



MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

Monday, June 15, 2015
1:30 PM – Committee Tour of Campus Bond Projects
3:00 PM – Regular Meeting
Sam Karas Room, Library and Technology Center
Monterey Peninsula College
980 Fremont Street
Monterey, California

Meeting Agenda

1. **Call to Order**
2. **Public Comment**
Members of the audience wishing to address the Citizens' Bond Oversight Committee may do so during the public comment period. Under provisions of the Brown Act, the committee is prohibited from discussing or taking action on oral requests that are not part of the agenda. Comments are limited to three minutes per person or as determined by the committee.
3. **Introductions and Staff Update** INFORMATION
Mr. Hunter Harvath, representing the Monterey County Hospitality Association, will be introduced. Dr. Tribley will provide an update on administrative staff.
4. **Approval of March 9, 2015 Minutes** ACTION
Follow-up items will be reviewed with the meeting minutes.
5. **Accept Bills and Warrants Report** ACTION
The list of payments from bond funds expended through March 31, 2015 will be reviewed for acceptance by the committee.
6. **Bond Expenditure Status Report and Cost Control Report** INFORMATION
The March 31, 2015 bond expenditure status report will be reviewed with the committee.

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| 7. Monterey County Treasurer's Investment Report Series B and C bonds were issued by the district in 2008 and invested with the Monterey County Treasurer's office. The Treasurer's Report of Investments for the quarter ending March 31, 2015 provides the status of these investments. | INFORMATION |
| 8. Update on Facilities Projects | INFORMATION |
| 9. Membership Update | INFORMATION |
| 10. Meeting Schedule Future meetings are scheduled for: <ul style="list-style-type: none">• Monday, August 10, 2015• Monday, November 2, 2015 (Annual Organizational Meeting) | INFORMATION |
| 11. Suggestions for Future Agenda Topics and Announcements | |
| 12. 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/about-mpc/campus-information/mpc-bond-measure/citizen-s-bond-oversight-committee/meeting-agenda-minutes>, 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 10, 2015



MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

Monday, March 9, 2015
3:00 PM – Regular Meeting
Sam Karas Room, Library and Technology Center
Monterey Peninsula College
980 Fremont Street
Monterey, California

Meeting Minutes

MEMBERS PRESENT: Mr. Wayne Cruzan, Vice Chair
Mr. Thomas Gaspich
Mr. Rick Heuer
Mr. Birt Johnson, Jr.
Ms. Sharon Larson
Mr. Rob Lee
Mr. James Panetta, Chair
Mr. Maury Vasquez

ABSENT: Mr. Hunter Harvath

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

OTHERS PRESENT: Mr. Michael Carson, Kitchell

1. Call to Order

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

2. Introduction of New Members

A handout was provided with background information on the new members. Dr. Tribley asked each of the new members, Ms. Larson, Mr. Lee, and Mr. Gaspich to introduce themselves to the committee, reporting that Mr. Harvath was unable to attend when the meeting was rescheduled. Ms. Larson and Mr. Lee both noted they were former MPC students.

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 which amended the California Constitution. 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 an annual independent financial and performance audit. He noted Proposition 39 amended Education Code to include the powers of the oversight committee.

Mr. Casnocha then reviewed the committee's Bylaws. Section 2 specifies that the committee's activities are subject to the Brown Act; all committee business must be conducted in public. Only items appearing on the meeting agenda may be discussed. He stated the Brown Act prohibits serial meetings where one member talks to a second member who then talks to a third member resulting in agreement on an issue. He cautioned against engaging in discussion of committee business outside of the regular meetings.

He noted section 3 describes the key functions of the committee, with the primary purpose being to review expenditure reports to determine that bond funds are spent only for purposes authorized in Measure I. The project list, Exhibit B, of the district's bond resolution, provides the types of projects approved by the voters for bond expenditure. Mr. Casnocha stated a project may not be expressly described in Exhibit B; however, if it corresponds with the types of projects listed, then the project is recognized as authorized. He explained the legislature realized that district needs change over time. 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 stated bond funds cannot be used for operations nor for administrator or teacher salaries. He indicated the state attorney general issued an opinion that bond funding may be used for staff who administer bond funds for the District. MPC has not used funds for this purpose.

Another key function of the committee described in Section 3 is to inform the public of the committee's activities and District expenditure of bond funds. Mr. Casnocha noted this communication should be accomplished through the committee chair and reflect the committee as a whole. He provided examples of how information could be provided, such as through the committee website or through an annual report presented in a public meeting. 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. All annual reports are posted on the website and new members may have suggestions for a different style. He stated annual reports are generally provided at the end of the year, but the committee may want to change the date to allow for submission after the Proposition 39 financial audit reports are received.

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 is to receive the annual financial audit and performance reports. He noted a recent legislative change that requires the committee to receive the audits at the same time as the District. To comply with this provision, Mr. Casnocha advised the audit reports be emailed to the committee at the time of receipt. He said the Bylaws will need a new section that specifies the

committee has the right to receive District responses to audit findings or qualifications within three months of receipt of the audit.

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, such as applying for state matching funds.

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 said there has been a recent legislative change and committee members may now serve three consecutive terms. In addition, a member whose term has expired may continue serving until a replacement has been appointed.

Section 7 regarding District support for the committee was reviewed. Under 7.2 regarding meeting attendance of District staff and consultants, Mr. Casnocha advised members to request the District auditor to attend if they are unfamiliar with bond audit reports.

Mr. Casnocha concluded his review of the Bylaws with Section 11 regarding termination of the committee. He stated this section needs to be revised to state the committee will remain in existence through the fiscal year after the last bond dollar has been spent.

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. Mr. Lee asked if the Brown Act applies to emails. Mr. Casnocha responded that using e-mail to discuss committee matters is also a violation of the Brown Act.

Mr. Casnocha advised the committee to ask staff to contact him if there are further questions regarding the committee's duties or the Brown Act. He said there would be no charge for these inquiries.

6. Approval of November 17, 2014 Minutes

A handout providing follow-up to questions recorded in the minutes of the November 17 meeting regarding the bills and warrants report was distributed and reviewed. Mr. Davis explained staff is still determining the market value of the portable trailers, particularly the mobile kitchen. If available, information will be provided at the next meeting.

Motion made by Mr. Johnson, seconded by Vice Chair Fagan, to approve the minutes of November 17, 2014 meeting, as amended by the follow-up document. Motion carried unanimously.

| | | |
|----------|------------|--|
| AYES: | 8 MEMBERS: | Cruzan, Gaspich, Heuer, Johnson, Larson, Lee, Panetta, Vasquez |
| NOES: | 0 MEMBERS: | None |
| ABSENT: | 1 MEMBERS: | Harvath |
| ABSTAIN: | 0 MEMBERS: | None |

7. Accept Bills and Warrants Report

Chair Panetta advised the report would be reviewed by page and invited questions. On page 1, Mr. Heuer asked about the vendor, Palace Art and Office Supply, providing labor. Mr. Carson explained the vendor is a contractor and provided custom cabinetry for the art buildings project.

Regarding the furniture and equipment purchases on page 2, Chair Panetta asked about the darkroom enlarger. Mr. Carson said three enlargers were purchased for use by photography classes at a total cost of \$3500. Mr. Heuer inquired about the purchase for the TRIO conference room and the skeleton model. Mr. Carson said the TRIO program is located in the Student Center and the skeleton was purchased for use by the art program. He noted the furniture and equipment category covers several different projects. Occasionally a bond project, such as one that has a state funding match, has its own equipment budget.

On page 4, Mr. Heuer questioned the expense for Matthew Lattanzio under the miscellaneous category. Mr. Davis explained Mr. Lattanzio was working as an information technology consultant for the District. Ms. Nakamura added the miscellaneous grouping is being used as a holding category while a new infrastructure project is further defined by the District. These expenses will then be moved under the project.

On page 5, Mr. Johnson noted there was no new expense for the period under the closed project, the Public Safety Training Center renovation. However, on page 3, under the bond program management category, there is a Division of State Architect (DSA) re-opening fee for the project. Mr. Carson explained approval of a skylight was needed to close out the project and a fee to re-open the project with DSA was required.

There were no further questions regarding the report.

It was moved by Mr. Heuer and seconded by Mr. Johnson to accept the December 31, 2014 bills and warrants report. Motion carried unanimously.

| | | |
|----------|------------|--|
| AYES: | 8 MEMBERS: | Cruzan, Gaspich, Heuer, Johnson, Larson, Lee, Panetta, Vasquez |
| NOES: | 0 MEMBERS: | None |
| ABSENT: | 1 MEMBERS: | Harvath |
| ABSTAIN: | 0 MEMBERS: | None |

8. Bond Expenditure Status Report

Chair Panetta asked for questions on the December 31, 2014 bond expenditure status report.

Mr. Heuer observed the balance on the pool and tennis court renovation project was large. He asked if the surplus will be used to cover cost overruns on other projects. Mr. Carson responded yes; however, the total project expense still needs to be reviewed and finalized.

