
MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT

Citizens' Bond Oversight Committee

ANNUAL REPORT

2005-2006

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: Howard Gustafson, Jr., Chair
 Citizens' Bond Oversight Committee

Date: November 6, 2006

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.

SUMMARY OF THE COMMITTEE'S PROCEEDINGS AND ACTIVITIES FOR 2005-2006

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.

Ten members, appointed by the Board of Trustees, served on the Committee during the past year, including five members (Barbara Canter, Howard Gustafson, Rick Heuer, Jay Hudson, and Ken White) whose initial term expired in November, 2005 and who were reappointed to serve an additional two-year term. Due to resignations, there were two new members appointed during the year. Eleanor Morrice, student representative, was appointed in February, 2006 to replace Christine Ferguson, who resigned in 2005. Leon Stutzman, Gentrain representative, was appointed in July, 2006 as a replacement for Barbara Canter. In accordance with the Bylaws, officers were selected at the meeting of the committee held on November 7, 2005.

The officers and members who served during the past year are as follows:

Jay Hudson, Chair	2-year second term, 11/2005 – 11/2007
Howard Gustafson, Jr., Vice Chair	2-year second term, 11/2005 – 11/2007
Barbara Canter	2-year second term, resigned 3/2006
Rick Heuer	2-year second term, 11/2005 – 11/2007
Rick Johnson	2-year second term, 11/2004 – 11/2006
Melvin Kline	2-year second term, 11/2004 – 11/2006
David Lewis	2-year second term, 11/2004 – 11/2006
Eleanor Morrice	2-year initial term, 11/2005 – 11/2007
Leon Stutzman	2-year initial term, 11/2005 – 11/2007
Stephen Vagnini	2-year second term, 11/2004 – 11/2006
Ken White	2-year second term, 11/2005 – 11/2007

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.

During 2005-06, the committee convened four quarterly meetings. The annual organizational meeting of the committee was held November 7, 2005, with subsequent meetings held on March 13, 2006, June 12, 2006, and August 7, 2006. The committee will adopt its 2006-07 meeting schedule at its annual organizational meeting on November 6, 2006. 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. The bond was refinanced in December 2005, increasing the principal amount to \$44,240,051. 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 shows expenditures during the report period of October 1, 2005 through September 30, 2006 and total expenditures since bond inception.

MPC Bond Expenditure Report July 1, 2003 through September 30, 2006

Bond Principal - First Issuance	\$40,000,000
Interest Earned¹	\$1,529,143
Refinancing	\$4,240,052
	\$45,769,194
TOTAL	\$45,769,194

Expenditures:	Report Period (2005-06)	7/1/2003 - 9/30/2006
1. Early Start Projects		
a. Walkway/Safety Improvements	\$0	\$225,630
b. Telephone System Upgrades	\$0	\$599,414
c. As Built Drawings - Site Utilities	\$0	\$209,792
d. Roof Repairs	\$0	\$480,256
e. HVAC	\$6,045	\$618,539
f. Landscaping	\$671	\$438,293
g. Vehicles	\$0	\$187,070
h. Analysis/Review of old Library Renovation	\$0	\$21,280
i. Master Signage Program	\$0	\$53,890
j. New Plant Services Building Demolition of Old Plant Services Building	\$30,720	\$487,574
k. Building	\$0	\$63,522
l. Environmental Impact Report	\$88,685	\$113,771
2. Physical Education Facility	\$6,351,172	\$7,692,868
3. Furniture / Equipment	\$141,923	\$256,477
4. Infrastructure / Parking	\$1,075,991	\$1,458,197
5. Swing Space	\$249,552	\$295,832
6. Automotive Technology Building	\$0	\$16,443

¹ Reflects interest received as of June 30, 2006.

7.	College Center Building	\$0	\$0
8.	Drafting Building	\$1,375	\$15,349
9.	Child Development Center	\$19,270	\$19,270
10.	Fort Ord Satellite Education Center	\$169,467	\$182,542
11.	General Institutional Bond Management	\$602,780	\$1,345,119
12.	Fort Ord Public Safety	\$6,620	\$6,620
13.	Old Library	\$231,079	\$231,079
14.	Physical Science Building	\$6,976	\$6,976
15.	Student Services	\$166,211	\$166,211
16.	Life Science	\$7,169	\$7,169
17.	Lecture Forum	\$102,980	\$102,980

2005-2006 Expenditures

\$9,258,686

Total Expenditures

\$15,302,163

\$15,302,163

33.43%

Expended

Remaining Bond Funds

\$30,467,030

66.57%

Remaining

APPENDIX

COMMITTEE ROSTER

COMMITTEE AGENDAS

November 7, 2005

March 13, 2006

June 12, 2006

August 7, 2006

COMMITTEE MINUTES

November 7, 2005

March 13, 2006

June 12, 2006

August 7, 2006

MONTEREY PENINSULA COLLEGE

Citizens' Bond Oversight Committee Members

- Jay Hudson, Chair, *Community member*
- Howard Gustafson, Jr., Vice Chair, *Community member*
- Barbara Canter, *GENTRAIN Society* (resigned March 2006)
- Rick Heuer, *Monterey Peninsula Taxpayers Association*
- Rick Johnson, *Old Monterey Business Association*
- Dr. Melvin Kline, *Carmel Foundation*
- David Lewis, *Monterey Peninsula College Foundation*
- Eleanor Morrice, *Associated Students of Monterey Peninsula College*
(appointed February 2006)
- Leon Stutzman, *GENTRAIN Society* (appointed July 2006)
- Steven Vagnini, *Marina Chamber of Commerce*
- Ken White, *Community member*



Monterey Peninsula College

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

Monday, November 7, 2005, 3:00 PM
Sam Karas Room, Library and Technology Center
Monterey Peninsula College

MEETING AGENDA

1. Call to Order

2. Introduction of Dr. Carl Ehmann, Interim Superintendent/President

3. Public Comment

Members of the audience wishing to address the Citizen's Bond Oversight Committee may do so during the public comment period. 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 August 8, 2005 Minutes

ACTION

5. Committee Membership

The current membership and terms of members will be reviewed.

