

**AMARILLO COLLEGE BOARD OF REGENTS  
MINUTES OF REGULAR BOARD MEETING  
June 24, 2014**

**REGENTS PRESENT:** Mr. Don L. Nicholson, Chair; Dr. Paul L. Proffer, Vice Chair; Ms. Mary Jane Nelson, Secretary; Mr. Carroll M. Forrester; Ms. Michele Fortunato; Mr. Johnny E. Mize; Dr. Gene Norman; and Dr. David C. Woodburn

**OTHERS PRESENT:** Mr. Robert Austin, Vice President of Student Affairs; Mr. Terry Berg, Vice President of Business Affairs; Mr. Lee M. Colaw, Chief Information Officer; Mrs. Ellen Robertson Green, Chief of Communication & Marketing; Dr. Russell Lowery-Hart, Vice President of Academic Affairs; Dr. Paul Matney, President; & Ms. Danita McAnally, Chief of Planning & Adv.

Mr. Andrew Alexander – Incoming Student Government Association President  
Ms. Danielle Arias – Asst. Director, CE/Workforce Development, MCC  
Ms. Heather Atchley – Director of Student Life  
Mr. Dick Bishop – Micro Beef Technologies, Ltd./MWI Veterinary Supply Company  
Ms. Mollie Bryant – representing *Amarillo Globe News*  
Mrs. Teresa Clemons – Asst. Chief of Advancement, Grants & Compliance  
Mr. Bruce Cotgreave – Director, Physical Plant  
Mr. Daniel Esquivel – Executive Director, Hinkson Memorial Campus, Hereford  
Ms. Lyndy Forrester – Dean of Technical Education  
Mr. Brian Jennings – Vice President of Business Development, AEDC  
Mrs. Lori Merriman – Executive Secretary, President’s Office  
Mr. Darryl Moore – Corporal, AC Campus Police  
Mr. Doug Nelson – Vice President of Financial Services, AEDC  
Mrs. Linda Pitner – General Manager, Panhandle PBS & KACV-FM  
Mr. Jamie Perez – State & Private Grant Coordinator, Grant Dev. & Compliance  
Ms. Chelsea Pullen – Political Science Student, WTAMU  
Dr. Jim Rauscher – Professor, Music  
Mrs. Susie Regan – representing Classified Employees Council  
Mrs. Brenda Sadler – Exec. Asst., Pres’s Off. and Asst. Secy. to the Board of Regents  
Mr. Mark Shaw – President, MWI Veterinary Supply Company  
Mr. Lynn Thornton – Director, Administrative Services/Human Resources  
Mr. Mario Villarreal – Outgoing Student Government Association President  
Mrs. Renee Vincent – Executive Director, Moore County Campus  
Dr. Steven Weber – Department Chair, Music  
Mr. Mark White – Legal Counsel, Sprouse Shrader Smith Law Firm  
Mr. Joseph Wyatt – Communications Coordinator, College Relations  
Mr. David Ziegler – Assistant Director, Physical Plant

The meeting was called to order by Mr. Nicholson, Chairman. He welcomed all present and asked if there were any public comments. Mr. Mize gave the invocation.

**SPECIAL ACHIEVEMENT AWARD PRESENTATIONS:**

Dr. Matney presented special achievement awards to Dr. Jim Rauscher, professor, music and former Music Department Chair and Dr. Steven Weber, director of chorale activities and Music Department Chair. Dr. Matney lauded both for their good work in the Music Department, the college and the community.

**SPECIAL ACHIEVEMENT AWARD PRESENTATIONS Continued:**

Dr. Matney also presented special achievement awards to Mrs. Lori Merriman, President's Office Executive Secretary and Mrs. Brenda Sadler, Executive Assistant to the President and Assistant Secretary to the Board. He thanked these two staff members for their hard work for the College and his office.

**STUDENT GOVERNMENT ASSOCIATION REPORT:**

Outgoing SGA president, Mario Villarreal, plans to attend the Texas Tech University Engineering School. He introduced Andrew Alexander, incoming SGA president. Mr. Alexander said he was a graduate of Caprock High School and is a mass communication major; he expressed his excitement for the upcoming year. Dr. Matney was presented with an award to express SGA's gratitude for his service as President of Amarillo College.

**MINUTES APPROVED:**

Dr. Woodburn moved, seconded by Mr. Forrester to approve minutes of the regular meeting of May 20, 2014. The motion carried unanimously.

**EDUCATION REPORT – NO EXCUSES STUDENT SUCCESS INITIATIVE UPDATE:**

Cabinet members were asked to present data on where AC stands on moving the needle on student success. Dr. Lowery-Hart said we have applied for Leader College status with Achieving the Dream based on progress made on one or more of the five key student success goals. The five goals include: successfully complete developmental course requirements in two years; successfully complete gateway courses within three years; complete courses with a C or better; persistence from fall to fall; and attain a certificate or degree within four years. Five main initiatives include developmental education reform; Learning Center – student success has increased by 23%; integrated learning for ABE pass rate is 100%; tutoring integration – pass rate for English is 27%, math – 15%, science 4%, and reading 11%; Coaches and Champions has increased retention by 92% and social services 76.8%; and course redesign in English, math and history has increased student success. Mr. Colaw spoke of the integration of the new portal which is being used in less than 10 colleges which has taken activation of 97.8% student active accounts. Student email use in the first three weeks increased. Bandwidth will increase by 1000% over five years; wireless internet will increase 10,000%. There are 5,000 users thanks to Ellucian and BlackBoard. Mr. Austin said his area has conducted calls to students who have left college and have followed up with those who withdrew. There have been some financial aid changes; they run a report on who qualifies for summer aid and then contact those students and encourage them to apply for the aid. The Registrar's office runs a report for Community Link on students who have completed 45 hours but have not received a certificate or degree. The Registrar's office sends congratulatory letters to those students who have finished half of their degrees. Academic advising is reaching out to students to guarantee that students are on the path to completion. Career and Employment Services helps students by offering financial workshops. DisAbility Services helps students. The Coaches and Champions program has been successful and has expanded. Ms. McNally explained that her area is collecting much data for the five indicators of Achieving the Dream initiative and decisions are made as to each stakeholder's needs. It has been determined that full-time students have better success. The data collected is shared with the Instructional Data Specialist, institutional research, and the

**EDUCATION REPORT – NO EXCUSES STUDENT SUCCESS INITIATIVE UPDATE Continued:**

grant teams. The grant team has successfully secured \$6 million in grants. Her team has gathered qualitative and quantitative areas and established goals and actions. Mr. Berg said the Business office has created a protect code on students before deregistering them; the students are emailed statements to remind them of payment dates and costs; dual-credit payment plans have been devised; students are encouraged to use direct deposit. Mrs. Green formed three focus groups of students who were currently enrolled; those who had been enrolled but did not reach their goal; and student prospects. The focus groups were asked questions regarding customer service, timelines. Results include: training on consumer service will be offered in fall 2014; specific growth areas need to be identified and targeted; and all employees will be held accountable for customer service. Dr. Lowery-Hart discussed the five Achieving the Dream goals since the 2008-2009 school year through 2012-2013 and number of successes by all students, different ethnic groups, gender and those receiving or not receiving financial aid. The charge is to look at all of the initiatives we have embraced and find out if we are getting the best results. AC's two Achieving the Dream coaches have encouraged us to apply for Leader College status which is two years ahead of schedule; there are 18 Leader College institutions out of 60 Achieving the Dream colleges in the country. Advantages to being a Leader College include getting a seat at the table for making policies; grant opportunities; and access to professional development for leadership.

**PANHANDLE PBS ADVISORY COUNCIL MEMBER APPOINTMENTS APPROVED:**

Attached at page 288 is a recommended list of advisory council member appointments.

Dr. Woodburn moved, seconded by Dr. Proffer to approve the appointments. The motion carried unanimously.

**AMARILLO COLLEGE BENEFIT PROGRAM EXTERNAL AUDIT:**

The external audit of the AC Benefit Program for the 2013 calendar year has been completed by Johnson & Sheldon, P.C. A letter is attached at pages 289 through 295. The audit is attached. This is an information item only and requires no action.

It was a good audit. There were no prohibited party-in-interest transactions that were not disclosed in the financial statements or supplemental schedules.

**TAX ABATEMENT AGREEMENT WITH MWI VETERINARY SUPPLY COMPANY APPROVED:**

This item was placed on the agenda to allow the Board to consider consenting to the assignment of the Zarges Aluminum Systems, LLC tax abatement agreement on the 8701 CenterPort Drive property to MWI Veterinary Supply Co., including authorizing the Chair to execute the Consent Agreement. A memo from Brian Jennings, Vice President, Business Development, Amarillo EDC, is attached at page 296. The December 16, 2010 Tax Abatement Agreement, which contains Amarillo College's November 23, 2010 Resolution of participation in that regard, and the Assignment of Tax Abatement Agreement are attached at pages 297 through 320. Also, attached is the proposed Consent to Assignment of Tax Abatement Agreement, at page 321.

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Brian Jennings introduced Doug Nelson, Vice President of Financial Services, AEDC; Dick Bishop, Micro Beef Technologies, Ltd., a subsidiary of MWI; and Mark Shaw, President, MWI Veterinary Supply Company. Mr. Shaw stated that their employees take AC continuing education courses. He said that by the year 2050 the world population will need 70% more food and that 70% of this food must come from efficiency-improving technology of which Micro Beef provides. MWI Veterinary Supply Company is based in Boise, Idaho; they are the leading distributor of animal health products to veterinarians and producers across the United States and the United Kingdom; and they have over 37 years of operating history. Their core values are customer service, integrity, dedication, innovation, and quality. Micro Beef's headquarters was in Amarillo and they were acquired by MWI in 2011. There are 120 employees in Amarillo. Mr. Jennings said that MWI/Micro have made \$2 million in capital improvements; AEDC has made \$1.6 million in capital improvements. AEDC continues to work with MWI on their relocation of its downtown location to a facility in Amarillo CenterPort Business Park. MWI has requested AEDC assist in the assignment and assumption of an existing tax abatement agreement on the ad valorem taxes on the new project. In 2010, Amarillo College approved a 10-year tax abatement for Zarges Aluminum Systems which has since vacated the property; there are six years left of the existing tax abatement agreement. The approximate total of tax abatement funds for six years would be \$109,128.

Mr. Forrester moved, seconded by Dr. Woodburn to approve the Tax Abatement Agreement with MWI Veterinary Supply Company. The motion carried unanimously.

Ms. Fortunato stated that she would appreciate having time to think about approving tax abatements to every company who requests one. She requested a historical list of who has received abatements and how many they have been granted.

**SALE OF COUNTY PROPERTY OBTAINED THROUGH SHERIFF'S SALE APPROVED:**

Properties foreclosed for taxes and sold at a "Sheriff's Sale" must sell for a minimum bid which is the lower of the adjusted value or the taxes due plus costs of the sale. In some cases this puts the price above what people will pay at a "Sheriff's Sale." Those properties which do not sell are then held in trust by the county/school tax office. The law provides that they can be offered for sale by sealed bids or auction without a minimum bid at a later date. A listing of those properties is below and additional information is attached at pages 322 through 323. Board approval is required because the properties are held in trust by Potter and Randall County.

Potter County

833 S. Virginia St. \$ 8,133.34

Randall County

Windmill Acres #2, Lot 0005, Block E/2 of 36 & all of 37 \$ 4,000.00

The Potter/Randall County Tax Assessor/Collector recommends acceptance of these bids as this puts the property back in production and on the tax rolls. The motion should authorize the Chairman of the Board of Regents to execute the Tax Deeds transferring these properties to the successful bidders.

Minutes of the Amarillo College Board of Regents Regular Meeting of June 24, 2014**SALE OF COUNTY PROPERTY OBTAINED THROUGH SHERIFF'S SALE APPROVED:**

Dr. Proffer moved, seconded by Mr. Forrester to approve and authorize the chair of the Board of Regents to execute the Tax Deeds. The motion carried unanimously.

**ADDITIONAL FACULTY PROMOTION IN RANK RECOMMENDATIONS APPROVED:**

The following faculty members have been recommended for promotion in rank by their supervisor, the Rank and Tenure Committee, the appropriate administrative channels, and the President. They meet all criteria for promotion in rank as stated in the Amarillo College Faculty Handbook. If approved, the effective date will be September 1, 2014.

Instructor to Assistant Professor

Matthew Goodman – English Department

Assistant Professor to Associate Professor

Bruce Moseley – Paralegal Studies

Ms. Fortunato moved, seconded by Mr. Forrester to approve the additional faculty promotion in rank recommendations. The motion carried unanimously.

**CONSENT AGENDA APPROVED:****A. APPOINTMENTS:**FacultyHiggs, DeWayne J. – Instructor, Business/Computer Information Systems

Effective Date: August 18, 2014

Salary: \$44,741.00 per year for 9 months full-time

Qualifications: M.S., Dakota State University, Madison, South Dakota

B.B.A., West Texas A&M University, Canyon, Texas

A.S., Amarillo College, Amarillo, Texas

Experience: 3 years related work

Replacement for: Jennifer Pickle

Bio: DeWayne Higgs has worked in the Information Technology Services Department at Amarillo College as a Systems Analyst III, for the last four years. Prior to joining Amarillo College, Mr. Higgs worked as a programmer at West Texas A&M University. Mr. Higgs earned an Associate Degree in Business Administration, a Bachelor of Business Administration in Computer Information Systems and Accounting from West Texas A&M University and a Master of Science in Information Systems from Dakota State University. He is currently working on his Ph.D. in Software Engineering through North Dakota State University. Mr. Higgs has served as part-time faculty at Amarillo College for the last two years.

**B. BIDS AND PROPOSALS:**

- Purchase Of Telestream Vantage Enterprise System

Panhandle PBS (KACV-TV) has moved its video editing platform from an AVID proprietary hardware/software product to an Adobe software solution. The AVID System that Panhandle PBS has been using for over seven years is no longer supported by AVID and is in desperate need of hardware and software replacement. After ample study and research, the Adobe Creative Cloud Product has been chosen as the preferred current industry standard. Moving to the Adobe editing software will require additional hardware/software to provide a path to deliver content from the editing software system to the broadcast/master control systems. The hardware/software specified is the Telestream Vantage Enterprise system.

