



Citizens' Bond Oversight Committee

ANNUAL REPORT

2010-2011

(this page intentionally left blank)

TABLE OF CONTENTS

STATEMENT OF COMPLIANCE	1
INTRODUCTION.....	3
SUMMARY OF THE COMMITTEE’S PROCEEDINGS AND ACTIVITIES FOR 2010-11	5
COMMITTEE MEMBERSHIP.....	5
MEETINGS OF THE CITIZENS’ BOND OVERSIGHT COMMITTEE	6
FINANCIAL REPORT	7
CAMPUS RENOVATION/CONSTRUCTION PROJECTS COMPLETED, IN PROCESS, AND PLANNED FOR THE FUTURE	9
APPENDIX.....	20
Committee Roster	
Committee Meeting Agendas	
November 1, 2010	
March 7, 2011	
June 13, 2011	
August 8, 2011	
Committee Meeting Minutes	
November 1, 2010	
March 7, 2011	
June 13, 2011	
August 8, 2011	

(this page intentionally left blank)

STATEMENT OF COMPLIANCE

This Annual Report is submitted to the Board of Trustees by the Monterey Peninsula Community College District Citizens' Bond Oversight Committee. The Committee advises that, to the best of its knowledge, the Monterey Peninsula Community College District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution. In particular, bond revenue has been expended only for the purposes so described in Measure I. As prohibited by Article XIII A, Section 1(b)(3)(a) of the California Constitution, no funds were used for any teacher or administrative salaries or other operating expenses.

Respectfully Submitted By:

A handwritten signature in blue ink that reads "Daphne H. Hodgson". The signature is written in a cursive style and is positioned above a horizontal line.

Daphne Hodgson, Chair
Citizens' Bond Oversight Committee

Date: November 7, 2011

(this page intentionally left blank)

INTRODUCTION

At the election conducted on November 5, 2002, the Monterey Peninsula Community College District was successful in obtaining more than 55% voter approval to issue and sell general obligation bonds in the amount of \$145,000,000 to fund specific facility projects. The bond election was conducted under Proposition 39 regulations.

Pursuant to Education Code Section 15278, the Board of Trustees established the Citizens' Bond Oversight Committee (CBOC) at their meeting on February 25, 2003 to satisfy the accountability requirements of Proposition 39.

The Citizens' Bond Oversight Committee Bylaws, setting forth the duties and rights of the Committee, were also adopted by the Board at the February 25, 2003 meeting.

The three primary duties of the Citizens' Bond Oversight Committee are to inform the public concerning the District's expenditure of bond proceeds, review and report on the expenditure of taxpayers' monies, and advise the public on the district's compliance with Proposition 39.

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
CITIZENS' BOND OVERSIGHT COMMITTEE
November 7, 2011



From left: Mary Ann Kane, Stewart Fuller, Bob Mulford, Doug Garrison (Superintendent/President), Daphne Hodgson (Chair), Gary Ray (Vice Chair), Scott Coté, Niels Reimers, J. Fagan, Ron Pasquinelli.

SUMMARY OF THE COMMITTEE'S PROCEEDINGS AND ACTIVITIES FOR 2010-2011

COMMITTEE MEMBERSHIP

The Bylaws require that the CBOC consist of a minimum of seven members representing students, the business community, senior citizens organization, taxpayers association, college support organization, and the community at large.

Committee members serve without compensation and may be appointed for no more than two consecutive two-year terms. Among those ineligible to serve are elected officials, employees, vendors, contractors, or consultants of the District.

Currently, the committee is composed of ten members, appointed by the Board of Trustees. In November 2010, four members (Peter Baird, Steven Emerson, Elinor Laiolo, and Sondra Rees) completed their tenure on the committee, having served two consecutive terms. They were recognized by the Board of Trustees for their service to the college and received certificates of commendation.

As a result of these membership changes, vacancies were created on the committee for representatives from a senior citizens' organization, the MPC Foundation, and local business organizations. Applicants were solicited from appropriate groups and the new members appointed by the Governing Board for an initial two-year term were: Niels Reimers, representing the Carmel Foundation; J. Stewart Fuller, MPC Foundation representative; J. Alan Fagan, representing the Marina Chamber of Commerce; and Bob Mulford, Monterey Peninsula Chamber of Commerce representative.

In accordance with the Bylaws, officers were selected at the annual organizational meeting on November 1, 2010. Daphne Hodgson was reappointed by Dr. Garrison to serve a second year as Chair and Gary Ray was reelected by the committee to serve as Vice Chair.

The officers and members who served during the past year are as follows:

Scott Coté	2-year second term, 11/2009 – 11/2011
J. Alan Fagan	2-year initial term, 11/2010 – 11/2012
J. Stewart Fuller	2-year initial term, 11/2010 – 11/2012
Daphne Hodgson, Chair	2-year second term, 11/2009 – 11/2011
Mary Ann Kane	2-year second term, 11/2009 – 11/2011
Bob Mulford	2-year initial term, 11/2010 – 11/2012
Ronald Pasquinelli	2-year second term, 11/2009 – 11/2011
Gary Ray, Vice Chair	2-year second term, 11/2009 – 11/2011
Niels Reimers	2-year initial term, 11/2010 – 11/2012
Antron Williams	2-year initial term, 11/2010 – 11/2012

MEETINGS AND ACTIVITIES OF THE CITIZENS' BOND OVERSIGHT COMMITTEE

The committee conducts its meetings in accordance with provisions of the Ralph M. Brown Public Meetings Act, Government Code Sections 54950 et seq. Meeting notices and agendas are sent to members of the committee within the required period of time, posted at the Monterey Peninsula College Administration Building, and sent to local media.

The college's bond website (www.mpc.edu/mpcbond/) includes a page specifically designated for the committee's activities where the meeting schedule, agendas, minutes, and annual reports are posted.

During 2010-11, the committee convened four quarterly meetings. The annual organizational meeting of the committee was held November 1, 2010, with subsequent meetings held on March 7, 2011, June 13, 2011, and August 8, 2011. The primary location for the meetings was the Sam Karas Room in the Library & Technology Center on the Monterey campus with the August meeting held at the new permanent facilities at the Education Center in Marina.

At the meetings convened during 2010-11, the committee received status updates on bond projects and reviewed bond program expenditures. For the benefit of new members, the March meeting included a review of the committee's purpose and duties by David Casnocha, District bond counsel. An overview of the state capital outlay process and the District's facilities construction program was also provided by staff. At the March meeting, the committee also reviewed the 2009-10 independent financial and performance audit reports for the District's bond funds. The June meeting included a tour of facility projects at the Monterey campus and an update regarding the investment of the District's Series B and C bond in Monterey County's investment portfolio. At the August meeting, the committee toured the new permanent buildings at the Marina Education Center.

FINANCIAL REPORT OF THE CITIZENS' BOND OVERSIGHT COMMITTEE

The first bond issuance, Series A, was conducted on June 18, 2003. Total principal amount issued was \$40 million. The Series A bond was refinanced in December 2005, increasing the principal amount to \$44,240,052. The second and third series of bonds were issued in January 2008. In Series B, \$9,004,530 of taxable bonds were issued, with no time limit for expenditure. The principal amount of the Series C issuance was \$95,994,770 of tax exempt bond funds that were anticipated to be 85% expended within five years.

The Series B and C funds were invested in Monterey County’s investment portfolio. Actual interest earnings in 2010-11 were \$48,242. However, due to an error at the County Auditor-Controller’s Office during transition to a new software system, interest earnings were overstated for the 2009-10 reporting period by \$73,395. This correction was made in May 2011, resulting in a negative interest figure of \$25,153 for 2010-11. Also, County Treasurer recovery efforts concerning the Washington Mutual and Lehman Brothers bankruptcy filings resulted in additional recoupment of \$111,552 in 2010-11 for the interest lost in 2008-09.

In 2002, a property tax rate of \$23.89 per \$100,000 of assessed value was projected when the District’s bond measure was approved. The actual tax rate for fiscal year 2010-11 was \$21.46, under the estimated rate presented to the voters. Since the first bond issuance in 2003, the average tax rate has been \$21.08.

Expenditures and payments made from bond funds have been regularly reviewed and accepted by the committee during the course of the year. The annual expenditure report below shows expenditures during the report period of October 1, 2010 through September 30, 2011 and total expenditures since bond inception.

MPC Bond Expenditure Report
July 1, 2003 through September 30, 2011

<u>Receipts:</u>	Prior	10/1/2010- 09/30/2011	Total
Bond Principal – Series A	\$40,000,000	\$0	\$40,000,000
Refinancing - Series A	\$4,240,052	\$0	\$4,240,052
Bond Principal - Series B, taxable	\$9,004,530	\$0	\$9,004,530
Bond Principal - Series C, nontaxable	\$95,994,770	\$0	\$95,994,770
Interest Income*	\$7,865,299	(\$25,153)	\$7,840,146
Interest Write-off**	(\$1,878,835)	\$0	(\$1,878,835)
Interest Recovery**	\$376,487	\$111,552	\$488,039
Total Receipts	\$155,602,303	\$86,399	\$155,688,702

* Interest income is through June 30, 2011. Actual interest received during FY 2010-11 was \$48,242.32. Due to a reporting error at the County Auditor Controller's Office, the interest for the 2009-10 reporting period was overstated by \$73,394.90 and corrected in May 2011, resulting in a negative interest figure of \$25,153.

** All MPC bond funds are on deposit with the Monterey County Investment Pool. The interest write-off and recovery occurred due to the Lehman Brothers and Washington Mutual bankruptcy filings in 2008.

