable satisfaction of the College that it has taken appropriate affirmative action to cure such violation, College may declare a default of this Agreement in which event this Agreement shall terminate and the College shall be entitled to recapture all property taxes abated as a result of this Agreement.

3.2 **Notices of Default:** Any notice of default under this Agreement shall prominently state the following at the top of the notice:

NOTICE OF DEFAULT UNDER TAX ABATEMENT AGREEMENT

YOU ARE HEREBY NOTIFIED OF THE FOLLOWING DEFAULT UNDER YOUR TAX ABATEMENT AGREEMENT WITH THE COLLEGE. FAILURE TO CURE THIS DEFAULT WITHIN SIXTY DAYS OF NOTICE OR OTHERWISE CURE THE DEFAULT AS PROVIDED BY THIS AGREEMENT SHALL RESULT IN TERMINATION OF THE TAX ABATEMENT AGREEMENT AND MAY INCLUDE RECAPTURE OF TAXES ABATED PURSUANT TO THAT AGREEMENT.

3.3 **Process for Termination:** After delivery of a notice of default, the Company may take any steps necessary to cure such default. Upon the expiration of the sixty (60) day cure period provided in Section 3.1 above, if the Company's default remains uncured, the termination of this Agreement and the recapture of property taxes may be initiated by College furnishing written notice of termination to the Company. The College's Board of Trustees is authorized to make a good faith determination regarding the efforts of the

Company to cure any alleged default after the delivery of a notice of default. Any such decision shall be made in good faith and shall be final unless Company files a petition in a District Court of Ector County, Texas, seeking a declaratory judgment and/or other appropriate relief, including injunctive relief, within sixty (60) days of the receipt of the written notice of termination from the College. In the event petition is filed pursuant to this Section, the parties waive all rights to attorneys' fees.

3.4 **Partial Suspension:** If Company shall fail to comply with the requirement to retain the Committed Jobs during any one year of the Abatement Period, in lieu of declaring a default and initiating the process to terminate the Agreement, College may elect, with written notice to Company, to suspend the abatement of taxes for only the year that the violation occurred and require payment, currently or retroactively.

3.5 **Force Majeure:** A violation that would otherwise subject the Company to recapture, payment of taxes retroactively, shall not be a violation and shall not cause recapture if the violation was caused by an event of Force Majeure. As used herein, "Force Majeure" includes events not reasonably within the control of the party whose performance is sought to be excused thereby, including the following causes and events (to the extent such causes and events are not reasonably within the control of the party claiming suspension): acts of God and the public enemy; strikes; lockouts or other industrial disturbances; inability to obtain material or equipment or labor due to an event that meets the definition of Force Majeure; wars; blockades; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; storms; floods; high water washouts; inclement weather; arrests and restraint of rulers and people; interruptions by government or court orders; present or future orders of any regulatory body; civil

disturbances; explosions; or any other event that is beyond the reasonable control of the party claiming Force Majeure. The party prevented or hindered from performing shall give prompt (but in no event later than twenty (20) business days after the occurrence of such event) notice and reasonably full particulars of such event to the other party and shall take all reasonable actions within its power to remove the basis for nonperformance (including securing alternative supply sources) and after doing so shall resume performance as soon as possible. The settlement of strikes or lockouts or resolution of differences with workers shall be entirely within the discretion of the affected party, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes, lockouts or differences by acceding to the demands of the opposing party in such strike, lockout or difference when such course is inadvisable in the reasonably exercised discretion of the affected party.

3.6 LIMITATION OF LIABILITY: TERMINATION OF THIS AGREEMENT (RESULTING IN A FORFEITURE OF ANY RIGHT TO ABATEMENT HEREUNDER BEYOND THE TERMINATION DATE), RECAPTURE OF PROPERTY TAXES ABATED ONLY AS PROVIDED FOR AND ONLY UNDER THE CIRCUMSTANCES DEFINED IN THIS AGREEMENT, ALONG WITH ANY REASONABLY INCURRED COSTS AND FEES, SHALL BE THE COLLEGE'S SOLE REMEDY, AND COMPANY'S SOLE LIABILITY, IN THE EVENT COMPANY FAILS TO TAKE ANY ACTION REQUIRED BY THIS AGREEMENT, INCLUDING ANY FAILURE TO PAY AMOUNTS OWED UNDER THIS AGREEMENT. COMPANY AND THE COLLEGE AGREE THAT THE LIMITATIONS CONTAINED IN THIS PARAGRAPH ARE REASONABLE AND

REFLECT THE BARGAINED FOR RISK ALLOCATION AGREED TO BY THE PARTIES. IN THE EVENT OF A BREACH OF THIS AGREEMENT, ANY TAXES DUE BY COMPANY SHALL BE SUBJECT TO ANY AND ALL STATUTORY RIGHTS FOR THE PAYMENT AND COLLECTION OF TAXES IN ACCORDANCE WITH THE TEXAS TAX CODE.

IV. Lenders

- 4.1 "Lender" means any entity or person providing, directly or indirectly, with respect to the Project any of (a) senior or subordinated construction, interim or long-term debt financing or refinancing, whether that financing or refinancing takes the form of private debt, public debt, or any other form of debt (including debt financing or refinancing), (b) a leasing transaction, including a sale leaseback, inverted lease, or leveraged leasing structure, (c) tax equity financing, (d) any interest rate protection agreements to hedge any of the foregoing obligations, and/or (e) any energy hedge provider. Company and the Project may have more than one Lender. Company, at its election, may send written notice to College with the name and notice information for any Lender. Any Lender of which the College has written notice shall maintain the right to cure any default, including any default caused by an assignee or contractor of Company pursuant to the provisions of Article III.
- 4.2 The College shall copy all Lenders of which the College has been provided written notice on any notices of default or notices of termination that are delivered by College to Company.

4.3 Company may, without obtaining the College's consent, mortgage, pledge, or otherwise encumber its interest in this Agreement or the Project to a Lender for the purpose of financing the operations of the Project or constructing the Project or acquiring additional equipment following any initial phase of construction. Company's encumbering its interest in this Agreement may include an assignment of Company's rights and obligations under this Agreement for purposes of granting a security interest in this Agreement. In the event Company takes any of the actions permitted by this subparagraph, it may provide written notice of such action to the College with such notice to include the name and notice information of the Lender. If Company does not provide, in writing, the name and notice information of a Lender to the College, then such Lender shall not have the notice rights or other rights of a Lender under this Agreement.

V. Notices and Assignment

5.1 **Notices:** Any notice required to be given by these criteria or guidelines shall be given by both e-mail and certified mail (or contract or common carrier which provides for confirmation of delivery) in the following manner to the following:

Commented [DK3]: If you think this is important.

(a) To the Company:

Nacero TX 1 LLC

Attn.: Chief Operating Officer ~~and General Counsel~~

Two BriarLake Plaza, Suite 1000

2050 W. Sam Houston Parkway S.

Houston TX 77042

Tel: 864-354-6062

Email: hab@nacero.co and tvb@nacero.co

WITH A COPY TO:

Nacero TX 1, LLC

Attn: General Counsel

(b) To College: _____

5.2 **Assignment:** The parties agree that the rights and obligations under this Agreement may be assigned, in whole or in part, by Company, only with the written consent of the College, which consent shall not be unreasonably withheld. Company shall give forty-five (45) days' written notice of any such intended assignment to the College, and the College shall respond with its consent or refusal within thirty-five (35) days of receipt of Company's notice of intended assignment. College shall be deemed to have approved the requested assignment if it does not consent to or refuse the requested assignment within the thirty-five (35) day period and after being given five (5) days notice of its failure to act on the request. The College's consent shall not be required for an assignment to Company's wholly-owned subsidiary or affiliate if Company agrees to remain responsible for any monetary obligations imposed by this Agreement. If the College responds to Company's notice of assignment with a refusal, the parties agree to work together in good faith to resolve the College's objections to the assignment before instituting any legal action permitted by Section 6.8 of this Agreement concerning the

Commented [DK4]: If you think this is important.

refusal to consent to the assignment. Company's assignment of the Agreement shall be final only after the execution of a formal assignment document between Company and the assignee and the delivery of executed assignment agreement to the College. Neither Company's notice of an intended assignment nor the College's formal consent to an intended assignment shall constitute an assignment of the Agreement; and Company's request for a consent to assignment shall not obligate Company to assign the Agreement. The parties agree that a transfer of all or a portion of the ownership interests in Company to a third party shall not be considered an assignment under the terms of this Agreement and shall not require any consent of the College.