INFORMATION

6. Officers

The committee chair will be appointed by Dr. Ehmann. Committee members will indicate their interest in serving as vice-chair and a vote will be taken.

ACTION

7. Accept Bills and Warrants Report

The list of payments from bond funds expended through September 30, 2005 will be reviewed for acceptance by the committee.

ACTION

8. Annual Report for 2004-05

The By-Laws state the Committee shall present to the Board of Trustees, in public session, an annual written report to include 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 a summary of the Committee's proceedings and

ACTION

activities for the preceding year. A draft annual report will be reviewed for approval and presentation to the Board of Trustees.

9. Update on Facilities Projects

INFORMATION

A status report will be provided on all projects.

10. Facilities Projects Timelines and Schedules

INFORMATION

The timelines and schedules for current facility projects will be reviewed.

11. Update on Bond Refinancing

INFORMATION

A status report will be provided on the refinancing of the Series A bonds.

12. Meeting Schedule (PLEASE BRING CALENDARS)

INFORMATION/ACTION

The following meeting dates are suggested:

Monday, March 13, 2006

Monday, June 12, 2006

Monday, August 7, 2006

Monday, November 6, 2006 (Annual Organizational Meeting)

13. Suggestions for Future Agenda Topics

14. Adjournment

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

Monday, March 13, 2006, 3:00 PM
Sam Karas Room, Library and Technology Center
Monterey Peninsula College

*MEETING AGENDA***1. Call to Order****2. Introductions**

Dr. Carl Ehmann, Interim Superintendent/President, and Ms. Eleanor Morrice, Student Member will be introduced.

3. Public Comment

Members of the audience wishing to address the Citizen's Bond Oversight Committee may do so during the public comment period. 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 7, 2005 Minutes

ACTION

5. Accept Bills and Warrants Report

ACTION

The list of payments from bond funds expended through December 31, 2005, will be reviewed for acceptance by the committee.

6. Bond Audit Report for 2004-05

INFORMATION

The District's Bond Audit Report, for the fiscal year ended June 30, 2005, will be reviewed.

7. Fort Ord Physical Master Plan

INFORMATION

The preliminary master site plans for the college's Fort Ord Education Center will be reviewed.

8. Update on Facilities Projects, Timelines and Schedules

INFORMATION

A status report will be provided on all projects. The timelines and schedules for current facility projects will be reviewed.

9. Meeting Schedule

Monday, June 12, 2006

Monday, August 7, 2006

Monday, November 6, 2006 (Annual Organizational Meeting)

INFORMATION

10. Suggestions for Future Agenda Topics

11. Adjournment

Posted: March 8, 2006



Monterey Peninsula College

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

Monday, June 12, 2006, 3:00 PM
Sam Karas Room, Library and Technology Center
Monterey Peninsula College

MEETING AGENDA

1. Call to Order

2. Public Comment

Members of the audience wishing to address the Citizen's Bond Oversight Committee may do so during the public comment period. 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 13, 2006 Minutes

ACTION

4. Accept Bills and Warrants Report

ACTION

The list of payments from bond funds expended through March 31, 2006, will be reviewed for acceptance by the committee.

5. Bond Expenditure Status Report

INFORMATION

The monthly bond expenditure status reports for February, March, and April 2006 will be reviewed with the committee.

6. Update on Facilities Projects, Timelines and Schedules

INFORMATION

A status report will be provided on all projects. The timelines and schedules for current facility projects will be reviewed.

7. 2005 General Obligation Bond Refunding Report

INFORMATION

The annual report providing required disclosure information to the National Repositories in connection with the 2005 financing of the District's General Obligation Bonds will be reviewed with the committee.

8. Change Orders and Architect Errors/Omissions Clause

INFORMATION

The District's master contract language regarding project amendments and architect errors and omissions will be reviewed with the committee.

9. Meeting Schedule

INFORMATION

Monday, August 7, 2006

Monday, November 6, 2006 (Annual Organizational Meeting)

10. Suggestions for Future Agenda Topics and Announcements

11. Adjournment

Posted: June 7, 2006



Monterey Peninsula College

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

Monday, August 7, 2006, 3:00 PM
Sam Karas Room, Library and Technology Center
Monterey Peninsula College

MEETING AGENDA

1. Call to Order

2. Introductions

Dr. Douglas Garrison, the college's new Superintendent/President, and new member, Mr. Leon Stutzman, representing the Gentrain Society, will be introduced.

3. Public Comment

Members of the audience wishing to address the Citizens' Bond Oversight Committee may do so during the public comment period. 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 June 12, 2006 Minutes

ACTION

5. Accept Bills and Warrants Report

ACTION

The list of payments from bond funds expended through June 30, 2006, will be reviewed for acceptance by the committee.