<u>Expenditures:</u>	Prior	10/1/2010- 09/30/2011	Total
Completed Projects:			
As Built Drawings	\$209,792	\$0	\$209,792
Automotive Technology -- HVAC	\$16,443	\$0	\$16,443
Business Computer Science Building - Seismic Design	\$7,982	\$0	\$7,982
Child Development Center	\$1,029,198	\$0	\$1,029,198
College Center Renovation	\$23,608	\$0	\$23,608
Demolition of Old Plant Services	\$63,522	\$0	\$63,522
Drafting Building	\$13,974	\$0	\$13,974
Environmental Impact Report	\$154,163	\$0	\$154,163
Family and Consumer Science Renovation	\$67,671	\$0	\$67,671
Gym - Floor/Seismic/Bleachers	\$877,847	\$0	\$877,847
Humanities Building - Seismic Design	\$16,375	\$0	\$16,375
HVAC Repairs	\$618,539	\$0	\$618,539
Infrastructure I (main campus utilities, parking lot A)	\$20,886,001	\$0	\$20,886,001
Infrastructure II (parking lots D, E, & F)	\$2,481,607	\$0	\$2,481,607
Landscaping – Library & Technology Center	\$438,293	\$0	\$438,293
Lecture Forum Remodel	\$2,117,203	\$0	\$2,117,203
Life Science -- Elevator Evaluation	\$7,794	\$0	\$7,794
Master Signage Program	\$53,890	\$0	\$53,890
New Admin/Old Library Renovation	\$4,712,191	\$0	\$4,712,191
New Facilities Building	\$487,574	\$0	\$487,574
Old Library Renovation Analysis	\$21,280	\$0	\$21,280
Miscellaneous	\$221	\$0	\$221
Physical Education (Stadium, Fitness Center, etc.)	\$17,236,569	\$0	\$17,236,569
Physical Science -- Elevator Evaluation	\$6,986	\$0	\$6,986
Public Safety Training Center Renovation	\$7,478,201	\$0	\$7,478,201
Roof Repairs	\$480,256	\$0	\$480,256
Social Science Remodel	\$863,697	\$0	\$863,697
Telephone System Upgrades	\$599,414	\$0	\$599,414
Theater Light Board	\$22,733	\$0	\$22,733
Vehicles	\$187,070	\$0	\$187,070
Walkway/Safety Improvements	\$225,630	\$0	\$225,630
Completed Projects	\$61,405,724	\$0	\$61,405,724
In Process:			
Arts Complex	\$27,731	\$15,509	\$43,240
Auto Technology Addition	\$923,018	\$35,584	\$958,602
Bond Program Management	\$4,475,475	\$386,072	\$4,861,547
Business, Math, Computer Science	\$706,665	\$1,508,753	\$2,215,418
Furniture/Equipment	\$683,160	\$1,938,596	\$2,621,756
Humanities, Bus-Hum, Student Services	\$429,080	\$323,296	\$752,376
Infrastructure - Phase III	\$3,786,757	\$1,604,220	\$5,390,977
Life & Physical Science	\$163,070	\$896,274	\$1,059,344
New Education Center at Marina	\$4,204,134	\$3,423,861	\$7,627,995
New Student Services Building	\$6,642,335	\$2,732,136	\$9,374,471
PE Phase II - Gym/Locker Room Renovation	\$39,828	\$22,070	\$61,898
Pool/Tennis Courts Renovation	\$51,520	\$125,040	\$176,560

In Process (continued):

Public Safety Training Ctr - Parker Flats/MOUT	\$0	\$34,379	\$34,379
Swing Space/Interim Housing	\$2,561,547	\$1,720,941	\$4,282,488
Theater	\$424,618	\$482,526	\$907,144
General Contingency	\$0	\$0	\$0
In Process	\$25,118,938	\$15,249,258	\$40,368,196
Total Expenditures	\$86,524,662	\$15,249,258	\$101,773,920***

*** Total expenditures of \$101,773,920 equate to 66% of Measure I bond proceeds of \$155,688,702 being spent through September 30, 2011 on district bond projects. In addition, the District has been successful in securing matching funds from the state and other sources to augment bond proceeds and further address district facility needs. These matching funds will supplement bond proceeds by an estimated \$44,109,024, resulting in total projected expenditures of \$200,107,726 for facilities projects by the end of the bond program.

(this page intentionally left blank)

**CAMPUS RENOVATION/CONSTRUCTION PROJECTS COMPLETED, IN PROCESS,
AND PLANNED FOR THE FUTURE**
September 30, 2011

COMPLETED PROJECTS:

Note: For completed projects, Prop 39 Bond amounts listed are actual expenditures to date. Projects are listed in order of completion.

<u>Project</u>	<u>Description</u>	<u>Funding Source</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State & Other</u>	
Library & Technology Center	This new 65,000 sq. ft., 3-story building houses the college's book and media collections and includes computer labs, classrooms, multi-media rooms, group study rooms, teleconferencing capability and a faculty lounge. The \$19.9 million project was primarily funded by the state, with \$438,000 provided by MPC bond funds. The facility was completed in July 2003.	\$438,293	\$19,470,000	\$19,908,293
Facilities Building	The new 18,440 sq. ft. building consolidates the college's plant services, warehouse, building maintenance, and grounds operations within one building. Old structures formerly housing these operations were demolished. The state funded \$2.48 million of the total project cost of \$2.97 million and MPC bonds provided funding of \$488,000. This project was completed in fall 2003.	\$487,574	\$2,478,000	\$2,965,574
Early Start & Miscellaneous Projects	This group of projects include walkway and safety improvements, new IP phone system, new roofs on Life Science, Physical Science, Business-Computer Science, and Art Dimensional buildings, rebuilding the HVAC systems in Art Dimensional, Social Science, Business-Computer Science buildings, completing required campus wide CEQA reports, campus as-built site drawings, purchase of new vans and street cleaner. Dollar amounts given represent actual MPC bond expenses to date. Most of these projects were completed by 2004, with the exception of the campus CEQA environmental report, completed in March, 2006.	\$2,729,672	\$439,037	\$3,168,709

COMPLETED PROJECTS:

Note: For completed projects, Prop 39 Bond amounts listed are actual expenditures to date. Projects are listed in order of completion.

<u>Project</u>	<u>Description</u>	<u>Funding Source</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State & Other</u>	
Community Stadium	This project completely refurbished and modernized the existing campus football stadium, track, and softball fields. The upgrades include synthetic football/soccer and softball fields, an eight lane all weather track, new bleachers and support facilities. MPC bond funds covered most of the \$13.5 million cost, with \$100,000 received from a state waste tire grant program for the artificial turf installed on the football field. The project was completed in spring 2007.	\$13,406,672	\$100,000	\$13,506,672
Fitness Center	This new 12,750 sq. ft., two-story building provides classrooms, offices, and a weight room. The old structure was demolished. The project was completed August, 2007.	\$3,829,897		\$3,829,897
Child Development Center	This new three-building, 9,900 sq. ft. complex provides a child care facility serving the campus and community. The facilities also include a classroom and observation rooms that make up an academic laboratory to provide practicum experience for Child Development Program courses. The state funded \$4.4 million of the project with \$1 million contributed from MPC bond funds. The project was completed in October, 2007.	\$1,029,198	\$4,384,000	\$5,413,198

COMPLETED PROJECTS:

Note: For completed projects, Prop 39 Bond amounts listed are actual expenditures to date. Projects are listed in order of completion.

<u>Project</u>	<u>Description</u>	<u>Funding Source</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State & Other</u>	
Infrastructure - Phase I	All of the campus infrastructure (underground utilities, roads, walkways, bridges, etc.) will be rebuilt under the bond program. Phase I makes up 77% of the total infrastructure work on campus and was completed in September, 2008.	\$20,886,001		\$20,886,001
Lecture Forum	The existing 18,545 square foot instructional building was remodeled to upgrade technology and improve acoustics. The HVAC system was replaced, restrooms rebuilt, new seating and floor covering installed, and the building repainted. The majority of work was completed August 2007 with minor work completed in summer 2008.	\$2,117,203		\$2,117,203
Social Science	The existing 12,580 square foot instructional building was remodeled to meet current seismic and ADA standards. The bathrooms were rebuilt, the HVAC system replaced, and new furniture, paint, and floor coverings were added. The majority of the work was completed August 2007 with minor work completed in summer 2008.	\$863,697		\$863,697
Infrastructure - Phase II	This phase includes the rebuilding and expansion of parking lots D, E, & F, addition of campus wide emergency alarms, and rebuilding of the baseball backstop. The parking lots and alarm installation were completed in August 2008; the backstop was completed in August 2009.	\$2,481,607		\$2,481,607

COMPLETED PROJECTS:

Note: For completed projects, Prop 39 Bond amounts listed are actual expenditures to date. Projects are listed in order of completion.

<u>Project</u>	<u>Description</u>	<u>Funding Source</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State & Other</u>	
Family Consumer Science	The existing facility was remodeled to repair the roof and upgrade the classroom. The project was substantially completed January 2009.	\$67,671		\$67,671
Gym	The upper floor of the existing gym was rebuilt, including seismic upgrades and gym floor and bleacher replacement. The project was accomplished using a combination of state scheduled maintenance funding and MPC bond funds. The project was completed in January 2009.	\$877,847	\$600,000	\$1,477,847
Administration Building Renovation	The former library building, consisting of 19,040 square feet, was remodeled to house campus administrative offices. The state funded \$2.715 million of the total cost with \$4.56 million contributed from MPC bond funds. Office move-in was accomplished in April 2009.	\$4,712,191	\$2,715,000	\$7,427,191
Public Safety Training Center Renovation	Two existing former Army buildings on Colonel Durham Road in Seaside at the former Fort Ord were renovated to provide classrooms and offices for public safety training programs. Construction began in July, 2008. The project was substantially completed in December 2009. Site drainage issues were resolved in summer 2010.	\$7,478,201		\$7,478,201
Totals for Completed Projects		\$61,405,724	\$30,186,037	\$91,591,761

PROJECTS IN PROCESS:

Note: Cited dollar amounts are estimates and subject to change.

<u>Project</u>	<u>Description</u>	<u>Budgets</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State & Other</u>	
Arts Complex	Rebuild existing Art Studio, Art Ceramics, Art Dimensional, and International Center buildings, and demolish existing Drafting building. The Final Project Proposal was re-submitted to the state Chancellor's Office in July 2009 to request 50% state funding support and was approved. However, state bond funding is uncertain and the district is considering funding the renovation with bond funds only.	\$4,387,987	\$4,387,987	\$8,775,974
Auto Technology Addition	This project consists of a remodel and addition to the existing facility. The project was substantially completed in September 2010.	\$1,000,000		\$1,000,000
Business, Math, Computer Science	The existing Business Computer Science building has been completely renovated. Former fiscal services and information technology offices have been converted into math classrooms and a math learning center. A Final Project Proposal for the Business, Math and Science Buildings project that included the renovation of the Business Computer Science Building was submitted to the state Chancellor's Office in July 2007 to request 50% state funding support and was subsequently approved. However, as state bond funding for community college facility projects is uncertain, the district determined this project would go forward using bond funds only. Construction began in June 2010. The project was substantially completed in February 2011.	\$2,300,000		\$2,300,000
College Center Renovation	A remodel of the existing facility is planned. Schematic drawings have been prepared by the architect. Construction is projected to begin in March 2014, with completion in February 2015.	\$4,000,000		\$4,000,000

PROJECTS IN PROCESS:

Note: Cited dollar amounts are estimates and subject to change.

