



Citizens' Bond Oversight Committee

ANNUAL REPORT

2013-2014

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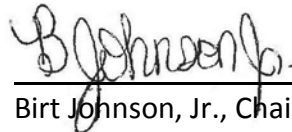
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## STATEMENT OF COMPLIANCE

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:



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Birt Johnson, Jr., Chair  
Citizens' Bond Oversight Committee

Date: November 17, 2014

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## INTRODUCTION

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

To accomplish these duties and as required in the bylaws, the CBOC submits this annual report to the Board of Trustees. The CBOC expresses its appreciation to District staff for their support of the committee's work and activities.

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## MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT CITIZENS' BOND OVERSIGHT COMMITTEE

November 17, 2014



Back row: Walt Tribley (Supt./Pres.), Bob Mulford (Vice Chair), Rick Heuer, Wayne Cruzan, Birt Johnson, Jr. (Chair).  
Front row: Jimmy Panetta, Stewart Fuller, J. Fagan, Niels Reimers.  
Not pictured: Sophal Ear, Maury Vasquez.

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## SUMMARY OF THE COMMITTEE'S PROCEEDINGS AND ACTIVITIES FOR 2013-2014

### 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 two-year 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. In November 2013, five members (Wayne Cruzan, Dr. Sophal Ear, Rick Heuer, Birt Johnson, Jr., and James Panetta,) completed their first term on the committee and were reappointed by the Board of Trustees for a second term. Dr. Sophal Ear, community at-large member, subsequently resigned from the committee in August 2014 due to his relocation out of the area.

In accordance with the Bylaws, officers were selected at the annual organizational meeting on November 4, 2013. Dr. Tribley appointed Birt Johnson, Jr. to serve as Chair and Robert Mulford was elected by the committee to serve as Vice Chair.

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

Wayne Cruzan	2-year second term, 11/2013 – 11/2015
Sophal Ear	2-year second term, 11/2013 – 11/2015
J. Alan Fagan	2-year second term, 11/2012 – 11/2014
J. Stewart Fuller	2-year second term, 11/2012 – 11/2014
Rick Heuer	2-year second term, 11/2013 – 11/2015
Birt Johnson, Jr., Chair	2-year second term, 11/2013 – 11/2015
Bob Mulford, Vice Chair	2-year second term, 11/2012 – 11/2014
James Panetta	2-year second term, 11/2013 – 11/2015
Niels Reimers	2-year second term, 11/2012 – 11/2014
Maury Vasquez	2-year initial term, 6/2013 – 11/2014

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## 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 (<http://www.mpc.edu/about-mpc/campus-information/mpc-bond-measure>) includes a page specifically designated for the committee's activities where the meeting schedule, agendas, minutes, and annual reports are posted.

During 2013-14, the committee convened four quarterly meetings. The annual organizational meeting of the committee was held November 4, 2013, with subsequent meetings held on March 3, 2014, June 16, 2014, and August 4, 2014. The primary location for the meetings was the Sam Karas Room in the Library & Technology Center on the Monterey campus.

At the meetings held during 2013-14, the committee received status updates on bond projects and reviewed bond program expenditures. The November 2013 meeting included a tour of the renovated Physical Science building and approval of the committee's annual report. At the March meeting, the committee welcomed the District's new interim vice president, Mr. Earl Davis. The committee also reviewed the 2012-13 independent financial and performance audit reports for the District's bond funds. The June meeting began with a tour of renovation projects at the Monterey campus, including the Humanities building and refurbished swimming pool facilities. At the August meeting, the committee toured the Student Center, Art Studio, and Art Ceramics buildings, all recently completed renovation projects. The tax rate for the Measure I bond was reviewed and staff provided a report on the District's five year construction plan.

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## FINANCIAL REPORT OF THE CITIZENS' BOND OVERSIGHT COMMITTEE

The first bond issuance, Series A, was conducted on June 18, 2003. Total principal amount issued was \$40 million. The Series A bond was refinanced in December 2005, increasing the principal amount to \$44,240,052. The second and third series of 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 of the Series C issuance was \$95,994,770 of tax exempt bond funds that were anticipated to be 85% expended within five years.

In June 2013, a portion of the 2005 refunding bonds and Series C bonds were refinanced, resulting in the issuance of \$19.2 million of tax-exempt bonds and \$14.5 million of taxable bonds at interest rates of 1.52% and 2.02% respectively. As the average interest rate of the bonds prior to the refunding was 4%, \$1.38 million in interest savings was generated for the District's taxpayers.

The bond funds have been invested in Monterey County's investment portfolio, with a portion of the funds placed in custom investments outside of the general pool to generate higher interest earnings. The college was notified that the last of the custom investments matured in January 2014. In 2013-14, interest earnings totaled \$342,187 through June 30, 2014. In addition, the college received \$39,742, an apparent recoupment of interest lost from the Lehman Brothers bankruptcy in 2008-09.

In 2002, a property tax rate of \$23.89 per \$100,000 of assessed value was projected when the District's bond measure was approved. The tax rate for Measure I in 2014 was \$15.77. Since the first bond issuance in 2003, the average tax rate has been \$21.06.

Expenditures and payments made from bond funds have been regularly reviewed and accepted by the committee during the course of the year. The annual expenditure report on the following pages shows expenditures for the report period of October 1, 2013 through September 30, 2014 and total expenditures since bond inception.

**MPC Bond Expenditure Report**  
July 1, 2003 through September 30, 2014

<b>Receipts:</b>	<b>Prior</b>	<b>10/1/2013- 09/30/2014</b>	<b>Total</b>
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*	\$8,844,929	\$342,187	\$9,187,116
Interest Write-off**	(\$1,878,835)	\$0	(\$1,878,835)
Interest Recovery**	\$665,149	\$39,742	\$704,891
<b>Total Receipts</b>	<b>\$156,870,595</b>	<b>\$381,928</b>	<b>\$157,252,523</b>

\* Interest income is through June 30, 2014

\*\* All bond funds are currently 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.

