Regular

Monday, November 10, 2003 6:00 PM
Granbury ISD Board Room, 600 West Pearl St., Granbury, TX 76048, W Pearl St, Granbury, TX 76048

1. **Call to order at 6:00 p.m.**
2. **Convene in closed session under the Texas Open Meetings Act, Texas Government codes, Chapter 551.074 - personnel matters and 551.072 - purchase, exchange, lease or value of real property and 551.071 - private consultation with the Board's attorney, and 551.076 - deployment, or specific occasions for implemetation, of security personnel or devices.**
   a. Appointments, leaves and resignations
   b. Consultation with Board's attorney regarding legal advice concerning Level III employee complaint from Dale Taylor
   c. Consultation with Board's attorney regarding legal advice concerning possible termination of Assistant Superintendent contract for "good cause".
3. **Reconvene in open session at 7:00 p.m.**
4. **Invocation**
5. **Pledges - U.S. Flag & Texas Flag**
6. **Superintendent's Report - Goals 2, 4, 7**
   a. Recognition
   b. Investment Report
   c. Collection Report
   d. Travel Reimbursement Rates
   e. Donations Update
   f. Capital Improvements Listing
   g. AEIS
7. **Public comments/audience participation**
8. **Board members special reports**
9. **Consent agenda items**
   a. Consider minutes of the October 20, 2003 regular board meeting
   b. Consider Budget Amendments
   c. Consider Charter Bus Services Bid No. 2003.37
   d. Consider Athletic Supplies - Bid no 2003-35
   e. Consider sale of Avery Road land
   f. Consider Investment Policy
   g. Consider May 2004 Board meeting changes
10. **Elect members to Hood County Appraisal Board of Directors**
11. **Personnel - Goal 7**
    a. Consider appointments, leave and resignations
    b. Consider Level III Employee Complaint - Dale Taylor
    c. Consider possible termination of Assistant Superintendent contract for "good cause"
12. **Adjourn**

GRANBURY
INDEPENDENT SCHOOL DISTRICT

Sharay Boynton
Executive
Director of Finance

600 W Bridge Street • Granbury, Texas 76048 • Phone (817) 408-4015 • Fax (817) 408-4033
sharay_boynton@granbury.k12.tx.us

November 3, 2003

Granbury Independent School District Board of Trustees:

The Public Funds Investment Act (Texas Government Code Chapter 2256, Subchapter A) requires the investment officer of each local government to submit to its governing body a report, not less than quarterly, of investment transactions.

The **Portfolio Summary Report** identifies all areas that are required to be reported to the governing body. The report summarized the information for all six groups of funds that the District invests funds. The report shows that all six funds are being invested at a higher rate than the average benchmark yield. The benchmark used is the 90-day T-Bill.

The total book value of investments held by the District on September 30, 2003 was $15,853,477. The General Fund holds the majority of the investments.

The District invested in the pools and the interest bearing checking accounts during the last quarter. At this time, the pools and the interest bearing checking accounts are generating a larger yield than that of Texas Term and the Treasuries and Agencies. At such a time as the yield is higher for Texas Term or the Treasuries and Agencies, funds will be reallocated to take advantage of the higher yield. Throughout most of last quarter, TEXPOOL maintained a higher yield than both Logic and TASB-Lone Star. The interest yield on the checking accounts was higher than TEXPOOL. However, due to collateral and diversity issues, funds are invested in both the pools and the bank.

Funds are invested to yield the highest return and security at the time of investment or withdrawal. Graphs showing the percentage breakdown of investments as well as transactions for all funds are attached for your review.

The information presented above and the attached are submitted to you as the quarterly report of investment transactions for Granbury Independent School District.

William Harris
Superintendent

Sharay S. Boynton, CPA
Executive Director of Finance

PORTFOLIO SUMMARY REPORT
PERIOD ENDING 09/30/03

GRANBURY ISD – GENERAL OPERATING INVESTMENT FUNDS

Beginning Book Value	$11,975,889
Beginning Market Value	$11,975,889
WAM at Beginning of Period	1 Days
Change to Market Value	$ 0
Ending Book Value	$11,975,889
Ending Market Value	$11,975,889
Gain/Loss	$ 0
WAM at Ending Date	1 Days
Period Yield to Maturity	1.28%
Period Average Benchmark Yield	.94%

GRANBURY ISD – FOOD SERVICE INVESTMENT FUNDS

Beginning Book Value	$ 454,808
Beginning Market Value	$ 454,808
WAM at Beginning of Period	1.0 Days
Change to Market Value	$ 0
Ending Book Value	$ 454,808
Ending Market Value	$ 454,808
Gain/Loss	$ 0
WAM at Ending Date	1.0 Days
Period Yield to Maturity	2.50%
Period Average Benchmark Yield	.94%

GRANBURY ISD – SCHOLARSHIP/TRUST INVESTMENT FUNDS

Beginning Book Value	$ 67,213
Beginning Market Value	$ 67,213
WAM at Beginning of Period	1.0 Days
Change to Market Value	$ 0
Ending Book Value	$ 67,213
Ending Market Value	$ 67,213
Gain/Loss	$ 0
WAM at Ending Date	1.0 Days
Period Yield to Maturity	2.50%
Period Average Benchmark Yield	.94%

GRANBURY ISD – DEBT SERVICE INVESTMENT FUNDS

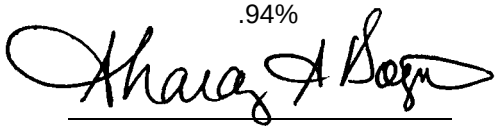
Beginning Book Value	$ 1,996,369
Beginning Market Value	$ 1,996,369
WAM at Beginning of Period	1 Days
Change to Market Value	$ 0
Ending Book Value	$ 1,996,369
Ending Market Value	$ 1,996,369
Gain/Loss	$ 0
WAM at Ending Date	1 Days
Period Yield to Maturity	1.48%
Period Average Benchmark Yield	.94%

GRANBURY ISD – BUILDING FUND INVESTMENT FUNDS

Beginning Book Value	$ 751,188
Beginning Market Value	$ 751,188
WAM at Beginning of Period	1.0 Days
Change to Market Value	$ 0
Ending Book Value	$ 751,188
Ending Market Value	$ 751,188
Gain/Loss	$ 0
WAM at Ending Date	1.0 Days
Period Yield to Maturity	1.43%
Period Average Benchmark Yield	.94%

GRANBURY ISD –SELF INSURANCE INVESTMENT FUNDS

Beginning Book Value	$ 608,011
Beginning Market Value	$ 608,011
WAM at Beginning of Period	1.0 Days
Change to Market Value	$ 0
Ending Book Value	$ 608,011
Ending Market Value	$ 608,011
Gain/Loss	$ 0
WAM at Ending Date	1.0 Days
Period Yield to Maturity	2.03%
Period Average Benchmark Yield	.94%

Prepared by: Finance Director 



Superintendent

LINEBARGER GOGGAN BLAIR & SAMPSON LLP
Attorneys at Law
Oil & Gas Building, Suite 1300
309 West 7th Street
Fort Worth, Texas 76102
(817) 877-4589
FAX: (817) 877-0601

November 5, 2003

Mr. William Harris
Superintendent
Granbury Independent School District
600 West Pearl
Granbury, Texas 76048

RE: Activity Report on Delinquent Tax Collections for the period October 1, 2002 to September 30, 2003.

Dear Mr. Harris:

In an effort to keep you and the Board of Trustees informed as to our activities, we would submit this report which summarizes our work and the results we have achieved in delinquent tax collections on behalf of Granbury Independent School District**.** We are very pleased to report that as of September 30, 2003, Granbury I.S.D. realized a total tax collection rate of 101.05% this past tax year.

MAILINGS

During this reporting period our law firm has continued an extensive mailing program to ensure that delinquent taxpayers are aware that they owe taxes to Granbury I.S.D. We have sent more than 11,000 warning notice letters written in increasing severity of tone to delinquent taxpayers. These letters were mailed in four separate months. Every taxpayer on your delinquent roll with a current address has heard from us at least once; and others who needed further reminders have received several notices of delinquency.