With construction listed as 100% complete and a large balance remaining, Ms. Larson asked if less work was done on the Arts Complex project than originally planned. Mr. Carson explained the Arts Complex was a larger project that included the renovation of the Art-Studio and Art-Ceramics buildings, which has been completed. Also included was the HVAC repair and re-roofing of the Art-Dimensional building, estimated at \$950,000, that remains to be done. Ms. Larson suggested

separating the Arts Complex project into phases, with the work completed to be identified as Phase I. Mr. Davis stated the major portion of the project has been done and the other piece could be broken out as a separate phase to allow close out of the completed portion. Mr. Johnson and Chair Panetta concurred with Ms. Larson's suggestion to separate the project into 2 phases. The next report should reflect this change.

9. Bond Auditors' Reports for 2013-14

Mr. Davis stated the external auditor which prepared the bond audits also handles the District financial audit. He said the Board of Trustees have reviewed the reports. Mr. Davis noted the auditor performed extensive testing of bond transactions and found the expenditures to be for authorized bond projects. Mr. Lee commented that the Schedule of Finding and Questioned Costs reported no findings, an impressive result given the amount of transactions made for the year.

10. Monterey County Treasurer's Investment Report

The December 31, 2014 investment report was shared with the committee for information. Mr. Davis commented the County Treasurer keeps the pool of funds liquid as funds need to be available in a short timeframe. The District is not getting much investment return currently, but the District is getting safety.

11. Meeting Schedule

The meeting schedule was reviewed, with future meetings scheduled on:

- Monday, June 15, 2015
- Monday, August 10, 2015
- Monday, November 2, 2015 (Annual Organizational Meeting)

12. Suggestions for Future Agenda Topics and Announcements

A tour of facilities projects funded by the bond was proposed prior to the next meeting for both new and current committee members.

Dr. Tribley noted Mr. Johnson presented the Committee's annual report to the Board. Mr. Johnson said the Board was supportive and appreciative of the Committee's work.

Mr. Heuer complimented the District for the good organization of the bond program.

13. Adjournment

Motion was made by Mr. Heuer and seconded by Mr. Johnson to adjourn the meeting at 4:15 PM. Motion carried unanimously.

| | | |
|----------|------------|--|
| AYES: | 8 MEMBERS: | Cruzan, Gaspich, Heuer, Johnson, Larson, Lee, Panetta, Vasquez |
| NOES: | 0 MEMBERS: | None |
| ABSENT: | 1 MEMBERS: | Harvath |
| ABSTAIN: | 0 MEMBERS: | None |

| Monterey Peninsula College | | |
|------------------------------------|---|--|
| Bills & Warrants Report | | |
| Through March 31, 2015 | | |
| Vendor Name | Description of service or purchase | Amount Paid |
| | | <i>Total Expense at December 31, 2014</i> |
| <u>Student Center</u> | | <i>\$6,150,481.44</i> |
| | No new expense this period. | <u>\$0.00</u> |
| | | To Date Expense through March 31, 2015 |
| | | <u>\$6,150,481.44</u> |
| | | |
| | | <i>Total Expense at December 31, 2014</i> |
| <u>Arts Complex</u> | | <i>\$3,671,056.55</i> |
| Alpha Electric | Labor and materials to install 4 new 20amp 208 volt 2-pole circuit, circuit breaker, and receptacle at the Art-Ceramic building for the clay mixer. | \$525.85 |
| Alpha Electric | Labor and materials to install: air compressor in Art-Ceramic building, install motor rated switch, install concrete anchor bolts, and establish new 20amp 120v circuit on existing 20amp circuit breaker in panel DAC. | \$537.60 |
| HGHB | Professional design services consisting of: post construction services. Service from August 1, 2014 to November 30, 2014. | \$8,000.00 |
| | | To Date Expense through March 31, 2015 |
| | | <u>\$3,680,120.00</u> |
| | | |
| | | <i>Total Expense at December 31, 2014</i> |
| <u>Music Building</u> | | <i>\$23,770.35</i> |
| | No new expense this period. | <u>\$0.00</u> |
| | | To Date Expense through March 31, 2015 |
| | | <u>\$23,770.35</u> |
| | | |
| | | <i>To Date Expense through December 31, 2014</i> |
| | | <i>\$3,810,035.95</i> |
| | No new expense this period. | <u>\$0.00</u> |
| | | To Date Expense through March 31, 2015 |
| | | <u>\$3,810,035.95</u> |
| | | |
| | | <i>To Date Expense through December 31, 2014</i> |
| <u>Pool Building</u> | | <i>\$339,697.61</i> |
| HGHB | Professional design services consisting of: post construction services. Service from September 1, 2014 to January 31, 2015. | \$1,014.00 |
| | | To Date Expense through March 31, 2015 |
| | | <u>\$340,711.61</u> |

| Monterey Peninsula College | | |
|--|---|------------------------------|
| Bills & Warrants Report | | |
| Through March 31, 2015 | | |
| Vendor Name | Description of service or purchase | Amount Paid |
| <u>Pool/Tennis Court Renovation</u> | | |
| | <i>To Date Expense through December 31, 2014</i> | \$1,703,335.49 |
| | No new expense this period. | \$0.00 |
| | To Date Expense through March 31, 2015 | <u>\$1,703,335.49</u> |
| <u>Furniture/Equipment</u> | | |
| | <i>To Date Expense through December 31, 2014</i> | \$5,332,329.62 |
| Contrax | Purchase of: 1 ARC work surface table for the TRIO office, and 1 rectangular training table for the Veterans Center. | \$1,074.31 |
| Peninsulators | Vendor provided and installed 7 Mechoshade 6002 3% Cornsilk wall mounts and clear aluminum fascia in the Veterans Center. | \$3,396.00 |
| US Bank -Home Depot | Purchase of: 2 plastic vertical storage sheds for bread and pastry deliveries for early morning delivery to cafeteria. | \$375.35 |
| | To Date Expense through March 31, 2015 | <u>\$5,337,175.28</u> |
| <u>Swing Space</u> | | |
| | <i>To Date Expense through December 31, 2014</i> | \$5,777,350.31 |
| | No new expense this period. | \$0.00 |
| | To Date Expense through March 31, 2015 | <u>\$5,777,350.31</u> |
| <u>General Institutional Bond Mgmt.</u> | | |
| | <i>To Date Expense through December 31, 2014</i> | \$5,692,241.13 |
| American Reprographics | PlanWell monthly user fee. Invoice 1097157. | \$52.25 |
| American Reprographics | PlanWell monthly user fee. Invoice 1112233. | \$54.86 |
| American Reprographics | PlanWell monthly user fee. Invoice 1063583. | \$52.25 |
| American Reprographics | PlanWell monthly user fee: Invoice 1144218. | \$54.86 |
| American Reprographics | PlanWell monthly user fee. Invoice 1128539. | \$54.86 |
| | To Date Expense through March 31, 2015 | <u>\$5,692,510.21</u> |

| Monterey Peninsula College | | |
|--|--|------------------------|
| Bills & Warrants Report | | |
| Through March 31, 2015 | | |
| Vendor Name | Description of service or purchase | Amount Paid |
| <u>Theater Building</u> | | |
| | <i>To Date Expense through December 31, 2014</i> | \$10,382,736.18 |
| | No new expense this period. | \$0.00 |
| | To Date Expense through March 31, 2015 | \$10,382,736.18 |
| <u>Infrastructure Phase III</u> | | |
| | <i>To Date Expense through December 31, 2014</i> | \$6,458,266.36 |
| | No new expense this period. | \$0.00 |
| | To Date Expense through March 31, 2015 | \$6,458,266.36 |
| <u>PSTC Parker Flats</u> | | |
| | <i>To Date Expense through December 31, 2014</i> | \$70,498.52 |
| | No new expense this period. | \$0.00 |
| | To Date Expense through March 31, 2015 | \$70,498.52 |
| <u>Humanities, Bus-Humanities, Student Services</u> | | |
| | <i>To Date Expense through December 31, 2014</i> | \$3,542,605.60 |
| Division of State Architect | Construction change review fees for the Humanities and former Student Services buildings project. | \$58.80 |
| HGHB | Professional design services consisting of: post construction services. Service from July 1, 2014 to July 31, 2014. | \$378.80 |
| | To Date Expense through March 31, 2015 | \$3,543,043.20 |
| <u>Life Science & Physical Science</u> | | |
| | <i>To Date Expense through December 31, 2014</i> | \$10,831,744.72 |
| HGHB | Professional design services consisting of: post construction services. Service from August 1, 2014 to January 31, 2015. | \$456.35 |
| | To Date Expense through March 31, 2015 | \$10,832,201.07 |
| <u>Miscellaneous</u> | | |
| | <i>To Date Expense through December 31, 2014</i> | \$61,738.00 |
| | No new expense this period. | \$0.00 |
| | To Date Expense through March 31, 2015 | \$61,738.00 |

