



Citizens' Bond Oversight Committee

ANNUAL REPORT

2011-2012

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Committee Roster

Committee Meeting Agendas *(Not included in Draft)*

 November 7, 2011

 March 5, 2012

 June 11, 2012

 August 6, 2012

Committee Meeting Minutes *(Not included in Draft)*

 November 7, 2011

 March 5, 2012

 June 11, 2012

 August 6, 2012

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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:



Robert I. Mulford, Chair
Citizens' Bond Oversight Committee

Date: November 5, 2012

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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 to issue and sell general obligation bonds in the amount of \$145,000,000 to fund specific facility projects. The bond election was conducted under Proposition 39 regulations.

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

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

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

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.

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT CITIZENS' BOND OVERSIGHT COMMITTEE

November 5, 2012



Back row: Doug Garrison (Supt./President), Daniel Cervantes, Wayne Cruzan, Rick Heuer, J. Fagan (Vice Chair).
Front row: Niels Reimers, Sophal Ear, Bob Mulford (Chair), James Panetta, Birt Johnson, Jr.
Not pictured: Stewart Fuller, Patricia Rossi.

SUMMARY OF THE COMMITTEE'S PROCEEDINGS AND ACTIVITIES FOR 2011-2012

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 eleven members, appointed by the Board of Trustees. With his graduation in June 2011, Antron Williams, student organization representative, resigned from the CBOC. In November 2011, five members (Scott Coté, Daphne Hodgson, Mary Ann Kane, Ronald Pasquinelli, and Gary Ray) completed their tenure on the committee, having served two consecutive terms. They were recognized by the Board of Trustees for their service to the college with certificates of commendation.

As a result of these membership changes, vacancies were created on the committee for representatives from a student organization, taxpayers organization, the Gentrain Society, and the community at large. Applicants were solicited from appropriate groups and through public notices. The new members appointed by the Governing Board for an initial two-year term were: Daniel Cervantes, Associated Students of Monterey Peninsula College representative; Rick Heuer, representing the Monterey Peninsula Taxpayers Association; Wayne Cruzan, Gentrain Society representative, and Dr. Sophal Ear, Birt Johnson, Jr., James Panetta, and Patricia Rossi, representing the community.

In accordance with the Bylaws, officers were selected at the annual organizational meeting on November 7, 2011. Dr. Garrison appointed Bob Mulford to serve as Chair and J. Fagan was elected by the committee to serve as Vice Chair.

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

Daniel Cervantes	2-year initial term, 2/2012 – 11/2013
Wayne Cruzan	2-year initial term, 11/2011 – 11/2013
Sophal Ear	2-year initial term, 11/2011 – 11/2013
J. Alan Fagan, Vice Chair	2-year initial term, 11/2010 – 11/2012
J. Stewart Fuller	2-year initial term, 11/2010 – 11/2012

Rick Heuer	2-year initial term, 11/2011 – 11/2013
Birt Johnson, Jr.	2-year initial term, 11/2011 – 11/2013
Bob Mulford, Chair	2-year initial term, 11/2010 – 11/2012
James Panetta	2-year initial term, 11/2011 – 11/2013
Niels Reimers	2-year initial term, 11/2010 – 11/2012
Patricia Rossi	2-year initial term, 11/2011 – 11/2013

MEETINGS AND ACTIVITIES OF THE CITIZENS' BOND OVERSIGHT COMMITTEE

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

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

During 2011-12, the committee convened four quarterly meetings. The annual organizational meeting of the committee was held November 7, 2011, with subsequent meetings held on March 5, 2012, June 11, 2012, and August 6, 2012. The primary location for the meetings was the Sam Karas Room in the Library & Technology Center on the Monterey campus with the August meeting held at the MPC Public Safety Training Center in Seaside.

At the meetings convened during 2011-12, the committee received status updates on bond projects and reviewed bond program expenditures. For the benefit of new members, the March meeting included a review of the committee's purpose and duties and a summary of the Brown Act by David Casnocha, District bond counsel. An overview of the state capital outlay process and the District's facilities construction program was also provided by staff. At the March meeting, the committee also reviewed the 2010-11 independent financial and performance audit reports for the District's bond funds. The June meeting started with a tour of facility projects at the Monterey campus, including the refurbished Humanities and Student Supportive Services building, the recently completed Life Science building renovation, and the Gym 1st floor reconstruction project. At the August meeting, the committee toured the facilities at the Marina Education Center and the MPC Public Safety Training Center in Seaside, both funded by the bond proceeds.

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.

The Series B and C funds were invested in Monterey County's investment portfolio. Interest earnings in 2011-12 totaled \$563,739. Also, County Treasurer recovery efforts concerning the Washington Mutual and Lehman Brothers bankruptcy filings resulted in additional recoupment of \$177,110 in 2011-12 for the interest lost 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. Since the first bond issuance in 2003, the average tax rate has been \$21.08.

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 below shows expenditures during the report period of October 1, 2011 through September 30, 2012 and total expenditures since bond inception.

MPC Bond Expenditure Report July 1, 2003 through September 30, 2012

<u>Receipts:</u>	Prior	10/1/2011- 09/30/2012	Total
Bond Principal – Series A	\$40,000,000	\$0	\$40,000,000
Refinancing - Series A	\$4,240,052	\$0	\$4,240,052
Bond Principal - Series B, taxable	\$9,004,530	\$0	\$9,004,530
Bond Principal - Series C, nontaxable	\$95,994,770	\$0	\$95,994,770
Interest Income*	\$7,840,146	\$563,739	\$8,403,885
Interest Write-off**	(\$1,878,835)	\$0	(\$1,878,835)
Interest Recovery**	\$488,039	\$177,110	\$665,149
Total Receipts	\$155,688,702	\$740,849	\$156,429,551

* Interest income is through June 30, 2012.

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

<u>Expenditures:</u>	Prior	10/1/2010-09/30/2011	Total
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, Math, 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 Facilities Building	\$487,574	\$0	\$487,574
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
Completed Projects	\$64,579,744	\$0	\$64,579,744

In Process:	Prior	10/1/2010-09/30/2011	Total
Arts Complex	\$43,240	\$303,381	\$346,621
Bond Program Management	\$4,861,547	\$420,792	\$5,282,339
College Center	\$0	\$19,701	\$19,701
Furniture/Equipment	\$2,621,756	\$779,571	\$3,401,327
Humanities, Bus-Hum, Student Services	\$752,376	\$306,789	\$1,059,165
Infrastructure - Phase III	\$5,390,977	\$719,320	\$6,110,297
Life & Physical Science	\$1,059,344	\$4,425,899	\$5,485,243
Music Building	\$0	\$23,770	\$23,770
New Education Center at Marina	\$7,627,995	\$606,705	\$8,234,700

New Student Services Building	\$9,374,471	\$306,917	\$9,681,388
PE Phase II - Gym/Locker Room Renov.	\$61,898	\$2,385,420	\$2,447,318
Pool/Tennis Courts Renovation	\$176,500	\$60	\$176,560
PSTC Parker Flats	\$34,379	\$35,095	\$69,474
Swing Space/Interim Housing	\$4,282,488	\$698,121	\$4,980,609
Theater	\$907,144	\$5,085,410	\$5,992,554
General Contingency	\$0	\$0	\$0
Management Expense for Custom Investment Portfolio***	\$0	\$3,173	\$3,173
In Process	\$37,194,115	\$16,116,952	\$53,314,240
Total Expenditures	\$101,773,859	\$16,116,952	****\$117,893,984

*** The District has requested the Monterey County Treasurer to manage and place custom investments for a portion of the funds on deposit with the Treasurer. These investments are outside the general pool and include GE corporate bonds and LAIF (Local Agency Investment Fund) investments which generate a higher rate of return.

**** Total expenditures of \$117,893,984 equate to 75% of Measure I bond proceeds of \$156,429,551 being spent through September 30, 2012 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 \$44,419,024, resulting in total projected expenditures of \$200,848,575 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, 2012

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 & 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 & 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 & 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

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 & 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 & 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 is uncertain, the District determined this project would go forward using bond funds only. Construction began in June 2010. The project was substantially completed in February 2011.	\$2,215,418		\$2,215,418
Totals for Completed Projects		\$64,579,744	\$30,186,037	\$94,765,781

PROJECTS IN PROCESS:

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

<u>Project</u>	<u>Description</u>	<u>Budgets</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State & Other</u>	
Arts Complex	Rebuild existing Art Studio, Art Ceramics, Art Dimensional, and International Center buildings, and demolish existing Drafting building. The Final Project Proposal was re-submitted to the state Chancellor's Office in July 2009 to request 50% state funding support and was approved. However, state bond funding is uncertain and the district is considering funding the renovation with bond funds only.	\$4,387,987	\$4,387,987	\$8,775,974
College Center Renovation	A remodel of the existing facility is planned. Drawings are being prepared by the architect. Construction is projected to begin in June 2013, with completion in summer 2014.	\$4,000,000		\$4,000,000
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.	\$9,100,000		\$9,100,000
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, and the Life Science building. Furniture and equipment will also be provided as part of the renovation of the Physical Science and Theater buildings.	\$4,000,000		\$4,000,000

