



Citizens' Bond Oversight Committee

ANNUAL REPORT

2009-2010

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TABLE OF CONTENTS

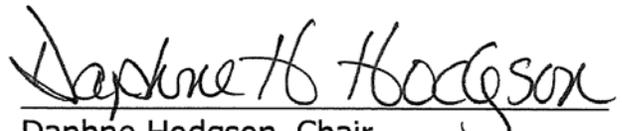
STATEMENT OF COMPLIANCE	1
INTRODUCTION	3
SUMMARY OF THE COMMITTEE'S PROCEEDINGS AND ACTIVITIES FOR 2009-10	5
COMMITTEE MEMBERSHIP	5
MEETINGS OF THE CITIZENS' BOND OVERSIGHT COMMITTEE	6
FINANCIAL REPORT	7
CAMPUS RENOVATION/CONSTRUCTION PROJECTS COMPLETED, IN PROCESS, AND PLANNED FOR THE FUTURE	9
APPENDIX.....	20
Committee Roster	
Committee Meeting Agendas	
November 2, 2009	
March 1, 2010	
June 7, 2010	
August 30, 2010	
Committee Meeting Minutes	
November 2, 2009	
March 1, 2010	
June 7, 2010	
August 30, 2010	

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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:



Daphne Hodgson, Chair
Citizens' Bond Oversight Committee

Date: November 1, 2010

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.

CITIZENS' BOND OVERSIGHT COMMITTEE
November 1, 2010



Top row: Peter Baird, Elinor Laiolo, Supt/Pres Douglas Garrison, Sondra Rees, Antron Williams.
Front row: Gary Ray (Vice Chair), Scott Coté, Daphne Hodgson (Chair), Mary Ann Kane, Steve Emerson. Not pictured: Ron Pasquinelli.

SUMMARY OF THE COMMITTEE'S PROCEEDINGS AND ACTIVITIES FOR 2009-2010

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.

Currently, the committee is composed of ten members, appointed by the Board of Trustees. Eleanor Morrice, student representative, completed her tenure on the committee in November, 2009, having served two consecutive terms. She was recognized by the Board of Trustees for her service to the college and received a certificate of commendation. Also in November 2009, five members (Scott Coté, Daphne Hodgson, Mary Ann Kane, Ron Pasquinelli, and Gary Ray) completed their initial terms and were reappointed to serve an additional two-year term. David Collyer, Vice President of Finance for the Associated Students of MPC, was appointed as the new student representative in December 2009 and served until June 2010. He was replaced by Antron Williams, student trustee, who was appointed in October 2010.

In accordance with the Bylaws, officers were selected at the annual organizational meeting on November 2, 2009. Daphne Hodgson was appointed to serve as Chair by Dr. Garrison and Gary Ray was elected by the committee to serve as Vice Chair.

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

Peter Baird	2-year second term, 11/2008 – 11/2010
David Collyer	2 year initial term, 11/2009 – 11/2011
Scott Coté	2-year second term, 11/2009 – 11/2011
Steven Emerson	2-year second term, 11/2008 – 11/2010
Daphne Hodgson, Chair	2-year second term, 11/2009 – 11/2011
Mary Ann Kane	2-year second term, 11/2009 – 11/2011
Elinor Laiolo	2-year second term, 11/2008 – 11/2010
Eleanor Morrice	2-year second term, 11/2007 – 11/2009
Ronald Pasquinelli	2-year second term, 11/2009 – 11/2011
Gary Ray, Vice Chair	2-year second term, 11/2009 – 11/2011
Sondra Rees	2-year second term, 11/2008 – 11/2010
Antron Williams	2-year initial term, 11/2010 – 11/2012

MEETINGS AND ACTIVITIES 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.

The college's bond website (www.mpc.edu/mpcbond/) includes a page specifically designated for the committee's activities where the meeting schedule, agendas, minutes, and annual reports are posted.

During 2009-10, the committee convened four quarterly meetings. The annual organizational meeting of the committee was held November 2, 2009, with subsequent meetings held on March 1 2010, June 7, 2010, and August 30, 2010. The primary location for the meetings was the Sam Karas Room in the Library & Technology Center on the Monterey campus with the August meeting being held at the MPC Public Safety Training Center in Seaside.

At the meetings convened during 2009-10, the committee received status updates on bond projects and reviewed bond program expenditures. The June meeting included a tour of facility projects at the Monterey campus. At the August meeting, the committee reviewed the progress of construction of the first permanent buildings at the Marina Education Center and toured the Seaside Public Safety buildings which had been completely renovated. The committee also received reports on the investment of the District's Series B and C bond funds, in particular the disposition of the Washington Mutual and Lehman Brothers assets within Monterey County's investment portfolio due to bankruptcy filings in 2008. Monterey County Treasurer-Tax Collector, Lou Solton, appeared at the August meeting to present an update and answer questions.

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 \$44,240,052. The second and third series of the bonds were issued in January 2008. In Series B, \$9,004,530 of taxable bonds were issued, with no time limit for expenditure. The principal amount in the Series C issuance was \$95,994,770 of tax exempt bond funds that are anticipated to be 85% expended within five years.

The Series B and C funds were invested in Monterey County's investment portfolio. Actual interest earnings in 2009-10 were lower than originally projected due to the economic recession. Also, County Treasurer recovery efforts concerning the Washington Mutual and Lehman Brothers bankruptcy filings resulted in the recouping of a portion of the interest lost in 2008-09.

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, 2009 through September 30, 2010 and total expenditures since bond inception.

MPC Bond Expenditure Report
 July 1, 2003 through September 30, 2010

<u>Receipts:</u>	Prior	10/1/2009- 09/30/2010	Total
Bond Principal – Series A	\$40,000,000	\$0	\$40,000,000
Refinancing - Series A	\$4,240,052	\$0	\$4,240,052
Bond Principal - Series B, taxable	\$9,004,530	\$0	\$9,004,530
Bond Principal - Series C, nontaxable	\$95,994,770	\$0	\$95,994,770
Interest Income*	\$7,625,627	\$239,672	\$7,865,299
Interest Write-off**	(\$1,878,835)	\$0	(\$1,878,835)
Interest Recovery**	\$0	\$376,487	\$376,487
Total Receipts	\$154,986,144	\$616,159	\$155,602,303

Expenditures:

Completed Projects:

As Built Drawings	\$209,792	\$0	\$209,792
Automotive Technology -- HVAC	\$16,443	\$0	\$16,443
Business Computer Science Bldg. - Seismic Design	\$7,982	\$0	\$7,982
Child Development Center	\$1,029,198	\$0	\$1,029,198
College Center Renovation – Preliminary Study	\$23,608	\$0	\$23,608
Demolition of Old Plant Services	\$63,522	\$0	\$63,522
Drafting Building	\$13,974	\$0	\$13,974

Completed Projects (continued):	Prior	10/1/2009- 09/30/2010	Total
Environmental Impact Report	\$154,163	\$0	\$154,163
Family and Consumer Science Renovation	\$67,671	\$0	\$67,671
Gym - Floor/Seismic/Bleachers	\$873,847	\$4,000	\$877,847
Humanities Building - Seismic Design	\$16,375	\$0	\$16,375
HVAC Repairs	\$618,539	\$0	\$618,539
Infrastructure I (main campus utilities, parking lot A)	\$20,880,396	\$5,605	\$20,886,001
Infrastructure II (parking lots D, E, & F)	\$2,462,447	\$19,160	\$2,481,607
Landscaping – Library & Technology Center	\$438,293	\$0	\$438,293
Lecture Forum Remodel	\$2,117,203	\$0	\$2,117,203
Life Science -- Elevator Evaluation	\$7,794	\$0	\$7,794
Master Signage Program	\$53,890	\$0	\$53,890
New Admin/Old Library Renovation	\$4,540,895	\$171,296	\$4,712,191
New Plant Services Building	\$487,574	\$0	\$487,574
Old Library Renovation Analysis	\$21,280	\$0	\$21,280
Miscellaneous	\$420	-\$199	\$221
Physical Education (Stadium, Fitness Center, etc.)	\$17,236,568	\$0	\$17,236,568
Physical Science -- Elevator Evaluation	\$6,986	\$0	\$6,986
Roof Repairs	\$480,256	\$0	\$480,256
Social Science Remodel	\$863,697	\$0	\$863,697
Telephone System Upgrades	\$599,414	\$0	\$599,414
Theater Light Board	\$22,733	\$0	\$22,733
Vehicles	\$187,070	\$0	\$187,070
Walkway/Safety Improvements	\$225,630	\$0	\$225,630
Completed Projects	\$53,727,660	\$199,862	\$53,927,522
In Process:			
Arts Complex	\$0	\$27,731	\$27,731
Auto Technology Addition	\$118,522	\$804,496	\$923,018
Bond Program Management	\$3,421,583	\$1,053,892	\$4,475,475
Business Computer Science	\$0	\$706,665	\$706,665
Furniture/Equipment	\$424,285	\$258,875	\$683,160
Humanities, Bus-Hum, Student Services	\$0	\$429,080	\$429,080
Infrastructure - Phase III	\$1,652,548	\$2,134,209	\$3,786,757
Life & Physical Science	\$2,000	\$161,070	\$163,070
New Education Center at Marina	\$1,800,271	\$2,403,863	\$4,204,134
New Student Services Building	\$891,373	\$5,750,962	\$6,642,335
PE Phase II - Gym/Locker Room Renovation	\$0	\$39,828	\$39,828
Pool/Tennis Courts Renovation	\$0	\$51,520	\$51,520
Public Safety Training Center Renovation	\$6,535,902	\$942,299	\$7,478,201
Swing Space/Interim Housing	\$1,868,282	\$693,265	\$2,561,547
Theater	\$0	\$424,618	\$424,618
In Process	\$16,714,766	\$15,882,373	\$32,597,139
Total Expenditures	\$70,442,426	\$16,082,235	\$86,524,661

* Interest income is through June 30, 2010

** All MPC bond funds are on deposit with the Monterey County Investment Pool. The interest write-off and recovery occurred due to the Lehman Brothers and Washington Mutual bankruptcy filings in 2008.