5.3 The Agreement may not be assigned to an entity that is exempt from ad valorem property taxes under Texas law. In the event that the assignment by Company is to an entity that is exempt from ad valorem property taxes and not approved by College, such an assignment shall be an incident of default, and the College shall be entitled to its remedies under Article III.

VI. General Terms

6.1 **Entire Agreement:** This Agreement embodies the complete agreement of the parties hereto, superseding all oral or written previous and contemporary agreements between the parties relating to matters in this Agreement, and except as otherwise provided herein cannot be modified without written agreement of the parties to be attached to and made a part of this Agreement.

6.2 **Relationship:** No term or provision of this Agreement or act of Company in the performance of this Agreement shall be construed as making Company the contractor, agent, servant, joint venture, or employee of the College.

6.3 **Indemnity:** Company shall defend, indemnify, and hold harmless the College and its respective officers, employees and agents from any and all claims, liabilities, losses, damages and expenses arising out of or in any manner connected with this Agreement, and alleged to result from or to be caused by the negligence, gross negligence, willful or intentional act or omission of the Company, its officers, employees, agents, or contractors and including all expenses, attorneys' fees and court costs which may be reasonably incurred by the College in litigation or in resisting any such claims or such causes of action.

COMPANY UNDERSTANDS AND AGREES THAT THIS OBLIGATION TO DEFEND, INDEMNIFY, AND HOLD HARMLESS IS VALID AND ENFORCEABLE REGARDLESS OF WHETHER THE CLAIMS, LIABILITIES, LOSSES, OR DAMAGES, ARE BASED IN WHOLE OR IN PART ON THE NEGLIGENCE, GROSS NEGLIGENCE, STRICT LIABILITY, OR OTHER LEGAL FAULT OF COLLEGE.

6.4 **Guidelines:** This Agreement is entered into by the parties consistent with the Guidelines. To the extent this Agreement modifies any requirement or procedure set forth in the Guidelines, the Guidelines are deemed amended for purposes of this Agreement only.

6.5 **Amendment:** Except as otherwise provided, this Agreement may be modified by the parties hereto upon mutual written consent to include other provisions which could have originally been included in this Agreement or to delete provisions that were not originally necessary to this Agreement pursuant to the procedures set forth in the Act.

6.6 **Counterparts:** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

6.7 **Changes in Tax Laws:** The tax abatements provided in this Agreement are conditioned upon and subject to any changes in the state tax laws during the term of this Agreement. However, it is agreed that the rights of the Parties under this Agreement shall be grandfathered if permitted by such law.

6.8 **Venue and Jurisdiction:** Should any disputeaction, whether real or asserted, at law or in equity, arise out of the execution, performance, alleged default, attempted performance or non-performance of this Agreement, the parties agree that venue and jurisdiction for resolving said disputeaction shall be in a District Court of Ector County, Texas.

[SIGNATURE PAGE TO FOLLOW]

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by the College
as authorized by the Board of Trustees and executed by Company on the respective dates shown
below.

Odessa College District Date: _____

ATTEST:

COMPANY:

Nacero TX 1 LLC,
a Delaware limited liability company

Date: _____

By: _____

Name: _____

Title:

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Exhibit A-1

Attached is a description of the Site.

November 10, 2010

Susan M. Redford, County Judge
Ector County
300 North Grant, Room 227
Odessa, Texas 79761

William Webster, Chief Executive Officer
Ector County Hospital District
500 West 4th Street
Odessa, TX 79761

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Hector Mendez, Superintendent
Ector County Independent School District
802 North Sam Houston
Odessa, Texas 79761

Richard Morton, City Manager
City of Odessa
411 W 8th Street
Odessa, Texas 79761

Dr. Gregory D. Williams, President
Odessa College
201 W. University
Odessa, Texas 79764

Re: Proposed Engagement Letter for Redistricting Legal Services for Ector County Government Entities.

Dear Ladies and Gentlemen:

We very much appreciate the opportunity to provide legal redistricting services to the above governmental entities in Ector County through an interlocal agreement. I have set out below the proposed terms of the engagement between our firm (T&H), and these governmental entities (Client). These are supplemented by the attached document which provides standard legal services terms.

The Client

The following governmental entities in Ector County, Texas engage T&H for legal services for redistricting the jurisdictional boundaries of its single member districts based on 2010 decennial census data: Ector County, Ector County Independent School District, City of Odessa, Ector County Hospital District, and Odessa College. The governing bodies of such entities will approve the engagement through an interlocal agreement. Legal services will be billed pro rata such that the clients divide the cost rather than bear the full cost.

Scope

T&H will provide legal representation to the Client for the 2010 decennial census 32 redistricting from initial receipt of data through a determination by the United States Department of Justice (DOJ) of a submitted redistricting plan adopted each Client entity, including but not limited to attending and advising the Client at meetings, telephone calls and written communications to the Client and demographer, and preparation of documents regarding the adopted plan for submission to the DOJ and advocating its approval to the DOJ. This scope assumes five to ten meetings within Ector County and assumes no meetings with the DOJ in Washington D.C.

Cost to the Client and Anticipated Staffing

Arturo G. Michel will be the primary lawyer with assistance of his partner, Lisa McBride. They will bill at an hourly rate of \$275.00. Should the services of other firm lawyers be needed they will bill at a lesser hourly rate commensurate with their experience. The firm will bill the cost of reasonable and necessary expenses for travel, meals, and lodging. The services billed, exclusive of expenses, will not exceed \$31,625.00 (115 hours at \$275.00) for the above described scope of services and billed pro rata to each Client entity so that each only bears a proportionate cost of this amount. Should additional services be needed, e.g., a more complicated plan development process necessitating more meetings than 10, upon the Client's request, they will be provided at the above stated rate.

Conflicts

It is T&H's practice to comply with the professional standards and ethics requirements in the jurisdictions in which we perform legal services or manage the account. Based on the information of which we are aware, it does not appear that this engagement is materially adverse to any substantially related matter that T&H is handling for other clients of the firm. It is important that you know, however, that T&H may represent other clients within the same industry and may have matters that may be adverse to your interests in unrelated matters.

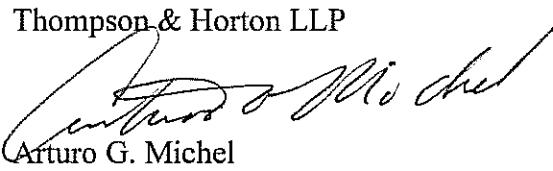
November 10 2010
Page 3

Under the terms of this Engagement Letter, the Client has specific obligations to T&H, for example, the obligation to provide complete and accurate information to the firm. As such, if you have any questions about the Client's rights and obligations respecting this engagement or relationship with T&H, we encourage you to contact counsel of your choice.

