



MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

Monday, November 17, 2014
3:00 PM – Regular Meeting
Sam Karas Room, Library and Technology Center
Monterey Peninsula College
980 Fremont Street
Monterey, California

Meeting Minutes

MEMBERS PRESENT: Mr. Wayne Cruzan
Mr. J. Fagan
Mr. Stewart Fuller
Mr. Rick Heuer
Mr. Birt Johnson, Jr., Chair
Mr. Bob Mulford, Vice Chair
Mr. James Panetta
Mr. Niels Reimers

ABSENT: Mr. Maury Vasquez

STAFF PRESENT: Ms. Rosemary Barrios, Controller
Mr. Earl Davis, Vice President for Administrative Services (by
conference phone)
Mr. Michael Midkiff, Director of Information Technology
Ms. Vicki Nakamura, Assistant to the President
Dr. Walter Tribley, Superintendent/President

OTHERS PRESENT: Mr. Michael Carson, Kitchell

1. Call to Order

The regular meeting of the Citizens' Bond Oversight Committee of Monterey Peninsula College was called to order at 3:02 PM by Chair Johnson.

2. Public Comment

There were no public comments.

3. Introductions

Dr. Tribley introduced incoming members, Tom Gaspich, representing the Carmel Foundation, Rob Lee, Monterey Peninsula Chamber of Commerce representative, and

Hunter Harvath, Monterey County Hospitality Association representative (Mr. Harvath arrived later in the meeting). Their first official meeting will be in March 2015.

4. Approval of August 4, 2014 Minutes

A handout providing follow-up to questions recorded in the minutes of the August 4 meeting regarding the bills and warrants report was distributed and reviewed.

Motion made by Vice Chair Mulford, seconded by Mr. Fagan, to approve the minutes of August 4, 2014 meeting, as amended by the follow-up document. Motion carried unanimously.

AYES:	7	MEMBERS:	Cruzan, Fagan, Fuller, Johnson, Mulford, Panetta, Reimers
NOES:	0	MEMBERS:	None
ABSENT:	1	MEMBERS:	Vasquez
ABSTAIN:	1	MEMBERS:	Heuer

5. Accept Bills and Warrants Report

Chair Johnson advised the report would be reviewed by page and invited questions. Mr. Cruzan asked about the retention payments and escrow account applications for Otto Construction for the Student Center project listed on page 1. Mr. Carson explained the funds deposited in the escrow account at the Bank of Sacramento will be released to Otto Construction when the project is completed.

There were no questions on page 2. Regarding page 3, Mr. Panetta inquired why there were eight different invoices from Manpower to provide labor for packing up printmaking and painting lab equipment for the move back to the Art Studio building. Mr. Carson explained there was a separate invoice submitted for each day. Mr. Fagan followed with a question why Cardinale Moving and Storage or staff were not used as in prior cases. Mr. Carson said the art program had many excess supplies and heavy items to pack and unpack.

Also on page 3, Mr. Heuer questioned the expense for set up and repair of the kiln. He asked why district funds were not used. Mr. Carson explained the existing kiln was relocated and stored during the renovation and repairs were necessary to return the equipment to operating condition. Mr. Reimers asked about the lighting retrofit project for the replacement of parking lot lights. Mr. Carson said this project was funded by the Proposition 39 state energy efficiency program and the expenditure needs to be moved out of the bond fund.

Members had no questions on page 4. On page 5, Mr. Heuer asked about the expense for final special inspection reports for the pool by Kleinfelder. Mr. Carson explained a final report was received regarding corrosion that was observed on the stainless steel around the swimming pool, with the finding that the condition was due to free metal in the air. He emphasized the metal was not rusting and the staining was caused by mineral deposits.

There were several questions regarding equipment purchases on page 5. Mr. Panetta requested more information on the purchase of 52 stools for the Student Center at a cost of over \$200 each. Mr. Carson responded the stools were high back plastic chairs for use in the cafeteria. Mr. Cruzan noted several entries for Development Group and asked for further detail. Mr. Carson said this vendor provided networking, Wi-Fi, and phone equipment installed in the Student Center and Art buildings. He also clarified spare wall

mount kits were purchased from Development Group for each phone, not just one kit, in response to a question from Chair Johnson. Mr. Reimers asked if Contrax, the vendor providing furniture for the Student Center, was local. Mr. Carson answered no, but said the company was located in California. He added all furniture was purchased under California statewide contracts in lieu of the district soliciting bids.

On page 6, Mr. Heuer questioned the purchase of trash receptacles, floor mats, and tray top receptacles for the Student Center. Mr. Carson said the items were purchased for the cafeteria and were heavy duty. Mr. Panetta advised that when items are plural, the specific number purchased should be included in the description. Staff will research and report back. Mr. Fagan asked about the U.S. Bank items. It was explained that Mary Weber, the college's purchasing technician, used a CAL-card issued from U.S. Bank to purchase items for the arts renovation project.