**CAMPUS RENOVATION/CONSTRUCTION PROJECTS COMPLETED, IN PROCESS,
 AND PLANNED FOR THE FUTURE**
 September 30, 2010

COMPLETED PROJECTS:

Note: For completed projects, Prop 39 Bond amounts listed are actual expenditures to date.

<u>Project</u>	<u>Description</u>	<u>Funding Source</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State & Other</u>	
Library & Technology Center	This new 65,000 sq. ft., 3-story building houses the college's book and media collections and includes computer labs, classrooms, multi-media rooms, group study rooms, teleconferencing capability and a faculty lounge. The \$19.9 million project was primarily funded by the state, with \$438,000 provided by MPC bond funds. The facility was completed in July 2003.	\$438,293	\$19,470,000	\$19,908,293
Facilities Building	The new 18,440 sq. ft. building consolidates the plant services, warehouse, building maintenance, and grounds operations within one building. Old structures formerly housing these operations were demolished. The state funded \$2.48 million of the total project cost of \$2.97 million and MPC bonds provided \$488,000. This project was completed in fall 2003.	\$487,574	\$2,478,000	\$2,965,574
Early Start & Miscellaneous Projects	This group of projects include walkway and safety improvements, new IP phone system, new roofs on Life Science, Physical Science, Business-Computer Science, and Art Dimensional buildings, rebuilding the HVAC systems in Art Dimensional, Social Science, Business-Computer Science buildings, completing required campus wide CEQA reports, campus as-built site drawings, purchase of new vans and street cleaner. Dollar amounts given represent actual MPC bond expenses to date. Most of these projects were completed by 2004, with the exception of the campus CEQA environmental report, completed in March, 2006.	\$2,729,672	\$439,037	\$3,168,709

COMPLETED PROJECTS:

Note: For completed projects, Prop 39 Bond amounts listed are actual expenditures to date.

<u>Project</u>	<u>Description</u>	<u>Funding Source</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State & Other</u>	
Community Stadium	This project completely refurbished and modernized the existing campus football stadium, track, and softball fields. The upgrades include synthetic football/soccer and softball fields, an eight lane all weather track, new bleachers and support facilities. MPC bond funds covered most of the \$13.5 million cost, with \$100,000 received from a state waste tire grant program for the artificial turf installed on the football field. The project was completed in spring 2007.	\$13,406,672	\$100,000	\$13,506,672
Fitness Center	This new 12,750 sq. ft., two-story building provides classrooms, offices, and a weight room. The old structure was demolished. The project was completed August, 2007.	\$3,829,896		\$3,829,896
Child Development Center	This new three-building, 9,900 sq. ft. complex provides a child care facility serving the campus and community. The facilities also include a classroom and observation rooms that make up an academic laboratory to provide practicum experience for Child Development Program courses. The state funded \$4.4 million of the project with \$1 million contributed from MPC bond funds. The project was completed in October, 2007.	\$1,029,198	\$4,384,000	\$5,413,198
Infrastructure - Phase I	All of the campus infrastructure (underground utilities, roads, walkways, bridges, etc.) will be rebuilt under the bond program. Phase I makes up 77% of the total infrastructure work on campus and was completed in September, 2008.	\$20,886,001		\$20,886,001

COMPLETED PROJECTS:

Note: For completed projects, Prop 39 Bond amounts listed are actual expenditures to date.

<u>Project</u>	<u>Description</u>	<u>Funding Source</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State & Other</u>	
Lecture Forum	The existing 18,545 square foot instructional building was remodeled to upgrade technology and improve acoustics. The HVAC system was replaced, restrooms rebuilt, new seating and floor covering installed, and the building repainted. The majority of work was completed August 2007 with minor work completed in summer 2008.	\$2,117,203		\$2,117,203
Social Science	The existing 12,580 square foot instructional building was remodeled to meet current seismic and ADA standards. The bathrooms were rebuilt, the HVAC system replaced, and new furniture, paint, and floor coverings were added. The majority of the work was completed August 2007 with minor work completed in summer 2008.	\$863,697		\$863,697
Infrastructure - Phase II	This phase includes the rebuilding and expansion of parking lots D, E, & F, addition of campus wide emergency alarms, and rebuilding of the baseball backstop. The parking lots and alarm installation were completed in August 2008; the backstop was completed in August 2009.	\$2,481,607		\$2,481,607
Administration Building Renovation	The former library building, consisting of 19,040 square feet, was remodeled to house campus administrative offices. The state funded \$2.715 million of the total cost with \$4.56 million contributed from MPC bond funds. Office move-in was accomplished in April 2009.	\$4,712,191	\$2,715,000	\$7,427,191

COMPLETED PROJECTS:

Note: For completed projects, Prop 39 Bond amounts listed are actual expenditures to date.

<u>Project</u>	<u>Description</u>	<u>Funding Source</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State & Other</u>	
Family Consumer Science	The existing facility was remodeled to repair the roof and upgrade the classroom. The project was substantially completed January 2009.	\$67,671		\$67,671
Gym	The upper floor of the existing gym was rebuilt, including seismic upgrades and gym floor and bleacher replacement. The project was accomplished using a combination of state scheduled maintenance funding and MPC bond funds. The project was completed in January 2009.	\$877,847	\$600,000	\$1,477,847
Totals for Completed Projects		\$53,927,522	\$30,186,037	\$84,113,559

PROJECTS IN PROCESS:

Note: Cited dollar amounts are estimates and subject to change.

<u>Project</u>	<u>Description</u>	<u>Budgets</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State & Other</u>	
Auto Technology	This project consists of a remodel and addition to the existing facility. The project was substantially completed in September 2010.	\$1,000,000		\$1,000,000
Business Computer Science Math	Rebuild existing Business Computer Science building and convert former fiscal services and information technology offices into math classrooms and a math learning center. A Final Project Proposal for the Business, Math and Science Buildings project that included the renovation of the Business Computer Science Building was submitted to the state Chancellor's Office in July 2007 to request 50% state funding support and was subsequently approved. However, as state bond funding for community college facility projects is uncertain, the district determined this project would go forward using bond funds only. Construction began in June 2010, with completion expected in February 2011.	\$2,300,000		\$2,300,000
College Center Renovation	A remodel of the existing facility is planned. Schematic drawings are currently being worked on. Construction is projected to begin in October 2011, with completion in August 2012.	\$4,000,000		\$4,000,000
Education Center at Marina	Temporary facilities have been installed on the Education Center site on Imjin Parkway and 3rd Avenue in Marina. Construction of the first permanent 12,000 square foot academic facilities is underway, with a planned opening in Fall 2011.	\$9,100,000		\$9,100,000

PROJECTS IN PROCESS:

Note: Cited dollar amounts are estimates and subject to change.

<u>Project</u>	<u>Description</u>	<u>Budgets</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State & Other</u>	
Furniture & Equipment	New furniture has been installed in all lecture classrooms. Additional funds will be used to provide furniture for the Education Center at Marina, Public Safety Training Center, and new Student Services building.	\$4,000,000		\$4,000,000
Humanities, Business Humanities, and Student Services	Rebuild existing Humanities and Student Services buildings, and demolish existing Business Humanities building. The Final Project Proposal was submitted to the state Chancellor's Office in July 2007 to request 50% state funding support and was approved. The project was allocated state funds to proceed with drawings in August 2009. The architect submitted the plans to the Division of the State Architect in June 2010. Funds for construction of this project were included in the 2010-11 state budget and construction is expected to begin in 2011.	\$3,845,000	\$3,845,000	\$7,690,000
Infrastructure - Phase III	This phase includes new data cabling installed campus wide, the rebuilding of many sidewalks and parking lots B, C, & J, the installation of additional lighting and signage upgrades, an elevator at PE, additions to disaster notification systems, new greenhouses, a generator for the data center, and replacement of the kilns for the art ceramics program. Work will be completed in phases from May 2008 through September 2014.	\$6,466,000		\$6,466,000

PROJECTS IN PROCESS:

Note: Cited dollar amounts are estimates and subject to change.

<u>Project</u>	<u>Description</u>	<u>Budgets</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State & Other</u>	
Life Science and Physical Science Buildings	Rebuild existing Physical Science and Life Science buildings to include modernizing and upgrading all science laboratories. A Final Project Proposal for the Business, Math and Science Buildings project that included the renovation of these buildings was submitted to the state Chancellor's Office in July 2007 to request 50% state funding support and was subsequently approved. However, as state bond funding for community college facility projects is uncertain, the district will be proceeding with this project using bond funds only. Revised schematic drawings have been completed by the architect and will be submitted to the Division of the State Architect in November 2010. The project will be completed in phases, with the Life Science building renovation estimated to be underway in summer 2011.	\$14,500,000		\$14,500,000
Physical Education Phase II: Gym - Showers/Locker Rooms	Renovate the first floor of the existing gym building, including reconstruction of the shower and locker rooms, and demolition of the existing pool building. Division and faculty offices will be reconfigured and relocated to the same area. The two multipurpose rooms will be upgraded with technology enhancements. Construction will begin in January 2011. The estimated completion date for the project is fall 2011.	\$3,940,128		\$3,940,128
Pool and Tennis Courts	Rebuild pool and tennis court facilities, including adding one additional tennis court. The project will be completed in phases. Construction will begin in summer 2011 and is estimated to be complete in 2012.	\$2,000,000		\$2,000,000

PROJECTS IN PROCESS:

Note: Cited dollar amounts are estimates and subject to change.