6. Bond Expenditure Status Report

INFORMATION

The monthly bond expenditure status reports for May and June, 2006 will be reviewed with the committee.

7. Update on Facilities Projects, Timelines and Schedules

INFORMATION

A status report will be provided on all projects. The timelines and schedules for current facility projects will be reviewed.

8. Tour of Facilities Projects

ACTION/INFORMATION

The scheduling of a tour for committee members to view facilities projects currently underway will be discussed.

9. Meeting Schedule

INFORMATION

- Monday, November 6, 2006 (Annual Organizational Meeting)

10. Suggestions for Future Agenda Topics and Announcements

11. Adjournment

RECEPTION FOLLOWING MEETING FOR DR. GARRISON: Committee members and attendees are invited to welcome and meet Dr. Garrison.

Posted: August 2, 2006

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT

CITIZENS' BOND OVERSIGHT COMMITTEE

November 7, 2005

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

Meeting Minutes

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

ABSENT: None

STAFF PRESENT: Mr. Joe Bissell, Vice President for Administrative Services
Mr. Steve Morgan, Director of Facilities
Ms. Vicki Nakamura, Assistant to the President

1. Call to Order

The regular meeting of the Citizens' Bond Oversight Committee of Monterey Peninsula College was called to order at 3:03 PM.

2. Introduction of Dr. Carl Ehmann, Interim Superintendent/President

It was announced that Dr. Ehmann was unable to attend the meeting.

3. Public Comment

None.

4. Approval of Minutes

It was moved by Mr. Lewis and seconded by Mr. Johnson to approve the minutes of the August 8, 2005 meeting. Motion unanimously carried.

5. Committee Membership

The Bylaws state that members can serve two terms. Mr. Bissell asked Barbara Canter, Howard Gustafson, Rick Heuer, Jay Hudson, and Ken White, whose first terms expire in 2005, to serve a second term, and all stated their agreement. Their reappointment will be confirmed by the Board of Trustees at the November meeting.

6. Officers

Mr. Bissell noted the By-Laws provide for the Superintendent/President to appoint the Chair of the Committee. He reported that he had conferred with Dr. Ehmann, and Jay Hudson has agreed to serve a second term as Chair. Howard Gustafson, Jr., was approved to continue serving as Vice Chair by acclamation.

7. Accept Bills and Warrants Report

Mr. Bissell reviewed the list of payments from bond funds expended through September 30, 2005. It was moved by Mr. White and seconded by Mr. Gustafson to accept the bills and warrants report. A question was asked regarding the purchase of a mobile office. Mr. Bissell responded that Kitchell personnel, including Joe Demko, occupy the office and it was cheaper to purchase rather than rent. Dr. Kline noted the monthly bond expenditure report is easier to track versus the quarterly expenditure report. Motion carried unanimously.

8. Annual Report for 2004-05

Mr. Hudson stated the Committee is required to complete a written annual report per the By-Laws for submission to the Board of Trustees. A draft annual report was included with the agenda for the Committee's consideration. Mr. Bissell noted that the financial report showed that \$1.29 million in interest had been earned and \$6 million was expended during the past year, leaving a balance of \$35 million.

It was moved by Dr. Kline and seconded by Mr. Gustafson to approve the report for presentation to the Governing Board. The motion carried unanimously.

9. Update on Facilities Projects

Joe Demko, Bogard + Kitchell, distributed a handout with timelines for the current facilities projects. He then provided the status of these projects.

Athletic Facilities

- *Building 24*
Bids were received for this project and the Governing Board awarded the contract to Tomlinson, whose bid was \$2.8 million, exceeding the project budget of \$2.4 million. Demolition of the existing building will begin next week and the new building is scheduled to be completed in one year.
- *New Track and Field*
This project is over budget and \$3 million in reductions have been made. The Division of the State Architect (DSA) has approved the plans, the project has been rebid, and the new bid opening date is December 13, 2005. Bids have been coming in high and this project will not be within budget. It has been proposed to use up to \$3.9 million from later phases of the Physical Education facility projects to make up the shortfall.
- *Turf*
Bids on this project were received, but the project is being rebid.

Mr. Demko noted that recent construction project bids have been coming in 30% over budget. Dr. Kline asked if there was a pool of funding available to cover these excess amounts so that other projects would not be affected. Mr. Bissell explained the College does

not have additional funding to handle these overages. He stated that the college will need to reevaluate the scope of projects if bids come in millions over the project budget.

Child Development Center

Mr. Demko stated there was a serious concern that the construction budget for this project would be exceeded due to the curved design of the building. A different architectural firm was retained and a simpler wood frame structure was designed, consisting of three separate buildings. The assignable square feet for the project remains the same. The plans for the project will be submitted to DSA at the end of October.

Utilities Infrastructure Upgrade

Mr. Demko reported conceptual plans had been completed. All underground utilities will be redone. The next steps consist of preparing working drawings and bidding the project, with construction to begin in May or June. This project will be completed in phases to avoid the entire campus being excavated at the same time.

Old Library

Mr. Demko said Ratcliff Architecture has developed a layout for the various administrative offices and services to be housed in the former library. The next step will be to determine if this plan works for the different programs.

CEQA for the Campus Physical Master Plan

Mr. Demko stated that traffic studies were being completed to meet the California Environmental Quality Act (CEQA) requirements for the campus physical master plan. He said that separate CEQA studies had been completed for the Physical Education facilities and Child Development Center projects.

10. Facilities Projects Timelines and Schedules

Mr. Demko reviewed the timelines and schedules as part of the facilities update given under the previous item.