PROJECTS IN PROCESS:

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

<u>Project</u>	<u>Description</u>	<u>Budgets</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State & Other</u>	
Humanities, Business Humanities, and Student Services	The existing Humanities and former Student Services buildings will be renovated and the existing Business Humanities building will be 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 is planned to begin in January 2013.	\$3,845,000	\$3,845,000	\$7,690,000
Infrastructure - Phase III	This phase includes new data cabling installed campus wide, the rebuilding of many sidewalks and parking lots B, C, & J, the installation of additional lighting and signage upgrades, an elevator at PE, additions to disaster notification systems, new greenhouses, a generator for the data center, and replacement of the kilns for the art ceramics program. Work will be completed in phases from May 2008 through September 2014.	\$6,466,000		\$6,466,000

PROJECTS IN PROCESS:

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

<u>Project</u>	<u>Description</u>	<u>Budgets</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State & Other</u>	
Life Science and Physical Science Buildings	The existing Physical Science and Life Science buildings will be 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 will be 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 will be completed in summer 2013.	\$14,500,000		\$14,500,000
Physical Education Phase II: Gym - Showers/Locker Rooms	The first floor of the existing gym building will be renovated, including reconstruction of the shower and locker rooms, and demolition of the existing pool building. Division and faculty offices will be reconfigured and relocated to the same area. The two multipurpose rooms will be upgraded with technology enhancements. Construction will begin in January 2012. The estimated completion date for the project is fall 2012.	\$3,940,128		\$3,940,128
Pool and Tennis Courts	The pool and tennis court facilities will be renovated and an additional tennis court will be constructed. The project will be completed in phases. Construction will begin in summer 2013 and is estimated to be complete in 2014.	\$2,000,000		\$2,000,000

PROJECTS IN PROCESS:

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

<u>Project</u>	<u>Description</u>	<u>Budgets</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State & Other</u>	
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.	\$9,500,000		\$9,500,000
Swing Space/Interim Housing	Temporary space to house programs and services displaced by modernization projects is planned. Temporary modulars have been placed on campus and at the Education Center. The former administration building was renovated 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 projects.	\$4,600,000		\$4,600,000
Theater	The existing Theater building will be renovated. 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 with completion anticipated in spring 2013.	\$9,305,016		\$9,305,016
Totals for Projects In Process		\$75,644,131	\$8,232,987	\$83,877,118

FUTURE PROJECTS:

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

<u>Project</u>	<u>Description</u>	<u>Budgets</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State & Other</u>	
Music Facilities – Phase I	Modernize existing Music facilities. 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. An Initial Project Proposal for phase I of renovation of the Music facilities was submitted to the state Chancellor's Office in September 2012 to request 50% state funding support. The project is proposed for completion in summer 2017.	\$1,200,000		\$1,200,000
Public Safety Training Center - Phase II (Parker Flats)	Construct new outdoor training facilities at the Parker Flats and MOU 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 2015 is contingent upon state bond funding being approved and allocated.	\$6,000,000	\$6,000,000	\$12,000,000
Totals for Future Projects		\$7,200,000	\$6,000,000	\$13,200,000

CONTINGENCY:

<u>Description</u>	<u>Budgets</u>		<u>Total Cost</u>
	<u>Prop 39 Bond</u>	<u>State & Other</u>	
The contingency was established in August 2010 to provide contingent funding for projects as needed. Project cost estimates are subject to change due to the variable bid climate or from unexpected construction issues that may arise. The current contingency is equivalent to 1.16% of total Prop 39 bond funds.	\$1,815,478		\$1,815,478
Grand Totals (Projects)	\$149,239,353	\$44,419,024	\$193,658,377

BOND PROGRAM MANAGEMENT:

<u>Description</u>	<u>Budgets</u>		<u>Total Cost</u>
	<u>Prop 39 Bond</u>	<u>State & Other</u>	
An outside firm is being used to manage the overall bond construction program. Funds to pay for these services are generated from interest earnings on 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.	\$5,282,339		\$5,282,339
Projected program management expense for the remaining years of the bond program.	\$1,907,859		\$1,907,859
Totals for Program Management	\$7,190,198		\$7,190,198
Overall Grand Totals	\$156,429,551	\$44,419,024	\$200,848,575

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APPENDIX

COMMITTEE ROSTER

COMMITTEE MEETING AGENDAS *(Not included in Draft)*

November 7, 2011

March 5, 2012

June 11, 2012

August 6, 2012

COMMITTEE MEETING MINUTES *(Not included in Draft)*

November 7, 2011

March 5, 2012

June 11, 2012

August 6, 2012

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MONTEREY PENINSULA COLLEGE

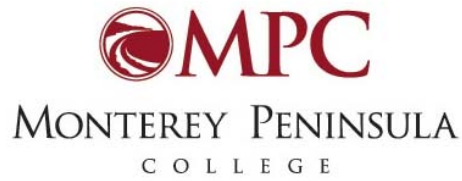
Citizens' Bond Oversight Committee Members

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

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COMMITTEE MEETING AGENDAS

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MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

Monday, November 7, 2011
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. Introductions** INFORMATION
Incoming members who will be joining the committee in March will be introduced.
- 4. Committee Membership Update** INFORMATION
Committee membership will be reviewed by Dr. Garrison. Chair Hodgson, Mr. Coté, Ms. Kane, Mr. Pasquinelli, and Mr. Ray will be recognized for their service on the committee.
- 5. Officers** ACTION
The committee chair will be appointed by Dr. Garrison. Committee members will indicate their interest in serving as vice-chair and a vote will be taken.
- 6. Measure I – History of Bond Issuances and Tax Rates** INFORMATION
The District's bond underwriter, Ivory Li, PiperJaffray & Co., will give a presentation on the district's Measure I bond issuances.
- 7. Approval of August 8, 2011 Minutes** ACTION

- 8. Accept Bills and Warrants Reports** ACTION
The quarterly lists of payments from bond funds expended through September 30, 2011 will be reviewed for acceptance by the committee.
- 9. Bond Expenditure Status Report and Cost Control Report** INFORMATION
The September 30, 2011 bond expenditure status report will be reviewed with the committee. The October 2011 cost control report will also be presented.
- 10. Annual Report for 2010-11** 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.
- 11. 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.
- 12. Meeting Schedule (PLEASE BRING CALENDARS)** INFORMATION/ACTION
The following meeting dates are suggested for adoption:
Monday, March 5, 2012
Monday, June 11, 2012
Monday, August 6, 2012
Monday, November 12, 2012 (Annual Organizational Meeting)
- 13. Suggestions for Future Agenda Topics and Announcements**
- 14. Adjournment**

***RECEPTION following meeting to honor outgoing members and introduce incoming members.**

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



MONTEREY PENINSULA
COLLEGE

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

Monday, March 12, 2012
3:00 PM – Regular Meeting
Sam Karas Room, Library and Technology Center
Monterey Peninsula College

MEETING AGENDA

1. **Call to Order**
2. **Introductions**
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. **Purposes, Duties and Authorized Activities of the Citizens' Bond Oversight Committee/Review of Ethics Policy Statement** INFORMATION
Mr. David Casnocha, bond counsel from Stradling, Yocca, Carlson, and Rauth, will provide an overview of the purpose of the Committee, its duties, and authorized activities as set forth in the Bylaws. Mr. Casnocha will also review the Citizens' Bond Oversight Committee Ethics Policy Statement.
5. **Review of the Ralph M. Brown Public Meetings Act** INFORMATION
Mr. David Casnocha will briefly outline the requirements of the Brown Act as it relates to the conduct of Citizens' Bond Oversight Committee meetings.
6. **Approval of November 1, 2011 Minutes** ACTION
7. **Accept Bills and Warrants Report** ACTION
The list of payments from bond funds expended through December 31, 2011 will be reviewed for acceptance by the committee.

- | | |
|---|--------------------|
| <p>8. Bond Expenditure Status Report
The December 31, 2011 bond expenditure status report will be reviewed with the committee. The February 2012 cost control report will also be presented.</p> | <p>INFORMATION</p> |
| <p>9. Bond Auditors' Reports for 2010-11
The Independent Auditors' Report of the District's bond funds, for the fiscal year ended June 30, 2011, and the District's Bond Performance Audit Report, for the fiscal year ended June 30, 2011, will be reviewed with the committee.</p> | <p>INFORMATION</p> |
| <p>10. State Capital Outlay Funding Process
The process for requesting state funding for community college facilities projects will be reviewed.</p> | <p>INFORMATION</p> |
| <p>11. Facilities Construction Plan Overview
Mr. Ma will provide a summary of the District's facilities construction program.</p> | <p>INFORMATION</p> |
| <p>12. Update on Facilities Projects, Timelines and Schedules
A status report will be provided on all projects. The timelines and schedules for current facility projects will be reviewed.</p> | <p>INFORMATION</p> |
| <p>13. Meeting Schedule
Future meetings of the Committee are scheduled for:
 Monday, June 11, 2012
 Monday, August 6, 2012
 Monday, November 5, 2012 (Annual Organizational Meeting)</p> | <p>INFORMATION</p> |
| <p>14. Suggestions for Future Agenda Topics and Announcements
June 11 meeting -- Committee tour of facilities projects.</p> | |
| <p>15. Adjournment</p> | |

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: March 7, 2012



MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

Monday, June 11, 2012
1:00 PM – Committee Tour of College Facilities Projects
2:00 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 12, 2012 Minutes** ACTION
4. **Accept Bills and Warrants Report** ACTION
The list of payments from bond funds expended through March 31, 2012 will be reviewed for acceptance by the committee.
5. **Bond Expenditure Status Report and Cost Control Report** INFORMATION
The March 31, 2012 bond expenditure status report will be reviewed with the committee. The May 2012 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, 2012 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. Meeting Schedule

Future meetings are scheduled for:

Monday, August 6, 2012 – Meeting to be at the Marina Education Center?

