



MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

Monday, November 4, 2013
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. Wayne Cruzan
Dr. Sophal Ear
Mr. J. Fagan, Chair
Mr. Stewart Fuller
Mr. Rick Heuer
Mr. Birt Johnson, Jr., Vice Chair
Mr. Bob Mulford (arrived 3:22 PM)
Mr. James Panetta
Mr. Niels Reimers
Mr. Maury Vasquez

ABSENT: None

STAFF PRESENT: Ms. Rosemary Barrios, Controller
Mr. Joe Bissell, Special Assistant to the President
Ms. Vicki Nakamura, Assistant to the President
Dr. Walter Tribley, Superintendent/President
Mary Weber, Purchasing Coordinator

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 3:00 PM by Chair Fagan.

2. Public Comment

There were no public comments.

3. Tour of Physical Science Building

Dustin Conner, Kitchell, was introduced. He provided background regarding the Physical Science building renovation. The committee adjourned to tour the building.

4. Approval of August 5, 2013 Minutes

Motion made by Vice Chair Johnson, seconded by Mr. Reimers, to approve the minutes of August 5, 2013. Motion carried unanimously.

5. Accept Bills and Warrants Report

Chair Fagan advised committee members the report would be reviewed by page and invited questions. Mr. Cruzan asked about the outcome of the asbestos sampling at the Student Center by M3 Environmental on page 1. Mr. Carson said the assessment was conducted; disposal and handling will be affected.

Regarding page 2, Mr. Heuer questioned the expense for shutting off the water at the pool building. Mr. Carson explained the work included creating and installing a new valve. Mr. Panetta asked for an explanation of "safe off" services at the pool. Mr. Carson responded "safe off" pertained to electrical service.

On page 3, there were several items needing clarification under the furniture/equipment category. Mr. Bissell advised the committee the telescope purchase for astronomy was offset by a donation. Mr. Heuer asked about the purchase of 8 vegetable steamer/cookers for Physical Science. Ms. Weber, the college purchasing coordinator was introduced. She stated the equipment was used for physics thermodynamics. Chair Fagan inquired about the 3 Data Link tables purchased for the Sam Karas Room, a project that is closed. Ms. Weber was unsure why bond funds were used. Mr. Bissell said he assumed Mr. Ma approved the purchase and it was not an inappropriate expense. Chair Fagan requested follow-up at the next meeting. Vice Chair Johnson followed with a question regarding Media Systems Group providing both the equipment and installation labor for 14 humanities classrooms. Mr. Carson confirmed media equipment and white boards were installed. Mr. Panetta, noting the expense was over \$100,000, asked how many podiums, switches, etc. were purchased. Staff will provide follow up at the next meeting. Mr. Reimers questioned labor charges being included in the furniture and equipment category. Mr. Bissell indicated the expense was capitalized. Chair Fagan asked what was purchased from Fisher Scientific, as the description was unclear. Ms. Barrios said the items were balances. Mr. Mulford noted the purchase of 4 shoe boxes for chemical storage. Mr. Carson clarified the containers were "shoe box sized" and that this specific size was needed in the storeroom.

Mr. Cruzan noted a number of entries on pages 4-5 with U.S. Bank followed by vendor names. Ms. Weber explained these were purchases made with CAL-Cards. He asked if there were a dollar limit on the CAL-Card. Ms. Weber responded no, and added the cards are usually used for small purchases. Chair Fagan commented the college has reduced CAL-Card distribution and use in recent years.

Mr. Heuer expressed concern about the purchase of small items, such as the 24 angle rulers at \$2.67 each, for the earth science department. He said these items may be equipment, but they did not qualify as a capital expense. Mr. Heuer acknowledged the expense may be technically fine, but he said the purchase was inappropriate for 30-year bond funds. Chair Fagan concurred with Mr. Heuer. He asked if there was a decision matrix in place to determine when bond money was used and when not. Mr. Bissell confirmed there was a process; he said all equipment is replaced when the building is renovated, to provide a fresh start. Small items, such as wastebaskets, will last for 30 years. Chair Fagan advised that as the end of the bond approaches, the college exercise more

caution in its purchasing decisions. Mr. Reimers added the issue is equipment vs. consumables. Mr. Bissell acknowledged their concerns.

Mr. Mulford asked if there would be an audit at the end of the bond, and will these types of purchases be questioned. Mr. Bissell responded the annual audit of the bond has just been completed. Chair Fagan stated the purchases are legal; the question is whether they are appropriate. Dr. Tribley commented these small items are part of a larger purchase and plan to equip a lab. It is when the items are singled out and viewed outside of this larger context that they appear to be inappropriate.

Moving on to page 6, Mr. Mulford questioned the expense for moving a piano to an adjacent room. Vice Chair Johnson asked if there was a typo for the rental payment to Peninsula Office Solutions, if the service should have been from 8/5/13 rather than 8/4/13, based on the previous month's entry. Ms. Barrios said she would check and report back.