Thank you again for the opportunity to be of service to you. With kindest regards, I am

Very truly yours,

Thompson & Horton LLP



Arturo G. Michel

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AGM/as
Enclosures

AGREED AND ACCEPTED:

ECTOR COUNTY:

County Judge

Date: _____

ECTOR COUNTY HOSPITAL DISTRICT:

Chief Executive Officer

Date: _____

ECTOR COUNTY ISD:

Superintendent

Date: _____

CITY OF ODESSA:

City Manager

Date: _____

ODESSA COLLEGE:

President

Date: _____



THOMPSON & HORTON LLP

TERMS OF ENGAGEMENT

Introduction

These are the Terms of Engagement adopted by Thompson & Horton LLP ("T&H") and referred to in our Engagement Letter as the basis for our representation of one or more governmental entities in Ector County, hereafter referred to as "the Client" or "you". Because they are an integral part of our agreement to provide representation, we ask that you review this document carefully and retain it for your files. If you have any questions after reading it, please promptly inform your principal contact at the firm.

Client of the Firm

Since T&H has been engaged to represent the Client only, the engagement does not include the Client's directors/board members, officers, or employees. For individuals, our representation does not include employers, partners, spouses, siblings, or other family members. In the event we are asked to undertake representation of any other entity or individual in connection with this engagement, we will do so only by agreement defined in the Engagement Letter.

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The Scope of the Representation

T&H undertakes to provide representation and advice on the matters for which we are engaged, and it is important that we both have a clear understanding of the services that T&H has agreed to provide. In the Engagement Letter, T&H specifies the matter in which we will provide representation and the scope of the services we will provide. If there are any questions about the engagement, including the scope of the representation, and related services being performed, please address those questions promptly with your principal contact at the firm.

As you may be aware, the Treasury Department has issued new Regulations, commonly referred to as Circular 230, that dictate how attorneys must communicate with their clients whenever they render "written advice" on tax issues. The new regulations are very broad and will frequently restrict ordinary communications between attorney and client. We can avoid the costly and time-consuming process of preparing a formal opinion to comply with Circular 230 by including a legend on written advice similar to the following: **"As required by United States Treasury Regulations, you should be aware that this communication is not intended or written by the sender to be used, and it cannot be used, by any recipient for the purpose of avoiding penalties that may be imposed on the recipient under United States federal tax laws."** Unless we agree in advance to the contrary, any written advice that we prepare for you will contain this legend.

Our Relationship With Others

T&H represents many educational entities, public entities, businesses and individuals. In some instances, the applicable rules of professional responsibility may limit our ability to represent clients with conflicting or potentially conflicting interests. Those rules of professional responsibility often allow us to exercise our independent judgment in determining whether our relationship with one client prevents us from representing another. In other situations, we may be permitted to represent a client only if the other clients consent to that representation.

If a conflicts issue unrelated to the engagement develops between you and another client, we will follow the applicable rules of professional responsibility to determine whether we may represent either you or the other client in the unrelated controversy. In making this determination, we will consider your agreement to the Conflicts of Interest provisions in these Terms of Engagement.

In addition to our representation of other entities and individuals, we also sometimes represent lawyers and law firms. As a result, opposing counsel in the matter may be a lawyer or law firm that we may represent now or in the future. Likewise, opposing counsel in the matter may represent our firm now or in the future. Further, we have professional and personal relationships with many other attorneys, often because of our participation in bar associations and other professional organizations. We believe that these relationships with other attorneys do not adversely affect our ability to represent any client. Your acceptance of our Engagement Letter means you consent to any such relationships between our firm and other lawyers or law firms, even counsel representing a party adverse to you in this engagement.

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Conflicts of Interest

Conflict of interest is a concern for lawyers and their clients. We attempt to identify actual and potential conflicts at the outset of any engagement, and may request that you sign a conflict waiver before we accept an engagement. Occasionally, other clients or prospective clients may ask us to seek a conflict waiver from you so that we can accept an engagement on their behalf. Please do not take such a request to indicate that we will represent you less zealously; we make such requests because we take our professional responsibilities to all clients and prospective clients very seriously.

Unfortunately, conflicts sometimes arise or become apparent after work begins on an engagement. When that happens, we will do our best to address and resolve the situation in the manner that best serves the interests of all of our affected clients.

Occasionally, T&H may be asked to represent someone whose interests may be adverse to yours. T&H accepts this engagement on the understanding that our representation of you will not preclude us from accepting another engagement from an existing or a new client, including litigation adverse to you, provided (1) that such engagement is not substantially related to the subject matter of services we provide to you, and (2) that in accepting such

other engagement we would not impair the confidentiality of proprietary, sensitive or otherwise confidential information you have provided to us.

Rules concerning conflicts of interest vary with the jurisdiction. In order to avoid any uncertainty, our policy is that the Texas Disciplinary Rules of Professional Conduct will be applicable to the representation. Unless the Engagement Letter stipulates that some other rules of professional responsibility will govern our attorney-client relationship, your acceptance of our Engagement Letter means you agree with that policy.

Fees, Billing Arrangements and Terms of Payment

T&H issues invoices on a regular basis, normally each month, for fees and other charges. Invoices are due on presentment and are considered past due 30 days after receipt. It is important to review invoices that are presented each month and to bring any concerns regarding the invoice, services or staffing to the attention of your primary contact at the firm within 30 days of receipt of an invoice.

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Fees for professional services and reimbursable expenses are not contingent on the outcome of the project, matter, or lawsuit.

As an adjunct to providing services, we may incur and pay a variety of charges on your behalf or charge for certain ancillary support services. Whenever we incur such charges on your behalf or charge for such ancillary support services, we will bill them to you as part of your monthly invoice. Examples include charges for photocopying, postage, long-distance telephone calls, travel and conference expenses, delivery charges, computerized research, and facsimile and other electronic transmissions. Outside expenses generally will be billed at cost, while some in-house expenses (e.g., copying, telecopying, computer services and in-house research) will include a reasonable allocation of overhead. In appropriate cases, reimbursable expenses will also include overtime charges for dedicated services for secretaries and other staff.

It may be necessary for us to retain third parties, such as consultants, experts, investigators and court reporters, in order to represent you adequately. In that event, you will be responsible for the payment of the invoices of those third parties. Although we may advance third-party disbursements in reasonable amounts, we will ask you to pay larger third-party invoices (usually those over \$500) directly to the third party providing the services. Because we often have ongoing professional relationships with the persons who render such services, we also ask that you pay such bills promptly and send us notice of your payment.

We generally make and retain copies of all documents generated or received by us in the course of your representation. Should you request documents from us at the conclusion of our representation (other than your original documents), you agree to compensate the firm for reproduction charges and professional fees required to review the files.



Should your account become delinquent and satisfactory payment terms are not arranged, we may take steps, as permitted under the rules regulating our profession, to withdraw from the representation, cease representation or terminate the engagement.

If the representation will require a concentrated period of activity, such as a trial, arbitration, or hearing, we reserve the right to require the payment of all amounts owed and the prepayment of the estimated fees and expenses to be incurred in completing the trial, arbitration, or hearing, as well as arbitration fees likely to be assessed. If you fail to timely pay the estimated fees and expenses, we will have the right to cease performing further work and the right to withdraw from the representation, subject to any applicable rules of court or other applicable tribunal.

Although an insurer's payment of defense costs may be applied to billings of the firm, the payment obligation remains with you. Failure of any insurer to pay all or part of the billings for any matter does not relieve you from the obligation to pay billings in full and in a timely manner.

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From time to time, we assist clients in pursuing third parties for recovery of attorneys' fees and other charges resulting from our services. These situations include payments under contracts, statutes or insurance policies. However, it remains your obligation to pay all amounts due to us within 30 days of the date of our statement.

Your Cooperation

To enable us to provide effective representation, you agree to: (1) disclose to us, fully and accurately and on a timely basis, all facts and documents that are or might be material or that we may request; (2) keep us apprised on a timely basis of all developments relating to the representation that are or might be material; (3) attend meetings, conferences, and other proceedings when it is reasonable to do so; and, (4) cooperate fully with us in all matters relating to the engagement.

Insurance Coverage

We will only represent you, and not your insurer, on matters.