On page 7, under the swing space category, Mr. Reimers asked how many rental trailers remained. Mr. Carson responded the college is still renting one restroom trailer which is located adjacent to the General Classrooms building. Mr. Reimers noted that the return charges differed for the various trailers. Mr. Carson explained that some of the trailers were more complicated to remove and required the use of a forklift. Mr. Davis commented the college was still evaluating the use of the mobile kitchen and the cost of installing necessary utilities to provide food service at the Marina Education Center. Discussion followed about selling trailers purchased for swing space that were no longer being used and using the proceeds for bond projects. Mr. Davis said the resale of trailers typically does not yield significant funds. He said staff would research the market value of trailers for resale.

On page 8, under the general institutional bond management category, Mr. Panetta requested an explanation of the Division of State Architect (DSA) reopening fee. Mr. Carson stated DSA charges a fee to reopen an closed project. The projects listed were closed out by DSA before certification was completed. He noted the fee had been increased to \$500 per project. Chair Johnson asked about the timeframe for reopening. Mr. Carson said the college has 90 days to submit documents to DSA for certification. Mr. Fagan followed with a question about the printing of the MPC campus map. Mr. Carson answered the map was printed to show swing space locations for a facilities committee meeting.

On page 9, under the Humanities renovation project category, Mr. Reimers asked if the payment to Otto Construction in the amount of \$452,569 was the final payment. Mr. Carson responded yes. He said the payment was the 10% retention amount and explained the contractor did not set up an escrow account for this project.

Regarding page 10, Ms. Nakamura reported the miscellaneous category was being used as a holding category for expenses while the college develops an infrastructure project.

There were no further questions regarding the report.

It was moved by Mr Fagan and seconded by Mr. Reimers to accept the September 30, 2014 bills and warrants report. Motion carried unanimously.

AYES:	8 MEMBERS:	Cruzan, Fagan, Fuller, Heuer, Johnson, Mulford, Panetta, Reimers
NOES:	0 MEMBERS:	None
ABSENT:	1 MEMBERS:	Vasquez
ABSTAIN:	0 MEMBERS:	None

6. Bond Expenditure Status Report

The September 30, 2014 bond expenditure status report was reviewed with the committee.

Mr. Fagan observed \$1.7 million remained in the bond budget balance. He asked if outstanding construction costs would be covered by that amount. Mr. Davis responded yes, explaining the amount reflects the bond construction budget.

Mr. Heuer noted three projects are over budget and he asked if the projects have been completed. Mr. Carson's reply was yes. He said Mr. Demko recommended budget adjustments to cover the projects over budget with savings from other projects. Noting that bills are received several months old, Chair Johnson asked how the accounting was handled. Mr. Davis explained the college budgets for anticipated expenditures by encumbering the amounts needed. When late invoices come in, there should be no surprise since the funds should have already been set aside. Late billings should not cause a problem.

7. Annual Report for 2013-14

Dr. Tribley stated the issuance of an annual report is one of the obligations of the committee. If approved by the committee, Chair Johnson will present the report to the Board of Trustees at the December meeting.

Ms. Nakamura reviewed the various sections of the draft annual report. There were questions regarding the summary listing of all projects. For the pool and tennis courts renovation under the Projects in Process section, a suggestion was made to clarify that the tennis courts will not be renovated due to the estimated cost and lack of funds. Regarding the theater project, Mr. Panetta advised the description should state clearly that construction was completed. Mr. Heuer noted the summary of all projects listing includes an overall bond budget total of \$157 million, a figure that differs from the bond expenditure report total of \$149 million. It was explained that the bond expenditure report does not include interest earnings, which are reflected in the \$157 million total. All interest generated by bond funds goes toward the bond program.

Motion was made by Mr. Heuer and seconded by Mr. Fuller to approve the annual report with the corrections discussed. Motion carried unanimously.

AYES:	8 MEMBERS:	Cruzan, Fagan, Fuller, Heuer, Johnson, Mulford, Panetta, Reimers
NOES:	0 MEMBERS:	None
ABSENT:	1 MEMBERS:	Vasquez
ABSTAIN:	0 MEMBERS:	None

8. Monterey County Treasurer's Investment Report

The June 30, 2014 investment report was shared with the committee for information. There were no comments or questions.

9. Status of Facilities Bond Program

Dr. Tribley stated the various reports show a number of projects still in process and staff will need to complete the final accounting to reduce this number. He said the college will be evaluating the remaining bond funds to develop a phase IV infrastructure project to include

the upgrade of the Wi-Fi infrastructure on campus and also make sidewalk repairs. Dr. Tribley stated the tennis courts renovation has a lower priority than the Wi-Fi infrastructure upgrade.

Dr. Tribley noted the bond program is winding down. Mr. Demko has retired and Mike Carson, from Kitchell, continues to provide support. Two future projects remain, the Music and Public Safety Training facility projects. Bond funds have been allocated to these projects, but state matching funds are required for completion. Legislation for a new state bond was stopped last year, so state funds are currently unavailable. He said the college will need to revisit these projects.

