
MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT

Citizens' Bond Oversight Committee

ANNUAL REPORT

2003-2004

Monterey Peninsula College • 980 Fremont Street • Monterey, CA 93940

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STATEMENT OF COMPLIANCE

This Annual Report is submitted to the Board of Trustees by the Monterey Peninsula Community College District Citizens' Bond Oversight Committee. The Committee advises that, to the best of its knowledge, the Monterey Peninsula Community College District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution. In particular, bond revenue has been expended only for the purposes so described in Measure I. As prohibited by Article XIII A, Section 1(b)(3)(a) of the California Constitution, no funds were used for any teacher or administrative salaries or other operating expenses.

Respectfully Submitted By: _____
Jay Hudson, Chair
Citizens' Bond Oversight Committee

Date: _____

SUMMARY OF THE COMMITTEE'S PROCEEDINGS AND ACTIVITIES FOR 2003-2004

Introduction

At the election conducted on November 5, 2002, the Monterey Peninsula Community College District was successful in obtaining more than 55% voter approval to issue and sell general obligation bonds in the amount of \$145,000,000 to fund specific facility projects. The bond election was conducted under Proposition 39 regulations.

Pursuant to Education Code Section 15278, the Board of Trustees established the Citizens' Bond Oversight Committee (CBOC) at their meeting on February 25, 2003 to satisfy the accountability requirements of Proposition 39.

The Citizens' Bond Oversight Committee Bylaws, setting forth the duties and rights of the Committee, were also adopted by the Board at the February 25, 2003 meeting.

The three primary duties of the Citizens' Bond Oversight Committee are to inform the public concerning the District's expenditure of bond proceeds, review and report on the expenditure of taxpayers' monies, and advise the public on the district's compliance with Proposition 39.

Committee Membership

The Bylaws require that the CBOC consist of a minimum of seven members representing students, the business community, senior citizens organization, taxpayers association, college support organization, and the community at large.

Committee members serve without compensation and may be appointed for no more than two consecutive terms. Among those ineligible to serve are elected officials, employees, vendors, contractors, or consultants of the District.

Eleven members were initially appointed by the Board of Trustees. Per the Bylaws, the initial term of members were determined and officers selected at the first meeting of the committee held on November 11, 2003:

Jay Hudson, Chair	2-year initial term
Howard Gustafson, Jr., Vice Chair	2-year initial term
Barbara Canter	2-year initial term
Christine Ferguson	2-year initial term
Rick Heuer	2-year initial term
Rick Johnson	1-year initial term
Ashley Jones	(resigned)
Melvin Kline	1-year initial term
David Lewis	1-year initial term
Steven Vagnini	1-year initial term
Ken White	2-year initial term

Meetings of the Citizens' Bond Oversight Committee

The committee conducts its meetings in accordance with provisions of the Ralph M. Brown Public Meetings Act, Government Code Sections 54950 et seq. Meeting notices and agendas are sent to members of the committee within the required period of time, posted at the Monterey Peninsula College Administration Building, and sent to local media.

To date, the committee has convened four quarterly meetings. The initial meeting of the committee was held November 11, 2003, with subsequent meetings held on March 1, 2004, June 7, 2004, and September 13, 2004. The committee will adopt its 2004-05 meeting schedule at its annual organizational meeting on November 1, 2004. Meetings are generally held from 3:00 to 5:00 pm at the Sam Karas Room in the Library & Technology Center.

Financial Report of the Citizens' Bond Oversight Committee

The first bond issuance was June 18, 2003. Total principal amount was \$40 million. Expenditures and payments made from bond funds have been regularly reviewed and accepted by the committee during the course of the year. This annual report is for the period ending September 30, 2004.

MPC Bond Expenditure Report

July 1, 2003 through September 30, 2004

Bond Principal - First Issuance	\$40,000,000.00		
Expenditures:			
1. Walkway/Safety Improvements	\$222,030.18		
2. Telephone System Upgrades	\$579,648.63		
3. As Built Drawings for campus utilities	\$205,596.16		
4. Roof Repairs	\$480,255.64		
5. HVAC (Heating, Ventilation & Air Conditioning)	\$460,371.51		
6. Landscaping	\$394,983.55		
7. Vehicles	\$187,070.24		
8. Analysis and Review of old Library Renovation	\$9,886.38		
9. Analysis of Physical Education Facility	\$658,696.78		
10. Master Signage Program	\$27,186.12		
11. New Plant Services Building	\$366,845.35		
12. Demolition of Old Plant Services Building	\$63,038.65		
13. Infrastructure/Parking- new construction	\$3,792.73		
14. General Institutional-Bond Management	\$40,999.89		
Total Expenditures	\$3,700,401.81	9.3%	Expended
Remaining Bond Principal	\$36,299,598.19	90.7%	Remaining

APPENDIX

BOND ELECTION RESOLUTION

BYLAWS

COMMITTEE ROSTER

COMMITTEE AGENDAS

November 11, 2003

March 1, 2004

June 7, 2004

September 13, 2004

COMMITTEE MINUTES

November 11, 2003

March 1, 2004

June 7, 2004

September 13, 2004

APPENDIX

RESOLUTION NO. 02-01

RESOLUTION OF THE BOARD OF TRUSTEES OF THE
MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
ORDERING AN ELECTION, AND ESTABLISHING
SPECIFICATIONS OF THE ELECTION ORDER

WHEREAS, the Board of Trustees (the “Board”) has determined that certain properties and equipment within the Monterey Peninsula Community College District (the “District”), within Monterey County (the “County”) need to be acquired, constructed, improved, and equipped to enable the District to maintain Monterey Peninsula College as a valuable community resource, to train local residents for higher-paying and skilled jobs, and to enhance the educational opportunities of the students in the District who desire to transfer to a four-year college; and

WHEREAS, the Board has further determined that since many of the District’s facilities are over 40-years old, most classrooms, training facilities and infrastructure need to be upgraded and repaired to provide students with an educational environment that is technologically current and conducive to learning; and

WHEREAS, notwithstanding ongoing efforts to obtain sufficient facility money from the State of California (the “State”), the State has been unable to provide the District with enough money for the District to adequately modernize Monterey Peninsula College for all its students; and

WHEREAS, in the judgment of the Board, it is advisable to provide additional facility funding for such facility, technology, and safety needs by means of a general obligation bond; and

WHEREAS, Proposition 46, approved by the voters of the State of California on June 3, 1986 (“Proposition 46”), amended Section 1(b) of Article XIII A of the California Constitution by adding a provision which exempts from the 1% of full cash value limitation, those ad valorem taxes used to pay for debt service of any bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by voters voting on the proposition; and

WHEREAS, on November 7, 2000, the voters of California approved the Smaller Classes, Safer Schools and Financial Accountability Act (“Proposition 39”) which, as of its effective date, reduced the voter threshold for *ad valorem* tax levies used to pay for debt service or bonded indebtedness to 55% of the votes cast on a community college district general obligation bond; and

WHEREAS, concurrent with the passage of Proposition 39, Chapter 1.5, Part 10, Division 1, Title 1 (commencing with Section 15264) of the Education Code (the “Act”) became operative and established requirements associated with the implementation of Proposition 39; and

WHEREAS, the Board desires to make certain findings herein to be applicable to this election order and to establish certain performance audits, standards of financial accountability and citizen oversight which are contained in Proposition 39 and the Act; and

WHEREAS, the Board determines that the restrictions in Proposition 39 which prohibit any bond money to be used for administrator salaries and expenses be strictly enforced by a Citizens Oversight Committee; and

WHEREAS, pursuant to the California Elections Code, it is appropriate for the Board to request consolidation of the election with any and all other elections to be held on November 5, 2002, and to request each of the Monterey County Registrar of Voters to perform certain election services for the District; and

WHEREAS, in the judgment of the Board, it is advisable to request the Monterey County Registrar of Voters to call an election pursuant to Proposition 39 on the question of whether general obligation bonds shall be issued and sold on behalf of the District for purposes set forth below;

NOW THEREFORE, THE BOARD OF THE MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. That the Board, pursuant to Education Code Sections 15100 and Government Code Section 53506, hereby requests the Monterey County Registrar of Voters to call an election under the provisions of Proposition 39 and the Act and submit to the electors of the District the question of whether bonds of the District in the aggregate principal amount not to exceed \$145 million (the "Bonds") shall be issued and sold to raise money for the purposes described in Exhibits "A" and "B" hereto.

Section 2. That the date of the election shall be November 5, 2002.

