



MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

Monday, June 10, 2019
 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. Dan Albert, Jr.
 Mr. Hunter Harvath, Chair
 Mr. Dave Hober
 Ms. Ellise Kittrell
 Mr. Jeffrey Riehl
 Dr. Linda Turner Bynoe

ABSENT: Mr. Rob Lee, Vice Chair

STAFF PRESENT: Ms. Shawn Anderson, Assistant to the President
 Ms. Rosemary Barrios, Controller
 Mr. David Martin, Vice President for Administrative Services
 Dr. Walter Tribley, Superintendent/President

OTHERS PRESENT: Mr. Michael Carson, Kitchell

- 1. Call to Order**
 The regular meeting of the Citizens' Bond Oversight Committee of Monterey Peninsula College was called to order at 3:05 p.m. by Chair Harvath.

- 2. Public Comment**
 There were no public comments.

- 3. Approval of March 4, 2019 Minutes**
 Motion made by Mr. Albert Jr., seconded by Mr. Riehl, to approve the minutes of the March 4, 2019 meeting. Motion carried unanimously.

AYES:	6	MEMBERS:	Albert, Bynoe, Harvath, Hober, Kittrell, Riehl
NOES:	0	MEMBERS:	None
ABSENT:	1	MEMBERS:	Lee
ABSTAIN:	0	MEMBERS:	None

4. Accept Bills and Warrants Report

Chair Harvath reviewed the report by page and invited questions.

Page 2: Mr. Riehl inquired as to the meaning of “DSA.” Mr. Martin responded that “DSA” is the abbreviation for the Division of the State Architect, which provides design and construction oversight for K-12 schools and community colleges. He explained that the California DSA must approve the drawings of any public California elementary school, middle school, high school, or community college construction project.

Motion made by Mr. Albert, Jr., seconded by Mr. Hober, to approve the bills and warrants report. Motion carried unanimously.

AYES:	6	MEMBERS:	Albert, Bynoe, Harvath, Hober, Kittrell, Riehl
NOES:	0	MEMBERS:	None
ABSENT:	1	MEMBERS:	Lee
ABSTAIN:	0	MEMBERS:	None

5. Bond Expenditure Status Report

Chair Harvath advised that the bond expenditure status report would be reviewed and invited questions.

Mr. Martin explained each column in the report.

- The far left column of the report is the total budget for each project, including matching funds.
- The second column is the list of projects.
- Column A is the total bond budget for each project.
- Column B is the total expenses incurred, up to June 30, 2018, for each project.
- Column C is the year-to-date bond payments. MPC currently has \$26,149 in bond expenditures from July 1, 2018 to March 31, 2019.
- Column A-B-C (Column A minus Column B minus Column C) indicates the bond budget balance remaining for each project.
- Column (B+C)/A (Column B plus Column C, divided by Column A) indicates the percentage of bond cost.
- The final column is the percentage of construction schedule (the percentage of completion).

Mr. Albert, Jr. asked for an explanation of the Phase IV infrastructure project. Mr. Martin replied that this is a contingency account for future infrastructure needs, such as sidewalk repair and roofing, which were part of the original Measure I Bond.

Mr. Riehl inquired as to the reason for the over expenditure of the data center project. Mr. Martin explained that the original project budget did not accurately reflect the true cost of the data center project over its lifespan.

Mr. Hober observed that although \$12 million is listed as the total budget with other funds for the Public Safety Training Center (PSTC) Parker Flats project, the total bond budget for that project is listed as \$6 million under Column A. He asked for confirmation that the reason for this

difference is that the state has not yet provided \$6 million in matching funds. Dr. Tribley confirmed Mr. Hober's statement and noted that he would provide additional information regarding this topic during the superintendent/president's report.

6. Monterey County Treasurer's Investment Report

Chair Harvath advised that the treasurer's investment report would be reviewed and invited questions.

Mr. Martin explained that as an involuntary participant in Monterey County investments, along with other municipalities and governmental agencies in Monterey, MPC is required to pool our funds with other county investment funds. Doing so generates a larger principal which generates a larger interest to be divided amongst the participating agencies.