Unless we specifically agree to do so, we will not evaluate any aspect of insurance coverage, advise you with respect to such coverage, or become involved in any policy or coverage dispute. From time to time, we represent insurance companies, and our ability to assist you with such insurance issues may be limited by our need to comply with the rules governing conflicts of interest. However, if your matter involves coverage questions, we ask that you let us know in advance so that we do not inadvertently transmit information to your insurer that might somehow affect coverage.

Termination

Because T&H has been engaged to provide services in connection with the representation specifically defined in our Engagement Letter, the attorney-client relationship terminates upon our completion of our services related to the representation. After completion of the representation, however, changes may occur in the applicable laws or regulations that could affect your future rights and liabilities in regard to the matter. T&H has no continuing obligation to give advice with respect to any future legal developments that may relate to the project.

You may terminate the engagement at any time, with or without cause, by notifying us in writing. The firm also can terminate the engagement before the completion of its representation of you in the specified matter if (a) the continued representation would result in a violation of the applicable rules of professional conduct; (b) the termination can be accomplished without material adverse effect on your interests; (c) the firm has a fundamental disagreement with the objective in this engagement; (d) you substantially fail to discharge an obligation regarding this engagement, including the payment of fees and expenses and the duty of cooperation as provided in the Terms of Engagement; or (e) other good cause for termination exist. In the event that the firm intends to terminate the engagement, the firm will give reasonable notice and allow you access to your files relating to this engagement.

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The termination of our services will not affect your responsibility for payment of legal services rendered and other charges incurred before termination and in connection with an orderly transition of the project.

Confidentiality and Document Retention

T&H will treat all communications received from you during the engagement as confidential. In addition to the normal protections afforded to our clients, T&H will maintain as confidential all documents received or generated during our representation of you to which any confidentiality provision applies.

At the close of any matter, we may return relevant documents to the client, may send remaining pertinent parts of our files to a private storage facility or may destroy certain documents. The attorney closing the file will determine, subject to the following paragraph and otherwise with the client, which portion should be returned to the client, which portion should be sent to private storage (and for how long) and which portions are to be destroyed.

You agree that we will own and retain our own files pertaining to the engagement and that you will not have the right or ability to require us to deliver such files (or copies thereof) to you, including, for example, firm administrative records, time and expense reports, personnel and staffing materials, credit and accounting records, electronic mail correspondence (other than such correspondence which was sent to you by a member of our firm) and internal lawyer's work product, such as drafts, notes, internal memoranda and legal and factual research, including investigative reports prepared by or for the internal use of



lawyers. Further, at the discretion of the responsible partner for the project in question, we may destroy any such documentation which is the property of the firm or any documentation which such partner determines to be duplicative or unnecessary, and in all cases without having to obtain your consent.

Disclaimer

We cannot guarantee the outcome of any matter. Any expression of our professional judgment regarding your matter or the potential outcome is, of course, limited by our knowledge of the facts and based on the law at the time of expression. It is also subject to any unknown or uncertain factors or conditions beyond our control.

Either at the commencement or during the course of the representation, we may express opinions or beliefs about the matter or various courses of action and the results that might be anticipated. Any expressions on our part concerning the outcome of the representation, or any other legal matters, are based on our professional judgment and are not guarantees.

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By signing the Engagement Letter or otherwise indicating your acceptance of the Engagement Letter, you acknowledge that T&H has made no promises or guarantees to you about the outcome of the representation, and nothing in these Terms of Engagement shall be construed as such a promise or guarantee.

Our Professional Responsibility

The code of professional responsibility lists several types of conduct or circumstances that require or allow us to withdraw from representing a client. These include, for example, misrepresentation or failure to disclose material facts, action contrary to our advice, conflict of interest with another client and nonpayment of fees or charges. T&H tries to identify in advance and discuss with our clients any situation that may lead to our withdrawal. If withdrawal ever becomes necessary, T&H gives our client written notice as soon as practicable.

The State Bar of Texas investigates and prosecutes complaints of professional misconduct against attorneys licensed in Texas. A brochure entitled Attorney Complaint Information is available at all of our offices and is likewise available upon request. A client that has any questions about the State Bar's disciplinary process should call the Office of the General Counsel of the State Bar of Texas at 1-800-932-1900 (toll free).

Modification of Our Agreement

The Terms of Engagement reflect our agreement on the terms of all engagements, and are not subject to any oral agreements, modifications, or understandings. Any change in these Terms of Engagement must be made in writing signed by both T&H and the client.



In Conclusion

We look forward to a long and mutually satisfying relationship with you. Again, if at any time you have a question or concern, please feel free to bring it to the attention of your principal contact at our firm.

ACTION PAGE

TO: Board of Trustees
FROM: Dr. Scott Muri, Superintendent
SUBJECT: Discussion of and Request for Approval of Interlocal Agreement for Joint Task Force Committee and Possible Request for Approval of Election Law Expert and/or Demographer
DATE: August 17, 2021

The law requires that after each census, governmental bodies shall review the census data and determine if they need to redraw boundary lines for their various election precincts. In the past, all of the local governing entities have joined together to coordinate the process and save expenses. The attached Interlocal Agreement for Joint Task Force Committee provides for the formation of the committee comprised of all of the entities to address the redistricting issues and share the costs. Each of the other entities either have considered or will be considering this same resolution.

Administration Recommendation:

Approval of the Interlocal Agreement for Joint Task Force Committee and possible approval of the legal expert and demographer.

INTERLOCAL AGREEMENT FOR JOINT TASK FORCE COMMITTEE

WHEREAS, the ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT, hereinafter referred to as "School District", is a Political Subdivision of the State of Texas whose governing board has seven (7) publicly elected officials; and

WHEREAS, the ECTOR COUNTY HOSPITAL DISTRICT, hereinafter referred to as "Hospital District", is a Political Subdivision of the State of Texas whose governing board has seven (7) publicly elected officials; and

WHEREAS, ODESSA JUNIOR COLLEGE DISTRICT, hereinafter referred to as "College District", is a Political Subdivision of the State of Texas whose governing board has nine (9) publicly elected officials; and

WHEREAS, ECTOR COUNTY, hereinafter referred to as "County", is a Political Subdivision of the State of Texas, whose governing board has five (5) publicly elected officials; and

WHEREAS, the CITY OF ODESSA, hereinafter referred to as "City", is a Political Subdivision of the State of Texas, whose governing board has seven (7) publicly elected officials; and

WHEREAS, each of the respective Entities anticipate that there may be changes in the population and demographics since the official 2010 U.S. Census; and

WHEREAS, each Entity believes it is the responsibility and obligation of the Entity to review the present population and demographics for purposes of determining whether any change or modification should be implemented in the method its governing board is elected; and

WHEREAS, the U.S. Bureau of Census is completing the official U.S. Census for 2020 and will be publishing the official results in the near future; and

WHEREAS, to properly determine the present population and voting demographics of each District, it will be necessary to employ certain experts in the areas of demographics, statistics and voting rights, and

WHEREAS, it is the belief of each Entity that it will be more economical to form a Joint Task Force Committee for the purpose of compiling the information, studies and proposals to be utilized by all Entities at an economy of cost and savings to the taxpayers of each Entity; and

NOW, THEREFORE, in consideration of the mutual benefits to be delivered by each Entity, the financial and cost savings to the voters and taxpayers in each Entity and to provide for full public awareness, information and input from the Community for determining the means and methods of electing the governing body of each respective Entity and pursuant to the authority of Chapter 791 of the Texas Government Code, the School District, Hospital District, College District, County and City agree to form a Joint Task Force Committee for the purpose of jointly considering the hiring of a demographer and legal expert in the area of redistricting; and to consider the information provided by such population, demographic, statistical and voting

rights experts retained by the Entities and make recommendations to each respective Entity on the matters referred to herein, all on the following terms and conditions:

1. The JTC shall be composed of 10 members, being:
 - (a) The Superintendent/Chief Executive Officer of the School District;
 - (b) The Administrator/Chief Executive Officer of the Hospital District;
 - (c) The President /Chief Executive Officers of the College District;
 - (d) The County Judge;
 - (e) The City Manager of the City;
 - (f) One (1) member of the Board of Trustees of the School District to be selected and appointed by the President of the Board of Trustees of the School District;
 - (g) One (1) member of the Board of Directors of the Hospital District to be selected and appointed by the President of the Board of Directors of the Hospital District;
 - (h) One (1) member of the Board of Trustees of the College District to be selected and appointed by the President of the Board of Trustees of the College District;
 - (i) One (1) member of the Commissioners Court to be selected and appointed by the County Judge.
 - (j) One (1) member of the City Council selected and appointed by the Mayor of the City of Odessa.
2. The JTC shall elect from its own committee members, a chairperson, a vice-chairperson, and secretary. In the absence of the secretary, the chairperson or vice-chairperson shall appoint any member of the JTC present to act as secretary for that meeting.
3. The purposes of the JTC shall be to research the hiring of experts, and with the assistance of experts retained by each Entity in regards to population and demographics, statistical and voting rights areas of expertise, to study the present population and demographics of Ector County, Texas, and to assist and facilitate each Entity in the study process. The JTC shall not have the authority to obligate or bind any Entity.
4. The term shall be the time required for the JTC to perform its assigned purposes or until a majority of the Entities, by affirmative vote of their respective governing boards, shall vote to terminate this Agreement.
5. All costs and expenses incurred by the JTC in the performance of its duties and responsibilities shall be shared equally among the respective Entities, except each Entity shall bear the cost of its own respective attorneys. Members shall receive no compensation or remuneration for their services. A member may be reimbursed for actual expenses incurred in the performance of their official duties

provided all required receipts and invoices are presented with request for payment.

6. All meetings of the JTC shall be governed by the Open Meetings Act and reasonable efforts will be made by the JTC to notify representative groups of the community of each meeting.
7. All documents, records and minutes of the JTC shall be governed by the Public Information Act of the State of Texas.

THIS Agreement constitutes the agreement and understanding of the respective parties with regard to the information and purposes of the JTC and this Agreement may not be altered, changed or modified without the written consent of the majority vote of the governing boards of the Entities being a party to this Agreement.

EXECUTED this _____ day of _____, 2021.

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT

By: _____
Superintendent

ECTOR COUNTY HOSPITAL DISTRICT

By: _____
Chief Executive Officer

ODESSA JUNIOR COLLEGE DISTRICT

By: _____
President of the Board of Trustees

ECTOR COUNTY

By: _____
County Judge

CITY OF ODESSA

By: _____
City Manager

**THE BOARD OF TRUSTEES OF
THE ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
NOTICE OF MEETING OF
ECTOR COUNTY REDISTRICTING JOINT TASK FORCE COMMITTEE
TO CONSIDER REDISTRICTING**

A meeting of the Ector County Redistricting Joint Task Force Committee to discuss redistricting has been scheduled for _____, 2021 beginning at 6:00 p.m. in the Board Room of the Ector County Independent School District, 802 North Sam Houston, Odessa, Texas. A true and correct copy of the Agenda of said meeting is attached.

Notice of this meeting is being given by the Board of Trustees of the Ector County Independent School District to advise the public that it is possible a quorum of the Board of Trustees of the Ector County Independent School District may be present at the meeting of the Joint Task Force Committee and may take part in the discussions at said meeting.

A notice of this meeting was posted on _____, 2021 at _____.m.

**Board of Trustees
Ector County Independent School District**

By: _____

Name: _____

Title: _____

**NOTICE OF MEETING OF
ECTOR COUNTY REDISTRICTING JOINT TASK FORCE COMMITTEE**

A meeting of the Ector County Redistricting Joint Task Force Committee, a committee formed pursuant to an Interlocal Agreement dated _____, 2021 between the Ector County Independent School District, the Ector County Hospital District, Odessa Junior College District, Ector County, and the City of Odessa, will be held on _____, 2021 beginning at 6:00 p.m. in the Board Room of the Ector County Independent School District, 802 North Sam Houston, Odessa, Texas.

The subjects to be discussed or considered, upon which any formal action may be taken, are listed below. Items do not have to be discussed in the same order as shown on this meeting notice.

1. Roll Call
2. Election of Chairperson, Vice Chairperson, and Secretary for the Joint Task Force Committee.
3. Overview of redistricting, law, and process.
4. Redistricting guidelines.
5. Demographic summary and deviations.
6. Questions and discussion.
7. Develop general timeline for work product.
8. Schedule next meeting or meetings of the redistricting committee.

A notice of this meeting was posted on _____, 2021 at _____.m. by each entity that has an elected official on this committee.

**Board of Trustees
Ector County Independent School District**

By: _____

Name: _____

46 Title: _____

CONSULTANT AGREEMENT FOR REDISTRICTING SERVICES **ECTOR COUNTY JURISDICTIONS**

This agreement is made and entered into by and between Ector County, Ector County Hospital District, Ector County Independent School District, City of Odessa, and Odessa Junior College District, all of Ector County, Texas, and hereinafter referred to as 'JURISDICTIONS', and Johnston & Associates, having the principal place of business in Tow, Texas, hereinafter referred to as 'CONSULTANT'.

I. PURPOSE

The purpose of this Agreement is to state the terms and conditions under which Consultant shall provide redistricting services for the JURISDICTIONS.

II. DESCRIPTION OF SERVICES

CONSULTANT'S services hereunder shall include the following:

TASK 1 INFORMATION NEEDS: JURISDICTIONS will provide information necessary for the project to CONSULTANT.

TASK 2 DATA AND MAP SYSTEM: CONSULTANT will develop a demographic database and electronic base maps for JURISDICTIONS geography using the 2010 Census PL94-171 2010 data file. The census data should be available in March 2011. CONSULTANT uses Arc View GIS (geographic information system) software to interface JURISDICTIONS' geography with the population information. Data will include information for total and voting age population by ethnicity and by census block. Calculations will be performed to determine the ethnic concentrations in each of the census blocks and presented on a map.

TASK 3 CURRENT DEVIATION: The census data will be compiled into the current single-member district (SMD) configurations and report the total and voting age population by ethnicity. Then the deviation from the least populated to the most populated SMD will be calculated to determine the need for redistricting. The findings will be transmitted to JURISDICTIONS and their attorney.

TASK 4 REDISTRICTING PLANS: Using redistricting guidelines, Consultant will prepare a draft redistricting plan(s) with supporting demographic data and present to JURISDICTIONS and their attorney. Discussion will follow and CONSULTANT will gather input and evaluate requested changes. Changes will be made that are consistent with redistricting guidelines and a plan will be finalized. CONSULTANT will attend four meeting with JURISDICTIONS.

- Ector County: Voting/election precincts will be evaluated and adjusted to comply with the Election Code as well as to accommodate single-member district boundaries for redistricting other JURISDICTIONS. The four commissioner precincts will be redistricted to equalize the population and to follow redistricting guidelines.
- Ector County I.S.D., Ector County Hospital District, and Odessa College District: Each of these jurisdictions contains seven single-member districts with Odessa College also having two mega districts. The current single-member district plans will be redistricted to equalize the population, to follow redistricting guidelines, and to maintain congruence with county election precinct boundaries.
- City of Odessa: The five city council single-member districts will be redistricted to equalize the population, to follow redistricting guidelines, and to maintain congruence with county election precinct boundaries.

TASK 5 PRECLEARANCE FOR DEPARTMENT OF JUSTICE: All redistricting plans and supporting documentation will need to be submitted to the Department of Justice for review and preclearance. CONSULTANT will prepare the itemized information to be submitted by JURISDICTIONS' attorney.