Section 3. That the purpose of the election shall be for the voters in the District to vote on a proposition, a copy of which is attached hereto and marked Exhibit "A" and incorporated by reference herein, containing the question of whether the District shall issue the Bonds to pay for improvements to the extent permitted by such proposition. In compliance with Proposition 39 and the Act, the ballot proposition in Exhibit "A" is subject to the following requirements and determinations:

(a) the proceeds of the sale of the Bonds shall only be used for the purposes set forth in the ballot measure and not for any other purpose, including teacher and administrator salaries and other college operating expenses;

(b) that the Board, in establishing the projects set forth in Exhibit "B", evaluated the safety, class size reduction and information technology needs of the District;

(c) that the Board will cause to be conducted an annual, independent performance audit to ensure that the Bond moneys get expended for the projects identified in Exhibit "B" hereto;

(d) that the Board will cause an annual, independent financial audit of the proceeds from the sale of Bonds to be conducted until all of the Bond proceeds have been expended;

(e) that the Board will cause the appointment of a Citizens Oversight Committee in compliance with Education Code Section 15278 no later than 60 days after the Board enters the election results in its minutes pursuant to Education Code Section 15274;

(f) that the tax levy authorized to secure the bonds of this election shall not exceed \$25 per \$100,000 of taxable property in the District when assessed valuation is projected by the District to increase in accordance with Article XIII A of the California Constitution; and

Section 4. That the authority for ordering the election is contained in Education Code Sections 15100 *et seq.* and 15264 *et seq.* and Government Code Section 53506.

Section 5. That the authority for the specifications of this election order is contained in Section 5322 of the Education Code.

Section 6. That the Monterey County Registrar of Voters and the Monterey County Board of Supervisors are hereby requested to consolidate the election ordered hereby with any and all other elections to be held on November 5, 2002 within the District.

Section 7. That this Resolution shall stand as the “order of election” to each of the Monterey County Registrar of Voters to call an election within the boundaries of the District on November 5, 2002.

Section 8. That the Secretary of the Board is hereby directed to send a certified copy of this Resolution to each of the Monterey County Registrar of Voters no later than August 9, 2002.

Section 9. That the maturity of any Bonds issued pursuant to Section 15100 of the Education Code, and Bonds issued pursuant to Section 53506 of the Government Code shall not exceed the maturity limits set forth therein, respectively. The maximum interest rate on any Bond shall not exceed the maximum rate allowed by Education Code Sections 15140 to 15143, as modified by Government Code Section 53531.

Section 10. That the Board requests the governing body of any such other political subdivision, or any officer otherwise authorized by law, to partially or completely consolidate such election and to further provide that the canvass be made by any body or official authorized by law to canvass the returns of the election, and that the Board consents to such consolidation.

Section 11. Pursuant to Section 5303 of the Education Code and Section 10002 of the Elections Code, the Board of Supervisors of Monterey County is requested to permit the Registrar of Voters to render all services specified by Section 10418 of the Elections Code relating to the election, for which services the District agrees to reimburse Monterey County, such services to include the publication of a Formal Notice of School Bond Election, the inclusion of Exhibit B hereto in the voter pamphlet, and the mailing of the sample ballot and tax rate statement (described in Section 9401 of the Elections Code) pursuant to the terms of Section 5363 of the Education Code and Section 12112 of the Elections Code.

ADOPTED, SIGNED AND APPROVED this 25th day of July, 2002.

BOARD OF TRUSTEES OF THE MONTEREY
PENINSULA COMMUNITY COLLEGE DISTRICT

By Jim Tunney
Board Chair

Attest:

Kirk Avery
Secretary

STATE OF CALIFORNIA)
)ss
MONTEREY COUNTY)

I, Kirk Avery, do hereby certify that the foregoing is a true and correct copy of Resolution No. 02-01, which was duly adopted by the Board of Trustees of the Monterey Peninsula Community College District at meeting thereof held on the 25th day of July, 2002, and that it was so adopted by the following vote:

AYES: Infelise, Karas, Parker, Philpot, Tunney

NOES: None

ABSENT: None

ABSTENTIONS: None

By Kirk Avery
Secretary

EXHIBIT A

“To prepare Monterey Peninsula College students for jobs and 4-year universities by repairing deteriorating roofs, worn wiring/plumbing, inefficient heating/cooling systems; renovating aging classrooms, labs; repairing/acquiring/constructing/equipping college buildings, library, public safety training facility, sites, science and computer labs; upgrading technology campus-wide and training computer technicians; shall Monterey Peninsula Community College District issue \$145,000,000 in bonds at legal rates with **Strict Accountability Safeguards**, including **Citizens Oversight Committee**, annual audits, no money for administrators’ salaries?”

Bonds - Yes

Bonds – No

EXHIBIT B
FULL TEXT BALLOT PROPOSITION
OF THE MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
BOND MEASURE ELECTION NOVEMBER 5, 2002

“To prepare Monterey Peninsula College students for jobs and 4-year universities by repairing deteriorating roofs, worn wiring/plumbing, inefficient heating/cooling systems; renovating aging classrooms, labs; repairing/acquiring/constructing/equipping college buildings, library, public safety training facility, sites, science and computer labs; upgrading technology campus-wide and training computer technicians; shall Monterey Peninsula Community College District issue \$145,000,000 in bonds at legal rates with **Strict Accountability Safeguards**, including **Citizens Oversight Committee**, annual audits, no money for administrators’ salaries?”

PROJECTS

The Board of Trustees of the Monterey Peninsula College District evaluated the District’s urgent and critical facility needs, including class size reduction, safety, energy reduction and information and computer technology in determining the following projects:

Repair, Renovate, and/or Replace Obsolete Classrooms, Science Labs, Instructional Facilities and Utilities:

Repair, renovate and/or replace deteriorating roofs, walls, plumbing, windows, wiring, heating and ventilation systems, bathrooms, 40-year old utility systems, telecommunications, foundations, classrooms, science laboratories, lecture halls and other instructional facilities to wire classrooms for computers and technology, increase safety, increase energy efficiency, reduce operating costs so more classes can be offered, and improve academic instruction. Install fire safety equipment, including alarms, smoke detectors, sprinkler, emergency lighting, door hardware and fire safety doors.

Improve Emergency Access and Evacuation Routes:

To improve student safety, redesign campus road and sidewalk network to increase parking, eliminate unsafe conditions, reduce gridlock, improve pedestrian safety and increase access for emergency vehicles; provide safer access for ADA compliance.

Renovate, Repair, Equip, Construct and/or Expand Classroom Buildings:

Renovate, repair, equip, and construct and/or expand classroom buildings to include academic advisement centers, study areas, lecture/meeting/seminar rooms, computer hook-up and study areas, as well as a new child care center.

Repair, Replace and Renovate Electrical and Mechanical Systems to Reduce Energy Consumption:

A comprehensive study by independent engineers has identified energy reduction projects that could significantly reduce energy consumption.

Remove Hazardous Asbestos From Educational Buildings:

Due to their old age, many of the buildings were constructed with materials containing unsafe levels of asbestos and lead paint, and such hazards need to be eliminated.

Improve Parking Conditions:

To relieve neighborhood traffic stress and provide safer, better lighted parking areas, construct parking facilities, restore surface lots, entrance pathways and lighting for safety.

Equipment:

Replace old vehicles, classrooms, equipment and playground equipment for the Child Development Center.

Math and Science Buildings:

Upgrade and expand the math and science buildings, add classrooms/labs, and student access to lab technicians to address the critical shortage of healthcare professionals, especially and to prepare local students for careers and four-year college degrees in science and technology jobs and professions.

Instructional Technology/Computer Centers:

Expand technology and computer centers with high-speed Internet access and computer technology; campus-wide technology upgrades.

Public Safety Training Center:

Construct a public safety training center at Fort Ord.

Classroom Building Renovations:

Repair and renovate the old Library Building, Student Services Building, Business-Humanities Building, Physical Sciences Building, and the College Center Building so that each structure may be adapted for better educational use.

Theater, Amphitheater, Physical Education Facilities:

Renovate theater with new pit, loading platform and dust collection system for shop; rebuild amphitheater; replace deteriorated athletic facilities.

The specific allocation of bond money may be affected by the District's receipt of state and other contribution funds and final costs of each project. The budget for each project may be affected by factors beyond the District's control. The Board of Trustees will establish the timing of projects after review by the Citizens Oversight Committee.

The expenditure of bond money on these projects are subject to tough financial accountability requirements. Performance and financial audits will be performed annually, and all bond expenditures will be monitored by an independent, Citizens Oversight Committee to ensure that all funds are spent as promised and specified. No money can be spent on administrators' or staff salaries. By law, all funds can only be spent on repair and improvement projects specified by the voters .