**Expenditures:**

Completed Projects:

As Built Drawings	\$209,792	\$0	\$209,792
Automotive Technology -- HVAC	\$16,443	\$0	\$16,443
Auto Technology Addition	\$958,602	\$0	\$958,602
Business Computer Science	\$2,215,418	\$0	\$2,215,418
Business Computer Science Building - Seismic Design	\$7,982	\$0	\$7,982
Child Development Center	\$1,029,199	\$0	\$1,029,199
College Center Renovation	\$23,608	\$0	\$23,608
Demolition of Old Plant Services	\$63,522	\$0	\$63,522
Drafting Building	\$13,974	\$0	\$13,974
Environmental Impact Report	\$154,163	\$0	\$154,163
Family and Consumer Science Renovation	\$67,671	\$0	\$67,671
Gym - Floor/Seismic/Bleachers	\$877,847	\$0	\$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)	\$20,886,001	\$0	\$20,886,001
Infrastructure II (parking lots D, E, & F)	\$2,481,607	\$0	\$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	\$4,712,191	\$0	\$4,712,191
New Education Center Building at Marina	\$8,159,655	\$0	\$8,159,655
New Facilities Building	\$487,574	\$0	\$487,574
New Student Services Building	\$9,681,388	\$0	\$9,681,388
Old Library Renovation Analysis	\$21,280	\$0	\$21,280
Miscellaneous	\$221	\$0	\$221
Physical Education (Stadium, Fitness Center, etc.)	\$17,236,568	\$0	\$17,236,568

Physical Science -- Elevator Evaluation	\$6,986	\$0	\$6,986
Public Safety Training Center	\$7,478,201	\$0	\$7,478,201
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

<b>Completed Projects</b>	<b>\$82,420,787</b>	<b>\$0</b>	<b>\$82,420,787</b>
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In Process:

Arts Complex	\$424,934	\$3,220,183	\$3,645,117
Bond Program Management	\$5,529,229	\$157,805	\$5,687,034
Student Center	\$434,935	\$5,666,259	\$6,101,194
Furniture/Equipment	\$4,658,892	\$609,543	\$5,268,435
Humanities, Bus-Hum, Student Services	\$2,054,889	\$1,486,497	\$3,541,386
Infrastructure - Phase III	\$6,435,470	\$22,796	\$6,458,266
Life & Physical Science	\$10,183,484	\$648,261	\$10,831,745
Music Building	\$23,770	\$0	\$23,770
PE Phase II - Gym/Locker Room Renovation.	\$3,810,036	\$0	\$3,810,036
Pool/Tennis Courts Renovation	\$320,624	\$1,721,491	\$2,042,115
PSTC Parker Flats	\$70,499	\$0	\$70,499
Swing Space/Interim Housing	\$5,618,221	\$157,002	\$5,775,223
Theater	\$10,347,968	\$34,768	\$10,382,736
General Contingency	\$0	\$0	\$0
Miscellaneous	\$0	\$47,698	\$47,698
Management Expense for Custom Investment Portfolio***	\$45,272	\$0	\$45,272

<b>In Process</b>	<b>\$49,958,223</b>	<b>\$13,772,303</b>	<b>\$63,730,526</b>
<b>Total Expenditures</b>	<b>\$132,379,010</b>	<b>\$13,772,303</b>	<b>****\$146,151,313</b>

\*\*\* The District requested the Monterey County Treasurer to manage and place custom investments for a portion of the funds on deposit with the Treasurer. These investments were outside the general pool and included GE corporate bonds which generate a higher rate of return. The District was notified by the Treasurer's Office that the last security matured on 1/7/2014. There were no further interest postings to segregated investments after this date.

\*\*\*\* Total expenditures of \$146,151,313 equate to 93% of Measure I bond proceeds of \$157,252,523 being spent through September 30, 2014 on District bond projects. In addition, the District has been successful in securing matching funds from the state and other sources to augment bond proceeds and further address District facility needs. These matching funds will supplement bond proceeds by an estimated 40,704,037, resulting in total projected expenditures of \$197,956,560 for facilities projects by the end of the bond program.

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# CAMPUS RENOVATION/CONSTRUCTION PROJECTS COMPLETED, IN PROCESS, AND PLANNED FOR THE FUTURE

September 30, 2014

**COMPLETED PROJECTS:**

Note: For completed projects, Prop 39 Bond amounts listed are actual expenditures to date. Projects are listed in order of completion.

<u>Project</u>	<u>Description</u>	<u>Funding Source</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State &amp; 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 college's 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 funding of \$488,000. This project was completed in fall 2003.	\$487,574	\$2,478,000	\$2,965,574

**COMPLETED PROJECTS:**

Note: For completed projects, Prop 39 Bond amounts listed are actual expenditures to date. Projects are listed in order of completion.

<u>Project</u>	<u>Description</u>	<u>Funding Source</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State &amp; Other</u>	
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
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.	\$3,829,897		\$3,829,897

**COMPLETED PROJECTS:**

Note: For completed projects, Prop 39 Bond amounts listed are actual expenditures to date. Projects are listed in order of completion.

<u>Project</u>	<u>Description</u>	<u>Funding Source</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State &amp; Other</u>	
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
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

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**COMPLETED PROJECTS:**

Note: For completed projects, Prop 39 Bond amounts listed are actual expenditures to date. Projects are listed in order of completion.

<u>Project</u>	<u>Description</u>	<u>Funding Source</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State &amp; Other</u>	
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
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
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
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.	\$7,478,201		\$7,478,201

**COMPLETED PROJECTS:**

Note: For completed projects, Prop 39 Bond amounts listed are actual expenditures to date. Projects are listed in order of completion.

<u>Project</u>	<u>Description</u>	<u>Funding Source</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State &amp; Other</u>	
Auto Technology Addition	This project consisted of a remodel and addition to the existing facility. The project was substantially completed in September 2010.	\$958,602		\$958,602
Business, Math, Computer Science	The existing Business Computer Science building was completely renovated. Former fiscal services and information technology offices were converted 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 has been uncertain, the District determined this project would go forward using bond funds only. Construction began in June 2010. The project was completed in February 2011.	\$2,215,418		\$2,215,418
Student Services Building	A new 22,000 sq. ft. building was constructed adjacent to the current Student Center, allowing the consolidation of student services offices at one location on the Monterey campus. Construction began in August 2009 and was substantially completed by March 2011. Offices were moved in phases and accomplished by May 2011.	\$9,681,388		\$9,681,388
Education Center at Marina	Temporary facilities were installed on the Education Center site on Imjin Parkway and 3rd Avenue in Marina in 2007. Construction of the first permanent academic facilities began in February 2010 and was substantially complete by August 2011, in time for the start of the fall 2011 semester.	\$8,159,655		\$8,159,655
<b>Totals for Completed Projects</b>		<b>\$82,420,787</b>	<b>\$30,186,037</b>	<b>\$112,606,824</b>

**PROJECTS IN PROCESS:**

Note: Cited dollar amounts are estimates and subject to change. Projects are listed in alphabetical order.

