

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

Monday, November 17, 2008
3:00 PM – Regular Meeting
Sam Karas Room, Library and Technology Center
Monterey Peninsula College

MEETING AGENDA

1. Call to Order

2. Public Comment

Members of the audience wishing to address the Citizens' Bond Oversight Committee may do so during the public comment period. Under provisions of the Brown Act, the Committee is prohibited from discussing or taking action on oral requests that are not part of the agenda. Comments are limited to three minutes per person or as determined by the committee.

3. Committee Membership Review

Committee membership will be reviewed by Dr. Garrison.

INFORMATION

4. Officers

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.

ACTION

5. Status of Investment of Series B and C Bonds

Series B and C bonds have been invested with the Monterey County Treasurer's office. Lou Solton, Monterey County Treasurer-Tax Collector, will be present to discuss the impacts of the recent Chapter 11 bankruptcy filings by Lehman Brothers and Washington Mutual Bank on the County's investment portfolio.

INFORMATION

6. Approval of August 4, 2008 Minutes

ACTION

7. Accept Bills and Warrants Report

The list of payments from bond funds expended through September 30, 2008 will be reviewed for acceptance by the committee.

ACTION

- 8. Bond Expenditure Status Report** INFORMATION
The September 30, 2008 bond expenditure status report will be reviewed with the committee. The October 2008 cost control report will also be presented.
- 9. Update on Facilities Projects, Timelines and Schedules** INFORMATION
A status report will be provided on all projects. The timelines and schedules for current facility projects will be reviewed.
- 10. Annual Report for 2007-08** 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. Bond Program Staff Position** INFORMATION
The District is considering the option of hiring an accountant to perform the accounting function for the bond program. Bond funds would be used to pay the salary of this position. The state Attorney General issued an opinion in 2004 regarding the expenditure of Proposition 39 bond proceeds for salaries of district employees performing administrative oversight work on bond construction projects. The opinion and the staffing proposal will be discussed with the committee.
- 12. Meeting Schedule (PLEASE BRING CALENDARS)** INFORMATION/ACTION
The following meeting dates are suggested for adoption:
Monday, March 2, 2009
Monday, June 8, 2009
Monday, August 4, 2009
Monday, November 2, 2009 (Annual Organizational Meeting)
- 13. Suggestions for Future Agenda Topics and Announcements**
- 14. Adjournment**

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT

CITIZEN'S BOND OVERSIGHT COMMITTEE

August 4, 2008

3:00 PM – Regular Meeting, Sam Karas Room, Library and Technology Center
Monterey Peninsula College, Monterey, CA

Meeting Minutes

MEMBERS PRESENT: Mr. Peter Baird
Mr. Scott Coté
Mr. Steve Emerson
Ms. Daphne Hodgson
Ms. Elinor Laiolo (arrived at 3:55 PM)
Ms. Eleanor Morrice
Mr. Ron Pasquinelli
Mr. Gary Ray
Ms. Sondra Rees

ABSENT: Ms. Mary Ann Kane

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

OTHERS PRESENT: Mr. Joe Demko, Kitchell
Ms. Marilynn Gustafson, MPC Foundation

1. Call to Order

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

2. Public Comment

There were none.

3. Investment of Series B and C Bonds

Mr. Lou Solton, Monterey County Treasurer-Tax Collector, was present to provide additional information on the investment of bond proceeds.

Mr. Solton reviewed the official statements for the two bond issuances. Series B was the smaller of the two; \$9 million of taxable bonds were issued. Series C was larger at \$95 million and also tax exempt. A total of \$107 million was deposited in the County treasury in January.

He reported he met with Mr. Bissell to discuss the investment strategy and drawdown of the funds based on the projects. Three approaches were used to meet the liquidity and investment needs of the District. Forty million was invested in LAIF (California Asset Management Program managed by County treasurers), with \$40 million being the statutory limit for agency investment. Nine million was invested in medium term notes (3 year notes) and the remaining \$58 million in the County general portfolio. Mr. Solton stated LAIF is the

sole investment vehicle for small and medium size public agencies in California and a stark decline in yields has occurred recently. He said the medium term notes were split between JP Morgan Chase (\$4 million) and General Electric (\$5 million).

Mr. Solton distributed a copy of the County's investment policy that must be adopted annually by the Board of Supervisors. He said the portfolio size is \$1 billion, of which \$150 million are custom investments (such as the MPC bonds) that are not subject to distribution. He noted the assets earned \$900,000 in the 6 months ending June 30th.

Mr. Pasquinelli commented the six month earnings on the MPC investments seemed light. Mr. Solton replied the medium term notes were not purchased until April and May. Mr. Pasquinelli asked if there was any exposure to mortgage debt. Mr. Solton's response was there was none.

Noting the decline in LAIF earnings from 4.6% to 2.9%, Mr. Coté asked about the decision-making process and why funds weren't shifted from LAIF to other custom investments. Mr. Solton explained that the college needs liquidity to pay for project costs. As none of the assets are insured, he did not want the funds tied up in investments. Chair Baird asked if Mr. Solton would change his approach if he was working under the direction of the MPC trustees. Mr. Solton responded he would do so only if he had more specificity regarding how the funds aligned with the drawdown schedules. He explained if a one year approach was used and assets were tied up in an investment, the college may need the funds in month 10. If this timing coincided with a low period, the college would not want to sell the investment at a loss. Mr. Solton concluded there was not a huge advantage between "overnight money" and a one year investment approach.

Mr. Coté asked if the college should stay liquid to be able to "buy low and sell high." Mr. Solton agreed with the goal, but observed that if the college bought investments now to take advantage of the down market, the assets would be tied up. He said staying liquid allows flexibility.

It was stated that the college and Mr. Solton need to keep in touch regarding market conditions. Chair Baird inquired whether regular meetings occurred between Mr. Bissell and Mr. Solton. Mr. Bissell replied he receives regular reports and reviews.

Dr. Garrison commented that if the college was only looking at investments, Mr. Coté's approach could be utilized. However, the District must balance liquidity with the sequencing of projects. He explained that since the state bond election will not occur this November, the college will need to reexamine projects and their sequencing as well as the liquidity of funds.

Ms. Morrice expressed concern about lower ratings on the medium term notes. Mr. Solton responded that state statute specifies that securities being purchased must be rated "A" or higher. He discussed the recent situation where bond insurers were rated inappropriately and commented that rating agencies are not as reliable as before. Mr. Solton assured the committee he evaluates the fundamentals before investing, rather than relying on ratings.

Mr. Ray asked if there was any restriction on the earnings of bond investments in terms of use. Mr. Bissell answered yes -- the same restrictions for the principal also apply to earnings.

4. Approval of Minutes

Motion to approve the minutes of the June 8, 2008 meeting was made by Ms. Hodgson and seconded by Ms. Rees. Motion carried unanimously.

5. Accept Bills and Warrants Report

Mr. Bissell reported the report reflects \$3.7 million more in bond expenditures than the prior report. He noted that Pete Buechel, the District's purchasing specialist, was present to answer any questions regarding specific expenditures.

Mr. Coté asked about a DVD repair in the Lecture Forum that seemed expensive at \$3,700. Mr. Bissell explained a new podium touch panel was installed and a special company was used to handle the audiovisual renovations for the Lecture Forum. Mr. Buechel added that the total cost to redo the AV equipment for this building was \$250,000, a decrease from the original estimate of \$1 million.

