

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT

CITIZENS' BOND OVERSIGHT COMMITTEE

March 5, 2007

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

Meeting Minutes

MEMBERS PRESENT: Mr. Peter Baird
Mr. Steve Emerson
Mr. Howard Gustafson, Jr.
Mr. Jay Hudson
Ms. Elinor Laiolo
Ms. Eleanor Morrice
Mr. Leon Stutzman

ABSENT: Mr. Rick Heuer
Mr. Ken White

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

OTHERS PRESENT: Mr. R. Lynn Davis
Mr. Joe Demko, Kitchell CM
Ms. Marilyn Gustafson

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 by Chair Gustafson.

2. Introduction of New Committee Members

Mr. Lynn Davis, Chair of the MPC Governing Board, expressed thanks to the committee for their time in providing oversight of the expenditure of bond funds. Dr. Garrison introduced new members, Mr. Peter Baird, Mr. Steven Emerson, Ms. Elinor Laiolo, and Ms. Sondra Rees. He thanked the new members for their willingness to serve on the committee and distributed a hand-out listing current member terms.

3. Public Comment

None.

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. Mr. Casnocha noted the college's bond, Measure I, was approved under Proposition 39 requirements which provide for general obligation bonds to be approved with 55% voter approval rather than a 2/3

majority vote. Proposition 39 regulations stipulate the establishment of a citizens' oversight committee; provide for greater project specificity to allow the public to determine if funds are being spent appropriately; and require an independent financial audit to be performed on the district's bond funds for the college trustees and citizen's oversight committee.

Mr. Casnocha then reviewed the committee's Bylaws which summarize and reflect Education Code regulations regarding the committee's role and responsibilities. He said the committee is advisory only and has no independent legal authority. Mr. Casnocha elaborated that the committee has no powers for remedies if bond funds are not spent appropriately. The three primary duties of the committee are to inform the public, review and report on the expenditure of taxpayers' monies, and advise the public on the district's compliance with Proposition 39. He noted the committee's meetings are subject to the Brown Act and most of the business and deliberations of the committee should be conducted in public. The purpose of the Brown Act is to guarantee open meetings of local governing bodies and allow the public to participate. Only items on the agenda can be discussed. If a committee member is absent, he or she may participate by conference call.

Mr. Casnocha explained community colleges have used bond funds to leverage state funding. Thus, bond projects may be funded by more than one source; however, he cautioned that the committee's oversight role is confined to bond funds. College staff will provide the committee with quarterly expenditure reports to review. There should be some correlation between those expenditures and bond projects. Mr. Casnocha advised the committee to review Exhibit B of the district's bond resolution to find the list of projects authorized by the voters for bond expenditures.

He noted the phrase, "no money for teacher/administrator salaries," was added to Proposition 39. The state attorney general has clarified that the law was intended to exclude teaching and curriculum activities. The salary and overhead of employees involved in administering bond projects is permissible; however, Monterey Peninsula College has elected not to spend bond funds on facilities project staff.

To inform the public, Mr. Casnocha said the committee is required to provide the Board of Trustees with an annual report. The district also has the responsibility of maintaining a website and posting appropriate information. He emphasized that there should be unanimity in the committee's communication to the public; the committee should speak with one voice, through the Chair. The committee may use its own discretion to determine its communication methods, such as publishing a column in the newspaper or appearing before the Board of Trustees at a public meeting.

Mr. Casnocha reviewed Section 4 of the Bylaws that describes the authorized activities of the committee. The bond financial report/audit may be reviewed by the committee. In addition, the committee may inspect college grounds and facilities (e.g., through a tour), review the deferred maintenance and master plan, and review the district's cost-saving measures in regards to design, bidding, and energy efficiency. He noted that if the committee found there was a chronic problem of spending inefficiently, this problem could be listed in the annual report.

Committee members' terms are limited to two 2-year terms. The Bylaws were designed to provide for continuity of membership as well as a regular rotation of the membership.

Mr. Casnocha reviewed the authority of committee members. He stated that committee members cannot direct staff, but may receive all reports submitted to the Board or related to Measure I. The committee can expect the district to post meeting notices and agendas in

compliance with the Brown Act, keep minutes, and prepare the website. Mr. Casnocha emphasized bond proceeds cannot be used to support the committee; rather, the district's general fund will provide funding support.

Mr. Baird noted the Bylaws were restrictive regarding the activities of committee members and asked about personal liability related to the committee's work. Mr. Casnocha answered that while the CBOC does not have direct decision-making authority, there might be a liability concern if a suit was brought against the district regarding the expenditure of bond funds. He said that the committee may be listed as an additional insured on the district's liability policy or the college's governing board may indemnify committee members. Mr. Bissell clarified that the CBOC is endorsed on the district's liability policy and thus, was afforded the same protection as the trustees.