<u>Project</u>	<u>Description</u>	<u>Budgets</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State & Other</u>	
Public Safety Training Center Renovation	Two existing former Army buildings on Colonel Durham Road in Seaside at the former Fort Ord were renovated to provide classrooms and offices for public safety training programs. Construction began in July, 2008. The project was substantially completed in December 2009. Site drainage issues were resolved in summer 2010.	\$7,500,000		\$7,500,000
Student Services Building	A new 22,000 sq. ft. building that will allow the consolidation of student services offices at one location on the Monterey campus will be constructed adjacent to the current Student Center. Construction began in August 2009. Completion of the project is estimated to be in January 2011.	\$9,500,000		\$9,500,000
Swing Space/Interim Housing	Temporary space to house programs and services displaced by modernization projects is planned. Temporary modulars have been placed on campus and at the Education Center. The former administration building was renovated to provide temporary classrooms and will be modified again to provide space for labs to accommodate the Life Science and Physical Science projects.	\$4,600,000		\$4,600,000

PROJECTS IN PROCESS:

Note: Cited dollar amounts are estimates and subject to change.

<u>Project</u>	<u>Description</u>	<u>Budgets</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State & Other</u>	
Theater	Renovate existing Theater building. A Final Project Proposal for the Music Theater project that includes the renovation of the Theater Building has been submitted annually to the state Chancellor's Office since July 2006 to request 50% state funding support. As state bond funding for community college facility projects is uncertain, the district is proceeding with the renovation with bond funds only. Drawings will be submitted to the Division of the State Architect in October 2010. Construction is scheduled to begin in June 2011 with completion anticipated in December 2012.	\$9,305,016		\$9,305,016
Totals for Projects In Process		\$82,056,144	\$3,845,000	\$85,901,144

FUTURE PROJECTS:

Note: Changes to future projects are anticipated to accommodate probable changes in state funding. Cited dollar amounts are estimates and subject to change.

<u>Project</u>	<u>Description</u>	<u>Budgets</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State & Other</u>	
Arts Complex	Rebuild existing Art Studio, Art Ceramics, Art Dimensional, and International Center buildings, and demolish existing Drafting building. The Final Project Proposal was re-submitted to the state Chancellor's Office in July 2009 to request 50% state funding support and was approved. However, state bond funding is uncertain and the district is considering funding the renovation with bond funds only.	\$4,387,987	\$4,387,987	\$8,775,974
Music Building	Renovate existing Music building. A Final Project Proposal for the Music Theater project that includes the construction of a new Music Building has been submitted annually to the state Chancellor's Office since July 2006 to request 50% state funding support. As state funding for community college facility projects is uncertain, the district is planning to renovate the building with bond funds only.	\$1,200,000		\$1,200,000
Public Safety Training Center - Phase II (Parker Flats)	Construct new outdoor training facilities at the Parker Flats and MOUT sites at the former Fort Ord, including an emergency vehicle driving course, a live fire burn building, and a firing range. The Final Project Proposal for this project was submitted to the state Chancellor's Office in July 2009 for 50% state funding consideration and was approved. The projected completion date of summer 2014 is contingent upon state bond funding being approved and allocated.	\$6,000,000	\$6,000,000	\$12,000,000
Totals for Future Projects		\$11,587,987	\$10,387,987	\$21,975,974

CONTINGENCY:

<u>Description</u>	<u>Budgets</u>		<u>Total Cost</u>
	<u>Prop 39 Bond</u>	<u>State & Other</u>	
The contingency was established in August 2010 to provide contingent funding for projects as needed. Project cost estimates are subject to change due to the variable bid climate or from unexpected construction issues that may arise. The current contingency is equivalent to 1.07% of total Prop 39 bond funds.	\$1,667,699		\$1,667,699
Grand Totals (Projects)	\$149,239,352	\$44,419,024	\$193,658,376

PROGRAM MANAGEMENT:

<u>Description</u>	<u>Budgets</u>		<u>Total Cost</u>
	<u>Prop 39 Bond</u>	<u>State & Other</u>	
An outside firm is being used to manage the overall bond construction program. Funds to pay for these services are generated from interest earnings on bond funds. Amounts in the columns to the right represent actual expenses to date.	\$4,475,475		\$4,475,475
Projected program management expense for the remaining years of the bond program.	\$1,887,476		\$1,887,476
Totals for Program Management	\$6,362,951		\$6,362,951

Overall Grand Totals \$155,602,303 \$44,419,024 \$200,021,327

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APPENDIX

COMMITTEE ROSTER

COMMITTEE MEETING AGENDAS

November 2, 2009

March 1, 2010

June 7, 2010

August 30, 2010

COMMITTEE MEETING MINUTES

November 2, 2009

March 1, 2010

June 7, 2010

August 30, 2010

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MONTEREY PENINSULA COLLEGE

Citizens' Bond Oversight Committee Members

- Daphne Hodgson, Chair, *Community member*
- Gary Ray, Vice Chair, *Community member*
- Peter Baird, *Monterey Peninsula Chamber of Commerce*
- Steve Emerson, *Marina Chamber of Commerce*
- David Collyer, *Associated Students of Monterey Peninsula College*
- Scott Coté, *Community member*
- Mary Ann Kane, *GENTRAIN Society*
- Elinor Laiolo, *Carmel Foundation*
- Eleanor Morrice, *Associated Students of Monterey Peninsula College*
- Ronald Pasquinelli, *Monterey Peninsula Taxpayers Association*
- Sondra Rees, *Monterey Peninsula College Foundation*
- Antron Williams, *Associated Students of Monterey Peninsula College*

COMMITTEE MEETING AGENDAS ``

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MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

Monday, November 2, 2009
3:00 PM – Regular Meeting
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 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.
- 3. Committee Membership Review** INFORMATION
Committee membership will be reviewed by Dr. Garrison.
- 4. Officers** ACTION
The committee chair will be appointed by Dr. Garrison. Committee members will indicate their interest in serving as vice-chair and a vote will be taken.
- 5. Approval of August 17, 2009 Minutes** ACTION
- 6. Accept Bills and Warrants Report** ACTION
The list of payments from bond funds expended through September 30, 2009 will be reviewed for acceptance by the committee.
- 7. Bond Expenditure Status Report** INFORMATION
The September 30, 2009 bond expenditure status report will be reviewed with the committee. The October 2009 cost control report will also be presented.

- 8. Annual Report for 2008-09** ACTION
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 activities for the preceding year. A draft annual report will be reviewed for approval and presentation to the Board of Trustees.
- 9. Update on Investment of Bond Funds** INFORMATION
A recap will be given on the investment of bond funds and the impact of the Washington Mutual and Lehman Brothers bankruptcies.
- 10. 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. An update on the new facilities plan will also be provided.
- 11. Meeting Schedule (PLEASE BRING CALENDARS)** INFORMATION/ACTION
The following meeting dates are suggested for adoption:
Monday, March 8, 2010
Monday, June 7, 2010
Monday, August 9, 2010
Monday, November 1, 2010 (Annual Organizational Meeting)
- 12. Suggestions for Future Agenda Topics and Announcements**
- 13. Adjournment**

Public records provided to the Committee for the items listed on this agenda may be viewed online at the College's website <http://www.mpc.edu/mpcbond/CitizensBondOversight/Pages/CBOCAgendas.aspx> , at the Superintendent/President's office, Monterey Peninsula College, 980 Fremont Street, Monterey, California during normal business hours, or at the Committee meeting.



MONTEREY PENINSULA
COLLEGE

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

Monday, March 1, 2010
3:00 PM – Regular Meeting
Sam Karas Room, Library and Technology Center
Monterey Peninsula College
980 Fremont Street
Monterey, California

MEETING AGENDA

1. Call to Order

2. 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.

3. Introduction of New Committee Member

David Collyer, new student representative, will be introduced.

4. Approval of November 2, 2009 Minutes

ACTION

5. Accept Bills and Warrants Report

ACTION

The list of payments from bond funds expended through December 31, 2009 will be reviewed for acceptance by the committee.

6. Bond Expenditure Status Report

INFORMATION

The December 31, 2009 bond expenditure status report will be reviewed with the committee. The February 2010 cost control report will also be presented.

7. Bond Auditors' Reports for 2008-09

INFORMATION

The Independent Auditors' Report of the District's bond funds, for the fiscal year ended June 30, 2009, and the District's bond Performance Audit Report, for the fiscal year ended June 30, 2009, will be reviewed with the committee.

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

INFORMATION

Future meetings are scheduled for:

Monday, June 7, 2010

Monday, August 30, 2010 – NEW MEETING DATE PROPOSED

Monday, November 1, 2010 (Annual Organizational Meeting)

10. Suggestions for Future Agenda Topics and Announcements

Update on Investment of Series B and C Bonds

Tour of Monterey campus facility projects – June meeting

11. Adjournment

Public records provided to the Committee for the items listed on this agenda may be viewed online at the College's website <http://www.mpc.edu/mpcbond/CitizensBondOversight/Pages/CBOCAgendas.aspx> , at the Superintendent/President's office, Monterey Peninsula College, 980 Fremont Street, Monterey, California during normal business hours, or at the Committee meeting.