- The total and voting age population of single-member districts, before and after the changes, by race and language group;
- Maps of prior and new boundaries, showing the location of racial and language minority groups; and
- An estimate of registered voters by single-member districts, before and after the changes, by race and language group.

TASK 6 FOLLOW-UP SUPPORT: Following receipt of the preclearance letter from DOJ, CONSULTANT will work with JURISDICTIONS and Ector County Elections Administration to develop maps of adopted single-member districts. CONSULTANT will provide follow-up support in response to JURISDICTIONS' needs.

III. SCHEDULE

CONSULTANT is available to begin work after the release of the 2010 Census PL-94-171 data and receipt of the data needs from JURISDICTIONS. The first implementation of redistricting will be in the March 2012 primaries with the new county voting precincts and redistricted county commissioner precincts 1 and 3. With this target date, the following general timeline is suggested:

- Spring 2011: Prepare data and calculate deviations (Tasks 1-3).
- Fall 2011: Draft and evaluate redistricting plans (Tasks 4).
- Nov/Dec 2011: Adopt redistricting plans and submit to Department of Justice (Tasks 4-5).
- Spring 2012: Receive preclearance and develop maps for election administration. Provide follow-up support (Task 6).

IV. SUMMARY OF QUALIFICATIONS

The primary personnel involved in this project will be Leslie Johnston and Valerie Warwick. Ms. Johnston is a community and regional planner with expertise in demographics and planning analysis. Ms. Johnston is providing the management and demographic services for this project. Ms. Warwick is an applications programmer and database developer who manages the data conversion and GIS software programming.

V. COST ESTIMATE

In consideration of the services to be performed by Consultant and as described under the terms of this agreement, JURISDICTIONS shall pay CONSULTANT a total fee for services performed, not to exceed forty one thousand two hundred dollars (\$41,200.00), unless other conditions necessitate additional services, which must be authorized in advance by the applicable Jurisdiction. CONSULTANT will invoice at the rate of \$175.00 per hour for Leslie Johnston and \$125.00 per hour for Valerie Warwick. In addition, Consultant is to be reimbursed for expenses reasonably incurred while providing these services. Such expenses may include, but are not limited to travel, postage, reproduction, and long distance telephone. Consultant shall be paid a retainer of one thousand dollars (\$1,000.00) by each Jurisdiction. Statement for services rendered will be submitted on a monthly basis less ten percent (10%) of professional services for the period of the statement to offset the retainer.

The fee for services and expenses will be shared evenly among the five cooperating JURISDICTIONS unless the fee or expense is incurred directly by one Jurisdiction. Payment shall be made by JURISDICTIONS within thirty (30) days of receipt of the statement.

VI. CONFIDENTIALITY OF INFORMATION

CONSULTANT acknowledges that, in providing services under this agreement, it will be entrusted with confidential information by JURISDICTIONS and agrees not to disclose any such information without JURISDICTIONS' permission, except to the extent that disclosure is reasonably necessary to provide services requested by JURISDICTIONS. Information which was known to CONSULTANT prior to entering into this agreement or which is available from public sources shall not be considered confidential. Any inquiries from the Press will be referred back to the JURISDICTIONS.

VII. CONCLUSION

The terms and conditions of this agreement shall be valid until June 2012. If you concur with the terms of this agreement, please execute both copies and return a fully executed copy to me.

Very Sincerely,

Leslie M. Johnston
Principal, Johnston & Associates

ECTOR COUNTY:

County Judge
Date:_____

ECTOR COUNTY HOSPITAL DISTRICT:

Chief Executive Officer
Date:_____

ECTOR COUNTY I.S.D.:

Superintendent
Date:_____

CITY OF ODESSA:

City Manager
Date:_____

ODESSA COLLEGE DISTRICT:

President
Date:_____

INTERLOCAL AGREEMENT FOR JOINT TASK FORCE COMMITTEE

WHEREAS, the ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT, hereinafter referred to as "School District", is a Political Subdivision of the State of Texas whose governing board has seven (7) publicly elected officials; and

WHEREAS, the ECTOR COUNTY HOSPITAL DISTRICT, hereinafter referred to as "Hospital District", is a Political Subdivision of the State of Texas whose governing board has seven (7) publicly elected officials; and

WHEREAS, ODESSA JUNIOR COLLEGE DISTRICT, hereinafter referred to as "College District", is a Political Subdivision of the State of Texas whose governing board has nine (9) publicly elected officials; and

WHEREAS, ECTOR COUNTY, hereinafter referred to as "County", is a Political Subdivision of the State of Texas, whose governing board has five (5) publicly elected officials; and

WHEREAS, the CITY OF ODESSA, hereinafter referred to as "City", is a Political Subdivision of the State of Texas, whose governing board has seven (7) publicly elected officials; and

WHEREAS, each of the respective Entities anticipate that there may be changes in the population and demographics since the official 2020 U.S. Census; and

WHEREAS, each Entity believes it is the responsibility and obligation of the Entity to review the present population and demographics for purposes of determining whether any change or modification should be implemented in the method its governing board is elected; and

WHEREAS, the U.S. Bureau of Census is completing the official U.S. Census for 2020 and will be publishing the official results in the near future; and

WHEREAS, to properly determine the present population and voting demographics of each District, it will be necessary to employ certain experts in the areas of demographics, statistics and voting rights, and

WHEREAS, it is the belief of each Entity that it will be more economical to form a Joint Task Force Committee for the purpose of compiling the information, studies and proposals to be utilized by all Entities at an economy of cost and savings to the taxpayers of each Entity; and

NOW, THEREFORE, in consideration of the mutual benefits to be delivered by each Entity, the financial and cost savings to the voters and taxpayers in each Entity and to provide for full public awareness, information and input from the Community for determining the means and methods of electing the governing body of each respective Entity and pursuant to the authority of Chapter 791 of the Texas Government Code, the School District, Hospital District, College District, County and City agree to form a Joint Task Force Committee for the purpose of jointly considering the hiring of a demographer and legal expert in the area of redistricting; and to consider the information provided by such population, demographic, statistical and voting

rights experts retained by the Entities and make recommendations to each respective Entity on the matters referred to herein, all on the following terms and conditions:

1. The JTC shall be composed of 10 members, being:
 - (a) The Superintendent/Chief Executive Officer of the School District;
 - (b) The Administrator/Chief Executive Officer of the Hospital District;
 - (c) The President /Chief Executive Officers of the College District;
 - (d) The County Judge;
 - (e) The City Manager of the City;
 - (f) One (1) member of the Board of Trustees of the School District to be selected and appointed by the President of the Board of Trustees of the School District;
 - (g) One (1) member of the Board of Directors of the Hospital District to be selected and appointed by the President of the Board of Directors of the Hospital District;
 - (h) One (1) member of the Board of Trustees of the College District to be selected and appointed by the President of the Board of Trustees of the College District;
 - (i) One (1) member of the Commissioners Court to be selected and appointed by the County Judge.
 - (j) One (1) member of the City Council selected and appointed by the Mayor of the City of Odessa.
2. The JTC shall elect from its own committee members, a chairperson, a vice-chairperson, and secretary. In the absence of the secretary, the chairperson or vice-chairperson shall appoint any member of the JTC present to act as secretary for that meeting.
3. The purposes of the JTC shall be to research the hiring of experts, and with the assistance of experts retained by each Entity in regards to population and demographics, statistical and voting rights areas of expertise, to study the present population and demographics of Ector County, Texas, and to assist and facilitate each Entity in the study process. The JTC shall not have the authority to obligate or bind any Entity.
4. The term shall be the time required for the JTC to perform its assigned purposes or until a majority of the Entities, by affirmative vote of their respective governing boards, shall vote to terminate this Agreement.
5. All costs and expenses incurred by the JTC in the performance of its duties and responsibilities shall be shared equally among the respective Entities, except each Entity shall bear the cost of its own respective attorneys. Members shall receive no compensation or remuneration for their services. A member may be reimbursed for actual expenses incurred in the performance of their official duties

provided all required receipts and invoices are presented with request for payment.