Monday, November 5, 2012 (Annual Organizational Meeting)

9. Suggestions for Future Agenda Topics and Announcements

Tour of Seaside Public Safety Training Center and Marina Education Center (August meeting?)

10. Adjournment

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

Posted: June 6, 2012



MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

Monday, August 6, 2012
1:30 PM – Committee Tour of Marina Education Center and
Seaside Public Safety Training Center Facilities
3:00 PM – Regular Meeting
Room 202, Seaside Public Safety Training Center
2642 Colonel Durham Road
Seaside, 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 11, 2012 Minutes** ACTION
4. **Accept Bills and Warrants Report** ACTION
The list of payments from bond funds expended through June 30, 2012 will be reviewed for acceptance by the committee.
5. **Bond Expenditure Status Report** INFORMATION
The June 30, 2012 bond expenditure status report will be reviewed with the committee. The July 2012 cost control report will also be presented.
6. **Update on Facilities Projects, Timelines, and Schedules** INFORMATION
A status report will be provided on all projects. The timelines and schedules for current facility projects will be reviewed.
7. **Meeting Schedule** INFORMATION
Future meetings are scheduled for:
Monday, November 5, 2012 (Annual Organizational Meeting)

8. Suggestions for Future Agenda Topics and Announcements

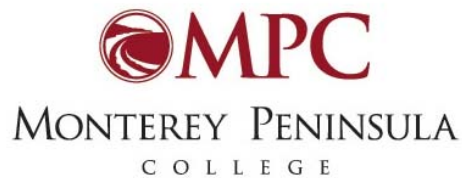
9. Adjournment

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: August 1, 2012

COMMITTEE MEETING MINUTES

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MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

Monday, November 7, 2011
3:00 PM – Regular Meeting
Sam Karas Room, Library and Technology Center
Monterey Peninsula College

Meeting Minutes

MEMBERS PRESENT: Mr. Scott Coté
Mr. J. Fagan
Mr. Stewart Fuller
Ms. Daphne Hodgson, Chair
Ms. Mary Ann Kane
Mr. Bob Mulford
Mr. Ron Pasquinelli
Mr. Gary Ray, Vice Chair
Mr. Niels Reimers

ABSENT: None

STAFF PRESENT: Ms. Rosemary Barrios, Controller
Dr. Douglas Garrison, Superintendent/President
Mr. Stephen Ma, Vice President for Administrative Services
Ms. Vicki Nakamura, Assistant to the President

OTHERS PRESENT: Mr. Wayne Cruzan
Mr. Joe Demko, Kitchell
Dr. Sophal Ear
Mr. Rick Heuer
Mr. Birt Johnson, Jr.
Mr. Jimmy Panetta
Ms. Patty Rossi

- 1. Call to Order**
The regular meeting of the Citizens' Bond Oversight Committee of Monterey Peninsula College was called to order at 3:04 PM by Chair Hodgson.
- 2. Public Comment**
There were no public comments.

3. Introductions

Dr. Garrison introduced incoming members Wayne Cruzan, Rick Heuer, Sophal Ear, Birt Johnson, James Panetta, and Patricia Rossi, who will be joining the committee in March.

4. Committee Membership Update

Dr. Garrison noted five members of the Committee, Scott Coté, Daphne Hodgson, Mary Ann Kane, Ron Pasquinelli, and Gary Ray, are completing their tenure on the committee. Individuals for appointment to the committee were solicited to fill “designated seats” per the bylaws. Mr. Pasquinelli and Ms. Kane were representatives of the Monterey Peninsula Taxpayers Association and the GENTRAIN Society, respectively. Both of these organizations were contacted for replacements. Rick Heuer will be representing the taxpayers association and Wayne Cruzan will be the new representative of the GENTRAIN Society. The remaining vacancies on the committee were for representatives of the community at-large. Notices were placed in the local newspaper and on the MPC website. Letters were also sent to attendees at the recent Board candidate orientations conducted by Dr. Garrison. Dr. Sophal Ear, Birt Johnson, and James Panetta were recommended for appointment as the community representatives. Dr. Garrison stated this impressive group of prospective members was approved by the Board at the October meeting. He welcomed the incoming members to the committee.

Dr. Garrison recognized Mr. Coté, Chair Hodgson, Ms. Kane, Mr. Pasquinelli, and Mr. Ray for their service on the committee and presented each with a certificate of appreciation. He expressed thanks for their time and careful attention to their work as committee members.

5. Officers

Dr. Garrison informed the committee that Bob Mulford had agreed to serve as chair for the next year and will preside, beginning at the next meeting. Dr. Garrison acknowledged Chair Hodgson for her leadership as chair during the past two years.

Chair Hodgson opened the floor for selection of the vice-chair position. Mr. Fagan expressed interest in serving and he was approved unanimously.

6. Measure I – History of Bond Issuances and Tax Rates

Mr. Ma introduced Ivory Li and Tim Carty, with PiperJaffray & Co., the District’s bond underwriter, to report on how the bonds have performed and the tax rate.

Ms. Li provided an overview of Measure I, the District’s \$145 million bond measure. Measure I was approved with strong community support of 64.6% of the electorate. The estimated tax charge was \$23.89 per \$100,000 of property valuation. All of the District’s bonds have been issued; Series A was issued in 2003 and was refinanced in 2005. Series B and C were issued in January 2008.

Ms. Li reviewed the history of bond interest rates over the past 20 years. She noted that the District sold the bonds when interest rates were relatively low, below the 20-year average.

Regarding bond tax rate performance, she reported the tax rate levied in the years 2004 through 2012 has been lower than the estimated tax rate of \$23.89. The average tax rate for this time period was \$21.36. Mr. Ma asked about the stability of the tax rate.

Ms. Li stated there was only one year, 2011, when the assessed valuation was negative. In the district, property values have maintained in comparison to other districts which have experienced double digit decreases. Dr. Ear asked for the cause of the decrease in 2011. Ms. Li explained the assessed valuation is not the same as market value. In recent years, there has been a downturn in the real estate market. Property owners have requested reassessment, resulting in the decrease in 2011. Chair Hodgson added the County assessor wrote down the property assessment in both Seaside and Marina.

Mr. Pasquinelli asked if there was any financial advantage to another refinancing of the bond. Ms. Li explained the Series B and C bonds cannot be prepaid until 2018. The District would need to set up a bond escrow account to earn interest in the next 3-5 years to refinance the bonds in 2018. She estimated the District would need earnings of 1/5% per year until 2018. During this time, the District would not be able to touch the funds in escrow.

7. Approval of August 8, 2011 Minutes

It was noted that Mr. Coté was listed as both present and absent at the August 8 meeting; he was in attendance. A correction will be made.

Mr. Ma provided follow up to a question in the minutes under the Bills and Warrants item. Mr. Ray had questioned the differences in cost for computers purchased for the math lab. Mr. Ma explained the price difference was due to the computers being purchased without the monitors, and the monitors being purchased separately. He provided a handout which clarified the description for the three line items in question.

Motion to approve the minutes of August 8, 2011, as corrected, was made by Mr. Fagan, and seconded by Mr. Mulford. Motion carried unanimously.

8. Accept Bills and Warrants Reports

Mr. Ma asked for questions or comments on the report.

A question was asked whether any of the reimbursements of staff on page 3 were duplications. Mr. Ma responded staff will research to determine if there were any double charges. Mr. Coté expressed concern about staff being directly reimbursed for \$13,000 in out of pocket purchases. Ms. Barrios stated she shared his concern. She requested the staff member to process an open purchase order for these expenses in the future. Mr. Ma noted there has been a history of audiovisual staff installing equipment which staff has purchased and the District has reimbursed. Mr. Heuer suggested staff could also use a Calcard to make the purchase. Mr. Fagan asked about the warranty on equipment purchased this way. Mr. Ma stated he will review the practice.

Mr. Reimer referred to the purchase of 24 computer tables with retractable storage for \$57,000 on page 5 and asked for further information. Dr. Garrison explained the tables are workstations that can be used with a monitor or as a table. Mr. Ma added the platform for the monitor is retractable; the tables are custom made.