Posted: February 24, 2010



MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

Monday, June 7, 2010
2:00 PM – Committee Tour of College Facilities Projects
3:00 PM – Regular Meeting
Sam Karas Room, Library and Technology Center
Monterey Peninsula College
980 Fremont Street
Monterey, California

MEETING AGENDA

- 1. Call to Order**
- 2. 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.
- 3. Approval of March 1, 2010 Minutes** ACTION
- 4. Accept Bills and Warrants Report** ACTION
The list of payments from bond funds expended through March 31, 2010 will be reviewed for acceptance by the committee.
- 5. Bond Expenditure Status Report** INFORMATION
The March 31, 2010 bond expenditure status report will be reviewed with the committee. The May 2010 cost control report will also be presented.
- 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. Monterey County Treasurer's Investment Report

Series B and C bonds were issued by the district in 2008 and invested with the Monterey County Treasurer's office. The Treasurer's Report of Investments for the quarter ending March 31, 2010 provides the status of these investments.

8. Meeting Schedule

Future meetings are scheduled for:

Monday, August 30, 2010 – Tour of Marina Education Center project and Seaside Public Safety Training Center projects; meeting at Seaside Public Safety Training Center (Please note change in date)

Monday, November 1, 2010 (Annual Organizational Meeting)

9. Suggestions for Future Agenda Topics and Announcements

10. Adjournment

Public records provided to the Committee for the items listed on this agenda may be viewed online at the College's website <http://www.mpc.edu/mpcbond/CitizensBondOversight/Pages/CBOCAgendas.aspx> , at the Superintendent/President's office, Monterey Peninsula College, 980 Fremont Street, Monterey, California during normal business hours, or at the Committee meeting.

Posted: June 2, 2010



MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

Monday, August 30, 2010

2:00 PM – Committee Tour of College Facilities Projects in Marina and Seaside

3:00 PM – Regular Meeting

Room No. 101,
MPC Seaside Public Safety Training Center
2642 Colonel Durham Road
Seaside, CA

MEETING AGENDA

1. **Call to Order**
2. **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.
3. **Introduction of New Committee Member**
Michael Dickey, new student representative, will be introduced.
4. **Status of Investment of Series B and C Bonds** INFORMATION
Series B and C bonds have been invested with the Monterey County Treasurer's office. Mr. Lou Solton, Monterey County Treasurer-Tax Collector, will be present to provide an update on the County's investment portfolio.
5. **Approval of June 7, 2010 Minutes** ACTION
6. **Accept Bills and Warrants Report** ACTION
The list of payments from bond funds expended through June 30, 2010, will be reviewed for acceptance by the Committee.

- | | | |
|-----|---|-------------|
| 7. | Bond Expenditure Status Report
The June 30, 2010 bond expenditure status report will be reviewed with the Committee. The August 2010 cost control report will also be presented. | INFORMATION |
| 8. | Update on Facilities Projects, Timelines, and Schedules
A status report will be provided on all projects. The timelines and schedules for current facility projects will be reviewed. | INFORMATION |
| 9. | Facilities Construction Plan Update
Mr. Bissell will review changes to the District's construction program recommended by the Facilities Committee and approved by the Governing Board on August 24, 2010. | INFORMATION |
| 10. | 2012-16 Five Year Capital Outlay Plan
The District's 2012-16 Five-Year Construction Plan, approved by the Governing Board on August 24, 2010, will be reviewed with the Committee. This plan reflects the college's priorities for facilities projects for the next five years and provides the context for the project proposals submitted to the Chancellor's Office for state funding consideration. | INFORMATION |
| 11. | Committee Membership Review
Dr. Garrison will review membership terms. | INFORMATION |
| 12. | Meeting Schedule
The next meeting of the committee is scheduled for:
Monday, November 1, 2010 (Annual Organizational Meeting) | INFORMATION |
| 13. | Suggestions for Future Agenda Topics and Announcements | |
| 14. | Adjournment | |

Public records provided to the Committee for the items listed on this agenda may be viewed online at the College's website <http://www.mpc.edu/mpcbond/CitizensBondOversight/Pages/CBOCAgendas.aspx> , at the Superintendent/President's office, Monterey Peninsula College, 980 Fremont Street, Monterey, California during normal business hours, or at the Committee meeting.

COMMITTEE MEETING MINUTES

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MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT

CITIZEN'S BOND OVERSIGHT COMMITTEE

Monday, November 2, 2009
3:00 PM – Regular Meeting
Sam Karas Room, Library and Technology Center
Monterey Peninsula College
980 Fremont Street, Monterey, California

Meeting Minutes

MEMBERS PRESENT: Mr. Peter Baird
Mr. Steve Emerson
Mr. Scott Coté
Ms. Daphne Hodgson
Ms. Mary Ann Kane
Ms. Elinor Laiolo
Ms. Eleanor Morrice
Mr. Ron Pasquinelli
Mr. Gary Ray

ABSENT: Ms. Sondra Rees

STAFF PRESENT: Ms. Rosemary Barrios, Controller
Mr. Joe Bissell, Vice President for Administrative Services
Dr. Douglas Garrison, Superintendent/President
Mr. Steve Morgan, Director, Facilities
Ms. Vicki Nakamura, Assistant to the President

OTHERS PRESENT: Mr. Joe Demko, Kitchell

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 by Chair Baird.

2. Public Comment

There was none.

3. Committee Membership Review

Dr. Garrison reviewed the updated committee roster. Scott Coté, Daphne Hodgson, Mary Ann Kane, Ron Pasquinelli, and Gary Ray have been reappointed to serve a second, two-year term and he thanked them for their willingness to serve. Dr. Garrison noted that Eleanor Morrice had just completed her tenure on the committee, having served two consecutive terms. He recognized her service and presented her with a resolution of appreciation from the Board.

4. Officers

Dr. Garrison informed the committee that Daphne Hodgson had agreed to serve as chair. Dr. Garrison thanked Peter Baird for his leadership as chair of the committee for the past two years and presented him with a certificate of appreciation for his service.

Nominations were opened for vice-chair. Mr. Emerson nominated Gary Ray, seconded by Mr. Pasquinelli. The vote was unanimous in support of Mr. Ray's election.

5. Approval of August 17, 2009 Minutes

Chair Hodgson asked Mr. Bissell for follow-up on the Bills and Warrants Report items identified in the minutes that needed further clarification. Mr. Bissell noted there were questions regarding the William Scotsman trailer rentals and staff have checked to make sure there were no duplicate payments. To avoid confusion in the future, he said the report will identify the trailers.

Motion to approve the minutes of the August 17, 2009 meeting was made by Ms. Kane and seconded by Mr. Emerson. Motion carried unanimously.

6. Accept Bills and Warrants Report

Mr. Bissell asked for questions or comments regarding the report.

Mr. Pasquinelli noted the report showed payment for two application fees, one for a water application fee to the City of Seaside for the Public Safety Training Center and the other for an air permit to the Monterey Bay Air Pollution Control District for the Phase III Infrastructure project. Mr. Bissell explained both of these fees were required as part of the renovation projects.

Referring to the furniture/equipment category on page 3, Chair Hodgson asked if the automotive technology equipment purchases should be attributed to the Automotive Technology Building renovation. Mr. Bissell said the district did not provide a furniture/equipment allocation for each project. Instead, \$4 million was allocated to control the overall expenditure. Furniture in all of the classrooms on campus was replaced out of this fund. He noted the exceptions to this approach are the Public Safety Training Center and the Marina Education Center; furniture and equipment are covered in the project budgets. Dr. Garrison added the centralized furniture allocation allows better control over expenditures and encourages purchases based on need.

Chair Hodgson's second question concerned the swing space category and several expenditures for conversion of the former Administration Building into classroom space. She asked if this building will eventually be demolished. Mr. Bissell said the original plan was to tear down the building; however, renovation of this building is less expensive than constructing a new facility. The plan still calls for demolition of the building in 7-8 years. Ms. Hodgson advised establishing a separate category for the building conversion. Dr. Garrison stated the impetus for the former Administration Building conversion is to create swing space; the building will house a succession of varying departments' classes. Although the present intent is to eventually demolish the building, the college will need to evaluate the building at that time.

Motion to accept the bills and warrants report was made by Mr. Baird and seconded by Mr. Pasquinelli. Motion carried unanimously.

7. Bond Expenditure Status Report

Mr. Bissell distributed a corrected bond expenditure report. He stated that minor adjustments were made in the amounts for the PE Field Track and Other Early Start projects; however the total bond expense of \$69,214,525 remained the same. The Gym

floor and bleacher project was moved to the completed category and projects were also alphabetized in the corrected report.

Mr. Bissell also reported the cost control report shows the good bid climate with project bids coming in under budget. He anticipated more projects will be added to the Infrastructure Phase III work.

8. Annual Report for 2008-09

Dr. Garrison stated the committee is required to present an annual report to the Board of Trustees and the draft report reflects the many format changes made by the committee last year. He distributed replacement pages for pages 8, 11, and 17 of the draft with the changes highlighted.

Mr. Bissell reported a change to page 7 of the report. The interest figure should show a loss of \$214,771 and the new total receipts figure should be \$154,509,153. Mr. Pasquinelli said the negative interest needs to be explained in the report. Mr. Bissell agreed; an explanation will be provided.

Mr. Baird noted errors on pages 8, 9, and 11 that needed correction. He also pointed out a discrepancy on page 12 where the description for the gym project states the cost was shared 50/50 between the college and the state, and yet the dollar amounts are unequal. Mr. Bissell explained the gym project went over budget and the additional cost was funded by the bond. The description will be updated.

Mr. Baird also observed the budget amounts listed for future projects will change due to the revised facilities plan being developed by the college. He advised adding a statement explaining that funding is uncertain and dollar amounts are subject to change. Mr. Bissell acknowledged many of the figures will change, but the revised plan has not yet been approved by the Board. Mr. Pasquinelli agreed with Mr. Baird's concern for clarity. Dr. Garrison proposed using as a notation, "Cited dollar amounts are estimates and are subject to change." It was agreed a note will be added.