<u>Project</u>	<u>Description</u>	<u>Budgets</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State & Other</u>	
Education Center at Marina	Temporary facilities were installed on the Education Center site on Imjin Parkway and 3rd Avenue in Marina in 2007. Construction of the first permanent academic facilities began in February 2010 and was substantially complete by August 2011, in time for the start of the fall 2011 semester.	\$9,100,000		\$9,100,000
Furniture & Equipment	New furniture has been installed in all lecture classrooms. Funds have been used to provide furniture and equipment for the Business, Math, Computer Science building, the Education Center at Marina, the Public Safety Training Center in Seaside, and the new Student Services building. Furniture and equipment will also be provided as part of the renovation of the Life Science, Physical Science, and Theater buildings.	\$4,000,000		\$4,000,000
Humanities, Business Humanities, and Student Services	The existing Humanities and former Student Services buildings will be renovated and the existing Business Humanities building will be demolished. The Final Project Proposal was submitted to the state Chancellor's Office in July 2007 to request 50% state funding support and was approved. The project was allocated state funds to proceed with drawings in August 2009. The architect submitted the plans to the Division of the State Architect in June 2010. Funds for construction of this project were included in the 2010-11 state budget and construction began in June 2011.	\$3,845,000	\$3,845,000	\$7,690,000
Infrastructure - Phase III	This phase includes new data cabling installed campus wide, the rebuilding of many sidewalks and parking lots B, C, & J, the installation of additional lighting and signage upgrades, an elevator at PE, additions to disaster notification systems, new greenhouses, a generator for the data center, and replacement of the kilns for the art ceramics program. Work will be completed in phases from May 2008 through September 2014.	\$6,466,000		\$6,466,000

PROJECTS IN PROCESS:

Note: Cited dollar amounts are estimates and subject to change.

<u>Project</u>	<u>Description</u>	<u>Budgets</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State & Other</u>	
Life Science and Physical Science Buildings	The existing Physical Science and Life Science buildings will be rebuilt, to include modernizing and upgrading of all science laboratories. A Final Project Proposal for the Business, Math and Science Buildings project that included the renovation of these buildings was submitted to the state Chancellor's Office in July 2007 to request 50% state funding support and was subsequently approved. However, as state bond funding for community college facility projects is uncertain, the district will complete this project with local bond funds only. Revised schematic drawings were completed by the architect and the Division of the State Architect approval received in May 2011. The project will be completed in phases. The Life Science building renovation began construction in September 2011, with completion expected in June 2012. Renovation of the Physical Science building renovation is planned to begin at the end of summer 2012.	\$14,500,000		\$14,500,000
Physical Education Phase II: Gym - Showers/Locker Rooms	The first floor of the existing gym building will be renovated, including reconstruction of the shower and locker rooms, and demolition of the existing pool building. Division and faculty offices will be reconfigured and relocated to the same area. The two multipurpose rooms will be upgraded with technology enhancements. Construction will begin in January 2012. The estimated completion date for the project is fall 2012.	\$3,940,128		\$3,940,128
Pool and Tennis Courts	The pool and tennis court facilities will be renovated and an additional tennis court will be constructed. The project will be completed in phases. Construction will begin in summer 2013 and is estimated to be complete in 2014.	\$2,000,000		\$2,000,000

PROJECTS IN PROCESS:

Note: Cited dollar amounts are estimates and subject to change.

<u>Project</u>	<u>Description</u>	<u>Budgets</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State & Other</u>	
Student Services Building	A new 22,000 sq. ft. building was constructed adjacent to the current Student Center, allowing the consolidation of student services offices at one location on the Monterey campus. Construction began in August 2009 and was substantially completed by March 2011. Offices were moved in phases and accomplished by May 2011.	\$9,500,000		\$9,500,000
Swing Space/Interim Housing	Temporary space to house programs and services displaced by modernization projects is planned. Temporary modulars have been placed on campus and at the Education Center. The former administration building was renovated to provide temporary classrooms and was modified again in summer 2011 to provide space for labs to accommodate the Life Science and Physical Science projects.	\$4,600,000		\$4,600,000
Theater	The existing Theater building will be renovated. A Final Project Proposal for the Music Theater project that included the renovation of the Theater Building has been submitted annually to the state Chancellor's Office since July 2006 to request 50% state funding support. As state bond funding for community college facility projects is uncertain, the district is proceeding with the theater renovation with bond funds only. Drawings were completed and Division of the State Architect approval received in May 2011. Construction began in September 2011 with completion anticipated in spring 2013.	\$9,305,016		\$9,305,016
Totals for Projects In Process		\$78,944,131	\$8,232,987	\$87,177,118

FUTURE PROJECTS:

Note: Changes to future projects are anticipated to accommodate probable changes in state funding. Cited dollar amounts are estimates and subject to change.

<u>Project</u>	<u>Description</u>	<u>Budgets</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State & Other</u>	
Music Building	Renovate existing Music building. A Final Project Proposal for the Music Theater project that included the construction of a new Music Building has been submitted annually to the state Chancellor's Office since July 2006 to request 50% state funding support. As state funding for community college facility projects is uncertain, the district is planning to renovate the building with bond funds only.	\$1,200,000		\$1,200,000
Public Safety Training Center - Phase II (Parker Flats)	Construct new outdoor training facilities at the Parker Flats and MOUT sites at the former Fort Ord, including an emergency vehicle driving course, a burn building for firefighter training, and a firing range. The Final Project Proposal for this project was submitted to the state Chancellor's Office in July 2009 for 50% state funding consideration and was approved. The projected completion date of summer 2014 is contingent upon state bond funding being approved and allocated.	\$6,000,000	\$6,000,000	\$12,000,000
	Totals for Future Projects	\$7,200,000	\$6,000,000	\$13,200,000

CONTINGENCY:

<u>Description</u>	<u>Budgets</u>		<u>Total Cost</u>
	<u>Prop 39 Bond</u>	<u>State & Other</u>	
The contingency was established in August 2010 to provide contingent funding for projects as needed. Project cost estimates are subject to change due to the variable bid climate or from unexpected construction issues that may arise. The current contingency is equivalent to 1.08% of total Prop 39 bond funds.	\$1,689,498		\$1,689,498
Grand Totals (Projects)	\$149,239,353	\$44,419,024	\$193,658,377

BOND PROGRAM MANAGEMENT:

<u>Description</u>	<u>Budgets</u>		<u>Total Cost</u>
	<u>Prop 39 Bond</u>	<u>State & Other</u>	
An outside firm is being used to manage the overall bond construction program. Funds to pay for these services are generated from interest earnings on bond funds. Amounts in the columns to the right represent actual expenses to date.	\$4,861,547		\$4,861,547
Projected program management expense for the remaining years of the bond program.	\$1,587,802		\$1,587,802
Totals for Program Management	\$6,449,349		\$6,449,349
Overall Grand Totals	\$155,688,702	\$44,419,024	\$200,107,726

APPENDIX

COMMITTEE ROSTER

COMMITTEE MEETING AGENDAS

November 1, 2010

March 7, 2011

June 13, 2011

August 8, 2011

COMMITTEE MEETING MINUTES

November 1, 2010

March 7, 2011

June 13, 2011

August 8, 2011

(this page intentionally left blank)

MONTEREY PENINSULA COLLEGE

Citizens' Bond Oversight Committee Members

- Daphne Hodgson, Chair, *Community member*
- Gary Ray, Vice Chair, *Community member*
- Scott Coté, *Community member*
- J. Alan Fagan, *Marina Chamber of Commerce*
- J. Stewart Fuller, *Monterey Peninsula College Foundation*
- Mary Ann Kane, *GENTRAIN Society*
- Bob Mulford, *Monterey Peninsula Chamber of Commerce*
- Ronald Pasquinelli, *Monterey Peninsula Taxpayers Association*
- Niels Reimers, *Carmel Foundation*
- Antron Williams, *Associated Students of Monterey Peninsula College*

COMMITTEE MEETING AGENDAS



MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

Monday, November 1, 2010
3:00 PM – Regular Meeting
Sam Karas Room, Library and Technology Center
Monterey Peninsula College

MEETING AGENDA

- 1. Call to Order**
- 2. Public Comment**
Members of the audience wishing to address the Citizens' Bond Oversight Committee may do so during the public comment period. Under provisions of the Brown Act, the Committee is prohibited from discussing or taking action on oral requests that are not part of the agenda. Comments are limited to three minutes per person or as determined by the committee.
- 3. Introductions** INFORMATION
Antron "Kage" Williams, new student representative, and Stephen Ma, new Vice President for Administrative Services at the District, will be introduced.
- 4. Committee Membership Update** INFORMATION
Committee membership will be reviewed by Dr. Garrison. Mr. Baird, Mr. Emerson, Ms. Laiolo, and Ms. Rees will be recognized for their service on the committee.
- 5. Officers** ACTION
The committee chair will be appointed by Dr. Garrison. Committee members will indicate their interest in serving as vice-chair and a vote will be taken.
- 6. Approval of August 30, 2010 Minutes** ACTION
- 7. Accept Bills and Warrants Reports** ACTION
The quarterly lists of payments from bond funds expended through June 30, 2010 and through September 30, 2010 will be reviewed for

acceptance by the committee. The June 30, 2010 report was carried over from the August 30 meeting due to lack of a quorum.

- 8. Bond Expenditure Status Report** INFORMATION
The September 30, 2010 bond expenditure status report will be reviewed with the committee. The October 2010 cost control report will also be presented.
- 9. Annual Report for 2009-10** ACTION
The By-Laws state the Committee shall present to the Board of Trustees, in public session, an annual written report to include a statement indicating whether the District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution and a summary of the Committee's proceedings and activities for the preceding year. A draft annual report will be reviewed for approval and presentation to the Board of Trustees.
- 10. Update on Facilities Projects, Timelines and Schedules** INFORMATION
A status report will be provided on all projects. The timelines and schedules for current facility projects will be reviewed.
- 11. Meeting Schedule (PLEASE BRING CALENDARS)** INFORMATION/ACTION
The following meeting dates are suggested for adoption:
Monday, March 7, 2011
Monday, June 6, 2011
Monday, August 8, 2011
Monday, November 7, 2011 (Annual Organizational Meeting)
- 12. Suggestions for Future Agenda Topics and Announcements**
- 13. Adjournment**

***RECEPTION following meeting to honor outgoing members and introduce incoming members.**

Public records provided to the Committee for the items listed on this agenda may be viewed online at the College's website <http://www.mpc.edu/mpcbond/CitizensBondOversight/Pages/CBOCAgendas.aspx> , at the Superintendent/President's office, Monterey Peninsula College, 980 Fremont Street, Monterey, California during normal business hours, or at the Committee meeting.



MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

Monday, March 7, 2011
3:00 PM – Regular Meeting
Sam Karas Room, Library and Technology Center
Monterey Peninsula College

MEETING AGENDA

1. **Call to Order**
2. **Introduction of New Committee Members**
Mr. J. Fagan, Mr. Stewart Fuller, Mr. Robert Mulford, and Mr. Niels Reimers will be introduced.
3. **Public Comment**
Members of the audience wishing to address the Citizens' Bond Oversight Committee may do so during the public comment period. Under provisions of the Brown Act, the Committee is prohibited from discussing or taking action on oral requests that are not part of the agenda. Comments are limited to three minutes per person or as determined by the Committee.
4. **Purposes, Duties and Authorized Activities of the Citizens' Bond Oversight Committee/Review of Ethics Policy Statement** INFORMATION
Mr. David Casnocha, bond counsel from Stradling, Yocca, Carlson, and Rauth, will provide an overview of the purpose of the Committee, its duties, and authorized activities as set forth in the Bylaws. Mr. Casnocha will also review the Citizens' Bond Oversight Committee Ethics Policy Statement.
5. **Review of the Ralph M. Brown Public Meetings Act** INFORMATION
Mr. David Casnocha will briefly outline the requirements of the Brown Act as it relates to the conduct of Citizens' Bond Oversight Committee meetings.
6. **Approval of November 1, 2010 Minutes** ACTION
7. **Accept Bills and Warrants Report** ACTION
The list of payments from bond funds expended through December 31, 2010 will be reviewed for acceptance by the committee.