**CITIZENS' BOND OVERSIGHT COMMITTEE
BYLAWS**

Section 1. Committee Established. The Monterey Peninsula Community College District (the "District") was successful at the election conducted on November 5, 2002 (the "Election"), in obtaining authorization from the District's voters to issue up to \$145,000,000 aggregate principal amount of the District's general obligation bonds. The election was conducted under Proposition 39, being chaptered as the Strict Accountability in Local School Construction Bonds Act of 2000, at Section 15264 *et seq.* of the Education Code of the State ("Prop 39"). Pursuant to Section 15278 of the Education Code, the District is now obligated to establish the Committee in order to satisfy the accountability requirements of Prop 39. The Board of Trustees of the Monterey Peninsula Community College District (the "Board") hereby establishes the Citizens' Bond Oversight Committee (the "Committee") which shall have the duties and rights set forth in these Bylaws. The Committee does not have independent legal capacity from the District.

Section 2. Purposes. The purposes of the Committee are set forth in Prop 39, and these Bylaws are specifically made subject to the applicable provisions of Prop 39 as to the duties and rights of the Committee. The Committee shall be deemed to be subject to the *Ralph M. Brown Public Meetings Act* of the State of California and shall conduct its meetings in accordance with the provisions thereof. The District shall provide necessary administrative support to the Committee as shall be consistent with the Committee's purposes, as set forth in Prop 39.

The proceeds of general obligation bonds issued pursuant to the Election are hereinafter referred to as "bond proceeds." The Committee shall confine itself specifically to bond proceeds generated under Measure I. Regular and deferred maintenance projects and all monies generated under other sources shall fall outside the scope of the Committee review.

Section 3. Duties. To carry out its stated purposes, the Committee shall perform the duties set forth in Sections 3.1, 3.2 and 3.3 and shall refrain from the activities in Sections 3.4 and 3.5:

3.1 **Inform the Public.** The Committee shall inform the public concerning the District's expenditure of bond proceeds.

3.2 **Review Expenditures.** The Committee may review quarterly expenditure reports produced by the District to ensure that (a) bond proceeds are expended only for the purposes set forth in the ballot measure; and (b) no bond proceeds are used for any teacher or administrative salaries or other operating expenses.

3.3 **Annual Report.** The Committee shall present to the Board, in public session, an annual written report which shall include the following:

- (a) A statement indicating whether the District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution; and
- (b) A summary of the Committee's proceedings and activities for the preceding year.

3.4 Duties of the Board/Superintendent/President. Either the Board or the Superintendent/President, as the Board shall determine, shall have the following powers reserved to it, and the Committee shall have no jurisdiction over the following types of activities:

- (i) Approval of construction contracts,
- (ii) Approval of construction change orders,
- (iii) Appropriation of construction funds,
- (iv) Handling of all legal matters,
- (v) Approval of construction plans and schedules,
- (vi) Approval of Deferred Maintenance Plan and Facilities Master Plan, and
- (vii) Approval of the sale of bonds.

3.5 Voter-Approved Projects Only. In recognition of the fact that the Committee is charged with overseeing the expenditure of bond proceeds, the Board has not charged the Committee with responsibility for:

(a) Projects financed through the State of California, developer fees, redevelopment tax increment, certificates of participation, lease/revenue bonds, the general fund or the sale of surplus property without bond proceeds shall be outside the authority of the Committee.

(b) The establishment of priorities and order of construction for the bond projects shall be made by the Board in its sole discretion.

(c) The selection of architects, engineers, soils engineers, construction managers, project managers, CEQA consultants and such other professional service firms as are required to complete the project based on District criteria established by the Board in its sole discretion.

(d) The approval of the design for each project including exterior materials, paint color, interior finishes, site plan and construction methods (modular vs. permanent) by the Board in its sole discretion and shall report to the Committee on any cost saving techniques considered or adopted by the Board.

(e) The selection of independent audit firm(s), performance audit consultants and such other consultants as are necessary to support the activities of the Committee.

(f) The approval of an annual budget for the Committee that is sufficient to carry out the activities set forth in Prop 39 and included herein.

(g) The adoption of a plan for publicizing the activities of the Committee and the determination as to whether a mailer, a newspaper notice or website materials would best suit the distribution of the Committee's findings and recommendations.

(h) The amendment or modification of the Bylaws for the Committee as provided herein, subject to the legal requirements of Proposition 39.

(i) The appointment or reappointment of qualified applicants to serve on the Committee, subject to legal limitations, and based on criteria adopted in the Board's sole discretion as part of carrying out its function under Prop 39.

Section 4. Authorized Activities.

4.1 In order to perform the duties set forth in Section 3.0, the Committee may engage in the following authorized activities:

(a) Receive and review copies of the District's annual independent performance audit and annual independent financial audit, required by Article XIII A of the California Constitution.

(b) Inspect college facilities and grounds for which bond proceeds have been or will be expended, in accordance with any access procedure established by the District's Vice President, Business/Finance.

(c) Review copies of deferred maintenance proposal, facilities master plan, or plans developed by the District.

(d) Review efforts by the District to maximize bond proceeds by implementing various cost-saving measures.

Section 5. Membership.

5.1 Number.

The committee shall consist of a minimum of seven (7) members appointed by the Board of Trustees from a list of candidates submitting written applications, and based on criteria established by Prop 39, to wit:

- One (1) student enrolled and active in a community college support group, such as student government.
- One (1) member active in a business organization representing the business community located in the District.
- One (1) member active in a senior citizens' organization.
- One (1) member active in a bona-fide taxpayers association.
- One (1) member active in a support organization for the college, such as a foundation.
- Two (2) members of the community at-large.

5.2 Qualification Standards.

(a) To be a qualified person, he or she must be at least 18 years of age and reside within the District's geographic boundary, in accordance with Government Code Section 1020.

(b) The Committee may not include any employee, official of the District or any vendor, contractor or consultant of the District.

5.3 Ethics: Conflicts of Interest. By accepting appointment to the Committee, each member agrees to comply with Articles 4 (commencing with Section 1090) and 4.7 (commencing with Section 1125) of Division 4 of Title 1 of the Government Code and the Political Reform Act (Gov. Code §§ 81000 *et seq.*), and to complete the Form 700 as required by all "designated employees" of the District. Additionally, each member shall comply with the Committee Ethics Policy attached as "Attachment A" to these Bylaws.

5.4 Term. Except as otherwise provided herein, each member shall serve a term of two (2) years, beginning November 1. No member may serve more than two (2) consecutive terms. At the Committee's first meeting, members will draw lots or otherwise select a minimum of two members to serve for an initial one (1) year term and the remaining members for an initial two (2) year term.

5.5 Appointment. Members of the Committee shall be appointed by the Board through the following process: (a) advertising for applications in local newspapers; (b) appropriate local groups will be solicited for applications; (c) the Superintendent/President or his designee will review the applications; and (d) the Superintendent/President or his designee will make recommendations to the Board.

5.6 Removal; Vacancy. The Board may remove any Committee member for any reason, including failure to attend two consecutive Committee meetings without reasonable excuse or for failure to comply with the Committee Ethics Policy. Upon a member's removal, his or her seat shall be declared vacant. The Board, in accordance with the established appointment process shall fill any vacancies on the Committee.

5.7 Compensation. The Committee members shall not be compensated for their services.

5.8 Authority of Members. (a) Committee members shall not have the authority to direct staff of the District; (b) Individual members of the Committee retain the right to address the Board, either on behalf of the Committee or as an individual; and (c) the Committee shall only have the right to receive documents or reports which have been submitted to the Board or which are a public record.

Section 6. Meetings of the Committee.

6.1 Regular Meetings. The Committee is required to meet at least once a year including an annual organizational meeting to be held in November.

6.2 Location. All meetings shall be held within the Monterey Peninsula Community College District, located in Monterey County, California.

6.3 Procedures. All meetings shall be open to the public in accordance with the *Ralph M. Brown Act*, Government Code Section 54950 *et seq.* Meetings shall be conducted according to such additional procedural rules as the Committee may adopt. A majority of the number of Committee members shall constitute a quorum for the transaction of any business except adjournment.

Section 7. District Support.

7.1 The District shall provide to the Committee necessary technical and administrative assistance as follows:

(a) preparation of and posting of public notices as required by the *Brown Act*, ensuring that all notices to the public are provided in the same manner as notices regarding meetings of the District Board;

(b) provision of a meeting room, including any necessary audio/visual equipment;

(c) preparation and copies of any documentary meeting materials, such as agendas and reports; and

(d) retention of all Committee records, and providing public access to such records on an Internet website maintained by the District.