It was recommended to award to TM Television, the only Telestream Premier reseller authorized to represent the enterprise product line. Total cost of the Telestream system is \$59,229.63 exclusive of shipping and travel expenses associated with training.

Funds are available from the PBS Capital Fund at the AC Foundation.

**C. BUDGET AMENDMENTS:**

A list of budget amendments for approval by the Board is attached at page 324.

Mr. Mize moved, seconded by Ms. Nelson to approve the Consent Agenda. The motion carried unanimously.

**PURCHASE OF WIRELESS ACCESS POINTS LIFE-CYCLE REPLACEMENTS APPROVED:**

The purchase of 160 CISCO Wireless Access Points from General Datatech LP in the amount of \$99,999.00 to replace first generation devices that have reached the end of their useful life-cycle was recommended. Funds are available from the FY 2014 Board of Regents approved Technology Replacement Equipment Contingency funds. Acquisition will be from General Datatech LP previously approved by the Amarillo College Board in August 2013, utilizing State/DIR purchasing cooperatives approved by Board resolution in 1993.

This request directly applies to *Goal 4: Ensure the College's Future, and more specifically, strategy 4.1: Connect planning and budgeting, and strategy 4.6: Commit the College to technology which attracts and retains students and enables effective and efficient College operations*, from the Amarillo College Strategic Plan through 2015.

Ms. Nelson moved, seconded by Mr. Forrester to approve purchase of the CISCO Wireless Access Points from General Datatech LP. The motion carried unanimously.

**PURCHASE OF JET ROUND 8 EQUIPMENT FOR EAST CAMPUS APPROVED:**

Approval was requested to proceed with equipment purchases for East Campus to meet bid requirements for JET Round 8 grant approval. Additional information is attached at pages 325 through 327.

Minutes of the Amarillo College Board of Regents Regular Meeting of June 24, 2014**PURCHASE OF JET ROUND 8 EQUIPMENT FOR EAST CAMPUS APPROVED Continued:**

Dr. Proffer moved, seconded by Mr. Mize to approve the JET Round 8 equipment purchase for the East Campus. The motion carried unanimously.

**NEW WELDING LAB FOR AMARILLO COLLEGE, MOORE COUNTY, CAREER TRAINING & TECHNICAL CENTER CAMPUS:**

Bruce Cotreave updated the Board on a proposed New Welding Lab for the Career Training & Technical Training Center Campus at Moore County; it will be constructed on the same concept as the lab on East Campus. A request for proposal will be brought to a future Board meeting.

**INVESTMENT REPORT APPROVED:**

The Board of Regents was presented the Quarterly Investment Report for the period March 1, 2014 through May 31, 2014. A copy of the report was provided to the Regents.

The weighted average maturity of the portfolio is approximately 3.3 months. The overall portfolio yield is 0.225%. During this time frame the portfolio market value has remained consistent at 100%.

Ms. Nelson moved, seconded by Dr. Proffer to approve the Quarterly Investment Report. The motion carried unanimously.

**2014-2015 BUDGET UPDATE:**

Administration was requested by regents to take another look at providing employees either a 1% or 2% increase to their salaries in the upcoming year. Majority of the regents were in favor of a 2% raise. By giving a 2% raise, taxes on a \$100,000 house would increase by \$10 a year; a 1% raise would increase by \$7 a year. Mr. Berg spoke of the bond sinking fund payments; last of the bond payments will be in 2028.

**FINANCIAL REPORT ACCEPTED:**

The financial statements as of May 31, 2014 are attached at pages 328 through 337.

Revenue

We are 3/4 through the year. 78% of the \$60 million budgeted has been received.

Expenditures

We have spent 63% (\$37.8 million) of \$60 million budgeted.

Auxiliary Enterprises

The bookstores' profits total \$311,293. Rental properties' net profit is \$827,592. It is higher than this time last year. Employees have used \$230,917 in employee scholarships.

Restricted Funds

Federal grants and contracts have increased \$420,361; state grants and contracts have decreased \$75,602; local grants and contracts have increased \$430,882; and KACV grants and

Minutes of the Amarillo College Board of Regents Regular Meeting of June 24, 2014**FINANCIAL REPORT ACCEPTED Continued:**

contracts have increased \$86,220. Resident instruction has increased \$499,788 due to the Department of Labor grant.

Cash and Investments

\$49.4 million total minus \$2.5 million (bond) = \$46.9 million – May 2014; \$54.4 million total minus \$10.1 million (bond) = \$44.3 million – May 2013; \$51.3 million total minus \$7.9 million (bond) = \$43.4 million – May 2012.

Alterations & Improvements

\$3.0 million has been spent out of total A&I/Land Improvements with branch campuses included. There is \$4.6 million budgeted.

Tax Schedule

\$20,716,650 has been collected out of \$20,556,126 budgeted with a \$160,524 overage.

Bond Expenditures

There has been \$66.0 million on Amarillo projects spent out of \$68.0 million budgeted.

Ms. Nelson moved, seconded by Mr. Forrester to accept the May 2014 financial reports. The motion carried unanimously.

**PRESIDENT'S REPORT:**

The “new” Badger Den renovation on the first floor of the College Union Building has been completed. Regents were encouraged to visit the room.

There are 35 high schools in the Panhandle that take advantage of AC dual credit classes; 68 of 70 valedictorian/salutatorians of those high schools have taken dual credit classes from AC.

All repairs to the FM90 transmission have been completed. The College only had to pay the insurance deductible of \$5,000.

The EMSI Economic Impact Study will conduct individual studies; the study will provide return rates and other measures illustrating the college as a wise investment for students and taxpayers. The study will also illustrate how to produce a quality workforce and strengthen the local economy.

The Philanthropy for the Future Planning Team has met; Mark White is the chair. The committee is working on a plan for hiring a full-time development officer.

Dr. Matney spoke of the Senior Center Study Committee which has been charged to take a fresh look at more efficient ways to meet the needs of a greater number of seniors in our community through senior centers. The planning group’s work will be completed by years’ end. Dr. Matney will serve on the committee through July.

The 2013 NCLEX pass rate for nursing students was 79.02%. The Associate Degree Nursing program has developed future corrective measures to ensure a higher passing rate.



Minutes of the Amarillo College Board of Regents Regular Meeting of June 24, 2014**PRESIDENT'S REPORT Continued:**

The Texas Association of Community Colleges (TACC) and Community College Association of Texas Trustees (CCATT) has worked on a five-point campaign of Legislative Priorities which include workforce and skills alignment, measuring and funding success, college readiness, transfer and articulation, and Texans in community colleges. Chairman Nicholson will be serving on the CCATT committee and plans to meet with Clarendon College and Frank Phillips College in the near future.

The Aviation Maintenance Airframe & Power Plant Program was found to be out of compliance by the FAA. They will put together and submit a remediation plan. They will not accept any new students until spring 2015. Their facilities are located on the East Campus.

There were 21 applications for the Energy Specialist position.

**Tax Hearing Dates:**

- Thursday, August 7; Noon (meeting to discuss tax rate, record vote, and schedule public tax hearings)
- Friday, August 15, Noon (1<sup>st</sup> public hearing)
- Monday, August 18; Noon (2<sup>nd</sup> public hearing)
- Tuesday, August 26; Board of Regents (meeting to adopt budget and tax rate)

Dr. Matney bid Amarillo College a fond farewell and spoke of his loyalty to and love of the college.

Dr. Norman gave a presentation and accolades to Dr. Matney and recollected his years of knowing Paul at Amarillo High School in the 60s.

**REGENTS' REPORTS, COMMITTEES, AND COMMENTS REGARDING AC AFFILIATES:**

AC Foundation will host the Badger Bash Block Party on August 23 to raise funds for scholarships.

*Yellow City Sounds* on PBS will feature local Panhandle artists in music videos that will showcase their work. There will be eight webisodes. These will be primarily funded through Crowdfunding which is a fundraiser using Indiegogo. Crowdfunding is the process of pooling money from many different people to make an idea happen. The campaign launches on July 1.

**COLLEGE PRESIDENTIAL SEARCH:**

At 8:57 p.m., Mr. Nicholson announced there would be a closed meeting to afford an opportunity for the board to meet in closed session to hear and deliberate a personnel matter involving an individual employee pursuant to Texas Government Code Section 551.074.

At 10:00 p.m., Mr. Nicholson called the Amarillo College Board of Regents meeting back into open session. There was no Board action.

**ADJOURNMENT:**

There being no further business, the meeting was adjourned.

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**Mary Jane Nelson, Secretary**

Agenda for the Amarillo College Board of Regents Regular Meeting on June 24, 2014

## Panhandle



Gilvin Broadcast Center | 2408 S. Jackson | P.O.Box 447 | Amarillo, TX 79178 | panhandlePBS.org

### MEMORANDUM

**Date:** June 3, 2014  
**To:** Board of Regents  
**From:** Linda Pitner, General Manager  
**Subject:** Panhandle PBS Advisory Council Member Appointments

It is once again time for the Board of Regents to make appointments to the Panhandle PBS Advisory Council. We currently have seven positions that may be appointed by the Board. The Panhandle PBS Advisory Council submits the following recommendations for service:

Appoint to a second three-year term: (Expires 8-31-2017)

Judy  
Babcock  
Tad Fowler  
Mackenzie  
Weir

Appoint to a three-year term: (Expires 8-31-2017)

Regina Dinga  
Mercy Murguia  
Lindsey Murphy  
Linde Shadle

In addition, two regents are to be appointed annually by the Board to serve as ex-officio members on the Council. Regents who have served this year are John Hicks and Don Nicholson. In addition, the College President serves on the Council as an ex-officio member.

We Live Here.



## JOHNSON & SHELDON, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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June 6, 2014

Board of Regents of Amarillo College  
Amarillo College Benefit Program  
Amarillo, Texas

Attention: Terry Berg, Program Administrator

This letter is to inform the Investment Committee of **Amarillo College Benefit Program** (the Program) about significant matters related to the conduct of the annual audit so that it can appropriately discharge its oversight responsibility, and we can comply with our professional responsibilities.

The following summarizes various matters that must be communicated to you under auditing standards generally accepted in the United States of America.

### **The Respective Responsibilities of the Auditor and Management**

Our responsibility under auditing standards generally accepted in the United States of America has been described to you in our arrangement letter dated April 28, 2014. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

### **Overview of the Planned Scope and Timing of the Financial Statement Audit**

We have issued a separate communication dated April 28, 2014 regarding the planned scope and timing of our audit and have discussed with you our identification of and planned audit response to significant risks of material misstatement.

### **Significant Accounting Practices, Including Policies, Estimates and Disclosures**

During audit fieldwork, we discussed with you our views about the qualitative aspects of the Program's significant accounting practices, including accounting policies, accounting estimates and financial statement disclosures. The following is a list of significant estimates, which you may wish to monitor for your oversight responsibilities of the financial reporting process:

- Fair Value Measurements

### **Audit Adjustments**

Audit adjustments proposed by us and recorded by the Program are shown on the attached Summary of Recorded Audit Adjustments.

The Board of Regents of Amarillo College  
Amarillo College Benefit Program  
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**Uncorrected Misstatements**

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial

**Consultation With Other Accountants**

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

**Management Representations**

Attached is a copy of the management representation letter.

**Closing**

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to **Amarillo College Benefit Program!**

This report is intended solely for the information and use of the Board of Regents and management and is not intended to be, and should not be, used by anyone other than these specified parties.

*Johnson & Sheldon, P.C.*

Johnson & Sheldon, P.C.

Minutes of the Amarillo College Board of Regents Regular Meeting of June 24, 2014

Amarillo College Benefit Program  
 Summary of Recorded Audit Adjustments  
 Year Ended December 31, 2013

Description	Effect — Increase (Decrease)				
	Assets	Liabilities	Equity	Revenue	Expense
Current year income accruals	\$ 74,964	-	\$ 74,964	\$ 74,964	-
Reversal of prior year accruals	-	-	-	(111,231)	-
Total Effect	-	-	-	\$ (36,267)	-
Balance Sheet Effect	\$ 74,964	-	\$ 74,964		



June 6, 2014

Johnson & Sheldon, P.C.  
P.O. Box 509  
Amarillo, Texas 79105

This representation letter is provided in connection with your audits of the financial statements of the **Amarillo College Benefit Program** (the Program) which comprise the statements of net assets available for benefits as of December 31, 2013 and 2012 and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements present fairly, in all material respects, the net assets and changes in net assets on a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We confirm that we are responsible for the fair presentation in the statement of net assets available for benefits and related changes in net assets available for benefits on a modified cash basis.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves that as of June 6, 2014:

#### **Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated April 28, 2014, for the preparation and fair presentation of the financial statements referred to above on a modified cash basis.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take.

**Johnson & Sheldon, P.C.**

**June 6, 2014**

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5. All significant estimates and material concentrations known to management that are required to be disclosed in accordance with the *Risks and Uncertainties* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) have been properly recorded and/or disclosed in the financial statements. Significant estimates are estimates at the statement of net assets date that could change materially within the next year. Concentrations refer to nature and type of investments held by the Program, or markets in which events could occur that would significantly disrupt normal finances within the next year.
6. We are responsible for determining that significant events or transactions that have occurred since the statement of net assets available for benefits date and through the date of this letter, have been recognized or disclosed in the financial statements. No events or transactions have occurred subsequent to the statement of net assets available for benefits date and through the date of this letter that would require recognition or disclosure in the financial statements. We further represent that as of the date of this letter, the financial statements were complete in a form and format that complied with the modified cash basis of accounting, and all approvals necessary for issuance of the financial statements had been obtained.
7. We have no intention to terminate the Program.
8. We have properly reported and disclosed amendments to the plan instrument, if any.
9. We have no knowledge of any uncorrected misstatements in the financial statements

#### **Supplementary Information**

10. With respect to the supplementary information presented in relation to the financial statements: a. We acknowledge our responsibility for the presentation of such information.
  - b. We believe such information, including its form and content, is fairly presented in accordance with a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.
  - c. The methods of measurement or presentation have not changed from those used in the prior period.
  - d. There are no underlying significant assumptions or interpretations regarding the measurement or presentation of such information.
  - e. We will only present the supplemental schedules together with the audited financial statements and auditor's report thereon and will not separate the supplementary information from the audited financial statements and auditor's report thereon in any document that contains such information.