Mr. Mulford asked about the purchase of 205 HP flat panel monitors for thin clients on page 5. The description states 71 were purchased for the Education Center and 105 for the Monterey campus; however, those quantities do not add up to 205. Mr. Ma said staff will research and report back. Ms. Kane asked for an explanation of "thin clients." Mr. Coté said thin client is a system where the computer at the desk is minimal and

processing is completed on a big server. As a result, there are large cost savings because there is no need to buy individual computers.

Mr. Fagan inquired about several entries in the report for HGHB Architects for services in 2010. He asked why the invoices are from that far back. Mr. Demko responded some contracts extend for several years and agreements with architects may cover many phases of a project. He will check why the billings are from 2010.

Mr. Fagan also noted an invoice number was missing for the PlanWell retrieval on page 11.

Mr. Mulford questioned art locker inspection services on page 11 and why the cost is so high. Mr. Demko explained every project processed through the Division of the State Architect (DSA) requires a DSA inspector. The art locker project was not small, costing \$250,000. The project involved seismic bracing, foundation work, and ADA compliance improvements. The inspection cost is 2% of the project cost and the billing is by hours. Mr. Ma added ongoing inspection services are provided during the course of construction. Dr. Garrison noted the District has two inspectors of record, a requirement for community colleges.

Ms. Kane asked about the further phases of redevelopment services provided by Dolinka Group, listed on page 4. Mr. Ma confirmed there would be additional work to address underpayments that were found. Phase III will include negotiation with the redevelopment agencies regarding the payment schedule and correcting the underpayments.

Chair Hodgson requested an explanation of PlanWell retrieval. Mr. Demko said American Reprographics offers a system where plans and drawings are maintained online. Copies of drawings are provided as needed, saving time and expense of manual photocopying. She questioned an expense for PlanWell retrieval for \$16,000 on page 9. Mr. Demko explained this expense was for actual drawings and blueprints. Chair Hodgson advised a more specific description be used to distinguish the different services.

Chair Hodgson followed with a question regarding the parking lot B expansion on pages 10-11. She noted two payment applications for Monterey Peninsula Engineering and asked why there appeared to be no retention on the project. Mr. Demko said the retention arrangement depends on the contractor. Larger contractors prefer to have the retention deposited in the bank in an escrow account to earn interest. With smaller contractors, the 10% retention is paid at the end of the project. Parking lot B was a fast project, completed over two months. The contractor was paid 90% with the remaining 10% paid when the project was finalized.

Chair Hodgson commented the same question applies to the humanities project; the first payment was made with no retention indicated. She advised a new state law goes into effect January 1 that reduces the retention to 5%; she did not know if the law also applies to community colleges. Dr. Garrison asked what language would be helpful in distinguishing between the 10% retention held for smaller contractors rather than the retention held in an escrow account. Ms. Hodgson suggested using, "(Retention held by college)," for the smaller contractors.

Mr. Mulford questioned payment application #16 for Dilbeck & Sons on page 2, described as 125% time completed. Payment application #15 was for 100% completion. Staff will research and report back.

Chair Hodgson proposed a formatting change for the closed projects listing on the report. She suggested italicizing the payments to indicate the expenses were not made from the current period.

It was moved by Ms. Kane, and seconded by Mr. Fagan to accept the September 30, 2011 bills and warrants report. Motion carried unanimously.

9. Bond Expenditure Status Report and Cost Control Report

Mr. Ma reviewed the September 30, 2011 bond expenditure status report. Chair Hodgson expressed concerns with the report. While the total completed projects figure of \$61,405,724 can be tied to the bills and warrants report, the overall total of bond funds spent to date (\$101,773,920) cannot. In addition, the year to date payments (\$0) for the Automotive Technology project does not correlate with the payment indicated on the bills and warrants report of \$1,937. She asked how the overall total of bond expenditures was calculated.

Ms. Barrios indicated the bond expenditure report reflects a modified accrual accounting basis. At June 30, liabilities are set up for the prior year; the books are not closed until September 30. The liabilities are included in the prior year expenses in the bond expenditure report. The bills and warrants report represents a cash basis, reflecting when payments are actually made.

Mr. Demko reported the cost control report is prepared for the Governing Board every month. The report shows the status of active projects and tracks the overall budget. He noted projects were added to this month's report. Mr. Demko stated a recommendation will be made to reallocate any bid savings. The life science/physical science project will have bid savings while the theater project is currently over budget by \$1 million.

In response to a question from Ms. Rossi, Mr. Demko stated furniture and equipment is covered by a separate fund with a budget of \$4 million. He indicated this approach resulted in better control of expenditures. Ms. Rossi asked about the "other" category which amounted to over \$1 million for information technology expense. She commented CISCO will provide a discount or donation to community colleges and the vendor may not be applying the discount. Mr. Demko said the "other" category also funds hazardous materials remediation or unforeseen conditions.

10. Annual Report for 2010-11

Dr. Garrison stated the committee is obligated to provide an annual report to the Board of Trustees per the bylaws. A draft report has been prepared for review by the committee. The Chair will present the report to the Board at the November meeting.

Mr. Mulford recommended the length of term be defined in the discussion of committee membership on page 5.

Mr. Coté commented the amount of matching funds the District has acquired is impressive. He noted 35% of bond funds remain to be spent. However, the amount of total expenditures is higher than reflected on page 9 due to state matching funds. He

suggested a footnote is needed to show the percentage of bond funds spent as well as the amount of matching funds coming from other sources. Dr. Garrison noted the total with matching funds is provided on page 20. There was consensus to add this information to the expenditure summary on page 9.

Mr. Pasquinelli commented the past four years as a committee member have been educational for him regarding effective bond oversight. He said the taxpayers association is using the college's reports as a template for Monterey Peninsula Unified School District, Pacific Grove Unified School District, and the regional parks district.

Ms. Rossi suggested including the tax rate performance comments from PiperJaffray in the report. Chair Hodgson cautioned the report is from the committee and the committee could not make these comments. Dr. Garrison proposed including a statement that the tax rate has remained under the estimated rate presented to the voters in 2002.

Motion to approve the 2010-11 annual report with the changes discussed was made by Mr. Reimer, seconded by Mr. Coté. Motion carried unanimously.

Chair Hodgson will present the report to the Board at the November 22 meeting. The annual report will then be posted on the committee's webpage.

11. Update on Facilities Projects, Timelines and Schedules

Mr. Demko reviewed the status of active projects.

Education Center at Marina Permanent Facilities – Mr. Demko said the facilities have been completed. Classes are in session.

Infrastructure – Mr. Demko said the lighted kiosks with location maps have been installed on campus.

Swing Space – Mr. Demko reported interim housing costs are higher than anticipated due to the need for more swing space to accommodate the renovation of the former student services building. The construction schedule for this project was accelerated as state funding became available.

Facilities Committee – Mr. Demko reported the committee recently met to discuss the overbid for the theater project and the bid savings from the life science/physical science project.

Humanities/Former Student Services/Business Humanities – Mr. Demko said the renovation of the former student services building is going well. The contractor is trying to get the building weather tight for winter. When the building is completed, humanities faculty will move in. In future phases, the humanities building will be remodeled and the business humanities building will be demolished.

Mr. Fagan inquired if the favorable bid climate was ending. Mr. Demko responded yes. He said the pool of subcontractors has narrowed and the cost of commodities is increasing. Mr. Fagan asked how a higher bid situation will affect future projects. Mr. Ma stated the district is at the maximum in terms of the number of projects currently underway on campus. Contingency funds were used to cover the higher costs of the theater and gym projects. He commented the district continues to monitor costs and contingencies have been built into all projects. Mr. Demko added

the good news is that the bids for the theater and life science/physical science projects have been received and contracts approved.

Theater – Mr. Demko reported good progress is being made. There will be a new orchestra pit and elevator. The asbestos removal and demolition work went well.

Life Science/Physical Science Buildings – This is two phase project. The two buildings were combined into one project to use one contractor and save on time and costs.

Gym First Floor – Mr. Demko reported the project is \$300,000 over the bid estimate.

Pool/Tennis Courts – Interim housing for the gym project has been placed on the tennis courts. The pool refurbishment will be completed first.

Music – Mr. Demko said the project budget is currently \$1.2 million and supplemental funding is under consideration.

Student Center – Mr. Demko reported schematic drawings have been completed and budgets have been evaluated.

Regarding the master schedule, Mr. Demko reported that schedules are holding for the projects and change orders are being managed. The arts complex will be a challenge to schedule due to the swing space needs of the various programs. The project will likely be phased.

Mr. Mulford asked how many architects are under contract with the college. Mr. Demko said there are five; however, the college primarily uses HGHB, a local firm. Dr. Garrison commented the Board has a strong feeling to use local firms where possible. The college is a major economic driver for the Peninsula economy. Mr. Fagan concurred. He noted Otto Construction, a local contractor, has completed \$24 million in projects at the college, a huge investment in the local community.

12. Meeting Schedule

The meeting dates of March 5, June 11, August 6, and November 5 (annual organizational meeting) were proposed for 2012. Motion made to adopt the proposed meeting schedule was made by Mr. Mulford and seconded by Mr. Coté. Motion carried unanimously.