- | | |
|---|--------------------|
| <p>8. Bond Expenditure Status Report
The December 31, 2010 bond expenditure status report will be reviewed with the committee. The February 2011 cost control report will also be presented.</p> | <p>INFORMATION</p> |
| <p>9. Bond Auditors' Reports for 2009-10
The Independent Auditors' Report of the District's bond funds, for the fiscal year ended June 30, 2010, and the District's Bond Performance Audit Report, for the fiscal year ended June 30, 2010, will be reviewed with the committee.</p> | <p>INFORMATION</p> |
| <p>10. Updated Credit Rating Letter and Report on the District's General Obligation Bonds
Standard & Poor's letter and report affirming a "AA-" rating on the District's bonds will be reviewed.</p> | <p>INFORMATION</p> |
| <p>11. State Capital Outlay Funding Process
The process for requesting state funding for community college facilities projects will be reviewed.</p> | <p>INFORMATION</p> |
| <p>12. Facilities Construction Plan Overview
Mr. Ma will provide a summary of the District's facilities construction program.</p> | <p>INFORMATION</p> |
| <p>13. Update on Facilities Projects, Timelines and Schedules
A status report will be provided on all projects. The timelines and schedules for current facility projects will be reviewed.</p> | <p>INFORMATION</p> |
| <p>14. Meeting Schedule
Future meetings of the Committee are scheduled for:
 Monday, June 6, 2011
 Monday, August 8, 2011
 Monday, November 7, 2011 (Annual Organizational Meeting)</p> | <p>INFORMATION</p> |
| <p>15. Suggestions for Future Agenda Topics and Announcements
Committee tour of facilities projects at June meeting.</p> | |
| <p>16. Adjournment</p> | |

Public records provided to the Committee for the items listed on this agenda may be viewed online at the College's website <http://www.mpc.edu/mpcbond/CitizensBondOversight/Pages/CBOCAgendas.aspx> , at the Superintendent/President's office, Monterey Peninsula College, 980 Fremont Street, Monterey, California during normal business hours, or at the Committee meeting.



MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

Monday, June 13, 2011
2:00 PM – Committee Tour of College Facilities Projects
3:00 PM – Regular Meeting
Sam Karas Room, Library and Technology Center
Monterey Peninsula College
980 Fremont Street
Monterey, California

MEETING AGENDA

- 1. Call to Order**
- 2. Public Comment**
Members of the audience wishing to address the Citizens' Bond Oversight Committee may do so during the public comment period. Under provisions of the Brown Act, the committee is prohibited from discussing or taking action on oral requests that are not part of the agenda. Comments are limited to three minutes per person or as determined by the committee.
- 3. Approval of March 7, 2011 Minutes** ACTION
- 4. Accept Bills and Warrants Report** ACTION
The list of payments from bond funds expended through March 31, 2011 will be reviewed for acceptance by the committee.
- 5. Bond Expenditure Status Report** INFORMATION
The March 31, 2011 bond expenditure status report will be reviewed with the committee. The May 2011 cost control report will also be presented.
- 6. Monterey County Treasurer's Investment Report** INFORMATION
Series B and C bonds were issued by the district in 2008 and invested with the Monterey County Treasurer's office. The Treasurer's Report of Investments for the quarter ending March 31, 2011 provides the status of these investments.

- 7. Update on Facilities Projects, Timelines, and Schedules** INFORMATION
A status report will be provided on all projects. The timelines and schedules for current facility projects will be reviewed.
- 8. Committee Membership Review** INFORMATION
Dr. Garrison will review membership terms.
- 9. Meeting Schedule**
Future meetings are scheduled for:
Monday, August 8, 2011 – Tour and Meeting at the Marina Education Center
Monday, November 7, 2011 (Annual Organizational Meeting)
- 10. Suggestions for Future Agenda Topics and Announcements**
Update on Investment of Series B and C Bonds
- 11. Adjournment**

Public records provided to the Committee for the items listed on this agenda may be viewed online at the College's website <http://www.mpc.edu/mpcbond/CitizensBondOversight/Pages/CBOCAgendas.aspx> , at the Superintendent/President's office, Monterey Peninsula College, 980 Fremont Street, Monterey, California during normal business hours, or at the Committee meeting.

Posted: June 8, 2011



MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

Monday, August 8, 2011
2:15 PM – Committee Tour of Marina Education Center Facilities
3:00 PM – Regular Meeting
Room 501, Marina Education Center
289 12th Street
Marina, California

MEETING AGENDA

- 1. Call to Order**
- 2. Public Comment**

Members of the audience wishing to address the Citizens' Bond Oversight Committee may do so during the public comment period. Under provisions of the Brown Act, the Committee is prohibited from discussing or taking action on oral requests that are not part of the agenda. Comments are limited to three minutes per person or as determined by the committee.
- 3. Approval of June 13, 2011 Minutes** ACTION
- 4. Accept Bills and Warrants Report** ACTION
The list of payments from bond funds expended through June 30, 2011 will be reviewed for acceptance by the committee.
- 5. Bond Expenditure Status Report** INFORMATION
The June 30, 2011 bond expenditure status report will be reviewed with the committee. The July 11 cost control report will also be presented.
- 6. Agreement with Dolinka Group for Bond Funding Augmentation Analysis** INFORMATION
The District has entered into an agreement with Dolinka Group to analyze redevelopment agency pass-through payments for redevelopment project areas in Marina and Seaside. Additional supplemental funding identified through this analysis will be allocated to appropriate District bond projects located in these jurisdictions. Mr. Ma will provide an overview of the process.

7. Update on Facilities Projects, Timelines, and Schedules

A status report will be provided on all projects. The timelines and schedules for current facility projects will be reviewed.

INFORMATION

8. Meeting Schedule

Future meetings are scheduled for:

Monday, November 7, 2011 (Annual Organizational Meeting)

9. Suggestions for Future Agenda Topics and Announcements

10. Adjournment

Public records provided to the Committee for the items listed on this agenda may be viewed online at the College's website <http://www.mpc.edu/mpcbond/CitizensBondOversight/Pages/CBOCAgendas.aspx> , at the Superintendent/President's office, Monterey Peninsula College, 980 Fremont Street, Monterey, California during normal business hours, or at the Committee meeting.

Posted: August 4, 2011

COMMITTEE MEETING MINUTES

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT

CITIZEN'S BOND OVERSIGHT COMMITTEE

Monday, November 1, 2010
3:00 PM – Regular Meeting
Sam Karas Room, Library and Technology Center
Monterey Peninsula College

Meeting Minutes

MEMBERS PRESENT: Mr. Peter Baird
Mr. Scott Coté
Mr. Steve Emerson
Ms. Daphne Hodgson, Chair
Ms. Mary Ann Kane
Ms. Elinor Laiolo
Mr. Gary Ray, Vice Chair
Ms. Sondra Rees
Mr. Antron Williams

ABSENT: Mr. Ron Pasquinelli

STAFF PRESENT: Ms. Rosemary Barrios, Controller
Mr. Pete Buechel, Purchasing Coordinator
Dr. Douglas Garrison, Superintendent/President
Mr. Steve Morgan, Director, Facilities
Ms. Vicki Nakamura, Assistant to the President

OTHERS PRESENT: Mr. Joe Demko, Kitchell
Mr. J. Fagan
Mr. Stewart Fuller
Mr. Robert Mulford

1. Call to Order

The regular meeting of the Citizen's Bond Oversight Committee of Monterey Peninsula College was called to order at 3:03 PM by Chair Hodgson.

2. Public Comment

There were no public comments.

3. Introductions

Dr. Garrison introduced Mr. Stephen Ma, the District's new Vice President for Administrative Services. He noted Mr. Ma's extensive experience working at the San Dieguito Union High School District in Encinitas, California.

Dr. Garrison also introduced Antron "Kage" Williams who was recently appointed to serve as the student representative on the committee. He is a returning student at MPC; he plans to pursue a graduate degree in social psychology. Mr. Williams also serves as the District's student trustee.

4. Committee Membership Update

Dr. Garrison noted the November meeting is the culmination of membership terms on the committee, with the Bylaws providing that a member may not serve more than two consecutive two-year terms. He indicated four members, Mr. Baird, Mr. Emerson, Ms. Laiolo, and Ms. Rees, had reached that milestone and in acknowledgment, the Governing Board approved a resolution recognizing their service on the committee. Each was presented with a certificate of appreciation.

Dr. Garrison reported a search was conducted for individuals to fill the four vacancies and represent similar membership interests on the committee. Three new members have been appointed by the Board. Mr. J. Fagan will serve as a representative of a business organization, being a member of the Marina Chamber of Commerce. He also serves on the Government Affairs Committee of the Monterey Peninsula Chamber of Commerce. Mr. Stewart Fuller, CEO of the Monterey Credit Union, will be representing the MPC Foundation, a college support organization. The third new member, Mr. Niels Reimer, will be representing a senior citizens' organization as a member of the Carmel Foundation. Dr. Garrison noted the fourth vacancy will be filled by Mr. Bob Mulford. He is being recommended for appointment to the committee at the next Board of Trustees meeting as a representative of a business organization, the Monterey Peninsula Chamber of Commerce.

The four new members will officially assume their positions on the committee at the March meeting.

5. Officers

Dr. Garrison commended Ms. Hodgson's service as Chair during the past year and reported she has agreed to continue this role in 2011. Ms. Hodgson opened the floor for nominations for Vice Chair. Mr. Ray was nominated by Ms. Kane, seconded by Mr. Emerson. The vote was unanimous in support of Mr. Ray's election.

6. Approval of August 30, 2010 Minutes

Motion to approve the minutes of the August 30, 2010 meeting was made by Mr. Emerson and seconded by Ms. Rees. Motion carried unanimously, with abstentions by Ms. Hodgson and Mr. Coté.

7. Accept Bills and Warrants Reports

Dr. Garrison reported the June 30, 2010 report was carried over from the August 30 meeting due to loss of a quorum. Ms. Barrios, the District's controller, provided follow-up on the entry for underreported hazardous waste to the Board of Equalization. She checked the invoice and explained the payment should have been described as a correction of an underpayment of normal fees in 2009.