#### **Information Provided**

11. We have provided you with:
  - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
  - b. Additional information that you have requested from us for the purpose of the audit;
  - c. Unrestricted access to persons within the Program from whom you determined it necessary to obtain audit evidence.
  - d. The currently effective version of the 3 underlying Program documents (Retirement, Disability and Survivors' Plans), the trust agreements or insurance contracts and all related amendments.
  - e. All correspondence, filings, reports, and determinations with the Internal Revenue Service (IRS) and the maintenance of its tax-exempt status.



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Johnson & Sheldon, P.C.

June 6, 2014

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- f. All Program financial records and related data. In that regard, the payroll information we provided you covered all employees that were eligible to participate in the Program.
  - g. All minutes of the meetings of the Program's Investment Committee, or summaries of actions of recent meetings for which minutes have not yet been prepared.
12. All transactions have been recorded in the accounting records and are reflected in the financial statements.
13. We have disclosed to you the results of our assessment of risk that the financial statement may be materially misstated as a result of fraud.
14. We have no knowledge of any fraud or suspected fraud affecting the Program involving:
  - a. Management or employees who have significant roles in the internal control.
  - b. Others where the fraud could have a material effect on the financial statements.
15. We have no knowledge of any allegations of fraud or suspected fraud affecting the Program received in communications from employees, former employees, participants, regulators, beneficiaries, service providers, third-party administrators, or others.
16. We are not aware of any pending or threatened litigation and claims, violations or possible violations of laws and regulations, or other matters, including gain or loss contingencies, whose effects should be considered when preparing the financial statements, and neither we, nor the Program Sponsor, or others acting on behalf of the Program, have consulted a lawyer concerning litigation and claims or other matters affecting the Program.
17. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Program's ability to record, process, summarize, and report financial data.
18. We have provided to you all documentation, including correspondence, with lawyers utilized by us for any Plan matters.
19. We have disclosed to you the identity of the Plan's related parties and parties in interest and all the related-party and party-in-interest relationships and transactions of which we are aware.
20. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
21. The Program has satisfactory title to all owned assets which are recorded at fair value, and all liens, encumbrances, or security interests have been properly disclosed.
22. We have answered your questions about the Program's tax compliance to the best of our knowledge and belief.
23. There have been no communications, whether written or oral, from regulatory agencies concerning non-compliance or deficiencies in the operation of the Program.
24. We have complied with (a) all aspects of contractual agreements, including provisions of the Program, that would have a material effect on the financial statements in the event of noncompliance, (b) all participant eligibility and coverage requirements of the Program and the Internal Revenue Code (IRC), and (c) the filing requirements of appropriate agencies.
25. We have made timely remittance of participants' contributions to trusts containing assets for the Program.
26. The Program (and the trusts established under each of the 3 Plans) is qualified under the appropriate section of the IRC and intends to continue as a qualified Program (and trust).

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27. We have reviewed the complementary user entity control considerations of the Service Organization Controls (SOC 1) Report for Amarillo National Bank Asset Management Division dated December 19, 2013 for the period ended September 31, 2013 and we believe all applicable controls are properly designed and implemented, and operating effectively.
28. There are no:
- Nonexempt (prohibited) party-in-interest transactions that were not disclosed in the financial statements or supplemental schedules.
  - Notes receivable from participants or other receivables or investments in default or considered to be uncollectible that were not disclosed in the financial statements or supplemental schedules.
  - Reportable transactions that were not disclosed in the supplemental schedules.
29. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

  
Terry Berg, Program Administrator

6/3/14  
Date

  
Sharon Doggett, Associate VP of Finance

6/3/14  
Date

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MEMORANDUM

TO: Dr. Paul Matney, President; Amarillo College  
 FROM: Brian Jennings, CECD, EDFP; Vice President, Business Development *BJ*  
 SUBJECT: MWI Veterinary Supply Co./MicroBeef Technologies  
 DATE: June 12, 2014

The Amarillo Economic Development Corporation (Amarillo EDC) continues to work with Boise-based MWI Veterinary Supply Co. (MWI) on the relocation of its existing downtown location to a facility in Amarillo CenterPort Business Park (CenterPort). MWI is the parent company to MicroBeef Technologies, a local leading animal health feed additive distributor. CenterPort is located at the intersection of State Loop 335/Lakeside Drive and Northeast 24th Street. MWI Currently owns or leases several small facilities in the Amarillo area. This relocation will allow MWI to consolidate to one facility and gain new efficiencies due to a much larger building with more cubic space.

The Amarillo EDC has entered into an agreement with MWI to provide \$1.6 million in tenant improvements and relocate the company out of downtown Amarillo. The agreement allows for short due diligence period on the part of MWI ending on June 30, 2014. During the due diligence period, MWI has requested the Amarillo EDC assist in the assignment and assumption of an existing tax abatement agreement on the ad valorem taxes on the new project.

In 2010, the Amarillo EDC, along with the City of Amarillo and Zarges Aluminum Systems, entered into a tax abatement agreement on the real property and business personal property for the project located at 8701 CenterPort Boulevard. The City of Amarillo, Amarillo College and the Panhandle Groundwater Conservation District all approved a 10-year, 100% tax abatement on the eligible property. Potter County approved a 5-year, 100% abatement on the eligible property. The first year for the abatement was 2011 and the clock has been ticking off of the abatement timeline since its inception.

The Zarges project did not materialize as planned and the company vacated the US market and the facility at 8701 CenterPort Boulevard. Before the company vacated the property, an Assignment and Assumption of the Tax Abatement Agreement was executed allowing the Amarillo EDC to re-assign the Tax Abatement Agreement to a company to be named in the future.

The Amarillo EDC and MWI are in the process of securing tax abatement from Amarillo College and Panhandle Groundwater Conservation District. On June 3, 2014, the City of Amarillo approved the Assignment and Assumption of the Tax Abatement Agreement to MWI on the eligible real and business personal property. The estimated time remaining on the tax abatement for the City of Amarillo, Amarillo College and Panhandle Groundwater Conservation District is 6-years. A detailed summary of this arrangement as it relates to Amarillo College is as follows:

<u>New Value</u>		<u>Approx. Annual Taxes Abated</u>	<u>Approx. Total Tax Abated (6 years)</u>
Building -	\$6,616,619	\$13,200	\$79,200
Business Personal -	\$2,500,000	\$ 4,988	\$29,928
TOTALS	\$9,116,619	\$18,188	\$109,128

MWI currently pays tax on real and business personal property located within Amarillo College's jurisdiction. This real property will be disposed of through sale or lease and will always remain on the tax rolls, thereby making Amarillo College whole. The tax abatement will only be on the eligible real and business personal property as part of the relocation project.

TAX ABATEMENT AGREEMENT BETWEEN THE CITY OF AMARILLO  
AND ZARGES ALUMINUM SYSTEMS, LLC

STATE OF TEXAS           §  
  §  
COUNTY OF POTTER       §

This Tax Abatement Agreement (“the Agreement”), is entered into as of this 16th day of December, 2010, by and between the City of Amarillo, Texas (“the City”), a home rule city and municipal corporation located in Potter and Randall Counties, Texas, duly acting herein by and through its City Manager or other designated representative, the Amarillo Economic Development Corporation (“Amarillo EDC”), a Texas corporation organized and chartered under Art. 5190.6, Section 4A, V.A.T.S., and ZARGES ALUMINUM SYSTEMS, LLC (“ZARGES”), a Texas limited liability company. In this Agreement, Amarillo EDC and ZARGES are collectively referred to in the plural as “Owners,” and each is sometimes referred to individually as an “Owner.”

WITNESSETH:

WHEREAS, the City Commission of the City of Amarillo, Texas (“the City Commission”) adopted a Resolution Adopting Guidelines and Criteria for Tax Abatement in the City of Amarillo (“the Policy Statement”), by the passage of Resolution No. 1-26-10-1 on the 26<sup>th</sup> day of January, 2010, which is attached hereto as Exhibit A; and

WHEREAS, the Policy Statement constitutes appropriate “guidelines and criteria” governing tax abatement agreements which may be entered into by the City as contemplated by the Texas Tax Code (“the Tax Code”), and provides for the availability of tax abatement for both new facilities, structures, and expansions thereof, and for the contemplated improvement, renovation, or modernization of existing facilities or structures which have not been the subject of a prior tax abatement agreement; and

WHEREAS, on the 26<sup>th</sup> day of January, 2010, the City indicated its election to be eligible to participate in Tax Abatements by the passage of Resolution No. 1-26-10-1; and

WHEREAS, entering into this Agreement will serve the best interests of the City and its citizens and comply with the Policy Statement by:

- 1) enhancing and diversifying the economic and industrial bases of the Amarillo area;
- 2) contributing to the retention and expansion of primary employment; and
- 3) attracting major investment that will be of benefit to the Premises (as hereafter defined) and that will contribute to the economic development of the city; and

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WHEREAS, on the 9<sup>th</sup> day of February, 2010, the City Commission adopted Ordinance No. 7206 (“the Ordinance”) establishing City of Amarillo Reinvestment Zone No. 7 (“Reinvestment Zone No. 7”) for commercial/industrial tax abatement, as authorized by Tax Code Chapter 312; and

WHEREAS, the contemplated uses of the Premises (as hereafter defined), the contemplated improvements to the Premises as set forth in this Agreement, and the other terms of this Agreement will encourage development of Reinvestment Zone No. 7, are in accordance with the purposes for its creation and are in compliance with the Policy Statement, the Ordinance, and all applicable laws; and

WHEREAS, Owners’ use of the Premises is expected to significantly enhance the economic and employment base of the City of Amarillo; and

WHEREAS, the City Commission finds that the improvements sought are feasible and practical and will be of benefit to the property to be included in the Reinvestment Zone No. 7 and to the City after expiration of this Agreement; and

WHEREAS, the City Commission finds that the terms of this Agreement and the proposed Qualified Facilities and Qualified Tangible Personal Property (as hereafter defined) subject to this Agreement meet the applicable guidelines and criteria previously adopted by the City Commission; and

WHEREAS, a copy of this Agreement has been furnished, in the manner prescribed by the law, to the presiding officers of the governing bodies of each of the taxing units in which the Premises subject to the Agreement is located;

NOW, THEREFORE, the City for good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, which consideration includes the attraction of investment to the Reinvestment Zone No. 7 and increased payroll and business activity which contributes to the overall economic development of the City of Amarillo and enhancement of the tax base in the City; and Owners for good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, which consideration includes the tax abatement set forth below, as authorized by Tax Code Chapter 312, Subchapter B, does hereby contract and agree as follows:

### 1. Definitions

Wherever used in this Agreement, the following terms shall have the meanings ascribed to them:

- 1) “Tax Code” means the relevant provisions of the Texas Tax Code.
- 2) “Eligible Property Value” shall mean the value of Owners’ Qualified Facilities and Qualified Tangible Personal Property, and Owners’ fee simple or leasehold interest in the Qualified Facilities and Qualified Tangible Personal Property that:
  - a) is eligible for tax abatement under Tax Code Chapter 312; to wit:

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- (i) shall not include the real property's current value. Only the increase in the value of the real property may be exempted; and
- b) has taxable situs in Reinvestment Zone No. 7 on January 1 of the first tax year as set forth in Section 3 or on January 1 of any subsequent tax year as set forth in Section 3.

However, pursuant to Tax Code Section 312.204, tangible personal property that was located on the Premises before the beginning date of the abatement period shall not be eligible for tax abatement. Supplies and inventory located in Reinvestment Zone No. 7 at any time shall not be eligible for tax abatement.

- 3) "Qualified Facilities" shall mean the buildings and other improvements constructed, expanded, or modernized by or for the benefit of either Owner for design, assembly, manufacturing, storage, training, repair, or other purposes in Reinvestment Zone No. 7. Provided, however, that the improvement, renovation, or modernization of a building or improvement included within a prior tax abatement agreement is not a Qualified Facility.
- 4) "Qualified Tangible Personal Property" shall mean machinery, equipment, furniture, fixtures, and other tangible personal property that are eligible for tax abatement under Tax Code Chapter 312 and that:
  - a) is owned by Amarillo EDC, ZARGES, or a third party as described in Section 2(10)(c);
  - b) is located in the Reinvestment Zone No. 7; and
  - c) but for this Agreement would be subject to appraisal by the Potter County Appraisal District or its successor for the applicable tax year.
- 5) "Premises" shall mean the parcel of land consisting of approximately 8.5 acres, more or less, in Amarillo, Potter County, Texas, which is located within Reinvestment Zone No. 7 and which is more fully described on Exhibit B, which is attached hereto and is incorporated by reference. "Premises" shall also mean and include an additional approximately 4.56 acre tract of land in Reinvestment Zone No. 7 (adjacent to the property described on Exhibit B) which is referred to as the "Expansion Site" in the Location Incentives Agreement incorporated herein in Paragraph 7 below, if ZARGES timely elects to expand into such Expansion Site in accordance with such Location Incentives Agreement. The Expansion Site is shown on Exhibit C, which is attached hereto and is incorporated by reference.
- 6) "Primary Abatement" shall mean the tax abatement rate in those percentages set forth in Section 4 for each applicable year.

## 2. General Provisions

- 1) Owners agree that its use of the Premises will be in accordance with applicable state and local laws and regulations.
- 2) The procedures followed by the City in the enforcement and administration of this Agreement will conform to the requirements of the Tax Code and other applicable law. To the extent possible, these procedures will be undertaken in coordination with ZARGES's corporate, public, employee, and business relations requirements.
- 3) The Premises are owned by Amarillo EDC and are located solely within the corporate limits of the City and within Reinvestment Zone No. 7.
- 4) The Premises and Qualified Facilities are not an improvement project financed by tax increment bonds.
- 5) This Agreement is entered into subject to the rights of the holders of outstanding bonds of the City.
- 6) The Premises are not owned or leased by any member of the Amarillo City Commission or any member of the Planning and Zoning Commission of the City or a member of the governing body of any taxing units joining in or adopting this Agreement.
- 7) The City has adopted guidelines and criteria governing tax abatement agreements, it has established Reinvestment Zone No. 7 to accommodate Owners' proposed investment, and it has the authority to enter into this Agreement.
- 8) This Agreement is intended to comply with the requirements of law and is authorized by the Texas Property Redevelopment and Tax Abatement Act, Tax Code Chapter 312, the Policy Statement, and by resolution of the City Commission of the City of Amarillo authorizing execution of this Agreement.
- 9) During the period of tax abatement herein authorized, Owners shall be subject to taxation on all real and personal property not abated or otherwise exempted.
- 10) This Agreement shall apply to Qualified Facilities or Qualified Personal Property owned by:
  - a) Amarillo EDC;
  - b) ZARGES; or
  - c) A third party when
    - i) Amarillo EDC or ZARGES is contractually obligated to pay taxes on said property; and

- ii) Amarillo EDC or ZARGES renders said property for taxation.