13. Suggestions for Future Agenda Topics and Announcements

Mr. Fagan announced the Heroes Open II golf tournament would be held Saturday to benefit the Veterans Cemetery project.

Chair Hodgson commented she enjoyed her experience on the committee and learning about the college. She expressed appreciation for the opportunity.

14. Adjournment

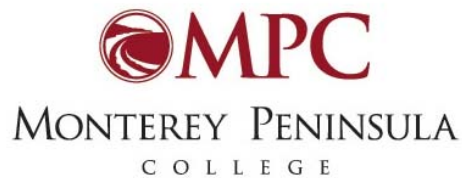
Chair Hodgson adjourned the meeting at 5:00 PM.

vn

Follow-up Items from November 7, 2011 CBOC Meeting

Per the Meeting Minutes, #8 Accept Bills and Warrants Report:

1. A question was asked whether any of the reimbursements of staff on page 3 were duplications. Mr. Ma responded staff will research to determine if there were any double charges. Mr. Coté expressed concern about staff being directly reimbursed for \$13,000 in out of pocket purchases. Ms. Barrios stated she shared his concern. She requested the staff member to process an open purchase order for these expenses in the future. Mr. Ma noted there has been a history of audio visual staff installing equipment which staff has purchased and the District has reimbursed. Mr. Heuer suggested staff could also use a Cal card to make the purchase. Mr. Fagan asked about the warranty on equipment purchased this way. Mr. Ma stated he will review the practice.
 - Ms. Barrios has reviewed the reimbursements and there are no double charges.
 - Regarding the warranty of equipment, the staff member will provide Fiscal Services with a list of the equipment items purchased that had a warranty. Most items would have a 90 day warranty, and it is now past 6 months.
 - The first three reimbursements on the list were from the FY 10-11. These were part of the year-end liabilities on the report from 6/30/11.
 - Mr. Ma has reviewed this practice and concluded that in the future, purchases by staff shall be made using a Cal card or the purchase order system.
2. Mr. Mulford asked about the purchase of 205 HP flat panel monitors for thin clients on page 5. The description states 71 were purchased for the Education Center and 105 for the Monterey campus; however, those quantities do not add up to 205. Mr. Ma said staff will research and report back.
 - The description should have read: 71 were purchased for the Education Center and 134 for the Monterey Campus.
 - This totals the 205 on the report.
3. Mr. Fagan also noted an invoice number was missing for the PlanWell retrieval on page 11.
 - Invoice 8365046
4. Mr. Mulford questioned payment application #16 for Dilbeck & Sons on page 2, described as 125% time completed. Payment application #15 was for 100% completion. Staff will research and report back.
 - The description for both payment applications should have included "Time." Payment Application #15 states Estimated Percent Complete 100% (Time). Payment Application #16 states Estimated Percent Complete 125% (Time)
 - Ms. Barrios spoke with Mike Carson, Kitchell. There were change orders for the Education Center construction project due to some PG&E issues. That is the reason for the notations of 100% and 125% Estimated Percent Complete (Time).
 - Mr. Demko will provide additional clarification at the meeting, if needed.
5. Mr. Fagan inquired about several entries in the report for HGHB Architects for services in 2010. He asked why the invoices are from that far back. Mr. Demko responded some contracts extend for several years and agreements with architects may cover many phases of a project. He will check why the billings are from 2010.
 - Joe Demko will respond to this question at the meeting.



MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

Monday, March 12, 2012
3:00 PM – Regular Meeting
Sam Karas Room, Library and Technology Center
Monterey Peninsula College

Meeting Minutes

MEMBERS PRESENT: Mr. Daniel Cervantes
Dr. Sophal Ear
Mr. Stewart Fuller
Mr. Rick Heuer
Mr. Birt Johnson, Jr.
Mr. Bob Mulford, Chair
Mr. James Panetta
Mr. Niels Reimers
Ms. Patty Rossi

ABSENT: Mr. Wayne Cruzan
Mr. J. Fagan, Vice Chair

STAFF PRESENT: Ms. Rosemary Barrios, Controller
Dr. Douglas Garrison, Superintendent/President
Mr. Stephen Ma, Vice President for Administrative Services
Ms. Vicki Nakamura, Assistant to the President
Mr. Bruce Wilder, Instructional Technology Specialist

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 Mulford.
- 2. Introductions**
Dr. Garrison introduced the newest member, Daniel Cervantes, who was appointed by the Board of Trustees to represent the Associated Students of Monterey Peninsula College. Dr. Garrison also welcomed incoming members Sophal Ear, Rick Heuer, Birt Johnson, Jimmy Panetta, and Patty Rossi. Self-introductions were made by the committee.
- 3. Public Comment**
There were no public comments.

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

Mr. David Casnocha, the district's municipal bond counsel, provided an orientation for the new members regarding the role of the committee. Mr. Casnocha stated the college's bond, Measure I, was approved under Proposition 39 requirements. He noted Proposition 39 lowered the threshold for voter approval of general obligation bonds to 55% and required the establishment of an oversight committee. In addition to acquisition and renovation of real property, Proposition 39 allowed bond proceeds to be used for acquisition of furniture and equipment. Proposition 39 also required more specificity regarding projects and an annual independent financial and performance audit. He advised the committee to review the project list included with Measure I to determine projects the bond funds were intended to fund.

Mr. Casnocha then reviewed the committee's Bylaws. He noted Section 3 describes the key functions of the committee, with the primary purpose being to review expenditure reports to ensure bond funds are spent only for authorized purposes and not on administrator or teacher salaries. Mr. Casnocha said the state attorney general subsequently issued an opinion that the law permits salary expenditures related to administrative oversight of bond projects.

The project list, Exhibit B, of the district's bond resolution, provides the types of projects approved by the voters for bond expenditure. A project may not be expressly mentioned in Exhibit B; however, if it corresponds with the types of projects listed, then the project is recognized as authorized. Mr. Casnocha explained the legislature realized that district needs change over time.

A second key function of the committee is to inform the public of the committee's activities and District expenditure of bond funds. Mr. Casnocha provided examples of how information could be provided, such as through a written annual report, a summary published in the college newsletter, the committee website, or through a presentation by the committee chair to the Board of Trustees. The annual report must be submitted each year and must include an affirmative conclusion that the District is in compliance with legal requirements regarding bond expenditures.

Mr. Casnocha reviewed the authorized committee activities listed in Section 4. For the committee to perform the duties of reviewing expenditures, informing the public, and preparing a written annual report, the committee may review the annual financial audit and performance reports. In addition, the committee may inspect college grounds and facilities through a tour. The committee is also authorized to review copies of deferred maintenance and other facilities plans to determine how the district intends to maintain buildings constructed or renovated with bond funds.

The committee may also review the efforts of the District to maximize bond funds. He cited several examples, such as use of bids, minimizing change orders, applying for state matching funds, using "green" building strategies, and promoting sustainability to save dollars.

Mr. Casnocha discussed Section 5 which covers committee membership. He noted members are not subject to state conflict of interest regulations as specified in Section 5.3 because the committee's purpose is to provide oversight rather than be a decision-making body. This section will be revised to remove the requirement to complete the state conflict of interest form. Under Section 5.4, the Bylaws provide for continuity of

membership through the staggering of terms and specify committee members are limited to two consecutive terms.

Mr. Casnocha concluded his review of the Bylaws with Section 11 regarding termination of the committee. He stated the committee will need to remain in existence through submission of the last annual report following the issuance of the final financial audit and performance audit reports. Since the last bond series was issued in 2008, the District expected to expend \$96 million in bond funds in five years, by 2013. He added that another \$9 million of taxable bonds were issued, with no timeframe for expenditure.

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

Mr. Casnocha included his review of the Brown Act as part of his presentation on the committee's role.

He stated the committee's activities are subject to the Brown Act; all business of the committee must be conducted in public. There should be no need for closed sessions which are reserved for personnel matters or litigation. Only items appearing on the meeting agenda may be discussed. He cautioned against participating in serial meetings or engaging in discussion of committee business outside of the regular meetings. Using e-mail to discuss committee matters is also a violation of the Brown Act.

6. Approval of November 7, 2011 Minutes

Mr. Ma reviewed the handout regarding follow-up items from the bills and warrants report recorded in the minutes of the November 7 meeting. Mr. Demko provided further information regarding the payment to Dilbeck & Sons on the Education Center at Marina project beyond 100% completion. He said there were other items that had to be addressed after beneficial occupancy. In the future, these expenses will be described in a clearer way.

Mr. Demko also provided clarification concerning several payments to HGHB Architects. He indicated HGHB has performed a significant amount of work on several projects and he assured the committee that invoices and contracts are reconciled to ensure there is no over compensation occurring.

Motion to approve the minutes of November 7, 2011 with the clarifications provided was made by Ms. Rossi and seconded by Mr. Fuller. Motion carried unanimously.

7. Accept Bills and Warrants Report

Mr. Ma presented the quarterly bills and warrants report. He said the expenses are broken down by project and represent payments made since the September 30 quarterly report. To date, \$105.2 million of bond funds have been spent by the district. He asked for questions or comments on the report.