Ms. Kane noted a double billing on pages 9-10 to Mobile Modular Management Corp. for rental of the testing modular for the supportive services program. Mr. Ma said staff will research and report back at the next meeting.

Mr. Emerson asked about the loss of quorum at the August meeting. He recalled the meeting proceeded under the assumption the quorum was still valid and requested clarification in the event of a similar occurrence at a future meeting. Dr. Garrison explained that Ms. Nakamura did further research in Robert's Rules of Order, and if a quorum is lost during the meeting, it should be acknowledged as soon as it is known. To ignore the loss of a quorum is not considered good business practice; any remaining action items should be carried forward.

It was moved by Vice Chair Ray, and seconded by Ms. Rees to accept the June 30, 2010 bills and warrants report with the correction provided by Ms. Barrios.

Mr. Ma reviewed the September 30, 2010 report and noted the completed projects category is now at \$53.9 million compared to the previous quarter's figure of \$49.2 million. He said this increase largely reflects the new Administration Building project being moved to this category. Mr. Ma reported the cumulative total of payments as of the quarter for active projects was \$32.59 million.

Mr. Baird acknowledged the reports are clearer as a result of additional information being provided regarding the Williams Scotsman entries. There were no questions on the report.

Motion to accept the September 30, 2010 bills and warrants report was made by Mr. Baird, seconded by Mr. Emerson. Motion carried unanimously.

8. Bond Expenditure Status Report

Mr. Ma reviewed the bond expenditure status report for September 30, 2010. There were no comments.

Mr. Demko reported the October cost control report reflects the project budgets approved in August by the Board of Trustees. He indicated budget savings generated as a result of lower bids have been placed in a general contingency to cover future projects that may come in over the estimated bid amounts. Mr. Baird asked if a journal entry from the general contingency would be made when an uncompleted project went over budget or needed additional funds. Mr. Demko responded the general contingency was a holding fund and would be adjusted once a project was finished and moved to the completed projects category.

9. Annual Report for 2009-10

Ms. Nakamura distributed replacement pages for the projects listing section of the annual report to reflect revisions made after the agenda had been published.

Dr. Garrison stated the annual report is a requirement per the Bylaws and will be presented for acceptance to the Governing Board and then posted on the District's website. Noting the format duplicates the prior year's report, he reviewed the various sections.

Chair Hodgson commented the overall total amount budgeted for Prop 39 bond funds on page 19 of the projects section should match the figure for total bond receipts listed in the financial summary on page 7. Mr. Ma agreed he had the same question when he reviewed the report. It was explained the \$1.9 million difference represents an unbudgeted amount. Mr. Demko further clarified the program management component represents the payments made to date and future expenses are unbudgeted. He added there are other costs included in the bond program that cannot be assigned to a specific project. Mr. Ma indicated the need for bond program services should diminish as the projects are completed and there should be sufficient funds to cover future expenses. There was a question whether the \$1.9 should be assigned to the general contingency. After some discussion, Mr. Ma stated the \$1.9 million will be allocated to the program management category to cover the remaining years of the bond program. This change will allow the total amount budgeted for bond funds to correspond with the total bond receipts.

Dr. Garrison noted the general contingency has resulted from the current favorable bid climate. The campus is aware that project budgets need to be adhered to before drawing

from the general contingency. Mr. Emerson advised adding further explanation regarding the general contingency for the public's information. Mr. Côté noted the contingency was equivalent to 1% of the total bond funds; he suggested this fact should be included in the explanation. Chair Hodgson recommended deleting "general" from the description, as the contingency was not for general purposes, but rather for projects.

Ms. Kane noticed an error in the total cost of the Early Start Projects on page 9. A question was asked about the amounts listed for the Public Safety Training Center on page 16. The total cost was listed as \$7,478,201; however, the budget figure was \$7.5 million. Mr. Demko said the project was recently completed and all of the costs have not been billed yet. The total cost will be changed to reflect the budgeted amount. It was also noted the member roster listed two Chairs and two Vice Chairs. These items will be corrected in the final report.

Mr. Baird remarked the annual report is far improved and clearer than the very first reports. He attributed the improvements in the report to Chair Hodgson's input.

Motion to approve the annual report with the changes discussed was made by Mr. Emerson, and seconded by Vice Chair Ray. Motion carried unanimously.

10. Update on Facilities Projects, Timelines and Schedules

Mr. Demko reviewed the status of current facility projects.

Education Center at Marina Permanent Facilities - Mr. Demko reported the tilt up walls are in place and the roof structure is visible. The wind turbine feature has also been received.

Infrastructure - Mr. Demko indicated the ceramics program kilns are in need of repair. He noted this project category has a \$6 million budget which includes several projects. These projects will be completed as feasible; however, the building projects take precedence.

New Student Services Building - Mr. Demko reported problems have delayed the completion of this project until January or February. He noted five subcontractors for the project went out of business and design issues need to be addressed by the architect.

Swing Space - Mr. Demko reported the pads have been installed near the Theater in preparation for the modular buildings.

Facilities Committee - The committee continues to meet.

Business-Computer Science Building – Mr. Demko reported the project was ahead of schedule. The ceiling and lighting are being installed. He said the building exterior will be painted next week.

Humanities/Old Student Services/Business Humanities – Mr. Demko said state funding is available to enable this project to go forward for bidding.

Theater – The drawings have been submitted to the Division of the State Architect (DSA) for approval.

Life Science/Physical Science Buildings – Mr. Demko said drawings have almost been completed after many meetings with the architect.

Music Building – Schematic drawings and cost estimates have been prepared for different design options.

Gym First Floor/Pool/Tennis Courts – Mr. Demko explained the sequencing order for the project. The gym needs to be renovated before the existing pool building can be demolished. The drawings are in DSA for approval.

Student Center – Mr. Demko reported schematic drawings have been completed by the architect. Consensus has been reached regarding the bookstore location.

Outside Lockers Adjacent to the Art Buildings – Mr. Demko said the architect is completing drawings for this project.

Mr. Coté asked if the theater building would still be connected to the music building. Dr. Garrison responded no. He explained the project referenced by Mr. Coté was submitted to the state for funding; however, the state facilities bond was deferred in both 2008 and 2010. Since there is a backlog of projects awaiting state funding, the District has taken a different direction on this project. The music building will remain in its existing footprint and will be updated instead.

Mr. Coté also asked about the plans for the swimming pool. Mr. Demko replied the District reviewed program needs and since there is no diving program, the deep end of the pool will be filled in. The pool will be renovated to a new, more efficient design.

Ms. Kane recalled the Facilities Committee was studying the option of a performing arts center. Dr. Garrison responded the committee was charged with modifying the theater project to serve other disciplines. After interviewing 4 different colleges and analyzing modifications, cost estimates, and the pros and cons, it was determined the theater could not be modified without creating problems backstage. An alternative project was proposed to meet program needs.

Mr. Demko concluded his report with a review of the construction schedule.

11. Meeting Schedule

The meeting dates of March 7, June 6, August 8, and November 7 (annual organizational meeting) were proposed for 2011. Motion to approve the proposed meeting schedule was made by Vice Chair Ray and seconded by Ms. Kane. Motion carried unanimously.

12. Suggestions for Future Agenda Topics and Announcements

Dr. Garrison reported the District's bond counsel, David Casnocha, will be invited to the March meeting to provide an orientation for the new members. Mr. Emerson stated regular tours of the facilities were very important and valuable. He said he saw many transitions during his tenure on the committee.

Mr. Baird expressed his appreciation for the committee. He commended District staff and noted the bond program is well run. He concluded that MPC stands out in the area.

13. Adjournment

Chair Hodgson adjourned the meeting at 4:40 p.m.

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT

CITIZEN'S BOND OVERSIGHT COMMITTEE

Monday, March 7, 2011
3:00 PM – Regular Meeting
Sam Karas Room, Library and Technology Center
Monterey Peninsula College

Meeting Minutes

MEMBERS PRESENT: Mr. Scott Coté
Mr. J. Fagan
Mr. Stewart Fuller
Ms. Daphne Hodgson, Chair
Mr. Robert Mulford
Mr. Ron Pasquinelli
Mr. Gary Ray, Vice Chair
Mr. Niels Reimers
Mr. Antron Williams

ABSENT: Ms. Mary Ann Kane

STAFF PRESENT: Ms. Rosemary Barrios, Controller
Dr. Douglas Garrison, Superintendent/President
Mr. Stephen Ma, Vice President for Administrative Services
Ms. Vicki Nakamura, Assistant to the President

OTHERS PRESENT: Mr. Joe Demko, Kitchell

1. Call to Order

The regular meeting of the Citizen's Bond Oversight Committee of Monterey Peninsula College was called to order at 3:03 PM by Chair Hodgson.

2. Introduction of New Committee Members

Dr. Garrison introduced new committee members, J. Fagan, Stewart Fuller, Bob Mulford, and Niels Reimers. A handout summarizing the backgrounds of the new members was distributed.

3. Public Comment

There were no public comments.

4. Purposes, Duties and Authorized Activities of the Citizens' Bond Oversight Committee/Review of Ethics Policy Statement

Mr. David Casnocha, the district's municipal bond counsel, was introduced to provide an orientation on the role of the committee for the new members. Mr. Casnocha noted the college's bond, Measure I, was approved under Proposition 39 requirements. He reviewed the history leading up to the passage of Proposition 39 in 2002, resulting in a constitutional amendment which lowered the threshold for voter approval of general obligation bonds from 66% to 55%. In addition to acquisition and renovation of real property, Proposition 39 allowed bond proceeds to be used for acquisition of furniture and equipment. He cited other

Proposition 39 requirements include greater project specificity to allow the public to determine if funds are being spent appropriately, an annual bond audit and financial performance audit, and the establishment of an independent oversight committee.

Mr. Casnocha reported that the District's \$145 million bond measure was passed in 2002 and the Citizens' Bond Oversight Committee was established in 2003. He stated 3 ½ series of bonds have been issued, series A, B, and C, for a total amount of \$145 million. Mr. Casnocha explained the "half" referred to the refinancing of the series A bonds, which raised \$4.25 million in additional proceeds, for a total of approximately \$150 million.

He then began a review of the committee's Bylaws, noting it may be time for some of the language to be refreshed. The Bylaws were approved by the Board of Trustees in 2003 and reflect Education Code and Proposition 39 provisions. He referred to Section 1 on committee establishment and pointed out the last sentence which stated the committee has no independent legal capacity. Mr. Casnocha explained the committee has no legal recourse if it believed bond funds were being misused; a taxpayer would have to file a lawsuit in this situation.

Mr. Casnocha observed the committee's activities are subject to the Brown Act; all meetings must be conducted in open session in public. There should be no need for closed sessions which are reserved for personnel matters or litigation. Meetings of the committee should be properly noticed, and only items appearing on the agenda may be discussed. He cautioned against participating in serial meetings or engaging in discussion of committee business outside of the regular meetings. Using e-mail to discuss committee matters is also a violation of the Brown Act.