LAWSUITS

Where requests for payment and all other negotiations have failed, we have backed up our notice letters with lawsuits. During this reporting period we filed 279 lawsuits against 482 parcels of property seeking the collection of $910,000 in delinquent taxes, penalties, and interest. At the same time, we continued to prosecute any cases which were already pending prior to this reporting period.

Of the $910,000 sought in the newly filed suits, $825,000 is attributable to 451 tracts of real property, and $85,000 is for amounts owing on 31 tracts of personal property.

The attached report entitled **"Filed Petitions"** list each lawsuit filed during this reporting period, and it gives the status of each case as it now stands.

DISMISSALS

Upon our filing a suit, the property owner frequently pays the taxes after being served with citation. It is our practice to then dismiss the case and the litigation comes to an end as to that particular person and property. During this reporting period, we have dismissed, as paid, a total of 135 lawsuits which involved in excess of $669,000 in taxes, penalties, and interest. The attached report entitled **"Filed Non-Suits"** identifies each case which has been dismissed after payment.

JUDGMENTS

Courtroom judgments have been taken in 38 lawsuits involving more than 50 separate tax assessments . These judgments include tax foreclosures on land and personal judgments against owners of delinquent personal property.

TAX SALES

Where all other efforts have failed in collecting on our judgments, we have conducted tax sales involving 19 tracts of real property, involving over $70,000. Of the 19 tracts of real property posted for tax sale, 11 tracts were paid before sale, six tracts were struck-off and one property was sold to a third party.

TOTAL COLLECTIONS

By the use of all of our collection tools, including notice letters, specialized demand letters, onsite visits and litigation, we have collected on your behalf just over $1,811,274.00 in delinquent taxes, penalty and interest from October 1, 2002 to September 30, 2003.

We pledge to continue to follow through with what has developed into a sound collection program. This will include prosecuting the pending suits to conclusion, writing demand letters on a regular basis, and filing additional suits in those cases where our letters and request for payment are ignored. We will also continue working closely with you to provide assistance and advice in all property tax matters, including changes in the law brought about by the Property Tax Code. Additionally, we will continue our onsite visits to manufactured homes and local businesses that owe delinquent taxes.

If there are any questions about this report do not hesitate to call me for further clarification of our activity. We are very proud to represent Granbury Independent School District and to work for you in collecting delinquent taxes.

Sincerely yours,

Glenn E. Smith, Jr.
Partner

Cc: Sharay Boynton
Executive Director of Finance
Granbury Independent School District

Jeff Law, Chief Appraiser
Hood County Appraisal District

Enclosure(s)

RANBURY INDEPENDENT SCHOOL DISTRICT

INTEROFFICE MEMO

FINANCE AND BUSINESS AFFAIRS

To: Board of Trustees
Date: November 10, 2003
For: Information

TO: Mr. William Harris, Superintendent

FROM: Sharay Boynton, Finance Director
DATE: November 3, 2003
RE: Maximum Travel Reimbursement Rates for 2003-2004 - Revised

SUMMARY:
District Board Policy DEE(LOCAL) relates to the reimbursement and payment of travel expenses. It states that employees of the District, who incur expenses while performing duties related to their jobs, when such expenditure is at the request of the employee's immediate supervisor, shall be reimbursed the cost of the expenditures. The reimbursement or payment of such costs shall be within the guidelines set forth by the State Comptroller of Public Accounts in the State of Texas Travel Allowance Guide, the current schedule adopted by the Board, and subject to IRS regulations.

The General Appropriations Act for each legislative session contains maximum allowable travel reimbursement rates for meals and lodging. The Comptroller of Public Accounts establishes the maximum mileage rate. The current state rates were downloaded from the Texas Comptroller of Public Accounts and included for your reference.

These reimbursement rates were previously adopted by the Board under HB 898 that limited reimbursement rates to state rates only and reimbursement could not be made at a higher rate. During the Special Session HB 7 repealed the section that limited reimbursement to state rates. The repeal is effective January 11, 2004. Therefore, Travel Procedures have been modified to reflect this change. The District Maximum Reimbursement Rates will remain the same, but, upon the approval of the Assistant Superintendent, employees may be reimbursed at a higher rate with local funds. Approval circumstances are included in the attached procedures. These procedures will be effective January 11, 2004.

Respectfully submitted,

Sharay S. Boynton
Executive Director of Finance

Staff Person Responsible: Sharay Boynton

Date Submitted: November 3, 2003

GRANBURY INDEPENDENT SCHOOL DISTRICT
Maximum Reimbursement Rates
2003-04

TYPE	RATE
Mileage	
Motor Vehicle	
In State	.35 cents per mile
Out of State	Average Coach Airfare
Meals and Lodging – Employees	
In-State	
Meals (Receipts required)	$30.00 per day
Lodging (Receipts required)	$80 per day
Meals (Non over-night Travel)	$25.00 per day
Out-of-State	
Meals (Receipts required)	Federal Flat Rate
Lodging (Receipts required)	Federal Flat Rate
Meals (Non-overnight Travel)	$26.00 per day

GRANBURY INDEPENDENT SCHOOL DISTRICT

INTEROFFICE MEMO

FINANCE AND BUSINESS AFFAIRS

To: Board of Trustees
Date: November 10, 2003
For: Information

TO: Mr. William Harris, Superintendent

FROM: Sharay Boynton, Finance Director
DATE: November 3, 2003
RE: Donation Update

SUMMARY:

According to Board Policy CDC (LOCAL) "The Board or Superintendent may accept any bequest or gift of money or property on behalf of the District." Mr. Harris has accepted the following donations on behalf of the District

- Acton Middle School PTO is donating a Marquee valued at approximately $2,150.00. Mr. Mabery feels that this will provide parents and students another method by which to get information, thus improving communication.

- The Republican Women of Hood County are donating a book to each elementary in the District as part of the Barbara Bush Literacy Program. They are planning on donating The Legend of the Teddy Bear by Frank Murphy, valued at $16.95 each for a total of approximately $70.00. Each of the principals feel that this would be a nice addition to their libraries.

Respectfully submitted,



Sharay S. Boynton
Executive Director of Finance

Staff Person Responsible: William Harris
Sharay Boynton

Date Submitted: October 13, 2003

GRANBURY INDEPENDENT SCHOOL DISTRICT

INTEROFFICE MEMO

FINANCE AND BUSINESS AFFAIRS

To: Board of Trustees
Date: November 10, 2003
For: Information

TO: Mr. William Harris, Superintendent

FROM: Sharay Boynton, Finance Director
DATE: November 5, 2003
RE: Capital Improvements Update

SUMMARY:

The 2003-04 budget included $1,000,000 set aside for capital improvements. District Administration and Staff have been working on compiling a list of projects that should be funded with these funds. The attached list details approved projects and related budgets.

Also included with this listing are projects to be funded from the Food Service fund balance.