Mr. Heuer questioned the use of bond funds for items such as wastepaper baskets (page 3) and lab supplies for life science (pages 4 and 6), when the bonds would be paid for 10-20 years. He noted lab supplies would be consumables and asked if the supplies were actually equipment. Mr. Ma responded staff will check and clarification provided at the next meeting.

Mr. Heuer stated he noticed a number of rental payments for Williams Scotsman and asked for further information. Mr. Ma explained the rental expense was for relocatables to provide swing space.

Mr. Heuer also asked about the expense for the portable air conditioning system at the Education Center and whether a permanent system was installed. Mr. Ma confirmed the permanent system is in place and air conditioning was required for the Thin Client system. Mr. Heuer followed with a question regarding removal of a Trex deck at the Child Development Center, listed on page 10. Mr. Ma said the new Center had been completed with state and bond funding. He explained a defect was found in the deck and the remedy was being funded by the bond.

Dr. Ear noted the payment application for Dilbeck & Sons under the Education Center project on page 3 was for a large dollar amount. Mr. Demko responded the payment represented the general contractor expense. As the project extends for 14-16 months, the contract amount is significant. Dr. Ear also asked about program management expense listed on page 8 for Kitchell CEM. Mr. Ma explained the cost is for managing the bond program. Mr. Demko added the contract with Kitchell CEM was approved by the Governing Board.

It was moved by Mr. Heuer and seconded by Mr. Johnson to accept the December 31, 2011 bills and warrants report. Motion carried unanimously.

8. Bond Expenditure Status Report and Cost Control Report

Mr. Ma reviewed the December 31, 2012 bond expenditure status report. He commented the college has been successful in augmenting bond funds with state funding to provide a total of \$181 million for projects, with the bond providing \$149 million. He explained Column A represents the working budget for projects and when the expense is less than the budgeted amount for a particular project, the excess will be freed up for other projects.

Mr. Reimer asked about the project, PSTC Parker Flats. Dr. Garrison responded PSTC is the acronym for the college's Public Safety Training Center at the former Fort Ord. The first phase of the PSTC was the facilities renovation at the Colonel Road location. The second phase consists of construction of a fire training tower and driving course at Parker Flats and firing ranges at the MOUT (Military Operations on Urbanized Terrain) facility. The Parker Flats and MOUT properties have not yet been conveyed to the college.

Mr. Demko reviewed the cost control report. He stated the report is submitted to the Governing Board each month and provides a forecast of how the active facilities projects are proceeding. He indicated there are four major projects underway. The Life Science and Physical Science buildings renovation was budgeted at \$14.5 million and the construction bid was \$2 million under, so savings are anticipated. The Theater project was bid twice and the bids came in over budget. Mr. Demko projected the Education Center project will also have a savings. Dr. Garrison added the savings will go into a contingency fund that will be used for future projects.

Ms. Rossi asked where swing space is located in the report. Mr. Demko answered swing space is treated as one project and is budgeted at \$4.6 million. He added that moving costs are included under swing space. Dr. Garrison described the importance of

swing space in maintaining the integrity of the instructional program and minimizing disruption to students.

9. Bond Auditors' Reports for 2010-11

Mr. Ma reported two independent audit reports have been prepared, the first is a financial audit and the second is a performance audit. These audit reports are required to be prepared annually. He reviewed the audits and indicated there were no findings or recommendations on either report.

10. State Capital Outlay Funding Process

Ms. Nakamura noted that one of the challenges in planning the use of bond funds was that district needs were far greater than the amount of bond funds available. Since 2002, the district has sought to leverage local bond funds with other funding, the primary source being state funding. She provided an overview of the process to obtain state funding for District facility projects, including the annual five year construction plan that must be prepared and submitted to the Chancellor's Office. In addition, each project must have an initial project proposal (IPP) and final project proposal (FPP) prepared and approved by the Chancellor's Office to be eligible for funding.

She reported the District has been successful in obtaining state funding for the Child Development Center, the renovation of the former library to provide a new administration building, and the Humanities, Business Humanities and Student Services project. Phase 2 of the Public Safety Training Center Project at the former Fort Ord has also been approved as eligible for state funding; however, currently, there are no state capital outlay funds available. Ms. Nakamura explained community college facilities projects are funded by state capital outlay bond measures that are placed on the ballot every two years. However, the last state bond measure was in 2006. Bond measures slated for 2008 and 2010 were deferred due to the recession and the state's poor economy. It is likely there will again be no bond measure in 2012. This delay in state funding caused the District to revise its facilities plan to downsize some projects (previously approved for state funds) in order to go forward without the state funding match.

11. Facilities Construction Plan Overview

Mr. Ma provided an overview of the district's facilities master plan, approved by the Governing Board. He referred to two future projects on the Monterey campus, the Arts Complex and the Student Center. The college's architects have completed plans for both of these projects.

12. Update on Facilities Projects, Timelines and Schedules

Mr. Demko highlighted four major projects that were undertaken this year as a priority.

Theater – Mr. Demko reported the concrete work has been completed and there have been minimum change orders. The project is ahead of schedule.

Life Science/Physical Science – Mr. Demko said this project would be completed in two phases. He reported good progress has been made. In June the Life Science Division will move back into the newly renovated building. The General Classroom building will then be renovated to meet Physical Science needs during renovation of the Physical Science building.

Gym, First Floor – Mr. Demko reported a lot of plumbing and underground work has been completed on this project. The project is ahead of schedule despite some change orders.

Humanities/Former Student Services/Business Humanities – Mr. Demko said the renovation of the former student services building has been completed. In future phases, the humanities building will be remodeled and the business humanities building will be demolished.

Mr. Demko concluded his report, stating that schedules and costs are good. Chair Mulford asked what percentage was allowed for change orders. Mr. Demko responded that generally, 6-8% are expected on new projects and 10% allowed for renovations.

13. Meeting Schedule

The next meeting on June 11 will include a tour of facilities projects on the Monterey campus. Mr. Heuer indicated he would not be able to attend the meeting.

14. Suggestions for Future Agenda Topics and Announcements

There were no suggestions for future agenda topics.

Bruce Wilder requested the committee's support to purchase equipment for general classrooms from the bond funds. Chair Mulford responded this matter was not in the committee's purview.

15. Adjournment

Chair Mulford adjourned the meeting at 4:34 PM.

vn



MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

Monday, June 11, 2012
1:00 PM – Committee Tour of College Facilities Projects
2:00 PM – Regular Meeting
Sam Karas Room, Library and Technology Center
Monterey Peninsula College
980 Fremont Street
Monterey, California

Meeting Minutes

MEMBERS PRESENT: Mr. Daniel Cervantes
Dr. Sophal Ear
Mr. J. Fagan, Vice Chair
Mr. Birt Johnson, Jr.
Mr. Bob Mulford, Chair
Mr. James Panetta
Mr. Niels Reimers

ABSENT: Mr. Wayne Cruzan
Mr. Stewart Fuller
Mr. Rick Heuer
Ms. Patty Rossi

STAFF PRESENT: Ms. Rosemary Barrios, Controller
Dr. Douglas Garrison, Superintendent/President
Mr. Stephen Ma, Vice President for Administrative Services
Ms. Vicki Nakamura, Assistant to the President

OTHERS PRESENT: Mr. Joe Demko, Kitchell

The Committee convened at 1:00 PM for a tour of college bond 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 2:15 PM by Chair Mulford.

2. Public Comment

There were no public comments.

3. Approval of March 12, 2012 Minutes

Mr. Ma provided follow up on questions in the minutes regarding expenditures for supplies. He explained the bond documents do allow expenditures for furnishings and equipment, but not for supplies. Supplies have certain qualities; they lose their original shape and appearance with use, an example would be a pencil. Supplies are also easily consumed. Staff reviewed the expenditure items listed as lab supplies and none fell into the supply category. The items were 2 PC boards, 6 dissecting pans, and 1 larynx (part of a skeleton). Mr. Ma stated these items do not appear to be supplies. Dr. Garrison asked if there was a distinction between consumable supplies versus durable items and Mr. Ma agreed.

Vice Chair Fagan noted a sentence on page 2 in the minutes regarding the state attorney general's opinion allowing bond project administration expenditures was confusing as written. It was suggested the sentence be revised to read, "Mr. Casnocha said the state attorney general subsequently issued an opinion that the law *permits* salary expenditures related to administrative oversight of bond projects."

Motion to approve the minutes of March 12, 2012 with the revision noted was made by Mr. Reimers and seconded by Mr. Johnson. Motion carried unanimously.

4. Accept Bills and Warrants Report

Mr. Ma stated the report lists the expenditures made since the last meeting through March 31. The projects under construction comprise the majority of the new expenditures. He asked if the committee had questions.

Vice Chair Fagan asked several questions on the report. He referred to page 1 and the reprinting of a directory sign by Apex Signs & Graphics and asked if this was due to an error by Apex. Mr. Demko responded the college added more areas to the sign. Also on page 1, Mr. Fagan questioned the removal of a dryer and washing machines for \$3,000. Mr. Demko stated the equipment was removed and reinstalled and additional modifications were necessary.