| Monterey Peninsula College | | |
|---|---|-----------------|
| Bills & Warrants Report | | |
| Through March 31, 2015 | | |
| | | Amount |
| Vendor Name | Description of service or purchase | Paid |
| <u>Closed Projects</u> | | |
| Old Library | | \$21,279.52 |
| Early Start - Walkway/Safety Improvements | | \$225,630.18 |
| Early Start -Telephone System Upgrades | | \$599,414.48 |
| Early Start - As Built Drawings | | \$209,792.00 |
| Early Start - Roof Repairs | | \$480,255.64 |
| Early Start - HVAC Repairs | Social Science/Computer Science buildings. | \$618,538.68 |
| Early Start - Landscaping | Library technology area. | \$438,292.96 |
| Early Start - Vehicles | | \$187,070.27 |
| Early Start - Master Signage Plan | | \$53,890.42 |
| Early Start - Auto Technology Bldg | HVAC replacement. | \$16,443.00 |
| Drafting Bldg | Furnace replacement. | \$13,974.00 |
| Early Start - New Plant Services Bldg | Costs over state funding for new building. | \$487,574.35 |
| Early Start - Demolition of Old Plant Services Bldg | | \$63,521.68 |
| Environmental Impact Report - Campus | | \$154,162.67 |
| Business & Computer Science Bldg | Seismic design. | \$7,981.84 |
| Humanities Bldg | Seismic design. | \$16,375.04 |
| International Center Bldg | Blue Prints. | \$14.71 |
| Physical Science Bldg | Architectural Services, for potential elevator replacement. | \$6,986.44 |
| Life Science Bldg | Architectural Services, for potential elevator replacement. | \$7,793.83 |
| Pool/Tennis Courts | Preliminary architectural services. | \$206.00 |
| Physical Education Facility | | \$1,488,294.29 |
| PE Field/Track | | \$14,848,446.67 |
| Fitness Phase IB | | \$899,827.93 |
| College Center Renovation | | \$23,608.41 |
| Social Science Renovation | | \$863,696.74 |
| Music/Theater Building | | \$22,732.50 |
| Family and Consumer Science | | \$67,671.12 |
| Gymnasium Building | Floor/Seismic/Bleachers. | \$877,847.00 |
| Lecture Forum Renovation | | \$2,117,203.20 |

| Monterey Peninsula College | | |
|---|---|--------------------------------|
| Bills & Warrants Report | | |
| Through March 31, 2015 | | |
| | | Amount |
| Vendor Name | Description of service or purchase | Paid |
| <u>Closed Projects (continued)</u> | | |
| Child Development Center | | \$1,029,198.71 |
| Infrastructure/Parking | | \$20,886,001.04 |
| Infrastructure 2 | | \$2,481,606.93 |
| New Administration/Old Library Building | | \$4,712,191.10 |
| Public Safety Training Center Renovation | | \$7,478,201.30 |
| Auto Technology Building Renovation | | \$958,602.22 |
| Business & Computer Science (includes Math) | | \$2,215,417.93 |
| New Student Services Building | | \$9,681,388.03 |
| New Education Center at Marina | | \$8,159,654.52 |
| | To Date Expense (Closed Projects) through March 31, 2015 | <u>\$82,420,787.35</u> |
| | | |
| | Total Payments (Closed Projects, Under Construction, and Planned Projects) | <u>\$146,284,761.32</u> |
| | | |
| | | |

BOND EXPENDITURE REPORT 3/31/15

| Total Budget With Other Funds | Projects | A Total Bond Budget | B Total Bond Prior Year Expenses | C 2014-2015 | A-B-C | (B+C)/A | |
|-------------------------------|--|------------------------|-------------------------------------|----------------------------|---------------------|-------------|-------------------------|
| | | | | Year to Date Bond Payments | Bond Budget Balance | % Bond Cost | % Construction Schedule |
| | In Process | | | | | | |
| \$4,724,000 | Arts Complex | \$4,724,000 | \$3,262,984 | \$417,136 | \$1,043,880 | 78% | 100% |
| \$5,952,000 | College Center Renovation | \$5,952,000 | \$5,715,128 | \$435,353 | (\$198,481) | 103% | 100% |
| \$5,685,000 | Furniture & Equipment | \$5,685,000 | \$4,873,368 | \$463,807 | \$347,825 | 94% | 99% |
| \$6,614,000 | Humanities, Bus-Hum, Student Services | \$3,296,000 | \$3,524,268 | \$18,775 | (\$247,043) | 107% | 100% |
| \$6,466,000 | Infrastructure - Phase III | \$6,466,000 | \$6,450,503 | \$7,763 | \$7,734 | 100% | 100% |
| \$10,750,000 | Life Science/Physical Science | \$10,750,000 | \$10,831,744 | \$457 | (\$82,201) | 101% | 100% |
| \$3,830,000 | PE Phase II - Gym/Locker Room Renov. | \$3,830,000 | \$3,804,104 | \$5,932 | \$19,964 | 99% | 100% |
| \$2,640,519 | Pool/Tennis Courts Renovation | \$2,640,519 | \$2,013,583 | \$30,464 | \$596,472 | 77% | 100% |
| \$5,800,000 | Swing Space / Interim Housing | \$5,800,000 | \$5,737,079 | \$40,271 | \$22,650 | 100% | 99% |
| \$10,400,000 | Theater | \$10,400,000 | \$10,382,736 | \$0 | \$17,264 | 100% | 100% |
| \$0 | Miscellaneous | \$0 | \$0 | \$61,738 | | | |
| \$0 | General Contingency | \$0 | \$0 | \$0 | \$0 | 0% | 0% |
| \$62,861,519 | Total in Process | \$59,543,519 | \$56,595,497 | \$1,481,696 | \$1,528,064 | | |
| | Future | | | | | | |
| \$1,200,000 | Music | \$1,200,000 | \$23,770 | \$0 | \$1,176,230 | 2% | 0% |
| \$12,000,000 | PSTC Parker Flats | \$6,000,000 | \$70,500 | \$0 | \$5,929,500 | 1% | 0% |
| \$13,200,000 | Total Future | \$7,200,000 | \$94,270 | \$0 | \$7,105,730 | | |
| | Completed | | | | | | |
| \$1,057,576 | Early Start/Completed-HVAC Repairs | \$618,539 | \$618,539 | \$0 | \$0 | 100% | 100% |
| \$2,965,574 | Early Start/Completed-New Plant Serv Bldg | \$487,574 | \$487,574 | \$0 | \$0 | 100% | 100% |
| \$599,414 | Early Start/Completed-Telephone System | \$599,414 | \$599,414 | \$0 | (\$0) | 100% | 100% |
| \$67,671 | Family Consumer Science | \$67,671 | \$67,671 | \$0 | \$0 | 100% | 100% |
| \$1,517,774 | Gym - floor/seismic/bleachers | \$877,847 | \$877,847 | \$0 | \$0 | 100% | 100% |
| \$2,481,607 | Infrastructure - Phase II | \$2,481,607 | \$2,481,607 | \$0 | \$0 | 100% | 100% |
| \$20,886,001 | Infrastructure - Phase I | \$20,886,001 | \$20,886,001 | \$0 | \$0 | 100% | 100% |
| \$2,117,203 | Lecture Forum Renovation | \$2,117,203 | \$2,117,203 | \$0 | \$0 | 100% | 100% |
| \$7,427,191 | New Admin / Old Library Renovation | \$4,712,191 | \$4,712,191 | \$0 | (\$0) | 100% | 100% |
| \$5,413,198 | New Child Development Center Bldg | \$1,029,198 | \$1,029,198 | \$0 | \$0 | 100% | 100% |
| \$21,420,211 | Other Early start / completed | \$1,950,012 | \$1,950,012 | \$0 | \$0 | 100% | 100% |
| \$17,336,569 | PE Field Track, Fitness Building | \$17,236,569 | \$17,236,569 | \$0 | \$0 | 100% | 100% |
| \$863,697 | Social Science Renovation (inc. Seismic) | \$863,697 | \$863,697 | \$0 | \$0 | 100% | 100% |
| \$7,478,201 | Public Safety Training Center Renov. | \$7,478,201 | \$7,478,201 | \$0 | \$0 | 100% | 100% |
| \$1,000,000 | Auto Technology Building | \$958,602 | \$958,602 | \$0 | (\$0) | 100% | 100% |
| \$2,300,000 | Business Computer Science | \$2,215,418 | \$2,215,418 | \$0 | \$0 | 100% | 100% |
| \$8,300,000 | New Ed Center Building at Marina | \$8,300,000 | \$8,159,654 | \$0 | \$0 | 98% | 100% |
| \$9,700,000 | New Student Services Building | \$9,700,000 | \$9,681,388 | \$0 | \$0 | 100% | 100% |
| \$112,931,887 | Total Completed | \$82,579,744 | \$82,420,787 | \$0 | (\$1) | | |
| \$188,993,406 | Total All Projects | \$149,323,263 | \$139,110,554 | \$1,481,696 | \$8,633,793 | | |
| | General Institutional-Bond Management | | \$5,635,768 | \$56,742 | | | |
| | | | \$144,746,322 | \$1,538,438 | | | |
| | Total Bond Funds Spent to Date | | \$146,284,760 | | | | |



Monterey County

Board Order

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Upon motion of Supervisor Parker, seconded by Supervisor Armenta and carried by those members present, the Board of Supervisors hereby:

Received and accepted the Treasurer's Report of Investments for the quarter ending March 31, 2015.