Mr. Coté noted 2 entries on page 5 for the purchase of a UHF microphone and asked if one was a duplicate. Mr. Bissell said he would check and report back at the next meeting. Mr. Coté followed with a question regarding the difference between a payment application and retention payment, as listed on page 8 of the report. Mr. Demko explained a contract typically has 10% of the total amount removed for retention. He clarified that a payment application is the payment itself, thus, a \$100,000 payment would specify \$90,000 for payment and \$10,000 for retention.

Mr. Pasquinelli noted there were several entries for San Jose Blueprint. Mr. Demko stated when a job is bid, contractors are charged for the drawings they use. San Jose Blueprint issues invoices to help the District track these payments.

(Ms. Laiolo arrived at this time.)

Ms. Hodgson referred to the Visiplex expenditure on page 7 under "Furniture/Equipment" and said it was difficult to determine which project was involved. Mr. Bissell replied the purchase was for a mass emergency notification system with 33 speakers being located across the campus -- \$39,000 for equipment and \$13,000 for installation. Ms. Hodgson added that it was also hard to track items in the Infrastructure category and suggested subcategories should be used in both categories.

Mr. Bissell explained furniture was purchased for several buildings across the campus. Bond projects do not have individual furniture and equipment allocations. Dr. Garrison suggested that furniture be better identified, such as "institutional furniture" to address Ms. Hodgson's concern. Mr. Bissell stated that future furniture expenditures will be purchased for specific projects, and will be so designated.

Chair Baird had several questions about the Child Development Center (CDC). He observed the project is characterized as essentially complete, and yet on-going expenses continue. He inquired about a \$53,000 expenditure for demolition since the CDC was located on a different site. Mr. Baird noted the Infrastructure/Parking category also showed CDC expenses. He asked why expenses were incurred post-2008, since the state was no longer funding the project.

Mr. Bissell responded it was not clear cut when the construction phase of the CDC project ended and the maintenance phase began. He agreed the project should be closed and bond expenditures should be ended. Mr. Bissell said funding was retained from the contractor and the college has continued to find items. He added state funding does not cover every expenditure, such as building demolition.

Chair Baird asked about the expenditure on page 12 for M3 Environmental Consulting for investigation of transite pipe debris. Mr. Bissell explained soil from the football field was excavated and moved to the college's site at Fort Ord when the stadium and field were renovated. This soil was found to contain transite pipe debris and treated. Subsequently, in

the area adjacent to the football field by the tennis court, small particles were found that were identified by M3 as both shale and asbestos. This contamination was also cleaned up.

Chair Baird commented he appreciated the questions being asked by the committee and the information provided in response. Mr. Bissell suggested committee members call him a day in advance of the meeting when there are questions regarding specific entries so he could research and provide information by the time of the meeting.

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

6. Bond Expenditure Status Report

Mr. Demko reviewed the proposed title changes for the project listings in the monthly bond expenditure status report. He said if the group agreed, he would make the changes effective with the next report. Ms. Hodgson proposed "Swing Space" be expanded to "Temporary Facilities Campuswide." It was agreed to change the title to "Swing Space/Interim Housing."

Chair Baird asked for clarification of the meaning of "C2G PAAs" on page 2 of the cost control report. Mr. Demko answered C2G is the name of the firm, and PAA stands for project amendment and is a change order.

Ms. Hodgson noted a difference in the amount of expenditures listed on the Bills and Warrants report vs. the Bond Expenditure Status Report through June 30th. Mr. Bissell explained the two reports were not designed to tie in together and the projects listed are different on the two reports. He has asked Mr. Demko to work with the District's Controller, to describe the projects in the same way in both reports.

Mr. Coté asked about the expenditure of \$378,000 for compensable rain delays for the P.E. Fields project listed on page 2 of the Cost Control Report, item #6-D. Mr. Demko explained there were four months of compensable delays and he offered to provide more detail at the next meeting.

7. Update on Facilities Projects, Timelines and Schedules

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

PE Fitness Building

The Division of the State Architect (DSA) is expected to approve the elevator soon.

Public Safety Training Center at Seaside

Mr. Demko said the bids received in June were \$1 million under budget. Construction is anticipated to take ten months.

MPC Education Center at Marina

Another temporary modular building has been installed. Mr. Demko reported the architect will present the drawings for the permanent building to the trustees at the August Board meeting.

Infrastructure

Mr. Demko indicated the infrastructure project will be complete in another month, 3-4 months ahead of schedule. Phase I was over budget due to change orders. The overage was deducted from the Phase II budget.

New Lecture Forum Bridge

The bridge is complete and in use.

Old Library

Mr. Demko noted this state funded project has had many problems due to structural conditions, termite damage, and drainage issues. The contract bid was under budget; however, the change orders have been large. Project completion is now estimated for late March; but it is hoped the schedule can be accelerated.

New Student Services Building

DSA is currently reviewing the drawings.

Parking Lots A, D, E, and F

Asphalt is being put in. Work was started on upper lot A and work should complete by the start of Fall semester.

PE Gym

The floor is being installed.

8. 2008-09 Initial Project Proposal and Final Project Proposal Submissions

Ms. Nakamura reported on the District's efforts to leverage local bond funds with funding from the state. She reviewed the state capital outlay funding process and explained two steps were involved for each project. The first step is to submit an initial project proposal or IPP to the state Chancellor's Office, describing the project concept and establishing a preliminary scope and budget. If the Chancellor's Office is supportive, the second step is to submit a final project proposal or FPP in the next year in July. Ms. Nakamura explained the FPP is more detailed and provides an analysis of alternatives as well as established the final scope and project costs. Architectural drawings are also included in the final project proposal.

In July, the District submitted an IPP for the Public Safety Training Facility at Parker Flats and two FPPs for the main campus -- one for the Arts Complex, and a resubmission of the Music Theater project. Ms. Nakamura reviewed components of the three projects as well as the projected timeline and costs for each. Questions were raised regarding the elevator in the Music Theater project. She responded she would bring more information to the next meeting.

9. 2010-14 Five Year Capital Outlay Plan

Mr. Bissell reviewed the Five Year Capital Outlay Plan submitted to the state in July. He explained the Chancellor's Office system for evaluating projects and assigning points to a project. He stated the District is seeking state funding for five projects in the Five Year Construction Plan: Business, Math, Science buildings project; Music/Theater; Ft. Ord Public Safety – Phase II; Humanities, Business-Humanities, and Student Services project; and the Arts Complex.

Mr. Bissell reported state funding was approved for the Business, Math, Science project and the Humanities, Business-Humanities, and Student Services project. However, funding is dependent on the state bond election which is scheduled for November, but appears likely to be deferred. He speculated the Humanities project will probably be funded even though the Business, Math, Science project is a higher priority for the District. The funding of the Humanities project will end up shifting the District's priorities and affect project timing and cash flow. Dr. Garrison concurred the District's project priorities will change due to what happens with state funding.

Mr. Coté asked how these projects fit in with the master schedule. Dr. Garrison said the five year plan presents a snapshot of the sequencing and funding of the projects. If the

Humanities project is funded, the schedule will change and cause a reevaluation of the projects.