11. Update on Bond Refinancing

Mr. Bissell reported that all Committee members had been sent a letter on October 11, 2005 regarding the bond refinancing. He said the Board of Trustees had approved the refinancing of \$40 million of bonds at the October 25, 2005 meeting. Mr. Bissell explained that refinancing was possible because current bond yield rates are lower. The interest rate was 4.58% when the bonds were originally issued; the current interest rate is 4.21%. He added that the property tax base has grown faster. The original projection for the last three years was 4%; however, the actual growth of the tax base was 27%. Refinancing of the bond will yield \$4.2 million and the debt will be paid in 2020 rather than 2027. Mr. Bissell noted the taxpayers would be saved \$0.5 million as a result.

Mr. Heuer asked if the College would exceed the \$145 million specified in the bond measure. Mr. Bissell responded yes; however, he explained that each series can be refinanced once and the College will not exceed the allowable property tax rate of \$25 per \$100,000 of taxable property value. Mr. Heuer expressed concern that only \$145 million

was authorized by voters. Mr. Bissell clarified that a different bond of \$35 million was being refinanced than the original bond of \$40 million.

Mr. Vagnini asked when the second bond series would be issued. Mr. Bissell answered that the College needs to spend 85% of the current series before the next series can be issued. As the first two years of the current series consisted of planning activities, actual expenditures were low. He said that expenditures would greatly increase once construction gets underway.

Mr. Vagnini inquired about the budget overages of the projects being covered in later phases. Mr. Bissell acceded that the extra funding needed would come from the second bond series. He further explained that the original project phasing plan shared with the Committee was based on the \$145 million bond, but the total costs to complete the projects were originally projected at \$212 million and are now at \$300 million. He said the phasing plan is being reevaluated to develop more realistic budgets and phases. As the College does not have \$300 million, a reshuffling of projects will be necessary. Mr. Hudson commented that the Board of Trustees will determine the priorities for revising the phasing plan. Mr. White expressed concern regarding how the projects would be affected and advised the public should be informed. Discussion followed about the need for increased public information and media coverage of bond project priorities and timelines.

12. Meeting Schedule

The meeting dates of March 13, June 12, August 7, and November 6 (annual organizational meeting) were proposed for 2006. It was moved by Mr. Gustafson and seconded by Mr. White to set these meeting dates. Motion carried unanimously.

13. Suggestions for Future Agenda Topics

There were no suggestions offered.

14. Adjournment

The meeting was adjourned at 4:03 pm.

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT

CITIZENS' BOND OVERSIGHT COMMITTEE

March 13, 2006

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

Meeting Minutes

MEMBERS PRESENT: Ms. Barbara Canter
Mr. Howard Gustafson, Jr.
Mr. Rick Heuer
Mr. Jay Hudson
Mr. Rick Johnson
Dr. Melvin Kline
Mr. Steven Vagnini

ABSENT: Mr. David Lewis
Mr. Ken White

STAFF PRESENT: Mr. Joe Bissell, Vice President for Administrative Services
Dr. Bill Cochran, Interim Vice President, Academic Affairs/Dean of Liberal Arts
Ms. Rosemary Barrios, Controller
Ms. Gail Bartow, Mathematics Instructor
Mr. Pete Buechel, Purchasing Agent
Mr. A. J. Farrar, Administration of Justice Instructor
Mr. Michael Gilmartin, Dean of Instruction, Occupational Education and Economic Development
Ms. Lynn Iwamoto, Mathematics Instructor
Mr. Steve Morgan, Director of Facilities
Ms. Vicki Nakamura, Assistant to the President
Ms. Mary Anne Teed, Library Director

OTHERS PRESENT: Mr. Joe Demko
Ms. Marilyn Gustafson
Mr. Carlos Noriega

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.

2. Introductions

Dr. Carl Ehmann, Interim Superintendent/President, and Eleanor Morrice, new student member, were welcomed to the Committee.

3. Public Comment

Ms. Gail Bartow, faculty member of the Math Department, spoke about the need to complete the Math/Science building. She noted that when the Physical Science Building was constructed forty years ago, a math wing was planned; however, it was never built. Since then, the Math Department has grown to be one of the largest departments on campus. Ms. Bartow cited the need for classrooms designed for math and a centralized math learning center. She stated the College submitted a Final Project Proposal for state funding for a new Math/Science building, but it was rejected by the Chancellor's Office. One of the factors was the level of matching funds provided by the College was only 38%. She requested that the Citizens' Bond Oversight Committee support increasing district matching funds for the Math/Science project to 50%.

Mr. Hudson, Chair, responded that the role of the Committee is to provide oversight "after the fact." He noted that Joe Bissell was initiating a committee to adjust the facilities master plan and advised Ms. Bartow to utilize that process for her request.

4. Approval of Minutes

It was moved by Mr. Johnson and seconded by Dr. Kline to approve the minutes of the November 7, 2005 meeting. Motion carried unanimously.

5. Accept Bills and Warrants Report

Mr. Bissell reviewed the list of payments from bond funds expended through December 31, 2005. During this period, there was \$547,000 expended on bond projects. Mr. Heuer asked about the open order for office supplies. Mr. Bissell explained these supplies were for the construction manager. Dr. Kline questioned the 2 duplicate entries for Sugimura and Associates listing completion of construction documents for the stadium and track at 45%. Mr. Bissell said he would check into and report back. Dr. Kline also asked for an explanation of "value engineering." Mr. Bissell explained the term meant a process to identify cuts or reductions to a project that would decrease costs. It was moved by Ms. Canter and seconded by Mr. Heuer to accept the bills and warrants report. Motion carried unanimously.