**3. Term and Abatement Period**

A ten (10) year tax abatement is hereby granted to Owners subject to meeting the conditions herein. The ten (10) year abatement period commences beginning on January 1 of the first tax year for which Owner files an approved abatement application with the Potter County Appraisal District. In no event will the abatement period begin to run more than ten (10) years after the date of this Agreement.

**4. Construction May Occur in Phases**

At their option, Owners may elect to stage development of the Qualified Facilities and Qualified Tangible Personal Property to occur at different times within Reinvestment Zone No. 7. If Owners choose to make this election, each individual Phase shall be eligible for Primary Abatement under the terms of this Agreement for a period of ten (10) years.

Owners will designate each Phase by metes and bounds or by a general description of the improvement or property sought to be abated, to be submitted with the first Tax Abatement application filed on each Qualified Facility or Qualified Tangible Personal Property in that Phase. Each Phase so designated will be sequentially numbered as Reinvestment Zone No. 7, ZARGES Phase 1, Reinvestment Zone No. 7, ZARGES Phase 2, and so forth. Thereafter, the Qualified Facilities and Qualified Tangible Personal Property in each Phase shall be the subject of a separate Tax Abatement application as may be required by law. For purposes of identifying property within a Phase, it shall be sufficient to generally identify the improvement or property by its use or purpose and relative geographic location to other existing improvements.

The deadline for designating a Phase under Section 4 of this Agreement coincides with the expiration of Reinvestment Zone No. 7, being February 9, 2015, unless renewed or extended to a later date by the City.

**5. Rate of Abatement**

The rate and scope of tax abatement shall be as follows:

- 1) Scope of Abatement. The annual rate of abatement will be applied as set forth below to the Eligible Property Value.
- 2) Annual Rate of Abatement. The following shall be the annual rate of tax abatement. The rate of abatement shall be applied to the Eligible Property Value for each applicable tax year.

<u>Year of Abatement</u>	<u>Rate of Abatement</u>
1	100%
2	100%
3	100%
4	100%
5	100%



6	100%
7	100%
8	100%
9	100%
10	100%

#### **6. Records, Audits & Annual Certification**

- 1) At all times throughout the term of this Agreement, the City or the Potter County Appraisal District shall have reasonable access to the Premises by their employees, accompanied by ZARGES personnel, for the purpose of inspecting the Premises to ensure the Qualified Facilities and Qualified Personal Property are maintained in accordance with the conditions of this Agreement. Inspections conducted under this Section will be subject to security requirements imposed by United States Government contracts and regulations.
- 2) The Premises at all times shall be used in a manner that is consistent with the City's development goals and relevant City Ordinances and other applicable law.
- 3) Before December 31 of each year, ZARGES must certify in writing to the governing body of each participating taxing unit that it is in compliance with each term of this agreement; provided, however, that ZARGES shall not be considered in default hereunder until it has received notice of non-compliance, and has had a period of time (not to exceed 30 days) to provide the required certification.

#### **7. Minimum Expenditure Requirement**

During any year in which Eligible Property Value is abated pursuant to this Agreement, ZARGES shall maintain a level of compensation and direct local spending during each Accounting Year sufficient to fully abate ZARGES's loan obligation otherwise payable to Amarillo EDC under all applicable agreements and specifically pursuant to Paragraph 7 of the Location Incentives Agreement between Amarillo EDC and ZARGES effective January 26, 2010, the terms of which are fully incorporated in this Agreement as if fully set out herein.

#### **8. Breach and Default**

1. In the event that:
  - a. Owners fail to meet the Minimum Expenditure Requirement of Section 7 of this Agreement;
  - b. Owners allow ad valorem taxes on the Premises, Qualified Facilities, or Qualified Personal Property subject to abatement to become delinquent and fail to timely and properly follow the legal procedures for the protest and/or appeal of such ad valorem taxes;

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- c. Owners fail or refuse to timely file required documents with the State Comptroller or local tax appraisal district; or,
- d. Owners breach any of the terms or conditions of this Agreement;

Then, Owners shall be in default of this Agreement.

If Owners default in their performance of a, b, c, or d above, the City or its authorized agent shall give Owners written notice of default. If Owners have not cured such default within ninety (90) days of receipt of written notice, or, if such default cannot be cured by the payment of money or posting of a bond or other collateral, Owners shall be in default for that tax year. However, if such default is not reasonably susceptible of cure within such ninety (90) day period, whether or not due to causes within the control of Owners, and Owners have begun efforts to cure the default, then after first advising the City of its (or their) efforts, Owners may utilize an additional one hundred eighty (180) days to cure the default. Time in addition to the foregoing two hundred seventy (270) day cure period may be authorized by the City.

In the event of default after the expiration of the applicable notice and cure periods, all taxes which would have otherwise been paid to the City during the tax year in which the default occurs without the benefit of abatement, and ten percent (10%) interest beginning on the date of expiration of the cure period, will be owed to the City as liquidated damages. This amount shall be due and owing to the City within sixty (60) days of the expiration of the above referenced cure period as the sole remedy of the City, subject to all lawful offsets, settlements, deductions, or credits to which Owners may be entitled. The parties acknowledge that actual damages in the event of default would be speculative and difficult to determine.

If the default is cured after the expiration of the two hundred seventy (270) day cure period provided by this Section, the terms and conditions of this Agreement shall be reinstated for the remaining number of years available under Paragraph 3 in which an abatement has not yet been granted.

2. If Owners substantially fail to make the improvements or repairs as provided in this Agreement, all taxes which would have otherwise been paid to the City without the benefit of the abatement, and ten percent (10%) interest beginning on the date of approval of the tax abatement application by the appraisal district will immediately be owed to the City.
3. The City reserves the right to cancel or modify the terms of this Agreement at any time ZARGES fails to comply with the terms of the Agreement.

**9. Effect of Sale, Assignment, or Lease of Property**

- 1) This Agreement may be assigned by Owners (or either of them) to an entity controlling, controlled by, or under common control with Owners (or either of them).

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- 2) This Agreement may be assigned by Owners (or either of them) to any other entity with the consent of the City, which consent shall not be unreasonably withheld.

**10. Indemnity**

It is understood and agreed between the parties that Owners, in performing their obligations hereunder, is acting independently. City assumes no responsibilities or liabilities in connection therewith to Owners or to third parties. Owners agree to indemnify and hold the City, its agents, employees, and officers harmless from Owners' acts relating to the Premises, Qualified Facilities, or Qualified Personal Property.

**11. Notice**

Any notice called for or required by this Agreement shall be considered delivered when actually received by a party at the following address, or at such other address as may be designated in writing.

**For ZARGES:**

Mr. Bernd Goepfert  
Managing Director  
Zarges  
ZargesstraBe 7  
82362 Weilheim, Germany  
Fax +49 (0) 881/687-281

**City of Amarillo, Texas:**

City Manager  
City of Amarillo  
P.O. Box 1971  
Amarillo, Texas 79186-1971  
Fax (806) 378-8394

**For Amarillo EDC:**

President and CEO  
Amarillo Economic Development Corporation  
801 S. Fillmore, Ste. 205  
Amarillo, Texas 79101  
Fax (806) 371-0112

**12. City Authorization**

This Agreement was authorized by the Amarillo City Commission, approved by a majority of the City Commission at a regularly scheduled meeting. The action authorized the Mayor, City Manager, or their designee to execute this Agreement on behalf of the City.

### **13. Owners' Authorization**

This Agreement was entered into by each Owner pursuant to proper authority whereby one or more officers of each Owner were authorized to execute this Agreement on its behalf.

### **14. Severability**

If any section, subsection, paragraph, sentence, phrase, or word of this Agreement is held invalid, illegal, or unconstitutional, the balance of this Agreement shall be enforceable and read as if the parties intended at all times to delete the invalid section, subsection, paragraph, sentence, phrase, or word.

### **15. Estoppel Certificate**

Any party hereto may request an estoppel certificate from another party if the certificate is requested in connection with a bona fide business purpose. The estoppel certificate will be addressed as requested by the party, and shall include, but not necessarily be limited to, statements that this Agreement is in full force and effect without default (or if default exists, the nature of default and curative action, which should be undertaken to cure same), the remaining term of this Agreement, the levels of Primary Abatement in effect, and such other matters reasonably requested by the party.

### **16. Owner Standing**

Owners shall be deemed a proper and necessary party in any litigation questioning or challenging the validity of this Agreement or any of the underlying ordinances, resolutions, or City Commission actions authorizing same and Owners shall be entitled to intervene in said litigation.

### **17. Applicable Law**

This Agreement shall be construed under the laws of the State of Texas. Venue for any action under this Agreement shall be the State District Court of Potter County, Texas. This Agreement is performable in Potter County, Texas.

### **18. Recordation of Agreement**

A certified copy of this Agreement in recordable form shall be recorded in the Deed Records of Potter County, Texas.

### **19. Entire Agreement**

This Agreement contains all terms regarding the abatement of ad valorem taxes on the Qualified Facilities and Qualified Personal Property. It may only be modified by written instrument signed by the parties. This Agreement is being executed in multiple originals which are being distributed for execution to Amarillo EDC, ZARGES, and the City. Each party agrees that its sole execution of an original shall constitute its consent to, and acceptance of the Agreement, without the necessity of a single copy being executed by all parties.

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CITY OF AMARILLO, TEXAS

By: W. Jarrett Atkinson  
Jarrett Atkinson, City Manager

Date: 12/16/2010

Attest:

Donna DeRight  
Donna DeRight, City Secretary

Approved as to form:

Marcus W. Norris  
Marcus W. Norris, City Attorney

ZARGES ALUMINUM SYSTEMS, LLC

By: T. Danvers

Printed Name: Timothy T. Danvers

Title: MANAGING DIRECTOR

Date: 12/16/10

Attest:

\_\_\_\_\_  
\_\_\_\_\_, Secretary

AMARILLO ECONOMIC DEVELOPMENT CORPORATION

By: Richard R. David  
Richard R. David, President

Date: 12/17/10

Attest:

Cliff Bickerstaff  
Cliff Bickerstaff, Secretary

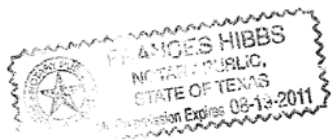
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City's Acknowledgment

STATE OF TEXAS           §  
  §  
COUNTY OF POTTER       §

BEFORE ME, the undersigned authority, a Notary Public in and for said State, on this day personally appeared Scott A. Kilsick, as City Manager of the City of Amarillo, Texas, a municipal corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the City of Amarillo, Texas, a municipal corporation, that he was duly authorized to perform the same by appropriate resolution of the City Commission of the City of Amarillo, and that he executed the same as the act of the said City for purpose and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 11<sup>th</sup> day of December, 2010.



Frances Hibbs  
Notary Public, State of Texas

Corporate Acknowledgment

**ZARGES ALUMINUM SYSTEMS, LLC**

STATE OF TEXAS           §  
  §  
COUNTY OF POTTER       §

BEFORE ME, the undersigned authority, a Notary Public in and for said State, on this day personally appeared Timothy Darnley, an executive officer of ZARGES ALUMINUM SYSTEMS, LLC, a Texas limited liability company, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said ZARGES ALUMINUM SYSTEMS, LLC, a Texas limited liability company, that he/she was duly authorized to perform the same by appropriate resolution of such corporation, and that he/she executed the same as the act of the said corporation for purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 16<sup>th</sup> day of December, 2010.



Brooke Ledwig  
Notary Public, State of Texas

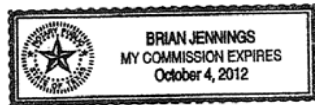
Corporate Acknowledgment

**AMARILLO ECONOMIC DEVELOPMENT CORPORATION**

STATE OF TEXAS                   §  
   §  
COUNTY OF POTTER           §


BEFORE ME, the undersigned authority, a Notary Public in and for said State, on this day personally appeared Richard R. David, President of AMARILLO ECONOMIC DEVELOPMENT CORPORATION, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said AMARILLO ECONOMIC DEVELOPMENT CORPORATION, that he was duly authorized to perform the same by appropriate resolution of such corporation, and that he executed the same as the act of the said corporation for purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 17<sup>th</sup> day of DECEMBER, 2010.



B. Jennings  
Notary Public, State of Texas

**EXHIBIT A**

1/22/10 

RESOLUTION NO. 1-26-10-1  
A RESOLUTION OF THE CITY OF AMARILLO, TEXAS  
CITY COMMISSION: ADOPTING GUIDELINES AND  
CRITERIA FOR TAX ABATEMENT WITHIN  
REINVESTMENT ZONES FOR THE CITY OF AMARILLO;  
PROVIDING A SEVERANCE CLAUSE; PROVIDING AN  
EFFECTIVE DATE.

WHEREAS, the City of Amarillo desires to participate in tax abatements from time to time as the City Commission may find appropriate, in accordance with the criteria and guidelines herein adopted;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF AMARILLO, TEXAS:

SECTION 1. That for tax abatements in reinvestment zones adopted by the City of Amarillo, the fundamental purpose is to stimulate growth and create jobs, and the following guidelines and general criteria will apply:

- A. Tax abatements may be provided for both new facilities and structures and for the expansion or modernization of existing facilities and structures. Each project proposed for tax abatement shall be considered individually on its own merits, benefit to the public, and in context of any other economic incentives for the project or existing in the reinvestment zone.
- B. The developer, property owner, project owner, or other recipient of a tax abatement must annually certify in writing to the governing body of each participating taxing unit that the developer, owner or recipient is in compliance with each applicable term of the agreement.
- C. Only the taxable value of improvements to real property or tangible personal property that is brought to the real property after the execution of a tax abatement agreement will qualify for tax abatement.
- D. A tax abatement agreement must ensure that the periods of abatement are directly proportional to the capital expenditures for improvements and the number of permanent full-time jobs created.
- E. Expansion or modernization of existing facilities qualifies for tax abatement if the expansion meets the qualifications for capital expenditures and nets new jobs.



