

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT

CITIZENS' BOND OVERSIGHT COMMITTEE

November 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.
Ms. Elinor Laiolo
Ms. Eleanor Morrice
Ms. Sondra Rees
Mr. Leon Stutzman
Mr. Ken White

ABSENT: Mr. Rick Heuer
Mr. Jay Hudson

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

OTHERS PRESENT: Mr. R. S. Coté
Mr. Lynn Davis
Mr. Joe Demko, Kitchell CM
Ms. Daphne Hodgson
Ms. Mary Ann Kane
Mr. Ron Pasquinelli
Mr. Randy Porter, Kitchell CM
Mr. Gary Ray
Dr. Jim Tunney

1. Call to Order

The regular meeting of the Citizens' Bond Oversight Committee of Monterey Peninsula College was called to order at 3:06 PM by Chair Gustafson.

2. Public Comment

None.

3. Committee Membership Review

Dr. Garrison noted that membership of the Committee was in transition. Four members, Howard Gustafson, Rick Heuer, Jay Hudson, and Ken White, will be completing their tenure on the Committee, having served two consecutive terms. In addition, Leon Stutzman, will be completing his first term and leaving the Committee. Mr. Heuer and Mr. Stutzman were representatives of the Monterey Peninsula Taxpayers Association and the GENTRAIN

Society, respectively. As “designated seats”, both of these organizations were contacted for replacements. Ron Pasquinelli will be representing the taxpayers association and Mary Ann Kane will be the new representative of the GENTRAIN Society. Dr. Garrison stated the remaining vacancies on the Committee will be for representatives of the community at-large. Notices were placed in the newspaper and six applications were received. Scott Coté, Daphne Hodgson, and Gary Ray have been appointed to represent the community at-large. Dr. Garrison noted the incoming members had been invited to attend the meeting and he introduced them to the Committee.

Dr. Garrison recognized Mr. Gustafson, Mr. Heuer, Mr. Hudson, Mr. White, and Mr. Stutzman for their service on the Citizen’s Bond Oversight Committee. Each (with the exception of Mr. Heuer and Mr. Hudson who were not in attendance) was presented with a framed certificate of appreciation.

College trustees, Lynn Davis and Jim Tunney, were introduced by Dr. Garrison. Mr. Davis, Chair of the Governing Board, expressed thanks on behalf of the Board to the outgoing Committee members.

4. Officers

Dr. Garrison informed the Committee that Peter Baird had agreed to serve as chair for the next year. Dr. Garrison thanked Howard Gustafson for his leadership as chair of the Committee during the past year.

Nominations were opened for vice-chair. Motion to approve Steve Emerson’s nomination was made by Mr. Gustafson, seconded by Ms. Laiolo. The vote was unanimous in support of Mr. Emerson’s election.

5. Approval of Minutes

Motion to approve the minutes of the August 6, 2007 meeting was made by Mr. Emerson and seconded by Mr. Stutzman. Motion carried, with one abstention (Ms. Laiolo).

6. Accept Bills and Warrants Report

Mr. Bissell noted several credits were reflected in the report. On page 1 under the Fort Ord Public Safety project, there was a credit of \$19,250 due to a double billing to the architect that was caught and reversed. Under the Lecture Forum project on page 2, a credit of \$188,631 for a heating and ventilation repair resulted when the expense was charged to state Scheduled Maintenance funding. Another credit of \$64,493 for Scudder Roofing for the Lecture Forum bridge repair on page 7 also was due to state Scheduled Maintenance funds being used. Mr. Bissell explained the next credit of \$181,860, appearing on page 8 under the Old Library project, was due to the state providing 50% of the funding for the building renovation. Under the PE Field/Track project, the credit of \$100,000 for artificial turf reflects grant funding received from the state waste tire program. The final credit of \$4,200, appearing on page 10 under seismic retrofit projects, was a result of the expense being moved to the Social Science renovation project. Mr. Bissell stated this project category would be eliminated in the future as only one seismic project was completed.

Chair Baird asked about the report title and also recommended that it would be clearer if “Year to date through September 30” was added. Mr. Bissell responded that the report actually covered the period from inception of the bond to September 30, but only showed financial activity for the quarter.