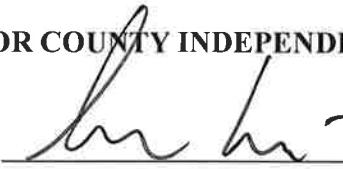
6. All meetings of the JTC shall be governed by the Open Meetings Act and reasonable efforts will be made by the JTC to notify representative groups of the community of each meeting.
7. All documents, records and minutes of the JTC shall be governed by the Public Information Act of the State of Texas.

THIS Agreement constitutes the agreement and understanding of the respective parties with regard to the information and purposes of the JTC and this Agreement may not be altered, changed or modified without the written consent of the majority vote of the governing boards of the Entities being a party to this Agreement.

EXECUTED this 17 day of August, 2021.

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT

By:


Superintendent

ECTOR COUNTY HOSPITAL DISTRICT

By:

Chief Executive Officer

ODESSA JUNIOR COLLEGE DISTRICT

By:

President of the Board of Trustees

ECTOR COUNTY

By:

County Judge

CITY OF ODESSA

By:

City Manager

INVESTMENT POLICY

of the

ODESSA COLLEGE DISTRICT

Date of Review
August 24, 2021

ODESSA COLLEGE DISTRICT

Resolution

ANNUAL REVIEW OF INVESTMENT POLICY August 24, 2021

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 investment officers have recommended no changes to the existing investment policy and investment strategies;

Be it resolved that the Board of Trustees of ODESSA 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 August 24, 2021.

Presiding Officer, Board of Trustees

Attest:

Secretary, Board of Trustees

**ODESSA COLLEGE DISTRICT
INVESTMENT POLICY
August 2021**

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ODESSA 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 Chief Financial Officer 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 Chief Financial Officer.
- 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.

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 365 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 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 _____

ODESSA COLLEGE
AUTHORIZED INVESTMENT BUSINESS ORGANIZATIONS
Effective August 24, 2021

Upon documented compliance with all requirements of the Odessa College Investment Policy, the business organizations listed below are authorized by the Board of Trustees to engage in investment transactions with the District.

- Lone Star Investment Pool
- LOGIC Government Investment Cooperative
- TexPool Public Funds Investment Pool
- Prosperity Bank
- BBVA Compass Bank
- JP Morgan Chase Bank
- Raymond James Financial
- Wells Fargo Bank
- Frost Bank
- Wells Fargo Institutional Brokerage
- UBS Financial Services
- Cantor Fitzgerald & Co.
- Hilltop Securities Inc.
- Multi-Bank Securities, Inc.
- Mischler Financial Group

The Investment Officers of Odessa College hereby attest that they (1) do not have a personal business relationship with any of the business organizations listed above and (2) are not related within the second degree by affinity or consanguinity to an individual seeking to sell for any of the organizations.



Attest

08/24/2021

Date



Attest

08/24/2021

Date

The qualified representative of the business organization offering to engage in an investment transaction with an investing entity shall execute a written instrument in a form acceptable to the investing entity and the business organization substantially to the effect that the business organization has:

- (1) received and reviewed the investment policy of the entity; and
- (2) acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the entity and the organization that are not authorized by the entity's investment policy.

Approved, this 24th day of August 2021

ODESSA COLLEGE
BUDGET COMPARISON STATEMENT
CURRENT UNRESTRICTED INCOME & EXPENDITURES
July 31, 2021 and 2020

	THROUGH JULY 2021	TOTAL BUDGET 2020-2021	PERCENT OF BUDGET	THROUGH JULY 2020	TOTAL BUDGET 2019-2020	PERCENT OF BUDGET
Revenues:						
State Appropriation	8,727,609	9,641,570	90.5%	8,727,872	9,641,570	90.5%
Ad Valorem Taxes	25,327,301	25,730,000	98.4%	25,322,811	25,705,000	98.5%
Tuition and Fees - Credit	13,150,080	11,282,133	116.6%	12,649,453	11,141,892	113.5%
Tuition and Fees - Non Credit	1,151,659	1,769,768	65.1%	1,105,327	1,888,367	58.5%
Federal Grants & Contracts	9,545	13,000	73.4%	8,355	13,000	64.3%
Other Income	614,428	1,108,864	55.4%	671,845	1,191,769	56.4%
Gift Income	42,428	52,000	81.6%	82,850	78,756	105.2%
Investment Income	96,716	330,000	29.3%	343,477	425,000	80.8%
Total Revenues	49,119,766	49,927,335	98.4%	48,911,990	50,085,354	97.7%
Salaries and Benefits:						
General Administration	1,862,919	2,189,383	85.1%	1,744,178	2,022,316	86.2%
Student Services	1,808,308	2,225,429	81.3%	2,200,417	2,709,174	81.2%
General Institutional	2,674,472	3,430,278	78.0%	2,574,637	3,246,450	79.3%
Instruction	11,969,074	13,707,719	87.3%	11,879,707	13,363,338	88.9%
Instructional Support	3,241,347	3,927,669	82.5%	2,823,489	3,462,730	81.5%
Public Service	511,515	705,333	72.5%	510,165	731,606	69.7%
Physical Plant	965,333	1,093,098	88.3%	952,279	1,115,925	85.3%
Staff Benefits	5,050,830	5,815,375	86.9%	4,933,572	5,592,480	88.2%
Total Payroll	28,083,798	33,094,284	84.9%	27,618,444	32,244,019	85.7%
Other Operating Expenditures:						
General Administration	265,136	409,644	64.7%	301,500	344,467	87.5%
Student Services	455,063	585,613	77.7%	439,519	533,792	82.3%
General Institutional	3,001,618	4,080,013	73.6%	2,974,274	3,918,962	75.9%
Instruction	608,737	1,021,867	59.6%	736,339	1,146,707	64.2%
Instructional Support	466,890	584,290	79.9%	477,957	626,942	76.2%
Public Service	101,656	132,624	76.6%	120,702	166,723	72.4%
Physical Plant Operations	1,942,346	1,854,594	104.7%	1,732,850	1,785,904	97.0%
Utilities	1,017,318	1,127,783	90.2%	940,352	1,115,750	84.3%
Scholarships & Allowances	1,270,039	1,659,000	76.6%	1,470,300	1,605,000	91.6%
Total Operating Expenditures	9,128,803	11,455,428	79.7%	9,193,793	11,244,247	81.8%
Transfers In:						
Bookstore Profit (Loss)	20,318	60,000	33.9%	54,093	60,000	90.2%
OER Reserve Fund	91,667	100,000	91.7%	91,667	100,000	91.7%
Other Auxiliary Profit (Loss)	(138,697)	(455,126)	n/a	(11,989)	(117,730)	n/a
Investment Income - Plant Funds	-	20,000	0.0%	40,417	20,000	202.1%
Total Transfers In	(26,712)	(275,126)	9.7%	174,188	62,270	279.7%
Transfers Out:						
Tuition for TPEG Scholarships	558,323	465,000	120.1%	520,382	465,000	111.9%
To Technology Replacement Fund	163,703	200,000	81.9%	316,911	600,000	52.8%
To Plant Renew/Replace Fund	221,811	600,000	37.0%	661,010	750,000	88.1%
To Construction Funds	2,390,417	2,585,000	92.5%	3,162,500	3,450,000	91.7%
Athletics Subsidy	1,203,023	1,264,934	95.1%	1,211,594	1,357,213	89.3%
Other Transfers	-	(12,437)	n/a		37,145	n/a
Total Transfers Out	4,537,277	5,102,497	88.9%	5,872,397	6,659,358	88.2%
Excess of Revenues over Expenditures and Transfers	7,343,176	-		6,401,544	-	