Mr. Casnocha continued with his review, stating that bond funds may get mixed in with funding received from other sources. He emphasized that committee review powers only extend to bond proceeds and regular and deferred maintenance projects also fall outside of the scope of the committee. Mr. Casnocha advised the committee should receive an expenditure report to review regarding bonds funds that have been spent since the last meeting and for what purpose. He referred the committee to Exhibit A of the bond resolution for a description of the primary purposes for Measure I and to Exhibit B for more specificity, including a list of authorized projects. Mr. Casnocha cited litigation against Foothill DeAnza Community College District where local taxpayers complained the bond projects listing in Exhibit B was not specific enough. The appellate court's opinion, recognizing conditions change over time, stated Exhibit B is not just a list of approved projects, but also conveys approval of projects of the same type.

Mr. Fagan asked if the committee would review regular and deferred maintenance projects that were completed with Measure I funds. Mr. Casnocha's response was yes, if the projects were funded with bond proceeds. However, he clarified that similar projects completed using state scheduled maintenance funding would not be within the committee's purview.

Mr. Casnocha noted Proposition 39 also specifies no bond proceeds may be used for teacher/administrator salaries or for operating expenses. The state attorney general has issued an opinion that the law excludes expenditures related to administration of bond projects.

One of the committee's primary duties is to inform the public of District expenditure of bond funds. Mr. Casnocha provided examples of how information could be provided, such as through the committee website or through a presentation by the committee chair to the Board of Trustees. The preparation of an annual report also accomplishes this objective.

The annual report must include a statement that the District is in compliance with the constitutional requirements regarding bond expenditures. The annual report should then be presented in person to the Board of Trustees. There is no standard template for the annual report and new members may ask for changes in the format.

Mr. Casnocha then reviewed Sections 3.4 and 3.5 which addresses areas where the committee has no approval authority, such as construction contracts and change orders. He said the committee may still be interested in receiving information about these items to avoid waste of taxpayer dollars.

Mr. Casnocha addressed authorized committee activities listed in Section 4. The bond financial audit report and performance audit may be reviewed by the committee. He mentioned legislation effective in January 2011 that specified the performance audit should be done according to generally accepted accounting standards. District audit fees may rise as a result.

In addition, the committee may inspect college grounds and facilities through a tour and review copies of deferred maintenance and other facilities plans. He noted it is appropriate for the committee to ask how buildings being financed by the bond are being maintained to ensure these assets are preserved for the long term.

The committee may also review the efforts of the District to maximize bond funds. He cited several examples, such as applying for state matching funds, revising plans so design costs are reduced, controlling fees through the use of request for qualifications, and promoting energy efficiency.

Mr. Casnocha discussed Section 5 which covers committee membership. He noted a potential change to Section 5.3 regarding conflicts of interest. The committee is not subject to state conflict of interest regulations because the committee's purpose is oversight rather than advisory. This section should be changed to remove the requirement to complete the state conflict of interest form. Under Section 5.4, the Bylaws provide for continuity of membership through the staggering of terms and specify committee members are limited to two terms. He said this section should be amended further to add that a member whose term on the committee has expired may continue to serve until a replacement is made. Mr. Mulford asked if a member could return to the committee after serving two terms. Mr. Casnocha responded the member would need to be off of the committee for a year before returning, and the prescribed method of filling vacancies should be used.

Mr. Reimers asked how a quorum of the committee was defined. Mr. Casnocha stated there are ten members, so a quorum would be a simple majority or six members. If there is not a quorum, the committee may still meet, but items may not be voted upon.

Mr. Casnocha reviewed Section 7 regarding the technical and administrative support to be provided to the committee, including compliance with Brown Act requirements and preparation and maintenance of a website. The committee may request the District's consultants to attend meetings and share information.

Mr. Casnocha concluded his review of the Bylaws with Section 11 regarding termination of the committee. He stated this section should be revised to state the committee will terminate when all bond proceeds have been expended, a final accounting has been presented to the committee, and the annual report has been submitted. Since the last bond series was issued in 2008, the District expected the bond program to be completed in January 2013. He surmised the November 2013 approval of the annual report might be the concluding act of the committee.

Mr. Casnocha followed with comments on the Ethics Policy. He stated committee members should be interested in helping the college rather than acting as ex-officio trustees or using membership as a stepping stone to elected office. Mr. Casnocha advised members have no authority to approve contracts and thus, no influence with contractors.

Mr. Mulford asked if bylaws were common to most districts. Mr. Casnocha responded yes. He explained the powers are the same as they are derived from the Education Code.

Mr. Casnocha was asked to clarify the use of bond funds for maintenance and repair projects. He stated bonds are not intended to be used as working capital to fund operational costs; however, repairs to buildings are bond-authorized. Regarding the purchase of maintenance equipment, items should be reviewed on a case-by-case basis. For example, the purchase of lawn mowers would not be appropriate. He explained any equipment purchased should be connected to a bond project or used for many bond projects, e.g., a parking lot blower. As another example, Mr. Casnocha mentioned classroom renovations and the purchase of smart boards. If a smart board needs replacement due to damage, the purchase would not be an appropriate bond expenditure; however, if a smart board has a useful life of five years, then replacement using bond proceeds would be justified after five years.

A question was asked if an initial maintenance agreement for equipment was an appropriate bond expense. Mr. Casnocha responded yes as the equipment could not be operated without a maintenance agreement and training. He gave another example where a building was being renovated and equipment needed to be moved from the building, temporary housing had to be obtained, and then the equipment was moved back in. Mr. Casnocha said all of the associated costs were legitimate bond expenses due to being secondary effects of the building renovation.

Mr. Casnocha was thanked for his presentation. He advised if the committee has further questions to forward them through Mr. Ma.

5. Review of the Ralph M. Brown Public Meetings Act

Mr. Casnocha's review of the Brown Act was incorporated in his presentation on the previous item.

6. Approval of November 1, 2010 Minutes

Ms. Nakamura distributed a revised page 3 containing a clarification regarding Mr. Ma's comments on the bills and warrants report.

Mr. Ma provided follow up on a question in the minutes regarding a double billing for Mobile Management Corporation for rental of the testing modular in the bills and warrants report. He said staff had researched the two entries and discovered an error was made in the second entry. The first payment was for the period, April 30 – May 29, 2010 and the second payment for May 30 – June 28, 2010.

Motion to approve the minutes of November 1, 2010 with the corrections noted was made by Vice Chair Ray and seconded by Mr. Reimers. Motion carried unanimously.

7. Accept Bills and Warrants Report

Vice Chair Ray noted on page 1, under the Automotive Technology Building Renovation, there are two entries for George H. Wilson. One payment is for plumbing work and the other is a retention payment. He questioned the retention payment being significantly larger than

the billing for the work. Mr. Demko explained the retention payment is 10% of the total contract and the other entry was different work. Mr. Ray asked about the first two entries for Williams Scotsman under the Swing Space category on page 5. The period of service in the two entries differed by a few days. Mr. Fagan also questioned the slight difference in the payments. Mr. Ma said he would have staff check both of these items.

Chair Hodgson had several questions on the report. She referred to page 1, under the Student Services building project, and noted there was retention paid to Swinerton Builders as well as a regular payment. Ms. Hodgson commented retention payments are usually made to another party. Mr. Demko explained the District pays for 90% of the work and retains 10%. Contractors have objected to the retention due to the interest earnings lost. To address this concern, an account has been set up with Union Bank to hold the retention payments until the District signs off. Mr. Demko said the wire transfer is in Swinerton's name, but the payment goes to the bank. Chair Hodgson suggested the retention payment be described differently to clarify the retention is being held. Mr. Mulford asked for further information about the type of bank account being used. Mr. Demko responded the Union Bank account references MPC, and both the District and the contractor must sign off before the funds are released to the contractor.

Chair Hodgson asked if the college was holding the retention as there was no retention payment listed under the Business and Computer Science building project on page 9. Mr. Demko's answer was yes. He explained the approach used depends upon the contractor. If the project is small or will be completed in a short timeframe, the contractor may not want a retention account to be set up.

Chair Hodgson asked if a copier service agreement referenced on page 4 was for general operations. Mr. Demko clarified the copier was being used in the construction management trailer. She suggested this information be included in the description.

On pages 7-8, Chair Hodgson noted several items that could be listed under specific projects rather than grouped under Infrastructure – Phase III. She commented that an entry for installation of a workstation in the MPC Foundation office did not appear to be a capital improvement. Mr. Ma responded all equipment in the new administration building was purchased with a combination of state and bond funds. Mr. Demko explained the original budgets for several projects did not include a contingency and there is a penalty if the project is not closed out. Afterwards, items have come up, and he said it seemed better to handle these items under infrastructure or a miscellaneous category. Mr. Ma added that this approach also avoids reopening of a project and incurring additional fees from the Division of the State Architect (DSA). Mr. Fagan asked if infrastructure needs any sign-off from DSA. Mr. Demko answered the District's infrastructure projects are submitted for DSA approval and fees are being paid appropriately.

It was moved by Mr. Fagan, and seconded by Mr. Mulford to accept the December 31, 2010 bills and warrants report. Motion carried unanimously.

8. Bond Expenditure Status Report

Mr. Ma reviewed the bond expenditure status report for December 31, 2010. He noted the total bond budget in Column A for all projects was \$149.2 million, with \$63.9 million remaining in bond funds. If the remaining \$63.9 million is added to the amount of bond funds spent to date of \$89.8 million, the total is \$153.7 million. He explained the difference between \$149.2 million and \$153.7 million reflects the interest earned.

Questions were asked about what years are included in Column B. Ms. Barrios clarified all prior year expenses through June 30, 2010 are included in Column B.

Mr. Demko reviewed the cost control report. He stated the current, active projects are forecast to enable the Board of Trustees to monitor the status of the budgets. Mr. Fagan commented the change order budget for the Student Services project will need to be increased. Mr. Demko said the state guideline is 10% for change orders. He explained there were architect design issues as well as additional testing that went over budget. Both he and Mr. Ma expect negotiations to occur with the contractor and architect to reconcile these items.

9. Bond Auditors' Reports for 2009-10

Mr. Ma reviewed the auditors' reports. He reported there were no findings and the audit was done on a modified accrual basis. Referring to page 2, he said the liabilities total \$1.7 million and noted \$182,000 is due from other funds. He explained that at year end, June 30, Ms. Barrios moves some expenditures from the capital outlay fund to bond funds. In this case, the capital outlay fund owes \$182,000, which is part of the state allocation for the Humanities/Business Humanities/Student Services project. State funding is provided on a reimbursement basis.

Mr. Ma reported the statement of revenue shows \$621,000 in interest earnings from the County treasury. He also clarified the operating expenditures listed refer to the use of consultants to provide construction management and inspection services. Dr. Garrison asked if this language may cause concern due to Proposition 39 requirements. Mr. Ma explained the wording came from the auditors; he will request a better description be used in future reports.