Chair Baird noted the same expense for construction zone fencing was listed for both the Lecture Forum and Social Science Buildings. He asked if the expenses were separate or a possible duplicate. Mr. Bissell explained that one firm was hired to provide fencing and the bill might have been split between the two projects. He said he would confirm the billing was correct.

A question was also asked about the expense "to haul away contaminated dirt from Fort Ord" listed under the Physical Education Field/Track project. Mr. Bissell explained that soil was removed from the stadium field and moved to the college's Fort Ord site where additional fill was needed. The soil was later found to be contaminated with asbestos pipe and the soil had to be removed. The expense was charged to the physical education project.

Motion to accept the bills and warrants report was made by Mr. Emerson and seconded by Mr. Gustafson. Motion carried unanimously.

7. Bond Expenditure Status Report

Mr. Bissell reviewed the July, August, and September reports. Chair Baird noted that the Auto Technology Building and Drafting Building projects were listed as closed projects on the bills and warrant report, but were listed as 2% complete on the monthly expenditure reports. Mr. Bissell said these were small projects to replace the furnaces and were done out of sequence. Rather than continue to carry the projects on the reports, he stated the items will be closed out until the projects are restarted.

Chair Baird asked for clarification of a credit to the UC Regents for \$6,517 on the September report. Mr. Demko said he would research the item and report back.

A question was asked about interest income. Mr. Bissell said bond monies have been invested with the Monterey County Treasurer and are currently earning 5.2% interest. He added that the interest income was intended to pay bond program management fees. Mr. Bissell reported \$2.9 million in interest income has been received and \$1.8 million has been expended for bond program management through September, leaving the college \$1 million ahead.

8. Annual Report for 2006-07

Dr. Garrison stated the Committee is required to complete a written annual report for submission to the Board of Trustees. A draft annual report was included with the agenda for the Committee's consideration.

Mr. Bissell reviewed the financial summary on page 7. He reported that from August 2006 through September 2007, \$25 million had been spent, resulting in a total expenditure of \$40.3 million of bond funds. Mr. Bissell stated the college was in the process of issuing the second series of bonds, having reached the 85% expenditure level. A cash flow analysis has shown that \$70 million will be spent in the second series and \$25 million in the third series. He said the same companies will be used to complete the issuance of the bonds. The college anticipates selling the bonds and receiving the cash in late December or early January.

Dr. Garrison said the annual report was required to meet the requirements of Proposition 39. To provide more information to the public at large, he reported he is working with Rich Montori, Public Information Officer, to publish an annual report in spring that would combine information from the MPC Foundation and the college. He also mentioned the college is

launching a new website, with a webpage devoted to the activities of the Citizen's Bond Oversight Committee.

Mr. Coté asked if the combined annual report would be funded from the bond. Dr. Garrison responded that both would be funded by the college's general fund as operational costs. Chair Baird commented that the planned publication would be an affirmation of the public's commitment and a reminder of the work that is proceeding.

Motion to approve the annual report for submission to the Governing Board was made by Mr. Gustafson and seconded by Mr. Emerson. Motion carried unanimously.

9. Update on Facilities Projects, Timelines and Schedules

Mr. Demko, the college's bond program manager, reviewed the specific facility projects.

Stadium

Mr. Demko reported the dedication of the facility was held. He noted the field drained well during the recent rainstorm.

PE Fitness Building

The building has been completed. In response to a request from the state, an elevator will be installed to accommodate both the gym and fitness building. It is hoped that work on the elevator will begin soon.

Child Development Center

Mr. Demko stated the project is complete and a notice of completion has been filed. This project was 100% state funded, with \$362,000 provided by the state for equipment.

Public Safety Training Center (Fort Ord)

A self-certification process is being used to renovate the existing buildings on the site. The usual process is for building plans to be reviewed by the Division of the State Architect (DSA) for six months. In this case, there are no drawings available for the former army buildings. A structural analysis has indicated the buildings could be reused. Reuse of the buildings will save money and support "green" design principles. Meetings have occurred with DSA to enable the college to self-certify the buildings and Mr. Demko reported the process is on track. Plans were submitted to DSA in October and it may be possible for bidding to occur in March. Construction work will then start in the summer and the project will be completed in a year.

