

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

Monday, June 13, 2011
2:00 PM – Committee Tour of College Facilities Projects
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. J. Fagan
Ms. Mary Ann Kane
Mr. Robert Mulford
Mr. Ron Pasquinelli
Mr. Gary Ray, Vice Chair
Mr. Niels Reimers

ABSENT: Mr. Scott Coté
Mr. Stewart Fuller
Ms. Daphne Hodgson, Chair
Mr. Antron Williams

STAFF PRESENT: Ms. Rosemary Barrios, Controller
Dr. Douglas Garrison, Superintendent/President
Mr. Stephen Ma, Vice President for Administrative Services
Mr. Steve Morgan, Director of Facilities
Ms. Vicki Nakamura, Assistant to the President

OTHERS PRESENT: Mr. Joe Demko, Kitchell

The Committee convened at 2:00 PM for a tour of college bond projects at the Monterey campus.

1. Call to Order

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

2. Public Comment

There were no public comments.

3. Approval of March 7, 2011 Minutes

Mr. Ma provided follow up on a question from the minutes regarding differences in the payment in two entries for Williams Scotsman under the Swing Space category in the Bills and Warrants Report. He said there was a transposition error and the correct amount was

\$421.09, instead of \$421.90, a difference of \$.89. An adjustment will be made in the next quarterly report.

A second follow-up item from the minutes concerned a question why a modified accrual basis was used in the District's bond funds audit. Mr. Ma explained staff had researched and the Chancellor's Office recommends the use of modified accrual accounting.

Motion to approve the minutes of March 7, 2011 was made by Mr. Pasquinelli and seconded by Mr. Reimers. Motion carried unanimously.

4. Accept Bills and Warrants Report

Mr. Ma reported \$4.53 million has been expended on bond projects for the quarter. Most of the large payments were progress payments on the new Student Services and Education Center projects. He noted there were many entries for printing of plans, an indication the District would be soliciting construction bids on several projects. Mr. Ma asked if there were any questions.

Vice Chair Ray asked about the last entry under the New Student Services Building on page 1 listing the payment to Swinerton Builders as 101.3% complete. Mr. Demko explained the payment reflects change orders and the contractor has not received excess payment.

It was moved by Mr. Fagan, and seconded by Mr. Mulford to accept the March 31, 2011 bills and warrants report. Motion carried unanimously.

5. Bond Expenditure Status Report

Mr. Ma asked for questions on the report. Mr. Mulford requested further information on the early start and completed projects. Mr. Ma responded that when the bond was approved, it was anticipated the facilities design process would be lengthy. The early start projects addressed existing needs that could be taken care of quickly, such as replacement of roofs or HVAC repair.

Mr. Fagan observed there was approximately \$300,000 remaining from the Business-Computer Science project and he asked what caused the savings. Mr. Demko stated the savings were due to the construction bid being lower than the budgeted amount.

Mr. Ray asked if the climate for matching funds had declined. Dr. Garrison's response was yes, noting the last state bond was approved in 2006. He added a state bond may be on the ballot in 2012, but there is also a backlog of facility projects needing state funds.

6. Monterey County Treasurer's Investment Report

Mr. Ma reported the Monterey County Treasurer's Report for the quarter ending March 31, 2011 shows that current yields are low at 0.6 percent. Mr. Fagan observed that the cost savings from the bids have been significant enough to prevent the erosion of the District's bond funds. Mr. Ma stated in the next 45 days, the District would be bidding \$25 million in projects. He hoped considerable savings would be generated due to the favorable bid climate to allow the remaining bond funds to be stretched. Dr. Garrison added the issuance of Series B and C bonds enabled the District to gain the proceeds to do these projects and take advantage of economic conditions.

Mr. Reimers asked if the County charges the college for investment services. Mr. Ma's answer was no.

Mr. Ray inquired if issues had been resolved with the Lehman Brothers and Washington Mutual bankruptcies. Mr. Ma responded the recovery of assets was still in process. The County Treasurer has obtained some relief, but a full reconciliation has not been achieved yet.

7. Update on Facilities Projects, Timelines, and Schedules

Mr. Demko reviewed the status of active facility projects.

Education Center at Marina Permanent Facilities - Mr. Demko said the wind turbine, an architectural feature, has been installed. Furniture will be received on June 5. He reported the Information Technology department was installing equipment. Landscaping was being installed and the parking lot has been completed.

Infrastructure - Mr. Demko said parking lot B is being renovated and a drop-off area being constructed next to the Theater. Directional kiosks will be installed this summer.

New Student Services Building – The buildings has been completed and the grand opening was held on May 24.

Swing Space - Mr. Demko noted swing space is currently the largest need.

Facilities Committee - The committee is on hiatus during the summer.

Business-Computer Science Building – Mr. Demko reported final costs are being compiled.

Humanities/Business Humanities/old Student Services – Mr. Demko said asbestos abatement is currently underway in the former Student Services building.

Theater – Construction bids will be received on June 23.

Life Science/Physical Science Buildings – Mr. Demko reported this project will go out to bid on June 20.

Gym First Floor – Mr. Demko noted the attached project schedule is not accurate as adjustment is needed to accommodate the football program. The plans have been approved by DSA.

Outside Lockers Adjacent to the Art Buildings – Mr. Demko said the art lockers replacement project will be completed in June. Funding includes \$100,000 of state scheduled maintenance funds.

Pool/Tennis Courts – These two projects may be phased. The preliminary design for the tennis courts to address substructure and retaining wall problems has been completed.

Music Building -- This project is dependent on bid savings to define the scope.

Student Center – Very preliminary drawings have been completed.

Mr. Fagan noted the Theater renovation is the next large funding priority at a time when fine arts programs are being downsized. Dr. Garrison said the planning process is completed far in advance and doesn't anticipate the vagaries of state funding for programs. He remarked arts programs are not being downsized. Theater productions are being reduced from five a year to four, due to the retirement of drama instructor, Peter DeBono; however, the quality remains the same. Other uses of the Theater are being encouraged. Dr. Garrison stated the college also intends to go forward with the Music building project, but the scope will be dependent upon a consideration of the educational program and available dollars.

8. Committee Membership Review

Dr. Garrison noted five members will be completing their second term and will serve through the November meeting. Replacements need to be recruited and he will work with Mr. Pasquinelli and Ms. Kane to identify replacements from their organizations. Volunteers will be solicited from the community for the other vacancies.

9. Meeting Schedule

The next meeting is scheduled for Monday, August 8, 2011. A tour of the new facilities at the Education Center at Marina is planned, and the meeting will also be held there.

10. Suggestions for Future Agenda Topics and Announcements

Dr. Garrison provided members with a copy of the *Report to the Community 2010*. He noted pages 3-4 focus on the bond program.

Mr. Reimers stated he would be unable to attend the August 8 meeting. He requested further information on the wind turbine and the excess power generated.

11. Adjournment

Vice Chair Ray adjourned the meeting at 3:44 p.m.

vn