Vice Chair Ray indicated the grand totals do not total across the columns on page 18. Mr. Bissell said the totals in the report will be checked and corrected in the final version.

Motion to approve the annual report, with the corrections and revisions discussed, was made by Mr. Emerson and seconded by Ms. Morrice. Motion carried unanimously.

9. Update on Investment of Bond Funds

Mr. Bissell shared a list of postings of interest received from the investment of the bond funds with the County, from October 1, 2008 to June 30, 2009. Mr. Emerson recommended the interest postings also identify the specific security, either JP Morgan or General Electric.

Vice Chair Ray asked if the negative interest amount included a portion of the principal. Mr. Bissell answered yes. Mr. Ray observed the amount was not a loss of interest then, but rather a loss of the principal. Mr. Bissell acknowledged Mr. Ray's point and agreed there should be a separate line for the loss. Chair Hodgson commented the County has chosen to characterize the loss as negative interest because they hoped to recover some of the funds. She advised making a change to the annual report to reflect this information. Mr. Emerson revised his original motion to approve the annual report to incorporate this change. Ms. Morrice concurred with her second, and the committee expressed agreement.

Mr. Emerson inquired if the entry for Lehman Brothers and Washington Mutual indicated a write off on both since only the Washington Mutual assets were sold by the County. Mr. Bissell understood the loss to be on both. He will check with the County Treasurer and report back at the next meeting.

10. Update on Facilities Projects, Timelines and Schedules

Mr. Demko, the college's bond program manager, began his report with a review of the status of current facility projects.

PE Fitness Building

The elevator is almost complete and inspection will be scheduled.

Public Safety Training Center at Seaside

Landscaping and asphalt have been installed. The classrooms are in use. The date of December 10, 2009 has been set for the grand opening and invitations will be sent to the Committee. The project was completed under budget.

Education Center at Marina

The drawings for the permanent facilities are being reviewed by the Division of the State Architect (DSA). There were some delays due to geotechnical requirements. Also, state employee furloughs are affecting DSA's review schedule.

Infrastructure

Mr. Demko indicated the natural gas generator is in place next to the new Administration Building. Functioning will be checked next week. He explained the purpose of the generator is to maintain operation of Information Systems during a power outage.

New Student Services Building

The underground work is being completed and the slab will be poured next week. The steel framing will be on site by the end of the month.

Auto Technology Building

Mr. Demko said the project is going well. The soil was found to contain a large amount of clay which required additional excavation and soil replacement.

Swing Space

Mr. Demko reported the Facilities Committee has reviewed areas where portables can be located. One challenge is meeting the needs of Life and Physical Sciences Divisions for lab spaces and water. A "village" of portable buildings will be sited adjacent to the Theater building.

Mr. Demko referred to the construction schedule document and noted swing space has considerable impacts on the schedule as the campus must continue to function. Mr. Bissell reminded the committee that the construction schedule reflects the old facilities plan and dates will change.

Humanities/Old Student Services/Business Humanities

State funding has been identified to complete the drawings. Mr. Demko stated construction funding is dependent on a state facilities bond being approved in November 2010.

Theater

The agreement with the architect has been approved by the Board. Design meetings are being scheduled.

Greenhouse

Construction is underway.

Life Science/Physical Science Buildings

These buildings have many specific requirements.

Mr. Coté asked for a realistic schedule of the projects in the next few years. Mr. Bissell provided a summary. The new Student Services Building will be constructed in the next twelve months. The Business Computer Science Building will be vacated during spring break and the project will be bid in June, with demolition scheduled for June. Construction on the Education Center in Marina will be underway in the next few months. The remaining projects will be in the drawings phase.

Mr. Bissell continued with swing space. He said in the spring, the three portable buildings from the Public Safety Training Center and the former Child Development Center trailer will be moved to campus. Five portable buildings will be installed next to the Theater. Other locations identified for portables in the area behind the Administration Building and Social Science.

Mr. Bissell stated the new facilities plan calls for “doing everything.” To achieve this goal, projects are being downsized. For example, the Business Computer Science project has been changed to move fewer walls, lowering the construction cost. Also, the restrooms will no longer be increased in size.

Dr. Garrison added the new facilities plan is an aggressive one. He noted six projects will be underway this year, to include the new Student Services Building, Automotive Technology addition, swing space, Business Computer Science Building renovation, Greenhouse replacement, and the Education Center at Marina. Five of those projects are occurring on the Monterey campus and will have an impact.

Mr. Bissell commented that the new plan may be in place, but the college will need to revise it again. If there is no state bond in November, the college will need to evaluate whether to wait for a future bond or proceed without state funds.

11. Meeting Schedule

The following meeting dates were accepted by the committee:

Monday, March 1, 2010

Monday, June 7, 2010

Monday, August 9, 2010

Monday, November 1, 2010 (Annual Organizational Meeting)

12. Suggestions for Future Agenda Topics and Announcements

There were none.

13. Adjournment

The meeting was adjourned at 4:15 p.m.

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT

CITIZEN'S BOND OVERSIGHT COMMITTEE

Monday, March 1, 2010
3:00 PM – Regular Meeting
Sam Karas Room, Library and Technology Center
Monterey Peninsula College
980 Fremont Street, Monterey, California

Meeting Minutes

MEMBERS PRESENT: Mr. Peter Baird
Mr. David Collyer
Mr. Scott Coté
Mr. Steve Emerson
Ms. Daphne Hodgson, Chair
Ms. Mary Ann Kane
Ms. Elinor Laiolo
Mr. Ron Pasquinelli
Mr. Gary Ray, Vice Chair
Ms. Sondra Rees

ABSENT: None

STAFF PRESENT: Ms. Rosemary Barrios, Controller
Mr. Joe Bissell, Vice President for Administrative Services
Mr. Pete Buechel, Purchasing Agent
Dr. Douglas Garrison, Superintendent/President
Ms. Vicki Nakamura, Assistant to the President

OTHERS PRESENT: Mr. Joe Demko, Kitchell

1. Call to Order

The regular meeting of the Citizen's Bond Oversight Committee of Monterey Peninsula College was called to order at 3:01 PM by Chair Hodgson.

2. Public Comment

There were no public comments.

3. Introduction of New Committee Member

Dr. Garrison introduced David Collyer, the new student representative on the committee. Mr. Collyer is the current Vice President of Finance for the Associated Students of MPC.

4. Approval of November 2, 2009 Minutes

Chair Hodgson asked Mr. Bissell for an update on the items identified in the minutes needing follow-up. Mr. Bissell noted there was a question regarding the Investment of Bond Funds agenda item, specifically whether the entries for Lehman Brothers and Washington Mutual indicated a write off on both since only the Washington Mutual assets were sold by the County. Mr. Bissell stated both assets were sold at \$5,625,000; however, the district should have received \$450,000 as a credit against the loss. He is still evaluating the data and will provide an update at the June meeting.

Mr. Bissell also reported the new facilities plan was approved by the Board of Trustees at the December 15, 2009 meeting. All projects listed in the Annual Report reflect the updated version of the plan.

Motion to approve the minutes of the November 2, 2009 meeting was made by Mr. Baird and seconded by Vice Chair Ray. Motion carried unanimously.

5. Accept Bills and Warrants Report

Mr. Bissell asked for questions or comments regarding the report.

Mr. Baird had several questions on the report. He noted there were several charges by Axiom Engineers for the New Administration Building project on page 6. The first expense covered the period for June 28, 2009 to July 25, 2009. He questioned whether the period should be through August 29, 2009 since the cost was double. Under the swing space category on page 7, Mr. Baird referred to the list of entries for trailer rental and asked if a billing was missing for the period, July 29 to August 28, 2009.

He followed with questions regarding entries for Kitchell under the general institutional bond management category. On page 8, he noted there were two entries for program management services for June and asked if there was duplication involved. On page 9, he noticed there was a gap in the entries for program management services for the period August 24 through September 20 and for September 29 through October 25. Mr. Bissell responded he would look into these items and report back at the next meeting.

Chair Hodgson asked about two entries for professional services for the period ending July 24, 2009 from Hammel, Green, and Abrahamson under the new Student Services Building project on page 1. Mr. Demko explained the billings may be for more than one project; Mr. Bissell said he would verify.

She also inquired about the entries for Swinerton Builders under the Student Services Building project and questioned why the District was paying retention payments in addition to the payments for construction. Mr. Buechel explained the retention payments to Swinerton are deposited in an interest bearing account. The District is a co-signer on this account and must co-sign for any withdrawals. This approach was also used with Granite Construction. The benefit to the contractor is that interest is being earned. Vice Chair Ray observed there was no assurance that the retention payment was deposited. Mr. Buechel responded the District receives a statement on the deposit. Chair Hodgson asked if the value of retention payment no. 16 was correct. Mr. Bissell said staff would check.

Referring to page 4, Chair Hodgson noted there was a retention payment made for the Gymnasium project; however, no payments appeared in this report or in the previous period's report. Mr. Bissell responded he would review and report back.

Chair Hodgson asked about furniture and equipment purchases showing on page 6 for the new Administration Building project. She wondered why these purchases were not included under the overall furniture and equipment category as was the case in other bond projects. Mr. Bissell replied this project was state funded; equipment money was provided and required a district match. He explained these expenditures must be expended within the project budget.

Under the general institutional bond management category on pages 8-9, Chair Hodgson noted several small expenses for document printing, etc. that should be listed with a specific project. In addition, construction management services for the student services project should be moved to that category. Mr. Bissell agreed the student services project expense

should be moved. He noted the other expenses were small and construction management was not set up for those projects.