Respectfully submitted,



Sharay S. Boynton
Executive Director of Finance

Staff Person Responsible: William Harris
Sharay Boynton

Date Submitted: November 5, 2003

ADVANCED PLACEMENT RESULTS	% Taking State	Region XI	GISD
	15.0	16.3	21.5
% SCORES > 3	State	Region XI	GISD
	52.9	53.3	46.5

TEXAS SUCCESSFUL SCHOOLS AWARD SYSTEM

Campuses that have outstanding performance on the TAKS tests are given special awards through the TSSAS. The Excellence Awards were for Exemplary or Recognized ratings. Schools receiving the monetary award for 2001-02 are:

Exemplary Ratings:

Acton Middle School

Recognized Ratings:

Acton Elementary
Brawner Intermediate
Mambrino Elementary/Intermediate

Acceptable Rating

Nettie Baccus Elementary
Emma Roberson Elementary
Oak Woods Intermediate
Crossland Intermediate
Granbury Middle School
Granbury High School

Board of Trustees

Micky Shearon, *President*
Charlie Cloud, *Vice President*
J. Mark Graves, *Secretary*
Brad Johnson
Jerry Campbell
Gene Ellis
Brian Condit

William Harris
Superintendent

Administrative Cabinet

Jan Van Dorn
Assistant Superintendent of Schools

Sharay Boynton
Executive Director of Finance

Troy Green
Executive Director of Human Resources

Martin Yarborough
Executive Director of Technology

Principals

Bob Small	Granbury High School
Bobby Mabery	Acton Middle School
Jimmy Dawson	Granbury Middle School
Carolyn Horton	Brawner Intermediate School
Roger Morgan	Crossland Intermediate School
Heather Allen	Oak Woods Intermediate School
Rebecca Johnson	Mambrino Intermediate & Elementary
Ralph Purget	Acton Elementary School
Nancy Alana	Baccus Elementary School
Kathy Haynes	Emma Roberson Elementary School
John Shreve	STARS Academy
Biff Peterson	Behavior Transition Center

GRANBURY INDEPENDENT SCHOOL DISTRICT

www.granbury.k12.tx.us

Academic Excellence Indicator System

Reporting 2002-03 Data

AEIS

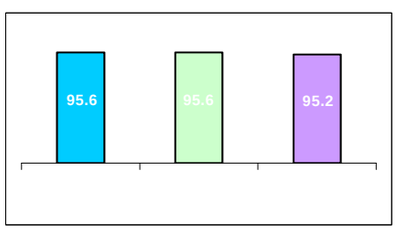
TEXAS EDUCATION AGENCY 2002
ACCEPTABLE SCHOOL DISTRICT

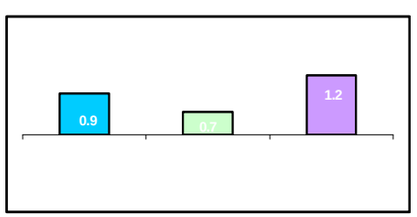
DISTRICT PERFORMANCE OVERVIEW

The Academic Excellence Indicator System (AEIS) was mandated by the Texas Legislature to emphasize student achievement as the basis for accreditation of local school districts. The State Board of Education established performance standards for several academic and achievement variables. In addition to the state performance, Granbury ISD's performance is compared to all of the districts within our state Education Service Center, Region XI.

A copy of the full report is available at www.granbury.k12.tx.us, in the library at each campus and at the central administration offices at 600 West Pearl. Copies of the report can be purchased for $25.00 from the Administration Building. For further information, please contact Jan Van Dorn, Assistant Superintendent, at 408-4009.

The academic and achievement variables included in the comparison are the TAKS scores, attendance rate, annual dropout rate, completion of advanced courses, TAKS/TASP equivalency, and college admission tests (SAT and ACT). Results for Granbury ISD, the state, and Region XI are included.





ANNUAL DROPOUT RATE

The proportion of grade 7-12 students who dropped out of school during the 2001-02 school year and students who do not return to school in the fall of 2000 are reported as dropouts

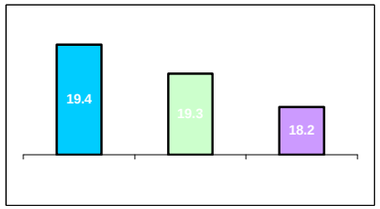
TEXAS ASSESSMENT OF KNOWLEDGE AND SKILLS (TAKS)

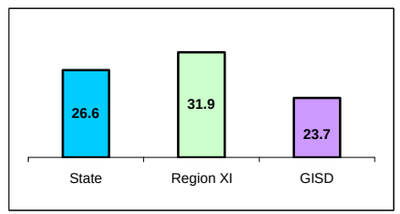
The TAKS is a state mandated criterion referenced test, which measures grade level skills. The table below lists the percent of students who met minimum expectations on the TAKS test, spring 2003.

Grade	Subject	State	Region XI	GISD
3	Reading	89.6	91.8	92.2
	Math	90.8	91.4	93.2
	All Tests	84.9	87.0	87.8
4	Reading	85.9	88.1	87.6
	Writing	86.8	89.0	91.9
	Math	88.0	90.2	91.1
	All Tests	75.8	79.8	81.4
5	Reading	80.0	83.1	82.7
	Math	86.3	88.2	89.6
	Science	74.5	79.5	80.4
	All Tests	65.9	71.2	73.5
6	Reading	86.2	89.3	94.5
	Math	79.3	83.8	94.5
	All Tests	74.8	80.1	91.0
7	Reading	88.0	89.8	89.2
	Math	73.4	77.4	81.3
	Writing	85.8	87.2	83.6
	All Tests	67.7	72.1	72.1
8	Reading	88.7	89.9	90.1
	Math	73.2	76.3	71.0
	Social Studies	93.1	94.2	93.7
	All Tests	69.9	73.3	68.2
9	Reading	82.4	84.9	88.8
	Math	65.1	68.9	78.2
	All Tests	61.7	65.9	74.9
10	Eng Lang Arts	72.8	75.9	78.3
	Math	74.2	77.2	81.2
	Science	69.6	74.2	79.1
	Soc Studies	86.8	88.5	88.0
	All Tests	53.3	58.1	63.3
11	Eng Lang Arts	69.8	67.9	74.0
	Mathematics	68.5	69.8	75.8
	Science	67.9	68.9	76.6
	Soc Studies	90.2	90.4	95.7
	All Tests	49.8	50.0	58.1

COMPLETION OF ADVANCED COURSES

This indicator is based on completion of at least one advanced course. The 2001-02 data is calculated as the number of students who completed at least one advanced academic course, divided by the number of students who completed at least one academic course.



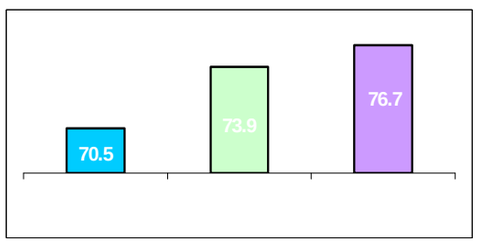


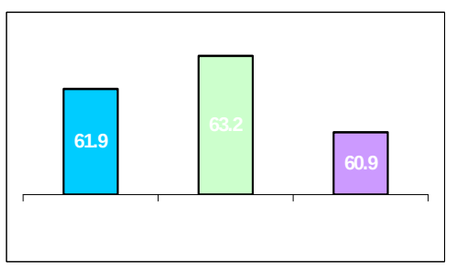
COLLEGE ADMISSIONS

Percent of graduates who scored at or above the criterion score on either SAT (1000) or ACT (24) divided by the number of graduates.

TAKS/TASP EQUIVALENCY

This indicator shows the percent of graduates from the classes of 2002 who did well enough on the exit level TAKS to be expected to pass the Texas Academic Skills Program (TASP) test.





The percent of graduates who took either SAT or ACT College admissions test.

MEAN SAT:	State	Region XI	GISD
	986	1017	988
MEAN ACT:	State	Region XI	GISD
	20.0	20.8	21.2

GRANBURY ISD
BOARD OF TRUSTEES
OFFICIAL REGULAR MEETING
MINUTES
October 20 2003

The Board of Trustees of the Granbury Independent School District convened in an official **REGULAR** meeting on Monday, October 20, 2003 at 6:00 p.m. in the Board Room of the Administration Building, 600 West Pearl St., Granbury, Texas

Presiding Officer..... Micky Shearon

Board Members Present

Gene Ellis
Jerry Campbell
Charlie Cloud
Mark Graves
Brad Johnson
Brian Condit

School Officials Present

William Harris, Superintendent
Jan VanDorn, Assistant Superintendent
Sharay Boynton, Executive Director of Finance
Troy Green, Executive Director of Human Resource
Martin Yarborough, Executive Director of Technology
Judy Duncan, Recording Secretary

Others Present

School Employees
Media
Community Members

Meeting Called to Order

President Micky Shearon called the meeting to order at 6:03 p.m.