Vice Chair Emerson commented the Parker Flats project has tremendous use and asked about the ability to find secondary non-state funding, such as Homeland Security or fire training funding. Other funding sources may enable the timeframe of the project to be accelerated. Dr. Garrison responded other funding was possible; however, current partnerships are with public agencies with limited budgets. He noted Homeland Security funding was allocated to states and then to regions, with dollars being used for training and equipment rather than capital projects. Ms. Laiolo asked if funds were received from another source, would the college be penalized by the state. Dr. Garrison's response was no.

10. Review of Format for 2007-08 Annual Report

Mr. Bissell distributed a handout of the proposed format for the financial section of the Annual Report. He reviewed the format which provides three separate spreadsheets for projects completed, in process, and planned for the future. The completed projects are listed in chronological order and provide a description and actual expenses. The in process projects section is more complicated and will provide four columns of figures showing budgeted amounts for the bond and state, the total cost, and Prop 39 expenses to date. The future projects list returns to a three column format.

Dr. Garrison explained the District tried to provide a document that would address the committee's input and still be understandable to the public. He referred to the different purposes of the report, to meet the fiduciary responsibility and statutory requirements vs. informing the public. He acknowledged the importance of the public being able to understand and appreciate the enhancements made to the institution as well as the dollar figures; however, the financial section must be understandable and tie back to the total expenditures for the year.

Ms. Hodgson commented the format was a good solution to address the committee's input. She was pleased with the reports and advised keeping the three reports separate to help clarify the differences between the reports.

Mr. Côté observed the overall total of the bond was originally \$145 million, but the current amount was \$153 million due to refinancing. He suggested a footnote was needed to explain the change in the bond amount.

Mr. Pasquinelli asked if the additional \$8.5 million should go back to the taxpayers, since the approved amount was \$145 million. Mr. Bissell said it was legally permissible to spend the refinancing amount on the projects. Ms. Hodgson added that the college will only collect \$145 million from the taxpayers and the extra \$8.5 million was due to investment earnings. She emphasized the college was not spending more nor taking \$153 million from the taxpayers.

Dr. Garrison said the trustees approved the expenditure of the earnings.

Mr. Emerson noted the college is a living breathing campus with ongoing needs that can be met with these additional funds.

Mr. Ray stated the timeframe for building projects extends far into the future. He advised it would not be wise to retire the debt until closer to the end as bad years of returns can occur.

Ms. Morrice commented the new financial section provides the right amount of information. She concurred the three separate sections should be included.

Mr. Pasquinelli agreed with Mr. Côté that the \$153 million needed to be identified, showing the amount of interest earned and attributed to projects.

Chair Baird recapped the committee's comments and stated everyone appears to be comfortable with the proposed format. Mr. Côté demurred until he could read through the report.

11. Meeting Schedule

The remaining meeting dates for 2008 are August 4 and November 10 (annual organizational meeting). Mr. Emerson indicated a conflict with the November meeting date. Ms. Nakamura will contact members to determine an alternative date.

12. Suggestions for Future Agenda Topics and Announcements

There were none.

13. Adjournment

The meeting was adjourned at 6:20 p.m.

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	Monterey Peninsula College	
	Bills & Warrants Report	
	Through September 30, 2008	
		Amount
Vendor Name	Description of service or purchase	Paid
<u>Physical Education Facility</u>	<i>Total Expense at June 30, 2008</i>	<i>\$1,540,428.22</i>
San Jose Blue	Expenditures reported on the August 4, 2008 meeting date report moved to Gymnasium Building category.	<i>(\$332.01)</i>
HGHB Architect	Expenditures reported on the August 4, 2008 meeting date report moved to Gymnasium Building category.	<i>(\$53,481.92)</i>
	To Date Expense through September 30, 2008	<u>\$1,486,614.29</u>
<u>New Student Services Building</u>	<i>Total Expense at June 30, 2008</i>	<i>\$760,832.11</i>
Hammel, Green & Abrahamson	Professional services for the student services center building. Services for June 08.	\$35,024.72
Division of State Architect	DSA Refund	<i>(\$2,319.41)</i>
	To Date Expense through September 30, 2008	<u>\$793,537.42</u>
<u>Automotive Technology Building Renovation</u>		
	<i>Total Expense at June 30, 2008</i>	<i>\$5,209.75</i>
HGHB	Professional services for the automotive technology startup tasks. Service for May thru June 08.	<u>\$4,870.00</u>
	To Date Expense through September 30, 2008	<u>\$10,079.75</u>
<u>College Center Renovation</u>	<i>Total Expense at June 30, 2008</i>	<i>\$6,612.50</i>
HGHB	Professional services for the student center for May 08.	\$507.50
HGHB	Professional services for the student center for May thru June 08.	<u>\$2,585.00</u>
	To Date Expense through September 30, 2008	<u>\$9,705.00</u>

Monterey Peninsula College		
Bills & Warrants Report		
Through September 30, 2008		
Vendor Name	Description of service or purchase	Amount Paid
<u>Public Safety Training Center Renovation</u>		
	<i>Total Expense at June 30, 2008</i>	\$887,161.52
San Jose Blue	Planwell retrieval for MPC public safety training center.	\$2,806.78
San Jose Blue	Planwell retrieval for MPC public safety training center.	\$171.07
M3 Environmental Consulting LLC	Limited asbestos and lead sampling work for the gymnasium. Service for May 08.	\$2,600.00
Kleinfelder	Project management services for July 08.	\$240.00
M3 Environmental Consulting LLC	Hazardous materials removal monitoring for buildings 4464/4465 on the former fort ord.	\$4,140.00
HGHB	Bidding phase work for the mpc public safety training center. Service for May thru June 08.	\$20,795.00
PARC Environmental	Lead removal and soft demo for building 4465.	\$42,170.00
San Jose Blue	Planwell retrieval for MPC public safety training center.	\$134.58
San Jose Blue	Planwell retrieval for MPC public safety training center.	\$295.15
Office Depot	Purchase of office supplies for Kitchell.	\$916.99
Central Electric	Provide temporary power for the mpc public safety training center office trailer.	\$10,755.00
	Adjustments for transpositions	\$0.45
	To Date Expense through September 30, 2008	<u>\$972,186.54</u>
<u>Gymnasium Building</u>		
	<i>Total Expense at June 30, 2008</i>	\$0.00
Geo. H. Wilson	Rebuild the existing air handling units at the gym basement. 40% complete.	\$34,413.00
Geo. H. Wilson	Plumbing work for the gymnasium. 60% complete.	\$18,570.00
David Foord	Inspection services for construction of the MPC gymnasium renovation. Service for April thru June 08.	\$15,000.00
HGHB	Professional services for gym improvements. Service for May thru June 08.	\$10,641.79
Wasson's Cleaning & Restoration	Post construction cleaning including dusting concrete floors and vacuuming in gymnasium.	\$382.50
Central Electric	Provide electrical improvements to the gym. 100% complete.	\$16,198.00
M3 Environmental	Limited asbestos sampling in the gym restrooms. Service for June 08.	\$360.00
San Jose Blue	Planwell retrieval for MPC gymnasium plans.	\$674.27
San Jose Blue	Planwell retrieval for MPC gym renovation plans.	\$690.93