Mr. Fagan asked why a modified accrual basis was being used. Mr. Ma did not know the reason, but this has been the practice of the District's auditor for quite awhile. Ms. Barrios added the same basis is used for District audits. Mr. Ma said he would check with the auditor and report back.

Mr. Pasquinelli reiterated a past concern that the auditor does not express an opinion on the District's internal controls. There was discussion regarding what the auditor was engaged to do and the level of assurance provided. Chair Hodgson commented the audit is done by random sample and it would be cost prohibitive to have the auditor do the level of work necessary to state the internal controls and statements were perfect. Dr. Garrison stated the auditor is evaluating the District's records, just not performing an exhaustive review. Mr. Côté concluded the committee was still showing care and due diligence.

10. Updated Credit Rating Letter and Report on the District's General Obligation Bonds

Mr. Ma reported he had recently received a statement from Standard & Poor's affirming a credit rating of "AA-" for the District. He said the report referenced the wealthy economic base of the District. Mr. Ma stated this was a good report and there were no changes from prior years.

11. State Capital Outlay Funding Process

Ms. Nakamura stated one of the challenges faced by the District in planning the use of bond funds was that the needs were far greater than the amount of bond funds available. Since November 2002, efforts have been undertaken to leverage local bond funds with other funding. One of the main sources the District has sought is state funding. She provided an overview of the process to obtain state funding for District facility projects. Ms. Nakamura described the various plans that must be prepared and submitted to the Chancellor's Office to qualify for consideration for state funding. There is a five year construction plan that must be prepared on an annual basis as well as initial project proposals (IPP) and final project

proposals (FPP) for each project that must be approved by the Chancellor's Office to be eligible for funding.

She listed the projects where the District was successful in obtaining state funding, including the Child Development Center, the renovation of the former library to provide a new administration building, and the upcoming Humanities, Business Humanities and Student Services project.

Phase 2 of the Public Safety Training Center Project at the former Fort Ord has also been approved as eligible for state funding; however, currently, there are no state capital outlay funds available. Ms. Nakamura explained community college facilities projects are funded by state capital outlay bond measures that are placed on the ballot every two years. Due to the recession and the state's poor economy, the state bond measures scheduled for 2008 and 2010 were deferred. This delay in state funding resulted in the District revising its facilities plan in August 2010 to downsize some projects (previously approved for state funds) in order to go forward without the state funding match.

12. Facilities Construction Plan Overview

Mr. Ma stated the plans for facilities projects were conceptual when the District's bond measure was approved in 2002. During 2003-2005, the District developed a facilities master plan that set the framework for facilities projects to be completed and the design criteria. He noted during the early years, the demand for labor and materials was high and projects went over budget. This situation is currently reversed and both the Student Services building and the Business, Computer Science building projects were under budget. The reduced construction economy has allowed the District to stretch its bond dollars. In concluding his overview, Mr. Ma said he anticipates \$30 million of construction work to be underway in the next few months.

13. Update on Facilities Projects, Timelines and Schedules

Mr. Demko reviewed the status of active facility projects. He indicated the District is trying to take advantage of the favorable bid climate with several projects expected to be approved by DSA.

Humanities/Business Humanities/old Student Services – Mr. Demko said the plans have been approved by DSA and the District is waiting for the approval to go out to bid from the state Chancellor's Office. Bids are planned for receipt on April 19. This project will be completed in 3 phases.

Life Science/Physical Science Buildings – Mr. Demko reported the drawings are being reviewed by DSA. Construction is slated to begin in the summer, with the bid award in June.

Theater – The drawings are being reviewed by DSA. Bidding is expected in July with construction expected to begin in summer.

Mr. Demko noted these three bid amounts will help to determine the future bond program. Mr. Mulford asked about the projected cost for these projects. Mr. Demko responded the estimate for the Humanities/Business Humanities/old Student Services project is \$4 million, the Life Science/Physical Science project is \$9 million total, and the bid estimate for the theater is \$7.1 million.

Gym First Floor – Mr. Demko reported the plans have been approved by DSA.

Education Center at Marina Permanent Facilities - Mr. Demko reported construction is going well. The roofs were installed before the recent rains. Windows, asphalt, and power will be installed this week. The project is ahead of schedule.

Infrastructure - Mr. Demko said signage work is being completed that will assist visitors to find their destinations on campus. Information kiosks are planned for installation. Parking Lot B work will begin in June.

New Student Services Building - Mr. Demko reported furniture has been received and commissioning services are being done. The move of departments will be accomplished in phases.

Swing Space - Mr. Demko reported the modular buildings have been installed near the Theater. The general classrooms building is being used for swing space and will be renovated to meet the needs of each program.

Facilities Committee - The committee meets to address issues and make recommendations for project priorities.

Business-Computer Science Building – Mr. Demko reported the building is finished and move-in is being scheduled.

Outside Lockers Adjacent to the Art Buildings – Mr. Demko said this project will be completed by summer. Funding includes \$100,000 of state scheduled maintenance funds.

Social Science – Mr. Demko reported modifications were made to offices and two classrooms over the semester break.

Pool/Tennis Courts – Mr. Demko explained the first floor of the gym needs to be renovated before the pool and tennis court work can be done.

Music Building and Student Center Projects – These renovations are future projects. The bids expected this spring on three projects will determine the funding and scope of the music and student center projects.

Mr. Demko concluded his report with a review of the construction schedule. Acknowledging Mr. Casnocha's earlier comment regarding 2013 as the completion year, Dr. Garrison noted the timeline shows the plan being completed in 2015.

14. Meeting Schedule

The remaining meeting dates for 2011 are June 6, August 8, and November 7 (annual organizational meeting).

15. Suggestions for Future Agenda Topics and Announcements

There was discussion and support for a tour of facilities projects on the Monterey campus prior to the June meeting.

16. Adjournment

Chair Hodgson adjourned the meeting at 5:46 p.m.

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

Monday, June 13, 2011
2:00 PM – Committee Tour of College Facilities Projects
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. J. Fagan
Ms. Mary Ann Kane
Mr. Robert Mulford
Mr. Ron Pasquinelli
Mr. Gary Ray, Vice Chair
Mr. Niels Reimers

ABSENT: Mr. Scott Coté
Mr. Stewart Fuller
Ms. Daphne Hodgson, Chair
Mr. Antron Williams

STAFF PRESENT: Ms. Rosemary Barrios, Controller
Dr. Douglas Garrison, Superintendent/President
Mr. Stephen Ma, Vice President for Administrative Services
Mr. Steve Morgan, Director of Facilities
Ms. Vicki Nakamura, Assistant to the President

OTHERS PRESENT: Mr. Joe Demko, Kitchell

The Committee convened at 2:00 PM for a tour of college bond projects at the Monterey campus.

1. Call to Order

The regular meeting of the Citizen's Bond Oversight Committee of Monterey Peninsula College was called to order at 3:00 PM by Vice Chair Ray.

2. Public Comment

There were no public comments.

3. Approval of March 7, 2011 Minutes

Mr. Ma provided follow up on a question from the minutes regarding differences in the payment in two entries for Williams Scotsman under the Swing Space category in the Bills and Warrants Report. He said there was a transposition error and the correct amount was

\$421.09, instead of \$421.90, a difference of \$.89. An adjustment will be made in the next quarterly report.

A second follow-up item from the minutes concerned a question why a modified accrual basis was used in the District's bond funds audit. Mr. Ma explained staff had researched and the Chancellor's Office recommends the use of modified accrual accounting.

Motion to approve the minutes of March 7, 2011 was made by Mr. Pasquinelli and seconded by Mr. Reimers. Motion carried unanimously.

4. Accept Bills and Warrants Report

Mr. Ma reported \$4.53 million has been expended on bond projects for the quarter. Most of the large payments were progress payments on the new Student Services and Education Center projects. He noted there were many entries for printing of plans, an indication the District would be soliciting construction bids on several projects. Mr. Ma asked if there were any questions.

Vice Chair Ray asked about the last entry under the New Student Services Building on page 1 listing the payment to Swinerton Builders as 101.3% complete. Mr. Demko explained the payment reflects change orders and the contractor has not received excess payment.

It was moved by Mr. Fagan, and seconded by Mr. Mulford to accept the March 31, 2011 bills and warrants report. Motion carried unanimously.

5. Bond Expenditure Status Report

Mr. Ma asked for questions on the report. Mr. Mulford requested further information on the early start and completed projects. Mr. Ma responded that when the bond was approved, it was anticipated the facilities design process would be lengthy. The early start projects addressed existing needs that could be taken care of quickly, such as replacement of roofs or HVAC repair.

Mr. Fagan observed there was approximately \$300,000 remaining from the Business-Computer Science project and he asked what caused the savings. Mr. Demko stated the savings were due to the construction bid being lower than the budgeted amount.

Mr. Ray asked if the climate for matching funds had declined. Dr. Garrison's response was yes, noting the last state bond was approved in 2006. He added a state bond may be on the ballot in 2012, but there is also a backlog of facility projects needing state funds.

6. Monterey County Treasurer's Investment Report

Mr. Ma reported the Monterey County Treasurer's Report for the quarter ending March 31, 2011 shows that current yields are low at 0.6 percent. Mr. Fagan observed that the cost savings from the bids have been significant enough to prevent the erosion of the District's bond funds. Mr. Ma stated in the next 45 days, the District would be bidding \$25 million in projects. He hoped considerable savings would be generated due to the favorable bid climate to allow the remaining bond funds to be stretched. Dr. Garrison added the issuance of Series B and C bonds enabled the District to gain the proceeds to do these projects and take advantage of economic conditions.

Mr. Reimers asked if the County charges the college for investment services. Mr. Ma's answer was no.

Mr. Ray inquired if issues had been resolved with the Lehman Brothers and Washington Mutual bankruptcies. Mr. Ma responded the recovery of assets was still in process. The County Treasurer has obtained some relief, but a full reconciliation has not been achieved yet.

7. Update on Facilities Projects, Timelines, and Schedules

Mr. Demko reviewed the status of active facility projects.

Education Center at Marina Permanent Facilities - Mr. Demko said the wind turbine, an architectural feature, has been installed. Furniture will be received on June 5. He reported the Information Technology department was installing equipment. Landscaping was being installed and the parking lot has been completed.

Infrastructure - Mr. Demko said parking lot B is being renovated and a drop-off area being constructed next to the Theater. Directional kiosks will be installed this summer.

New Student Services Building – The buildings has been completed and the grand opening was held on May 24.

Swing Space - Mr. Demko noted swing space is currently the largest need.

Facilities Committee - The committee is on hiatus during the summer.

Business-Computer Science Building – Mr. Demko reported final costs are being compiled.

Humanities/Business Humanities/old Student Services – Mr. Demko said asbestos abatement is currently underway in the former Student Services building.

Theater – Construction bids will be received on June 23.