6. Bond Audit Report for 2004-05

Mr. Bissell reviewed the bond audit report for the fiscal year ended June 30, 2005. He noted the compliance summary indicated that appropriate internal controls were in place to safeguard bond funds and all expenditures complied with the purpose approved by the registered voters of the district. The general summary stated that bond expenditures to date of \$4,133,888 were expended as intended. In conclusion, Mr. Bissell stated the audit report showed no exceptions.

7. Fort Ord Physical Master Plan

Since September 2005, the College's Fort Ord Center Planning/Advisory Committee has been meeting with a consultant team comprised of EHDD Architecture, Strategic Construction Management, and Joni Janecki & Associates to develop a physical master site plan for the Fort Ord properties. The site maps were distributed.

Dr. Bill Cochran provided a handout with background information on the Education Center located at 12th Street in Marina. He reported a project team for the Education Center had been appointed and EHDD Architecture had been selected as the architect for the project. The first classroom building will be constructed along Imjin Parkway for high visibility and will include 8 classrooms and 2 instructional labs for business skills and English. It is planned to renovate two existing buildings to provide a lecture/performance space and a maintenance area. The remaining buildings will be demolished.

Dr. Cochran stated MPC's Fort Ord Education Center will be a separate entity from the main campus in Monterey and must generate enrollments of 500 FTES (full-time equivalent students). He noted the Education Center provides a prime opportunity to coordinate development and establish partnerships with the City of Marina, California State University, Monterey Bay and local property developers, such as University Villages.

Mr. Michael Gilmartin then addressed the Colonel Durham Road site which will provide a temporary location for the public safety officer training programs. He reported the training facility is currently housed in the former Library building on the main campus; however, renovation of this building is planned to begin next year.

Mr. Gilmartin noted the Colonel Durham property is located in the City of Seaside and contains two buildings which require renovation to meet state building standards. While this renovation is being planned, portable buildings will be installed on the site to provide office and storage space in the interim. Classroom space has been arranged through a partnership agreement with the adjacent Monterey College of Law. Mr. Gilmartin reported the project team has been formed and an architect has been selected. Building 4464 will be renovated first to provide classroom and office space and is expected to be completed in three years. Mr. Gilmartin observed the Colonel Durham property is a good location for the public safety officer training program as the Presidio Police Department is nearby and a federal police academy was recently started.

8. Update on Facilities Projects

Handouts providing project schedules and updates were distributed. Mr. Joe Demko, Kitchell, reviewed specific facility projects.

Stadium

The rainy weather has delayed earthwork on the project. Change orders have been made to resolve soil issues.

Fitness Building

The footings have been constructed. Project completion is expected by the end of November.

Infrastructure

Installation of underground utilities will be phased to avoid impacting campus programs. Drawings are under review at the Division of State Architect (DSA).

Social Science

Due to escalation in construction costs, all project budgets are under evaluation. The replacement of lighting, carpeting, and fixtures is being considered in lieu of renovation to stay within budgets. The Social Science Building was scheduled for reconstruction during a later bond phase; however, it is being used as a prototype to determine whether doing the work now as a remodel will be more cost effective.

Building Standards Committee

Office and classroom furniture recommendations will be made by this committee to ensure consistency and good pricing.

Student Center Renovation

The project team includes 4-5 student representatives. Three architects have been interviewed and a selection will be made on March 14. The budget for this project is \$5.7 million.

Child Development Center

This project is fully state-funded with a budget of \$4,384,000. Construction documents have been approved by DSA and the project will go out to bid in two weeks.

Old Library

Renovation of the old Library building will be 50% state-funded and 50% bond-funded. The project budget is \$5.7 million. Preliminary plans are due from Ratcliff Architects by March 23. There are structural problems to resolve.

Student Services Building

Preliminary drawings have been reviewed by the physical master plan design review committee and comments are being evaluated.

Math/Science Building

The Math/Science Complex was not approved by the Chancellor's Office for state funding as district capacity load ratios indicated additional classrooms were unnecessary. Also, fewer community college projects were funded due to rising construction costs. A committee is meeting to reevaluate bond projects and determine strategies for a Final Project Proposal for the Math/Science project that will meet Chancellor's Office funding criteria.

Music/Theater Project

The Final Project Proposal is due in the state Chancellor's Office on July 1.

Physical Master Plan CEQA

The environmental study was completed for the main campus Physical Master Plan. During this process, the City of Monterey requested elimination of the new campus entrance off Fremont. The Physical Master Plan was modified and the Board of Trustees will be asked to adopt a mitigated negative declaration at the March meeting.

Lecture Forum HVAC

The budget for this project is \$1 million. Drawings are being reviewed by DSA with construction planned during the summer.

Mr. Bissell provided further information regarding the work of the Facilities Master Plan Funding Reworking Committee. He noted the funding plan was approved in 2004 and construction costs have increased significantly since then. It was determined that it was necessary to alter the bond program to fit within budget. At the time the bond measure was approved in 2002, the total cost of facilities projects was estimated at \$212 million. The current cost is now projected to be \$300 million due to escalation. A campus committee was formed to reassess the projects and funding plan. The committee's recommendations will be reviewed through the shared governance process before going to the trustees for approval.

