

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT

CITIZEN'S BOND OVERSIGHT COMMITTEE

Monday, November 2, 2009
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. Peter Baird
Mr. Steve Emerson
Mr. Scott Coté
Ms. Daphne Hodgson
Ms. Mary Ann Kane
Ms. Elinor Laiolo
Ms. Eleanor Morrice
Mr. Ron Pasquinelli
Mr. Gary Ray

ABSENT: Ms. Sondra Rees

STAFF PRESENT: Ms. Rosemary Barrios, Controller
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. 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 3:05 PM by Chair Baird.

2. Public Comment

There was none.

3. Committee Membership Review

Dr. Garrison reviewed the updated committee roster. Scott Coté, Daphne Hodgson, Mary Ann Kane, Ron Pasquinelli, and Gary Ray have been reappointed to serve a second, two-year term and he thanked them for their willingness to serve. Dr. Garrison noted that Eleanor Morrice had just completed her tenure on the committee, having served two consecutive terms. He recognized her service and presented her with a resolution of appreciation from the Board.

4. Officers

Dr. Garrison informed the committee that Daphne Hodgson had agreed to serve as chair. Dr. Garrison thanked Peter Baird for his leadership as chair of the committee for the past two years and presented him with a certificate of appreciation for his service.

Nominations were opened for vice-chair. Mr. Emerson nominated Gary Ray, seconded by Mr. Pasquinelli. The vote was unanimous in support of Mr. Ray's election.

5. Approval of August 17, 2009 Minutes

Chair Hodgson asked Mr. Bissell for follow-up on the Bills and Warrants Report items identified in the minutes that needed further clarification. Mr. Bissell noted there were questions regarding the William Scotsman trailer rentals and staff have checked to make sure there were no duplicate payments. To avoid confusion in the future, he said the report will identify the trailers.

Motion to approve the minutes of the August 17, 2009 meeting was made by Ms. Kane and seconded by Mr. Emerson. Motion carried unanimously.

6. Accept Bills and Warrants Report

Mr. Bissell asked for questions or comments regarding the report.

Mr. Pasquinelli noted the report showed payment for two application fees, one for a water application fee to the City of Seaside for the Public Safety Training Center and the other for an air permit to the Monterey Bay Air Pollution Control District for the Phase III Infrastructure project. Mr. Bissell explained both of these fees were required as part of the renovation projects.

Referring to the furniture/equipment category on page 3, Chair Hodgson asked if the automotive technology equipment purchases should be attributed to the Automotive Technology Building renovation. Mr. Bissell said the district did not provide a furniture/equipment allocation for each project. Instead, \$4 million was allocated to control the overall expenditure. Furniture in all of the classrooms on campus was replaced out of this fund. He noted the exceptions to this approach are the Public Safety Training Center and the Marina Education Center; furniture and equipment are covered in the project budgets. Dr. Garrison added the centralized furniture allocation allows better control over expenditures and encourages purchases based on need.

Chair Hodgson's second question concerned the swing space category and several expenditures for conversion of the former Administration Building into classroom space. She asked if this building will eventually be demolished. Mr. Bissell said the original plan was to tear down the building; however, renovation of this building is less expensive than constructing a new facility. The plan still calls for demolition of the building in 7-8 years. Ms. Hodgson advised establishing a separate category for the building conversion. Dr. Garrison stated the impetus for the former Administration Building conversion is to create swing space; the building will house a succession of varying departments' classes. Although the present intent is to eventually demolish the building, the college will need to evaluate the building at that time.

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

7. Bond Expenditure Status Report

Mr. Bissell distributed a corrected bond expenditure report. He stated that minor adjustments were made in the amounts for the PE Field Track and Other Early Start projects; however the total bond expense of \$69,214,525 remained the same. The Gym

floor and bleacher project was moved to the completed category and projects were also alphabetized in the corrected report.

Mr. Bissell also reported the cost control report shows the good bid climate with project bids coming in under budget. He anticipated more projects will be added to the Infrastructure Phase III work.

8. Annual Report for 2008-09

Dr. Garrison stated the committee is required to present an annual report to the Board of Trustees and the draft report reflects the many format changes made by the committee last year. He distributed replacement pages for pages 8, 11, and 17 of the draft with the changes highlighted.

Mr. Bissell reported a change to page 7 of the report. The interest figure should show a loss of \$214,771 and the new total receipts figure should be \$154,509,153. Mr. Pasquinelli said the negative interest needs to be explained in the report. Mr. Bissell agreed; an explanation will be provided.

Mr. Baird noted errors on pages 8, 9, and 11 that needed correction. He also pointed out a discrepancy on page 12 where the description for the gym project states the cost was shared 50/50 between the college and the state, and yet the dollar amounts are unequal. Mr. Bissell explained the gym project went over budget and the additional cost was funded by the bond. The description will be updated.

Mr. Baird also observed the budget amounts listed for future projects will change due to the revised facilities plan being developed by the college. He advised adding a statement explaining that funding is uncertain and dollar amounts are subject to change. Mr. Bissell acknowledged many of the figures will change, but the revised plan has not yet been approved by the Board. Mr. Pasquinelli agreed with Mr. Baird's concern for clarity. Dr. Garrison proposed using as a notation, "Cited dollar amounts are estimates and are subject to change." It was agreed a note will be added.