Convened in Closed Session

The board convened into closed session at 6:04 pm. under the Texas Open Meetings Act, Texas Government Codes, Chapters 551.074 – personnel matters and 551.072 - purchase, exchange, lease or value of real property.

Reconvened in Open Session

The board reconvened in open session at 7:03 p.m.

Pastor Larry Dickson, Faith Assembly of God, led the invocation and the Granbury High School JROTC posted the colors and led in the pledge to the US Flag and the Texas Flag.

Superintendent's Report

Transportation Director, Terry Slemmons recognized his lead drivers: Danny Clark, Gary Saffle, Cindy Styer, Dawn Swann and Traci Wiegref. Slemmons also recognized his employee of the month for September, Janie Baker.

Superintendent Harris reported to the board that roof repairs were needed on the technology department as soon as possible and the district was proceeding with this project. Harris also stated that a bid proposal for other roof repairs would be coming at a future board meeting.

Harris reported on donations received by the district. A donation was received by Granbury High School from Weatherford College of two new personal laser printers. The Baccus PTO donated a sofa, love seat and refrigerator to Baccus Elementary. The love seat will be used in the HOST room, the refrigerator will be used in the teacher's lounge and the sofa will be used in the office. The Brawner PTO donated a portable sound system to Brawner Intermediate to be used in the cafetorium.

Public Comments

None

Board Members Special Reports

Board member, Jerry Campbell invited the public to attend a flag football game between the Granbury Fire Department and the Granbury Police Department to be held on Saturday, October 25, 2003 at Decker Field at 6:00 p.m. This will be a fundraiser for a community member needing a transplant. The game will be followed by a spaghetti dinner at Crossland Intermediate.

Board Secretary, Mark Graves reported that the dedication service for Kyle Bagby and Duncan McMahon for the naming of the Granbury High School Auditorium after them was held on Friday, October 17, 2003.

Consent Agenda

A motion was made by Charlie Cloud and seconded by Jerry Campbell to approve the consent agenda items which include: (a) minutes of the October 6, 2003 regular board meeting (b) budget amendments (c) flooring materials & services CSP No. 2003-06 – renewal (d) custodial chemicals & supplies CSP No. 2003-34 (e) pest management services CSP No. 2003-34. **MOTION CARRIED** Yes 7 – Noe 0

Personnel

None

Adjourned

There being no further business, the meeting was adjourned at 7:16 p.m.

Micky Shearon, President

J. Mark Graves, Secretary

GRANBURY INDEPENDENT SCHOOL DISTRICT

INTEROFFICE MEMO

FINANCE AND BUSINESS AFFAIRS

To: Board of Trustees
Date: November 10, 2003
For: Approval

TO: Mr. William Harris, Superintendent

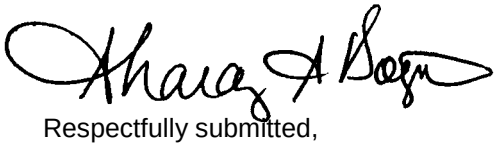
FROM: Sharay Boynton, Finance Director
DATE: November 3, 2003
RE: Budget Amendments

SUMMARY:

Attached are budget amendments that are for Board approval.

RECOMMENDATION:

I recommend the Board approve the amendments.



Respectfully submitted,

Sharay S. Boynton
Executive Director of Finance

Staff Person Responsible: Emmett Whitefield
Date Submitted: November 3, 2003

BUDGET AMENDMENTS RECOGNIZING DONATED & MISCELLANEOUS REVENUES

Fund 199, Ms. Sharay Boynton, Originator
This Amendment recognizes donated funds in the amount of $4,000 allocated to function 34 and $3,500 allocated to function 36. These funds are donated by Coca Cola and will be used for additional supplies.

Fund 199, Ms. Carolyn Horton, Originator
This Amendment recognizes funds in the amount of $735 allocated to function 11. These funds are generated within the Campus Fund and will be used to purchase awards for the campus.

Fund 181 & 199, Mr. Bob Small, Originator
This Amendment recognizes donated funds in the amount of $1,699 allocated to function 36. These funds are donated by the Band Booster Club and will be used to help pay for charter buses used by the band.

Fund 199, Mr. Jimmy Dawson, Originator
This Amendment recognizes funds in the amount of $817 allocated to function 11. These funds are generated from band equipment rental and will be used for repairs to equipment.

Fund 199, Mr. Bobby Mabery, Originator
This Amendment recognizes funds in the amount of $1,922 allocated to function 31. These funds are generated from PSAT registrations and will be used to grade these PSAT Tests.

Fund 199, Mr. Bobby Mabery, Originator
This Amendment recognizes funds in the amount of $55 allocated to function 12. These funds are generated from book fines and will be used to purchase additional library books and media.

Fund 199, Mr. Randy Leach, Originator
This Amendment recognizes donated funds in the amount of $1,000 allocated to function 51. These funds are donated by the Booster Club and will be used for a storage building for the Softball team.

Fund 199, Mr. Randy Leach, Originator
This Amendment recognizes donated funds in the amount of $4,200 allocated to function 36. These funds are donated by the Booster Club for the boy's basketball team and will be used for a Shoot Away purchase.

Fund 199, Mr. Randy Leach, Originator
This Amendment recognizes donated funds in the amount of $2,000 allocated to function 36. These funds are donated by the Booster Club for the tennis team and will be used to purchase a shade canopy.

BUDGET AMENDMENTS RECOGNIZING FUNCTION TO FUNCTION TRANSACTION

Fund 199, Mr. Randy Leach, Originator
This Amendment recognizes funds in the amount of $4,000 allocated from function 36 to function 51. These funds are being transferred for a storage building for the Softball team.

Fund 199, Mr. Bobby Mabery, Originator
This Amendment recognizes funds in the amount of $1,410 allocated from function 11 to function 13. These funds are being transferred to purchase supplies for staff development.

Fund 199, Mr. Bobby Mabery, Originator
This Amendment recognizes funds in the amount of $333 allocated from function 11 to function 51. These funds are being transferred within the Campus Fund to have lettering put on the Gymnasium.

Fund 181 & 199, Mr. Bobby Mabery, Originator
This Amendment recognizes funds in the amount of $650 allocated from function 36 to function 11. These funds are being transferred from travel to equipment to purchase a new sound system.

Fund 199, Mr. Jimmy Dawson, Originator
This Amendment recognizes funds in the amount of $12 allocated from function 11 to function 13. These funds are being transferred to cover GMS PE instructor dues to TAPHRED.

Fund 199, Mr. Jimmy Dawson, Originator
This Amendment recognizes funds in the amount of $333 allocated from function 11 to function 51. These funds are being transferred within the Campus Fund to have lettering put on the Gymnasium.

Fund 199, Mr. Jimmy Dawson, Originator
This Amendment recognizes funds in the amount of $1,460 allocated from function 11 to function 23. These funds are being transferred to purchase new ID Card Computer Printer.

Fund 199, Mr. Jimmy Dawson, Originator
This Amendment recognizes funds in the amount of $385 allocated from function 11 to function 51. These funds are being transferred to purchase a new Cisco Phone system for Office.

Fund 199, Mr. Bob Small, Originator
This Amendment recognizes funds in the amount of $600 allocated from function 23 to function 13. These funds are being transferred from administration travel to staff development travel.

Fund 199, Mr. Troy Green, Originator
This Amendment recognizes funds in the amount of $388 allocated from function 41 to function 51. These funds are being transferred to purchase a new Cisco Phone system for the Human Resources Office.

GRANBURY INDEPENDENT SCHOOL DISTRICT

INTEROFFICE MEMO

FINANCE AND BUSINESS AFFAIRS

To: Board of Trustees
Date: November 10, 2003
For: Approval

TO: Mr. William Harris, Superintendent

FROM: Sharay Boynton, Finance Director
DATE: November 3, 2003
RE: Charter Bus Services
Bid No. 2003-37

SUMMARY:

A request for proposal was let to provide a vendor for charter bus services to be used on an as needed basis. Vendors were asked to propose prices to be held firm until October 31, 2004 with the option to renew for two additional one-year terms.