7.2 District staff and/or District consultants shall attend all Committee proceedings in order to report on the status of projects and the expenditures of bond proceeds.

7.3 No bond proceeds shall be used to provide District support to the Committee.

Section 8. Reports. In addition to the Annual Report required in Section 3.2, the Committee may report to the Board at least semi-annually in order to advise the Board on the activities of the Committee. Such report shall be in writing and shall summarize the proceedings and activities conducted by the Committee.

Section 9. Officers. The Superintendent/President shall appoint the Chair. The Committee shall elect a vice-chair who shall act as chair only when the chair is absent. No person shall serve as chair for more than two consecutive terms.

Section 10. Amendment of Bylaws. Any amendment to these Bylaws shall be approved by a two-thirds vote of the entire Board.

Section 11. Termination. The Committee shall automatically terminate and disband at the earlier of the date when (a) all bond proceeds are spent, or (b) all projects funded by bond proceeds are completed.

**CITIZENS' BOND OVERSIGHT COMMITTEE
ETHICS POLICY STATEMENT**

This Ethics Policy Statement provides general guidelines for Committee members to follow in carrying out their roles. Not all ethical issues that Committee members face are covered in this Statement. However, this Statement captures some of the critical areas that help define ethical and professional conduct for Committee members. The provisions of this Statement were developed from existing laws, rules, policies and procedures as well as from concepts that define generally accepted good business practices. Committee members are expected to strictly adhere to the provisions of this Ethics Policy.

POLICY

- **CONFLICT OF INTEREST.** A Committee member shall not make or influence a District decision related to: (1) any contract funded by bond proceeds or (2) any construction project which will benefit the committee member's outside employment, business, or a personal finance or benefit an immediate family member, such as a spouse, child or parent.

- **OUTSIDE EMPLOYMENT.** A Committee member shall not use his or her authority over a particular matter to negotiate future employment with any person or organization that relates to: (1) any contract funded by bond proceeds, or (2) any construction project. A Committee member shall not influence a District decision related to any construction project involving the interest of a person with whom the member has an agreement concerning current or future employment, or remuneration of any kind. For a period of two (2) years after leaving the Committee, a former Committee member may not represent any person or organization for compensation in connection with any matter pending before the District that, as a Committee member, he or she participated in personally and substantially. Specifically, for a period of two (2) years after leaving the Committee, a former Committee member and the companies and businesses for which the member works shall be prohibited from contracting with the District with respect to: (1) bidding on projects funded by the bond proceeds; and (2) any construction project.

- **COMMITMENT TO UPHOLD LAW.** A Committee member shall uphold the federal and California Constitutions, the laws and regulations of the United States and the State of California (particularly the Education Code) and all other applicable government entities, and the policies, procedures, rules and regulations of the Monterey Peninsula Community College District.

- **COMMITMENT TO DISTRICT.** A Committee member shall place the interests of the District above any personal or business interest of the member.

MONTEREY PENINSULA COLLEGE

Citizens' Bond Oversight Committee Roster 2003-04

- Jay Hudson, Chair, *Community member*
- Howard Gustafson, Jr., Vice Chair, *Community member*
- Barbara Canter, *GENTRAIN Society*
- Christine Ferguson, *Monterey Peninsula College student*
- Rick Heuer, *Monterey Peninsula Taypayers Association*
- Rick Johnson, *Old Monterey Business Association*
- Ashley Jones, *Associated Students of Monterey Peninsula College*
- Dr. Melvin Kline, *Carmel Foundation*
- David Lewis, *Monterey Peninsula College Foundation*
- Steven Vagnini, *Economic Development Commission of the City of Marina*
- Ken White, *Community member*

**MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
CITIZENS' BOND OVERSIGHT COMMITTEE****MEETING**

Tuesday, November 11, 2003, 3:00 PM
Sam Karas Room, Library and Technology Center
Monterey Peninsula College

AGENDA**1. Welcome and Introductions**

Dr. Kirk Avery will welcome members of the Citizens' Bond Oversight Committee. Committee members will introduce themselves.

2. Purposes, Duties and Authorized Activities of the Citizens' Bond Oversight Committee; Review of Ethics Policy Statement

Mr. David Casnocha, bond counsel from the firm of Stradling, Yocca, Carlson and Rauth, will give the committee an overview of the purpose of the committee, its duties, and authorized activities as set forth in the Citizens' Bond Oversight Committee Bylaws. Mr. Casnocha will also review the Citizens' Bond Oversight Committee Ethics Policy Statement.

3. Review of the Ralph M. Brown Public Meetings Act

The Bylaws of the Citizens' Bond Oversight Committee state, "The Committee shall be deemed to be subject to the *Ralph M. Brown Public Meetings Act* of the State of California and shall conduct its meetings in accordance with the provisions thereof." Mr. Casnocha will briefly outline the requirements of the Brown Act as it relates to public meetings.

4. Bond Implementation Activities

Joe Bissell, Vice President for Administrative Services, will review bond implementation activities, including the Early Start Projects list.

5. Determination of Term of Members

The Bylaws of the Citizens' Bond Oversight Committee state, "Except as provided herein, each member shall serve a term of two years, beginning March 1. No member may serve more than two (2) consecutive terms. At the Committee's first meeting, members will draw lots or otherwise select a minimum of two members to serve for an initial one (1) year term and the remaining members for an initial two (2) year term."

6. Availability to Serve as Committee Chair

The Bylaws of the Citizens' Bond Oversight Committee state, "The Superintendent/President shall appoint the Chair. The Committee shall elect a vice-chair who shall act as chair only when the chair is absent." The committee chair will be appointed by Dr. Avery. Committee members will indicate their interest in serving as vice-chair and a vote will be taken.

7. Next Meeting

8. Adjournment

Posted: November 7, 2003



Monterey Peninsula College

980 Fremont Street, Monterey, California 93940-4799 • 831/646-4000 • FAX 831/655-2627

Dr. Kirk Avery, Superintendent/President

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT

Citizens' Bond Oversight Committee

Monday, March 1, 2004, 3:00 PM
Sam Karas Room, Library and Technology Center
Monterey Peninsula College

MEETING AGENDA

1. Call to Order

2. Introduction of New Committee Members

3. Public Comment

At this time, the Citizen's Bond Oversight Committee will listen to communication from the public. Under provisions of the Brown Act, the Committee is prohibited from discussing or taking action on oral requests that are not part of the agenda. Comments are limited to three minutes per person or as determined by the Committee.

4. Approval of November 11, 2003 Minutes

ACTION

5. By-Laws Change

INFORMATION

To reflect the start of the committee's official activities in November 2003, The Board of Trustees amended the Bylaws to designate November 1 for the beginning of the membership term and to designate November for the committee's annual organizational meeting.

6. District's Educational/Facilities Master Plan

INFORMATION

The Board of Trustees is scheduled to take action at their February 24 meeting to approve the Educational/Facilities Master Plan completed by Maas and Associates. The Plan indicates the phases of facilities projects being planned by the district. The Plan will be reviewed with the Committee.

7. Status of "Early Start" Bond Projects

INFORMATION

The February 17, 2004 report will be reviewed.

8. Accept Bills and Warrants Report

ACTION

The list of payments from bond funds expended through January 31, 2004 will be reviewed for acceptance by the committee.

9. District's Audited Financial Statements

INFORMATION

The District's Audited Financial Statements, for the fiscal year ended June 30, 2003, will be reviewed.

10. Schedule Next Meeting (PLEASE BRING YOUR CALENDARS)

ACTION

Monday, June 7, 2004, is suggested.

11. Suggestions for Future Agenda Topics

12. Adjournment

Posted: February 25, 2004



Monterey Peninsula College

980 Fremont Street, Monterey, California 93940-4799 • 831/646-4000 • FAX 831/655-2627

Dr. Kirk Avery, Superintendent/President

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

Monday, June 7, 2004, 3:00 PM
Sam Karas Room, Library and Technology Center
Monterey Peninsula College

MEETING AGENDA

1. Call to Order

2. Public Comment

At this time, the Citizen's Bond Oversight Committee will listen to communication from the public. Under provisions of the Brown Act, the Committee is prohibited from discussing or taking action on oral requests that are not part of the agenda. Comments are limited to three minutes per person or as determined by the Committee.

3. Approval of March 1, 2004 Minutes

ACTION

4. Status of "Early Start" Bond Projects

INFORMATION

The May 12, 2004 report will be reviewed.

5. Accept Bills and Warrants Report

ACTION

The list of payments from bond funds expended through April 30, 2004 will be reviewed for acceptance by the committee.