Chair Hodgson commented on the large amount of expense for the greenhouse project under the infrastructure category and asked why the greenhouse was not treated as a separate project. Mr. Bissell explained the infrastructure category includes several smaller projects to simplify management. He added Division of State Architect approval was not required on the greenhouse and the project became larger than originally planned.

Motion to accept the bills and warrants report was made by Ms. Kane and seconded by Ms. Rees. Motion carried unanimously.

(Note: See attachment to the minutes for follow-up and clarification of the items identified above.)

6. Bond Expenditure Status Report

Mr. Bissell stated budgets and totals have been changed on the report to reflect the new facilities plan. Mr. Baird complimented Mr. Bissell and his staff on the clarity of the reports. He said the new report formats are easier to understand for the committee as well as the layman.

Mr. Demko distributed a corrected cost control report. The construction bid and change order contingency amounts were corrected for the Education Center at Marina project.

7. Bond Auditors' Reports for 2008-09

Mr. Bissell reviewed the two auditors' reports. He stated the first report is an audit of the general financial statements related to the bond. The auditor did not identify any problems with the financial statements nor with the internal controls and offered no findings. Mr. Bissell said the report was very positive.

The second report is a performance report in which specific procedures are identified to undergo a review for compliance with Proposition 39 bond requirements, including a test of 25% of expenditures. Mr. Bissell said the auditor tested 35% of expenditures and no exceptions were found.

8. Update on Facilities Projects, Timelines and Schedules

Mr. Demko, the college's bond program manager, reviewed the status of current facility projects.

Education Center at Marina Permanent Facilities - Mr. Demko reported 22 bids were received, all under budget. He noted 19 bids were in the \$4 million range and credited the architect for the plans being clear. Mr. Demko said the bid was awarded to Dilbeck and Sons, a local contractor.

Infrastructure - Mr. Demko indicated some sidewalks have been finished and the greenhouse project is also essentially complete. He said the amphitheater seating replacement turned out well and praised the contractor, Dilbeck and Sons. The project was accomplished at 60% of the budget. Mr. Demko said the generator (to keep the computer system and phones functioning during a power outage) for the new Administration Building was still being commissioned and had not been installed.

New Student Services Building - Mr. Demko reported concrete has been poured and the roof should be installed by the end of the month. The project is a few weeks behind; however, he anticipated the project will catch up.

Auto Technology Building - The metal siding is being installed.

Old Administration Building/Swing Space - Mr. Demko reported work to convert the former Administration Building into classroom swing space is essentially complete. Additional work is being done at the entrance to the building. The initial users are the business and computer science programs; the move will be completed during spring break.

Additional swing space for the life and physical science programs is planned adjacent to the theater. The swing village will need to be in place by 2011.

Facilities Committee - The committee continues to meet.

Humanities/Old Student Services/Business Humanities - Mr. Demko reported the Chancellor's Office had allocated state funds left over from the previous state bond for construction of this project in the 2010-11 budget.

Theater - The architect is working on the design.

Life Science/Physical Science Buildings - Work on the drawings is being completed.

Mr. Baird asked about the meaning of the asterisks on the project schedule document. Mr. Demko responded the asterisks indicate projects that may be moved up in the schedule. Mr. Baird noted the Gymnasium Building showers were to be completed before the pool/tennis courts project and the schedule shows these projects being reversed in terms of timing. Mr. Demko explained the projects are being reviewed by the architect and phasing should be determined by the next meeting. Mr. Bissell added the asterisks denote projects where timing and budgets need to be re-evaluated.

9. Meeting Schedule

The committee agreed to a change in the August meeting date. With this change, the remaining meetings for the year are scheduled for:

Monday, June 7, 2010

Monday, August 30, 2010

Monday, November 1, 2010 (Annual Organizational Meeting)

10. Suggestions for Future Agenda Topics and Announcements

It was suggested to invite Lou Solton to a future meeting. A tour of Monterey campus projects was proposed for the June meeting and a tour of the Fort Ord projects at the August meeting.

Dr. Garrison shared with the committee that Mr. Bissell had announced his retirement, effective on August 30. The search for his replacement has been initiated and will conclude in June.

Dr. Garrison also invited the committee to attend the groundbreaking ceremony for the Education Center at Marina, scheduled on April 15.

11. Adjournment

The meeting was adjourned at 4:05 p.m.

- **The same situation occurred with the Dilbeck & Sons payment for payment application #16 the total payment was \$160,487.29, but the payment was split between two Purchase Orders.**

- Page 4, Gymnasium – Retention payment, however, there are no payments showing in this report nor in previous period's report?
This was a prior year liability from June 30, 2009, payment to vendor made in prior year 08-09, retention was setup as a liability but paid in the 09-10 year.

- Page 9, Kitchell – Expense for construction management services for Student Services project should be moved to Student Services – Joe agreed.
The expenses have been moved to the Student Services Project and subtracted from Bond Management.

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT

CITIZEN'S BOND OVERSIGHT COMMITTEE

Monday, June 7, 2010

2:00 PM – Committee Tour of College Facilities Projects

3:00 PM – Regular Meeting

Sam Karas Room, Library and Technology Center

Monterey Peninsula College

980 Fremont Street, Monterey, California

Meeting Minutes

- MEMBERS PRESENT: Mr. Peter Baird
Mr. Steve Emerson
Ms. Daphne Hodgson, Chair
Mr. Ron Pasquinelli
Mr. Gary Ray, Vice Chair
Ms. Sondra Rees
- ABSENT: Mr. David Collyer
Mr. Scott Coté
Ms. Mary Ann Kane
Ms. Elinor Laiolo
- STAFF PRESENT: Ms. Suzanne Ammons, Administrative Assistant to VP for
Administrative Services
Ms. Rosemary Barrios, Controller
Mr. Joe Bissell, Vice President for Administrative Services
Dr. Douglas Garrison, Superintendent/President
Mr. Steve Morgan, Director, Facilities
Ms. Vicki Nakamura, Assistant to the President
- OTHERS PRESENT: Mr. Joe Demko, Kitchell
Mr. Orion Moore
Mr. Ronan O'Mahony

The Committee convened at 2:00 PM for a tour of college bond projects at the Monterey campus.

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 by Chair Hodgson.

2. Public Comment

There were no public comments.

3. Approval of March 1, 2010 Minutes

Chair Hodgson asked Mr. Bissell to provide follow-up on the Lehman Brothers and Washington Mutual bankruptcy write off item identified in the minutes. Mr. Bissell reported different write-off amounts for school districts were identified and the District has not yet

received payment from the Monterey County Office of Education (MCOE). He said this issue would need to be resolved by the June 30 closing and he would provide a complete report at the August meeting. Chair Hodgson clarified the County auditor applied the write-off proportionately to all investment pool participants and MCOE had not yet allocated to the school districts. Ms. Rees asked if the previously noted payment amount of \$450,000 was firm. Mr. Bissell responded he could not confirm the amount and it was likely the final amount would be different.

Motion to approve the minutes of the March 1, 2010 meeting was made by Mr. Emerson and seconded by Ms. Rees. Motion carried unanimously.

4. Accept Bills and Warrants Report

A revised report with added clarifications was distributed to the committee. Mr. Bissell asked for questions or comments regarding the report.

Mr. Baird asked if the first Kleinfelder entry on page 1 should be for the period "ending" December 6, 2009. Mr. Bissell said he would verify. Mr. Baird had a similar question for the Kleinfelder entries under the Automotive Technology Building renovation on page 2. He also noted the Kleinfelder entry under the Infrastructure – Phase III project on page 10 was missing a date for the service period. (The date of December 6, 2009 was included on the report, but the line did not print out due to a formatting error.)

Mr. Baird followed with a question regarding two entries on page 7 for the installation of carpeting by Casa de Floors in the former Administration Building. He asked if one entry was a duplicate. Mr. Bissell responded the total expense of the two entries was \$30,000, a reasonable sum as the building is 6500 sq. ft. in size.

Mr. Emerson noted a duplicate payment for \$28,475 for Swinerton Builders listed on page 1 under the new Student Services Building project. He expressed concern about the size of the payment.

Chair Hodgson commented the explanations were clearer on this quarter's report, thus she had fewer questions. She observed there were several payments to Kitchell listed on page 9 for program management services, ranging from \$62,000 to \$81,000. She asked how the billing amount was determined. Mr. Demko explained the difference was due to billing for a five week month versus a four week month. The \$81,000 payment represents a five week month which consists of 200 hours per month. In comparison, a four week month is 160 hours. Mr. Bissell added the District is paying Kitchell on an hourly basis; there may be additional services being provided during the month.

Chair Hodgson also inquired about entries under the Infrastructure – Phase III project on page 11 for Don Chapin Co. for concrete removal and replacement in front of the Social Science and former Administration buildings. Mr. Bissell explained the concrete around a building is not replaced until all of the construction work is completed.

Motion to accept the bills and warrants report was made by Vice Chair Ray and seconded by Mr. Emerson. Motion carried unanimously.

5. Bond Expenditure Status Report

Mr. Bissell stated the March 31 bond expenditure report showed more in-process projects while the future projects category is getting smaller. The total amount expended to date is \$77,660,688.

Mr. Pasquinelli indicated the Public Safety Training Center renovation is listed as 100% complete in construction, but only 83% expended. Mr. Bissell responded the report does not reflect payments after March 31 nor does it account for projects being under budget. Mr. Demko added the columns showing percent bond cost and percent construction schedule do not relate to each other. He explained 75% of funds are expended in the last years of construction. Mr. Demko also noted design costs, which are incurred a year ahead of construction, are not considered in the construction schedule column.