A summation of the process and outcome as well as a copy of the tabulation is attached for your review.

The following is the recommendation of the coaches and Mr. Randy Leach, Athletic Director.

RECOMMENDATION:

That the Board award charter bus services to Cowtown Bus Charters for the period of award notification to October 31, 2004.

Staff Person Responsible: Debbie Johnson
Terry Selmmons

Date Submitted: November 3, 2003

BID FOR BOARD APPROVAL

Board Meeting Date: November 10, 2003 **Bid Number:** 2003-37

1. **Item, material or service (specific or classification):** Charter Bus Services

2. **Brief description:** A proposal was let to provide a vendor for charter bus services to be used on an as needed basis.

3. **Period of time bid covers:** From written notification of award through October 31, 2004 with the option to renew for two additional years in one year increments.

4. **Person and title responsible for the expenditure:**

   Terry Slemmons – Transportation Director

5. **Number of bids sent to vendors:** 7

6. **Number of bids received from vendors:** 4

7. **Listing of recommended vendors and total prices:** It is recommended that charter bus services be awarded to Cowtown Bus Charters. A total expenditure cannot be identified as needs are unknown at this time. The district spent approximately $20,000 last year for these services.

8. **Explanation of other than low recommendations:** N/A

9. **Last bid date (bid of comparable nature within last 5 years):** N/A

10. **Percentage increase or decrease from last bid**: N/A

11. **Budget information:** Funds for these services will come from post district budgets and booster club funds.



GRANBURY INDEPENDENT SCHOOL DISTRICT

INTEROFFICE MEMO

FINANCE AND BUSINESS AFFAIRS

To: Board of Trustees
Date: November 10, 2003
For: Approval

TO: Mr. William Harris, Superintendent

FROM: Sharay Boynton, Finance Director
DATE: November 3, 2003
RE: Athletic Supplies – Spring Sports
Bid No. 2003-35

SUMMARY:

A bid was let to provide supplies for the secondary campuses for the spring sports. This bid covered supplies for the track program, softball program, golf program and baseball program. Vendors were asked to quote firm pricing on line items that would remain the same through September 30, 2004. They were also asked to quote a percentage discount from their catalog/shelf prices for additional needs not identified in the bid.

A summation of the process and outcome as well as a copy of the tabulations are attached for your review.

The following is the recommendation of the coaches and Mr. Randy Leach, Athletic Director.

RECOMMENDATION:

That the Board award the line items as shaded on the attached tabulations for the period of award through September 30, 2004. Also award the catalog and list price discounts as detailed on related tabulation for the period of award through September 30, 2004.

Staff Person Responsible: Debbie Johnson
Randy Leach
Coaches

Date Submitted: November 3, 2003

BID FOR BOARD APPROVAL

Board Meeting Date: November 10, 2003 **Bid Number:** 2003-35

1. **Item, material or service (specific or classification):** Athletic Supplies - Spring Sports

2. **Brief description:** A bid was let to provide supplies for the secondary campuses for the spring sports. This bid covered supplies for the track program, softball program, golf program and baseball program.

3. **Period of time bid covers:** From written award notification through 9/30/2004

4. **Person and title responsible for the expenditure:**

   Steve Fowler – Golf Coach
   Scott Robinson – Softball Coach
   Pat Watson – Baseball Coach
   Renvy Smith – Track Coach
   Dirk Wright – Track Coach
   James Pinnell - GMS All Sports Coordinator
   Bill Coward – AMS All Sports Coordinator
   Randy Leach – Athletic Director

5. **Number of bids sent to vendors:** 49 (included all sports)

6. **Number of bids received from vendors:** 23 (includes 4 "no bids")

7. **Listing of recommended vendors and total prices:** The recommendation for award is shaded in the column under the vendor name for a total expenditure of $17,643.73 based on the quantity indicated on the bid. It is also recommended all companies submitting a response to the catalog/list price discount portion of the bid be approved for additional purchases of supplies on an as needed basis.

8. **Explanation of other than low recommendations:**

   The following items will not be awarded: A6, A9, A17, B8, B9, B10 and C7

   A2 Russell brand is thicker fabric and more durable.
   A3 Same as above
   A14 Carey's and First to Finish do not have "tye dye" shirts.
   A15 Superstar Sports did not send requested sample. Advanced Embroidery sent a sample to verify color and material.
   A16 Requested sample from Superstar Sports but did not receive one. Based on past experience with the Cobblestone brand and past experience with the Leslie G brand, Coach Smith feels the Leslie G brand is a better product and will last the district longer.
   A23 This item will be paired with A22 for a track uniform. Teamline total was $903 for the set. First to the Finish total was $930 for a set. A set from the same vendor would ensure color match.
   A25 The discus from Athletes World is not a competition discuss.
   A26 The stopwatch from BSN is not a Robic and doesn't have the same functions needed from the Robic brand.
   D3 Plano Sports offers a 29" inseam. We need a minimum of 30" inseam. The Delong brand is a better quality pant.

D6 The material on the Gildan brand is thicker than on the Fruit of the Loom brand so it will last longer.

D7 Unable to get samples from Superstar Sports. Barefoot Athletics has quoted a 14 day delivery and Superstar Sports has quoted 180 days delivery.

9. Last bid date (bid of comparable nature within last 5 years): 3/4/2003

10. Percentage increase or decrease from last bid: Due to the size of the bid and the changes to many of the items, a comparison was not made.

11. Budget information: Expenditures for supplies will be from the following budget codes with the budget listed below:

181.36.6395.00.001.4.91.0.05	$6,000.
181.36.6395.00.001.4.91.0.06	5,000.
181.36.6395.00.001.4.91.0.07	5,000.
181.36.6395.00.001.4.91.0.10	2,000.
181.36.6395.00.001.4.91.0.93	6,000.
181.36.6395.00.041.4.91.0.06	1,500.
181.36.6395.00.041.4.91.0.07	1,500.
181.36.6395.00.041.4.91.0.10	500.
181.36.6395.00.042.4.91.0.06	1,500.
181.36.6395.00.042.4.91.0.07	1,500.
181.36.6395.00.042.4.91.0.10	500.

12. Other comments: The Athletic Booster Club and the Athletic Activity Club will make donations to cover the additional expense if the items purchased for the program exceed the allotted budget.



GRANBURY INDEPENDENT SCHOOL DISTRICT

INTEROFFICE MEMO

FINANCE AND BUSINESS AFFAIRS

To: Board of Trustees
Date: November 10, 2003
For: Approval

TO: Mr. William Harris, Superintendent

FROM: Sharay Boynton, Finance Director
DATE: November 3, 2003
RE: Sale of Avery Road Land

SUMMARY:

According to Board Policy CDB(LEGAL), "The Board may authorize the sale of any property, other than minerals, held in trust for free school purposes, by means of a Board resolution."

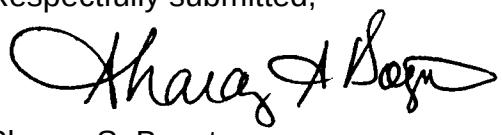
The policy states that a notice of the District's intent to sale the property has to be published in the local newspaper on two different occasions. No sale or exchange can be made until the 14th day after the last notice is published. The notice was published Saturday, October 25, 2003and Tuesday, October 28, 2003. The responses were due to my office on November 3, 2003. There were two responses. The tabulation is attached for your review.

Since the 14th day since the last publication is not until November 11, 2003, action can be taken at the November 10, 2003 board meeting, but the sale can not occur until after the 11th.

RECOMMENDATION:

I recommend that the land be sold to Rainwater Supply Corp. under terms presented and attached resolution be adopted.