PASSED AND ADOPTED on this 28th day of April 2015, by the following vote, to wit:

AYES: Supervisors Armenta, Phillips, Salinas, Parker and Potter

NOES: None

ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 78 for the meeting on April 28, 2015.

Dated: April 29, 2015
File ID: 15-0398

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By Denise Hancock
Deputy



Monterey County

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Board Report

Legistar File Number: 15-0398

April 28, 2015

Introduced: 4/17/2015

Current Status: Consent Agenda

Version: 1

Matter Type: General Agenda Item

Receive and Accept the Treasurer's Report of Investments for the quarter ending March 31, 2015.

RECOMMENDATION:

It is recommended that the Board of Supervisors:
Receive and Accept the Treasurer's Report of Investments for the quarter ending March 31, 2015.

SUMMARY:

Government Code Section 53646 (b) (1) states the Treasurer may submit a quarterly report of investments. The attached exhibits provide a narrative portfolio review of economic and market conditions that support the investment activity during the January - March period, the investment portfolio positions by investment type, a listing of historical Monterey County Treasury Pool yields versus benchmarks, and the investment portfolio by maturity range.

DISCUSSION:

During the January to March quarter, short term Treasury yields moved lower with yield decreasing by as much as 28 basis points in the 5 year range. At the March Federal Open Market Committee (FOMC) meeting, language was revised indicating the Federal Reserve may consider rate increases by mid 2015; however, this decision remains dependent on positive U.S. economic data in the months to come. Improving statistics in employment coupled with a rise in inflation are important factors in the FOMC's decision to raise rates.

On March 31, 2015, the Monterey County investment portfolio contained an amortized book value of \$1,105,343,895 spread among 82 separate securities and funds. The par value of those funds was \$1,103,256,553 with a market value of \$1,106,386,623 or 100.09% of amortized book value. The portfolio's net earned income yield for the period was 0.57%. The portfolio produced an estimated income of \$1,528,658 for the quarter which will be distributed proportionally to all agencies participating in the Investment Pool. The investment portfolio had an average maturity of 466 days.

The investment portfolio was in compliance with all applicable provisions of state law and the adopted Investment Policy, and contained sufficient liquidity to meet all projected outflows over the next six months. Market value pricings were obtained through Bloomberg LLP, Union Bank of California and included live-bid pricing of corporate securities.

OTHER AGENCY INVOLVEMENT:

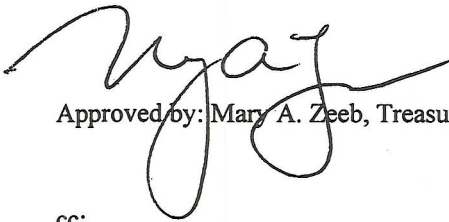
A copy of this report will be distributed to all agencies participating in the County investment pool and the Treasury Oversight Committee. In addition, the report will be published on the County Treasurer's web site. A monthly report of investment transactions is provided to the Board of Supervisors as required by GC 53607.

FINANCING:

The investment portfolio contains sufficient liquidity to meet all projected expenditures over the next six months. We estimate that the investment earnings in the General Fund will be consistent with budgeted revenue, but at historically low levels, as the Federal Reserve is expected to continue keeping short term interest rates at the current rate of 0.00 - 0.25%.



Prepared by: Richard Smith, Assistant Treasurer - Tax Collector, x5836



Approved by: Mary A. Zeeb, Treasurer - Tax Collector, x5015

cc:

County Administrative Office

County Counsel

Auditor-Controller - Internal Audit Section

All depositors

Treasury Oversight Committee

Attachments:

Exhibit A - Investment Portfolio Review - 3.31.15

Exhibit B - Portfolio Management Report - 3.31.15

Exhibit C - Monterey County Historical Yields vs. Benchmarks

Exhibit D - Aging Report - 4.01.15

Exhibit A

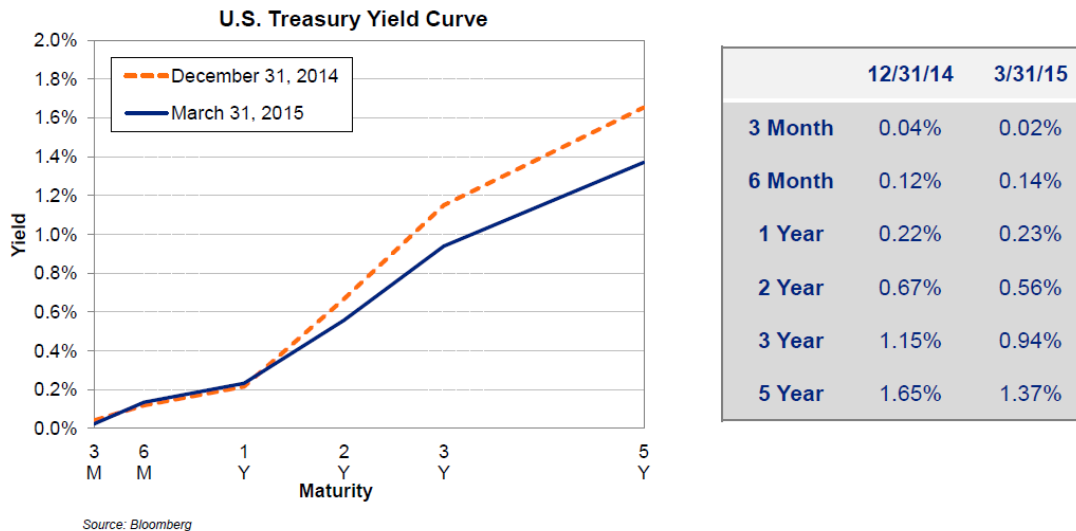
**Investment Portfolio Review
Quarter Ending March 31, 2015**

OVERVIEW – January 1 – March 31, 2015

During the January to March quarter, short term Treasury yields moved lower with yields decreasing by as much as 28 basis points in the 5 year range. At the March Federal Open Market Committee (FOMC) meeting, language was revised indicating the Federal Reserve may consider rate increases by mid 2015; however, this decision remains dependent on positive U.S. economic data in the months to come. Improving statistics in employment coupled with a rise in inflation are important factors in the FOMC’s decision to raise rates.

INTEREST RATES FALLING IN THE 2- TO 5-YEAR RANGE

- The portion of the yield curve 1-year and under remained relatively unchanged during the quarter as short-term rates are anchored by Federal Reserve policy.
- Yields on securities with maturities 2 years and over fell moderately.



The County Treasury outperformed or matched all of the portfolio benchmarks this quarter. Our consistent investment strategy ladders short term debt to provide liquidity and takes advantage of available higher rates by buying small amounts of longer term corporate and non callable securities, while maintaining positions in currently held callable debt structures. The following indicators reflect key aspects of the County’s investment portfolio in light of the above noted conditions:

1. Market Access – Access to U.S. Treasuries and Agency debt has been plentiful, but yields have continued to remain low as investors seek safe havens from an uncertain world market. These issues have continued to keep yields low on Treasury bonds from January through March.

During the quarter, the majority of County investment purchases continue to be in U.S. Treasury and Agency markets with a continued small position in shorter term, highly rated (AA or better) Corporate bonds, Certificates of Deposits and highly rated (A1, P1), short term Commercial Paper. In addition, the Treasurer continues to keep a high level of overnight liquid assets, reflecting the need to maintain increased levels of available cash to ensure the ability to meet all cash flow needs.

2. Diversification - The Monterey County Treasurer’s portfolio consists of fixed income investments, all of which are authorized by the State of California Government Code 53601.

The portfolio asset spread is detailed in the table below:

| Portfolio Asset Composition | | | |
|-----------------------------|-------------------------|---------------|------------------|
| Corporate Assets | Overnight Liquid Assets | US Treasuries | Federal Agencies |
| 7.71% | 34.30% | 1.80% | 56.16% |

- Total may not equal 100% due to rounding

3. Credit Risk – Approximately 92% of the investment portfolio is comprised of U.S. Treasuries, Federal Agency securities and other liquid funds. All assets have an investment grade rating. U.S. Treasuries are not specifically rated, but are considered the safest of all investments. The corporate debt (7.71%) is rated in the higher levels of investment grade. All federal agency securities have AA ratings, or are guaranteed by the U.S. Treasury.

The portfolio credit composition is detailed in the table below:

| Portfolio Credit Composition | | | | | | |
|------------------------------|-----|-----|------------------|----------------------------|------|--------------------|
| AAA | AA+ | AA- | A-1 (Short Term) | Not Rated (LAIF/BlackRock) | AAAm | Aaf/S1+ (CalTrust) |
| 1% | 61% | 3% | 1% | 12% | 9% | 13% |

4. Liquidity Risk – Liquidity risk, as measured by the ability of the County’s Treasury to meet withdrawal demands on invested assets, was adequately managed during the January to March quarter. The portfolio’s average weighted maturity was 466 days, and large percentages (34.30%) of assets are held in immediately available funds.