Satellite Center (Fort Ord)

Mr. Demko stated the college is currently leasing space for classrooms at the UCMBEST facility. Two portable buildings have been purchased for classrooms and installed on the college's site. Two additional modular buildings will be rented to provide administrative and restroom facilities. Lighting is currently being installed.

Infrastructure

The campus infrastructure upgrade was intended to be a 2-year project. After 10 months, the project is 85% complete. Mr. Demko said the goal was to install the infrastructure before the winter rains came and noted the project was completed 8 months ahead of schedule. He lauded Granite Construction's work.

Old Library

This \$5 million project is 50% state funded. Mr. Demko reported the project was out to bid and the deadline was extended one week. Sixteen general contractors have expressed interest in the project. There will be a significant amount of seismic work involved.

Student Services Building

Mr. Demko reported the location and layout of the building have been determined. When the engineering work has been completed, the plans will be submitted to DSA. Bidding will occur in late summer.

Lecture Forum

Seating has been installed and audiovisual problems were resolved. All work was completed by the start of the school year.

Parking

It was noted that just over 200 additional parking spaces have been added to campus, including the Library Technology Center and Child Development Center areas.

Dr. Garrison asked Mr. Bissell to discuss the role of the Facilities Master Plan Redo Committee. Mr. Bissell stated the committee consists of 14 representatives from various areas of the campus. The committee reviews estimated costs and discusses project priorities and scenarios that are frequently shifting. He said the intent is to complete all of the planned facilities projects although some may not be as grand as originally planned. Mr. Coté observed that perceptions on campus need to be managed when projects are modified. Mr. Bissell explained the college must be able to justify the need for its proposed projects in terms of enrollment demands and capacity load ratios to qualify for state funding. Mr. Bissell reviewed the Math-Science project as an example of a project that did not meet these criteria and thus, did not qualify for state funding.

Dr. Garrison added that programmatic needs are pre-eminent in facilities planning; however, the college operates within a state system and must be sensitive to state standards. He agreed it was important to manage expectations. The next guidepost will occur in December when the college will learn of the state Chancellor's Office decision regarding funding for projects submitted last July. Projects may need to be realigned based on those state decisions.

Mr. Emerson inquired about the status of the property exchange at the college's education center site in Marina. Dr. Garrison reviewed the situation regarding the Cypress Knolls development and how the use of Third Avenue would have split the campus. A land exchange was negotiated with the City of Marina to give a contiguous piece of property to the college. This land exchange still needs to be signed off by the U.S. Army and the U.S. Department of Education. The documents have been completed, but signatures are still needed.

Dr. Garrison reported the architectural design has been redone to recognize the change in parcels. The preliminary design was presented to the Governing Board in October and will be approved by the trustees at their meeting in November for submittal to DSA. He said the first phase of the education center in Marina will take 3 years to complete. Subsequent phases will be developed in increments to respond to population growth in the area.

10. Meeting Schedule

The meeting dates of March 3, June 9, August 4, and November 3 (annual organizational meeting) were adopted for 2008.

11. Suggestions for Future Agenda Topics and Announcements

Dr. Garrison requested Mr. Bissell to provide the Committee with an overview of the process for applying for state funding at the next meeting.

As the new members will be seated at the next meeting, Ms. Nakamura suggested that district bond counsel, David Casnocha, be invited to provide an orientation regarding the Committee's role and responsibilities and to review the Brown Act.

Ms. Morrice recognized college staff and Mr. Bissell for their efforts regarding the bond program.

Mr. Stutzman expressed his appreciation for the Committee's work and the quality of the college's facilities.

Chair Baird welcomed the new members and acknowledged Ms. Nakamura's efforts to distribute the agenda earlier.

Ms. Hodgson requested past financial reports to review in preparation for joining the Committee in March. Mr. Bissell said copies of past bills and warrants reports would be provided to her.

12. Adjournment

The meeting was adjourned at 4:11 p.m.

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