	Monterey Peninsula College	
	Bills & Warrants Report	
	Through September 30, 2008	
		Amount
Vendor Name	Description of service or purchase	Paid
<u>Gymnasium Building (cont.)</u>		
San Jose Blue	Expenditures reported on the August 4, 2008 meeting date report moved from Physical Education Facility.	\$332.01
HGHB Architect	Expenditures reported on the August 4, 2008 meeting date report moved from Physical Education Facility.	\$53,481.92
	To Date Expense through September 30, 2008	<u>\$150,744.42</u>
<u>Lecture Forum Renovation</u>	<i>Total Expense at June 30, 2008</i>	\$2,008,527.13
Del Monte Glass Shop	Remove 4 pair of existing doors and frames in the lecture forum. Provide and install vista wall performax doors and frames.	\$39,677.15
Spinitar	Purchase of A/V equipment and installation at the lecture forum.	\$13,200.00
American Lock & Key	Rekeying and new locks sets for the lecture forum. New classroom lever locksets.	\$7,169.75
Central Electric	Install RG-6 cable at the lecture forum.	\$686.11
Spinitar	Install equipment with barco desk top option.	\$13,362.82
Spinitar	Install equipment with barco desk top option.	\$17,979.93
	Adjustment for transpositions.	<u>(\$100.00)</u>
	To Date Expense through September 30, 2008	<u>\$2,100,502.89</u>
<u>Social Science Renovation</u>	<i>Total Expense at June 30, 2008</i>	\$848,815.20
PARC Environmental	Remove and dispose of asbestos containing materials and mold contaminated drywall in the social science ceiling tile.	\$4,200.00
Harry L. Murphy	Purchase of 6 cartons of Armstrong flooring for social science.	\$255.10
Geo. H. Wilson	To replace the old faucets in the Men's & Women's restrooms in the social science building.	\$1,910.00
David W. Foord Consulting	Inspection services for the seismic upgrade project for social science project, services for August 08.	<u>\$2,000.00</u>
	To Date Expense through September 30, 2008	<u>\$857,180.30</u>

	Monterey Peninsula College	
	Bills & Warrants Report	
	Through September 30, 2008	
		Amount
Vendor Name	Description of service or purchase	Paid
<u>New Child Development Center Building</u>	<i>Total Expense at June 30, 2008</i>	<i>\$936,022.50</i>
Tombleson	Construction payment for child development center.	\$14,633.93
Tombleson	Construction payment for child development center.	\$38,717.64
Central Coast System	Replaced detector 40 in room 308 with heat detector.	\$269.09
American Lock and Key	Repair and adjust latch to the exit device unit at the children's center.	\$140.00
American Lock and Key	Replace lock with one Detex x-40 and spacer at the children's center.	\$779.21
Monterey County Fence Co.	Remove and reset bike racks at the children's center building.	\$600.00
Geo. H. Wilson	Labor and materials for design correction to the kitchen hood transfer grill in the children's center.	\$1,551.00
Hammel, Green & Abrahamson Inc.	The architect provided additional architectural services such as obtaining division or state architecture approval of electrical transformer and work that was related to furniture and equipment procurement and installation recommendations.	\$9,625.00
Northern Design	Prepare and recoat the sink at the child development center with the system 3 coating system.	\$735.00
Kleinfelder Inc	Geotechnical services and construction materials testing.	\$2,375.09
Kleinfelder Inc	Geotechnical services and construction materials testing as well as observation for the child development center.	\$7,959.50
Kleinfelder Inc	Construction materials testing and observation.	\$5,593.00
	To Date Expense through September 30, 2008	<u>\$1,019,000.96</u>
<u>New Education Center at Marina</u>	<i>Total Expense at June 30, 2008</i>	<i>\$1,626,047.54</i>
The Ratcliff Architects	Consulting services regarding two temporary modulars at the MPC Education Center.	\$16,353.75
Central Electric	Services provided included: relocation of power pole; relocation of pole light; correct existing building issues; relocate data outlet; terminate modular furniture; gfi install in restroom; temporary generator; fixture replacements.	\$1,164.64
Kleinfelder Inc.	Testing and inspection services.	\$100.00
Apex Signs & Graphics	Install wood sign, which reads, " Marina Police Department Satellite Office."	\$293.25
<u>New Education Center at Marina (cont.)</u>		

Monterey Peninsula College		
Bills & Warrants Report		
Through September 30, 2008		
		Amount
Vendor Name	Description of service or purchase	Paid
Dell Marketing L.P.	Purchase 32 Latitude D 630 Laptops and global warming sun screen.	\$42,713.10
	Adjustment for transpositions.	-\$0.10
San Jose Blue	Plans for mpc marina education center.	\$77.63
HGHB	Predesign work for the marina education center.	\$32,400.00
	To Date Expense through September 30, 2008	<u>\$1,719,149.81</u>
<u>Furniture/Equipment</u>	<i>Total Expense at June 30, 2008</i>	\$288,036.24
KI Inc.	Purchase 20 task chairs for the CAD lab.	\$4,828.12
KI Inc.	Purchase of tables and chairs for the marina education center.	\$5,123.35
Computer Comforts	Purchase of hideaway table, keyboard caddy, stand hideaway arm, slide out CPU rack, for the CAD lab.	\$22,280.00
Apple Computer Inc.	Purchase of Vmware Fusion - Academic for math department lab.	\$42.85
Apple Computer Inc.	Purchase of appicare protection plan for iMac for math department lab.	\$119.00
Apple Computer Inc.	Purchase of iMac, 24 inch, Intel Core 2 Duo for math department lab.	\$2,221.64
Palace Office Interiors	Purchase of 24 stool with mechanical left urethane seat and back for the art department.	\$3,859.69
Home Depot	Purchase of supplies for math department lab.	\$32.22
Office Depot	Purchase of file cabinet and credenza for new math department lab.	\$996.30
Office Depot	Purchase of task chairs and keyboard tray for new math department lab.	\$1,291.82
	To Date Expense through September 30, 2008	<u>\$328,831.23</u>
<u>Infrastructure/Parking</u>	<i>Total Expense at June 30, 2008</i>	\$19,415,129.96
Granite Construction Co. sf	Payment posted twice on August 4, 2008, bond oversight committee report. Payment was only made once.	(\$143,699.99)
Granite Construction Co. sf	Payment application #8 for lecture forum bridge.	\$244,140.57
Granite Construction Co. sf	Retention payment for application #8 for lecture forum bridge.	\$27,126.73
Granite Construction Co. sf	Payment applicaton #17 and retention payment #17 for site utilities project.	\$57,088.45
Granite Construction Co. sf	Payment application #18 for site utilities infrastructure project.	\$146,003.40
<u>Infrastructure/Parking (cont.)</u>		