PORTFOLIO CHARACTERISTICS

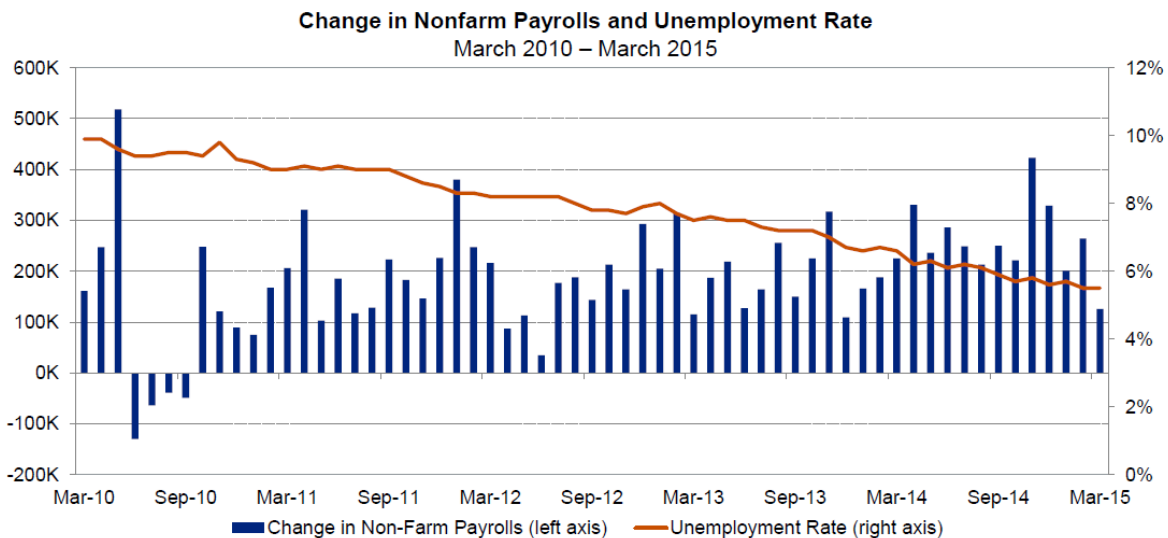
| | <u>December 31, 2014</u> | <u>March 31, 2015</u> |
|--------------------|---------------------------------|------------------------------|
| Total Assets | \$1,077,198,451 | \$1,105,343,895 |
| Market Value | \$1,075,788,040 | \$1,106,386,623 |
| Days to Maturity | 392 | 466 |
| Yield | 0.45% | 0.57% |
| Estimated Earnings | \$1,129,532 | \$1,528,658 |

FUTURE STRATEGY

The U.S. Treasury’s Quantitative Easing (QE) ended during the September to December 2014 quarter. Ongoing improvement in employment data, along with other factors, prompted the FOMC in March 2015 to provide language that indicates they may be more willing to increase rates slightly within the next several quarters.

LABOR MARKET CONTINUES TO STRENGTHEN

- The U.S. Labor market added 591,000 jobs during the first quarter of 2015. The March job growth of 126,000 broke a twelve-month streak of monthly job growth over 200,000.
- The unemployment rate moved down 0.1% from 5.6% to 5.5%. The U-6 unemployment rate, commonly called the underemployment rate, declined from 11.2% to 10.9%.



Source: Bureau of Labor Statistics

As long as the Federal Treasury continues to target short term rates at 0%-0.25%, the returns on the investments in the County’s pool will remain historically low. The portfolio is adequately positioned to take advantage of changing market conditions.

Exhibit B

Monterey County Portfolio Management Portfolio Details - Investments March 31, 2015

| CUSIP | Investment # | Issuer | Average Balance | Purchase Date | Par Value | Market Value | Book Value | Stated Rate | Moody's | S&P | Days to Maturity | Maturity Date |
|--|--------------|--------------------------|-----------------------|---------------|-----------------------|-----------------------|-----------------------|-------------|---------|-----|------------------|---------------|
| Money Market Accts-GC 53601(k)(2) | | | | | | | | | | | | |
| SYS11672 | 11672 | BlackRock | | | 88,245,612.64 | 88,245,612.64 | 88,245,612.64 | 0.090 | | | 1 | |
| SYS11801 | 11801 | CalTrust | | | 140,000,000.00 | 140,000,000.00 | 140,000,000.00 | 0.419 | Aaa | AAA | 1 | |
| SYS11830 | 11830 | Federated | | 07/01/2014 | 0.00 | 0.00 | 0.00 | 0.101 | Aaa | AAA | 1 | |
| SYS11578 | 11578 | Fidelity Investments | | | 84,932,312.88 | 84,932,312.88 | 84,932,312.88 | 0.090 | Aaa | AAA | 1 | |
| Subtotal and Average | | | 271,632,577.86 | | 313,177,925.52 | 313,177,925.52 | 313,177,925.52 | | | | 1 | |
| State Pool-GC 53601(p) | | | | | | | | | | | | |
| SYS11361 | 11361 | LAIF | | | 50,000,000.00 | 50,000,000.00 | 50,000,000.00 | 0.254 | | | 1 | |
| Subtotal and Average | | | 50,000,000.00 | | 50,000,000.00 | 50,000,000.00 | 50,000,000.00 | | | | 1 | |
| CAMP-GC 56301(p) | | | | | | | | | | | | |
| SYS10379 | 10379 | Calif. Asset Mgmt | | | 15,700,000.00 | 15,700,000.00 | 15,700,000.00 | 0.063 | | AAA | 1 | |
| SYS11961 | 11961 | Calif. Asset Mgmt | | | 378,627.29 | 378,627.29 | 378,627.29 | 0.066 | | AAA | 1 | |
| Subtotal and Average | | | 35,555,293.96 | | 16,078,627.29 | 16,078,627.29 | 16,078,627.29 | | | | 1 | |
| Negotiable CDs - GC 53601 (i) | | | | | | | | | | | | |
| 78009NGU4 | 11863 | RBC Capital Markets | | 06/25/2012 | 10,000,000.00 | 9,999,000.00 | 10,000,000.00 | 0.367 | Aa | AA | 85 | 06/25/2015 |
| Subtotal and Average | | | 10,000,000.00 | | 10,000,000.00 | 9,999,000.00 | 10,000,000.00 | | | | 85 | |
| Medium Term Notes - GC 53601(k) | | | | | | | | | | | | |
| 36962G4N1 | 11701 | General Electric | | 08/11/2010 | 10,000,000.00 | 10,024,100.00 | 10,000,000.00 | 1.008 | A | AA | 132 | 08/11/2015 |
| 36962G5W0 | 11855 | General Electric | | 04/27/2012 | 5,000,000.00 | 5,130,100.00 | 4,997,285.39 | 2.300 | A | AA | 757 | 04/27/2017 |
| 36962G5W0 | 11856 | General Electric | | 04/27/2012 | 5,000,000.00 | 5,130,100.00 | 5,003,108.33 | 2.300 | A | AA | 757 | 04/27/2017 |
| 369604BC6 | 12010 | General Electric | | 01/23/2015 | 10,000,000.00 | 11,038,800.00 | 11,077,848.02 | 5.250 | Aa | AA | 980 | 12/06/2017 |
| 478160BF0 | 12000 | Johnson & Johnson | | 12/23/2014 | 2,000,000.00 | 2,003,320.00 | 2,000,000.00 | 0.700 | Aaa | AAA | 607 | 11/28/2016 |
| 478160AY0 | 12004 | Johnson & Johnson | | 01/08/2015 | 7,000,000.00 | 7,133,000.00 | 7,125,024.31 | 2.150 | Aaa | AAA | 410 | 05/15/2016 |
| 89233P5S1 | 11839 | Toyota Motor Corporation | | 02/29/2012 | 5,000,000.00 | 5,106,150.00 | 5,040,094.50 | 2.050 | Aa | AA | 652 | 01/12/2017 |
| 89236TCA1 | 12009 | Toyota Motor Corporation | | 01/16/2015 | 10,000,000.00 | 10,064,000.00 | 10,046,142.75 | 1.450 | Aa | AA | 1,017 | 01/12/2018 |
| 89233P6S0 | 12018 | Toyota Motor Corporation | | 03/30/2015 | 10,000,000.00 | 10,029,700.00 | 10,035,360.88 | 1.250 | Aaa | AA | 918 | 10/05/2017 |
| Subtotal and Average | | | 53,231,527.25 | | 64,000,000.00 | 65,659,270.00 | 65,324,864.18 | | | | 713 | |
| Commercial Paper Disc.- GC 53601(h) | | | | | | | | | | | | |
| 62478YU97 | 12015 | Union Bank of Calif. | | 03/17/2015 | 10,000,000.00 | 9,992,600.00 | 9,994,500.00 | 0.200 | P-1 | A-1 | 99 | 07/09/2015 |
| Subtotal and Average | | | 7,997,934.82 | | 10,000,000.00 | 9,992,600.00 | 9,994,500.00 | | | | 99 | |