Minutes of the Amarillo College Board of Regents Regular Meeting of June 24, 2014

The number of jobs created must be new jobs and not replacement of jobs which were in the payroll within the year immediately prior to application for tax abatement. A tax abatement shall not be granted if the facility has been the subject of or included in a prior tax abatement agreement.

F. If a new facility is constructed to replace an existing facility, and the existing facility is abandoned by the developer, property owner, project owner, or other recipient of a tax abatement, only the difference in taxable value of the new facility over the existing facility will qualify for tax abatement.

G. An agreement will be executed by the developer, property owner, project owner, or other recipient of a tax abatement which incorporates the terms of this resolution and includes any other site and development specific terms which might be found applicable at the time.

H. The tax abatement agreement will require, among other things, that the City of Amarillo will have the right of access to the site and books and records of the applicant for tax abatement to determine compliance with statutory requirements and the agreement. Failure to fulfill any of the requirements of the agreement will result in cancellation of the agreement and retroactive loss of tax abatement.

SECTION 2. If any provision, section, subsection, sentence, clause or the application of same to any person or set of circumstances for any reason is held to be unconstitutional, void or invalid or for any reason unenforceable, the validity of the remaining portions of this ordinance or the application thereby shall remain in effect, it being the intent of the City Commission of the City of Amarillo, Texas in adopting this ordinance, that no portion thereof or provision contained herein shall become inoperative or fail by any reasons of unconstitutionality of any other portion or provision.

SECTION 3. This resolution shall become and be effective on and after its date of adoption.

INTRODUCED AND PASSED by the City Commission of the City of Amarillo, Texas, on the 26<sup>th</sup> day of January, 2010.

  
Debra McCart, Mayor

ATTEST:

  
Donna DeRight, City Secretary

**EXHIBIT B**

LEGAL DESCRIPTION for a 8.50 acre tract of land out of Section 72, Block 2, A. B. & M. Survey, City of Amarillo, Potter County, Texas, and more particularly described as follows:

BEGINNING at a 1/2" iron rod found with a yellow cap at the intersection of the east right-of-way line of Centerport Boulevard and the south line of Lot 1, Block 1, Ben E. Keith Addition Unit No. 1, recorded in Volume 3624, Page 579, in the Potter County Clerk's Office, which bears S. 0° 32' 32" W. a distance of 1802.66 feet and S. 89° 27' 28" E. a distance of 259.42 feet from a 1/4" iron rod found with a cap stamped "Kelley" at the northwest corner of said Section 72 for the northwest corner of this tract.

THENCE S. 89° 51' 35" E. along said south lot line, a distance of 864.88 feet to a 1/4" iron rod set with a yellow cap on said south lot line for the northeast corner of this tract.

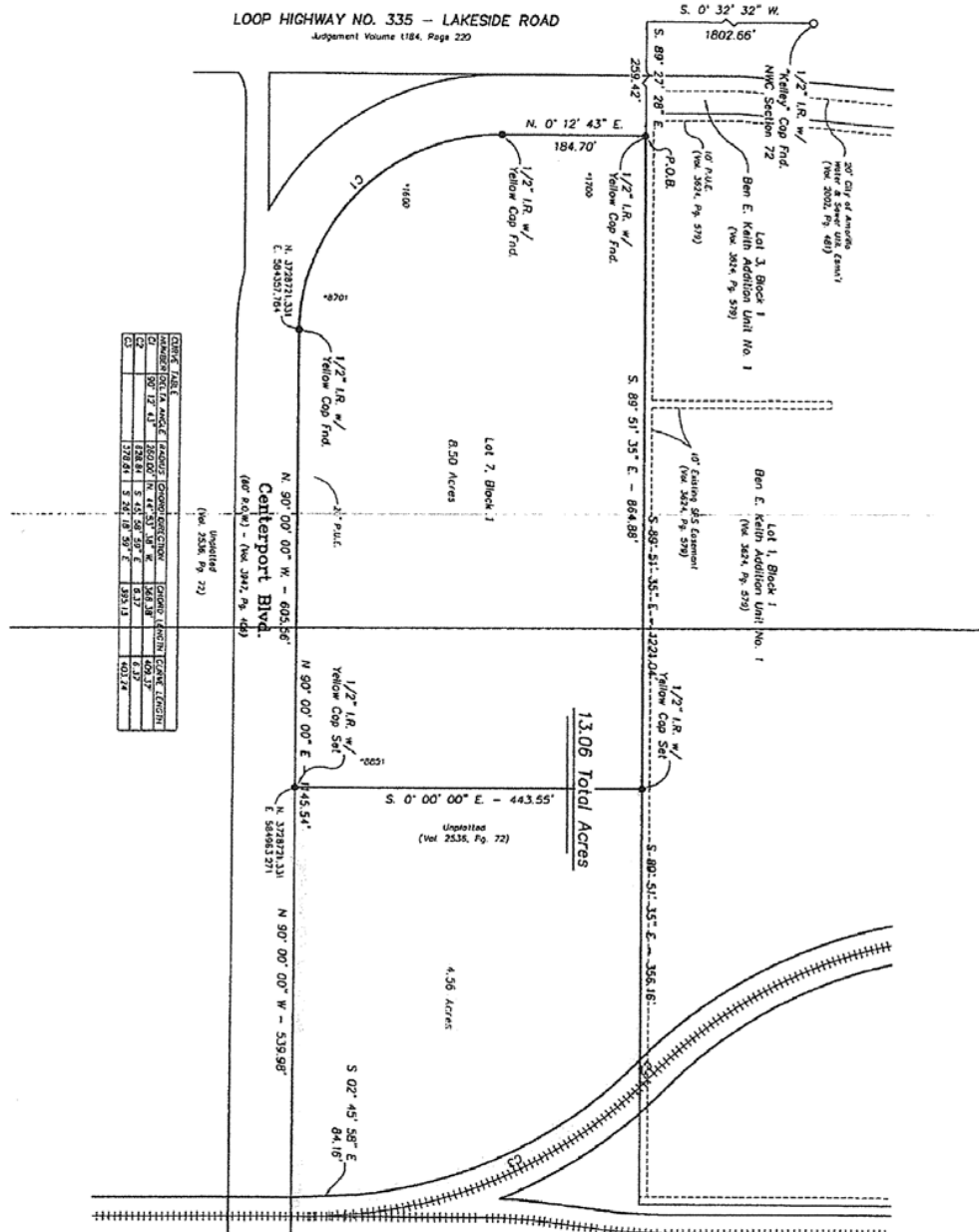
THENCE S. 0° 00' 00" E. a distance of 443.55 feet to a 1/4" iron rod set with a yellow cap on the north right-of-way line of said Centerport Boulevard for the southeast corner of this tract.

THENCE N. 90° 00' 00" W., along said north right-of-way line, a distance of 605.56 feet to a 1/2" iron rod found with a yellow cap on said north right-of-way line at the beginning of a curve to the right for a corner of this tract.

THENCE in a northeasterly direction continuing along said right-of-way line and along said curve with a radius equal to 260.00 feet, a long chord bearing of N. 44° 53' 38" W. and a long chord distance of 368.38 feet, a curve length of 409.37 feet to a 1/4" iron rod found with a yellow cap at the end of said curve on said east right-of-way line of said Centerport Boulevard for a corner of this tract.

THENCE N. 0° 12' 43" E. along said east right-of-way line, a distance of 184.70 feet to the place of BEGINNING and containing 8.50 acres of land.

EXHIBIT C



RESOLUTION

STATE OF TEXAS

§

COUNTY OF POTTER

§

WHEREAS, the City of Amarillo, Texas (the "City") has established tax Reinvestment Zone No. 7 (the "Zone"); and

WHEREAS, the City proposes to enter into a tax abatement agreement with Zarges Aluminum Systems, LLC ("Zarges") granting up to a 10-year abatement on 100% of property taxes eligible for abatement (the "Abatement Agreement") for a portion of the property to be owned by Zarges in the Zone; and

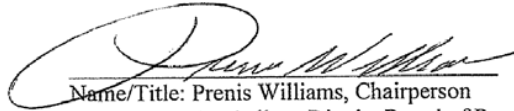
WHEREAS, after hearing properly called and noticed, by majority vote, the Board of Regents of Amarillo Junior College District (the "District") hereby finds that the District should participate in the Abatement Agreement as of its signing by the City for the purposes outlined therein; and

WHEREAS, in addition to this resolution, the District will indicate its election to be bound by the Abatement Agreement through the execution of a participation agreement to the Abatement Agreement (the "Participation Agreement"); THEREFORE:

BE IT RESOLVED BY THE BOARD OF REGENTS OF AMARILLO JUNIOR COLLEGE DISTRICT:


1. That Amarillo Junior College District hereby officially elects to participate in and be bound by terms of the Abatement Agreement as of its signing by the City of Amarillo and to execute the Participation Agreement for the purposes and on the conditions outlined in said agreements; and
2. That Dr. J. Paul Matney, President, Amarillo Junior College District (or his successor) be, and is hereby authorized and directed to execute the Participation Agreement and to do anything else necessary or appropriate to indicate the District's election to participate in the Abatement Agreement.

Passed and approved the 23<sup>rd</sup> day of November, 2010.



Name/Title: Prenis Williams, Chairperson  
Amarillo Junior College District Board of Regents

ATTEST:

  
Don L. Nicholson, Secretary, Board of Regents  
District: Amarillo Junior College District

Minutes of the Amarillo College Board of Regents Regular Meeting of June 24, 2014

The Amarillo Junior College District hereby joins in the preceding Tax Abatement Agreement between Zarges Aluminum Systems, LLC and the City of Amarillo on the same terms and conditions as the City of Amarillo and as of the date of such agreement.

AMARILLO JUNIOR COLLEGE DISTRICT

By: J. Paul Matney  
Dr. J. Paul Matney, President  
Date: November 23, 2010

Attest:

Donal L. Nicholson  
Mr. Don Nicholson, Secretary of the Amarillo  
Junior College District Board of Regents

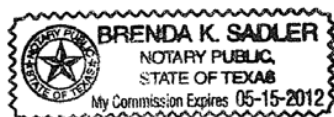
Acknowledgment

STATE OF TEXAS                    §  
  §  
COUNTY OF POTTER            §

BEFORE ME, the undersigned authority, a Notary Public in and for said State, on this day personally appeared Dr. J. Paul Matney, President of the Amarillo Junior College District, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the Amarillo Junior College District, that he was duly authorized to perform the same by appropriate resolution of the Board of Regents of the Amarillo Junior College District, and that he executed the same as the act of the said Amarillo Junior College District for the purpose and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 23<sup>rd</sup> day of November, 2010.

Brenda K. Sadler  
Notary Public, State of Texas



Minutes of the Amarillo College Board of Regents Regular Meeting of June 24, 2014

RESOLUTION

STATE OF TEXAS                       §  
  §  
COUNTY OF POTTER                 §

WHEREAS, the City of Amarillo, Texas (the “City”) has established tax Reinvestment Zone No. 7 (the “Zone”); and

WHEREAS, the City proposes to enter into a tax abatement agreement with Zarges Aluminum Systems, LLC (“Zarges”) granting up to a <sup>5 Year + 11K</sup> ~~10-year~~ abatement on 100% of property taxes eligible for abatement (the “Abatement Agreement”) for a portion of the property to be owned by Zarges in the Zone; and

WHEREAS, after hearing properly called and noticed, by majority vote, the Commissioner’s Court of Potter County, Texas (the “District”) hereby finds that the District should partially participate in the Abatement Agreement as of its signing by the City for the purposes outlined therein; and

WHEREAS, in addition to this resolution, the District will indicate its election to be bound by the Abatement Agreement through the execution of a participation agreement to the Abatement Agreement (the “Participation Agreement”); THEREFORE:

BE IT RESOLVED BY THE COMMISSIONER’S COURT OF POTTER COUNTY, TEXAS:

1. That the Commissioner’s Court of Potter County, Texas hereby officially elects to participate in and be bound by terms of the Abatement Agreement as of its signing by the City of Amarillo and to execute the Participation Agreement for the purposes and on the conditions outlined in said agreements, provided, however, that instead of a 10-year abatement, Potter County will grant an abatement for 5 years, the start of which period will coincide with the start of the 10-year period of the City’s abatement; and

2. That H.R. Kelly, acting County Judge (or his successor) be, and is hereby authorized and directed to execute the Participation Agreement and to do anything else necessary or appropriate to indicate Potter County’s election to participate in the Abatement Agreement.

Passed and approved the 13th day of December, 2010.

[Signature]  
Name/Title: H.R. Kelly, acting County Judge  
Potter County, Texas

ATTEST:  
[Signature]  
Julie Smith, County Clerk  
Potter County, Texas



Minutes of the Amarillo College Board of Regents Regular Meeting of June 24, 2014

On the date first written below, Potter County hereby joins in the preceding Tax Abatement Agreement between Zarges Aluminum Systems, LLC and the City of Amarillo on the same terms and conditions as the City of Amarillo and as of the date of such agreement, provided only, however, that instead of a 10-year abatement, Potter County grants an abatement for 5 years, the start of which period will coincide with the start of the 10-year period of the City's abatement.

COUNTY OF POTTER, TEXAS

By: [Signature]  
Printed Name: H. R. Kelly  
Title: County Judge  
Date: 12/13/2010

Attest:  
[Signature]  
Julie Smith, County Clerk



Approved as to form:  
[Signature]  
Scott Brumley, County Attorney  
By: D. Kemp, 1st Asst.

County's Acknowledgment

STATE OF TEXAS                    §  
   §  
COUNTY OF POTTER             §

BEFORE ME, the undersigned authority, a Notary Public in and for said State, on this day personally appeared H. R. Kelly, acting County Judge of the County of Potter, Texas, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the County of Potter, Texas, that he was duly authorized to perform the same by appropriate resolution of the Commissioner's Court of Potter County, Texas, and that he executed the same as the act of the said County for the purpose and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 13<sup>th</sup> day of December, 20 10.