<u>Project</u>	<u>Description</u>	<u>Budgets</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State &amp; Other</u>	
Arts Complex	The Final Project Proposal to rebuild the existing Art Studio, Art Ceramics, Art Dimensional, and International Center buildings, and demolish the existing Drafting building was re-submitted to the state Chancellor's Office in July 2009 to request 50% state funding support and was approved. However, with state bond funding for community college facility projects being uncertain, the District will complete this project with local bond funds only. The project has been reduced in scope. A complete renovation of the Art Studio and Art Ceramics buildings was accomplished. Construction began in September 2013, and completed in late summer 2014, in time for fall semester. The Art Dimensional building will be improved as the budget allows, to include replacement of mechanical and electrical systems, exterior painting, and roofing.	\$4,724,000		\$4,724,000
Student Center Renovation	The Student Center has been renovated and all building systems repaired. The interior space was redesigned to better serve student support functions, including food service, bookstore, TRIO, ASMPC, student activities, and security. Construction was underway in September 2013, and completed in August 2014.	\$5,952,000		\$5,952,000
Furniture & Equipment	New furniture has been installed in all lecture classrooms. Funds have been used to provide furniture and equipment for the Business, Math, Computer Science building, the Education Center at Marina, the Public Safety Training Center in Seaside, the new Student Services building, the Life Science and Physical Science buildings, the Theater, Student Center, and Art buildings.	\$5,685,000		\$5,685,000

**PROJECTS IN PROCESS:**

Note: Cited dollar amounts are estimates and subject to change. Projects are listed in alphabetical order.

<u>Project</u>	<u>Description</u>	<u>Budgets</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State &amp; Other</u>	
Humanities, Business Humanities, and Student Services	The existing Humanities and former Student Services buildings have been renovated and the existing Business Humanities building demolished. 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. Funds for construction were included in the 2010-11 state budget and construction will proceed in phases. Renovation of the former Student Services building to provide offices for humanities faculty and supportive services classroom and lab began in June 2011. Construction was completed in March 2012. Renovation of the Humanities Building began in January 2013 and was completed for the fall 2013 semester. The demolition of the Business Humanities building occurred in October 2013 and the vacated site was renovated to provide additional parking and improved traffic circulation.	\$3,296,000	\$3,318,000	\$6,614,000
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. Projects are listed in alphabetical order.

<u>Project</u>	<u>Description</u>	<u>Budgets</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State &amp; Other</u>	
Life Science and Physical Science Buildings	The existing Physical Science and Life Science buildings have been rebuilt, to include modernizing and upgrading of 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 complete this project with local bond funds only. Revised schematic drawings were completed by the architect and the Division of the State Architect approval received in May 2011. The project was completed in phases. The Life Science building renovation began construction in September 2011 and was completed in June 2012. Renovation of the Physical Science building began in September 2012 and was completed for fall semester 2013.	\$10,750,000		\$10,750,000
Physical Education Phase II: Gym - Showers/Locker Rooms	The first floor of the existing gym building has been renovated, including reconstruction of the shower and locker rooms, and demolition of the existing pool building. Division and faculty offices were reconfigured and relocated to the same area. The two multipurpose rooms were upgraded with technology enhancements. Construction began in January 2012 and was completed in November 2012.	\$3,830,000		\$3,830,000
Pool and Tennis Courts Renovation	The existing swimming pool was renovated to eliminate the existing diving well, creating a shallower pool bottom. A lift for disabled students was added. The pool locker room facility was demolished and a new pool equipment building constructed to house new filtration and heating equipment. The pool will be served by the gym locker rooms which were renovated and completed in December 2012. Construction began in August 2013 and the pool was completed in March 2014. The tennis courts will not be renovated as the estimated cost exceeded the amount of funds remaining in the project budget.	\$2,640,519		\$2,640,519



**PROJECTS IN PROCESS:**

Note: Cited dollar amounts are estimates and subject to change. Projects are listed in alphabetical order.

<u>Project</u>	<u>Description</u>	<u>Budgets</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State &amp; Other</u>	
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 in 2009 to provide temporary classrooms and renamed the General Classrooms building. The facility was modified again in summer 2011 to provide space for labs to accommodate the Life Science and Physical Science programs. Additional modification occurred in summer 2013 to provide temporary space for the creative arts programs while the Art Studio and Art Ceramics buildings are being renovated.	\$5,800,000		\$5,800,000
Theater	The existing Theater building was renovated and modernized. A Final Project Proposal for the Music Theater project that included 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 theater renovation with bond funds only. Drawings were completed and Division of the State Architect approval received in May 2011. Construction began in September 2011 and was completed in March 2013.	\$10,400,000		\$10,400,000
<b>Totals for Projects In Process</b>		<b>\$59,543,519</b>	<b>\$3,318,000</b>	<b>\$62,861,519</b>

**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. Projects listed in alphabetical order.

<u>Project</u>	<u>Description</u>	<u>Budgets</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State &amp; Other</u>	
Music Facilities – Phase I	The existing Music facilities will be modernized. Two of the three music facility structures (the current recital hall and the music lab wing) will be renovated. The recital hall will be converted into two rehearsal rooms. The third structure (choral music room) will be demolished. The Final Project Proposal for phase I of renovation of the Music facilities was submitted to the state Chancellor's Office in July 2013 to request 50% state funding support and was approved. The project is proposed for completion in fall 2017. This timeline is contingent upon state bond funding being approved and allocated.	\$1,200,000	\$1,200,000	\$2,400,000
Public Safety Training Center - Phase II (Parker Flats)	New outdoor training facilities will be constructed at the Parker Flats and MOUT sites at the former Fort Ord, including an emergency vehicle driving course, a burn building for firefighter training, 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 2016 is contingent upon state bond funding being approved and allocated.	\$6,000,000	\$6,000,000	\$12,000,000
<b>Totals for Future Projects</b>		<b>\$7,200,000</b>	<b>\$7,200,000</b>	<b>\$14,400,000</b>

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**CONTINGENCY:**

<u>Description</u>	<u>Budgets</u>		<u>Total Cost</u>
	<u>Prop 39 Bond</u>	<u>State &amp; 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. Currently, the contingency is at \$0, reflecting allocations made to projects.	\$0		\$0
<b>Grand Totals (Projects)</b>	<b>\$149,164,306</b>	<b>\$40,704,037</b>	<b>\$189,868,343</b>