Respectfully submitted,



Sharay S. Boynton
Executive Director of Finance

Staff Person Responsible: Sharay Boynton

Date Submitted: November 3, 2003

GRANBURY INDEPENDENT SCHOOL DISTRICT
BOARD RESOLUTION

WHEREAS, Granbury ISD is an independent school district

WHEREAS, Granbury ISD has a a tract of land situated in the Miliam County School Land Survey, Abstract No. 348 Hood County, Texas, said tract of land being a portion of the land described in a deed to Granbury Independent School District, as recorded in Volume 1146, Page 897, Deed Records, Hood County, Texas and being a portion of Avery Road as abandoned per document recorded in Volume 5, Page 774 of the Commissioners Court Minutes of Hood County, Texas of which is no longer of vital use to the District

WHEREAS, Granbury ISD's intent to sale was published in the Hood County News on Saturday, October 25, 2003and Tuesday, October 28, 2003

WHEREAS, Rainwater Supply Corp. has made an offer of $3,500 plus ½ of the closing costs

BE IT RESOLVED that Granbury ISD enter into a contract to sale the aforementioned piece of property on or after November 11, 2003

PASSED AND APPROVED this 10th day of November 2003

ATTEST:

By: _____ By: _____
Micky Shearon Mark Graves

President, GISD Board of Trustees Secretary, GISD Board of Trustees

GRANBURY INDEPENDENT SCHOOL DISTRICT

INTEROFFICE MEMO

FINANCE AND BUSINESS AFFAIRS

To: Board of Trustees
Date: November 10, 2003
For: Approval

TO: Mr. William Harris, Superintendent

FROM: Sharay Boynton, Finance Director
DATE: November 3, 2003
RE: CDA (LEGAL) & CDA (LOCAL)

SUMMARY:
According to the Public Funds Investment Act (Texas Government Code Chapter 2256, Subchapter A) and Granbury ISD policy CDA (LEGAL), the investment policy and the investment strategy shall be reviewed not less than annually.

Attached are Granbury ISD's adopted CDA (LEGAL) and CDA (LOCAL). These serve as the investment policy and strategy for each fund maintained by the District. CDA (LEGAL) is the standard investment policy for all school districts in the state of Texas. CDA (LOCAL) is the policy of GISD and describes the strategy utilized by the District in investments for GISD funds.

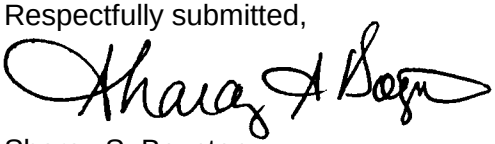
I have reviewed the policies to ensure that they are in compliance with current law and current procedures. The attached policies represent the current law and the current practices of District administration in regards to investments.

CDA (LEGAL) states that "The Board shall adopt a written instrument stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the investment policy or investment strategies." A written instrument is attached for the consideration of the Board.

RECOMMENDATION:

That the Board adopt the attached resolution stating that the Board has reviewed the investment policy and strategies of the District and that no changes are proposed.

Respectfully submitted,



Sharay S. Boynton
Executive Director of Finance

Staff Person Responsible: Sharay Boynton

Date Submitted: November 3, 2003

RESOLUTION APPROVING GRANBURY INDEPENDENT SCHOOL DISTRICT'S INVESTMENT POLICY AND STRATEGY.

WHEREAS, the Board of Trustees of Granbury Independent School District reviewed CDA (LEGAL) and CDA (LOCAL);

WHEREAS, this review was in accordance with the Public Funds Investment Act (Texas Government Code Chapter 2256, Subchapter A) and CDA (LEGAL).

WHEREAS, no changes were made to the existing policy.

NOW, THEREFORE, BE IT RESOLVED:

The current policy CDA (LEGAL) and CDA (LOCAL) represent the investment policy and strategy of Granbury Independent School District.

PASSED AND APPROVED this 10th day of November, 2003

ATTEST:

By: _____ By: _____

Micky Shearon Mark Graves

President, GISD Board of Trustees Secretary, GISD Board of Trustees

All investments made by the District shall comply with the Public Funds Investment Act (Texas Government Code Chapter 2256, Subchapter A) and all federal, state, and local statutes, rules or regulations. *Gov't Code 2256.026*

WRITTEN POLICIES

Investments shall be made in accordance with written policies approved by the Board. The investment policies must primarily emphasize safety of principal and liquidity and must address investment diversification, yield, and maturity and the quality and capability of investment management. The policies must include:

1. A list of the types of authorized investments in which the District's funds may be invested;
2. The maximum allowable stated maturity of any individual investment owned by the District;
3. For pooled fund groups, the maximum dollar-weighted average maturity allowed based on the stated maturity date of the portfolio;
4. Methods to monitor the market price of investments acquired with public funds; and
5. A requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis.

Gov't Code 2256.005(b)

ANNUAL REVIEW

The investment policy and the investment strategy shall be reviewed not less than annually. The Board shall adopt a written instrument stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the investment policy or investment strategies. *Gov't Code 2256.005(e)*

ANNUAL AUDIT

The Board shall perform a compliance audit of management controls on investments and adherence to the Board's established investment policies. The compliance audit shall be performed in conjunction with the annual financial audit. *Gov't Code 2256.005(m)*

INVESTMENT STRATEGIES

As part of the investment policy, the Board shall adopt a separate written investment strategy for each of the funds or group of funds under the Board's control. Each investment strategy must describe the investment objectives for the particular fund under the following priorities in order of importance:

1. Understanding of the suitability of the investment to the financial requirements of the Board;
2. Preservation and safety of principal;

3. Liquidity;
4. Marketability of the investment if the investment needs to be liquidated before maturity;
5. Diversification of the investment portfolio; and
6. Yield.

Gov't Code 2256.005(d)

INVESTMENT OFFICER

The Board shall designate one or more officers or employees as investment officer (s) to be responsible for the investment of its funds. If the Board has contracted with another investing entity to invest its funds, the investment officer of the other investing entity is considered to be the investment officer of the contracting Board's District. In the administration of the duties of an investment officer, the person designated as investment officer shall exercise the judgment and care, under prevailing circumstances that a prudent person would exercise in the management of the person's own affairs, but the Board retains the ultimate responsibility as fiduciaries of the assets of the District. Unless authorized by law, a person may not deposit, withdraw, transfer, or manage in any other manner the funds of the investing entity. Authority granted to a person to invest an entity's funds is effective until rescinded by the Board or until termination of the person's employment by the District. *Gov't Code 2256.005(f)*

The District or investment officer may use the District's employees or the services of a contractor of the District to aid the investment officer in the execution of the officer's duties under Government Code, Chapter 2256. *Gov't Code 2256.003(c)*

INVESTMENT TRAINING

INITIAL

Within 12 months after taking office or assuming duties, the treasurer or chief financial officer and the investment officer of the District shall attend at least one training session from an independent source approved either by the Board or by a designated investment committee advising the investment officer. This initial training must contain at least ten hours of instruction relating to their respective responsibilities under the Public Funds Investment Act. *Gov't Code 2256.008(a)*

WITHIN A TWO-YEAR PERIOD

The treasurer or chief financial officer and the investment officer must also attend an investment training session not less than once in a two-year period and receive not less than ten hours of instruction relating to investment responsibilities under the Public Funds Investment Act from an independent source approved by the Board or a designated investment committee advising the investment officer. If the District has contracted with another investing entity to invest the District's funds, this training requirement may be satisfied by having a Board officer attend four hours of appropriate instruction in a two-year period. *Gov't Code 2256.008(a), (b)*

Investment training shall include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the Government Code, Chapter 2256. *Gov't Code 2256.008(c)*

STANDARD OF CARE

Investments shall be made with judgment and care, under prevailing circumstances that a person of prudence, discretion, and intelligence would exercise in the management of his or her own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived. Investments shall be governed by the following objectives in order of priority:

1. Preservation and safety of principal;
2. Liquidity; and
3. Yield.

In determining whether an investment officer has exercised prudence with respect to an investment decision, the following shall be taken into consideration:

1. The investment of all funds, rather than the prudence of a single investment, over which the officer had responsibility.
2. Whether the investment decision was consistent with the Board's written investment policy.

