

# MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT

## CITIZENS' BOND OVERSIGHT COMMITTEE

November 7, 2005

3:00 PM, Sam Karas Room, Library & Technology Center

### Meeting Minutes

MEMBERS PRESENT: Ms. Barbara Canter  
Mr. Howard Gustafson, Jr.  
Mr. Rick Heuer  
Mr. Jay Hudson  
Mr. Rick Johnson  
Dr. Melvin Kline  
Mr. David Lewis  
Mr. Steven Vagnini  
Mr. Ken White

ABSENT: None

STAFF PRESENT: Mr. Joe Bissell, Vice President for Administrative Services  
Mr. Steve Morgan, Director of Facilities  
Ms. Vicki Nakamura, Assistant to the President

#### **1. Call to Order**

The regular meeting of the Citizens' Bond Oversight Committee of Monterey Peninsula College was called to order at 3:03 PM.

#### **2. Introduction of Dr. Carl Ehmann, Interim Superintendent/President**

It was announced that Dr. Ehmann was unable to attend the meeting.

#### **3. Public Comment**

None.

#### **4. Approval of Minutes**

It was moved by Mr. Lewis and seconded by Mr. Johnson to approve the minutes of the August 8, 2005 meeting. Motion unanimously carried.

#### **5. Committee Membership**

The Bylaws state that members can serve two terms. Mr. Bissell asked Barbara Canter, Howard Gustafson, Rick Heuer, Jay Hudson, and Ken White, whose first terms expire in 2005, to serve a second term, and all stated their agreement. Their reappointment will be confirmed by the Board of Trustees at the November meeting.

**6. Officers**

Mr. Bissell noted the By-Laws provide for the Superintendent/President to appoint the Chair of the Committee. He reported that he had conferred with Dr. Ehmann, and Jay Hudson has agreed to serve a second term as Chair. Howard Gustafson, Jr., was approved to continue serving as Vice Chair by acclamation.

**7. Accept Bills and Warrants Report**

Mr. Bissell reviewed the list of payments from bond funds expended through September 30, 2005. It was moved by Mr. White and seconded by Mr. Gustafson to accept the bills and warrants report. A question was asked regarding the purchase of a mobile office. Mr. Bissell responded that Kitchell personnel, including Joe Demko, occupy the office and it was cheaper to purchase rather than rent. Dr. Kline noted the monthly bond expenditure report is easier to track versus the quarterly expenditure report. Motion carried unanimously.

**8. Annual Report for 2004-05**

Mr. Hudson stated the Committee is required to complete a written annual report per the By-Laws for submission to the Board of Trustees. A draft annual report was included with the agenda for the Committee's consideration. Mr. Bissell noted that the financial report showed that \$1.29 million in interest had been earned and \$6 million was expended during the past year, leaving a balance of \$35 million.

It was moved by Dr. Kline and seconded by Mr. Gustafson to approve the report for presentation to the Governing Board. The motion carried unanimously.

**9. Update on Facilities Projects**

Joe Demko, Bogard + Kitchell, distributed a handout with timelines for the current facilities projects. He then provided the status of these projects.

Athletic Facilities

- *Building 24*  
Bids were received for this project and the Governing Board awarded the contract to Tomlinson, whose bid was \$2.8 million, exceeding the project budget of \$2.4 million. Demolition of the existing building will begin next week and the new building is scheduled to be completed in one year.
- *New Track and Field*  
This project is over budget and \$3 million in reductions have been made. The Division of the State Architect (DSA) has approved the plans, the project has been rebid, and the new bid opening date is December 13, 2005. Bids have been coming in high and this project will not be within budget. It has been proposed to use up to \$3.9 million from later phases of the Physical Education facility projects to make up the shortfall.
- *Turf*  
Bids on this project were received, but the project is being rebid.