Page 3: Mr. Martin noted that MPC's funds generated 2.32% interest during the January 1, 2019 through March 31, 2019 quarter.

Mr. Albert Jr. asked if bond interest revenue will go back to the bonds. Mr. Martin replied affirmatively. Additionally, Mr. Martin explained that because the principal balance is very small, MPC isn't at risk of violating arbitrage regulations.

7. Superintendent/President's Update

President Tribley announced that Mr. Martin will succeed him as the new superintendent/president of MPC. He expressed his support for, and confidence in, Mr. Martin and encouraged the committee's support of Mr. Martin, as well.

President Tribley reported on the remaining 2002 Measure I Bond funds, which amounts to approximately \$8.2 million. Of those remaining funds, \$6 million is budgeted for the public safety training center project and \$1.2 million is budgeted for the music building project. President Tribley spoke of some of the inherent challenges that have delayed the PSTC project to date. Chief among those challenges, he noted, are that MPC does not yet have ownership of the land, and the state has not provided \$6 million in matching funds.

President Tribley communicated MPC's plans for, and strategy behind, expending the remaining Measure I Bond funds if the state again excludes matching funds for the PSTC from the 2019-20 state budget. He explained that MPC would be best positioned to succeed in obtaining new bond funds in 2020, should the board of trustees elect to do so, if we expend all remaining bond funds prior to going out for another bond in 2020. Therefore, in 2018, he directed Mr. Martin to work with MPC's facilities committee to develop a recommendation to reallocate the remaining Measure I Bond funds from the PSTC and music building projects to other projects previously approved by the board, in case matching funds are again excluded from the state's budget. This would enable MPC to pursue a bond in 2020 that would adequately fund the extensive PSTC and music building projects, without relying upon the state to provide matching funds.

Mr. Martin elaborated upon the reallocation process at President Tribley's request. In fall 2018, the facilities committee was presented with a list of approximately 45-50 MPC projects that were waiting in the queue for funding. The facilities committee spent 4.5 to 5 hours, over two

meetings, reviewing and vetting each of those projects. They considered three principles, which were:

- the projects had to be bond eligible,
- the projects had to be previously board approved either through the capital outlay plan or Measure I Bond language, and
- the projects needed to promote student safety and provide a safer environment for students.

As a result of this review, the facilities committee developed a list of projects recommended for the reallocation of Measure I Bond funds. (Mr. Martin explained that student safety drove the committee's recommendation of walkway lighting and the replacement of the athletic field turf, which is approximately two years past its useful life. He added that MPC is also at risk of losing our eligibility for football to be played on our field, unless the turf is replaced.) The facilities committee's list of recommended projects was brought to the President's Advisory Group (PAG), which is the main hub of MPC's participatory governance structure, for review and discussion. This list of projects then was presented to MPC's board of trustees beginning in April 2019.

President Tribley acknowledged that this list of recommended projects, which resulted from MPC's participatory governance process and represented the compromise of many, didn't address the PSTC project. He said that MPC could've elected to spend \$6 million on public safety training now, instead of reallocating the funds, but that doing so would've enabled us to address only the burn tower and would've left all other PSTC needs unaddressed. Furthermore, it also could hurt our chances to receive more bond funds for first responders in 2020, because they would be competing with others on campus who also have significant needs. He informed the committee that Kiran Kamath, Judy Cutting, and David Brown, the MPC administrators who oversee first responding at MPC, are actively researching solutions in the meantime that would enable MPC to providing training opportunities to our firefighter students and to maintain program accreditation. They have communicated with Fire Chief Tom Joyce of the Presidio of Monterey regarding a possible partnership on the build of a burn tower on Joe Lloyd Way. Chief Joyce has expressed interest in such a partnership. Another option to consider is to use some of MPC's bond funds to refurbish the burn tower in Salinas. However, we would prefer to create our own facility that is within our service district and close to our first responders, students, and faculty. President Tribley noted that a "chiefs meeting" is being scheduled to discuss plans related to the PSTC.

President Tribley reiterated that MPC still could receive matching funds from the state. Mr. Martin explained that MPC will find out if the state will provide \$6 million in matching funds when Governor Newsom releases his 2019-20 budget in June. Mr. Martin noted, however, that MPC's projects were not included in either the governor's January budget proposal or the May revise. If the state doesn't provide for matching funds in this year's budget, MPC's next best chance for matching funds would be the next budget cycle for 2020-21.