Mr. Demko then reviewed the master schedule which showed design, bidding, and construction phases. He indicated the schedule will be updated to reflect the changes recommended by the Facilities Master Plan Funding Reworking Committee.

The bond expenditure status reports for the months of October, 2005 - January 2006 were also reviewed. Dr. Kline recommended these monthly reports be treated as a separate agenda item in the future.

9. Meeting Schedule

The meeting dates of June 12, 2006, August 7, 2006, and November 6, 2006 (Annual Organizational Meeting) were noted.

10. Suggestions for Future Agenda Topics

Mr. Heuer commented that the Monterey Peninsula Unified School District completed a forensic audit of its facilities modernization projects. He noted the MPUSD audit identified a number of items that have not been an issue for the College. Mr. Heuer asked about change orders and architect errors and omissions and the safeguards that were in place. Mr. Demko explained change orders are used to resolve unforeseen conditions. He referred to the master contract and project amendment language developed by the College's counsel. Mr. Demko offered to bring the contract language regarding change orders and errors/omissions to the next meeting for review.

Barbara Canter announced that she was resigning from the Committee and extended her best wishes to the members. Chair Hudson thanked Ms. Canter for her service.

11. Adjournment

The meeting was adjourned at 4:04 p.m.

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT

CITIZENS' BOND OVERSIGHT COMMITTEE

June 12, 2006

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

Meeting Minutes

MEMBERS PRESENT: Mr. Howard Gustafson, Jr.
Mr. Rick Heuer
Mr. Jay Hudson
Mr. Rick Johnson
Dr. Melvin Kline
Mr. David Lewis
Ms. Eleanor Morrice

ABSENT: Mr. Steven Vagnini
Mr. Ken White

STAFF PRESENT: Mr. Joe Bissell, Vice President for Administrative Services
Mr. Pete Buechel, Purchasing Agent
Mr. Rich Montori, Public Information Officer
Mr. Steve Morgan, Director of Facilities
Ms. Vicki Nakamura, Assistant to the President

OTHERS PRESENT: Mr. Casey Michaelis

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 Mr. Gustafson and seconded by Mr. Johnson to approve the minutes of the March 13, 2006 meeting. Mr. Bissell noted there was a question at the last meeting on the bills and warrants report and the 2 entries for Sugimura and Associates listing completion of construction documents for the stadium and track at 45%. He explained the entries were not duplicative, that the two combined together represented 45% completion. Motion for approval of the minutes carried unanimously.

4. Accept Bills and Warrants Report

Mr. Bissell distributed revised copies of the report, noting an error had been discovered in the entry for *Analysis of Physical Education Facility*. The beginning balance for this item at December 31, 2005 should have been \$1,422,807.76, and the total expense through March

31, 2006 should have been \$1,459,043.68, reflecting additional expenditures of \$36,235.92 for the quarter. Dr. Kline asked for clarification of the \$37,000 paid to EMC Planning Group for labor, photocopying and postage involved with the environmental impact reports for the MPC Master Plan. Mr. Bissell explained that most of the expense was due to the labor required to prepare the documents. He said that two more environmental studies are being completed for the college's Colonel Durham Road and 12th Street sites at the former Fort Ord. It was moved by Mr. Gustafson and seconded by Mr. Lewis to accept the bills and warrants report. Motion carried unanimously.

5. Bond Expenditure Status Report

Mr. Bissell reviewed the report prepared by the college's bond program management firm, Kitchell. Dr. Kline praised the improvements made in the reporting format, noting the report was easier to read and understand.

6. Update on Facilities Projects, Timelines and Schedules

A handout providing project updates was distributed. Mr. Bissell reviewed specific facility projects.

Stadium

The stadium is behind schedule due to rain delays. The field will not be ready in time for the first home football game of the season, but soon after.

Fort Ord

Architects have been working on the design of facilities for the satellite campus at 12th Street and Imjin Parkway in Marina and the public safety officer training facility at Colonel Durham Road in Seaside. The project budgets will not be finalized until infrastructure costs have been determined. Currently, the architects for both sites have been working on a time and materials basis, with a not to exceed amount.

Infrastructure

Plans are being completed and will be submitted to the Division of the State Architect on June 15, 2006.

Building Standards Committee

Most of the furniture for classrooms have been identified and recommendations for exterior paint colors and window coverings are being developed. These recommendations will ensure consistency and good pricing.

Facilities Master Plan Reworking Committee

In 2002, the projected cost to complete facilities bond projects was estimated to be \$212 million. Currently, a more realistic figure is \$300 million. To address this disparity, the Committee has been tasked with identifying what projects need to be done (such as, repair leaking roofs, replace the Music Building) and setting a realistic dollar amount for completion of each project. For example, the project budget for the new Student Services Building was \$7 million originally, but the current estimate is \$12 million. These increased project costs mean that the college will not be able to do everything in the original plan.

Dr. Kline asked if there was an inflation cost built into the original estimates. Mr. Bissell responded no and explained that the cost was estimated and then 25% was added on.

Mr. Bissell stated the Committee was also “pre-value engineering” and shuffling projects to reduce costs. He said the Committee’s recommendation is expected by the beginning of the fall semester and will be reviewed through the college’s shared governance process. A Board of Trustees study session will also be scheduled.

Student Center Renovation

This project is on hold until the student committee members return from summer break. The bond budget for this project is \$4.7 million and the project team has asked the architect for information on what can be done for this amount of funding.

Child Development Center

Construction bids for this project are due June 20, 2006.