Mr. Casnocha concluded with a review of the Ethics Statement and Policy. He commented that committee membership was not an opportunity to lobby for contractors and reminded committee members of their fiduciary responsibility to represent the public. To avoid a conflict of interest, members should review expenditures in an impartial way and not act on behalf of any one contractor. Dr. Garrison asked about the need for committee members to file Form 700, the conflict of interest disclosure form from the state Fair Political Practices Commission. Mr. Casnocha responded that oversight committee members were not subject to these requirements and did not have to fill out the form.

Mr. Casnocha advised forwarding any questions that may arise regarding the Bylaws or whether a project was authorized for bond funds to him through Joe Bissell. He said there would be no charge to answer questions or attend meetings.

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

Mr. Casnocha indicated that he had reviewed the Brown Act as part of his presentation on the committee's duties and activities.

6. Approval of Minutes

It was moved by Mr. Hudson and seconded by Mr. Stutzman to approve the minutes of the November 6, 2006 meeting. Motion carried, with the new members abstaining.

7. Accept Bills and Warrants Report

Mr. Bissell reviewed the report. He stated the report provides a list of all expenses incurred since the last quarterly meeting of the committee. Mr. Bissell observed that the committee was not being asked to approve expenses; rather, the committee would be taking action to accept the list. Dr. Garrison added that the report shows where the money is being spent and thus, where the projects are going.

It was moved by Mr. Hudson and seconded by Ms. Laiolo to accept the bills and warrants report. Motion carried unanimously.

8. Bond Expenditure Status Report

Mr. Bissell reviewed the reports for October, 2006 through January, 2007. For the benefit of the new members, he explained the committee had asked the district to produce this report and the main columns to review are "% Cost Complete" and "% Schedule Complete." Mr. Bissell explained that facilities projects typically take three years to complete. During the first two years of a project, the fees are related to architectural design costs. In the last year, the contractor is hired and construction takes place. The majority of expense occurs during the

last year. He noted the document was an “after the fact” report and the Governing Board receives the same report to review. Dollar amounts are reconciled with the bills and warrants report.

Mr. Baird questioned why the Environmental Impact Report was listed as 81% cost complete with only 27% of the schedule completed. Mr. Bissell explained the environmental document for the main campus was completed first and comprised the major portion of the expense. He said there are two additional California Environmental Quality Act (CEQA) documents needed for the projects at Fort Ord, and the expense will be smaller.

9. Bond Audit Report for 2005-06

Mr. Bissell reviewed the bond audit report and the procedures performed. He reported the final summary concluded that \$13,708,230 million of bond funds had been expended to date as intended by the district’s voters. Mr. Bissell commented it was a clean audit, with no findings.

10. Update on Facilities Projects, Timelines and Schedules

Mr. Bissell noted the update is usually given by Joe Demko, the district’s bond program manager. For the new members, Mr. Bissell provided additional background on the district’s bond program. He said the bond covered 15 years of construction and began in 2003. The total cost of campus facility projects was originally estimated at \$212 million, but with escalation of 30%, the current cost is \$300 million or more. The Facilities Master Plan Redo Committee has been evaluating the projects to reduce costs. Local bond funds will supply \$145 million, with the remainder to come from other funding sources, such as state funds, energy efficiency projects, or fundraising. A presentation on the Facilities Master Plan Redo Committee recommendations will be given to the trustees in April.

Mr. Bissell explained the steps to complete a project. The district is not subject to local zoning regulations, but plans must be approved by the Division of the State Architect (DSA). Two years are needed for the planning and approval process and one year for the construction phase. The application process for state funding takes an additional three years; thus, the timeline for a state-funded facilities project is six years.

Mr. Bissell reported that the majority of the bond funds would be used for current facilities on campus, including new sidewalks, new boilers, and new roofs. Renovation of campus infrastructure is the single biggest project at \$20 million and will take two years to upgrade the gas and electrical utilities and sewer lines on campus. Completed bond projects include the landscaping around the Library & Technology Center building and improvements to the new Plant Services facility.

Mr. Bissell continued with background information on current facility projects.

Stadium

The Physical Education facilities project consists of three phases. The first phase covers renovation of the stadium (athletic fields and bleachers) and construction of a new fitness facility. The stadium comprises 20% of the campus square footage. Future phases will involve renovation of the gym and the pool/tennis courts.