Mr. Fagan noted the minutes from the last meeting stated permanent cooling was being installed in the server room at the Marina Education Center; however, on page 3 of the report, rental of temporary air conditioning units was still listed. Mr. Demko explained the college changed to the Thin Client system which generates more heat. Air conditioning units were needed to maintain the equipment.

Mr. Fagan also asked if the labor charges of \$175 on page 3 for moving a copier were normal and customary. Mr. Demko thought there was a warranty on the equipment and he will check. Mr. Fagan followed with a question regarding repair of the floor by Telcom Data LLC. The description stated the damage was caused by the furniture installers and he asked if the cost would be recovered from the contractor. Mr. Demko said he would check and report back at the next meeting.

Under the furniture and equipment category on page 4, Mr. Fagan noted a \$2,600 reimbursement to staff and asked if this purchasing practice had ended. Mr. Ma confirmed the purchase occurred prior to Mr. Wilder obtaining a Calcard. He added the staffmember requested authorization from Mr. Ma to make the purchase. Also on page 4, Mr. Fagan referred to two entries for Teracai for the purchase of CISCO catalyst equipment. The expense differed significantly between the two entries and he asked for the reason for the price differences. Mr. Ma said staff will research and report back. Mr. Fagan also

questioned the purchase of 25 Apple Mac Mini computers since the campus was using Thin Client. Dr. Garrison explained Thin Client was only being deployed in certain areas of campus. Mr. Ma added these computers were requested by a specific program as the software runs better on Apple equipment.

On page 6, under the swing space category, Mr. Fagan asked about the entry for Collins Electric Co. for the replacement of missing fire alarm devices and asked if the expense should be billed to another party. Mr. Demko said he will check with the construction manager. On page 8, under the infrastructure phase III project, Mr. Fagan noted the entries for Kleinfelder for special inspection services for the months of July, September, and October. He asked if the August billing was missing. Mr. Demko will research and report back.

It was moved by Mr. Cervantes, and seconded by Mr. Panetta to accept the March 31, 2012 bills and warrants report. Motion carried unanimously.

5. Bond Expenditure Status Report

Mr. Ma reviewed the format of the report and asked for comments. Chair Mulford asked about the Humanities/Business Humanities/Student Services project, noting the bond cost to date is 68% and the project is 35% complete. Mr. Demko explained the bond cost is based on \$2.5 million expenditures from the \$3.845 million budgeted from the bond. The project is 50% state funded so the total construction budget is actually \$7.69 million. The college carries the cost using the bond funds until the state reimbursement is received.

Mr. Demko reviewed the cost control report. He reported the Humanities/Business Humanities/Student Services project is on schedule and on budget. The Life Science/Physical Science project is under budget by \$2 million due to bid savings and he expected the project budget of \$14.5 million will be lowered to \$11 million. Mr. Demko said existing conduits were hit in the Gym project, but the repairs were handled within budget with no schedule impacts. The Education Center project is essentially complete and savings of \$1.9 million are anticipated. Mr. Demko said swing space should be added to the report as the costs are currently over budget.

6. Monterey County Treasurer's Investment Report

Mr. Ma reported the college's bond funds are deposited with the Monterey County Treasurer's Office. Although the principal is safe, the report for the quarter ending March 31, 2012 shows that current yields are low at 0.43 percent. Mr. Johnson asked if any strategies were linked to anticipation of higher yields. Mr. Ma's answer was no. In the past the college did anticipate greater earnings; however, interest accruals have not been budgeted.

7. Update on Facilities Projects, Timelines, and Schedules

Mr. Demko reviewed the status of active facility projects.

Humanities/Business Humanities/Student Services - Mr. Demko said the Humanities building renovation will begin in January, 2013 due to swing space needs. Following completion, the Business Humanities building will be demolished and parking added.

Theater – The project is progressing well. The biggest change order has been for the replacement of lights.

Life Science/Physical Science Buildings – Mr. Demko reported Life Science will move back into the building over the summer. Physical Science will be moved to the General Classrooms building. Renovation of the Physical Science building will begin with asbestos abatement in August.

Swing Space - Mr. Demko noted problems and challenges are occurring with swing space, such as the need for kilns and kitchens during the renovation of the Art Ceramics building and the Student Center, respectively.

Infrastructure - Mr. Demko said there is \$670,000 remaining from the \$6.46 million budget. He hoped additional funds will be available for parking lots.

Student Center – The architects, HGHB, are working on design drawings. The project has a \$4 million budget.

Arts Complex – Mr. Demko reported the drawings will be completed this summer. The budget seems inadequate to complete all three buildings. More modest improvements may be made rather than a complete remodel.

Music Building – Mr. Ma stated a different approach is being taken with this project. Most of the bond funds for the performing arts programs were allocated to the Theater project, with only \$1.2 million budgeted for the Music building. Outside funding will be sought to augment the Music building budget. The architect has developed a conceptual plan for \$5.5 million. The college plans to apply for state funding and develop a fundraising package.

8. Meeting Schedule

The next meeting is scheduled for Monday, August 6, 2012.

9. Suggestions for Future Agenda Topics and Announcements

A tour of the Education Center at Marina and the Seaside Public Safety Training Center is planned for August, with the meeting to be held at one of the locations.

Appreciation was expressed for the tour and the quality of the facility projects.

10. Adjournment

Chair Mulford adjourned the meeting at 3:13 p.m.

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
CITIZENS' BOND OVERSIGHT COMMITTEE
Monday, August 6, 2012

Follow-up Items from June 11, 2012 CBOC Meeting

Per the Meeting Minutes, #4 Accept Bills and Warrants Report:

1. Mr. Fagan also asked if the labor charges of \$175 on page 3 for moving a copier were normal and customary. Mr. Demko thought there was a warranty on the equipment and he will check.

Per staff: The copier was moved from the Marina Education Center to the Monterey campus. A truck was used and stairs were involved, so there was a charge for the move. If the copier had been moved from one building to another on campus without using a truck, there would not have been a charge.

2. Mr. Fagan followed with a question regarding repair of the floor by Telcom Data LLC. The description stated the damage was caused by the furniture installers and he asked if the cost would be recovered from the contractor. Mr. Demko said he would check and report back at the next meeting.

Staff reviewed this matter with Mike Carson, construction manager, Kitchell, and he said the invoice description was incorrect. He was uncertain who caused the problem because the computer tables at the Education Center at Marina have a flipped top. When the top was pushed downwards, the cables were damaged. The damage was caused by the hinge on the furniture.

3. Also on page 4, Mr. Fagan referred to two entries for Teracai for the purchase of CISCO catalyst equipment. The expense differed significantly between the two entries and he asked for the reason for the price differences. Mr. Ma said staff will research and report back.

Staff reviewed and the price differences are related to the number of ports the catalyst equipment has. The payment for \$12,584.72 was for the purchase of two catalysts with 48 ports each, for a total of 96 ports. This catalyst is a larger piece of the CISCO equipment. The payment for \$1,466.23 involved the purchase of one catalyst with 8 ports.

4. On page 6, under the swing space category, Mr. Fagan asked about the entry for Collins Electric Co. for the replacement of missing fire alarm devices and asked if the expense should be billed to another party. Mr. Demko said he will check with the construction manager.

Staff reviewed this item with Mike Carson, construction manager, Kitchell. He said design drawings are never perfect, and the lack of fire alarm devices was a "miss on the drawings," thus, the expense was appropriately billed.

5. On page 8, under the infrastructure phase III project, Mr. Fagan noted the entries for Kleinfelder for special inspection services for the months of July, September, and October. He asked if the August billing was missing. Mr. Demko will research and report back.

The August payment was made in October 2011 and reported on the December 31, 2011 Bills and Warrants Report, reviewed at the March 12, 2012 CBOC meeting.

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MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

Monday, August 6, 2012
1:30 PM – Committee Tour of Marina Education Center and
Seaside Public Safety Training Center Facilities
3:00 PM – Regular Meeting
Room 202, Seaside Public Safety Training Center
2642 Colonel Durham Road
Seaside, California

Meeting Minutes

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

ABSENT: Mr. Stewart Fuller
Mr. Bob Mulford, Chair
Ms. Patty Rossi

STAFF PRESENT: Ms. Rosemary Barrios, Controller
Dr. Douglas Garrison, Superintendent/President
Mr. Stephen Ma, Vice President for Administrative Services
Ms. Vicki Nakamura, Assistant to the President

OTHERS PRESENT: Mr. Joe Demko, Kitchell

The Committee convened at 1:30 PM for a tour of the Marina Education Center and Seaside Public Safety Training Center facilities, both projects funded by the bond.

1. Call to Order

The regular meeting of the Citizens' Bond Oversight Committee of Monterey Peninsula College was called to order at 2:56 PM by Vice Chair Fagan.

2. Public Comment

There were no public comments.

3. Approval of June 11, 2012 Minutes

A handout was distributed to the committee and Mr. Ma provided follow up on questions in the minutes regarding expenditures on the bills and warrants report.

Motion to approve the minutes of June 11, 2012, incorporating the responses regarding expenditures, was made by Mr. Reimers and seconded by Mr. Johnson. Mr. Heuer abstained from the vote. Motion carried unanimously.

