



MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

Monday, June 11, 2018
3:00 PM – Regular Meeting
Sam Karas Room, Library and Technology Center
Monterey Peninsula College
980 Fremont Street, Monterey, California
4:00 PM – Tour of Campus Facilities Projects (Postponed)

MEETING MINUTES

MEMBERS PRESENT: Mr. Hunter Harvath, Chair
Mr. Dan Albert Jr.
Mr. Tom Gaspich
Mr. Dave Hober
Mr. Jeff Riehl

ABSENT: Mr. Rob Lee, Vice-Chair
Mr. Stephen Lambert

STAFF PRESENT: Dr. Walter Tribley, Superintendent/President
Mr. David Martin, Vice President for Administrative Services
Ms. Rosemary Barrios, Controller
Mr. Michael Carson, Kitchell
JoRene Finnell, Executive Assistant to the Superintendent/President and Governing Board

OTHERS PRESENT: Mr. David Casnocha, Bond Counsel from Stradling, Yocca, Carlson, and Rauth

1. Call to Order

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

2. Public Comment

Dr. Tribley introduced JoRene Finnell as the new Executive Assistant to the Superintendent/President and Governing Board.

Chair Harvath introduced Mr. David Casnocha, the District's municipal bond counsel, who will be providing the Committee with a presentation of the purposes, duties and activities of the CBOC. Dr. Tribley asked each of the Committee members to introduce themselves to Mr. Casnocha.

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

Mr. Casnocha provided an orientation for the new members regarding the role of the Committee. Mr. Casnocha stated that Monterey Peninsula College's bond, Measure I, was approved under Proposition 39 requirements which amended the California Constitution. He noted Proposition 39 lowered the threshold for voter approval of general obligation bonds to 55% and required the establishment of an oversight committee. Proposition 39 allowed bond proceeds to be used for acquisition of furniture and equipment. Proposition 39 also required an annual independent financial and performance audit of bond expenditures. He noted that Proposition 39 amended the Education Code to include the powers of the oversight committee.

Mr. Casnocha then reviewed the Committee's bylaws. **Section 2** specifies that the Committee's activities are subject to the Brown Act; all Committee business must be conducted in public. Only items appearing on the meeting agenda may be discussed. He stated that the Brown Act prohibits serial meetings where one member talks to a second member who then talks to a third member resulting in agreement on an issue. He cautioned against engaging in discussion of Committee business (agenda items) outside of the regular meetings.

Section 3 describes the key functions of the Committee, with the primary purpose being to review expenditure reports to determine that bond funds are spent only for purposes authorized in Measure I. The project list, Exhibit B, of the District's bond resolution, provides the types of projects approved by the voters for bond expenditure. Mr. Casnocha stated that a project may not be expressly described in Exhibit B; however, if it corresponds with the types of projects listed, then the project is recognized as authorized. He explained that the legislature realized that districts need to change over time. He advised the Committee to review the project list included with Measure I to determine projects the bond funds were intended to fund.

Mr. Casnocha stated that bond funds cannot be used for operations nor for administrator or teacher salaries. He indicated that the state attorney general issued an opinion that bond funding may be used for staff members who administer bond funds for the District. MPC has not used funds for this purpose but has hired a managing consultant.

Another key function of the Committee described in **Section 3** is to inform the public of the Committee's activities and District expenditure of bond funds. Mr. Casnocha noted this communication should be accomplished through the Committee chair and reflect the Committee as a whole. He provided examples of how information could be provided, such as through the Committee website or through an annual report presented in a public meeting. The annual report must be submitted each year and must include an affirmative conclusion that the District is in compliance with legal requirements regarding bond expenditures. All annual reports are posted on the website and new members may have suggestions for a different style. He stated that annual reports are generally provided at the end of the year, but the Committee may want to change the date to allow for submission after the Proposition 39 financial audit reports are received.

Mr. Casnocha reviewed the authorized Committee activities listed in **Section 4**. For the Committee to perform the duties of reviewing expenditures, informing the public, and preparing a written annual report, the Committee is to receive the annual financial audit and performance reports. In addition, the Committee may inspect College grounds and facilities through a tour. The Committee is also authorized to review copies of deferred maintenance and other facilities plans to determine how the District intends

to maintain buildings constructed or renovated with bond funds. The Committee may also review the efforts of the District to maximize bond funds, such as applying for state matching funds.

Mr. Casnocha discussed **Section 5**, which covers Committee membership. He noted members are not subject to state conflict of interest regulations as specified in **Section 5.3** because the Committee's purpose is to provide oversight rather than be a decision-making body. Under **Section 5.4**, the bylaws provide for continuity of membership through the staggering of terms and specify Committee members are limited to two consecutive terms. Mr. Casnocha said that there has been a recent legislative change and Committee members may now serve three consecutive terms. In addition, a member whose term has expired may continue serving until a replacement has been appointed.

Section 7 regarding District support for the Committee was reviewed. Under **Section 7.2** regarding meeting attendance of District staff and consultants, Mr. Casnocha advised members to request the District auditor to attend if they are unfamiliar with bond audit reports.

Mr. Casnocha concluded his review of the bylaws with **Section 11** regarding termination of the Committee. He stated that the Committee will remain in existence through the fiscal year after the last bond dollar has been spent.