**BOND PROGRAM MANAGEMENT:**

<u>Description</u>	<u>Budgets</u>		<u>Total Cost</u>
	<u>Prop 39 Bond</u>	<u>State &amp; 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 the bond funds on deposit with the Monterey County Treasurer (minus any management fees on the custom investment portfolio managed by the treasurer). Amounts in the columns to the right represent actual expenses to date.	\$5,687,034		\$5,687,034
Projected program management expense for the remaining years of the bond program.	\$2,401,183		\$2,401,183
<b>Totals for Program Management</b>	<b>\$8,088,217</b>		<b>\$8,088,217</b>
<b>Overall Grand Totals</b>	<b>\$157,252,523</b>	<b>\$40,704,037</b>	<b>\$197,956,560</b>

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## APPENDIX

### **COMMITTEE ROSTER**

### **COMMITTEE MEETING AGENDAS**

November 4, 2013

March 3, 2014

June 16, 2014

August 4, 2014

### **COMMITTEE MEETING MINUTES (NOT INCLUDED IN DRAFT)**

November 4, 2013

March 3, 2014

June 16, 2014

August 4, 2014

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## MONTEREY PENINSULA COLLEGE

### Citizens' Bond Oversight Committee Members

- Birt Johnson, Jr., Chair, *Community member*
- Bob Mulford, Vice Chair, *Monterey Peninsula Chamber of Commerce*
- Wayne Cruzan, *GENTRAIN Society*
- Sophal Ear, *Community member*
- J. Fagan, *Marina Chamber of Commerce*
- Stewart Fuller, *Monterey Peninsula College Foundation*
- Rick Heuer, *Monterey Peninsula Taxpayers Association*
- James Panetta, *Community member*
- Niels Reimers, *Carmel Foundation*
- Maury Vasquez, *Associated Students of Monterey Peninsula College*

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# COMMITTEE MEETING AGENDAS

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MONTEREY PENINSULA  
COLLEGE

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

Monday, November 4, 2013  
3:00 PM – Regular Meeting  
Sam Karas Room, Library and Technology Center  
Monterey Peninsula College

*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. **Tour of Physical Science Building**
4. **Approval of August 5, 2013 Minutes** ACTION
5. **Accept Bills and Warrants Reports** ACTION  
The quarterly lists of payments from bond funds expended through September 30, 2013 will be reviewed for acceptance by the committee.
6. **Bond Expenditure Status Report and Cost Control Report** INFORMATION  
The September 30, 2013 bond expenditure status report will be reviewed with the committee. The October 2013 cost control report will also be presented.
7. **Annual Report for 2012-13** 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.

- 8. Monterey County Treasurer's Investment Report** INFORMATION  
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 June 30, 2013 provides the status of these investments.
- 9. 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.
- 10. Committee Membership Update** INFORMATION  
Committee membership will be reviewed by Dr. Tribley. Five members, Wayne Cruzan, Dr. Sophal Ear, Rick Heuer, Birt Johnson, Jr., and James Panetta, will be completing their first terms on the committee.
- 11. Officers** ACTION  
The committee chair will be appointed by Dr. Tribley. Committee members will indicate their interest in serving as vice-chair and a vote will be taken.
- 12. Meeting Schedule (PLEASE BRING CALENDARS)** INFORMATION/ACTION  
The following meeting dates for 2014 are suggested for adoption:  
Monday, March 3, 2014  
Monday, June 16, 2014  
Monday, August 4, 2014  
Monday, November 3, 2014 (Annual Organizational Meeting)
- 13. Suggestions for Future Agenda Topics and Announcements**  
Tour of Humanities Building, Pool, Student Center, and Arts Complex projects
- 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.

Posted: October 30, 2013



MONTEREY PENINSULA  
COLLEGE

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

Monday, March 3, 2014  
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. **Introductions**  
Mr. Earl Davis, MPC's new Interim Vice President for Administrative Services, will be introduced to the Committee.
3. **Public Comment**  
Members of the audience wishing to address the Citizens' Bond Oversight Committee may do so during the public comment period. Under provisions of the Brown Act, the Committee is prohibited from discussing or taking action on oral requests that are not part of the agenda. Comments are limited to three minutes per person or as determined by the Committee.
4. **Approval of November 4, 2013 Minutes** ACTION
5. **Annual Report Follow-Up** INFORMATION  
Information added to the 2012-13 Annual Report will be reviewed.
6. **Accept Bills and Warrants Report** ACTION  
The list of payments from bond funds expended through December 31, 2013 will be reviewed for acceptance by the committee.
7. **Bond Expenditure Status Report and Cost Control Report** INFORMATION  
The December 31, 2013 bond expenditure status report will be reviewed with the committee. The February 2014 cost control report will also be presented.
8. **Bond Auditors' Reports for 2012-13** INFORMATION  
The Independent Auditors' Report of the District's bond funds, for the fiscal year ended June 30, 2013, and the District's Bond Performance Audit Report, for the fiscal year ended June 30, 2013, will be reviewed with the committee.

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|--|-------------|
| <b>9. Monterey County Treasurer's Investment Report</b><br>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 December 31, 2013 provides the status of these investments. | INFORMATION |
| <b>10. Facilities Master Budget Update</b><br>The changes to the District's facilities master budget recommended by the Facilities Committee and approved by the Governing Board on December 11, 2013 will be reviewed.  | INFORMATION |
| <b>11. Update on Facilities Projects, Timelines and Schedules</b><br>A status report will be provided on all projects. The timelines and schedules for current facility projects will be reviewed.   | INFORMATION |
| <b>12. Meeting Schedule</b><br>Future meetings of the Committee are scheduled for:<br>Monday, June 16, 2014<br>Monday, August 4, 2014<br>Monday, November 3, 2014 (Annual Organizational Meeting)  | INFORMATION |
| <b>13. Suggestions for Future Agenda Topics and Announcements</b><br>June and August meetings -- Committee tour of facilities projects on Monterey campus  | INFORMATION |
| <b>14. Adjournment</b>   |             |

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

Monday, June 16, 2014  
2:15 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 3, 2014 Minutes** ACTION  
Follow-up items will be reviewed with the meeting minutes.
4. **Accept Bills and Warrants Report** ACTION  
The list of payments from bond funds expended through March 31, 2014 will be reviewed for acceptance by the committee.
5. **Bond Expenditure Status Report and Cost Control Report** INFORMATION  
The March 31, 2014 bond expenditure status report will be reviewed with the committee. The May 2014 cost control report will also be presented.
6. **Monterey County Treasurer's Investment Report** INFORMATION  
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, 2014 provides the status of these investments.