6. Update on Facilities Projects

INFORMATION

An update will be given on Physical Education facilities, campus signage, and traffic study projects.

7. Bond Program Management Firm Update

INFORMATION

8. Meeting Schedule

INFORMATION

Monday, September 13, 2004

Monday, November 1, 2004 (Annual Organizational Meeting)

9. Suggestions for Future Agenda Topics

10. Adjournment

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

Monday, September 13, 2004, 3:00 PM
Sam Karas Room, Library and Technology Center
Monterey Peninsula College

*MEETING AGENDA***1. Call to Order****2. Public Comment**

At this time, the Citizen's Bond Oversight Committee will listen to communication from the public. Under provisions of the Brown Act, the Committee is prohibited from discussing or taking action on oral requests that are not part of the agenda. Comments are limited to three minutes per person or as determined by the Committee.

3. Approval of June 7, 2004 Minutes

ACTION

4. Bond Program Management Firm Presentation

INFORMATION

The firm of Bogard + Kitchell was selected by the Board of Trustees in May 2004 to provide bond program management services for the District. Joe Demko, representing the firm, will provide an overview of implementation activities.

5. Status of "Early Start" Bond Projects

INFORMATION

A status report will be given.

6. Accept Bills and Warrants Report

ACTION

The list of payments from bond funds expended through July 31, 2004 will be reviewed for acceptance by the committee.

7. Update on Facilities Projects

INFORMATION

An update will be given on Physical Education facilities, Math Science Complex, Child Development Center, old Library renovation, and campus physical master site planning.

8. Meeting Schedule

INFORMATION

Monday, November 1, 2004 (Annual Organizational Meeting)

9. Suggestions for Future Agenda Topics**10. Adjournment**

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT

CITIZENS' BOND OVERSIGHT COMMITTEE

Meeting Minutes
November 11, 2003

MEMBERS PRESENT: Barbara Canter
Christine Ferguson
Howard Gustafson, Jr.
Rick Heuer
Jay Hudson
Rick Johnson
Melvin Kline
David Lewis for Lynn Davis
Steven Vagnini
Ken White

ABSENT: Ashley Jones

1. Welcome and Introductions

Dr. Kirk Avery, Superintendent/President, welcomed the committee members and guests. Mr. David Casnocha, the district's bond counsel from the firm of Stradling, Yocca, Carlson and Rauth, was introduced. Committee members introduced themselves and shared information about their related experience and their affiliations with the college. Mr. David Lewis indicated that he had been selected to replace Lynn Davis as the MPC Foundation's representative on the Committee. Mr. Davis was just elected to the Board of Trustees, and Mr. Lewis will be formally appointed at the next Board meeting.

2. Purposes, Duties and Authorized Activities of the Citizens' Bond Oversight Committee; Review of Ethics Policy Statement

Mr. Casnocha reviewed Proposition 39 which provides for general obligation bonds to be approved with 55% voter approval rather than a 2/3 majority vote. Proposition 39 requires a mandatory Citizens' Oversight Committee and the preparation of annual financial reports on bond expenditures. He explained the committee's authority, powers, and duties were set by the state legislature and not by the college trustees.

Mr. Casnocha then reviewed the committee's bylaws which had been approved by the trustees. The committee has no independent legal capacity apart from the district; thus, the committee's powers are not self-initiating. The three primary duties of the committee are to inform the public, review and report on the expenditure of taxpayers' monies, and advise the public on the district's compliance with Proposition 39.

Mr. Casnocha stated that "review" was the operative word; the committee cannot pre-approve projects or expenditures. The committee has the responsibility to review expenditures for consistency with what was promised to the voters and that employee salaries

and operating expenses are not funded with bond monies. He advised that quarterly meetings were typical of other bond oversight committees.

To inform the public, Mr. Casnocha stated the committee should prepare an annual report. The district will also be setting up a website link to post meeting minutes.

Dr. Melvin Kline noted that the committee seemed to be providing oversight after the fact and he asked if the committee could give approval of expenditures in advance. Mr. Casnocha responded that the answer was no; the legislature did not give the committee that authority. Mr. Casnocha stated that it is the college trustees who authorize expenditures and prioritize the projects. The staff will carry the opinions of the oversight committee to the Board.

Continuing his review of the Bylaws, Mr. Casnocha stated the committee has no review or say over projects financed with other funding. He noted that in addition to the committee, bond counsel and the district are also required by Proposition 39 to prepare annual reports. Typically, the district will have an outside audit firm prepare an annual financial report and performance audit for the bond. This bond financial report/audit may be reviewed by the committee. In addition, the committee may make on-site inspections, review the deferred maintenance and master plan, and review the district's cost-saving measures in regards to design, bidding, and energy efficiency.

Committee members' terms are limited to two 2-year terms, with some members serving an initial 1-year term and others serving an initial 2-year term. The purpose of this staggering of terms is to ensure continuity in the committee's membership over the 15 years of bond expenditures.

Mr. Jay Hudson noted that the terms of committee members begin March 1. Mr. Casnocha stated staff will ask the trustees to amend the Bylaws to reflect November 1 as the beginning of a term.

Mr. Casnocha reviewed the authority of committee members. He stated that committee members cannot direct staff and may only receive reports submitted to the Board or documents which are considered public records. The committee can expect the district to: post meeting agendas in compliance with the Brown Act, provide meeting room space, prepare meeting materials, and retain committee records. District staff and consultants, such as architects, will also meet with the committee to provide information. Mr. Casnocha emphasized bond monies cannot be used to support the committee; rather the district's general fund will provide funding support.

Mr. Casnocha concluded with a review of the Ethics Statement and Policy. He gave a reminder that if committee members have a conflict of interest, they must put them aside, e.g., members should not lobby for a contract to be given to a friend. Committee members must abide by the commitment made to the district; the college will be better when the greater good is advanced. He stated committee membership is not a platform for public office and that fair play and sound judgement should be used.

3. Review of the Ralph M. Brown Public Meetings Act

Mr. Casnocha distributed a handout on the Brown Act and briefly reviewed the requirements. He noted committee members may get together on a social basis and should not feel constrained; however, committee business needs to be restricted to public meetings. He stated that the public has a right to comment at the public meetings and all meetings are to be noticed and open to the public. Serial meetings, such as when members conduct a phone chain to poll each other, should not take place. In regards to Closed Sessions, Mr. Casnocha said the committee's should expect all of their business to be covered in open session.

Dr. Kline asked if committee members needed to file conflict of interest forms. Mr. Casnocha advised that committee members do not have to file these forms.

Mr. Casnocha commented that the Citizens' Bond Oversight Committee can be tremendously helpful to the college. The committee is the eyes and ears of the voters. He advised that if the college is doing a good job, the committee should tell the Board. One way to inform the public is by reading a statement at the Board of Trustees meeting. If the college is not doing a good job, Mr. Casnocha noted the committee has a duty to inform the public, but he advised following an appropriate process and protocol. He concluded by saying every community college has more projects than dollars approved in the bond measure. Mr. Casnocha stated not every project will get funded, but this was not a violation of the law; trustees have to prioritize.

Ms. Jean Grace, a member of the public, commented that the agenda had no place for public comment and stated her concern that the public cannot be required to sign in.

4. Bond Implementation Activities

Mr. Joe Bissell, Vice President for Administrative Services, stated that Exhibit B covers projects to renovate the campus and also build a satellite campus and public safety training facility at Fort Ord. He said the district's 5-year capital outlay plan, the deferred maintenance plan, the facilities condition analysis and the educational plan for instructional and student services were used to determine the list of projects. It was estimated that \$228 million would be needed to complete all of the projects; thus there were more projects than could be completed with the \$145 million bond.

Mr. Bissell also reviewed the educational facilities master planning process that was underway with the district's consultant, Maas Companies. He stated the consultant has been meeting with departments and would develop the master plan based on analysis of the education plan, enrollment data, population projections, and state funding formulas. It is expected the plan will be presented to the Board for approval by February.

In advance of the educational facilities master plan completion, the Board has approved "early start" projects. Mr. Bissell distributed a status report and reviewed the progress of the projects. He reported that as of October 30, \$2,241,764.87 had been committed out of the \$3,945,000 that had been allocated to complete these projects.

Mr. Steven Vagnini asked about reviewing an expenditure report with more detail. Mr. Bissell stated that the Board is provided with a warrants list that contains more detail, and this document would also be provided to the committee.

Mr. Hudson asked about using short-term certificates as an investment vehicle for bond proceeds. Mr. Bissell explained that all of the college's funds are handled by the County Office of Education and the bond proceeds are invested in LAIF (Local Agency Investment Funds), currently yielding 1.72% interest.

