



**MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT**  
**Citizens' Bond Oversight Committee**

Monday, August 4, 2014  
2:00 PM – Committee Tour of College Facilities Projects  
3:00 PM – Regular Meeting  
Sam Karas Room, Library and Technology Center  
Monterey Peninsula College

Meeting Minutes

MEMBERS PRESENT: Mr. Wayne Cruzan  
Mr. J. Fagan  
Mr. Stewart Fuller  
Mr. Birt Johnson, Jr., Chair  
Mr. Bob Mulford, Vice Chair  
Mr. James Panetta  
Mr. Niels Reimers  
Mr. Maury Vasquez

ABSENT: Dr. Sophal Ear  
Mr. Rick Heuer

STAFF PRESENT: Ms. Rosemary Barrios, Controller  
Mr. Earl Davis, Vice President for Administrative Services  
Ms. Vicki Nakamura, Assistant to the President  
Dr. Walter Tribley, Superintendent/President

OTHERS PRESENT: Ms. Margaret-Anne Coppernoll  
Mr. Joe Demko, Kitchell

The Committee convened at 2:00 PM for a tour with the District Board of Trustees of the completed Student Center, Art Studio, and Art Ceramics renovation projects at the Monterey campus.

**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 Johnson.

**2. Public Comment**

There were no public comments. Chair Johnson acknowledged Trustee Coppernoll.

**3. Approval of June 16, 2014 Minutes**

A handout providing follow-up to questions recorded in the minutes of the June 16 meeting regarding the bills and warrants report was distributed and reviewed.

Motion made by Vice Chair Mulford, seconded by Mr. Cruzan, to approve the minutes of June 16, 2014 meeting, as amended by the follow-up document. Motion carried unanimously.

AYES: 8 MEMBERS: Cruzan, Fagan, Fuller, Johnson, Mulford, Panetta, Reimers, Vasquez  
NOES: 0 MEMBERS: None  
ABSENT: 2 MEMBERS: Ear, Heuer  
ABSTAIN: 0 MEMBERS: None

#### 4. Accept Bills and Warrants Report

Chair Johnson indicated the June 30, 2014 report would be reviewed by page and invited questions from the committee.

On Page 1, Mr. Panetta asked about the expense for upholstering six seats in the Student Center at a cost of \$1000 each. It was explained the six seats made up a long high-backed banquette in the cafeteria lounge area.

There were no questions on pages 2-4. On page 5, under the furniture and equipment category, Chair Johnson noted two entries for Lincoln Equipment with one being \$657 for freight charges and the other for equipment at a cost of \$282. He questioned what the freight charges were for. Staff will verify and report back. Mr. Panetta followed with a request for a description of the projection system purchased from Medial Systems. Mr. Demko said the system included a projector and screen.

On page 6, Mr. Reimers asked about the media converter equipment purchased for the pool. Staff will research and report back.

Regarding page 7, there were questions regarding the tennis court related expenses under the swing space category. Mr. Fagan noted there was no tennis court renovation project. Mr. Demko explained portable trailers were located on the tennis courts to provide swing space for other projects. After the trailers were removed, the courts needed to be restored to their original condition.

On page 8, under the general institutional bond management category, Mr. Reimers asked how the Kitchell expense is differentiated by project. Mr. Demko explained his services are for overall bond program management, which includes providing reports to the Governing Board and CBOC, and monitoring the bond budget, while other Kitchell staff manage construction of specific bond projects. Construction management services provided by Kitchell are listed under each project category.

Regarding page 9, Chair Johnson noted an expense for inspection services from David Foord for March 2013 in the amount of \$300. He checked an earlier report and found an expense for the same month in the amount of \$5,175. Chair Johnson asked why the billing was so late and the reason for the expense. Mr. Demko said he would check if the \$300 was an adjustment. There was discussion about the college's policy for accepting invoices beyond a reasonable timeframe. Mr. Davis said it was a legal question whether there was a statute of limitations on liability for payment.

Noting a moving expense on page 9, Vice Chair Mulford asked about the disposition of old equipment. Mr. Reimers recalled a previous committee discussion where the surplus property disposal process was explained. Mr. Fagan asked if revenue from the disposal of

old equipment due to a bond project was tracked and applied back to the bond. Mr. Davis responded this approach would apply only if the equipment was purchased with bond funds.

There were no further questions on the remaining pages of the report.

It was moved by Vice Chair Mulford and seconded by Mr. Reimers to accept the June 30, 2014 bills and warrants report. Motion carried unanimously.

AYES:	8 MEMBERS:	Cruzan, Fagan, Fuller, Johnson, Mulford, Panetta, Reimers, Vasquez
NOES:	0 MEMBERS:	None
ABSENT:	2 MEMBERS:	Ear, Heuer
ABSTAIN:	0 MEMBERS:	None

**5. Bond Expenditure Status Report and Cost Control Report**

Mr. Demko reviewed the June 30, 2014 bond expenditure status report and the July cost control report. He reported the in process projects are winding down. The Music and Public Safety Training facilities are remaining future projects. Both projects have been submitted for state matching funds and currently, there are no state construction funds available. He explained that while the recently completed building are in use and the notices of completion have been filed, invoices will continue to trickle in for the next 90-120 days.