7. **Update on Facilities Projects, Timelines, and Schedules** INFORMATION  
A status report will be provided on all projects. The timelines and schedules for current facility projects will be reviewed.
8. **Membership Update** INFORMATION
9. **Meeting Schedule** INFORMATION  
Future meetings are scheduled for:  
Monday, August 4, 2014  
Monday, November 3, 2014 (Annual Organizational Meeting)
10. **Suggestions for Future Agenda Topics and Announcements**  
Tour of Student Center, Art-Studio and Art-Ceramics
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: June 11, 2014





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

Monday, August 4, 2014  
2:00 PM – Committee Tour of College Facilities Projects  
3:00 PM – Regular Meeting  
Sam Karas Room, Library and Technology Center  
Monterey Peninsula College  
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 June 16, 2014 Minutes** ACTION
- 4. Accept Bills and Warrants Report** ACTION  
The list of payments from bond funds expended through June 30, 2014 will be reviewed for acceptance by the committee.
- 5. Bond Expenditure Status and Cost Control Reports** INFORMATION  
The June 30, 2014 bond expenditure status report will be reviewed with the committee. The July 2014 cost control report will also be presented.
- 6. Tax Rate for Measure I Bond** INFORMATION  
The total Measure I Bond tax rate will be reviewed with the committee.
- 7. 2016-20 Five Year Construction Plan** INFORMATION  
The District's 2016-20 Five-Year Construction Plan, ratified by the Governing Board on July 23, 2014, and submitted to the state

Chancellor's Office, will be reviewed with the Committee. The plan reflects the district and campus plans for capital outlay over the next five years and includes both local and state-funded projects.

**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, November 3, 2014 (Annual Organizational Meeting)

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

**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: July 30, 2014

# COMMITTEE MEETING MINUTES

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

Monday, November 4, 2013  
3:00 PM – Regular Meeting  
Sam Karas Room, Library and Technology Center  
Monterey Peninsula College  
980 Fremont Street  
Monterey, California

Meeting Minutes

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

ABSENT: None

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

OTHERS PRESENT: Mr. Michael Carson, Kitchell

**1. Call to Order**

The regular meeting of the Citizens' Bond Oversight Committee of Monterey Peninsula College was called to order at 3:00 PM by Chair Fagan.

**2. Public Comment**

There were no public comments.

**3. Tour of Physical Science Building**

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

**4. Approval of August 5, 2013 Minutes**

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

**5. Accept Bills and Warrants Report**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **6. Bond Expenditure Status Report and Cost Control Report**

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

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

#### **7. Annual Report for 2012-13**

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

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

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



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

**8. Monterey County Treasurer's Investment Report**

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

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

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

Pool – The slab has been poured.

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

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

**10. Committee Membership Update**

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

**11. Officers**

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

**12. Meeting Schedule**

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

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

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

**14. Adjournment**

Chair Fagan adjourned the meeting at 4:35 PM.

/vn

**Follow-up Items from November 4, 2013 CBOC Meeting**

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

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



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

Monday, March 3, 2014  
3:00 PM – Regular Meeting  
Sam Karas Room, Library and Technology Center  
Monterey Peninsula College  
980 Fremont Street, Monterey, California

Meeting Minutes

MEMBERS PRESENT: Mr. Wayne Cruzan  
Dr. Sophal Ear  
Mr. J. Fagan  
Mr. Stewart Fuller  
Mr. Rick Heuer  
Mr. Birt Johnson, Jr., Chair  
Mr. Bob Mulford, Vice Chair  
Mr. James Panetta  
Mr. Maury Vasquez

ABSENT: Mr. Niels Reimers

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

OTHERS PRESENT: Mr. Joe Demko, Kitchell

**1. Call to Order**

The regular meeting of the Citizens' Bond Oversight Committee of Monterey Peninsula College was called to order at 3:00 PM by Chair Johnson.

**2. Introductions**

Dr. Tribley introduced Mr. Earl Davis, MPC's new Interim Vice President for Administrative Services.

**3. Public Comment**

There were no public comments.

**4. Approval of November 4, 2013 Minutes**

A handout providing follow-up to questions recorded in the minutes of the November 4 meeting regarding the bills and warrants report was distributed and reviewed. Mr. Fagan asked why the second re-keying of locks in the physical science building was not covered by the vendor. Mr. Demko explained he discussed with the contractor and re-keying was an inaccurate explanation. The locks on certain doors needed to be re-pinned to limit access as an alternative to issuing new keys.

Motion made by Vice Chair Mulford, seconded by Mr. Fagan, to approve the minutes of November 4, 2013. Motion carried unanimously.

AYES:	9 MEMBERS:	Cruzan, Ear, Fagan, Fuller, Heuer, Johnson, Mulford, Panetta, Vasquez
NOES:	0 MEMBERS:	None
ABSENT:	1 MEMBERS:	Reimers
ABSTAIN:	0 MEMBERS:	None

**5. Annual Report Follow-Up**

The adjustments made to interest earnings in the financial section of the Annual Report were reviewed with the committee.

**6. Accept Bills and Warrants Report**

Chair Johnson advised the report would be reviewed by page and invited questions from the committee. There were no questions on page 1.

Regarding page 2, Vice Chair Mulford requested clarification on PlanWell retrieval fees. Mr. Demko responded this item is for electronic retrieval of blueprints.

Mr. Heuer and others questioned the expense for repair of a leak in the training room listed under the pool/tennis courts renovation project. Mr. Demko said the pool project contractor, Ausonio, was on site and paid to repair the leak rather than bringing in another firm. Mr. Heuer asked why this repair was considered a bond expense, and if the leak was due to construction. Mr. Demko said the floor leak was not in the contractor's scope of work. Mr. Davis added if the leak was known, it would have been included in the renovation. Chair Johnson and Mr. Fagan commented the leak appeared to be a general maintenance item. Mr. Fagan noted the leak was not in the scope of work and the expense was also charged against the pool/tennis court renovation. Mr. Davis said the expense would be transferred. Mr. Heuer expressed his concern that bond funds be used for rehabilitation rather than for ongoing maintenance. Mr. Fagan said if the leak is on a previous project, the expense needs to be put in a different category.