Mr. Pasquinelli noticed the total bond budget for all projects was \$153 million; however, the bond issuance total was \$145 million. He asked if the difference was due to extra interest being earned. Mr. Bissell explained the District's refinancing of the bond at the end of 2005 resulted in additional funds of \$4.5 million. Then the District issued the remaining series of bonds and invested the funds in the Monterey County investment pool. However, due to the Lehman Brothers and Washington Mutual bankruptcies and the current low interest rates, it is unlikely the District will earn enough interest to reach the projected total of \$153 million. Mr. Bissell related Monterey County Treasurer Lou Solton's suggestion that with interest rates so low, the District should keep funds liquid rather than investing in a 5-year Treasury bond. This strategy will allow the District to take advantage of possible increased rates that may occur in the next 18 months. Mr. Bissell concluded the \$153 million will need to be adjusted down. He said projects are being reviewed to meet both programmatic needs and budgets.

Mr. Baird asked if any state funding was anticipated. Mr. Bissell replied the Humanities/Business-Humanities/Student Services project is 50% state funded. The funds for this project are included in the 2010-11 state budget; when the budget is approved, the funds will be released to the District. Mr. Baird inquired about the possibility of the funds being pulled. Mr. Bissell said the funds are from a school construction bond, so the state cannot use the money for another purpose.

Dr. Garrison mentioned the other project slated for state funding is the Public Safety Training Center facilities at Parker Flats at the former Fort Ord. He said other funding sources may be needed if state bond measures continue to be deferred. Mr. Bissell stated savings from projects completed under budget may be able to provide the additional funding required for the public safety training facilities project.

Mr. Bissell then reviewed the cost control report which shows the expenditure status of large individual bond projects. Chair Hodgson commented the variance column is usually blank and asked if it would be useful to see actual expenditures. Mr. Bissell responded that most of the figures listed are for contractual amounts so it is unlikely there would be any further information. He indicated the "Other" category is used for unforeseen items and more variances would be identified if this category was not in use.

Mr. Baird noted there was no construction management fee listed for the Infrastructure – Phase II project. Mr. Demko said the fee is taken out of general bond management rather than from a separate construction management contract because the projects are mostly small.

6. Update on Facilities Projects, Timelines and Schedules

Mr. Demko, the college's bond program manager, reviewed the status of current facility projects.

Education Center at Marina Permanent Facilities - Mr. Demko reported the District was working with PG&E and AT&T to reduce costs of providing power and telecommunication services to the site. The underground work was completed within budget.

Infrastructure - Mr. Demko indicated parking lot B would be renovated when the TRIO program's portable trailers are moved. He said more parking would become available at the Monterey campus as projects are completed.

New Student Services Building - Mr. Demko reported the roof has been installed.

Auto Technology Building - The addition is essentially done. The restrooms will be demolished and converted into storage rooms.

Old Administration Building/Swing Space - Mr. Demko reviewed the different swing space components on campus. He noted the challenge in providing swing space to meet the needs for laboratories for Life and Physical Sciences courses. Mr. Demko reported five portable trailers will be located near the Theater and Social Science buildings. He mentioned the Business-Humanities building will be demolished as part of the Humanities/Old Student Services/Business Humanities project and replaced with a parking lot. Mr. Demko expected the state would cover the site work for the parking lot as part of the overall project.

Facilities Committee - The committee continues to meet.

Business-Computer Science Building – Mr. Demko reported construction would begin on June 14. The project is due for completion in February to enable the departments to move in over spring break.

Humanities/Old Student Services/Business Humanities - Mr. Demko said he and Steve Morgan, Director of Facilities, met with Chancellor's Office staff to request more funding for equipment.

Theater – The building design has been changed to relocate the elevator to the inside of the building.

Life Science/Physical Science Buildings – Mr. Demko said cost estimates for the project look good. The architect is fine-tuning the design to meet programmatic needs.

Music Building – Alternatives are being evaluated.

Gym First Floor/Pool/Tennis Courts – Mr. Demko reported there are sequencing and structural issues involved in this project. He mentioned today's locker rooms are smaller than when the Gymnasium Building was originally constructed.

Student Center – The next step is to meet with students and the vendors for the bookstore and cafeteria operations to review options.

Outside Lockers Adjacent to the Art Buildings – Mr. Demko said this project would be completed as time permits.

Mr. Pasquinelli questioned if projects could be moved up to take advantage of the current good bid environment and since interest rates on the bond fund investments are low. Mr. Bissell replied the District has already done so, but there are several limiting factors. A major consideration is to avoid severe impacts on campus operations. In addition, swing space must be provided when a building is being renovated. Mr. Bissell noted there is also an impact on parking when too many projects are under construction at one time. He said the District is considering a strategy where projects are done on a piecemeal basis rather

than completing an entire project. Dr. Garrison commented that next summer, eight projects will be underway on campus.

7. Monterey County Treasurer's Investment Report

Mr. Bissell indicated the report was self-explanatory. There was no further discussion.

8. Meeting Schedule

The remaining meetings for the year are scheduled for:

Monday, August 30, 2010 – Chair Hodgson indicated she would be out of town and unable to attend this meeting. Ms. Nakamura will contact the committee members to confirm their availability. Dr. Garrison noted a tour of the Education Center at Marina project and the completed Seaside Public Safety Training Center renovation has been planned prior to the meeting (which will be held at the Seaside facility).

Monday, November 1, 2010 (Annual Organizational Meeting)

9. Suggestions for Future Agenda Topics and Announcements

It was noted the August 30 meeting would be Mr. Bissell's last, before his retirement. Dr. Garrison indicated the search for his replacement would be concluding soon. Mr. Baird thanked District staff, including Mr. Bissell, for making the committee's job easier and addressing the committee's concerns. Chair Hodgson concurred with Mr. Baird's comments.

10. Adjournment

Chair Hodgson adjourned the meeting at 4:12 p.m.

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MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT

CITIZEN'S BOND OVERSIGHT COMMITTEE

Monday, August 30, 2010

2:00 PM – Committee Tour College Facilities Projects in Marina and Seaside

3:00 PM – Regular Meeting

Room No. 101,

MPC Seaside Public Safety Training Center

2642 Colonel Durham Road

Seaside, CA

Meeting Minutes

MEMBERS PRESENT: Mr. Peter Baird
Mr. Steve Emerson
Ms. Mary Ann Kane
Ms. Elinor Laiolo
Mr. Gary Ray, Vice Chair
Ms. Sondra Rees

ABSENT: Mr. Michael Dickey
Mr. Scott Coté
Ms. Daphne Hodgson, Chair
Mr. Ron Pasquinelli

STAFF PRESENT: Ms. Rosemary Barrios, Controller
Mr. Pete Buechel, Purchasing Coordinator
Dr. Douglas Garrison, Superintendent/President
Mr. Steve Morgan, Director, Facilities
Ms. Vicki Nakamura, Assistant to the President

OTHERS PRESENT: Mr. Joe Demko, Kitchell
Mr. Niels Reimers
Ms. Mary Zeeb

The committee convened at 2:00 PM for a tour of college bond projects at the Education Center at Marina and the Seaside Public Safety Training Center.

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 by Vice Chair Ray.

2. Public Comment

There were no public comments.

3. Introduction of New Committee Member

Dr. Garrison reported Michael Dickey, the current student trustee, was appointed to serve as the student representative on the committee by the Governing Board on August 24, 2010. Mr. Dickey has been a student at MPC for the past two years. Mr. Dickey was not present.

4. Status of Investment of Series B and C Bonds

Lou Solton, Monterey County Treasurer-Tax Collector, was present to provide an update on Monterey County's investment portfolio and the District's bond fund investments. He distributed a handout of his presentation to the committee.

Mr. Solton began his report with a discussion of the County's cash situation. He explained the period between July 1 and November 30 is typically a dry period where cash balances decline due to delayed state payments and the cyclical nature of local revenues such as property tax payments. Due to the decline in the general portfolio and in preparation for state IOUs being issued, the County just issued tax revenue anticipation notes (TRANS) to cover the lower cash levels.

He noted there is currently \$900 million in the portfolio, and includes the \$40 million received from the TRANS just issued. Mr. Solton said the effective yield is 4.12%, reflecting the recovery of some of the funds lost due to the Washington Mutual and Lehman Brothers bankruptcies; the County was able to sell the Lehman Brothers funds. Regarding the recovery efforts, he reported the legislation being pursued by the County and others for a bail-out had died due to President Obama's signing of the financial regulations bill. Mr. Solton stated Monterey and San Mateo counties were still engaged in active litigation against Washington Mutual and Lehman Brothers and he was confident that additional funds would be recovered. Of the \$29.8 million lost, \$7.7 million has been recovered to date. Mr. Baird asked who pays attorney fees. Mr. Solton responded the law firm was working on a contingent basis and would receive 25% of the amount recovered.

Mr. Solton indicated the District's bond funds were placed in custom investments, with \$40 million invested in LAIF (Local Agency Investment Fund), \$5 million in General Electric, and \$4 million in JP Morgan Chase. The General Electric note is yielding approximately 5% and will mature in August 2011. The JP Morgan Chase note has a floating rate and will mature in May 2011. He said these investments would be kept unless the District directs otherwise.

Mr. Solton concluded his report with a comment he would be retiring in four months and future updates would be provided by his replacement. Ms. Mary Zeeb, Assistant Treasurer-Tax Collector was introduced.

Dr. Garrison commented that the maximum amount that can be invested in LAIF has been changed from \$40 million to \$50 million. He asked if the District could make that change in its investments. Mr. Solton answered yes, but an application would be necessary since the result would be Monterey County's limit of \$90 million would be exceeded.