Old Library

The state has approved the preliminary plans for renovation of the former library into an administration building. Working drawings are being prepared. This renovation will have a domino effect and enable other buildings to be renovated. The project budget was \$5.7 million, but due to significant required structural work, an additional \$1 million will be added to construction costs.

Student Services Building

This new building will replace the current Admissions and Records building and will provide space for other student services to be housed under one roof. This building will be located adjacent to the current Administration building.

Math/Science Building

As reported at the last meeting, the Math/Science Complex was not approved by the Chancellor’s Office for state funding as district capacity load ratios indicated additional classrooms were unnecessary. This project has been reworked to eliminate the new Math building. Instead, Math classrooms will be housed in the Business building. A Final Project Proposal for the Business/Math/Science project will be submitted to the Chancellor’s Office for state funding at a 50:50 state/local match.

Music/Theater Project

The original project was not to add any square footage. The project budget has increased from \$11 million to \$19 million. In this project, the Music building will be rebuilt adjacent to the Theater.

Lecture Forum HVAC

The architect is evaluating the Lecture Forum restrooms; this renovation will require Division of the State Architect (DSA) review. The Lecture Forum HVAC system is a separate project and plans are currently being reviewed by DSA. The remainder of the building will not require architectural assistance to remodel.

Mr. Bissell concluded his update noting the College is considering the remodeling of buildings rather than renovation.

7. 2005 General Obligation Bond Refunding Report

Mr. Bissell reviewed the refunding report. He noted that college enrollments are showing a decline. This drop is of concern, but is similar to what Cabrillo College is experiencing. Mr. Hudson asked about the impact of the local four-year university on enrollments. Mr. Bissell stated community colleges generally act as feeder institutions to the university and there are articulation agreements in place to facilitate transfer. Mr. Heuer commented that Monterey Peninsula Unified School District lost 200 students between last year and this year.

Mr. Heuer also noted that \$40 million in bonds was originally issued. In this refunding, he observed the actual value of the bonded indebtedness is \$56 million; however, the property tax payments remain the same as the original. Mr. Bissell confirmed that Mr. Heuer was correct.

8. Change Orders and Architect Errors/Omissions Clause

Mr. Bissell stated that each project budget contains a contingency of 7-10% of the bid amount. He explained that change orders are controlled through the bid; changes to the original drawings are generally made to resolve unforeseen conditions. Mr. Bissell used the stadium as an example where the rains soaked the soil, resulting in the need for a shear wall between the Fitness Building and the stadium to hold the soil in.

When there is the need for a change order, Mr. Bissell stated the contractor provides an estimate for review by the construction management firm to accept or reject. Mr. Bissell added that if architect error is involved in a change order, the architect will not be paid for the related work. Mr. Heuer asked who determines if the architect was in error. Mr. Bissell responded that the construction manager would make this determination as part of a team effort.

Mr. Bissell said a question was also raised about errors/omissions. He stated the architectural services contract includes language that provides the architect with some protection against errors/omissions. Mr. Bissell also noted that community colleges are required to have plans reviewed by the Division of the State Architect (DSA). In addition, construction work is inspected by the district's inspector of record to insure compliance with the approved drawings.

9. Meeting Schedule

The next meeting date of August 7, 2006 was noted.

10. Suggestions for Future Agenda Topics and Announcements

Mr. Hudson stated a replacement was needed for Barbara Canter, who represented the Gentrain Society. It was agreed that suggestions for a replacement should be forwarded to Joe Bissell.

11. Adjournment

The meeting was adjourned at 3:40 p.m.

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT

CITIZENS' BOND OVERSIGHT COMMITTEE

August 7, 2006

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

Meeting Minutes

MEMBERS PRESENT: Mr. Howard Gustafson, Jr.
Mr. Jay Hudson
Mr. Rick Johnson
Mr. David Lewis
Ms. Eleanor Morrice
Mr. Leon Stutzman
Mr. Ken White

ABSENT: Mr. Rick Heuer
Dr. Melvin Kline
Mr. Steven Vagnini

STAFF PRESENT: Mr. Joe Bissell, Vice President for Administrative Services
Dr. Douglas Garrison, Superintendent/President
Ms. Vicki Nakamura, Assistant to the President

OTHERS PRESENT: Mr. Joe Demko, Kitchell CM

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.

2. Introductions

Dr. Douglas Garrison, the college's new Superintendent/President, and new member, Mr. Leon Stutzman, representing the Gentrain Society, were introduced.

3. Public Comment

None.

4. Approval of Minutes

It was moved by Mr. Johnson and seconded by Mr. Lewis to approve the minutes of the June 12, 2006 meeting. Motion carried unanimously.

5. Accept Bills and Warrants Report

A question was asked regarding a vendor, Private Bank of California, for the Physical Education field and track project on page seven of the report. Mr. Bissell explained that a certain portion of the expense was placed in a retention account in Private Bank of California. Mr. Gustafson noted this is a common practice in Monterey County public works projects.

Mr. Bissell also directed the Committee's attention to the Child Development Center project and the entries for San Jose Blue on page five. He explained that the College contracted with San Jose Blue to provide plans in an electronic format to bidders who were charged \$125/plan copy. These fees are being credited to the College as shown on the report. This method of providing plans saves the time and expense of photocopying and delivery.

It was moved by Mr. Gustafson and seconded by Mr. White to accept the bills and warrants report. Motion carried unanimously.