Exhibit B

Monterey County Portfolio Management Portfolio Details - Investments March 31, 2015

| CUSIP | Investment # | Issuer | Average Balance | Purchase Date | Par Value | Market Value | Book Value | Stated Rate | Moody's | S&P | Days to Maturity | Maturity Date |
|--|--------------|----------------------------|-----------------|---------------|---------------|---------------|---------------|-------------|---------|-----|------------------|---------------|
| Fed Agcy Coupon Sec - GC 53601(f) | | | | | | | | | | | | |
| 3133EAF86 | 11864 | Federal Farm Credit Bank | | 08/07/2012 | 10,000,000.00 | 10,001,000.00 | 10,000,000.00 | 0.970 | Aaa | AA | 859 | 08/07/2017 |
| 3133ECHV9 | 11912 | Federal Farm Credit Bank | | 04/02/2013 | 10,000,000.00 | 10,006,600.00 | 10,000,394.77 | 0.350 | Aaa | AA | 120 | 07/30/2015 |
| 3133ECTM6 | 11931 | Federal Farm Credit Bank | | 07/02/2013 | 10,000,000.00 | 10,301,500.00 | 10,030,446.00 | 1.900 | Aaa | AA | 1,188 | 07/02/2018 |
| 3133EDSU7 | 11985 | Federal Farm Credit Bank | | 08/15/2014 | 10,000,000.00 | 10,050,300.00 | 10,000,000.00 | 1.000 | Aaa | AA | 867 | 08/15/2017 |
| 3133EEBU3 | 11996 | Federal Farm Credit Bank | | 11/26/2014 | 10,000,000.00 | 9,998,900.00 | 10,004,775.99 | 0.600 | Aaa | AA | 593 | 11/14/2016 |
| 3133EEFE5 | 12008 | Federal Farm Credit Bank | | 01/12/2015 | 10,000,000.00 | 10,042,200.00 | 10,039,968.18 | 1.125 | Aaa | AA | 992 | 12/18/2017 |
| 3133EEMA5 | 12011 | Federal Farm Credit Bank | | 01/30/2015 | 10,000,000.00 | 10,045,000.00 | 10,009,076.05 | 1.500 | Aaa | AA | 1,734 | 12/30/2019 |
| 3133EELZ1 | 12012 | Federal Farm Credit Bank | | 02/02/2015 | 10,000,000.00 | 9,971,400.00 | 10,032,425.33 | 1.000 | Aaa | AA | 1,093 | 03/29/2018 |
| 3133EESZ4 | 12016 | Federal Farm Credit Bank | | 03/25/2015 | 10,000,000.00 | 10,007,500.00 | 10,008,884.37 | 0.460 | Aaa | AA | 468 | 07/12/2016 |
| 3133EDMB5 | 12017 | Federal Farm Credit Bank | | 03/26/2015 | 10,000,000.00 | 10,009,100.00 | 10,002,069.39 | 0.500 | Aaa | AA | 510 | 08/23/2016 |
| 313380EC7 | 11878 | Federal Home Loan Bank | | 09/17/2012 | 10,000,000.00 | 9,977,400.00 | 9,976,177.53 | 0.750 | Aaa | AA | 891 | 09/08/2017 |
| 313380XB8 | 11881 | Federal Home Loan Bank | | 10/17/2012 | 10,000,000.00 | 10,000,600.00 | 9,998,841.67 | 0.625 | Aaa | AA | 565 | 10/17/2016 |
| 313370TW8 | 11888 | Federal Home Loan Bank | | 12/05/2012 | 10,000,000.00 | 10,219,300.00 | 10,210,413.59 | 2.000 | Aaa | AA | 527 | 09/09/2016 |
| 313373SZ6 | 11913 | Federal Home Loan Bank | | 04/02/2013 | 10,000,000.00 | 10,202,500.00 | 10,196,562.72 | 2.125 | Aaa | AA | 436 | 06/10/2016 |
| 313378A43 | 11925 | Federal Home Loan Bank | | 05/02/2013 | 10,000,000.00 | 10,122,400.00 | 10,177,685.86 | 1.375 | Aaa | AA | 1,073 | 03/09/2018 |
| 313383A68 | 11928 | Federal Home Loan Bank | | 06/13/2013 | 10,000,000.00 | 9,967,700.00 | 10,000,000.00 | 1.080 | Aaa | AA | 1,169 | 06/13/2018 |
| 313378QK0 | 11966 | Federal Home Loan Bank | | 04/04/2014 | 10,000,000.00 | 10,212,800.00 | 10,021,325.69 | 1.875 | Aaa | AA | 1,437 | 03/08/2019 |
| 3130A1PG7 | 11973 | Federal Home Loan Bank | | 04/14/2014 | 10,000,000.00 | 10,000,000.00 | 9,999,974.72 | 0.125 | Aaa | AA | 13 | 04/14/2015 |
| 3130A2NK8 | 11983 | Federal Home Loan Bank | | 07/31/2014 | 10,000,000.00 | 9,999,900.00 | 9,999,991.83 | 0.120 | Aaa | AA | 16 | 04/17/2015 |
| 3130A0RA0 | 11984 | Federal Home Loan Bank | | 08/05/2014 | 10,000,000.00 | 10,000,900.00 | 10,000,609.85 | 0.210 | Aaa | AA | 28 | 04/29/2015 |
| 3130A23V6 | 11993 | Federal Home Loan Bank | | 10/01/2014 | 10,000,000.00 | 10,000,100.00 | 10,000,335.04 | 0.125 | Aaa | AA | 50 | 05/21/2015 |
| 3130A3J70 | 11997 | Federal Home Loan Bank | | 12/12/2014 | 10,000,000.00 | 10,009,500.00 | 10,002,440.63 | 0.625 | Aaa | AA | 602 | 11/23/2016 |
| 313371PV2 | 11998 | Federal Home Loan Bank | | 12/12/2014 | 10,000,000.00 | 10,171,600.00 | 10,154,840.73 | 1.625 | Aaa | AA | 618 | 12/09/2016 |
| 313371PV2 | 11999 | Federal Home Loan Bank | | 12/12/2014 | 10,000,000.00 | 10,171,600.00 | 10,154,840.73 | 1.625 | Aaa | AA | 618 | 12/09/2016 |
| 3130A3PT5 | 12001 | Federal Home Loan Bank | | 12/23/2014 | 10,000,000.00 | 9,987,600.00 | 9,989,117.68 | 0.125 | Aaa | AA | 251 | 12/08/2015 |
| 3130A3U85 | 12002 | Federal Home Loan Bank | | 12/30/2014 | 10,000,000.00 | 10,014,300.00 | 10,000,000.00 | 0.800 | Aaa | AA | 639 | 12/30/2016 |
| 3130A3UU6 | 12005 | Federal Home Loan Bank | | 01/27/2015 | 10,000,000.00 | 10,029,800.00 | 10,000,000.00 | 0.875 | Aaa | AA | 667 | 01/27/2017 |
| 3130A3V35 | 12006 | Federal Home Loan Bank | | 01/28/2015 | 10,000,000.00 | 10,004,400.00 | 10,000,000.00 | 0.750 | Aaa | AA | 576 | 10/28/2016 |
| 3130A4U42 | 12019 | Federal Home Loan Bank | | 03/31/2015 | 10,000,000.00 | 10,006,100.00 | 10,012,184.94 | 0.800 | Aaa | AA | 821 | 06/30/2017 |
| 3134G3H52 | 11871 | Federal Home Loan Mtg Corp | | 09/12/2012 | 10,000,000.00 | 9,995,500.00 | 10,000,000.00 | 1.000 | Aaa | AA | 895 | 09/12/2017 |
| 3134G3K33 | 11875 | Federal Home Loan Mtg Corp | | 09/27/2012 | 10,000,000.00 | 9,982,100.00 | 9,998,883.33 | 0.700 | Aaa | AA | 545 | 09/27/2016 |
| 3134G3S50 | 11887 | Federal Home Loan Mtg Corp | | 11/30/2012 | 10,000,000.00 | 10,011,800.00 | 10,010,160.95 | 0.625 | Aaa | AA | 580 | 11/01/2016 |
| 3134G42M9 | 11916 | Federal Home Loan Mtg Corp | | 04/25/2013 | 10,000,000.00 | 9,988,700.00 | 10,000,000.00 | 0.700 | Aaa | AA | 755 | 04/25/2017 |
| 3134G42G2 | 11917 | Federal Home Loan Mtg Corp | | 04/30/2013 | 10,000,000.00 | 9,952,800.00 | 10,000,000.00 | 1.050 | Aaa | AA | 1,125 | 04/30/2018 |
| 3134G43F3 | 11920 | Federal Home Loan Mtg Corp | | 04/30/2013 | 10,000,000.00 | 9,943,600.00 | 10,000,000.00 | 1.020 | Aaa | AA | 1,125 | 04/30/2018 |
| 3134G43V8 | 11923 | Federal Home Loan Mtg Corp | | 05/15/2013 | 10,000,000.00 | 9,987,600.00 | 9,999,375.56 | 1.050 | Aaa | AA | 1,140 | 05/15/2018 |