On page 4, Mr. Panetta noted two items for Hobart Sales for freezer service in the mobile trailer. Mr. Demko said there is more than one type of equipment being used in the trailer. He will research and provide more detail. Chair Johnson asked about the gas line repair and whether the line was owned by the campus or PG&E. Mr. Demko responded MPC owns the line. Mr. Fagan followed with a question regarding why the gas line repair and striping in Parking Lot C were listed in the swing space category rather than under infrastructure. Mr. Demko explained the work was associated with the mobile kitchen trailer being used as swing space while the Student Center was undergoing renovation.

Chair Johnson asked if there was a typo in the November date on page 5 for the first William Scotsman entry. Staff will research and report back.

Mr. Heuer referred to the entry for CS & Associates for labor compliance review on page 6. He asked for an explanation. Mr. Demko explained the project was 50% state funded and there is a state requirement for a review of payroll. Mr. Heuer stated he did not recall a similar expense for other state funded projects such as the Child Development Center. Chair Johnson noted the second entry for CS & Associates for a labor compliance review in April 2013. He asked if there was a requirement for submitting bills in a timely manner since an earlier report had a June 2013 invoice.

On page 7, Mr. Panetta asked about commissioning services for the Humanities project. Mr. Demko said commissioning services are performed when new systems such as heating and ventilation are installed in a building. These services provide an independent check and calibration of the systems to verify the contractor's work. Dr. Ear noted the expense from Media Systems for the installation of projectors and air vents. He questioned if air vents were installed. Mr. Demko said there may have been a miswording; the vents might be a part of the equipment. Staff will follow-up and report back.

There were no questions on page 8.

On page 9, Vice Chair Mulford asked why the theater was not included in the Closed Projects list. Mr. Demko indicated the theater project has not been closed out yet. The college is waiting for the Division of the State Architect to complete their work and billing.

There were no further questions on the report. It was moved by Mr. Fagan and seconded by Vice Chair Mulford to accept the December 31, 2013 bills and warrants report. Motion carried unanimously.

AYES:	9	MEMBERS:	Cruzan, Ear, Fagan, Fuller, Heuer, Johnson, Mulford, Panetta, Vasquez
NOES:	0	MEMBERS:	None
ABSENT:	1	MEMBERS:	Reimers
ABSTAIN:	0	MEMBERS:	None

## **7. Bond Expenditure Status Report and Cost Control Report**

Mr. Davis asked the committee if there were questions on the December 31, 2013 bond expenditure status report. Mr. Fagan inquired if there were any remaining general contingency funds. Mr. Demko explained contingency funds were used to adjust project budgets to realign totals with bid amounts. The Governing Board approved these budget adjustments in December.

Regarding the cost control report, Mr. Heuer noted there were no variances listed on any of the projects. Mr. Davis said the budgets have been adjusted to the actual costs.

Mr. Fagan referred to the pool and tennis court project. He noted the budget indicated in the cost control report does not include the tennis courts. Mr. Fagan asked if the tennis courts were approved by the Board as a future project. Mr. Demko explained the tennis courts were included in the project design and identified as an alternate in the bidding process to determine the specific cost. There were not enough funds to complete the tennis courts.

Mr. Demko said the bond expenditure report will be adjusted to delete the tennis courts from the pool renovation project listing.

#### **8. Bond Auditors' Reports for 2012-13**

Mr. Davis stated two audit reports were included, one regarding the district's bond funds and the other a performance audit. He reported the auditor examined 98% of bond expenditures for compliance with Proposition 39 requirements and no adjustments were made. Mr. Davis said the Governing Board was pleased with the results and he thanked the committee for their effective oversight.

Mr. Fagan indicated that 98% of expenditures (approximately \$50 million) being reviewed represented more than a sample. He asked if there was a reason for this level of examination. Mr. Davis stated he would contact the auditor and provide follow-up for the committee. He noted from his past experience of having seen 85% of expenditures reviewed.

Mr. Mulford and Mr. Heuer asked for further information regarding \$24.00 in salaries and benefits listed on page 4 of the financial audit. Mr. Davis said he would get a response from the auditor.

#### **9. Monterey County Treasurer's Investment Report**

The December 31, 2013 investment report was shared with the committee for information. There were no comments or questions.

#### **10. Facilities Master Budget Update**

Mr. Demko stated the total bond budget of \$149 million remains the same. He reported the general contingency was used to balance or adjust project budgets to reflect construction bids received and work completed. The Governing Board has approved these modifications. Mr. Demko said there are two projects remaining to be completed, the public safety training facilities in the Parker Flats area and the music project.

Mr. Mulford noted the theater project has not been closed out, but was completed under budget. Mr. Demko said the college is waiting final Division of State Architect review and there may be savings.

Mr. Fagan commented the tennis courts were not mentioned in the Board report, indicating the project has been deleted and there are no plans for any renovation in the future. He advised the public should be informed of this outcome. Mr. Fagan added he was impressed with how well the budgets have been managed. The Chair concurred.

#### **11. Update on Facilities Projects, Timelines, and Schedules**

Mr. Demko stated projects are all on track. He provided additional information for a few of the projects.

Business Humanities – The parking lot portion was finished ahead of schedule with 66 additional parking spaces provided. This project was 50% state funded and is complete. The college is waiting for Division of State Architect review.

Pool – The renovation has been completed and classes are being offered. Light fixtures still need to be installed; delivery of the equipment is in process.

Student Center – The changes being made, including the café with glass front and an outdoor fireplace, will change the look and feel of the facility. There has been a lot of hazardous material abatement in this project.

Arts Complex – Mr. Demko said this project will be completed this summer. He reported change orders are under control and that \$900,000 remains in the budget for HVAC and electrical work in the Art Dimensional building.

Chair Johnson asked about remaining infrastructure work and how oversight would continue as the bond program winds down. Mr. Demko said there are sidewalks that need to be upgraded. The approach has been to complete construction first and if there are funds available, to do this work at the end, if the Board approves.

Mr. Fagan asked if the committee continues as long as bond funds were being expended. The response was yes.

## **12. Meeting Schedule**

Chair Johnson reviewed future meeting dates of:

Monday, June 16, 2014

Monday, August 4, 2014

Monday, November 3, 2014 (Annual Organizational Meeting)

The June meeting will include a tour of the pool and Humanities building projects. At the August meeting there will be a tour of the Student Center and the Arts buildings.