4. Accept Bills and Warrants Report

Mr. Ma presented the June 30, 2012 report and asked for questions.

Mr. Cruzan asked about the difference between a retention payment and a payment application for the new Student Services building on page 1. Mr. Demko explained the contractor is paid only 90%, with 10% held in retention. The retention may be handled in different ways.

Mr. Reimers noted several billings to U.S. Bank Service Center and asked for further information. Ms. Barrios responded the state has a contract with U.S. Bank to provide agencies with credit card service, known as the Cal-Card. Employees are able to use the Cal-Card for business purchases instead of using personal funds requiring reimbursement. Vice Chair Fagan commented the U.S. Bank entries do not say where the equipment was purchased. Ms. Barrios said she will include the vendor information on future reports.

Mr. Heuer requested information on the authorization process for Cal-Card purchases. It was explained that typically, approval is provided by the department head. For new buildings, department heads submit requests through Kitchell, and Mr. Ma approves payment. Mr. Heuer followed with a question regarding why spur of the moment purchases were necessary. Mr. Ma responded that equipment purchases are not part of the construction contract. Many vendors do not accept purchase orders; a Cal-Card may be the only way to make a purchase.

Mr. Heuer also questioned a travel reimbursement on page 2 for the architect for the music facilities project. Mr. Ma stated the District agreed to pay reimbursables to the architect, who is located outside of the area. Mr. Demko added that the usual practice is for project architects to include meetings as part of their fee; however, this contract is an unusual case. Vice Chair Fagan advised describing why the contract is different. Dr. Garrison explained the District required specific expertise for the music facilities project and the best architect was sought to address the specialized needs of the music program.

Questions were asked regarding equipment purchases on page 3 for the Humanities and Student Supportive Services building. Mr. Panetta asked about the purchase of floor lamps for the humanities conference room. Mr. Demko said the room lighting met specifications, but staff stated the light was inadequate. Vice Chair Fagan inquired about the difference between making a space ready versus a department's use of the space. He pointed to a purchase of standard footrests from Office Depot. Mr. Ma responded an ergonomic review recommended this purchase. Mr. Heuer commented he doesn't dispute the value of ergonomic equipment, but he expressed concern that 20-year bond funding is being used to customize workspace for employees who may leave the District. He said the department budget should fund this purchase. Mr. Fagan asked if this type of purchase was appropriate from the bond. Mr. Ma said keyboard trays and chairs have also been

purchased to address ergonomic issues. Mr. Heuer stated there should be one workspace standard established.

Mr. Cruzan noted the expenditure for cleaning of athletic uniforms under the swing space category on page 5 and asked why this service was a bond expense. Mr. Demko stated the expense was related to the renovation of the first floor of the Physical Education building where the team washers were located. It was more cost effective to send the uniforms out for cleaning rather than modify swing space to use the washers.

Dr. Ear referred to a purchase of a refrigerator for life science for \$3,027.78 on page 4 from Monterey Bay Restaurant Supply and the purchase of three refrigerators, one washer and dryer, and one microwave at \$3,702.25 on page 5. He asked why there was a difference in the cost. Dr. Garrison replied the equipment purchased is driven by the needs of the anatomy and physiology programs.

The purchase of 36 AppleCare protection plans on page 5 was questioned. Vice Chair Fagan noted the purchase of computers was not on the same list. Mr. Heuer stated his concern about using long-term bond funds for one year service contracts. Mr. Ma said he would get the specifics on the purchase. Mr. Heuer indicated he brought up the same issue of using bond funds for operational expenses at the first or second meeting of the committee during his first tenure. Dr. Garrison said staff would research and seek input from the Board of Trustees.

Vice Chair Fagan asked if the expense on page 8 from Cardinale Moving and Storage Co. for moving the Kitchell office from the Marina Education Center back to the Monterey campus was appropriate. Mr. Demko stated Kitchell has never charged reimbursable expenses. He said there is no rate mark-up if the District handles office set up and moving expenses.

On page 9 of the report, Mr. Fagan noted the purchase of 27 Houston receptacles. He asked if these were trashcans. Staff will research and report back. Also on page 9, Mr. Panetta questioned the overtime expense for Collins Electric. Mr. Demko said the District preferred the work to be done on the weekend to maintain service to the campus.

Vice Chair Fagan asked about the Wasson's Cleaning expense on page 10 and why campus janitorial service was not used. Mr. Demko explained custodians are not responsible for buildings under construction. When a building is completed, a final cleaning is done before the facility is turned over to the District. As this expense was for the Humanities and Student Supportive Services building, part of a state-funded project, Mr. Demko noted the state would pay for half of the expense.

Vice Chair Fagan also questioned the Val's Plumbing expense on page 11 and asked why the service was not included in the installation of the equipment. Mr. Demko said the problem needed to be fixed and he will negotiate later regarding reimbursement.

Mr. Cruzan noted there were expenditures for HGHB Architects on page 1 for design services for the Arts Complex for the months of February, April, and May. He asked if the March billing was missing. Mr. Demko said it was possible that two months may have been combined on one invoice. Ms. Barrios said she would check and report back.

It was moved by Mr. Cervantes, and seconded by Mr. Panetta to accept the June 30, 2012 bills and warrants report. Motion carried unanimously.

5. Bond Expenditure Status Report

Mr. Ma reported two projects, Auto Technology building and Business, Math, Computer Science, had been moved from the in process category to the completed projects listing. He noted there was increasing activity in the Arts Complex and Music Facilities projects to reflect recent planning efforts. Ms. Barrios added the General Contingency Budget was increased by amounts remaining from the Auto Technology and Business, Math, Computer Science projects.

6. Update on Facilities Projects, Timelines, and Schedules

Mr. Demko reviewed the status of active facility projects.

Humanities/Business Humanities/Student Services - Mr. Demko said the Humanities building renovation will begin in January, 2013 due to swing space needs. Following completion, the Business Humanities building will be demolished and parking added.

Theater – The project is progressing. The upper floors have been painted and the ceiling system with all light fixtures has been installed. Heating and ventilation work is also underway.

Life Science/Physical Science Buildings – Mr. Demko reported the Life Science building is complete. Physical Science programs are moving to the General Classrooms Building and temporary modular for swing space and the building is undergoing hazardous materials abatement. The Physical Science building renovation will be completed by June 2013.

Gym 1st Floor – The contractor has accelerated the schedule. The interior is being painted and all windows have been installed.

Swing Space - Mr. Demko noted there were information technology issues needing resolution.

Pool/Tennis Courts - Mr. Demko said the pool renovation is on hold until the Gym project is completed.

Student Center – The architects, HGHB, are working on design drawings. He noted there was an issue regarding whether to include food service operations in the building.

Arts Complex – Mr. Demko reported designs have been completed on two buildings. The budget seems inadequate to complete all three buildings.

Music Building – The architect has developed a conceptual plan. Fundraising will be necessary to address the full project scope as the budget is insufficient. The college plans to apply for state funding for part of the project.

Dr. Garrison asked what the General Classrooms building will house after the Physical Science renovation is completed. Mr. Demko replied the building will provide swing space while the Arts Complex and Student Center projects are underway. He noted earlier plans included demolition of the General Classrooms building. Swing space needs will eventually decline after summer 2014.

7. Meeting Schedule

The next meeting is scheduled for Monday, November 5, 2012 and is the annual organizational meeting. The draft annual report will be reviewed and a group photograph will also be taken at the meeting.

8. Suggestions for Future Agenda Topics and Announcements

There were none.

9. Adjournment

Vice Chair Fagan adjourned the meeting at 4:01 p.m.

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MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
CITIZENS' BOND OVERSIGHT COMMITTEE
Monday, November 5, 2012

Follow-up Items from August 6, 2012 CBOC Meeting

Per the Meeting Minutes, #4 Accept Bills and Warrants Report:

1. On page 9 of the report, Mr. Fagan noted the purchase of 27 Houston receptacles. He asked if these were trashcans. Staff will research and report back.

Per Kitchell staff: These items are exterior trash receptacles and have an indefinite lifespan. Photo below:



2. The purchase of 36 AppleCare protection plans on page 5 was questioned. Vice Chair Fagan noted the purchase of computers was not on the same list. Mr. Heuer stated his concern about using long-term bond funds for one year service contracts. Mr. Ma said he would get the specifics on the purchase. Mr. Heuer indicated he brought up the same issue of using bond funds for operational expenses at the first or second meeting of the committee during his first tenure. Dr. Garrison said staff would research and seek input from the Board of Trustees.

This issue is on the CBOC agenda as a separate item.

3. Mr. Cruzan noted there were expenditures for HGHB Architects on page 1 for design services for the Arts Complex for the months of February, April, and May. He asked if the March billing was missing. Mr. Demko said it was possible that two months may have been combined on one invoice. Ms. Barrios said she would check and report back.

Per staff: The March payment to HGHB was made on 4/26/12 for \$22,400. The invoice was not included on the quarterly report, for the period ending June 30, 2012, because it was not attached to the purchase order. Staff will include the March invoice on the next quarterly report, for the period ending December 31, 2012.