Dr. Tribley inquired about the effort and recruitment made to find a replacement representative from the Tax Payer's Association on the Committee, noting that no one has been found. Mr. Casnocha explained if a reasonable effort has been made in good faith and yet a representative is unable to be secured from the Tax Payer's Association, another person may join so that a quorum of the Committee may be maintained.

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

Mr. Casnocha included his review of the Brown Act as part of his presentation of the Committee's role. Mr. Casnocha advised the Committee to ask staff to contact him if there are further questions regarding the Committee's duties or the Brown Act. He said that there would be no charge for these inquiries.

5. Approval of the November 6, 2017 Minutes

Chair Harvath asked for comments, and none were offered.

Motion made by Mr. Albert Jr., seconded by Mr. Gaspich, to approve the minutes of the November 6, 2017 meeting. Motion carried unanimously.

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| AYES: | 5 MEMBERS: | Albert Jr., Gaspich, Harvath, Hober, Riehl |
| NOES: | 0 MEMBERS: | None |
| ABSENT: | 2 MEMBERS: | Lambert, Lee |
| ABSTAIN: | 0 MEMBERS: | None |

6. Approval of March 12, 2018 Minutes

Chair Harvath asked for comments, and none were offered.

Motion made by Mr. Albert Jr., seconded by Mr. Riehl, to approve the minutes of March 12, 2018 meeting. Motion carried unanimously.

AYES: 5 MEMBERS: Albert Jr., Gaspich, Harvath, Hober, Riehl
NOES: 0 MEMBERS: None
ABSENT: 2 MEMBERS: Lambert, Lee
ABSTAIN: 0 MEMBERS: None

7. Accept Bills and Warrants Report

Chair Harvath advised that the report would be reviewed by page and invited questions.

Dr. Tribley introduced Mr. Mike Carson, the Project Manager for Kitchell. Mr. Carson ensured projects are being managed effectively and funds are being maximized.

There were no further questions regarding the report.

It was moved by Mr. Riehl, seconded by Mr. Albert Jr., to accept the March 31, 2018 Bills & Warrants Report. Motion carried unanimously.

AYES: 5 MEMBERS: Albert Jr., Gaspich, Harvath, Hober, Riehl
NOES: 0 MEMBERS: None
ABSENT: 2 MEMBERS: Lambert, Lee
ABSTAIN: 0 MEMBERS: None

8. Bond Expenditure Status Report

Chair Harvath asked for questions on the March 31, 2018 Bond Expenditure Status Report.

Dr. Tribley explained that there is funding for capital projects for facilities for student safety that was lobbied through Community College League of California. Again, MPC was not chosen to be funded. Legislature approved but the Governor did not approve MPC's project. Dr. Tribley suggested to spend the \$6 million being retained for the Public Safety Training Center (PSTC), secure public support and get a new bond in 2020 that can truly fund a multi-faceted training facility.

9. Monterey County Treasurer's Investment Report

The March 31, 2018 investment report was shared with the Committee for information.

Mr. Martin stated that the District is not getting much investment return currently, but the District is getting safety. Members had no further comments or questions.

10. Superintendent/President's Update

Dr. Tribley provided an update of the Accreditation process which began in October 2016. MPC was given 22 recommendations and placed on probation as of February 2017. MPC provided the Accrediting Commission for Community and Junior Colleges (ACCJC) with a Follow-Up Report in March 2018. In April 2018, the Accrediting Commission Team visited MPC for a follow-up site visit. The ACCJC met on June 7, 2018 and gave an official notice that the sanction of Probation against MPC has

been removed and our accreditation status is reaffirmed for 18 months. There is work that must be done which relates to planning and a follow-up report must be submitted by November 2018.

Dr. Tribley reiterated that in one year, MPC addressed 22 recommendations. We established sustainable practices that will safeguard our College for our students and community well into the future. That is an achievement worthy of repeating and celebrating. He noted that he does not know of any examples of colleges going from Probation to Reaffirmation in essentially one year. This is a powerful example of what we can achieve, in the face of seemingly insurmountable odds, when we work together for our College.

Dr. Tribley informed the Committee of a Grand Jury letter received May 7, 2018 regarding the land transfer from FORA to MPC for the development of a public safety officer training facility. MPC's Grand Jury Response is due on August 1, 2018. The Board of Trustees will have a Special Meeting on July 31, 2018 to approve the cover letter and response. The response will cover the following recommendations by the Monterey County Office of the County Counsel: MOUT project, EVOC project, establishing a long-rifle range at Parker Flats, financial plan detailing these projects, hire a program manager for the projects, or MPC decision to relinquish our claim to the land so it can be transferred for other allowed and desired purposes.

11. Membership Update

Dr. Tribley noted the membership terms of three members, Mr. Gaspich, Mr. Harvath and Mr. Lee will be ending in November 2018. Representatives to replace these members will be needed. Application packets can be found on the MPC website on the Citizen's Bond Oversight Committee (CBOC) page. For packets and/or potential replacements contact JoRene Finnell at: (831) 646-4272 or jfinnell@mpc.edu.

12. Meeting Schedule

Future meetings of the Committee are scheduled for:

- Monday, August 27, 2018
- Monday, November 5, 2018 (Annual Organizational Meeting)

13. Suggestions for Future Agenda Topics and Announcements

The tour of Campus facility projects has been postponed to a later date to be determined.

14. Adjournment

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

15. Tour of Campus Facility Projects – Postponed (TBD).

/jf