	Monterey Peninsula College	
	Bills & Warrants Report	
	Through September 30, 2008	
		Amount
Vendor Name	Description of service or purchase	Paid
Granite Construction Co. sf	Payment application # 9 and retention for application #9.	\$95,096.16
Granite Construction Co. sf	Retention payment #18 for site utilities infrastructure.	\$16,222.60
Alfa Tech	Structural work completed for the MPC lecture forum bridge. Services for May 08.	\$5,500.00
Alfa Tech	Structural, civil, electrical, architectural and landscape services for the MPC lecture forum bridge. Services for the month of June 08.	\$4,500.00
Alfa Tech	Road improvements for MPC road improvement project. Services for June 08.	\$4,500.00
EMC Planning Group Inc.	Professional services for child development center bio surveys. Service for June 08.	\$281.71
Central Electric	Purchase of light fixtures for parking lots D,E & F.	\$46,164.73
Alfa Tech	Construction phase services for parking lot F extension. Services for June 08.	\$5,975.00
C2G Civil Consultants Group	Construction phase services for parking lot D & E extensions. Services for June 08.	\$12,637.38
Barrie D. Coate & Assic,	On site visit to evaluate site for approximately 170 replacement trees at MPC.	\$1,030.00
Kleinfelder Inc.	Testing and inspection services for MPC SE parking lot D, E, & F.	\$15,837.50
Monterey County Fence Co.	Cut 10' opening double drive gate into existing fence line at the baseball field. Gate will swing 180 away from the field.	\$1,350.00
Alfa Tech	Construction administration services for June 08.	\$2,900.00
Alfa Tech	Structural redesign for MPC lecture forum bridge. Services for June 08.	\$3,500.00
D & M Consulting Engineers	Additional inspection at the MPC lecture forum bridge.	\$7,132.50
Berbee Information Networks	Purchase of 2 infromacast paging system for 250 users and installation for emergency prepardness.	\$15,444.00
EMC Planning Group Inc.	Professional services for the streambed alteration agreement (lecture forum bridge).	\$936.96
Kitchell, CEM	Project management services for MPC infrastructure project. Services for June 08.	\$26,565.84
D & M Consulting Engineers	Professional services for new lecture forum bridge. Services for period ending May 08.	\$3,787.00
David Foord	Inspection services for MPC new transformer project. Services for January 07 to May 08.	\$15,000.00
David Foord	Inspection services for the MPC lecture forum bridge. Services for remainder of contract.	\$20,000.00
David Foord	Inspection services for the MPC site utilities infrastructure project.	\$37,830.00
EMC Planning	Professional services for parking lot A bio survey. Services for June 08.	\$818.75

Monterey Peninsula College		
Bills & Warrants Report		
Through September 30, 2008		
		Amount
Vendor Name	Description of service or purchase	Paid
<u>Infrastructure/Parking (cont.)</u>		
San Jose Blue	Upload into planwell, MPC -DSA approved upper parking lot A plan.	\$156.37
C2G Civil Consultants Group	Professional services related to the drainage improvement plan for the new administration building.	\$3,831.25
D & M Consulting Engineers	Additional inspection at the MPC lecture forum bridge.	\$1,787.00
PARC Environmental	Supplied and dispose of transite bin for Granite Construction to use during construction for MPC asbestos bin project.	\$5,381.00
EMC Planning Group Inc.	Professional services for parking lot A bio survey. Services for July 08.	\$806.34
CMX L.T.C.	Structural engineering services for MPC baseball backstop.	\$2,514.28
San Jose Blue	Misc refunds for specs	(\$1,125.00)
CMX L.T.C.	Plan review fees, postage and delivery for MPC baseball backstop.	\$549.78
	Adjustments for transpositions.	\$186.11
	To Date Expense through September 30, 2008	<u>\$20,102,886.38</u>
<u>New Admin/Old Library</u>	<i>Total Expense at June 30, 2008</i>	<i>\$0.00</i>
Dilbeck & Sons Inc.	Construction payment #5.	\$77,459.61
Pacific Valley Bank	Retention payment for new administration building.	\$30,605.00
Ailing House Pest Control	Treat drywood termite infested areas in the new administration building.	\$800.00
San Jose Blue	Document printing and delivery for the new administration building.	\$244.74
D&M Consulting Engineers Inc.	Geotechnical and special inspection services associated with construction of the new administration building.	\$37,969.20
David Foord	Inspection services for the month of May 08.	\$7,500.00
San Jose Blue	Round trip delivery of plans for new administration building.	\$23.08
San Jose Blue	Round trip delivery of plans for new administration building.	\$25.26
San Jose Blue	Round trip delivery of plans for new administration building and document management.	\$63.43
San Jose Blue	One way delivery, color scan to file the schedules dated 12-31-08.	\$165.17
The Ratcliff Architects	Bidding phase for the new administration building.	\$25,500.00
Dilbeck & Sons Inc.	Construciton payment #6.	\$367,088.40

Monterey Peninsula College		
Bills & Warrants Report		
Through September 30, 2008		
		Amount
Vendor Name	Description of service or purchase	Paid
<u>New Admin/Old Library (cont.)</u>		
Pacific Valley Bank	Retention payment for payment application #6 for new administration building.	\$40,787.60
Cable Express	Purchase of Cisco Fiber compatible Gig connectors; MMF SFP with LC connectors for the information systems department.	\$13,597.14
Cable Express	Purchase of 1 cisco chassis fan tray for new administration data center.	\$937.12
Cable Express	Purchase of 2 cisco catalyst 6500 watt ac power supply for new administration data center.	\$6,435.00
Cable Express	Purchase of 1 cisco catalyst 6500 series 48 port fabric enable switch module spare for new administration data center.	\$9,652.50
Cable Express	Purchase of 1 cisco catalyst and 20 new cisco 10 GIG sr mmf with sc connectors.	\$31,799.63
Cable Express	Purchase of 2 cisco catalyst 6000 watt ac power supply, 2 cisco catalyst ports, 2 cisco catalyst 6500 port sfp gbic module, for new administration data center.	\$113,873.76
	To Date Expense through September 30, 2008	<u>\$764,526.64</u>
<u>PE Field/Track</u>	<i>Total Expense at June 30, 2008</i>	<i>\$14,840,388.58</i>
	Adjustment for transpositions.	<u>\$41.15</u>
	To Date Expense through September 30, 2008	<u>\$14,840,429.73</u>
<u>Swing Space/Interim Housing</u>	<i>Total Expense at June 30, 2008</i>	<i>\$1,287,488.35</i>
Hallmark Construction Inc.	Labor and materials to make repairs to relocatable due to damage.	\$1,635.00
Golden PMI	Demo existing KI Wire works panels in temporary student services portable. Product to be palletize, shrink wrap and protected for future uses.	\$15,500.00
KI Inc.	Purchase of KI Genius Wall - Demountable/Moveable Partitions for the modular building offices.	\$42,486.18
Boys & Girls Club of Monterey	Payment for use of Gym while MPC's Gym is being renovated.	\$820.00
Cable Express	Purchase of equipment to support swing space, items purchases included: cisco module; smartnet; locking wall mount; routing module.	\$3,960.65

	Monterey Peninsula College	
	Bills & Warrants Report	
	Through September 30, 2008	
		Amount
Vendor Name	Description of service or purchase	Paid
<u>Swing Space/Interim Housing (cont.)</u>		
HGHB	Initial startup tasks for assessing the existing Administration Building to be used as swing space once the building has been vacated.	\$10,537.25
Apex Signs & Graphics	Check cancelled that was received back from vendor, due to this was a duplicate payment made.	(\$752.43)
Bruce Wilder	Reimbursement for purchase of: speaker system with remote, outlet strip; wireless presenter; notebook lock, for smart classroom at marina education center.	\$239.49
Pacific Gas & Electric	Costs associated with new 400 amp services to modulars located at the marina education center.	\$1,338.25
MLD Custom Cabinets	Purchase of custom made muliti-media consoles for use in modulars at marina education center.	\$1,957.31
Central Electric	Provide power to new automatic door opener at gym for supportive services access.	\$935.46
Cable Express	Purchase of 1 GIG with LC connectors with lifetime warranty and multimode riser jumper cable with clips.	\$827.14
Cable Express	Purchase of 1 catalyst port.	\$938.44
Urban Lumberjacks	Trim trees to make room for modular at the supportive services testing center.	\$1,180.00
HGHB	Professional service for May 1, 2008 thru July 25, 2008 for test module.	\$19,640.90
Troxell Communications Inc.	Purchase of one DA lite screen.	\$268.13
Troxell Communications Inc.	Purchase of one document camera.	\$2,354.14
Projector People	Purchase one Toshiba Projector.	\$1,425.00
Green Valley Landscape	Hydroseeding theater area and between supportive services testing and gym where hot water lines were replaced.	\$2,932.03
Cable Express	Purchase of patch cords for marina education center.	\$614.86
Mobile Modular Management Corp.	Provide modular trailer for supportive services to be used for a testing center.	\$5,856.00
Apex Signs & Graphics	Provide sign, that reads, No Food or Drink allowed in the Classroom, for the marina education center.	\$257.07
Central Electric	Electrical work for new modular unit located at marina education center.	\$25,566.00