Mr. Demko reported on the status of the project budgets. He said the budget for the Arts project is tracking well. There is \$950,000 reserved in the budget for mechanical and roofing work on the Art-Dimensional building. Decisions remain regarding future plans for the building so the work is on hold. The Student Center project was over budget due to hazardous materials and lead paint remediation; however, change orders were under budget. He said the numbers would be close. The furniture and equipment expense are also being tracked closely. Mr. Demko stated his main goal has been to keep the bond program budget aligned with the approved total amount of \$149 million.

Chair Johnson asked about the status of the general contingency budget listed at \$1,667,699. Mr. Demko responded the current balance is zero, and the budget amount should be updated accordingly. He anticipated there would be savings from the Arts and Pool projects; college administration would determine whether those funds would go to contingency.

**6. Tax Rate for Measure I Bond**

Mr. Davis observed the assessed valuation of property in the District reached an all-time high in 2014. He explained the debt service on the bonds is compared to the assessed valuation and the result is the tax rate. The highest tax rate for the bond was in 2013 at \$23.67. He noted the current year tax rate is \$15.77. Mr. Davis referred to the District's refinancing of the bond that occurred in 2013. The savings generated from the difference in interest rates were used to reduce the amount of principal of the bond, benefiting the taxpayers. Mr. Davis commented the District's tax rate has never exceeded the amount set in Prop 39 regulations of \$25.00 per \$100,000 assessed valuation.

**7. 2016-20 Five Year Construction Plan**

Ms. Nakamura reported on the District's 2016-20 Five-Year Construction Plan, which was approved by the Governing Board in July. She provided a recap of the state capital outlay funding process. This year's plan is evidence of all of the renovation and construction work

accomplished in recent years, made possible by local bond funding. She stated there are two projects remaining in the plan, the second phase of the Public Safety Training facility and the Music building renovation. Both projects have been approved for state matching funds; however, a state bond measure will be required to provide a source of state funds. She indicated there is legislation, AB 2235, to place a facilities bond measure on the November ballot. Mr. Fagan requested the committee be informed if the measure makes it on the ballot.

**8. Update on Facilities Projects, Timelines, and Schedules**

Mr. Demko provided an update on the projects. Programs are being moved into the Student Center and Arts buildings in phases. With these two renovation projects completed, three of the rental trailers (two portables and the restroom trailer) will be removed and returned to the vendor. The food trailer is being moved from the parking area, awaiting a decision regarding its future use. Dr. Tribley indicated the college is considering relocating the trailer to the Marina Education Center to serve students there.

Mr. Demko said the Kitchell construction management contract will extend for the next 60-90 days to address any items that may arise from the Division of the State Architect's office or warranties.

Vice Chair Mulford asked about the cost of the proposed swimming pool cogeneration project. Mr. Demko responded the project is estimated at \$700,000 - \$800,000. Mr. Davis said the project may qualify for Prop 39 state energy efficiency funding, but there are many requirements to meet. Mr. Davis added there is not enough Prop 39 funding this year to cover the entire cost of the project. Mr. Mulford asked if any solar projects were planned for Prop 39 funding. Mr. Demko explained solar projects do not pencil out for the MPC campus as there is no air conditioning, lighting is already energy efficient, and extensive maintenance staff are required for solar. Chair Johnson advised the college to continue to consider solar as advancements are made in technology.

Committee members commented on the tour of the Student Center and Arts buildings and the quality of the renovation.

**9. Meeting Schedule**

Chair Johnson noted the next meeting, the annual organizational meeting, was scheduled for Monday, November 3, 2014.

**10. Suggestions for Future Agenda Topics and Announcements**

Dr. Tribley noted that Dr. Ear was resigning from the committee due to his upcoming move to southern California. He recognized Dr. Ear's service on the committee with a certificate of appreciation. Dr. Tribley also announced that Mr. Panetta has agreed to be the chair of the committee in 2015, succeeding Mr. Johnson.

Trustee Coppernoll expressed her appreciation for the committee's work.

**11. Adjournment**

Chair Johnson adjourned the meeting at 4:17 PM.

**Follow-up Items from August 4, 2014 CBOC Meeting**

Per the meeting minutes:

**Item #4 - Bills and Warrants Report**

1. On page 5, under the furniture and equipment category, Chair Johnson noted two entries for Lincoln Equipment with one being \$657 for freight charges and the other for equipment at a cost of \$282. He questioned what the freight charges were for. Staff will verify and report back.

**The freight charges were for shipping of a pool cover and triple-shafted winder, purchased at a cost of \$15,500. The shipping charges were left off of invoice #SI231137, dated 1/20/14, so the vendor billed the college separately for the freight charges, invoice #SI1232023.**

**As reported in the Bills and Warrants Report, the equipment purchased for \$282.43 was for 14 Champion Kickboards and 14 Champion pull buoys.**

2. On page 6, Mr. Reimers asked about the media converter equipment purchased for the pool. Staff will research and report back.

**The media converter equipment is a broadcast speaker or PA system for the pool.**

3. Regarding page 9, Chair Johnson noted an expense for inspection services from David Foord for March 2013 in the amount of \$300. He checked an earlier report and found an expense for the same month in the amount of \$5,175. Chair Johnson asked why the billing was so late and the reason for the expense. Mr. Demko said he would check if the \$300 was an adjustment.

**The time period should have been listed as March 2014 instead of March 2013. David Foord was paid for 4 hours at \$75 an hour for inspection at the Humanities Building. The total owed was \$300. This inspection was part of the final closing out of the Humanities/Business Humanities/Student Services renovation project.**