6. Bond Expenditure Status Report

Mr. Demko reviewed the May and June reports. He commented that the amounts will increase dramatically on the upcoming reports as invoices for the work on the Physical Education stadium project and the Child Development Center are received.

7. Update on Facilities Projects, Timelines and Schedules

Mr. Demko reviewed the specific facility projects.

Stadium

The stadium project is moving along, making up for time lost due to rain delays. The field and track have been laid out and the artificial turn is being installed. All site infrastructure has been installed, constituting 1/6 of the campus utility systems. Mr. Bissell added that an exploded shell had been found and removed from the site, left over from the National Guard's use of the former Armory building on campus.

Mr. Gustafson asked if reclaimed water would be used at the stadium. Mr. Bissell said that it is hoped that the stadium and all irrigation on the campus would eventually utilize reclaimed water. Mr. Gustafson stated that 300 acre feet of reclaimed water per year would be delivered to the Monterey area in a year or so.

PE Fitness New Building

The steel framing and electrical utilities have been completed for the building.

Satellite Campus (Fort Ord)

Two used portable classroom buildings have been purchased and relocated to the site at 12th Street and Imjin Parkway in Marina. A third portable building will house restroom facilities. Mr. Bissell said it will take three years to construct the classroom building; the portable buildings will allow classes to be offered at the site next year. He also announced there would be a ribbon cutting ceremony held on August 16, from 5:00 – 7:00 PM, to celebrate the opening of the College's classroom facilities at the UCMBEST Center in Marina.

Public Safety Training Center (Fort Ord)

Three used relocatable buildings were purchased and transported three weeks ago to the site at Col. Durham Road in Seaside. The site has been prepared and utilities installed to support these buildings which will house offices for the police and fire programs. These programs will move from the old Library building on the main campus during early January 2007.

Infrastructure

Upgrade and installation of infrastructure will be a two-year program at a cost of \$16 million. To avoid disruption of the campus, 16 phases are planned. The Lecture Forum pedestrian bridge will also be replaced as part of this plan as the utility lines are carried across the ravine by the existing bridge.

Building Standards Committee

This committee continues to meet.

Facilities Master Plan Reworking Committee

In 2002, the projected cost to complete facilities bond projects was estimated to be \$212 million. Currently, a more realistic figure is \$300 million. To address this disparity, the Committee has been tasked with prioritizing projects, using realistic cost figures. A Board study session has been scheduled for August 8 to review the Committee's progress. Mr. Bissell commented that it will be necessary to re-evaluate projects again in the future as assumptions will change. Mr. White asked if the district's bond measure enhanced the College's ability to get state funding. Mr. Bissell responded yes and explained the state uses a point system to evaluate facility projects. A college would receive 50 points by providing 50% matching funds.

Student Center Renovation

This project is on hold until the student committee members return from summer break. The bond budget for this project is \$4.7 million and the project team has asked the architect for information on what can be done for this amount of funding.

Child Development Center

Construction bids for this state-funded project were received June 20, 2006 and Tombleson was the low bidder. Grading of the site has begun.

Old Library

Structural issues were identified requiring alterations in the design. This renovation is a 50% state funded project. Construction is expected to begin in early 2007.

Student Services Building

This project will provide space for all student services functions to be housed under one roof. The adjacent parking lot will be renovated at the same time.

Business/Math Building

A Final Project Proposal (FPP) was submitted to the Chancellor's Office by the July 1 deadline. This project has been reworked to eliminate the new Math building as district capacity load ratios indicated additional classrooms were unnecessary. Instead, Math classrooms will be housed in the Business building.

Music/Theater Project

A Final Project Proposal for this project was also submitted to the Chancellor's Office by July 1. Although the state funds only one FPP per year, the College submitted two FPPs to maximize the possibility of state funding approval.

Lecture Forum HVAC

Plans are currently being reviewed by DSA.

Mr. Demko concluded his update noting a structural engineer has reviewed all campus buildings and recommended 7 buildings for some work. The College is currently evaluating what needs to be done.

Dr. Garrison asked about the secondary effects of the old Library renovation. Mr. Bissell replied that centralizing administrative functions will free up space in various buildings on campus that can be used for instructional purposes. Also, he noted the current Administration Building can be used to provide swing space over the next ten years for other projects. The ultimate plan is to demolish the building. Mr. Stutzman asked about moving the MPC Foundation office to the current Administration Building. Mr. Bissell explained that the existing Foundation office is 400 square feet and the Foundation's new office in the old Library will be approximately 600 square feet. In comparison, the current Administration Building is 8,000 square feet. There is currently too much space on campus according to state standards and the College needs to be more efficient.

8. Tour of Facilities Projects

A tour of campus facilities projects was proposed for the November meeting. It was suggested that the tour be conducted prior to the meeting to ensure there is adequate daylight.

9. Meeting Schedule

It was noted the annual organizational meeting is scheduled for November 6, 2005. The meeting will begin with the tour at 2:00 PM.

10. Suggestions for Future Agenda Topics and Announcements

Dr. Garrison distributed a handout regarding committee member terms. He noted there were several members who will be termed out in November. Dr. Garrison requested suggestions for new members to be forwarded to him. The Board will then take action to approve new members in time for the March 2007 meeting. Mr. Hudson read aloud the section in the By-Laws regarding member appointments. Mr. Lewis noted he may not be able to attend the November meeting. Mr. Hudson thanked him for his service on the Committee.

11. Adjournment

The meeting was adjourned at 3:46 p.m. Refreshments were served at an informal reception to welcome Dr. Garrison.