Gov't Code 2256.006

PERSONAL INTEREST

A District investment officer who has a personal business relationship with a business organization offering to engage in an investment transaction with the District shall file a statement disclosing that personal business interest. An investment officer who is related within the second degree by affinity or consanguinity, as determined by Government Code Chapter 573, to an individual seeking to sell an investment to the District shall file a statement disclosing that relationship with the Board and with the Texas Ethics Commission. For purposes of this policy, an investment officer has a personal business relationship with a business organization if:

1. The investment officer owns ten percent or more of the voting stock or shares of the business organization or owns $5,000 or more of the fair market value of the business organization;
2. Funds received by the investment officer from the business organization exceed ten percent of the investment officer's gross income for the previous year; or
3. The investment officer has acquired from the business organization during the previous year investments with a book value of $2,500 or more for the personal account of the investment officer.

Gov't Code 2256.005(i)

QUARTERLY REPORTS

Not less than quarterly, the investment officer shall prepare and submit to the Board a written report of investment transactions for all funds covered by the Public Funds Investment Act. This report shall be presented to the Board and the Superintendent not less than quarterly, within a reasonable time after the end of the period. The report must:

1. Contain a detailed description of the investment position of the District on the date of the report;
2. Be prepared jointly and signed by all District investment officers.

3. Contain a summary statement for each pooled fund group (i.e., each internally created fund in which one or more accounts are combined for investing purposes). The report must be prepared in compliance with generally accepted accounting principles and must state:
    a. Beginning market value for the reporting period;
    b. Additions and changes to the market value during the period;
    c. Ending market value for the period; and
    d. Fully accrued interest for the reporting period.
4. State the book value and market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested.
5. State the maturity date of each separately invested asset that has a maturity date.
6. State the account or fund or pooled group fund in the District for which each individual investment was acquired.
7. State the compliance of the investment portfolio of the District as it relates to the District's investment strategy expressed in the District's investment policy and relevant provisions of Government Code, Chapter 2256.

If the District invests in other than money market mutual funds, investment pools or accounts offered by its depository bank in the form of certificates of deposit, or money market accounts or similar accounts, the reports shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the Board by that auditor.

Gov't Code 2256.023

SELECTION OF BROKER

The Board or a designated investment committee, shall, at least annually, review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the District. *Gov't Code 2256.025*

AUTHORIZED INVESTMENTS

The Board may purchase, sell, and invest its funds and funds under its control in investments described below, in compliance with its adopted investment policies and according to the standard of care set out in this policy. Investments may be made directly by the Board or by a nonprofit corporation acting on behalf of the Board or an investment pool acting on behalf of two or more local governments, state agencies, or a combination of the two. *Gov't Code 2256.003(a)*

In the exercise of these powers, the Board may contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control. A contract made for such purpose may not be for a term longer than two years. A renewal or extension of the contract must be made by the Board by order, ordinance, or resolution. *Gov't Code 2256.003(b)*

The following investments are authorized:

1. Obligations, including letters of credit, of the United States or its agencies and instrumentalities; direct obligations of the state of Texas or its agencies and instrumentalities; collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the state of Texas, the United States, or their respective agencies and instrumentalities; obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; and bonds issued, assumed, or guaranteed by the state of Israel. *Gov't Code 2256.009(a)*

   The following investments are not authorized:
   a. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal.
   b. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest.
   c. Collateralized mortgage obligations that have a stated final maturity date of greater than ten years.
   d. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

   Gov't Code 2256.009(b)

2. Certificates of deposit or share certificates issued by a state or national bank domiciled in Texas or a savings bank domiciled in Texas or a state or federal credit union domiciled in Texas that is guaranteed or insured by the FDIC or its successor or the National Credit Union Share Insurance Fund or its successor and is secured by obligations described in item 1 above, including mortgage-backed securities directly issued by a federal agency or instrumentality that have a market value of not less than the principal amount of the certificates (but excluding those mortgage-backed securities described in Section 2256.009[b]) or secured in any other manner and amount provided by law for the deposits of the investing entity. *Gov't Code 2256.010*

   The investment policies may provide that bids for certificates of deposit be solicited orally, in writing, electronically, or in any combination of those methods. *Gov't Code 2256.005(c)*

3. Fully collateralized repurchase agreements that have a defined termination date, are secured by obligations of the United States or its agencies and instrumentalities, are pledged to the District, held in the District's name, and deposited with the District or a third party selected and approved by the Board, and placed through a primary government

securities dealer, as defined by the Federal Reserve or a financial institution doing business in Texas. The term of any reverse security repurchase agreement may not exceed 90 days after the date the reverse security repurchase agreement is delivered. Money received by the District under the terms of a reverse security repurchase agreement shall be used to acquire additional authorized investments, but the term of the authorized investments acquired must mature not later than the expiration date stated in the reverse security repurchase agreement. *Gov't Code 2256.011*

4. Banker's acceptance, with a stated maturity of 270 days or fewer from the date of issuance that will be liquidated in full at maturity, which is eligible for collateral for borrowing from a Federal Reserve Bank, and is accepted by a bank meeting the requirements of Government Code 2256.012(4*). Gov't Code 2256.012*
5. Commercial paper that has a stated maturity of 270 days or fewer from the date of issuance and is rated not less than A-1 or P-1 or an equivalent rating by at least two nationally recognized credit rating agencies or by one nationally recognized credit rating agency provided the commercial paper is fully secured by an irrevocable letter of credit issued by a bank organized and existing under U.S. law or the law of any state. *Gov't Code 2256.013*
6. No-load money market mutual funds that:
    a. Are registered with and regulated by the Securities and Exchange Commission;
    b. Provide the District with a prospectus and other information required by the Securities and Exchange Act of 1934 (15 U.S.C. 78a et seq.) or the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.);
    c. Have a dollar-weighted average stated maturity of 90 days or fewer; and
    d. Include in their investment objectives the maintenance of a stable net asset value of $1 for each share.

However, investments in no-load money market mutual funds shall be limited to the percentages authorized by Government Code 2256.014(c).

7. No-load mutual funds that:
    a. Are registered with the Securities and Exchange Commission;
    b. Have an average weighted maturity of less than two years;
    c. Are invested exclusively in obligations approved by Government Code Chapter 2256, Subchapter A, regarding authorized investments (Public Funds Investment Act);
    d. Are continuously rated by at least one nationally recognized investment rating firm of not less than AAA or its equivalent; and
    e. Conform to the requirements in Government Code Section 2256.016(b) and (c) relating to the eligibility of investment pools to receive and invest funds of investing entities.

Investments in no-load mutual funds shall be limited to the percentages authorized by Government Code 2256.014(c). In addition, the District may not invest any portion of bond proceeds, reserves, and funds held for debt service,

in no-load mutual funds described in this item.

Gov't Code 2256.014

8. A guaranteed investment contract, as an investment vehicle for bond proceeds, if the guaranteed investment contract:
    a. Has a defined termination date.
    b. Is secured by obligations described by Government Code Section 2256.009(a)(1), excluding those obligations described by Section 2256.009(b), in an amount at least equal to the amount of bond proceeds invested under the contract.
    c. Is pledged to the District and deposited with the District or with a third party selected and approved by the District.

    Bond proceeds, other than bond proceeds representing reserves and funds maintained for debt service purposes, may not be invested in a guaranteed investment contract with a term longer than five years from the date of issuance of the bonds.

    To be eligible as an authorized investment:
    d. The Board must specifically authorize guaranteed investment contracts as eligible investments in the order, ordinance, or resolution authorizing the issuance of bonds.
    e. The District must receive bids from at least three separate providers with no material financial interest in the bonds from which proceeds were received.
    f. The District must purchase the highest yielding guaranteed investment contract for which a qualifying bid is received.
    g. The price of the guaranteed investment contract must take into account the reasonably expected drawdown schedule for the bond proceeds to be invested.
    h. The provider must certify the administrative costs reasonably expected to be paid to third parties in connection with the guaranteed investment contract.