	Monterey Peninsula College	
	Bills & Warrants Report	
	Through September 30, 2008	
		Amount
Vendor Name	Description of service or purchase	Paid
<u>Swing Space/Interim Housing (cont.)</u>		
American Lock & Key	Install locks on new modular at the marina education center.	\$482.54
Cable Express	Purchase of cisco switch for supportive services testing center.	\$4,103.73
Cable Express	Purchase of cisco catalyst for marina education center.	\$2,091.38
Epico Systems Inc.	Provide labor and material for the installation of new fiber and copper for the marina education center.	\$4,419.00
Epico Systems Inc.	Provided the labor and material for the installation of 2 CAT6 jacks only, cable was existing. Plus testing of 2 CAT 5 cables.	\$483.50
Epico Systems Inc.	Provide labor and material for the installatin of new fiber and copper for the supportive services testing center.	\$3,375.00
Central Electric	Connect power and route data counduits to new modular building.	\$25,465.00
Dell Marketing L.P.	Purchase of one notebook computer for the marina modular smart podium.	\$1,306.25
Del Monte Glass	Remove existing single door. Provide and install aluminum door in an exisitng hollow metal door frame.	\$6,601.00
Office Depot	Purchase of 36 task chairs for marina education center.	\$4,032.98
	Adjustment for transposition.	\$0.30
HGHB	Professional services related to the marina education center relocatables. Service for May thru June 08.	\$18,785.11
Dell Marketing L.P.	Purchase OptiPlex 755 minitower; pentium dual core; processor; 4GB memory; keyboard and monitor for the marina education center.	\$2,857.50
	To Date Expense through September 30, 2008	<u>\$1,502,008.51</u>
<u>General Institutional Bond Mgmt.</u>	<i>Total Expense at June 30, 2008</i>	\$2,581,331.72
Office Depot	Purchase of offices supplies for bond management group.	\$329.09
Kitchell, CEM	Program management services for June 08.	\$75,332.00
San Jose Blue	Document printing of plans for relocatable and delivery.	\$778.02
Kitchell, CEM	Program management services for March 08..	\$95,375.50
Office Depot	Purchase of offices supplies for bond management group.	\$35.94

Monterey Peninsula College		
Bills & Warrants Report		
Through September 30, 2008		
		Amount
Vendor Name	Description of service or purchase	Paid
<u>General Institutional Bond Mgmt. (cont.)</u>		
San Jose Blue	Document printing and delivery for MPC - Tree map.	\$124.41
San Jose Blue	Document printing and delivery of plans for building #8 Nursing.	\$10.74
Office Depot	Purchase of offices supplies for bond management group.	\$266.35
Office Depot	Purchase of 2 lateral file cabinets, and pedestal mobile.	\$931.25
Office Depot	Purchase of paper and power strip.	\$97.89
Office Depot	Purchase of offices supplies for bond management group.	\$313.17
	Adjustment for transpositions.	<u>\$382.06</u>
	To Date Expense through September 30, 2008	<u>\$2,755,308.14</u>
<u>Music / Theater Building</u>		
	<i>Total Expense at June 30, 2008</i>	\$22,732.50
	No new expense this period	<u>\$0.00</u>
	To Date Expense through September 30, 2008	<u>\$22,732.50</u>
<u>Fitness Phase 1B</u>		
	<i>Total Expense at June 30, 2008</i>	\$898,703.04
	No new expense this period	<u>\$0.00</u>
	To Date Expense through September 30, 2008	<u>\$898,703.04</u>
<u>Infrastructure 2</u>		
	<i>Total Expense at June 30, 2008</i>	\$0.00
Granite Construction Co.	Excavate unstable soil at the new Administration Building.	\$2,958.00
Granite Construction Co.	Payment of application #1 and #2 for southeast parking lot improvement.	\$626,083.96
San Jose Blue	Printing of plans for MPC upper parking lot.	\$1,118.70
Alfa Tech, Inc.	Construction documents for MPC parking Lot A North, Redesign. For the month of June 08.	\$24,000.00
California Site Services	Temporary rental of chain link fence to secure area after demo of old child care center.	\$1,039.50
Green Valley Landscape	Purchase of 122 trees for planting on campus, install valve and later drip line..	\$34,475.88
Kleinfelder Inc	Professional services including: compaction testing; data maangement and evaluation; project management. For the MPC utilities infrastructure project.	\$2,120.00

Monterey Peninsula College		
Bills & Warrants Report		
Through September 30, 2008		
		Amount
Vendor Name	Description of service or purchase	Paid
<u>Infrastructure 2 (cont.)</u>		
Alfa Tech, Inc.	Construction documents for MPC parking Lot A North, Redesign. For the month of July 08..	\$15,000.00
C2G Civil Consultants Group	Topographic survey for MPC baseball walkway improvements. Service for August 08.	\$3,343.75
Green Valley Landscape	Purchase of 63 trees for planting on campus.	\$15,530.96
Granite Construction Co-Watson	Payment of application #3 for southeast parking lot improvement.	\$655,483.82
Kleinfelder Inc	Testing and inspection services for MPC SE parking lot D,E & F.	\$19,424.00
Kleinfelder Inc	Professional services including: compaction testing; concrete sampling; data management and evaluation; project management. For the MPC utilities infrastructure project.	\$6,000.50
Granite Construction	Retention payment for application #19 for site utilities infrastructure project.	\$55,848.60
Granite Construction	Payment application #19 for the site utilities infrastructure project.	\$502,637.35
C2G Civil Consultants Group	Provide architectural engineering services preliminary design for the backstop project Baseball field walkway.	\$8,375.00
Ross Recreation Equipment	Purchase of 1 backless benchplastic 3 support for social science building.	\$1,276.37
C.S. Communications	Phase I: Installed campus wide alert system main antenna units and provided site consultation and wire map for locations of speakers and wiring of main control unit along w/engineering for speaker mounts. Miscellaneous cable and hardware for antenna mounts and main service.	\$6,228.56
C.S. Communications	Phase II: Campus alert system installed half of the outdoor paging speakers on poles and high buildings on west campus and buildings.	\$7,886.89
C.S. Communications	Purchase of emergency alert paging system, installed 10 additional speakers.	\$1,320.00
C.S. Communications	Complete installation for emergency campus alert system speakers. Mounted last 5 speakers on poles in front parking lots.	\$1,254.94
Geo. H. Wilson	Labor and equipment for underground heating line leak at the PE building.	\$5,839.00
D&M Consulting Engineers Inc.	Geotechnical services for building 24 elevator addition. For the period ending 5/28/08.	\$4,600.66
D&M Consulting Engineers Inc.	Geotechnical services for building 24 elevator addition. For the period ending 6/28/08.	\$2,314.86
To Date Expense through September 30, 2008		\$2,004,161.30