[Signature]  
Notary Public, State of Texas

RESOLUTION

STATE OF TEXAS §  
COUNTY OF CARSON §

WHEREAS, the City of Amarillo, Texas (the "City") has established tax Reinvestment Zone No. 7 (the "Zone"); and

WHEREAS, the City proposes to enter into a tax abatement agreement with Zarges Aluminum Systems, LLC, or its designated affiliate, parent, or subsidiary ("Zarges"), granting up to a 10-year abatement on 100% of property taxes eligible for abatement (the "Abatement Agreement") for a portion of the property owned, leased, or to be owned by Zarges in the Zone; and

WHEREAS, after hearing properly called and noticed, by majority vote, the Board of Directors of Panhandle Groundwater Conservation District (the "District") hereby finds that the District should participate in the Abatement Agreement as of the year 2010 for the purposes outlined therein; and

WHEREAS, in addition to this resolution, the District will indicate its election to be bound by the Abatement Agreement through the execution of a participation agreement to the Abatement Agreement (the "Participation Agreement"); THEREFORE:

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PANHANDLE GROUNDWATER CONSERVATION DISTRICT:

1. That Panhandle Groundwater Conservation District hereby officially elects to participate in and be bound by terms of the Abatement Agreement as of the year 2010 and to execute the Participation Agreement for the purposes and on the conditions outlined in said agreements; and

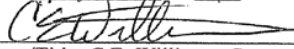
2. That C.E. Williams, General Manager (or his successor) be, and is hereby authorized and directed to execute the Participation Agreement and to do anything else necessary or appropriate to indicate the District's election to participate in the Abatement Agreement as of the year 2010.

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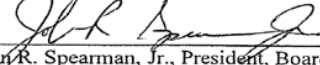
Minutes of the Amarillo College Board of Regents Regular Meeting of June 24, 2014

Passed and approved the 19 day of November, 2010.



Name/Title: C.E. Williams, General Manager  
District: Panhandle Groundwater Conservation District

ATTEST:



John R. Spearman, Jr., President, Board of Directors  
Panhandle Groundwater Conservation District

Minutes of the Amarillo College Board of Regents Regular Meeting of June 24, 2014

On the date first written below, the Panhandle Groundwater Conservation District hereby joins in the preceding Tax Abatement Agreement between Zarges Aluminum Systems, LLC, or its named parent or subsidiary, and the City of Amarillo on the same terms and conditions as the City of Amarillo effective as of its date of signing in 2010.

PANHANDLE GROUNDWATER  
CONSERVATION DISTRICT

By: *C.E. Williams*  
Printed Name: C.E. Williams  
Title: General Manager  
Date: Effective as of signing of the Tax Abatement Agreement by the City of Amarillo

Attest:  
*John R. Spearman, Jr.*  
John R. Spearman, Jr., President,  
Panhandle Groundwater Conservation District

Panhandle Groundwater Conservation District's Acknowledgment

STATE OF TEXAS                    §  
  §  
COUNTY OF CARSON            §

BEFORE ME, the undersigned authority, a Notary Public in and for said State, on this day personally appeared C.E. Williams, General Manager of the Panhandle Groundwater Conservation District ("PGCD"), known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the PGCD, that he was duly authorized to perform the same by appropriate resolution of the Board of Directors of the PGCD, and that he executed the same as the act of the said PGCD for the purpose and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 17<sup>th</sup> day of December, 2010.



*Anita L. Haiduk*  
Notary Public, State of Texas

**ASSIGNMENT OF TAX ABATEMENT AGREEMENT**

This is an assignment ("Assignment") of that certain Tax Abatement Agreement ("Agreement") dated the 16<sup>th</sup> day of December, 2010, entered into by and between the City of Amarillo, Texas, Amarillo Economic Development Corporation ("Amarillo EDC"), and Zarges Aluminum Systems, LLC ("Zarges LLC").

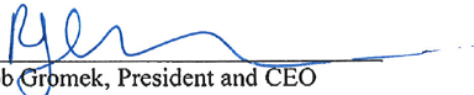
**WITNESSETH:**

For good and valuable consideration, the receipt and sufficiency of which is acknowledged, Zarges LLC hereby assigns the Agreement, and all corresponding agreements with other local taxing districts, to a person or entity to be selected and later named by Amarillo EDC, in its sole and absolute discretion (the "Assignee"). Zarges LLC also hereby irrevocably constitutes and appoints Amarillo EDC as Zarges LLC's agent to take all action necessary or appropriate to effect the assignment of the Agreement to the Assignee.

EXECUTED to be effective on April 30, 2012.

**Zarges LLC:**

Zarges Aluminum Systems, LLC,  
a Texas limited liability company

By:   
Rob Gromek, President and CEO

Consent to Assignment of Tax Abatement Agreement

On the date first written below, the Amarillo Junior College District hereby joins in the preceding Assignment and Assumption Agreement between Amarillo Economic Development Corporation, the City of Amarillo, Texas, and MWI Veterinary Supply Co., on the same terms and conditions as the City of Amarillo effective as of its date of signing.

AMARILLO JUNIOR COLLEGE DISTRICT

By: Donald L. Nicholson  
Don L. Nicholson, Chair of Board of Regents

Attest:  
Mary Jane Nelson  
Mary Jane Nelson, Secretary of the Amarillo  
Junior College District Board of Regents

Acknowledgment

STATE OF TEXAS           §  
  §  
COUNTY OF POTTER       §

BEFORE ME, the undersigned authority, a Notary Public in and for said State, on this day personally appeared Don L. Nicholson, Chair of the Amarillo Junior College District Board of Regents, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the Amarillo Junior College District, that he was duly authorized to perform the same by appropriate resolution of the Board of Regents of the Amarillo Junior College District, and that he executed the same as the act of the said Amarillo Junior College District for the purpose and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 24<sup>th</sup> day of June, 2014.

Brenda K. Sadler  
Notary Public, State of Texas



# County of Potter

STATE OF TEXAS  
SANTA FE BUILDING

TAX OFFICE  
900 S. POLK, SUITE 106  
PO BOX 2289  
AMARILLO TEXAS 79105-2289



PHONE: (806) 342-2600  
FAX: (806) 342-2617  
pcto@co.potter.tx.us

**SHERRI AYLOR**  
TAX ASSESSOR-COLLECTOR

May 14, 2014

Amarillo Jr. College  
Carolyn Leslie  
PO Box 447  
Amarillo, TX 79178-0001

Ms. Leslie:

Potter County, as Trustee, requests permission to sell the property located at 833 S Virginia ST to Stephanie Baeza for \$8133.34 as a private sale. We have received their payment for the property. Please place this item on your governing body's May 20<sup>th</sup> 2014 agenda for their deed approval and signature(s).

If you would, e-mail a copy of the agenda as confirmation that this item has been placed on your agenda to [katrinaadams@co.potter.tx.us](mailto:katrinaadams@co.potter.tx.us) or contact Katrina at #342-2607.

Sincerely,

A handwritten signature in cursive script that reads "Sherril Aylor".

SHERRI AYLOR  
Tax Assessor/Collector

SA/so

Enclosure

Minutes of the Amarillo College Board of Regents Regular Meeting of June 24, 2014



RANDALL COUNTY

SHARON HOLLINGSWORTH  
TAX ASSESSOR-COLLECTOR

FINANCE BUILDING  
PO BOX 997  
CANYON TX 79015-0997  
806 468-5540  
FAX 806 468-5541  
e-mail: [taxes@randallcounty.org](mailto:taxes@randallcounty.org)

AMARILLO ANNEX  
4111 S. GEORGIA #300  
AMARILLO TX 79110-1123  
806 468-5654  
FAX 806 468-5657  
website: [www.prad.org](http://www.prad.org)

May 23, 2014

Terry Berg  
Amarillo College  
PO Box 447  
Amarillo, TX 79178-0447

RE: R 086 4520 1220.0

Dear Mr. Terry Berg

We have received an offer from Jesus Imelda Chavira on property located at 2107 Country LN Amarillo, TX. The legal description is: Windmill Acres #2 Lot Block 0005 E/2 of 36 & all of 37. This property was struck off to the taxing districts on March 5<sup>th</sup>, 2013 with a minimum bid of \$8827.03. The amount of taxes currently due is \$7620.32 with court costs in the amount of \$251.12. The 2013 appraised value of the property is \$15,000.00.

The offer is for \$4,000.00 and we recommend you accept this offer. Please accept or reject this offer by signing in the appropriate place below and send it back in the envelope provided.

Sincerely,

  
Sharon Hollingsworth

We would like to **accept** the offer on this property and the issuance of a tax deed.

District Donald C. Nichols

By: Amarillo College

We would like to **reject** the offer on this property.

District \_\_\_\_\_

By: \_\_\_\_\_

Minutes of the Amarillo College Board of Regents Regular Meeting of June 24, 2014

**AMARILLO COLLEGE  
BUDGET AMENDMENTS  
June 24, 2014**

- |    |   |
|----|---|
| 1. | <p><b>General Contingency – Transfer of funds<br/>to cover expenses of FM90 transmission line repairs.</b></p> <p>Increase KACV FM – Other Pool <span style="float: right;">\$ 18,964.17</span><br/> Decrease Contingency-General – Other Pool <span style="float: right;">-\$ 18,964.17</span></p>   |
| 2. | <p><b>President’s Office – Transfer of funds<br/>to cover expenses of matching grant funds.</b></p> <p>Increase Contingency Grant Matching Fund – Other Pool <span style="float: right;">\$ 18,471.00</span><br/> Decrease President’s Office – Appointed Personnel Pool <span style="float: right;">-\$ 18,471.00</span></p>   |
| 3. | <p><b>Physics – Transfer of funds to cover expenses of<br/>employee salary.</b></p> <p>Increase Math – Appointed Personnel Pool <span style="float: right;">\$ 24,160.43</span><br/> Increase Math – Supplies Pool <span style="float: right;">\$ 10,000.00</span><br/> Decrease Physical Science – Appointed Personnel Pool <span style="float: right;">-\$ 34,160.43</span></p>   |
| 4. | <p><b>Energy Management – Transfer of funds to cover expenses<br/>of contract with Cenergistic.</b></p> <p>Increase Energy Management – Appointed Personnel Pool <span style="float: right;">\$ 15,000.00</span><br/> Increase Energy Management – Other Pool <span style="float: right;">\$ 4,822.14</span><br/> Increase Energy Management – Travel Pool <span style="float: right;">\$ 1,000.00</span><br/> Decrease Utilities – Other Pool <span style="float: right;">-\$ 20,822.14</span></p> |

**Minutes of the Amarillo College Board of Regents Regular Meeting of June 24, 2014**

Amarillo College Board of Regents  
Request for Approval – Purchase of JET Round 8 Grant Funded Equipment  
June 24, 2014

**History:**

AC was awarded an equipment purchase grant from the Texas Comptroller of Public Accounts, Jobs and Education for Texas (JET) Program in April 2014. The equipment must support Automotive Technician Technology training leading to high demand skills for Automotive Service Technicians and Mechanics (SOC code 49-3023). This grant project involves training that will occur at East Campus. Over the past two years, Amarillo College (AC) has done extensive analysis of technical training programs conducted on AC's East Campus. Both physical facilities and program curricula were reviewed and a plan was implemented to ensure that AC is offering the training that will deliver the skilled workers necessary to support area businesses and maintain the economic viability of the Panhandle region.

The JET Round 8 grant directly aligns with AC's *Strategic Plan through 2015, Version 2.0 – June 26, 2012* Goals, Strategies, and Initiatives:

Goal 1: Expand Student Success.

Strategy 1.1: Adjust instruction and services based on assessment data.

The official start date of the grant was April 24, 2014. The grant award will allow AC to leap ahead in its mission to provide training on the proper and relevant equipment in order to satisfy the needs of area businesses/entities for automotive related skilled workers. With the introduction of latest technology—industry standard equipment and innovative use of student preferred devices, AC will be able to attract a new generation of workers to an occupation that has suffered from a waning interest over the past decade.

Moreover, Automotive Service Technicians and Mechanics careers offer the residents from the area (characterized by low educational attainment and high poverty rates) an outstanding opportunity for an accelerated pathway to high-demand/high-wage occupations. This is also a targeted occupation for nontraditional gender (female) students.

**Attachment A:**

The full budgeted equipment list from the JET Round 8 grant contract is attached. Items will be purchased through one of the following methods: direct purchase from an AC approved cooperative purchasing contract; sole source provider; or formal bid process. All of these methods meet the requirements for a competitive procurement process as mandated by the state and AC's internal procurement procedures.

**Requested Approval:**

Amarillo College respectfully requests approval, from the AC Board of Regents, to proceed with the purchase of all JET funded equipment. This approval shall cover the purchase of the items listed in Attachment A in an aggregate sum not to exceed the equipment grant award of \$ 328,599 plus the \$17,295 for required grant matching funds.



JET Equipment Grant Round 8 Application Form

**Revised budget submitted  
April 15, 2014**

**3. Project Funding**

3.1. Please complete the following:  
If awarded, list the type of equipment that will be purchased. Include the quantity to be purchased and estimated per unit cost. List the items in priority order with the highest priority item listed first.

(A) Type /Description of Durable Equipment	(B) Quantity to be Purchased	(C) Estimated per Unit Cost	(D) Estimated cost of installation	(E) Total Cost	(H) Expected Life of Equipment (years)
Toyota Prius cutaway engine trainer including starter and alternator cutaways	1	\$ 30,282	inc.	\$ 30,282	10 years
GM 6 cylinder cutaway engine trainer	4	\$ 21,810	inc.	\$ 87,241	10 years
Electronics trainer package including power door locks trainer; amp power supply; power seat trainer; network system; automotive electronics courseboard non-faulted; switching power supply; and fuel cell demo model	1	\$ 15,215	inc.	\$ 15,215	10 years
Wheel alignment package including aligner with premium large cabinet & 27 " widescreen LCD; manual operation cameras; spacer kit; wheel off adjustment kit; cordless remote indicator; alignment premium scissor rack; and alignment rack lighting	1	\$ 61,594	inc.	\$ 61,594	10 years
Automatic refrigerant recovery, recycle, and recharge unit (meeting new standard for hybrid vehicles)	4	\$ 3,579	inc.	\$ 14,317	5 years
Heavy duty truck balancer	1	\$ 11,382	inc.	\$ 11,382	15 years
Wheel balancer package including automatic calibration balancer with touch screen interface; cone kits; and flange plate & stud kit	1	\$ 15,399	inc.	\$ 15,399	10 years
Wheel balancer package including automatic calibration balancer with touch screen interface and power wheel lift; cone kits; and flange plate & stud kit	1	\$ 19,261	inc.	\$ 19,261	10 years
Electronics lab kit	25	\$ 144	inc.	\$ 3,605	15 years

**Minutes of the Amarillo College Board of Regents Regular Meeting of June 24, 2014**

**JET Equipment Grant Round 8 Application Form**

Hand held tester with case	4	\$ 1,009	inc.	\$ 4,038	5 years
Chevy Impala (2004 to 2009)	1	\$ 12,360	inc.	\$ 12,360	15 years
iPad with heavy duty protection case	50	\$ 618	inc.	\$ 30,900	5 years
Large monitor for bay area	1	\$ 7,000	Inc.	\$ 7,000	10 years
Brake Lathe	3	\$ 10,000	inc.	\$ 30,000	10 years
Brake Lathe Adapter Kit	3	\$ 1,100	Inc.	\$ 3,300	10 years
<b>Totals</b>		<b>\$</b>	<b>\$ inc.</b>	<b>\$ 345,894</b>	

**3.2. Please complete the following:**

If awarded, list the type of equipment that will be purchased. Include the quantity to be purchased and estimated per unit cost. List the items in priority order with the highest priority item listed first. Non-durable equipment would include specialized tools required to operate equipment listed in 3.1 and cannot exceed 5% of the total project cost.