President Tribley reported that there are issues with proceeding with the PSTC and music building projects now, even if the state provides matching funds. He explained that the \$12 million budgeted for the PSTC project is insufficient now, and was insufficient in 2009 when the project was submitted to the state. Mr. Martin elaborated on that statement. He noted that the lack of infrastructure on the property, MPC's need to identify infrastructure needs (including water and electricity), design the infrastructure, and submit the design to the DSA for approval

before construction could begin would be part of the pre-construction project expense. President Tribley added that the remaining Measure I Bond funds budgeted for the music building would only allow for a short-term, temporary repair of the existing structure and stated that MPC could instead consider investing future bond funds to replace the current wooden structure with a three-story music, art, and culture center.

President Tribley also briefly reviewed potential opportunities for MPC, which include:

- running MOU (military operations in urban terrain) trainings through our Continuing Education program;
- putting an Emergency Vehicle Operations Course on Parker Flats;
- participating in partnerships with other cities or organizations; and
- swapping some of our land for land owned by others in the community, such as California State University Monterey Bay.

Mr. Albert, Jr. asked if contacting someone in Sacramento would be the appropriate method to lobby for the matching funds. Mr. Martin responded in the affirmative. He added, however, that at this point it comes down to the governor's priorities and his willingness to issue debt. The more projects funded by Prop 51 bonds that the governor funds, the more debt he has to issue to California. As of this time, the state's priority, which is backed by the chancellor's office, is to fund life and safety projects. Approximately 20 of the 60 projects awaiting funding are for community colleges that have an unsafe building and therefore meet the state's priority. MPC's two projects are considered to be campus modernization and program expansion. He added that approximately 15 of the 20 life and safety projects have been funded; there are approximately 5 or 6 more projects to go. Mr. Albert inquired if Senator Monning and Assemblymember Stone are aware of these projects. President Tribley in the affirmative, noting that he has sent letters to Senator Monning and others advocating for the matching funds. He added that Trustee Steck spoke to both Senator Monning and Assemblymember Stone in Sacramento this year.

President Tribley distributed New Business Agenda Item F from the May 22, 2019 Governing Board meeting, which includes the list of projects recommended for the reallocation of funds. He noted that the Board has been prioritizing the list each month, and reviewed the reallocations approved by the board as of May 2019.

- Child Development Center (CDC) Outdoor Instructional Classroom, \$400,000 (approved April 2019)
- Training Tower & Live Fire Burn Annex, \$1,000,000 (approved May 2019)
- Data Center Upgrade: \$700,000 (approved May 2019)

President Tribley added that in June, he will ask the board to approve funding for MPC's athletic fields project, to ensure our fields are safe for our student athletes. There are two options for funding this project – one is by paying for it out of MPC's reserves. The preferred option, however, is to pay for it with bond funds, by reallocating the \$1.2 million that was previously set aside for the music building project to the athletic field project. This \$1.2 million would be combined with the current bond fund allocation to the athletic field project, which is \$750,000.

Chair Harvath confirmed that the role of the CBOC is to review and approve the appropriateness of the expenditures of the remaining funds. Mr. Martin noted that the Measure I Bond funds will mature and be paid off on August 1, 2034.

8. Meeting Schedule

Future meetings of the committee are scheduled for:

- Monday, August 26, 2019
- Monday, November 4, 2019 (Annual Organizational Meeting)

9. Suggestions for Future Agenda Topics and Announcements

None.

Dr. Bynoe expressed her appreciation to President Tribley for taking her on a tour of MPC's PSTC and Education Center at Marina.

Chair Harvath expressed interest in a tour of the Impossible City (MOUT). Chair Harvath also wished President Tribley well in his future endeavors. He noted that the main reason he committed to serving on the CBOC was because of President Tribley and because he's continually impressed by the California community college system and the opportunities it affords both young and older individuals. He expressed his gratitude at having the opportunity to serve with President Tribley.

10. Adjournment

Chair Harvath adjourned the meeting at 3:56 pm.