5. Determination of Term of Members

The initial term of members was determined by straw lot as follows:

Barbara Canter	2-year initial term
Christine Ferguson	2-year initial term
Howard Gustafson, Jr.	2-year initial term
Rick Heuer	2-year initial term
Jay Hudson	2-year initial term
Rick Johnson	1-year initial term
Melvin Kline	1-year initial term
David Lewis	1-year initial term
Steven Vagnini	1-year initial term
Ken White	2-year initial term

6. Availability to Serve as Committee Chair

Dr. Avery informed the committee that he has appointed Mr. Jay Hudson to serve as the Chair of the Citizens' Bond Oversight Committee, as per the Bylaws. Volunteers were solicited to serve as Vice Chair. Mr. Howard Gustafson, Jr. volunteered and was elected by unanimous proclamation.

7. Public Comments

The public was invited to make comments.

Ms. Sharon Sarris referred to the cost saving provision in Section 4D of the Bylaws. She noted that equipment may appear to cost more initially, but the committee should be aware that extensive analysis would have been completed in that decision.

Mr. Bissell introduced Mr. Peter Buechel, the district's purchasing agent, Mr. Steve Morgan, Director of Facilities, and Mr. Danis Taylor, architect with the firm of Wald, Ruhnke and Dost.

Mr. Ken White asked committee members to consider speaking through one voice, through the Chair and to be sure of having all the facts before speaking. He also advised that students and faculty are the best ambassadors once work gets underway.

Chair Hudson commented that he appreciated receiving information regarding the role of the committee. He observed the committee has an important oversight role to play, noting there are examples of schools getting into trouble with the expenditure of bond funds.

8. Next Meeting

It was suggested that the next meeting be scheduled after the Board approval of the educational facilities master plan in February. The date of March 1 was selected and it was agreed to meet at 3:00 PM.

Ms. Barbara Canter asked about the frequency of meetings. Chair Hudson thought quarterly meetings would be sufficient.

9. Adjournment

The meeting was adjourned at 4:50 PM.

vn

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT

CITIZENS' BOND OVERSIGHT COMMITTEE

Meeting Minutes

March 1, 2004

MEMBERS PRESENT: Howard Gustafson, Jr.
Rick Heuer
Jay Hudson
Rick Johnson
Ashley Jones
Melvin Kline
David Lewis
Steven Vagnini

ABSENT: Barbara Canter
Christine Ferguson
Ken White

STAFF PRESENT: Dr. Kirk Avery, Superintendent/President
Ms. Rosemary Barrios, Controller
Mr. Joe Bissell, Vice President for Administrative Services
Dr. Carole Bogue-Feinour, Vice President of Academic Affairs
Mr. Pete Buechel, Purchasing Agent
Mr. Paul Emenhiser, Director of Information Systems
Mr. Steve Morgan, Director of Facilities
Ms. Vicki Nakamura, Assistant to the President

GUESTS PRESENT: Dr. Michael Maas, Maas Companies

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.

2. Introduction of New Committee Members

Ashley Jones, representing the Associated Students of Monterey Peninsula College, was introduced.

3. Public Comment

None.

4. Approval of Minutes

It was moved by Howard Gustafson, Jr. and seconded by Rick Johnson to approve the minutes of the November 11, 2003 meeting. Motion unanimously carried.

5. By-Laws Change

It was reported that the Board of Trustees amended the Bylaws of the Committee to designate November 1 for the beginning of the membership term and to designate November for the committee's annual organizational meeting. A copy of the revised Bylaws was distributed.

6. District's Educational/Facilities Master Plan Presentation

Michael Maas, of Maas and Associates, gave a presentation on the district's Educational/Facilities Master Plan which was recently completed by his firm. He noted that the planning process began in June 2003, and the Board of Trustees approved the plan at their February 24 meeting.

Dr. Maas explained that the bond program is for \$145 million, but the projects within the facilities master plan equal \$212 million. Additional funding of \$67 million will be needed to complete all of the projects. The college plans to leverage bond dollars by acquiring funds from federal, state, and private sources. To ensure eligibility for state funding, campus facilities will conform with state standards.

He summarized key findings of the plan:

- Within the college's service area, population growth is lagging. The annual rate of growth is projected at 1.2%. He said that 1.1% is considered no growth. Growth will occur in the northern part of the district.
- Limited growth in enrollment is also projected; however, the college's weekly student contact hours (WSCH) are projected to outpace the enrollment growth rate. To meet enrollment projections, the college will need to increase student participation rates. Also, because the college is funded based on WSCH, the college's instructional program will need to be efficient in terms of class size.
- The campus is showing its age. Infrastructure and utility systems need to be revitalized.
- No parking structure is being recommended in the plan. The campus will never be able to totally solve its parking problem. The state standard is 5 students per parking space, but students are not on campus all of the time. A comprehensive traffic plan needs to be developed.
- The volume of existing space on campus is adequate to meet current needs; however the quality of the space is not good. Consequently, facility renovation is a funding priority.
- The terrain of the campus is challenging. The ravine in the middle of the campus acts as a physical barrier, separates one side of the campus from the other, and creates circulation problems.

Dr. Maas indicated that the plan also addresses future program and space needs of the campus out to 2020. He noted there will be opportunities in public safety training, needs in the science area, and growth in community-based programs in physical education and the arts.

He explained that WSCH drives square footage projections for community colleges. In 2002, the college had an excess of 56,062 assignable square feet, but by 2020, the college will need 49,750 additional assignable square feet.

Dr. Maas also noted the Fort Ord properties that will be conveyed to the college. He stated these parcels represent a tremendous opportunity, noting they are positioned strategically in the northern part of the college's district where growth is projected to occur and where the population is also underserved. The college will have two different sites at the former Fort Ord, one for an educational center and the other for a public safety officer training facility. Dr. Maas commented the Fort Ord building projects constitute 22.6% of the facilities master plan expense while 23% of the college's enrollment is projected to occur at these sites, demonstrating good correspondence between investment and return from these properties.

Dr. Maas explained the projects are laid out in four phases over 10-12 years, to correspond with the four bond issuances totaling \$145 million. This phasing will also allow leveraging of bond funds with other sources of funding. At this stage of planning, budgets are inviolate. It is necessary to stay within the project budget allocations to ensure that all projects will be funded.

Jay Hudson asked about estimation of project costs. Dr. Maas responded that the initial budgets considered inflation and include built-in contingency amounts. Some adjustment will be needed, but these are the best estimates at this time.

Dr. Maas concluded that the Educational/Facilities Master Plan provides a good road map. The phasing and sequencing of projects will ensure that the instructional program will not be disrupted and result in a negative impact on the college's operating budget. It is not feasible for the college to implement 5-6 projects at one time.

Melvin Kline noted that the college's mission included instructional programs for elders, such as Gentrain. He asked if these needs were included in the plan. Dr. Maas replied yes, that community-based programs and general education were considered.

7. Status of "Early Start" Bond Projects

Joe Bissell reported that several projects were identified and approved by the Board of Trustees for action before completion of the Educational/Facilities Master Plan. Best estimates were used to develop the allocation of funds. He reviewed the February 17, 2004 progress report which reflected purchase orders, requisitions, etc. Some transfers are being made between project categories, but the college is staying within the Board approved allocation of \$3,945,000.

Stephen Vagnini asked if purchase of vehicles were an appropriate expenditure of bond funds. Mr. Bissell responded yes, that the vehicles were properly listed in Exhibit B of the college's ballot measure.

8. Accept Bills and Warrants Report

Mr. Bissell reviewed the list of payments from bond funds expended through January 31, 2004. He reported that \$36,550,000 remained uncommitted from the first series of bonds issued, with \$3,945,000 allocated for the early start projects. Payments of \$1.8 million have been made to date.

Dr. Kline asked if any of the projects had been completed. Mr. Bissell responded that the vehicles had been purchased. Dr. Kline requested that the projects list also indicate the percent of completion.

Mr. Hudson asked if the expenditures for the early start projects would be held to \$3,945,000 and what would happen if the amount were exceeded. Mr. Bissell explained that the budget could be exceeded if careful monitoring of projects did not occur. Problems may arise and it may be necessary to shuffle funds, using the landscaping project in front of the Library & Technology Center as an example. He stated the overall project budget would balance.

Mr. Hudson also asked if the committee should accept or approve the bills and warrants report. Mr. Bissell clarified that the committee was being asked to accept, rather than approve the bills and warrants report. He encouraged the committee to ask questions and bring forward any concerns.

David Lewis asked for further information on how the early start projects list was developed. (At this point in the meeting, Rick Heuer arrived.) Mr. Bissell explained how projects were identified and the approval process.