(A) Type /Description of Non-Durable Equipment	(B) Quantity to be Purchased	(C) Estimated per Unit Cost	(D) Estimated cost of installation	(E) Total Cost
n/a		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
<b>Totals</b>		<b>\$</b>	<b>\$</b>	<b>\$</b>

**3.3. Total Funding:**

<b>3.3.1. Total equipment to be purchased (durable \$ 345,894 ) (non-durable \$ 0 )</b>	\$ 345,894
<b>3.3.2. Total installation included</b>	\$ inc.
<b>3.3.3. Total project cost</b>	\$ 345,894
<b>3.3.4. Total amount requested (must equal 95% of 3.3.3.)</b>	\$ 328,599
<b>3.3.5. Total matching funds (must equal 5% of 3.3.3.)</b>	\$ 17,295

**Revised budget submitted  
April 15, 2014**

Minutes of the Amarillo College Board of Regents Regular Meeting of June 24, 2014

AMARILLO COLLEGE  
Revenue Budget Status Report  
as of May 31, 2014

	Fiscal 2014 Beginning Budget	Fiscal 2014 Current Budget	Fiscal 2014 Actual	%	Fiscal 2013 Budget	Fiscal 2013 Actual	%
State Appropriations	15,278,458	15,278,458	11,487,432	75%	14,994,164	11,321,113	76%
Indirect Cost Recovery	223,454	223,454	149,845	67%	203,454	162,445	80%
Ad Valorem Tax Revenues	16,098,382	16,098,382	12,281,866	76%	15,063,121	11,565,648	77%
Subtotal	<u>31,600,294</u>	<u>31,600,294</u>	<u>23,919,143</u>	76%	<u>30,260,739</u>	<u>23,049,206</u>	76%
Tuition and Fees - Academic	18,750,818	18,750,818	16,648,357	89%	18,214,565	17,020,486	93%
Tuition and Fees - Continuing Education	1,653,860	1,863,128	1,553,787	83%	1,640,481	1,563,143	95%
Tuition and Fees - Comm. Serv.	999,187	999,187	934,231	93%	918,788	937,863	102%
Less: TPEG	(487,980)	(487,980)	(429,279)	88%	(492,714)	(442,869)	90%
Subtotal	<u>20,915,885</u>	<u>21,125,163</u>	<u>18,707,086</u>	89%	<u>20,281,120</u>	<u>19,078,623</u>	94%
KACV - TV	493,200	493,200	307,912	62%	493,200	311,377	63%
Interest Income	80,000	80,000	30,045	38%	60,000	33,603	56%
Other Income	2,322,205	2,585,746	2,504,290	97%	2,260,466	2,623,465	116%
East Campus Land Sale Proceeds	-	-	85,664	0%	-	0	0%
Transfer from Auxiliary Enterprises	1,274,648	1,274,648	0	0%	1,307,649	0	0%
Use of Retained Earnings	81,563	81,563	61,172	75%	756,093	567,070	75%
A & I Funding	1,465,000	1,465,000	275,527	19%	3,255,000	2,153,425	66%
Branch Campus A&I	1,065,435	1,315,435	995,842	76%	3,000,000	670,029	0%
Subtotal	<u>6,288,851</u>	<u>6,802,392</u>	<u>3,952,540</u>	58%	<u>10,639,208</u>	<u>6,047,592</u>	57%
<b>TOTAL REVENUES</b>	<b><u>59,298,230</u></b>	<b><u>\$60,021,039</u></b>	<b><u>\$46,886,691</u></b>	<b>78%</b>	<b><u>\$61,674,267</u></b>	<b><u>\$48,486,798</u></b>	<b>79%</b>

Minutes of the Amarillo College Board of Regents Regular Meeting of June 24, 2014

AMARILLO COLLEGE  
Expenditures Budget Status Report  
as of May 31, 2014

	Fiscal 2014		Fiscal 2014 Actual	%	Fiscal 2013		%
	Beginning Budget	Amended Budget			Budget	Actual	
Institutional Support	9,660,019	9,695,253	3,796,827	39%	9,110,268	6,636,579	73%
Student Services	3,425,453	3,466,720	2,457,374	71%	3,194,044	2,256,475	71%
Fringe Benefits	9,717,970	9,717,970	6,026,532	62%	8,873,951	6,200,818	70%
Resident Instruction	22,320,826	22,811,813	16,122,514	71%	21,857,142	15,608,790	71%
Academic Support	2,147,946	2,143,460	1,530,360	71%	2,211,887	1,576,631	71%
Extension and Public Service	2,179,485	2,303,849	1,519,615	66%	2,046,231	1,407,859	69%
Physical Plant Operation and Maintenance	5,241,348	5,262,474	3,835,617	73%	5,693,464	4,012,518	70%
Technology Equipment Replacement	1,672,957	1,685,457	1,600,602	95%	1,948,963	1,658,286	85%
Alterations and Improvements	2,271,598	2,518,059	921,024	37%	6,270,000	2,823,454	45%
Contingencies	660,628	415,984	0	0%	468,317	0	0%
<b>TOTAL EXPENDITURES</b>	<b>\$59,298,230</b>	<b>\$60,021,039</b>	<b>\$37,810,465</b>	<b>63%</b>	<b>\$61,674,267</b>	<b>\$42,181,410</b>	<b>68%</b>

Minutes of the Amarillo College Board of Regents Regular Meeting of June 24, 2014

AMARILLO COLLEGE  
Auxiliary Enterprises  
Profit (Loss) Statement  
as of May 31, 2014

	Fiscal 2014			Fiscal 2013		
	Income	Expense	Profit (Loss)	Income	Expense	Profit (Loss)
<b>Bookstores:</b>						
Washington Street	2,087,561	1,785,349	302,212	2,265,534	1,919,272	346,262
West Campus	394,891	385,810	9,081	444,610	393,291	51,319
<b>Total Bookstores</b>	<b>2,482,452</b>	<b>2,171,159</b>	<b>311,293</b>	<b>2,710,144</b>	<b>2,312,563</b>	<b>397,581</b>
<b>Vending:</b>						
Washington Street	22,732		22,732	26,954		26,954
East Campus	5,338		5,338	6,032		6,032
Hoose County	1,742		1,742	1,982		1,982
Hensford Campus	386		386	296		296
<b>Total Vending</b>	<b>30,198</b>	<b>0</b>	<b>30,198</b>	<b>35,234</b>	<b>0</b>	<b>35,234</b>
<b>Rental Property:</b>						
Washington Street	5,001		5,001	7,201		7,201
East Campus - Family Housing	1,978,412	1,161,641	816,771	1,876,029	1,356,734	619,295
East Campus - Industrial	5,620		5,620	12,615		12,615
<b>Total Rental Property</b>	<b>1,989,233</b>	<b>1,161,641</b>	<b>827,592</b>	<b>1,995,845</b>	<b>1,356,734</b>	<b>631,111</b>
<b>Interest Income</b>	<b>3,159</b>		<b>3,159</b>	<b>3,726</b>		<b>3,726</b>
Installment Payment Plan	91,385		91,385	94,710		94,710
Student Government Association	261,742	261,013	729	272,415	278,364	(5,949)
<b>Total Other</b>	<b>358,486</b>	<b>261,013</b>	<b>97,473</b>	<b>370,831</b>	<b>278,364</b>	<b>92,467</b>
<b>TOTAL AUXILIARY ENTERPRISES</b>	<b>4,880,389</b>	<b>3,523,813</b>	<b>1,356,576</b>	<b>5,112,074</b>	<b>3,950,517</b>	<b>1,161,557</b>
<b>USES OF THESE PROFITS</b>						
<b>Institutional Scholarships:</b>						
Honors Program Scholarships		6,900	(6,900)		6,150	(6,150)
Band Scholarships		850	(850)		2,025	(2,025)
Choir		452	(452)		834	(834)
<b>Total Institutional Scholarships</b>	<b>0</b>	<b>8,202</b>	<b>(8,202)</b>	<b>0</b>	<b>9,009</b>	<b>(9,009)</b>
<b>Employee Scholarships:</b>						
Employee Spouse		20,693	(20,693)		22,057	(22,057)
Employee - Appointed		49,521	(49,521)		43,983	(43,983)
Employee - Children		189,740	(189,740)		97,918	(97,918)
Employee Non Appointed		50,963	(50,963)		42,288	(42,288)
<b>Total Employee Scholarships</b>	<b>0</b>	<b>280,917</b>	<b>(280,917)</b>	<b>0</b>	<b>206,246</b>	<b>(206,246)</b>
<b>Official Functions:</b>						
Transfer from AC to LM for Plant EC		12,082	(12,082)		14,446	(14,446)
<b>Total Other</b>	<b>0</b>	<b>12,082</b>	<b>(12,082)</b>	<b>0</b>	<b>14,446</b>	<b>(14,446)</b>
<b>TOTAL USES OF THESE PROFITS</b>	<b>0</b>	<b>291,101</b>	<b>(291,101)</b>	<b>0</b>	<b>229,761</b>	<b>(229,761)</b>
<b>TOTAL AUXILIARY ENTERPRISES</b>	<b>\$4,880,389</b>	<b>\$3,845,014</b>	<b>\$1,015,355</b>	<b>\$5,112,074</b>	<b>\$4,180,218</b>	<b>\$931,856</b>

Minutes of the Amarillo College Board of Regents Regular Meeting of June 24, 2014

Amarillo College  
Restricted Funds - Revenue and Expenditures  
as of May 31, 2014

	Fiscal 2014	Fiscal 2013	Increase (Decrease)
Federal Grants and Contracts	11,480,050	11,059,689	420,361
State Grants and Contracts	2,268,427	2,344,029	(75,602)
Local Grants and Contracts	1,661,457	1,230,575	430,882
KACV Grants and Contracts	1,056,056	969,836	86,220
<b>TOTAL GRANTS AND CONTRACTS</b>	<b>16,465,990</b>	<b>15,604,129</b>	<b>861,861</b>
<b>Student Aid</b>			
Pell Grants	8,076,932	8,399,896	(322,964)
Suppl. Education Opportunity Grants (SEOG)	131,772	123,389	8,383
College Work Study	183,260	211,382	(28,122)
Texas Public Education Grants (TPEG)	428,541	295,369	133,172
Texas Grant - THECB	893,977	911,667	(17,690)
EC Scholarships	5,500	0	5,500
DWT-NEG Displaced Worker Training Grant	24,338	0	24,338
Resident Instruction	5,003,981	4,504,193	499,788
Public Service	890,103	1,202,866	(312,763)
Student Support Services	358,678	401,616	(42,938)
<b>TOTAL EXPENDITURES</b>	<b>15,997,082</b>	<b>16,050,378</b>	<b>(53,296)</b>

Minutes of the Amarillo College Board of Regents Regular Meeting of June 24, 2014

Amarillo College  
Cash and Investments  
as of May 31, 2014

	Cash in Bank and on Hand	TexPool	Amarillo National Fund	Chase	Certificate Of Deposits	Total
Local Maintenance Funds	2,581,663	11,101,975			18,300,579	31,984,217
Auxiliary Enterprises	7,139	416,845			4,269,128	4,693,112
Restricted Funds		671,600	2,298,820		750,135	3,720,555
Endowment Funds		269,854	2,048,623		1,272,807	3,591,284
Unexpended Plant Funds	118,040	897,678		1,441,873		2,457,591
Retirement of Indebtedness	33	963,576			2,000,000	2,963,609
Agency Funds						0
<b>TOTAL</b>	<b>\$2,706,875</b>	<b>\$14,321,528</b>	<b>\$4,347,443</b>	<b>\$1,441,873</b>	<b>\$26,592,649</b>	<b>\$49,410,368</b>
<b>MAY 2013 TOTAL</b>	<b>\$1,547,158</b>	<b>\$18,282,658</b>	<b>\$3,907,278</b>	<b>\$4,838,319</b>	<b>\$25,828,210</b>	<b>\$54,403,623</b>
<b>MAY 2012 TOTAL</b>	<b>\$3,394,830</b>	<b>\$18,324,449</b>	<b>\$3,563,801</b>	<b>\$3,019,114</b>	<b>\$22,968,688</b>	<b>\$51,270,882</b>

**Breakdown of Cash & Investments:**

	2014	2013	2012
Amarillo College	28,540,300	26,147,956	26,008,420
EC Land Sale Proceeds	168,192	468,744	0
KACV	5,686,247	5,381,945	5,131,605
HLC	1,033,543	1,090,389	1,146,546
Student Loans	(15,936)	(9,855)	(118,053)
Pass Through Scholarships	(843,076)	16,420	687,410
Restricted	2,534,686	1,185,272	1,067,895
Auxiliary	6,348,761	6,169,523	6,195,697
Plant/Bonds/Debt Service	5,740,125	13,724,780	10,938,467
Agency	217,126	228,449	212,895
<b>Total</b>	<b>\$49,410,368</b>	<b>\$4,403,623</b>	<b>\$51,270,882</b>

**Minutes of the Amarillo College Board of Regents Regular Meeting of June 24, 2014**

AMARILLO COLLEGE  
Alterations and Improvements  
Projects for Fiscal 2014  
as of May 31, 2014