On page 7, Vice Chair Johnson suggested substituting "miscellaneous items" for "stuff" in the description for items moved to the dump by Cardinale Moving & Storage. Mr. Carson explained there was a large amount of items discarded by creative arts as the department prepared to move from their facilities to swing space. Chair Fagan noted the bookstore and cafeteria were also included in the description. Mr. Carson said the move of these areas occurred on the same day and all were included on one invoice.

Regarding page 8, the move of the donated kiln was discussed. Mr. Reimers asked for "safing off" of the gas kilns to be explained. Mr. Carson responded the term means the gas kilns were turned off and safely removed.

There were no questions on page 9. On page 10, it was clarified that the purchase of "3 recertplus" referred to switches. It was noted that both HGHB and Kitchell provided construction administration or management services for the humanities building for the month of July. Mr. Bissell explained the architect, HGHB, may be on site during construction to provide management per the contract.

On page 11, Mr. Panetta commented the purchase of furniture from Contrax for the humanities building lacked detail regarding the number of items. Mr. Carson responded furniture was supplied for 9 classrooms. Chair Fagan asked for "learn 2 intellect wave chairs" to be explained. Ms. Weber stated the chairs are on rollers and are used in language classes to facilitate working together in groups. Mr. Vasquez confirmed the chairs provide an easy way to move around the classroom.

Mr. Mulford asked for further clarification regarding several entries on page 12 to move expense to the capital outlay fund for Otto Construction. Mr. Bissell explained the project is 50% funded by the state. When state funding is involved, the college charges all expense to the bond and then submits reimbursement requests to the state. Also on page 12, Chair Fagan questioned the re-keying of 7 locks being included as a bond expense. It was stated the physical science building had been re-keyed and then staff requested 7 locks to be re-keyed due to the locks not working. It was asked why this re-keying was not treated as an operational expense. Follow-up was requested from staff. Mr. Panetta noted entries from American Lock & Key on pages 6 and 7 for lock repair of the kitchen trailer and the classroom building differed in price from the rekeying on page 12. Mr. Carson explained the lock repair involved the replacement of the entire lock structure and re-keying is cheaper. Mr. Heuer commented the kitchen trailer purchased from West Valley College required lock

repair, cleaning, and testing. Mr. Carson responded the college negotiated a reduction in price for the trailer.

There were no further questions on the report. It was moved by Mr. Mulford and seconded by Mr. Cruzan to accept the September 30, 2013 bills and warrants report. Motion carried, 9-1 (Heuer opposed).

6. Bond Expenditure Status Report and Cost Control Report

The September 30, 2013 bond expenditure status report was reviewed with the committee. Mr. Bissell reported the figures in column A, Total Bond Budget, would be changing in the future as adjustments are made to reflect actual amounts. He also noted the bond management item does not include any indication of revenue; he explained interest earnings are used to fund these services. Mr. Bissell stated the District plans to reduce bond management services and any excess interest will be allocated to projects. Staff will begin tracking interest earnings for this purpose. He said the general contingency still exists.

The cost control report was then reviewed. It was noted that most of the projects were within budget with the exception of the Student Center and Pool. Chair Fagan asked how these variances affected the Public Safety Training facility planned at Parker Flats. The answer was none. Mr. Heuer inquired how the Arts Complex project could be completed for \$1 million less than the budgeted amount. Mr. Carson responded the economy was a factor; contractors have been very competitive. Mr. Bissell added that some of the projects have been scaled down. Mr. Carson said the savings will be held for roofing of the Art Dimension and Nursing buildings.

7. Annual Report for 2012-13

Dr. Tribley stated the annual report is a requirement of the committee and verifies compliance. If approved by the committee, Chair Fagan will present the report to the Board of Trustees at the November or December meeting.

Ms. Nakamura reviewed the draft annual report. An error in the chair and vice chair designations was noted on page 5 and will be corrected. Mr. Bissell addressed the financial report section of the report, in particular the interest earnings. He noted there is a placeholder for the figure in the report. He explained the funds are held by the Monterey County Treasurer's Office and the Monterey County Office of Education distributes the funds to the college. Mr. Bissell said interest has been reported to the college for only 2 quarters, as of June 30, 2013. He will be meeting with the County to determine a more current and accurate figure. Mr. Mulford asked if the figure would be available by the time the report was presented to Board. Mr. Bissell responded he was uncertain regarding the length of time needed to resolve. There was discussion regarding whether the interest earnings paragraph should be deleted. Mr. Heuer noted the timeframe for the report and stated the interest should be recorded, with a note stating the figure was as of June 30. As the totals will change with the addition of interest earnings, the footnote regarding the total expenditures will also need updating. There was general agreement with this approach.