Monterey Peninsula College		
Bills & Warrants Report		
Through September 30, 2008		
		Amount
Vendor Name	Description of service or purchase	Paid
Infrastructure 3	<i>Total Expense at June 30, 2008</i>	<i>\$0.00</i>
Granite Construction Co-sf.	Add new irrigation connections from the new reclaim line installed under the infrastructure project.	\$19,548.00
San Jose Blue	CD sent to make emergency vacuation signage.	\$484.41
Silvestri Construction	Remove and replace existing asphalt pathway adjacent to supportive service modular building.	\$6,000.00
	To Date Expense through September 30, 2008	\$26,032.41
Closed Projects		
New Admin/Old Library	Renovation.	\$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 Blding	HVAC replacement.	\$16,443.00
Drafting Blding	Furnace replacement.	\$13,974.00
Early Start - New Plant Services Blding	Costs over state funding for new building.	\$487,574.35
Early Start - Demolition of Old Plant Services Blding		\$63,521.68
Environmental Impact Report - Campus		\$154,162.67
Business & Computer Science Blding	Seismic design.	\$7,981.84
Humanities Blding	Seismic design.	\$16,375.04
International Center Blding	Blue Prints.	\$14.71
Physical Science Blding	Architectural Services, for potential elevator replacement.	\$6,986.44
Life Science Bldng	Architectural Services, for potential elevator replacement.	\$7,793.83
Pool/Tennis Courts	Preliminary architectural services.	\$405.00
	To Date Expense through September 30, 2008	\$3,609,396.71
	Total Payments	\$55,973,717.97

CBOC BOND EXPENDITURE REPORT 9/30/08

Projects	Total With Other Funds	Total Bond Budget	Total Prior Year Expenses	2008-09 Payments	Total Payments	Purchase Orders Outstanding	Bond Budget less Total Pymts & POs	% Completed	
								Cost	Schedule
In Process									
Auto Technology Building	\$1,000,000	\$1,000,000	\$5,210	\$4,870	\$10,080	\$0	\$989,920	1%	4%
New Ed Center Building at Marina	\$11,000,000	\$11,000,000	\$1,626,048	\$93,102	\$1,719,150	\$19,652	\$9,261,198	16%	18%
New Admin / Old Library Renovation	\$6,800,000	\$4,085,000		\$764,527	\$764,527	\$2,850,272	\$470,201	19%	65%
Furniture & Equipment	\$4,000,000	\$4,000,000	\$288,036	\$40,795	\$328,831	\$162,965	\$3,508,204	8%	13%
Gym - floor/seismic/bleachers	\$1,200,000	\$600,000		\$150,744	\$150,744	\$496,733	(\$47,477)	25%	74%
Public Safety Training Center Renov.	\$9,000,000	\$9,000,000	\$887,162	\$85,025	\$972,187	\$4,239,059	\$3,788,754	11%	17%
New Student Services Building	\$11,000,000	\$11,000,000	\$760,832	\$32,705	\$793,537	\$3,000	\$10,203,463	7%	8%
Swing Space / Interim Housing	\$4,600,000	\$4,600,000	\$1,287,488	\$214,520	\$1,502,009	\$97,018	\$3,000,973	33%	32%
Infrastructure - Parking/Phase II (DEF&A)	\$2,500,000	\$2,500,000		\$2,004,161	\$2,004,161	\$421,758	\$74,081	80%	90%
Student Center Renovation	\$4,700,000	\$4,700,000	\$6,613	\$3,093	\$9,705	\$14,302	\$4,675,993	0%	2%
Infrastructure - Phase III	\$3,800,000	\$3,800,000		\$26,032	\$26,032	\$78,655	\$3,695,313	1%	2%
Future									
Human,Bus-Hum,StudntServ	\$7,690,000	\$3,845,000			\$0	\$0	\$3,845,000	0%	0%
Math /Science (see note below)	\$30,906,000	\$15,453,000				\$0	\$15,453,000	0%	0%
Family Consumer Science	\$500,000	\$500,000				\$0	\$500,000	0%	0%
Nursing - replace roof)	\$500,000	\$500,000				\$0	\$500,000	0%	0%
PE Phase II - Gym/Locker Room Renov.	\$3,000,000	\$3,000,000				\$0	\$3,000,000	0%	0%
Pool/Tennis Courts Renovation	\$5,000,000	\$5,000,000				\$0	\$5,000,000	0%	0%
Art Studio/Art Ceramics/AD/IC/Drafting	\$11,292,000	\$5,646,000				\$0	\$5,646,000	0%	0%
PSTC Parker Flats	\$12,000,000	\$6,000,000				\$0	\$6,000,000	0%	0%
Music / Theater Building	\$22,628,000	\$11,314,000	\$22,733	\$0	\$22,733	\$0	\$11,291,268	0%	0%
Completed									
Early Start/Completed-Telephone System	\$600,000	\$600,000	\$599,414	\$0	\$599,414	\$0	\$586	100%	100%
Early Start/Completed-New Plant Serv Bldg	\$500,000	\$500,000	\$487,574	\$0	\$487,574	\$0	\$12,426	98%	100%
Early Start/Completed-HVAC Repairs	\$599,414	\$599,414	\$618,539	\$0	\$618,539	\$0	(\$19,125)	103%	100%
Other Early start / completed	\$1,871,801	\$1,871,801	\$1,905,244	(\$1,375)	\$1,903,869	\$0	(\$32,068)	102%	100%
Infrastructure/Parking - Phase I	\$21,000,000	\$21,000,000	\$19,415,130	\$687,756	\$20,102,886	\$433,637	\$463,477	96%	100%
New Child Development Center Bldg	\$5,447,000	\$985,000	\$936,023	\$82,978	\$1,019,001	\$0	(\$34,001)	103%	100%
Lecture Forum Renovation	\$1,700,000	\$1,700,000	\$2,008,527	\$91,976	\$2,100,503	\$7,777	(\$408,280)	124%	100%
Social Science Renovation (inc. Seismic)	\$1,200,000	\$1,200,000	\$848,815	\$8,365	\$857,180	\$5,057	\$337,763	71%	100%
PE Field Track, Fitness Building	\$17,500,000	\$17,400,000	\$17,279,520	(\$53,773)	\$17,225,747	\$56,430	\$117,823	99%	100%
Subtotal Projects	\$203,534,215	\$153,399,215	\$48,982,907	\$4,235,503	\$53,218,410	\$8,886,315	\$91,294,490		
General Institutional-Bond Management			\$2,581,332	\$173,976	\$2,755,308	\$409,127			
Totals			\$51,564,239	\$4,409,479	\$55,973,718	\$9,295,442			

Cost Control Report				
10/16/2008				
Public Safety Training Center				
	Budget	Current Projection	Variance	Comments
Design Phase	\$ 3,669,200	\$ 3,669,200	\$ -	Design includes Architect, Const. Mgmt., DSA fees, printing, etc.
Constructn bid	\$ 4,255,000	\$ 4,255,000	\$ -	Actual bid amount.
C.O. Contngcy.	\$ 851,000	\$ 851,000	\$ -	
Test & Inspect.	\$ 224,800	\$ 224,800	\$ -	
Equipment	\$ -	\$ -	\$ -	Will be funded from the Furniture & Equipment budget.
Total	\$ 9,000,000	\$ 9,000,000	\$ -	
Summary: The project bids were under budget and as a result the project is well within the budget.				