Portfolio INVT

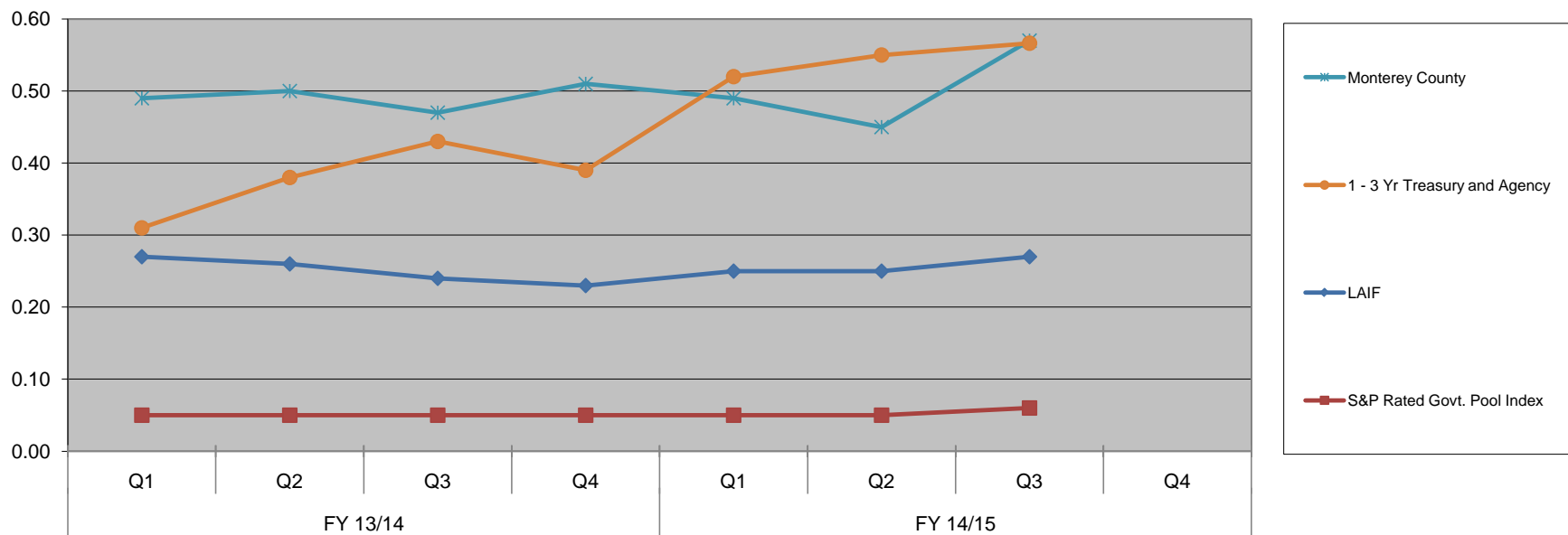
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**Monterey County
Portfolio Management
Portfolio Details - Investments
March 31, 2015**

| CUSIP | Investment # | Issuer | Average Balance | Purchase Date | Par Value | Market Value | Book Value | Stated Rate | Moody's | S&P | Days to Maturity | Maturity Date |
|---|--------------|-------------------------------|-------------------------|---------------|-------------------------|-------------------------|-------------------------|-------------|---------|-----|------------------|---------------|
| Fed Agcy Coupon Sec - GC 53601(f) | | | | | | | | | | | | |
| 3134G47M4 | 11930 | Federal Home Loan Mtg Corp | | 06/26/2013 | 10,000,000.00 | 10,021,800.00 | 10,000,000.00 | 1.500 | Aaa | AA | 1,182 | 06/26/2018 |
| 3137EADJ5 | 11970 | Federal Home Loan Mtg Corp | | 04/09/2014 | 10,000,000.00 | 10,074,600.00 | 9,993,171.66 | 1.000 | Aaa | AA | 849 | 07/28/2017 |
| 3137EADL0 | 11987 | Federal Home Loan Mtg Corp | | 08/25/2014 | 10,000,000.00 | 10,031,000.00 | 9,975,284.85 | 1.000 | Aaa | AA | 912 | 09/29/2017 |
| 3134G5AJ4 | 12003 | Federal Home Loan Mtg Corp | | 01/06/2015 | 10,000,000.00 | 10,013,300.00 | 9,988,821.52 | 0.920 | Aaa | AA | 729 | 03/30/2017 |
| 3137EADK2 | 12014 | Federal Home Loan Mtg Corp | | 02/18/2015 | 10,000,000.00 | 9,983,900.00 | 9,840,516.03 | 1.250 | Aaa | AA | 1,583 | 08/01/2019 |
| 3136G0B26 | 11874 | Federal National Mtg Assn | | 09/27/2012 | 10,000,000.00 | 9,971,500.00 | 10,000,000.00 | 1.000 | Aaa | AA | 910 | 09/27/2017 |
| 3135G0NH2 | 11876 | Federal National Mtg Assn | | 09/13/2012 | 10,000,000.00 | 9,988,100.00 | 9,997,094.38 | 0.950 | Aaa | AA | 875 | 08/23/2017 |
| 3136G0Z9 | 11885 | Federal National Mtg Assn | | 12/13/2012 | 10,000,000.00 | 9,997,000.00 | 10,000,000.00 | 0.650 | Aaa | AA | 622 | 12/13/2016 |
| 3136G14N6 | 11890 | Federal National Mtg Assn | | 01/02/2013 | 10,000,000.00 | 9,964,200.00 | 9,996,254.64 | 0.750 | Aaa | AA | 819 | 06/28/2017 |
| 3135G0PP2 | 11903 | Federal National Mtg Assn | | 01/18/2013 | 10,000,000.00 | 10,036,100.00 | 10,017,441.74 | 1.000 | Aaa | AA | 903 | 09/20/2017 |
| 3135G0UH4 | 11906 | Federal National Mtg Assn | | 02/22/2013 | 10,000,000.00 | 9,970,500.00 | 10,000,000.00 | 1.200 | Aaa | AA | 1,058 | 02/22/2018 |
| 3135G0XA6 | 11924 | Federal National Mtg Assn | | 05/21/2013 | 10,000,000.00 | 9,947,000.00 | 10,000,000.00 | 1.030 | Aaa | AA | 1,146 | 05/21/2018 |
| 3135G0XK4 | 11927 | Federal National Mtg Assn | | 05/30/2013 | 10,000,000.00 | 9,885,700.00 | 10,000,000.00 | 1.050 | Aaa | AA | 1,150 | 05/25/2018 |
| 3135G0WJ8 | 11929 | Federal National Mtg Assn | | 05/28/2013 | 10,000,000.00 | 9,976,200.00 | 9,948,132.18 | 0.875 | Aaa | AA | 1,146 | 05/21/2018 |
| 3135G0PQ0 | 11948 | Federal National Mtg Assn | | 12/04/2013 | 10,000,000.00 | 10,012,400.00 | 9,953,545.47 | 0.875 | Aaa | AA | 939 | 10/26/2017 |
| 3135G0MZ3 | 11971 | Federal National Mtg Assn | | 04/09/2014 | 10,000,000.00 | 10,012,500.00 | 9,948,079.57 | 0.875 | Aaa | AA | 880 | 08/28/2017 |
| 3135G0PQ0 | 12007 | Federal National Mtg Assn | | 01/12/2015 | 10,000,000.00 | 10,012,400.00 | 9,993,642.93 | 0.875 | Aaa | AA | 939 | 10/26/2017 |
| 3136FTS67 | 12013 | Federal National Mtg Assn | | 02/03/2015 | 10,000,000.00 | 10,164,100.00 | 10,206,482.24 | 1.700 | Aaa | AA | 1,428 | 02/27/2019 |
| Subtotal and Average | | | 545,620,291.25 | | 540,000,000.00 | 541,456,400.00 | 540,890,270.34 | | | | 808 | |
| Federal Agency Disc.-GC 53601(f) | | | | | | | | | | | | |
| 313588FH3 | 11991 | FNMA Discount Note | | 09/26/2014 | 10,000,000.00 | 9,999,600.00 | 9,999,331.95 | 0.065 | Aaa | AA | 37 | 05/08/2015 |
| 313588FX8 | 11992 | FNMA Discount Note | | 09/26/2014 | 10,000,000.00 | 9,999,400.00 | 9,999,079.17 | 0.065 | Aaa | AA | 51 | 05/22/2015 |
| 313588HA6 | 11994 | FNMA Discount Note | | 11/13/2014 | 10,000,000.00 | 9,998,700.00 | 9,998,266.67 | 0.080 | Aaa | AA | 78 | 06/18/2015 |
| 313588HJ7 | 11995 | FNMA Discount Note | | 11/13/2014 | 10,000,000.00 | 9,998,500.00 | 9,998,088.89 | 0.080 | Aaa | AA | 86 | 06/26/2015 |
| 313396EB5 | 11986 | Freddie Mac Discount Security | | 08/21/2014 | 10,000,000.00 | 9,999,900.00 | 9,999,805.56 | 0.100 | Aaa | AA | 7 | 04/08/2015 |
| 313396GE7 | 11989 | Freddie Mac Discount Security | | 09/08/2014 | 10,000,000.00 | 9,999,300.00 | 9,998,388.89 | 0.100 | Aaa | AA | 58 | 05/29/2015 |
| 313396GD9 | 11990 | Freddie Mac Discount Security | | 09/08/2014 | 10,000,000.00 | 9,999,300.00 | 9,998,416.67 | 0.100 | Aaa | AA | 57 | 05/28/2015 |
| Subtotal and Average | | | 76,761,325.93 | | 70,000,000.00 | 69,994,700.00 | 69,991,377.80 | | | | 53 | |
| US Treasury Note-GC 53601(b) | | | | | | | | | | | | |
| 912828VR8 | 11940 | U.S. Treasury | | 08/29/2013 | 10,000,000.00 | 10,029,700.00 | 9,978,977.01 | 0.625 | Aaa | AA | 502 | 08/15/2016 |
| 912828UJ7 | 11988 | U.S. Treasury | | 08/25/2014 | 10,000,000.00 | 10,008,600.00 | 9,910,033.62 | 0.875 | Aaa | AA | 1,036 | 01/31/2018 |
| Subtotal and Average | | | 19,883,282.65 | | 20,000,000.00 | 20,038,300.00 | 19,889,010.63 | | | | 768 | |
| Federal Agency Step Up-GC 53601(f) | | | | | | | | | | | | |
| 3136G07K1 | 11886 | Federal National Mtg Assn | | 12/06/2012 | 10,000,000.00 | 9,989,800.00 | 9,997,319.44 | 0.700 | Aaa | AA | 980 | 12/06/2017 |
| Subtotal and Average | | | 9,997,195.93 | | 10,000,000.00 | 9,989,800.00 | 9,997,319.44 | | | | 980 | |
| Total and Average | | | 1,080,679,429.64 | | 1,103,256,552.81 | 1,106,386,622.81 | 1,105,343,895.20 | | | | 466 | |