Mr. Heuer questioned why the expenditures for the completed projects in the annual report differed from the listing in other reports. He commented the numbers matched; however, the annual report lists a miscellaneous expense for \$221. Mr. Bissell said several of the early projects were grouped together in the bond expenditure report, for example, so the details do not match. It was reiterated the totals do match. Rather than change the reports, Mr. Heuer advised keeping the reports consistent with what was presented to the public in the past.

Motion was made by Mr. Johnson and seconded by Mr. Heuer to approve the report with the corrections discussed. Motion carried unanimously.

8. Monterey County Treasurer's Investment Report

The June 30, 2013 investment report was shared with the committee for information. There were no comments or questions.

9. Update on Facilities Projects, Timelines, and Schedules

Mr. Carson stated all projects are on time and are within budget. He provided additional information for a few the projects.

Pool – The slab has been poured.

Arts Complex – Mr. Carson said a few unforeseen conditions were found, including asbestos and damaged plywood from lead paint. Despite these items, the project is still on budget and on time.

Business Humanities – Mr. Carson reported the demolition of the building has occurred. The parking lot will be expanded, providing 68 additional spaces. He said there were 1400 parking places at the beginning of the bond program and 550 have been added, a 45% increase.

10. Committee Membership Update

Dr. Tribley recognized the five members (Wayne Cruzan, Dr. Sophal Ear, Rick Heuer, Birt Johnson, Jr., and James Panetta) who are completing their first terms on the committee and thanked them for their support and due diligence. He reported all have agreed to serve a second term. They will be reappointed by the Board of Trustees at the November meeting.

11. Officers

Per the Bylaws, the college president appoints the Chair. Dr. Tribley informed the committee he had asked Birt Johnson, Jr. to serve as Chair of the committee in 2014. The floor was opened for nominations for the Vice Chair position. Mr. Johnson nominated Mr. Mulford, seconded by Mr. Reimers. Mr. Mulford was elected unanimously.

12. Meeting Schedule

The meeting dates of March 3, June 16, August 4, and November 3 (annual organizational meeting) were proposed for 2014 and accepted without changes.

13. Suggestions for Future Agenda Topics and Announcements

A tour of facilities projects will be included at a future meeting.

14. Adjournment

Chair Fagan adjourned the meeting at 4:35 PM.

/vn

Follow-up Items from November 4, 2013 CBOC Meeting

Per the Meeting Minutes, Item #5 - Accept Bills and Warrants Report:

1. Page 3 of Bills and Warrants Report: Chair Fagan inquired about the 3 Data Link tables purchased for the Sam Karas Room, a project that is closed. Ms. Weber was unsure why bond funds were used. Mr. Bissell said he assumed Mr. Ma approved the purchase and it was not an inappropriate expense. Chair Fagan requested follow-up at the next meeting. Vice Chair Johnson followed with a question regarding Media Systems Group providing both the equipment and installation labor for 14 humanities classrooms. Mr. Carson confirmed media equipment and white boards were installed. Mr. Panetta, noting the expense was over \$100,000, asked how many podiums, switches, etc. were purchased. Staff will provide follow up at the next meeting.
 - Mr. Davis and Ms. Barrios reviewed the purchase of the Data Link tables and determined it was appropriately charged to the bond. The tables were replacements and approved by Mr. Ma.
 - Detail on the items purchased from Media Systems Group:
 - First purchase:
 - 14 monitor speakers 5.25", 14 stereo amplifier, 14 scaling presentation switcher, 28 twisted pair extenders, 14 media link controllers, 14 surface mount box, 14 mounting frames, 14 adjustable suspension adapters and mounting cables, total purchase \$62,668.88
 - Second purchase:
 - 13 Panasonic 3,500 Lumens DLP Projectors, 13 ceiling mount for Panasonic RW series, 1 Panasonic 3500 Lumen LCD Projector, 1 ceiling mount for Panasonic projector, brackets and 14 Toshiba DVD/VCR, total purchase \$43,767.65
2. Moving on to page 6, Mr. Mulford questioned the expense for moving a piano to an adjacent room. Vice Chair Johnson asked if there was a typo for the rental payment to Peninsula Office Solutions, if the service should have been from 8/5/13 rather than 8/4/13, based on the previous month's entry. Ms. Barrios said she would check and report back.
 - There is no typo in the rental payment. Peninsula Office Solutions's internal system is setup for 30 day billing, and there was no double billing for 8/4.
3. Also on page 12, Chair Fagan questioned the re-keying of 7 locks being included as a bond expense. It was stated the physical science building had been re-keyed and then staff requested 7 locks to be re-keyed due to the locks not working. It was asked why this re-keying was not treated as an operational expense. Follow-up was requested from staff.
 - Mr. Davis and Ms. Barrios determined the re-keying is an appropriate charge as it was related to the physical science building renovation project.