    Gov't Code 2256.015

9. A public funds investment pool meeting the requirements of Government Code 2256.016 and 2256.019, if the Board authorizes the investment in the particular pool by resolution. *Gov't Code 2256.016, 2256.019*

CHANGE IN LAW

The District is not required to liquidate investments that were authorized investments at the time of purchase. *Gov't Code 2256.017*

SELLERS OF INVESTMENTS	A written copy of the investment policy shall be presented to any person offering to engage in an investment transaction with an investing entity or to an investment management firm under contract with an investing entity to invest or manage the entity's investment portfolio. For purposes of this policy, a business organization includes investment pools and an investment management firm under contract with an investing entity to invest or manage the entity's investment portfolio. The qualified representative of the business organization offering to engage in an investment transaction with the District shall execute a written instrument in a form acceptable to the District and the business organization substantially to the effect that the business organization has: 1. Received and thoroughly reviewed the District investment policy; and 2. Has acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the District and the organization that are not authorized by the District's policy, except to the extent that this authorization is dependent on an analysis of the makeup of the entity's entire portfolio or requires an interpretation of subjective investment standards. The investment officer may not acquire or otherwise obtain any authorized investment described in the District's investment policy from a person who has not delivered to the District the instrument described above. *Gov't Code 2256.005*
DONATIONS	A gift, devise, or bequest made to provide college scholarships for District graduates may be invested or retained by the Board as provided in Property Code 113.056, unless otherwise specifically provided by the terms of the gift, devise, or bequest. *Education Code 45.107* Investments donated to the District for a particular purpose or under terms of use specified by the donor are not subject to the requirements of Government Code Chapter 2256, Subchapter A. *Gov't Code 2256.004(b)*
ELECTRONIC FUNDS TRANSFER	The District may use electronic means to transfer or invest all funds collected or controlled by the District. *Gov't Code 2256.051*

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INVESTMENT AUTHORITY

The Superintendent or other person designated by Board resolution shall serve as the investment officer of the District and shall invest District funds as directed by the Board and in accordance with the District's written investment policy and generally accepted accounting procedures. All investment transactions except investment pool funds and mutual funds shall be executed on a delivery versus payment basis.

APPROVED INVESTMENT INSTRUMENTS

From those investments authorized by law and described further in CDA(LEGAL), the Board shall permit investment of District funds in only the following investment types, consistent with the strategies and maturities defined in this policy:

1. Obligations of, or guaranteed by, governmental entities as permitted by Government Code 2256.009.
2. Certificates of deposit and share certificates as permitted by Government Code 2256.010.
3. Fully collateralized repurchase agreements permitted by Government Code 2256.011.
4. Banker's acceptances as permitted by Government Code 2256.012.
5. Commercial paper as permitted by Government Code 2256.013.
6. No-load money market mutual funds and no-load mutual funds as permitted by Government Code 2256.014.
7. A guaranteed investment contract as an investment vehicle for bond proceeds, provided it meets the criteria and eligibility requirements established by Government Code 2256.015.
8. Public funds investment pools as permitted by Government Code 2256.016.

SAFETY AND INVESTMENT MANAGEMENT

The main goal of the investment program is to ensure its safety and maximize financial returns within current market conditions in accordance with this policy. Investments shall be made in a manner that ensures the preservation of capital in the overall portfolio, and offsets during a 12-month period any market price losses resulting from interest-rate fluctuations by income received from the balance of the portfolio. No individual investment transaction shall be undertaken that jeopardizes the total capital position of the overall portfolio.

LIQUIDITY AND MATURITY

Any internally created pool fund group of the District shall have a maximum dollar weighted maturity of 180 days. The maximum allowable stated maturity of any other individual investment owned by the District shall not exceed one year from the time of purchase. The Board may specifically authorize a longer maturity for a given investment, within legal limits.

The District's investment portfolio shall have sufficient liquidity to meet anticipated cash flow requirements.

The investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from overconcentration of assets in a specific class of investments, specific maturity, or specific issuer.

MONITORING MARKET PRICES

The investment officer shall monitor the investment portfolio and shall keep the Board informed of significant declines in the market value of the District's investment portfolio. Information sources may include financial/investment publications and electronic media, available software for tracking investments, depository banks, commercial or investment banks, financial advisors, and representatives/advisors of investment pools or money market funds. Monitoring shall be done at least quarterly as required by law, and more often as economic conditions warrant by using appropriate reports, indices, or benchmarks for the type of investment.

FUNDS / STRATEGIES

Investments of the following fund categories shall be consistent with this policy and in accordance with the strategy defined below.

OPERATING FUNDS

Investment strategies for operating funds (including any comingled pools containing operating funds) shall have as their primary objectives safety, investment liquidity, and maturity sufficient to meet anticipated cash flow requirements.

AGENCY FUNDS

Investment strategies for agency funds shall have as their objectives safety, investment liquidity, and maturity sufficient to meet anticipated cash flow requirements.

DEBT SERVICE FUNDS

Investment strategies for debt service funds shall have as their objective sufficient investment liquidity to timely meet debt service payment obligations in accordance with provisions in the bond documents. Maturities longer than one year are authorized provided legal limits are not exceeded.

CAPITAL PROJECTS

Investment strategies for capital project funds shall have as their objective sufficient investment liquidity to timely meet capital project obligations. Maturities longer than one year are authorized provided legal limits are not exceeded.

SPECIAL REVENUE

Investment strategies for special revenue shall have as their primary objectives safety, investment liquidity, and maturity sufficient to meet anticipated cash flow requirements.

SAFEKEEPING AND CUSTODY

The District shall retain clearly marked receipts providing proof of the District's ownership. The District may delegate, however, to an investment pool the authority to hold legal title as custodian of investments purchased with District funds by the investment pool.

BROKERS / DEALERS

Prior to handling investments on behalf of the District, brokers/dealers must submit required written documents in accordance with law. [See SELLERS OF INVESTMENTS, CDA(LEGAL)] Representatives of brokers/dealers shall be registered with the Texas State Securities Board and must have membership in the Securities Investor Protection Corporation (SIPC), and be in good standing with the National Association of Securities Dealers.

SOLICITING BIDS FOR CD'S	In order to get the best return on its investments, the District may solicit bids for certificates of deposit in writing, by telephone, or electronically, or by a combination of these methods.
INTERNAL CONTROLS	A system of internal controls shall be established and documented in writing and must include specific procedures designating who has authority to withdraw funds. Also, they shall be designed to protect against losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the District. Controls deemed most important shall include: 1. Separation of transaction authority from accounting and recordkeeping and electronic transfer of funds. 2. Avoidance of collusion. 3. Custodial safekeeping. 4. Clear delegation of authority. 5. Written confirmation of telephone transactions. 6. Documentation of dealer questionnaires, quotations and bids, evaluations, transactions, and rationale. 7. Avoidance of bearer-form securities. These controls shall be reviewed by the District's independent auditing firm.

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OFFICE OF Superintendent

For:	**Board of Trustees**
Date:	**11-10-03**
Action:	**Change of May Meeting**

To:	**Board Members**	**From:**	**William Harris**
		Date:	**11-5-03**
		RE:	**Change May Meeting Date**

SUMMARY:

Due to HB1, the Texas Legislature amended the Election Code for holding trustee elections to the third Saturday in May (May 15, 2004) rather that the first Saturday. An additional change created by HB1 affects the canvassing deadlines. Under the new amendments to Section 67.003 of the Election Code, each local canvassing body may convene the local canvass not earlier that the eighth (8th) day or later that the eleventh (11th) day after the election day.

RECOMMENDATION:

Cancel the May 4 and May 17 2004 Board Meetings. Schedule regular Board Meeting with election canvass for Monday, May 24, 2004.

Respectfully submitted,

William Harris

William Harris
Superintendent