Exhibit C Monterey County Historical Yields vs. Benchmarks



| Quarterly Yield | FY 13/14 | | | | FY 14/15 | | | |
|------------------------------|----------|------|------|------|----------|------|------|----|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Monterey County | 0.49 | 0.50 | 0.47 | 0.51 | 0.49 | 0.45 | 0.57 | |
| 1 - 3 Yr Treasury and Agency | 0.31 | 0.38 | 0.43 | 0.39 | 0.52 | 0.55 | 0.57 | |
| LAIF | 0.27 | 0.26 | 0.24 | 0.23 | 0.25 | 0.25 | 0.27 | |
| S&P Rated Govt. Pool Index | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 0.06 | |

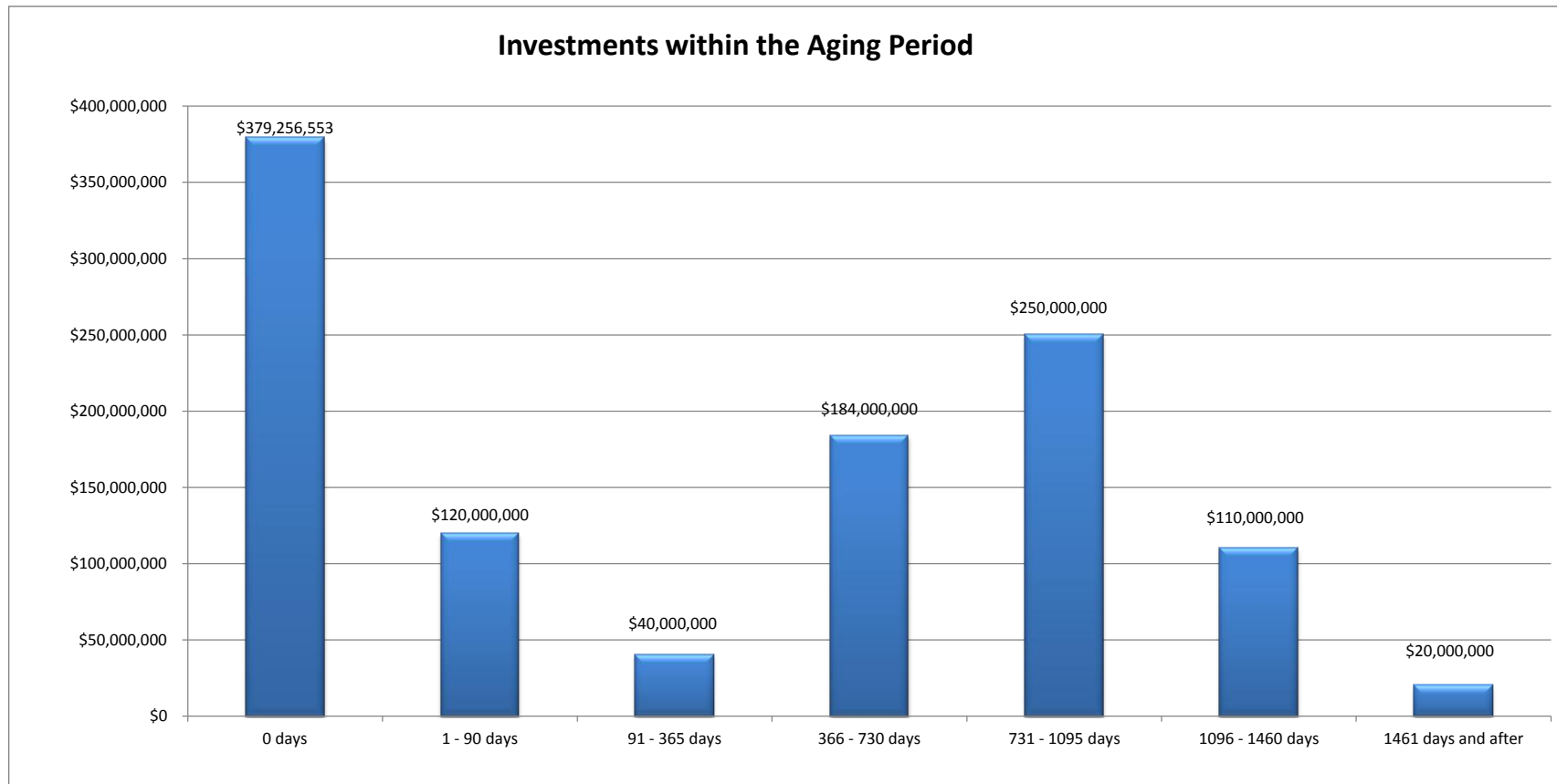
The S&P Index yields are obtained from Bloomberg

The 1-3 Yr Treas and Agy yields are obtained from the B of A Merrill Lynch Global Bond Indices/Bloomberg



Exhibit D Monterey County Aging Report By Maturity Date As of April 1, 2015

| | | | | Maturity Par Value | Percent of Portfolio | Current Book Value | Current Market Value |
|------------------------|----------------------------|------------------------------------|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Aging Interval: | 0 days | (01/01/2015 - 01/01/2015) | 7 Maturities | 379,256,552.81 | 34.38% | 379,256,552.81 | 379,256,552.81 |
| Aging Interval: | 1 - 90 days | (01/02/2015 - 04/01/2015) | 12 Maturities | 120,000,000.00 | 10.88% | 119,992,289.24 | 119,994,600.00 |
| Aging Interval: | 91 - 365 days | (04/02/2014 - 01/01/2016) | 4 Maturities | 40,000,000.00 | 3.63% | 39,984,012.45 | 40,010,900.00 |
| Aging Interval: | 366 - 730 days | (01/02/2016 - 12/31/2016) | 20 Maturities | 184,000,000.00 | 16.68% | 184,875,631.44 | 185,115,470.00 |
| Aging Interval: | 731 - 1095 days | (01/01/2017 - 12/31/2017) | 26 Maturities | 250,000,000.00 | 22.66% | 251,180,055.51 | 251,619,400.00 |
| Aging Interval: | 1096 - 1460 days | (01/01/2018 - 12/31/2018) | 11 Maturities | 110,000,000.00 | 9.97% | 110,205,761.67 | 110,360,800.00 |
| Aging Interval: | 1461 days and after | (01/01/2019 -) | 2 Maturities | 20,000,000.00 | 1.81% | 19,849,592.08 | 20,028,900.00 |
| Total for | | | 82 Investments | 1,103,256,552.81 | 100.01 | 1,105,343,895.20 | 1,106,386,622.81 |



MONTEREY PENINSULA COLLEGE

Citizens' Bond Oversight Committee Members and Terms

| | NAME | MEMBERSHIP CRITERION | TERM |
|---|-------------------|--|------------------------------|
| ◆ | Wayne Cruzan | GENTRAIN Society (college support organization) | 2nd term (11/2013 – 11/2015) |
| | Tom Gaspich | Carmel Foundation (senior citizens' organization) | 1st term (11/2014 – 11/2016) |
| | Hunter Harvath | Monterey County Hospitality Association (business organization) | 1st term (11/2014 – 11/2016) |
| ◆ | Rick Heuer | Monterey Peninsula Taxpayers Association | 2nd term (11/2013 – 11/2015) |
| ◆ | Birt Johnson, Jr. | Community at-large member | 2nd term (11/2013 – 11/2015) |
| | Sharon Larson | Monterey Peninsula College Foundation (college support organization) | 1st term (1/2015 – 11/2016) |
| | Rob Lee | Monterey Peninsula Chamber of Commerce (business organization) | 1st term (11/2014 – 11/2016) |
| ◆ | James Panetta | Community at-large member | 2nd term (11/2013 – 11/2015) |
| ◆ | Maury Vasquez | Associated Students of Monterey Peninsula College (student government) | 2nd term (11/2013 – 11/2015) |

- ◆ - denotes those members who will complete their 2nd term on the committee in November 2015.