## **13. Suggestions for Future Agenda Topics and Announcements**

There were no suggestions for additional agenda topics.

Dr. Tribley read a letter to the committee from the Board of Trustees, recognizing the committee members' work and commitment. Chair Johnson thanked the committee and expressed his appreciation.

## **14. Adjournment**

Chair Johnson adjourned the meeting at 4:12 PM.

/vn

**Follow-up Items from March 3, 2014 CBOC Meeting**

Per the meeting minutes:

**Item #6 - Bills and Warrants Report**

1. On page 4, Mr. Panetta noted two items for Hobart Sales for freezer service in the mobile trailer. Mr. Demko said there is more than one type of equipment being used in the trailer. He will research and provide more detail.

The payment to Hobart for \$199.50 was a basic service call charge to come out to MPC and review the problem with the freezer to determine what work needed to be completed to have the freezer working properly.

The payment to Hobart for \$467.51 was for service on the freezer which consisted of: service to replace nitrogen, capillary tube, filter drier, torch service and labor.

2. Chair Johnson asked if there was a typo in the November date on page 5 for the first William Scotsman entry. Staff will research and report back.

There was a typo, the date in the description should read 10/29/13-11/28/13.

3. [On page 7], Dr. Ear noted the expense from Media Systems for the installation of projectors and air vents. He questioned if air vents were installed. Mr. Demko said there may have been a miswording; the vents might be a part of the equipment. Staff will follow-up and report back.

The air vents were installed in the cabinet because the cabinet had no internal fan.

**Item #8 - Bond Auditors' Reports for 2012-13**

1. Mr. Fagan indicated that 98% of expenditures (approximately \$50 million) being reviewed represented more than a sample. He asked if there was a reason for this level of examination. Mr. Davis stated he would contact the auditor and provide follow-up for the committee. He noted from his past experience of having seen 85% of expenditures reviewed.

MPC external auditors selected 40 large dollar invoices, ranging from \$400K to \$2M. This sampling was done because MPC recently went through a refunding of the bonds and the auditors wanted to be sure that controls were in place. The reason the percentage is 98% is due to the high dollar amount of the invoices. It is the dollar amount of the invoices that drove the percentage.

2. Mr. Mulford and Mr. Heuer asked for further information regarding \$24.00 in salaries and benefits listed on page 4 of the financial audit. Mr. Davis said he would get a response from the auditor.

A correction will be made to remove the \$24.00 in salaries and benefits from the bond expenditures.





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

Monday, June 16, 2014  
2:15 PM – Committee Tour of College Facilities Projects  
3:00 PM – Regular Meeting  
Sam Karas Room, Library and Technology Center  
Monterey Peninsula College

Meeting Minutes

MEMBERS PRESENT: Mr. Wayne Cruzan  
Dr. Sophal Ear  
Mr. J. Fagan  
Mr. Rick Heuer  
Mr. Birt Johnson, Jr., Chair  
Mr. Bob Mulford, Vice Chair  
Mr. James Panetta  
Mr. Niels Reimers  
Mr. Maury Vasquez

ABSENT: Mr. Stewart Fuller

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

OTHERS PRESENT: Mr. Joe Demko, Kitchell

The Committee convened at 2:15 PM for a tour of the completed pool and Humanities building renovation projects at the Monterey campus.

**1. Call to Order**

The regular meeting of the Citizens' Bond Oversight Committee of Monterey Peninsula College was called to order at 3:00 PM by Chair Johnson.

**2. Public Comment**

There were no public comments.

**3. Approval of March 3, 2014 Minutes**

A handout providing follow-up to questions recorded in the minutes of the March 3 meeting regarding the bills and warrants report was distributed and reviewed.

Motion made by Vice Chair Mulford, seconded by Mr. Fagan, to approve the minutes of March 3, 2014, as amended by the follow-up document. Motion carried unanimously.

AYES: 9 MEMBERS: Cruzan, Ear, Fagan, Heuer, Johnson, Mulford, Panetta,  
Reimers, Vasquez  
NOES: 0 MEMBERS: None  
ABSENT: 1 MEMBERS: Fuller  
ABSTAIN: 0 MEMBERS: None

#### **4. Accept Bills and Warrants Report**

Chair Johnson indicated the March 31, 2014 report would be reviewed by page and invited questions from the committee. Vice Chair Mulford noticed several payments for older invoices for services in October and November. He asked if there was a delay in processing. Ms. Barrios explained payments are processed when the invoices are received. Mr. Mulford asked if vendors and contractors were required to file their invoices in a fixed period of time. Mr. Demko responded that contractors submit invoices monthly, based on the work accomplished, and staff then review the invoices with the inspector. Mr. Davis added that contractors have to pay their crew, so timely processing is followed.

Mr. Heuer noted M3 Environmental had several older invoices on page 2 as well. Mr. Demko said this vendor is paid hourly. Mr. Davis said invoices are reviewed by Kitchell, then by him, before going to Ms. Barrios for payment.

There were no questions on page 3. Regarding page 4, Mr. Mulford questioned the \$1500 expense for Monterey County Fence to change the color of the fence from silver to black. Mr. Demko responded the work was done to match up the mesh fabric. He clarified the work was done only once.

On page 5, Chair Johnson noted several entries for equipment purchased from Lincoln Equipment; however, there was one entry for freight charges for telescopic poles. He asked if the charges were for the poles only or if other equipment was included. Staff will check and report back.

Regarding page 6, Mr. Heuer asked for an explanation of post construction services provided by Hammel Green & Abrahamson. Mr. Demko said the architect receives a percentage of the contract when a project is done and these services relate to Division of State Architect requirements and forms that need to be submitted. On the same page, Chair Johnson noticed the rental periods differed for the ADA rental trailer from Williams Scotsman and asked why the payments were the same amount. Staff will research and report back.

On page 7, Mr. Fagan asked about the rebalancing services provided by Alpha Air Balancing at the Humanities building. Mr. Demko explained equipment was reused in the building as the items were not old enough to replace. The contractor re-installed the equipment to specifications. A professional firm was used to evaluate the system due to the high noise level. He said this expense would not have been incurred if the equipment was new.

On page 8, Mr. Reimers requested "labor compliance review" to be explained. Mr. Demko said on state funded projects, wages are required to be paid at a certain rate. An independent company is used to verify appropriate wages are paid. Mr. Davis clarified that

MPC pays union wages on all projects. State funded projects require the additional step of having an independent auditor to review compliance.