5. Approval of June 7, 2010 Minutes

Dr. Garrison distributed a handout prepared by the District's controller, Rosemary Barrios, as a follow-up on the Lehman Brothers and Washington Mutual bankruptcy write off item identified in the minutes. In 2008-09, the interest received was \$2,141,055 and the write-off amount was \$1,878,835, resulting in net interest of \$262,220. The amount recovered and posted in 2009-10 was \$356,574.97.

Ms. Barrios was asked to provide information on the questions regarding the Kleinfelder entries noted in the minutes. The Kleinfelder entries under the Student Services Building project and the Automotive Technology project should have read for the period "through" December 6, 2009. The other Kleinfelder entries under the Automotive Technology project should have been for the period "through" January 3, 2010.

Motion to approve the minutes of the June 7, 2010 meeting was made by Mr. Emerson and seconded by Ms. Rees. Motion carried unanimously, with abstentions by Ms. Kane and Ms. Laiolo.

6. Accept Bills and Warrants Report

Dr. Garrison stated Ms. Barrios and Mr. Buechel, purchasing coordinator, were present to respond to questions regarding the report. (Vice Chair Ray left the meeting and Dr. Garrison acted as chair for the remainder of the meeting.)

Mr. Emerson asked about the pumping needed at the Public Safety Training Center, cited on page 3. It was explained that there was excess runoff due to spring rains despite the bioswales that had been built on site. Pumping was necessary on two occasions to prevent water from flowing to the adjacent Monterey College of Law site. An engineering remedy has been developed to address the issue.

Mr. Baird questioned payments made to First National Bank on pages 5-6 under the Education Center at Marina project. Mr. Demko, the college's bond program manager, explained the items were retention payments for the project made directly to the bank. When the project is completed, the bank is then directed to release the retention amount to the contractor. Mr. Baird stated the payments may cause confusion as no vendor is named in the description. He suggested the description should state, "retention payment ... for Dilbeck Construction," to improve clarity. Mr. Emerson added the contractor's name should also be provided in the vendor column next to the bank's name. It was agreed to provide this information in future reports.

Mr. Baird asked about several hazardous material surveys conducted by M3 Environmental Consulting under the Humanities, Business-Humanities, and Student Services project on page 14. Mr. Demko explained surveys were performed on the three separate buildings included in the project. Mr. Emerson suggested the similarity of the building names may cause confusion again. Mr. Demko indicated building numbers could be added to help clarify.

Ms. Laiolo followed with several questions. She asked about HGHB providing construction administration services for the Automotive Technology Building project on page 2. Mr. Demko said the description should have read "architectural" administration services. She also noted two entries for Peninsula Office Solutions on page 6 where the same date was included in the periods of service for copier usage. Mr. Buechel explained the meter reading could have occurred on the same day; however, no double-charging would have resulted as the meter reading is continuous. Ms. Laiolo also asked about an entry on page 10 for under reported hazardous waste to the Board of Equalization. She asked why a two year period was cited and if a penalty was involved. Mr. Buechel said the fee was based on the previous year's load and should have been for a one year period. There was no fine paid. Ms. Barrios indicated she would check the invoice.

Dr. Garrison noted there was no longer a quorum and advised the item would be carried forward for approval at the next meeting.

7. Bond Expenditure Status Report

Mr. Demko reported the Governing Board had just approved new budgets for the projects on August 24, 2010. The bond budgets would be revised in subsequent reports.

Mr. Baird commented the amounts shown in the bond budget balance column for the new Student Services Building and Public Safety Training Center renovation projects are off by 1

dollar. He said he understood that the discrepancy was due to rounding up or down, but he expressed concern that the figures be exact to prevent the perception that an error had occurred.

Mr. Baird pointed out two other discrepancies. Under the in process section of the report, the total of the first column, Total Budget with Other Funds, appeared to be incorrect by \$10 million. He explained the total amount listed under the Total Bond Budget column was higher, and the only difference between the two columns was the Humanities project. Mr. Baird also noted an error for the Art Dimensional project under the future projects section. The payment of \$15,628 was not reflected in the bond budget balance. Dr. Garrison stated staff would follow up and correct these two items.

8. Update on Facilities Projects, Timelines and Schedules

Mr. Demko reviewed the status of current facility projects.

Education Center at Marina Permanent Facilities - Mr. Demko reported underground issues have been resolved and the project is making good progress. He estimated construction should be finished in March or April. He said this project will have budget savings which have been allocated to a general contingency in the revised budget approved by the Governing Board.

Infrastructure - Mr. Demko indicated the trellis near the Student Center had been removed to address the “clear connections” recommendation in the Physical Master Plan. Removal of barriers and structures such as the trellis will improve the visibility and location of buildings for students and visitors. The drawings for parking lot B have been submitted to the Division of the State Architect (DSA) and work will be completed as weather and time permits.

New Student Services Building - Mr. Demko reported negotiations with the architect were occurring to address costs and omissions. The project is one month behind and the contractor is trying to make up time by completing the plastering and window installation concurrently.

Auto Technology Building - The addition is finished. The exterior has been painted and new equipment installed.

Swing Space - Mr. Demko reported DSA has approved the swing space plans. The five portable trailers will be installed adjacent to theater by January.

Facilities Committee - The committee has been discussing the feasibility of renovating the theater into a performing arts center. Options have been identified to convert the theater to accommodate both drama and music performances. Other colleges are being contacted to see if one facility can successfully serve both programs. Dr. Garrison provided background regarding the issue. He said the original budget was reduced by half to \$11 million total, with \$9.1 million allocated to the theater project. Dr. Garrison charged the committee with the task of evaluating the theater conversion into a performing arts facility. He said it is feasible, but whether this approach is appropriate for MPC is still being determined.

Business-Computer Science Building – Mr. Demko reported the project was on schedule and within budget.

Humanities/Old Student Services/Business Humanities - Mr. Demko said he and Steve Morgan, Director of Facilities, met with Chancellor's Office staff to request more funding for equipment.

Theater – Cost estimates have been received and reflect the change to relocate the elevator to the inside of the building.

Life Science/Physical Science Buildings – Mr. Demko said drawings will be submitted to DSA soon.

Music Building – Dr. Garrison stated the future direction of the music program was being clarified. The renovation of this facility needs to provide quality instructional and rehearsal space. Performance is only a small part of the program. He reported the woodpecker holes are gone; the siding was replaced over the summer using scheduled maintenance funding rather than bond funds.

Gym First Floor/Pool/Tennis Courts – Mr. Demko explained the sequencing order for the project. The gym needs to be renovated before the existing pool building can be demolished. Team sports schedules are also being considered. He indicated the current budget is not large enough to complete the tennis court work and will be adjusted. The tennis courts will probably be completed separately since the work can be completed ahead of the other components. He said the gym drawings will be ready to submit to DSA in September.

Student Center – Mr. Demko reported schematic drawings have been completed by the architect. Several options have been considered. The goal is to use the space more efficiently with minimal structural changes. The design also provides for the Student Center to interface with the new Student Services building. He said this area will become the hub of student activity on campus. An outside terrace will be provided in conjunction with food service operations.

Outside Lockers Adjacent to the Art Buildings – Mr. Demko said the architect is completing drawings for this project.

9. Facilities Construction Plan Update

Dr. Garrison reported the revised facilities construction plan was approved by the Governing Board on August 24. He said the revision was prompted by the low interest return on the bond fund investments and the write-off for the Lehman Brothers bankruptcy of \$1.8 million. The original facilities plan had been developed with assumptions leading to a \$153 million bond budget to complete projects. In the revised plan, project budgets have been adjusted and a contingency of \$1.6 million has been created from budget savings. The revised plan lowers the amount of bond funding needed to \$149,239,351. Dr. Garrison stated the revised plan has been reviewed by the Facilities Committee, the advisory committees, and the College Council before acceptance by the Board.

He emphasized the plan was not just a renovation of the Monterey campus, but provided for the creation of a multi-site campus. With the permanent facilities opening at the Education Center at Marina next fall, discussions will be occurring during the year regarding implementation. He observed the District's policies and procedures would need to be evaluated as they were written with one campus site in mind. Dr. Garrison stated this development would be a major transformation in the institution and identity of the college.

Mr. Emerson suggested the possibility of corporate sponsorship of the Parker Flats facility providing additional funds. Dr. Garrison responded the District may need to look for alternative funding for that facility since state funding is uncertain. Additional funds may be available from other agencies that will use the facility.

10. 2012-16 Five Year Capital Outlay Plan

Ms. Nakamura reported the District's 2012-16 Five-Year Construction Plan was also approved by the Governing Board on August 24, 2010. She stated the plan reflected the revised facilities construction plan which reduces the reliance on state funding through scope modifications and lower project cost estimates. As a result, the plan shows only 3 of 14 projects in the plan being submitted for a state funding match. Ms. Nakamura explained the priority order of the projects was determined by Mr. Bissell, based on which projects were under construction, those submitted for state funding, and the projects necessary to complete before others could proceed. There were no questions.

11. Committee Membership Review

Dr. Garrison reviewed the membership terms. There are four members whose tenure on the committee will end with the November meeting. He said organizations will be contacted in September to solicit applications for membership on the committee. The new members will be appointed at the October Board meeting and invited to attend the November committee meeting.

12. Meeting Schedule

The remaining meeting for the year is scheduled for:
Monday, November 1, 2010 (Annual Organizational Meeting)

13. Suggestions for Future Agenda Topics and Announcements

There were none.

14. Adjournment

Dr. Garrison adjourned the meeting at 4:50 p.m.