ODESSA COLLEGE
BUDGET ADJUSTMENTS
August 24, 2021

GENERAL CONTINGENCY EXPENDITURES (11-10390-5388)

Original Budget, September 1, 2020	\$ 550,000
Approved Adjustments, May 25, 2021	(11,967)
Proposed Adjustments, August 24, 2021	** (81,925)
Balance Remaining for General Contingencies	<u><u>\$ 456,108</u></u>

INCREASES (DECREASES) IN INCOME BUDGETS

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

INCREASES (DECREASES) IN EXPENDITURE BUDGETS

Bus Repairs - Engine					
11 - 10359 - 5362	Transportation		Equipment Repairs	34,425	
11 - 10390 - 5388	General Contingency		Contingent Expenditures	** (34,425)	
Hanover Research Services					
11 - 10300 - 5228	Institutional Effectiveness		Subscriptions	47,500	
11 - 10390 - 5388	General Contingency		Contingent Expenditures	** (47,500)	
				<u><u>\$ -</u></u>	

ODESSA COLLEGE
EXPENDITURE VOUCHERS EXCEEDING \$10,000
July 27, 2021 - August 19, 2021

07/28/2021	Strong Environmental Services	Travis Hall Demolition	\$13,550.00
07/28/2021	G & G Construction	OCTechs ECHS - interior painting	\$10,568.00
07/28/2021	Pocket Nurse Medical Supply	Nursing Spot Vital Signs Devices (Nursing grant funded)	\$28,879.27
08/04/2021	Gary S. Vieth Dba Vieth Technologie	Fine Arts Visual and Audio Upgrades (Rea Grant Funded)	\$54,095.75
08/04/2021	JSA Architects	Health Science Building Schematic Design Phase (50% Complete)	\$185,625.00
08/04/2021	The Hanover Research Council, LLC	Research Service Contract	\$47,500.00
08/04/2021	The Hanover Research Council, LLC	COVID Research Service Contract (CARES Grant Funded)	\$47,500.00
08/04/2021	Four Winds Interactive Llc	25 Licenses for Wrangler Vision	\$14,061.25
08/04/2021	Alliant Insurance Services Inc.	Athletic AD&D Accident Medical	\$213,520.00
08/04/2021	Cummins Supply Company	Engine Bus Repairs	\$34,425.16
08/04/2021	First Service	ET Boiler Replacement	\$21,897.00
08/04/2021	GCA Services Group	Custodial Services - July	\$67,454.70
08/11/2021	TASB Risk Management Fund	Property, Casualty, Liability insurance 2021-22	\$593,882.00
08/11/2021	Respondus, Inc.	Lockdown Brower Renewal	\$13,545.00
08/11/2021	G & G Construction	Freeze/Water Damage to Century Commons (Insurance Claim)	\$24,480.00
08/11/2021	Dell Marketing L.P.	Microsoft Enterprise annual license	\$61,846.62
08/11/2021	Odessa Fire Department	Fire Training Funding Share	\$39,332.10
08/11/2021	Advance Excavating & Paving, L.P.	Concrete work for Portable Cafeteria	\$12,600.00
08/11/2021	Advance Excavating & Paving, L.P.	Excavate Gas Lines and Concrete Work for HSB	\$40,750.00
08/11/2021	Atlas Rearden Inc.	Window Washing Campus Wide	\$20,316.13
08/11/2021	City of Odessa	Water & Sewer Utilities - July	\$12,529.19
08/11/2021	ZogoTech	Consulting Services for Customization	\$15,000.00
08/18/2021	KOSA -TV	Fall and Summer Advertising	\$15,339.00
08/18/2021	Ellucian Company, L.P.	Ellucian Advisory Service Annual Contract	\$27,500.00
08/18/2021	Odessa College Foundation	Koone Endowment (MacKenzie Scott Donation)	\$2,100,000.00
08/18/2021	Odessa College Foundation	BAAS Endowment	\$60,000.00
08/18/2021	Southwest Contract	Dorm Room Furniture	\$26,940.00
08/18/2021	Whitley Penn Llp	Audit Services	\$10,615.00
08/18/2021	Empyra.Com, Inc.	OneFlow Yearly Subscription for AEL Registration (AEL Grant Funded)	\$38,400.00
08/18/2021	Blackboard, Inc.	Blackboard support 2021-2022	\$108,211.80
08/18/2021	ZOHO Corp.	Digital Help Desk for Students Yearly Subscription	\$22,127.00
08/18/2021	ATI	Nursing practice exam software (Funded by student fees)	\$44,946.26
08/18/2021	NRG Energy, Inc.	Electric Utilities - July	\$78,733.93
08/18/2021	G & G Construction	Freeze/Water Damage to Century Commons (Insurance Claim)	\$14,475.00
08/18/2021	Rush Truck Centers of Texas, Lp	2018 Peterbilt Deposit for Truck Driving	\$10,000.00
08/18/2021	Dale's Print & Copy	Law Enforcement Academy Steel Framed Signs	\$20,000.00

VISION 2030 SUMMARY TO DATE

Through 08/19/2021

Expensed Funds

Admin Fees	\$	21,387.50
Terrace Apartments	\$	894,962.29
Health Science Building	\$	312,646.50
RA Pavilion	\$	26,717.09
Wilkerson Hall Phase II	\$	9,535.00
Parking Improvements	\$	1,387.50
Pedestrian Bridge	\$	2,445.00
		1,269,080.88

VISION 2030 CONSTRUCTION EXPENDITURES
July 29, 2021 - August 19, 2021

CK DATE	PAYEE	DESCRIPTION	CURRENT	Transfers	TOTAL
Admin Fees					
		Previous Expenditures			\$ 16,427.50
07/31/2021	JSA Architects	Admin and Planning	4,960.00		<u>4,960.00</u>
		Total Expenditures to Date			<u>\$ 21,387.50</u>
Terrace Apartments					
		Previous Expenditures			\$ 894,962.29
					<u>\$ -</u>
		Total Expenditures to Date			<u>\$ 894,962.29</u>
Health Science Building					
		Previous Expenditures			\$ 85,971.50
07/31/2021	JSA Architects	Schematic Design Phase (50% Complete)	185,625.00		
08/16/2021	Vanco Insulation Abatement Inc	Fence Rental	300.00		
08/11/2021	Advance Excavating & Paving	Excavate Gas Lines and Concrete Work	40,750.00		<u>226,675.00</u>
		Total Expenditures to Date			<u>\$ 312,646.50</u>
RA Pavilion					
		Previous Expenditures			\$ 9,292.50
07/26/2021	Strong Environmental Services	Travis Hall Demolition	13,550.00		
07/31/2021	JSA Architects	Admin and Planning	2,960.00		
08/17/2021	Sims Plastics Inc.	Misc Supplies	695.00		
08/12/2021	Custom Wholesale Supply, Inc.	Misc Supplies	43.59		
08/11/2021	Cain Electrical Supply	Misc Supplies	98.83		
07/26/2021	Ewing Irrigation Products, Inc.	Misc Supplies	77.17		<u>17,424.59</u>
		Total Expenditures to Date			<u>\$ 26,717.09</u>
Wilkerson Hall Phase II					
		Previous Expenditures			\$ 4,075.00
07/31/2021	JSA Architects	Admin and Planning	5,460.00		<u>\$ 5,460.00</u>
		Total Expenditures to Date			<u>\$ 9,535.00</u>
Parking Improvements					
		Previous Expenditures			\$ 1,387.50
					<u>\$ -</u>
		Total Expenditures to Date			<u>\$ 1,387.50</u>
Pedestrian Bridge					
		Previous Expenditures			\$ -
07/31/2021	JSA Architects	Admin and Planning	2,445.00		<u>\$ 2,445.00</u>
		Total Expenditures to Date			<u>\$ 2,445.00</u>