Vice Chair Ray indicated the grand totals do not total across the columns on page 18. Mr. Bissell said the totals in the report will be checked and corrected in the final version.

Motion to approve the annual report, with the corrections and revisions discussed, was made by Mr. Emerson and seconded by Ms. Morrice. Motion carried unanimously.

9. Update on Investment of Bond Funds

Mr. Bissell shared a list of postings of interest received from the investment of the bond funds with the County, from October 1, 2008 to June 30, 2009. Mr. Emerson recommended the interest postings also identify the specific security, either JP Morgan or General Electric.

Vice Chair Ray asked if the negative interest amount included a portion of the principal. Mr. Bissell answered yes. Mr. Ray observed the amount was not a loss of interest then, but rather a loss of the principal. Mr. Bissell acknowledged Mr. Ray's point and agreed there should be a separate line for the loss. Chair Hodgson commented the County has chosen to characterize the loss as negative interest because they hoped to recover some of the funds. She advised making a change to the annual report to reflect this information. Mr. Emerson revised his original motion to approve the annual report to incorporate this change. Ms. Morrice concurred with her second, and the committee expressed agreement.

Mr. Emerson inquired if the entry for Lehman Brothers and Washington Mutual indicated a write off on both since only the Washington Mutual assets were sold by the County. Mr. Bissell understood the loss to be on both. He will check with the County Treasurer and report back at the next meeting.

10. Update on Facilities Projects, Timelines and Schedules

Mr. Demko, the college's bond program manager, began his report with a review of the status of current facility projects.

PE Fitness Building

The elevator is almost complete and inspection will be scheduled.

Public Safety Training Center at Seaside

Landscaping and asphalt have been installed. The classrooms are in use. The date of December 10, 2009 has been set for the grand opening and invitations will be sent to the Committee. The project was completed under budget.

Education Center at Marina

The drawings for the permanent facilities are being reviewed by the Division of the State Architect (DSA). There were some delays due to geotechnical requirements. Also, state employee furloughs are affecting DSA's review schedule.

Infrastructure

Mr. Demko indicated the natural gas generator is in place next to the new Administration Building. Functioning will be checked next week. He explained the purpose of the generator is to maintain operation of Information Systems during a power outage.

New Student Services Building

The underground work is being completed and the slab will be poured next week. The steel framing will be on site by the end of the month.

Auto Technology Building

Mr. Demko said the project is going well. The soil was found to contain a large amount of clay which required additional excavation and soil replacement.

Swing Space

Mr. Demko reported the Facilities Committee has reviewed areas where portables can be located. One challenge is meeting the needs of Life and Physical Sciences Divisions for lab spaces and water. A "village" of portable buildings will be sited adjacent to the Theater building.

Mr. Demko referred to the construction schedule document and noted swing space has considerable impacts on the schedule as the campus must continue to function. Mr. Bissell reminded the committee that the construction schedule reflects the old facilities plan and dates will change.

Humanities/Old Student Services/Business Humanities

State funding has been identified to complete the drawings. Mr. Demko stated construction funding is dependent on a state facilities bond being approved in November 2010.

Theater

The agreement with the architect has been approved by the Board. Design meetings are being scheduled.

Greenhouse

Construction is underway.

Life Science/Physical Science Buildings

These buildings have many specific requirements.

Mr. Coté asked for a realistic schedule of the projects in the next few years. Mr. Bissell provided a summary. The new Student Services Building will be constructed in the next twelve months. The Business Computer Science Building will be vacated during spring break and the project will be bid in June, with demolition scheduled for June. Construction on the Education Center in Marina will be underway in the next few months. The remaining projects will be in the drawings phase.

Mr. Bissell continued with swing space. He said in the spring, the three portable buildings from the Public Safety Training Center and the former Child Development Center trailer will be moved to campus. Five portable buildings will be installed next to the Theater. Other locations identified for portables in the area behind the Administration Building and Social Science.

Mr. Bissell stated the new facilities plan calls for “doing everything.” To achieve this goal, projects are being downsized. For example, the Business Computer Science project has been changed to move fewer walls, lowering the construction cost. Also, the restrooms will no longer be increased in size.

Dr. Garrison added the new facilities plan is an aggressive one. He noted six projects will be underway this year, to include the new Student Services Building, Automotive Technology addition, swing space, Business Computer Science Building renovation, Greenhouse replacement, and the Education Center at Marina. Five of those projects are occurring on the Monterey campus and will have an impact.

Mr. Bissell commented that the new plan may be in place, but the college will need to revise it again. If there is no state bond in November, the college will need to evaluate whether to wait for a future bond or proceed without state funds.

11. Meeting Schedule

The following meeting dates were accepted by the committee:

Monday, March 1, 2010

Monday, June 7, 2010

Monday, August 9, 2010

Monday, November 1, 2010 (Annual Organizational Meeting)

12. Suggestions for Future Agenda Topics and Announcements

There were none.

13. Adjournment

The meeting was adjourned at 4:15 p.m.