Vice Chair Mulford asked about the status of technology on campus. Dr. Tribley discussed the need for technology improvements. He said the college is looking at an investment of \$7 million to implement enterprise resource planning (ERP) software needed to run campus operations. Dr. Tribley noted a Wi-Fi networking infrastructure upgrade was needed to connect buildings on campus. With the average age of computers on campus being eight years, he said computer equipment also needs replacement.

Dr. Tribley invited comments from Mike Midkiff, Director of Information Technology. Mr. Midkiff reiterated the need to build up the network infrastructure on campus to prepare for implementation of the ERP. He said a planning process for the ERP was being developed.

10. Committee Membership Update

Dr. Tribley presented certificates to J. Fagan, Stewart Fuller, Bob Mulford, and Niels Reimers in recognition of their commitment and service on the committee for the past 4 years. Chair Johnson thanked the members for their support.

11. Officers

Per the Bylaws, the college president appoints the chair. Dr. Tribley informed the committee he had appointed Mr. Panetta to serve as chair of the committee in 2015. The floor was opened for nominations for the vice chair position. Mr. Johnson nominated Mr. Cruzan, seconded by Mr. Reimers. Mr. Cruzan was elected unanimously.

AYES:	8	MEMBERS:	Cruzan, Fagan, Fuller, Heuer, Johnson, Mulford, Panetta, Reimers
NOES:	0	MEMBERS:	None
ABSENT:	1	MEMBERS:	Vasquez
ABSTAIN:	0	MEMBERS:	None

Dr. Tribley presented Mr. Johnson with a certificate of appreciation for his work as chair during the past year. Chair Johnson congratulated the new officers. He acknowledged the committee for their participation and commitment. He thanked staff for their work and expressed appreciation to Dr. Tribley for his leadership support.

12. Meeting Schedule

The meeting dates of March 2, June 15, August 10, and November 2 (annual organizational meeting) were proposed for 2015.

Motion was made by Mr. Heuer and seconded by Mr. Fuller to accept the meeting dates for 2015. Motion carried unanimously.

AYES: 8 MEMBERS: Cruzan, Fagan, Fuller, Heuer, Johnson, Mulford, Panetta,
Reimers
NOES: 0 MEMBERS: None
ABSENT: 1 MEMBERS: Vasquez
ABSTAIN: 0 MEMBERS: None

13. Suggestions for Future Agenda Topics and Announcements

Mr. Heuer reported the Monterey Peninsula Unified School District Citizens' Bond Oversight Committee was in need of members and invited those interested to contact him.

14. Adjournment

Chair Johnson adjourned the meeting at 4:25 PM.

/vn

Follow-up Items from November 17, 2014 CBOC Meeting

Per the meeting minutes:

Item #5 - Bills and Warrants Report

1. On page 6, Mr. Heuer questioned the purchase of trash receptacles, floor mats, and tray top receptacles for the Student Center. Mr. Carson said the items were purchased for the cafeteria and were heavy duty. Mr. Panetta advised that when items are plural, the specific number purchased should be included in the description. Staff will research and report back.

Detail for Student Center Equipment Purchases

Quantity	Item Description	Price per unit	Amount
15	23 gl. Square receptacle - blue	79.25	\$ 1,188.75
15	23 gl. Square receptacle - gray	76.80	\$ 1,152.00
15	Untouchable Single Stream Paper & Bottle & Can Recycling Lid	32.18	\$ 482.70
15	Square Swing Top Untouchable Lid Gray	32.91	\$ 493.65
1	Gladiator Universal Dolly	29.80	\$ 29.80
1	Janitor/Maids Cart W/ Bag	135.00	\$ 135.00
2	34-IN. Length Closet Organizer	56.98	\$ 113.96
5	Covered Tray Top Cont 29 Gal	1,185.25	\$ 5,926.25
2	Small Rectangular Waste Receptacle 25 Gal	698.25	\$ 1,396.50
7	4' x 6' Ridge Runner Mat Burgundy	84.11	\$ 588.77
3	3' x 4' Ridge Runner Mat Burgundy	49.11	\$ 147.33
1	Subtotal		\$ 11,654.71
	Sales Tax	0.08	\$ 874.10
	Invoice Total		\$ 12,528.81

2. On page 7, under the swing space category, Mr. Reimers asked how many rental trailers remained. Mr. Carson responded the college is still renting one restroom trailer which is located adjacent to the General Classrooms building. Mr. Reimers noted that the return charges differed for the various trailers. Mr. Carson explained that some of the trailers were more complicated to remove and required the use of a forklift. Mr. Davis commented the college was still evaluating the use of the mobile kitchen and the cost of installing necessary utilities to provide food service at the Marina Education Center. Discussion followed about selling trailers purchased for swing space that were no longer being used and using the proceeds for bond projects. Mr. Davis said the resale of trailers typically does not yield significant funds. He said staff would research the market value of trailers for resale.

Information will be provided at the meeting.