Life Science/Physical Science Buildings – Mr. Demko reported this project will go out to bid on June 20.

Gym First Floor – Mr. Demko noted the attached project schedule is not accurate as adjustment is needed to accommodate the football program. The plans have been approved by DSA.

Outside Lockers Adjacent to the Art Buildings – Mr. Demko said the art lockers replacement project will be completed in June. Funding includes \$100,000 of state scheduled maintenance funds.

Pool/Tennis Courts – These two projects may be phased. The preliminary design for the tennis courts to address substructure and retaining wall problems has been completed.

Music Building -- This project is dependent on bid savings to define the scope.

Student Center – Very preliminary drawings have been completed.

Mr. Fagan noted the Theater renovation is the next large funding priority at a time when fine arts programs are being downsized. Dr. Garrison said the planning process is completed far in advance and doesn't anticipate the vagaries of state funding for programs. He remarked arts programs are not being downsized. Theater productions are being reduced from five a year to four, due to the retirement of drama instructor, Peter DeBono; however, the quality remains the same. Other uses of the Theater are being encouraged. Dr. Garrison stated the college also intends to go forward with the Music building project, but the scope will be dependent upon a consideration of the educational program and available dollars.

8. Committee Membership Review

Dr. Garrison noted five members will be completing their second term and will serve through the November meeting. Replacements need to be recruited and he will work with Mr. Pasquinelli and Ms. Kane to identify replacements from their organizations. Volunteers will be solicited from the community for the other vacancies.

9. Meeting Schedule

The next meeting is scheduled for Monday, August 8, 2011. A tour of the new facilities at the Education Center at Marina is planned, and the meeting will also be held there.

10. Suggestions for Future Agenda Topics and Announcements

Dr. Garrison provided members with a copy of the *Report to the Community 2010*. He noted pages 3-4 focus on the bond program.

Mr. Reimers stated he would be unable to attend the August 8 meeting. He requested further information on the wind turbine and the excess power generated.

11. Adjournment

Vice Chair Ray adjourned the meeting at 3:44 p.m.

vn

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

Monday, August 8, 2011
2:15 PM – Committee Tour of Marina Education Center Facilities
3:00 PM – Regular Meeting
Room 501, Marina Education Center, 289 12th Street, Marina, California

Meeting Minutes

MEMBERS PRESENT: Mr. Scott Coté
Mr. J. Fagan
Mr. Stewart Fuller
Ms. Daphne Hodgson, Chair
Ms. Mary Ann Kane
Mr. Ron Pasquinelli
Mr. Gary Ray, Vice Chair

ABSENT: Mr. Robert Mulford
Mr. Niels Reimers
Mr. Antron Williams

STAFF PRESENT: Ms. Rosemary Barrios, Controller
Dr. Sharon Colton, Dean, Information Technology & Media Services
Dr. Douglas Garrison, Superintendent/President
Mr. Marty Johnson, Interim Vice President, Academic Affairs
Mr. Stephen Ma, Vice President for Administrative Services
Mr. Steve Morgan, Director of Facilities
Ms. Vicki Nakamura, Assistant to the President
Mr. Bruce Wilder, Instructional Technology Specialist

OTHERS PRESENT: Mr. Mike Carson, Kitchell
Mr. Joe Demko, Kitchell
Mr. Philip Korchek, HGHB Architects

The Committee convened at 2:15 PM for a tour of the new academic facilities at the Education Center at Marina. Mr. Philip Korchek, HGHB Architects, conducted the tour along with Mr. Mike Carson, Kitchell.

1. Call to Order

The regular meeting of the Citizen's Bond Oversight Committee of Monterey Peninsula College was called to order at 3:00 PM by Chair Hodgson.

2. Public Comment

There were no public comments.

3. Approval of June 13, 2011 Minutes

Motion to approve the minutes of June 13, 2011 was made by Mr. Fagan and seconded by Ms. Kane. Motion carried unanimously.

4. Accept Bills and Warrants Report

Mr. Ma reported total bond expenses to date of \$98.1 million. There was an \$8.32 million increase in expenditures over the March report. He noted \$1.23 million was expended on the Marina Education Center project for the quarter, with the general contractor, Dilbeck & Sons, at 100% completion. The other large expenditure of \$1.01 million was for furniture and equipment.

Regarding technology expenditures, Mr. Fagan questioned why so many vendors have been used. Mr. Ma explained installation of technology equipment is not included in the general contractor's contract. Instead, staff purchase and install the equipment. Mr. Fagan noted many entries referred to reimbursement and it was difficult to determine whether the district was being reimbursed or payment was being made for a purchase or services. He advised the description be clarified in future reports.

Chair Hodgson referred to the final payment made to the general contractor for the Marina Education Center project and asked if the retention payment was still being held. Mr. Demko responded yes. He said the Notice of Completion still needs to be approved by the Board of Trustees. Then, 35 days later, the contractor will be paid and an explanation provided why any funds are being held.

Mr. Fagan asked about several entries on page 9 under the Infrastructure Phase III category for reopening projects. Mr. Morgan explained the Chancellor's Office determined a large number of projects within the community college system had not been closed out due to final documents not being submitted. The Division of State Architect charges a \$500 fee to reopen a project for this purpose. Mr. Morgan stated the district had 17 projects needing document submittal; 2 remain to be completed.

Mr. Fagan noted numerous entries for PlanWell retrievals for the Humanities building on page 12 and asked if these were all separate transactions. Ms. Barrios stated each entry represented an invoice; she will include the invoice number in future reports.

Vice Chair Ray asked about 3 line items for computer purchases on page 4 under the furniture/equipment category. He noted the cost for one computer was listed as \$886 while the cost for 8 was \$1200 and \$6200 for 7. Ms. Barrios will check the items and report back at the next meeting.

It was moved by Mr. Fagan, and seconded by Mr. Coté to accept the June 30, 2011 bills and warrants report. Motion carried unanimously.

5. Bond Expenditure Status Report

Mr. Ma stated several projects under the In Process category on the June 30, 2011 bond expenditure status report will be moved to the Completed category in future reports. Mr. Fagan asked if the balance of \$21,799 for the Public Safety Training Center renovation project will be moved to contingency. Ms. Barrios said yes.

The cost control report was also reviewed. In response to a question from Mr. Fagan regarding the the Student Services building, Mr. Demko explained the project budget will be readjusted when the notice of completion is finalized in a few weeks. Additional items, mostly furniture and architect design issues, have caused the \$9.5 million project budget to be exceeded. Bids being received for other projects will likely offset these budget adjustments.

Mr. Demko noted both the Education Center at Marina and the Business, Math, Computer Science building projects were under budget and will provide additional savings.

6. Agreement with Dolinka Group for Bond Funding Augmentation Analysis

Mr. Ma reported school districts and community colleges receive statutory payments from redevelopment agencies to use for facilities and other operating expenses. For the college, there are several redevelopment agencies in the area, including Seaside, Sand City, and Marina. Monterey County is responsible for calculating the redevelopment payments, and he acknowledged this task is complex and difficult due to the number of agreements in place.

Mr. Ma stated MPC has joined with the Monterey County Office of Education, Hartnell College, and K-12 districts to contract with the Dolinka Group to audit redevelopment agency payments for 2003-2008. Recent legislation, AB 1389, required redevelopment agencies to report these payments to their respective County Auditor's office. A preliminary review projected underpayments have been made to some school districts, ranging from \$100,000 to \$1 million owed. Mr. Ma said the first step is to identify the amount of underpayment; a preliminary estimate shows MPC may be owed over \$100,000. If an underpayment is verified, the district will have to negotiate a corrective action with the redevelopment agency. He stated funds recovered will supplement bond program funding.

Ms. Kane inquired how Dolinka Group was being compensated. Mr. Ma assured the committee the underpayments are in excess of the amount the district is paying to Dolinka Group.

7. Update on Facilities Projects, Timelines, and Schedules

Mr. Demko reviewed the status of active facility projects.

Education Center at Marina Permanent Facilities - Mr. Demko said the facilities have been finished. He commended the general contractor, Dilbeck and Sons, for keeping the project on schedule despite losing 5 subcontractors during the construction period.

Infrastructure - Mr. Demko said 16 lighted directional kiosks will be installed on the Monterey campus by the start of the fall semester to assist students in identifying the location of classes as many swing space changes have occurred. Other lighting is being installed near the gymnasium. Mr. Demko reported parking lot B has been paved and striped and landscaping is being installed. The changes to parking lot B provide a turnaround for the theater, better traffic flow, and an increase in parking spaces.

Swing Space - Mr. Demko said the General Classrooms building has been modified to convert classroom space into labs for the Life Science Division. Portable buildings have been located adjacent to the theater to provide space for the drama program and the dental and medical assisting programs. He commented that 3 major sites on campus are currently under construction; fencing with green netting has been installed to minimize the impacts.

Facilities Committee - The committee will begin meeting when the fall semester gets underway. Options for allocation of funds from cost savings will be discussed.

Humanities/Business Humanities/old Student Services – Mr. Demko said this state-funded project will be completed in three phases. In the first phase, the former Student Services building will be gutted and converted to office space for Humanities and classrooms for Supportive Services. The second phase will consist of the renovation of the Humanities

building. In the third phase, the Business Humanities building will be demolished and the parking area will be expanded.

Theater – There were bid protests concerning the recent construction bids received, so the project will be re-bid in June. Asbestos abatement is handled separately from the project and is underway. Mr. Fagan asked if bids are expected to be in line with the budget. Mr. Demko said bids are expected to exceed the budget by \$600,000 - \$700,000 as theater projects are expensive.

Life Science/Physical Science Buildings – Mr. Demko reported the successful bidder on this project is another local contractor, Otto Construction. He said 10 bids were received and the amounts were very close.

Gym First Floor – This project will go out to bid as recent bids on other projects have been under budget. Mr. Demko expected the \$4 million project budget will need augmentation.

Outside Lockers Adjacent to the Art Buildings – The art lockers replacement project is finished.

Pool/Tennis Courts – This project cannot proceed until the gym first floor project has been completed. In the interim, Mr. Demko said one of the tennis courts will be used as a location for portable buildings for the physical education program. The pool is planned for refurbishment in 2013.

Music Building – Currently, \$1.2 million has been budgeted for this project. Bid savings may allow for the scope of this project to be increased. Dr. Garrison commented programmatic needs also will be examined to determine the implications for project components. The Facilities Committee has been asked to review.

Student Center – Very preliminary drawings have been completed. This project is on hold until the academic projects have been completed.

8. Meeting Schedule

Dr. Garrison noted the annual organizational meeting is scheduled for Monday, November 7. Incoming members will be invited to attend the meeting to provide a transition. He said a draft annual report will be shared for review and action.

9. Suggestions for Future Agenda Topics and Announcements

There were none.

10. Adjournment

Chair Hodgson adjourned the meeting at 3:50 p.m.