TYPE OF FUNDS	PROJECT	ACTUAL	PROJECTED COST	% COMPLETE
Designated	Engineering Building - Asbestos Abatement/Renovation	\$12,326.15	\$187,212.51	7%
Designated	CLB - Replace South Entrance Doors	\$24,267.17	\$24,267.17	100%
Designated	Student Service Center - HVAC Renovation	\$58,713.00	\$150,600.00	40%
Designated	Student Service Center - Fin Aid - 2nd Floor Paint/Carpet	\$32,590.58	\$50,600.00	65%
Designated	West Campus - Jones Hall - New North Parking Lot	\$19,734.24	\$420,000.00	5%
Designated	West Campus - Child Development Lab Alterations	\$13,797.45	\$75,000.00	18%
Designated	Polk Street - Nason Gym - New HVAC	\$34,428.37	\$35,000.00	98%
Designated	EC - Mtg Education Center - New East Parking Lot		\$145,000.00	0%
Designated	EC - Public Service Train Ctr - Building Upgrades		\$65,000.00	0%
Designated	EC Bldg 3400 - Removal of Asbestos/Demolish (Refund)	(\$3,051.45)	\$0.00	0%
Designated	Campus Wide - Carpet Replacement	\$16,929.29	\$50,000.00	34%
Designated	Campus Wide - Parking Lot Repairs	\$2,300.10	\$13,520.32	17%
<b>TOTAL A&amp;I FROM DESIGNATED RESERVES</b>		<b>\$213,034.90</b>	<b>\$1,215,000.00</b>	<b>18%</b>
Allocated	Engineering Building - Asbestos Abatement/Renovation	1,070.00	\$102,787.49	2%
Allocated	CLB - Renovate Kitchen/Bookstore	\$556,732.83	\$556,732.83	100%
Allocated	EC Bldg 3400 - Removal of Asbestos/Demolish	\$78,521.00	\$78,521.00	100%
Allocated	EC Motorcycle Storage	\$12,622.51	\$12,622.51	100%
Allocated	EC - Construction of Welding Booths	\$153,668.00	\$153,668.00	100%
Allocated	Campus Wide - Carpet Replacement	\$15,497.72	\$15,497.72	100%
<b>TOTAL A&amp;I FROM ALLOCATED FUNDS</b>		<b>\$819,012.06</b>	<b>\$910,829.55</b>	<b>89%</b>
<b>TOTAL A&amp;I/LAND IMPROVEMENTS W/O BRANCHES</b>		<b>\$1,032,046.96</b>	<b>\$2,134,829.55</b>	<b>48%</b>
Branch Campus	Moore County Campus - Student Activities Center	\$469,699.68	\$515,435.29	91%
Branch Campus	Moore County Campus - New Campus Completion	\$125,015.38	\$300,000.00	42%
Branch Campus	Hereford New Campus	\$470,418.90	\$756,830.63	62%
Branch Campus	Hereford New Campus - Hereford Capital Campaign	\$897,747.75	\$900,304.99	100%
<b>TOTAL A&amp;I FROM BRANCH CAMPUSES</b>		<b>\$1,962,911.71</b>	<b>\$2,473,570.91</b>	<b>79%</b>
<b>TOTAL A&amp;I/LAND IMPROVEMENTS PLUS BRANCHES</b>		<b>\$2,994,958.67</b>	<b>\$4,608,400.46</b>	<b>65%</b>



**Minutes of the Amarillo College Board of Regents Regular Meeting of June 24, 2014**

AMARILLO COLLEGE  
Tax Schedule  
as of May 31, 2014

	FY 2014			FY 2013
	Potter County	Randall County	Total	Total
Net Taxable Values	\$5,216,629,267	\$4,527,585,789	\$9,744,215,056	\$9,455,340
Tax Rate	\$0.19950	\$0.19950	\$0.19950	\$0.19950
Assessment:				
Bond Sinking Fund - \$ .04429	\$2,261,746	\$2,412,998	\$4,674,744	\$4,974,279
Maintenance and Operation - \$ .15521	\$7,925,840	\$8,455,874	\$16,381,714	\$15,440,558
Total Assessment	<u>\$10,187,586</u>	<u>\$10,868,872</u>	<u>\$21,056,458</u>	<u>\$20,414,837</u>
Deposits of Current Taxes	\$9,703,632	\$10,664,492	\$20,368,124	\$19,698,763
Current Collection Rate	95.25%	96.12%	96.73%	96.49%
Deposits of Delinquent Taxes	\$159,688	\$48,637	\$208,325	\$239,081
Deposits of Penalties and Interest	\$105,198	\$35,003	\$140,201	\$158,112
				collection rate
Budgeted - Bonds			\$4,674,744	100.00%
Budgeted - Maintenance and Operation			<u>\$15,881,382</u>	96.95%
Total Budget			<u>\$20,556,126</u>	97.62%
Total Collected - Current + Delinquent + Penalty/Interest			<u>\$20,716,650</u>	
Over (Under) Budget			<u>\$160,524</u>	<u>\$229,556</u>

AMARILLO COLLEGE BOARD OF REGENTS REGULAR MEETING OF JUNE 24, 2014

Minutes of the Amarillo College Board of Regents Regular Meeting of June 24, 2014

AMARILLO COLLEGE  
Bond Expenditures - Fund 60  
Bond Projects  
as of May 31, 2014

VENDOR	PRIOR YEARS EXPENSES	EXPENSES FY 14			TOTAL EXPENSES	PROJECTED COST	% COMPLETE
		ARCHITECT FEES	CONSTRUCTION MANAGER FEES	OTHER EXPENSES			
<b>Construction in Progress:</b>							
Bond Sale Fee	\$107,751.92	\$0.00	\$0.00	\$0.00	\$107,751.92	\$107,751.92	100%
General Construction Expenses - All Campuses	\$97,102.58	\$0.00	\$0.00	\$65.72	\$97,168.30	\$97,168.30	100%
Dutton Hall - Remodel - WSC	\$25,214.38	\$135,657.38	\$2,077,345.00	\$235,255.37	\$2,473,472.13	\$3,232,791.00	77%
Byrd Business Building - Remodel - WSC	\$7,669,462.63	\$0.00	\$14,819.46	\$15,332.34	\$7,699,614.43	\$8,041,042.13	96%
Parcells Hall - Remodel - WSC	\$8,948,192.10	\$0.00	\$17,048.25	\$8,774.54	\$8,974,014.89	\$9,095,585.29	99%
Lynn Library - Renovations at Existing Building-WSC	\$894,263.99	\$273.51	(\$3,266.07)	\$1,311.50	\$892,582.93	\$892,582.93	100%
CLUB - Remodel - WSC	\$0.00	\$53,045.01	\$267,280.00	\$137,795.72	\$458,720.73	\$482,111.00	95%
Music Buildings-Renovations at Existing Building-WSC	\$2,905,424.98	\$6,318.55	\$94,997.94	\$66,715.47	\$3,073,456.94	\$3,277,223.88	94%
EC Industrial Center - Renovate (Weking, Restrooms, HVAC)	\$4,686,404.15	\$15,188.46	\$23,483.40	\$4,955.72	\$4,730,031.73	\$4,879,713.08	97%
EC Transportation Complex Bldg 5 - Addition/Renovate Bldg	\$872,433.20	\$0.00	\$22,249.60	\$1,664.10	\$896,346.90	\$896,381.95	100%
Allied Health - Remodel - West Campus	\$3,616,203.17	\$0.00	\$0.00	\$1,131.30	\$3,617,334.47	\$3,621,941.23	100%
<b>Total Construction in Progress</b>	<b>\$29,822,453.10</b>	<b>\$211,082.91</b>	<b>\$2,513,957.58</b>	<b>\$473,001.78</b>	<b>\$33,020,495.37</b>	<b>\$34,624,292.71</b>	<b>95%</b>
<b>Completed Projects:</b>							
Durrett Hall - Relocation of Electronics - WSC	\$57,248.10	\$0.00	\$0.00	\$0.00	\$57,248.10	\$57,248.10	100%
Warren Hall - Remodel - WSC	\$2,437,662.86	\$0.00	\$0.00	\$0.00	\$2,437,662.86	\$2,437,662.86	100%
Dutton Hall - Remodel - WSC	\$554,727.60	\$0.00	\$0.00	\$0.00	\$554,727.60	\$554,727.60	100%
Parcells Hall - KACV Data Room - WSC	\$184,307.44	\$0.00	\$0.00	\$0.00	\$184,307.44	\$184,307.44	100%
Chill Water Loop System - WSC	\$881,655.78	\$0.00	\$0.00	\$0.00	\$881,655.78	\$881,655.78	100%

**Minutes of the Amarillo College Board of Regents Regular Meeting of June 24, 2014**

AMARILLO COLLEGE  
Bond Expenditures - Fund 60  
Bond Projects  
as of May 31, 2014

VENDOR	PRIOR YEARS EXPENSES	EXPENSES FY 14			TOTAL EXPENSES	PROJECTED COST	% COMPLETE
		ARCHITECT FEES	CONSTRUCTION MANAGER FEES	OTHER EXPENSES			
Science Laboratory Building - WSC	\$10,024,693.08	\$0.00	\$0.00	\$0.00	\$10,024,693.08	\$10,024,693.08	100%
New Parking Lot - WSC	\$816,500.72	\$0.00	\$0.00	\$0.00	\$816,500.72	\$816,500.72	100%
Building B - Remodel - West Campus	\$1,417,215.97	\$0.00	\$0.00	\$0.00	\$1,417,215.97	\$1,417,215.97	100%
Life Enrichment Center - Polk St Campus	\$56,553.00	\$0.00	\$0.00	\$0.00	\$56,553.00	\$56,553.00	100%
East Campus - New HVAC	\$2,697,749.61	\$0.00	\$0.00	\$0.00	\$2,697,749.61	\$2,697,749.61	100%
Clinical Simulation Center (at Texas Tech)	\$999,993.75	\$0.00	\$0.00	\$0.00	\$999,993.75	\$999,993.75	100%
Jones Hall - West Campus	\$12,356,292.87	\$0.00	\$0.00	\$0.00	\$12,356,292.87	\$12,356,292.87	100%
New Parking Lot - Polk St Campus	\$830,383.82	\$0.00	\$0.00	\$0.00	\$830,383.82	\$830,383.82	100%
<b>Total Completed Projects</b>	<b>\$33,314,984.60</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$33,314,984.60</b>	<b>\$33,314,984.60</b>	<b>100%</b>
<b>Total Bond Projects</b>	<b>\$63,137,437.70</b>	<b>\$211,082.91</b>	<b>\$2,513,957.58</b>	<b>\$473,001.78</b>	<b>\$66,335,479.97</b>	<b>\$67,939,277.31</b>	<b>98%</b>
<b>Revenue Bond Projects:</b>							
Moore County New Campus	\$4,307,712.58	\$0.00	\$309,203.00	\$60,053.67	\$4,676,969.25	\$4,676,969.25	100%
<b>Total Revenue Bond Projects</b>	<b>\$4,307,712.58</b>	<b>\$0.00</b>	<b>\$309,203.00</b>	<b>\$60,053.67</b>	<b>\$4,676,969.25</b>	<b>\$4,676,969.25</b>	<b>100%</b>

**Minutes of the Amarillo College Board of Regents Regular Meeting of June 24, 2014**

**Amarillo College  
Reserve Analysis FY 2014  
As Of 5/31/14**

	<b>Balance as of 08/31/2013</b>	<b>Current Fiscal Year Activity</b>	<b>Ending Balance</b>	<b>Explanation</b>
<b>Incumbered Prior to 8/31/13</b>				
Overlapping Purchase Orders	397,609	(379,880)	17,729	Materials and services requested in prior year and charged against prior year budget but received and paid for in the current year
<b>Subtotal</b>	<b>397,609</b>	<b>(379,880)</b>	<b>17,729</b>	
<b>Board Restricted</b>				
Equipment Reserve	1,700,000		1,700,000	Set-up for equipment purchases required but not budgeted
Facility Reserve	3,500,000	(574,005)	2,925,995	Set-up for facility purchases required but not budgeted
Technology Reserve	522,225		522,225	Set-up for IT related purchases required but not budgeted
Sim Central	246,764		246,764	Sim Central prior years revenues over expenses fund balance
East Campus A&I Designated	560,000	(366,865)	193,135	Set-up for East Campus improvements required but not budgeted
SGA	101,054		101,054	Student government prior years revenues over expenses fund balance
Insurance	500,000		500,000	Set-up to cover insurance deductibles and claims that fall below the deductibles
Moore County Campus Designated	914,674	(655,907)	258,767	Moore County prior years revenues over expenses fund balance
Hereford Campus Designated	1,124,634	(401,107)	723,527	Hereford Campus prior years revenues over expenses fund balance
East Campus Land Proceeds	397,864	(229,672)	168,192	Proceeds from sale of land at East Campus
East Campus Designated	1,865,534		1,865,534	East Campus set aside from the State of Texas for operations of programs at TSTC (EC)
<b>Subtotal</b>	<b>11,432,749</b>	<b>(2,227,556)</b>	<b>9,205,193</b>	
<b>Unrestricted Reserve</b>				
Undesignated Local Maintenance	10,443,460		10,443,460	Local Maintenance prior years revenues over expenses fund balance
Undesignated Auxiliary	4,173,901		4,173,901	Auxiliary prior years revenues over expenses fund balance
<b>Subtotal</b>	<b>14,617,361</b>	<b>-</b>	<b>14,617,361</b>	
<b>Total</b>	<b>26,447,719</b>	<b>(2,607,436)</b>	<b>23,840,283</b>	
<b>Fiscal Year 2013</b>	<b>26,677,885</b>	<b>(230,166)</b>	<b>26,447,719</b>	
<b>Fiscal Year 2012</b>	<b>24,021,539</b>	<b>2,656,346</b>	<b>26,677,885</b>	
<b>Fiscal Year 2011</b>	<b>21,927,855</b>	<b>2,093,684</b>	<b>24,021,539</b>	
<b>Fiscal Year 2010</b>	<b>21,093,864</b>	<b>833,991</b>	<b>21,927,855</b>	
<b>Fiscal Year 2009</b>	<b>19,474,630</b>	<b>1,619,234</b>	<b>21,093,864</b>	