Child Development Center

This project is largely state-funded. Construction on this project began four months ago. The building is horseshoe-shaped, with the playground in the center. The buildings have been framed and the HVAC is being installed. The playground will be finished in June.

Education Center at Marina

Portable buildings have been purchased and will be installed next to the tennis courts and be operational for the fall semester. The CEQA study is underway for the permanent building which will be completed in three years.

Public Safety Training Center at Seaside

Three portable buildings were installed at the site at Col. Durham Road in Seaside. The fire academy program has moved in and the police academy will move in next month. Two existing buildings will be renovated at this site for the fire and safety programs.

Mr. Bissell asked Mr. Demko to provide a status update on the various bond projects.

Stadium

Mr. Demko said fencing, concrete work, and landscaping remains to be completed.

PE Fitness Building

The program will move into the building in April. DSA required the addition of an elevator to the building; plans are underway to make this modification.

Public Safety Training Center at Seaside

The architect is working on the building design with the police and fire academies staff. The engineers will certify the existing building for reuse.

Lecture Forum Bridge

A new bridge will be constructed to replace the current one. The plans are in DSA for approval. It is hoped the construction can begin in June.

Student Services Building

Mr. Demko reported the architect is working on a more efficient layout. Preliminary drawings will be undertaken soon.

Field Act Seismic Work

Four buildings need seismic upgrades. Work on the Gym and the Social Science Building will be completed during the summer.

Social Science and Lecture Forum Restroom Renovations

Drawings are awaiting DSA approval.

Lecture Forum

Mr. Demko said the Lecture Forum HVAC system would be renovated this summer. In addition, the acoustics and seating will be refurbished in Lecture Forum 103.

Mr. Emerson proposed the committee be given a tour of these facility projects. Chair Gustafson suggested the tour be scheduled for the next meeting on June 11. It was agreed to hold the tour at 2:00 PM before the committee's meeting.

Mr. Demko distributed a master schedule to the committee. He explained that the individual project schedules were condensed and only the construction schedule is reflected. Mr. Demko emphasized the schedule was a draft, that changes are to be expected due to funding, etc. He will provide an update of the schedule at future meetings.

Mr. Baird asked about the pool and tennis court renovation. He noted that Mr. Bissell indicated two years of planning work was involved. In the event there was a donor who contributed funding, Mr. Baird asked if the architectural work had been completed or if the plans could be

submitted to DSA in advance. Mr. Bissell explained there was a disadvantage to doing the drawings too early. Codes change and DSA requires the architect to sign off, so phasing of the project is necessary. He agreed that the pool could be advanced if funding was found.

Ms. Rees asked about parking improvements and where additional parking was located. She has heard concerns from the community expressed regarding parking. Mr. Bissell said that 130 spaces have been added in the past four years. Thirty spaces were just added to parking lot A and there was a proposal to eliminate the islands with trees to add 75 more spaces. He said there will be 60 spaces added at the new Child Development Center. Mr. Demko mentioned that the district did not want to do much work in the parking lots because of the impact of the infrastructure project. Mr. Bissell added that the campus is built-out so additional parking is difficult.

Dr. Garrison commented that addressing the parking problem involved more than adding spaces. He has asked Mr. Bissell to complete a campus transportation plan that will consider the number of cars as well as scheduling impacts. He said the current Child Development Center plan will bring the transit center into campus. An improved bus schedule will increase ridership. Offering rideshare incentives and examining the schedule of classes to spread out the use of classrooms will also contribute to more efficient use of parking space on campus. Ms. Rees suggested a presentation to the public to share this information.

Dr. Garrison followed up on Mr. Baird's earlier question regarding the pool renovation. He said if a donor came forward, the college would work to accommodate the renovation earlier. Dr. Garrison stressed the college is looking for ways to leverage dollars, and the state funding process is a lengthy one, usually taking more than six years to achieve. Mr. Baird acknowledged that in the private sector, projects do not require these steps. He suggested a public education process to convey the message that \$145 million is not enough. Dr. Garrison said Mr. Baird's suggestion served as a reminder about the importance of communicating to the public. He stated his desire to share more information with the committee about planning and consideration of options due to the need for more funding.

11. Meeting Schedule

Future meetings of the Committee are scheduled for:

Monday, June 11, 2007, 2:00 PM – facilities tour, 3:00 PM -- meeting

Monday, August 6, 2007

Monday, November 5, 2007 (Annual Organizational Meeting)

12. Suggestions for Future Agenda Topics and Announcements

Mr. Hudson asked about how to accomplish the committee's duty to inform the public. Mr. Bissell suggested placing an information ad in the newspaper as an option.

13. Adjournment

The meeting was adjourned at 4:37 p.m.

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