On page 9, Mr. Panetta noted two entries for Geo. Wilson for troubleshooting and repair of the physical science boiler and downspout. Two different amounts were charged, one for analysis and the other for labor. He questioned the amounts. Mr. Demko said he would follow up and report back. Mr. Mulford referred to the entry for Cardinale Moving & Storage for the removal of old equipment. He asked what happens to old equipment. Mr. Davis responded when equipment no longer has value for MPC, the college is required to declare the items as salvage or obsolete. Per contract code, the items can then be offered for purchase by competitive bid. Mr. Davis said he has contracted with an outside company to sell surplus equipment and advise the district. Mr. Fagan asked where the revenue from the sale goes. Mr. Davis indicated the funds would go back to the bond. Mr. Fagan commented he has never noticed a line item for revenue from sale of surplus equipment.

On page 10, under the Closed Projects category, Mr. Fagan asked if any new expenses were included. The answer was no, the amounts represented carryover.

It was moved by Mr. Fagan and seconded by Vice Chair Mulford to accept the March 31, 2014 bills and warrants report. Motion carried unanimously.

AYES:	9 MEMBERS:	Cruzan, Ear, Fagan, Heuer, Johnson, Mulford, Panetta, Reimers, Vasquez
NOES:	0 MEMBERS:	None
ABSENT:	1 MEMBERS:	Fuller
ABSTAIN:	0 MEMBERS:	None

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

The March 31, 2014 bond expenditure status report and the cost control report were presented for comments or questions. Mr. Fagan stated he was pleased to see the tennis courts removed from the pool renovation project listed under the "In Process" category. He asked if the tennis courts should be listed as a future project. Mr. Davis explained there is no budget for the tennis courts to fund a future renovation. Mr. Demko added the Board approved the latest budget adjustment for bond projects at the December 2013 meeting and there was no funding available for the tennis courts.

Mr. Heuer noted there was \$16 million of bond funds remaining as of March 31. Mr. Demko confirmed the bond program was winding down. The Parker Flats public safety training facilities project will need state funding to augment the bond allocation. Dr. Tribley reported a bill has been proposed, AB 2235, authorizing a state facilities bond on the November 2014 ballot that will provide the funding needed. Mr. Heuer asked how long the college can wait for state funding to become available if the state bond does not pass. Dr. Tribley responded district bond counsel is reviewing the matter. Mr. Fagan followed with a question regarding the possibility of re-engineering the public safety training project or using the funds for other projects. Dr. Tribley stated there would be an evaluation of options if the bond is not on the ballot; however, he affirmed the college's commitment to the Parker Flats project.

#### **6. 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. Mr. Davis noted the interest rate is at a low level, but the funds are safe and secure. Chair Johnson recalled when the bonds were refunded in 2013, it was

mentioned the tax rate was consistently lower than the limit set in the bond. He asked for the current tax rate. Staff will provide at the next meeting.

## **7. Update on Facilities Projects, Timelines, and Schedules**

Mr. Demko provided information on the projects.

Humanities/former Student Services/Business Humanities – The last payment from the state has been received. This project will move into the Closed Projects list.

Swing Space – The rental trailers will be returned after completion of the Student Center and Arts buildings projects. The vacated space remaining on campus will need to be evaluated.

Student Center – The project is on track and the punch list is being completed. Equipment will arrive in July. Systems are operable. Technology still needs to be installed. The facility has been transformed.

Arts Complex – Mr. Demko said this project will be completed in July, leaving August for fine-tuning before fall classes begin. The indoor kilns have been installed. The structure for the outdoor kilns is being completed.

Site Lighting/Controls – The College has been approved for \$203,000 in Prop 39 funding from the state to retrofit the parking lot light fixtures for energy efficiency.

Infrastructure – Sidewalk repair will be completed in the summer to minimize the impact on students.

## **8. Membership Update**

Dr. Tribley reported there are four members, Mr. Fagan, Mr. Fuller, Mr. Mulford, and Mr. Reimers, who will be completing their second terms and stepping off of the committee after the November meeting. The college will begin soliciting in August for representatives in the membership categories being vacated. New members will be appointed by the Governing Board in October and invited to the November committee meeting to observe. Mr. Reimers offered to contact the Carmel Foundation to assist in identifying interested applicants.

## **9. Meeting Schedule**

Chair Johnson reviewed future meeting dates of:

Monday, August 4, 2014

Monday, November 3, 2014 (Annual Organizational Meeting)

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

There will be a tour of the Student Center, Art-Studio and Art-Ceramics buildings at the August meeting.

Mr. Fagan announced there will be a stand down for homeless veterans on August 1 -3.

## **11. Adjournment**

Chair Johnson adjourned the meeting at 4:00 PM.

**Follow-up Items from June 16, 2014 CBOC Meeting**

Per the meeting minutes:

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

1. On page 5, Chair Johnson noted several entries for equipment purchased from Lincoln Equipment; however, there was one entry for freight charges for telescopic poles. He asked if the charges were for the poles only or if other equipment was included. Staff will check and report back.

The freight charges were for the telescopic poles only.

2. Regarding page 6, .... On the same page, Chair Johnson noticed the rental periods differed for the ADA rental trailer from Williams Scotsman and asked why the payments were the same amount. Staff will research and report back.

The payment made on 3/13/14 should have read:  
Rental of ADA rental trailer. Rental from 2/20/14 – 3/19/14, not 2/20/14 - 3/1/14.  
The payments were for the same rental period.

3. On page 9, Mr. Panetta noted two entries for Geo. Wilson for troubleshooting and repair of the physical science boiler and downspout. Two different amounts were charged, one for analysis and the other for labor. He questioned the amounts. Mr. Demko said he would follow up and report back.

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

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

Meeting Minutes

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

ABSENT: Dr. Sophal Ear  
Mr. Rick Heuer

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

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

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

**1. Call to Order**

The regular meeting of the Citizens' Bond Oversight Committee of Monterey Peninsula College was called to order at 3:00 PM by Chair Johnson.

**2. Public Comment**

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

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

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

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

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

#### 4. Accept Bills and Warrants Report

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **9. Meeting Schedule**

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

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

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

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

#### **11. Adjournment**

Chair Johnson adjourned the meeting at 4:17 PM.

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

Per the meeting minutes:

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

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

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

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

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

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

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

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