Mr. Heuer asked why bond funds were being used for maintenance agreements. Mr. Bissell explained these were start up costs to get systems into operation. Mr. Heuer asked how second and third year maintenance agreements were being paid. Mr. Bissell responded that the general fund would cover these expenses.

Mr. Heuer also inquired about the process for choosing vendors for the telephone equipment purchase, if bidding or sole source was used. Paul Emenhiser, Director of Information Systems, explained that a third option was used. The college utilized a state purchasing contract to acquire the phone system.

It was moved by Dr. Kline and seconded by Mr. Gustafson to accept the bills and warrants report. Mr. Heuer proposed amending the motion to remove the training (page 2 of report) and maintenance (page 3 of report) expenditures and to vote upon them separately. It was moved by Mr. Heuer and seconded by Mr. Gustafson to amend the motion and the motion failed to carry. The motion to accept the bills and warrants report was then approved with one no vote cast (Mr. Heuer).

Dr. Kline asked if the training was initial or long-term. Mr. Emenhiser answered that the training was one-time to set up the hardware; it would not be on-going. Mr. Bissell added that college staff installed the equipment.

Mr. Heuer reiterated that he did not support spending bond money for a one-year maintenance agreement. The year will end, but the bond will continue to fund the expenditure for 20 years. He preferred bond money being used to build and renovate facilities.

Mr. Hudson asked if the college could check if it was appropriate for maintenance to be funded by the bond. Mr. Bissell stated he would check with bond counsel for a legal opinion on this issue.

9. District's Audited Financial Statements

Mr. Bissell reviewed the District's Audited Financial Statements, for the fiscal year ended June 30, 2003. He reported the college received an unqualified opinion with no adverse findings. There were no exceptions nor material weaknesses identified.

Dr. Kline asked if the audit included any specific reference to the bond. Mr. Bissell replied the audit showed the college received bond funds in the amount of \$40 million. This amount was shown as both an asset and a liability, even though the college is not responsible for paying off the bonds.

10. Schedule Next Meeting

Meeting dates were set for June 7, 2004, September 13, 2004, and November 1, 2004. The November meeting will be the annual organizational meeting.

11. Suggestions for Future Agenda Topics

None were suggested. Kirk. Avery invited members to contact him if they later identified topics of interest.

12. Adjournment

The meeting was adjourned at 4:10 pm.

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT

CITIZENS' BOND OVERSIGHT COMMITTEE

Meeting Minutes

June 7, 2004

MEMBERS PRESENT: Mr. Howard Gustafson, Jr.
Mr. Rick Heuer
Mr. Jay Hudson
Mr. Rick Johnson
Dr. Melvin Kline
Mr. David Lewis
Mr. Ken White

ABSENT: Ms. Barbara Canter
Ms. Christine Ferguson
Mr. Steven Vagnini

STAFF PRESENT: Dr. Kirk Avery, Superintendent/President
Mr. Joe Bissell, Vice President for Administrative Services
Dr. Carole Bogue-Feinour, Vice President of Academic Affairs
Mr. Pete Buechel, Purchasing Agent
Dr. Sharon Coniglio, Interim Dean of Admissions &
Records/Counseling
Mr. Paul Emenhiser, Director of Information Systems
Ms. Marilyn Gustafson, Executive Director, MPC Foundation
Ms. Vicki Nakamura, Assistant to the President

GUESTS PRESENT: None

1. Call to Order

The regular meeting of the Citizens' Bond Oversight Committee of Monterey Peninsula College was called to order at 3:01 PM.

2. Public Comment

None.

3. Approval of Minutes

It was moved by David Lewis and seconded by Rick Johnson to approve the minutes of the March 1, 2004 meeting. Motion unanimously carried.

4. Status of "Early Start" Bond Projects

Joe Bissell, Vice President for Administrative Services, distributed a report on the "Early Start" bond projects. He noted that a column had been added to indicate amount and percentage of committed funds. Rick Heuer referred to an item that was listed at 105% and

asked for clarification. Mr. Bissell explained that the original project allocations were based on estimates and actual expenses may come in higher or lower. The Board approved a total amount of \$3.945 million for these projects and the District will stay within this overall limit.

Melvin Kline noted that at the last meeting, he had requested the percent completion of each project to be indicated on the report. This information would be useful for the committee to determine progress of each project. Mr. Bissell explained it would be difficult to produce percent completion using this report as it is intended to be a dollar control mechanism rather than a project control document. He observed that project control is a work schedule issue and the newly hired bond program manager will provide this information as part of their tracking of projects. Dr. Kline commented that funds are not expended evenly. Thus, in addition to knowing how much is spent, the committee needs to know how much is done to have a better grasp of each project.

Mr. Bissell continued his review. Mr. Heuer asked about the change in the amount allocated for the landscaping project. Mr. Bissell responded that the scope of the project changed. A retaining wall and asphalt path was added to prevent a long-term maintenance problem from developing.

5. Accept Bills and Warrants Report

The Chair, Jay Hudson, reported bond counsel had provided a response to questions raised at the last meeting about the legitimacy of bond expenses for training and maintenance contracts. Mr. Bissell distributed a copy of the e-mail received from David Casnocha and explained that if the project is determined to be a qualified bond expense, then the associated training and maintenance would also be qualified. Mr. Heuer expressed concern about the use of bond funds to pay for maintenance.

Mr. Bissell reviewed the list of payments from bond funds expended through April 31, 2004. It was moved by Mr. Heuer and seconded by Ken White to accept the bills and warrants report. Motion carried unanimously.

6. Update on Facilities Projects

Mr. Bissell provided an update on several projects.

Athletic Facilities

Mr. Bissell noted that the Physical Education facilities design was an “early start” project due to the dire condition of facilities and because work could be undertaken more quickly as no swing space was needed. He reviewed various features of the project. A major entrance to the facilities will be created and the softball field will be moved. Also, the stadium renovation will include replacement of the field with artificial turf, a new all-weather track, and new bleachers (2,000 seats for home and 1,000 seats for the visitor side). There will be a new building, a fitness facility, to house massage therapy and a training room. The swimming pool will be enlarged from 25 meters to 35 meters to allow water polo to be played. The gymnasium will be rebuilt and one additional tennis court will be added so that matches can be held.

Mr. Heuer asked for the reason why the pool was not expanded to Olympic size. Mr. Bissell responded that cost and space were the determining factors and that Physical Education personnel determined their programmatic needs.

Mr. Bissell continued there would be three separate phases for the renovation. The first phase will include the track, the football and softball fields, and the new facility. The second phase will address renovation of the gymnasium. The third phase would include the pool and tennis courts. The phases would occur over a 12 year period. The Board approved \$1 million for the design and \$21 million for the total project and related infrastructure.

In answer to several questions about the facilities, Mr. Bissell noted the entrance promenade was created to make the facilities handicapped accessible, the entire facility will be fenced, and the current seating capacity of the stadium is 1,000.

Campus Signage

Mr. Bissell stated that the goal of the campus signage project was to create an entrance and presence in the community. The main entrance sign will feature the insignia of the oak tree and will utilize an LCD board to announce campus events. The sign has been reviewed by the City of Monterey. Similar signs will be utilized at the other entrances to campus. Kiosks on campus will also be installed.

Traffic Study

Mr. Bissell reported Higgins & Associates was retained to do a traffic study to analyze the feasibility of increasing parking on campus. Currently, there are 1600 parking spaces and the estimated cost of additional parking would be \$3,000/space in an open lot vs. \$15,000 - \$30,000/space if a parking facility were constructed. The study identified locations for 600 additional spaces and also determined that no operational or capacity problems exist. Mr. Bissell reviewed the various options presented in the traffic study.

7. Bond Program Management Firm Update

Kirk Avery reported that due to the size of the bond program, an overall firm was needed to oversee implementation. The bond program will be implemented over 12-15 years, with \$212 million in expenditures projected and major projects at the former Fort Ord to be accomplished. The District conducted a search and four firms were interviewed. The firm of Bogard-Kitchell was hired to provide bond program management services. Dr. Avery mentioned that Bogard-Kitchell will be attending and participating in the committee's meetings.

Mr. Bissell then reviewed the various responsibilities of the bond program management firm. Bogard-Kitchell will assist the District with overall planning and ensure compliance with various regulations, such as the California Environmental Quality Act (CEQA), Labor Code, Education Code, and Americans with Disabilities Act (ADA). In addition, Bogard-Kitchell will provide assistance with overall accounting for the bond, including oversight of vendor payments and agency billings. The District also expects Bogard-Kitchell to advise the district on selection of architectural firms, coordinate consultants, assist with contract documents, document the implementation plan, and provide progress reports to the District. He explained the initial contract with Bogard-Kitchell will be for 6 to 9 months.