Mr. Demko noted that recent construction project bids have been coming in 30% over budget. Dr. Kline asked if there was a pool of funding available to cover these excess amounts so that other projects would not be affected. Mr. Bissell explained the College does

not have additional funding to handle these overages. He stated that the college will need to reevaluate the scope of projects if bids come in millions over the project budget.

#### Child Development Center

Mr. Demko stated there was a serious concern that the construction budget for this project would be exceeded due to the curved design of the building. A different architectural firm was retained and a simpler wood frame structure was designed, consisting of three separate buildings. The assignable square feet for the project remains the same. The plans for the project will be submitted to DSA at the end of October.

#### Utilities Infrastructure Upgrade

Mr. Demko reported conceptual plans had been completed. All underground utilities will be redone. The next steps consist of preparing working drawings and bidding the project, with construction to begin in May or June. This project will be completed in phases to avoid the entire campus being excavated at the same time.

#### Old Library

Mr. Demko said Ratcliff Architecture has developed a layout for the various administrative offices and services to be housed in the former library. The next step will be to determine if this plan works for the different programs.

#### CEQA for the Campus Physical Master Plan

Mr. Demko stated that traffic studies were being completed to meet the California Environmental Quality Act (CEQA) requirements for the campus physical master plan. He said that separate CEQA studies had been completed for the Physical Education facilities and Child Development Center projects.

### **10. Facilities Projects Timelines and Schedules**

Mr. Demko reviewed the timelines and schedules as part of the facilities update given under the previous item.

### **11. Update on Bond Refinancing**

Mr. Bissell reported that all Committee members had been sent a letter on October 11, 2005 regarding the bond refinancing. He said the Board of Trustees had approved the refinancing of \$40 million of bonds at the October 25, 2005 meeting. Mr. Bissell explained that refinancing was possible because current bond yield rates are lower. The interest rate was 4.58% when the bonds were originally issued; the current interest rate is 4.21%. He added that the property tax base has grown faster. The original projection for the last three years was 4%; however, the actual growth of the tax base was 27%. Refinancing of the bond will yield \$4.2 million and the debt will be paid in 2020 rather than 2027. Mr. Bissell noted the taxpayers would be saved \$0.5 million as a result.

Mr. Heuer asked if the College would exceed the \$145 million specified in the bond measure. Mr. Bissell responded yes; however, he explained that each series can be refinanced once and the College will not exceed the allowable property tax rate of \$25 per \$100,000 of taxable property value. Mr. Heuer expressed concern that only \$145 million

was authorized by voters. Mr. Bissell clarified that a different bond of \$35 million was being refinanced than the original bond of \$40 million.

Mr. Vagnini asked when the second bond series would be issued. Mr. Bissell answered that the College needs to spend 85% of the current series before the next series can be issued. As the first two years of the current series consisted of planning activities, actual expenditures were low. He said that expenditures would greatly increase once construction gets underway.

Mr. Vagnini inquired about the budget overages of the projects being covered in later phases. Mr. Bissell acceded that the extra funding needed would come from the second bond series. He further explained that the original project phasing plan shared with the Committee was based on the \$145 million bond, but the total costs to complete the projects were originally projected at \$212 million and are now at \$300 million. He said the phasing plan is being reevaluated to develop more realistic budgets and phases. As the College does not have \$300 million, a reshuffling of projects will be necessary. Mr. Hudson commented that the Board of Trustees will determine the priorities for revising the phasing plan. Mr. White expressed concern regarding how the projects would be affected and advised the public should be informed. Discussion followed about the need for increased public information and media coverage of bond project priorities and timelines.

#### **12. Meeting Schedule**

The meeting dates of March 13, June 12, August 7, and November 6 (annual organizational meeting) were proposed for 2006. It was moved by Mr. Gustafson and seconded by Mr. White to set these meeting dates. Motion carried unanimously.

#### **13. Suggestions for Future Agenda Topics**

There were no suggestions offered.

#### **14. Adjournment**

The meeting was adjourned at 4:03 pm.