In response to several questions about the firm, it was explained that Bogard-Kitchell is located in Santa Cruz, is national in scope, and has been involved with projects at York School, Stockton, Minnesota (Biggest Mall in the World), and Monterey Peninsula College (Library & Technology Center). Bogard-Kitchell is a joint venture of two firms who have experience in construction and construction management.

8. Meeting Schedule

The meeting schedule was reviewed. The next meetings of the committee will be: September 13, 2004 and November 1, 2004 (annual organizational meeting).

9. Suggestions for Future Agenda Topics

It was suggested that the new bond program management firm be on the agenda. Mr. White also asked about keeping the public informed regarding the progress of bond projects. Mr. Bissell responded that the bond program management firm will assist with publicizing bond activities.

10. Adjournment

The meeting was adjourned at 3:50 pm.

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT

CITIZENS' BOND OVERSIGHT COMMITTEE

September 13, 2004

3:00 PM, Sam Karas Room, Library & Technology Center

Meeting Minutes

MEMBERS PRESENT: Ms. Barbara Canter
Ms. Christine Ferguson
Mr. Howard Gustafson, Jr.
Mr. Rick Heuer
Mr. Jay Hudson
Mr. Rick Johnson
Mr. David Lewis
Mr. Steven Vagnini
Mr. Ken White

ABSENT: Dr. Melvin Kline

STAFF PRESENT: Mr. Carsbia Anderson, Vice President of Student Services
Dr. Kirk Avery, Superintendent/President
Ms. Rosemary Barrios, Controller
Mr. Dan Beck, Theatre Technical Director
Mr. Joe Bissell, Vice President for Administrative Services
Mr. Gary Bolen, Drama
Dr. Carole Bogue-Feinour, Vice President of Academic Affairs
Mr. Paul Emenhiser, Director of Information Systems
Mr. A. J. Farrar, Administration of Justice
Mr. Steve Morgan, Director of Facilities
Ms. Vicki Nakamura, Assistant to the President

OTHERS PRESENT: Ms. Marilyn Gustafson, Executive Director, MPC Foundation

1. Call to Order

The regular meeting of the Citizens' Bond Oversight Committee of Monterey Peninsula College was called to order at 3:04 PM.

2. Public Comment

None.

3. Approval of Minutes

It was moved by David Lewis and seconded by Howard Gustafson to approve the minutes of the June 7, 2004 meeting. Motion unanimously carried.

4. Bond Program Management Firm Presentation

The firm of Bogard + Kitchell was selected by the Board of Trustees in May 2004 to provide bond program management services for the District. Joe Demko, Bogard + Kitchell, provided background on the firm. He noted the firm has local offices in San Jose and Santa Cruz, has handled over \$8 billion in public projects, and their goal is to minimize overhead costs to permit more dollars to be spent on “bricks and mortar.”

Mr. Demko described the services that would be provided to the District. A website would be implemented to further communication regarding bond projects. Sustainability and energy efficiency of buildings would also be a focus. He covered key components of their program management services, including setting up a scheduling/phasing plan and a budget tracking system.

Mr. Demko reviewed the short-term workplan. They are assisting with the selection of firms to provide consultant services for engineering/infrastructure, geohazards, and environmental (compliance with CEQA requirements). A physical master site plan for the campus to determine building locations and improve vehicular and pedestrian traffic flow is under development. They are also developing an implementation plan that includes schedules, budgets, swing space analysis, and a communication plan. As part of the master budget, a system will be set up to make payments and interface bond expenditures with the District’s accounting department.

Mr. Hudson asked how their role differed from construction managers. Mr. Demko responded that bond program managers are responsible for the overall implementation plan. Construction managers typically report to the bond program manager and are hired once the drawings are completed for a particular project. Mr. Demko noted the College doesn’t have the staff to oversee the many projects that will be completed in the bond program.

Rick Heuer asked if there would be a single construction management firm. Mr. Demko explained that construction managers would be hired for each project and a pool of firms would be developed.

5. Status of “Early Start” Bond Projects

Joe Bissell distributed a handout that listed the budgets and committed funds for the “early start” and Phase I projects. He noted that most of the “early start” projects have been completed and then provided the status of unfinished items:

- Master signage project -- the design has been completed; however, the implementation will be integrated with the physical master site plan.
- Plant Services Building – they are working on a punch list.
- Lecture Forum 103 – no work has been completed.
- Environmental Impact Report (EIR) – the District has gone out to bid for these services. The physical master site plan needs to be completed before the report can be done.

Mr. Heuer asked if the EIR would cover all projects on campus. Mr. Bissell confirmed that would be the approach used, although there would be some projects that will have separate environmental review.

Mr. Bissell reviewed the Phase I project budgets. He noted that \$4.2 million in state funding was approved for the Child Development Center. The bond would provide \$700,000 for this project. Mr. Hudson asked about the timeline for Phase I. Mr. Bissell responded that Phase I would require four years to complete. He commented that 85% of the first bond issuance must be expended before the District could issue the second series.

6. Accept Bills and Warrants Report

Mr. Bissell reviewed the list of payments from bond funds expended through July 31, 2004. It was moved by Mr. Heuer and seconded by Mr. Gustafson to accept the bills and warrants report. Motion carried unanimously.

7. Update on Facilities Projects

Mr. Bissell provided an update on several projects.

Athletic Facilities

Mr. Bissell stated the first phase of the Physical Education facilities would be \$9.9 million and the project is scheduled to begin construction in Summer 2005. Preliminary drawings will be completed by the end of September, with working drawings to follow. The project will be completed by Fall 2006.

Mr. Heuer asked if the campus EIR would cover this project. Mr. Bissell responded that a separate EIR would have to be completed for the Physical Education project and the Child Development Center.

Math Science Complex

Mr. Bissell said this complex is a joint project between the Physical Science and Life Science Divisions. This project is budgeted at \$22 million. The Math building is slated to begin Summer 2008, with the Physical Science renovation to start in 2009 and the Life Science renovation in 2010.

Child Development Center

Mr. Bissell stated this project is budgeted for \$700,000 from the bond and has been approved for \$4.2 million in state funding. He reminded the committee that the total cost of the bond projects is estimated at \$212 million. This project is an example where another source of funding has been obtained to augment bond funding. Construction on this project will begin in April 2006, with completion expected in August 2007.

Old Library Renovation

Mr. Bissell said the \$4.4 million renovation of the old library is being funded 50% by the state and 50% by the bond. State funding is approved for 2005. The original plan was to renovate the building for Student Services; however, the use was recently changed and the old library will become the Administration Building. Consolidating all administrative functions in one building will free up instructional space in other buildings on campus. A separate Board meeting room is also planned for in this renovation. A new building will be constructed for Student Services using bond funds.

Campus Physical Master Site Plan

Mr. Bissell stated this plan would address parking and traffic flow on campus. The architects have proposed changes to landscaping, opening up the ravine to lessen the barrier it creates between both sides of campus, and adding another pedestrian bridge across the ravine to provide access to the planned Math Science complex. An additional 300 parking spaces would also be provided in the plan. More meetings are necessary with campus to gather input and discuss these proposals before the plan can be finalized.

Ken White commented that Mr. Bissell's report provided good information on timelines. He asked how this information would be communicated to the public. Mr. Bissell said that Bogard + Kitchell will be developing a website and news releases would also provide information. He also suggested that the District could take out a quarterly ad in the Herald.

Christine Ferguson asked if students would be involved in campus forums on the master site plan and bond projects. Mr. Bissell responded that the meetings would be open to students and stated the project committees would also be open to student participation.

8. Meeting Schedule

Mr. Hudson reported the next meeting was November 1, 2004 and it was also the annual organizational meeting. He stated an annual report is required. Staff had provided him with samples and will bring forward a draft to be approved at the November meeting. Dates for meetings in 2005 will also need to be determined. Mr. Hudson noted that some members' terms are expiring; the Board of Trustees will address.

9. Suggestions for Future Agenda Topics

There were no suggestions from the committee for future agenda items.

Mr. Gary Bolen asked to speak. He requested faculty representation on the committee. Mr. Hudson responded that the Citizens' Bond Oversight Committee had a narrow focus of making sure bond funds were spent properly, in accordance with the bond measure. Mr. Heuer asked if faculty could serve as a community-at-large member. Mr. Hudson said staff would research this question. He advised the Public Comments section of the agenda provided an opportunity to share views.

10. Adjournment

The meeting was adjourned at 3:52 pm.