Old Library / New Admin				
	Budget	Current Projection	Variance	Comments
Design Phase	\$ 925,300	\$ 925,300	\$ -	Design includes Architect, Const. Mgmt., DSA fees, printing, etc.
Constructn bid	\$ 4,554,000	\$ 4,554,000	\$ -	Actual bid amount.
C.O. Contngcy.	\$ 683,100	\$ 683,100	\$ -	Considerable concealed structural repairs, termite damage repair, etc.
Test & Inspect.	\$ 171,600	\$ 171,600	\$ -	
Equipment	\$ 466,000	\$ 466,000	\$ -	
Total	\$ 6,800,000	\$ 6,800,000	\$ -	
Summary: This is a partially state-funded project. The bids came in under budget, but there have been significant change orders for unforeseen conditions such as concealed structural rebuilding, roof repairs and termite damage repair. Presently, change orders are at \$206,457 and projected to be \$593,408. The project is still within budget and, hopefully, the significant unforeseen change orders have been identified and costs allocated.				

Infrastructure Phase III				
	Budget	Current Projection	Variance	Comments
Design Phase	\$ 382,000	\$ 382,000	\$ -	Design includes Architect, Const. Mgmt., DSA fees, printing, etc.
Constructn bid	\$ 3,000,000	\$ 3,000,000	\$ -	Projected.
C.O. Contngcy.	\$ 300,000	\$ 300,000	\$ -	Unsuitable soils was the major change order.
Test & Inspect.	\$ 118,000	\$ 118,000	\$ -	
Equipment	\$ -	\$ -	\$ -	
Total	\$ 3,800,000	\$ 3,800,000	\$ -	
Summary: Infrastructure Phase I primarily consisted of the Main Infrastructure and the Bridge. Infrastructure Phase II included the Parking Lots. Infrastructure Phase III includes the elevator, cabling and other site work (future parking lots / lighting, etc.) The current budget is \$3,800,000 but will be augmented with funds that weren't used in Infrastructure Phase I & II to cover the costs for the elevator project that was moved to Phase III.				

Note: The Gym will be included in next month's report.

MPC
Active Bond/Facility Projects Update
October 20, 2008

PE Fitness Elevator – Drawings have been approved by DSA. Bids are due November 6, 2008 and construction will start in December. Completion is anticipated the summer of 2009. There were a significant number of contractors at the job walk interested in the project.

Public Safety Training Center – Work continues and the project will be completed summer of 2009.

MPC Education Center (at Marina) Temporary Modulares – An additional modular classroom is in DSA review, and it is anticipated that it will be ready for the spring semester. Because of rapid enrollment growth, expansion for fall 2009 is being contemplated.

MPC Education Center (at Marina) Permanent Buildings – Design is underway and the Architect will submit the drawings to DSA in December of 2008. Bidding is anticipated for the summer of 2009.

Infrastructure – The Infrastructure Phase I and Phase II projects have been completed. Infrastructure Phase III has begun and includes data cabling, the PE elevator project, bridge removal and remaining site work (lighting, parking lots, sidewalks). It is anticipated that approximately 20 additional spaces will be added to Parking Lot B over the break, and Lots B & C will be upgraded next summer.

Old Library / New Administration Building – Significant progress has been made to make up for time lost due to unforeseen concealed structural and termite damage.

New Student Services Building – Working drawings have been submitted to DSA. Construction is expected to start in the spring of 2009 with completion in the summer of 2010.

PE Gym – The interior seismic work is complete. The exterior seismic work will be completed in November 2008. During the actual seismic construction, concealed conditions revealed a significant amount of structural work had to be done to satisfy DSA seismic requirements. The acoustical panel installation will be completed at the end of October. The bleachers will be installed in December of 2008.

Auto Technology Building – The architect is working on drawings for a classroom addition to the existing structure. It is anticipated the construction will begin the summer of 2009 and finish December 2009.



















Family / Consumer Science – A scope of work is being developed that could be done this summer.

Baseball Backstop – An accessible walkway to the Baseball Field is under construction and when this is complete the installation of the new backstop will proceed.

Swing Space – Once the New Administration Building is complete, the Old Administration Building will be converted to swing space consisting of 6 classrooms. Design for this project is underway and construction is anticipated to begin in summer 2009.

MPC - Master Schedule

(Construction Phase Only)

ID		Task Name	Start	Finish	2007				2008				2009				2010				2011				2012				2013				2014		
					1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3				
1		Infrastructure Phase I	Wed 1/3/07	Tue 10/28/08																															
2		New Admin/Old Library	Mon 12/3/07	Tue 3/31/09																															
3		Parking & Sidewalk Improvements	Tue 1/1/08	Mon 8/17/09																															
4		Gym - Seismic/Floor/Bleachers	Fri 4/18/08	Mon 12/29/08																															
16		Public Safety Training Center Renovation	Wed 7/23/08	Fri 8/7/09																															
5		New Student Services Building	Mon 2/16/09	Mon 8/30/10																															
6		Family & Consumer Sciences	Mon 6/8/09	Fri 8/14/09																															
13		Automotive Technology Classroom	Mon 6/8/09	Thu 12/31/09																															
7		New Education Center Building at Marina	Fri 7/31/09	Fri 10/29/10																															
8		PE Gym Lockers	Mon 6/14/10	Mon 9/27/10																															
9		College Center Renovation	Wed 6/1/11	Fri 8/31/12																															
10		Humanities/Bus-Hum/Student Ser.	Mon 7/18/11	Wed 10/17/12																															
11		Business, Math & Science Buildings	Thu 9/1/11	Fri 8/30/13																															
12		Music/Theater Building	Fri 6/1/12	Wed 9/3/14																															
14		Arts Complex	Fri 6/1/12	Fri 8/30/13																															
15		Ft. Ord - Parker Flats	Thu 2/28/13	Wed 4/30/14																															
17		Pool/Tennis Courts	Mon 6/3/13	Fri 8/29/14																															

Date: Thu 10/16/08

Task

Split

Progress

Milestone

Summary

Project Summary

External Tasks

External MileTask

Split

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT

Citizens' Bond Oversight Committee

ANNUAL REPORT

2007-2008

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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:

Peter Baird, Chair
Citizens' Bond Oversight Committee

Date: November 17, 2008

INTRODUCTION

At the election conducted on November 5, 2002, the Monterey Peninsula Community College District was successful in obtaining more than 55% voter approval to issue and sell general obligation bonds in the amount of \$145,000,000 to fund specific facility projects. The bond election was conducted under Proposition 39 regulations.

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

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

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

SUMMARY OF THE COMMITTEE'S PROCEEDINGS AND ACTIVITIES FOR 2007-2008

Committee Membership

The Bylaws require that the CBOC consist of a minimum of seven members representing students, the business community, senior citizens organization, taxpayers association, college support organization, and the community at large.

Committee members serve without compensation and may be appointed for no more than two consecutive terms. Among those ineligible to serve are elected officials, employees, vendors, contractors, or consultants of the District.

Ten members, appointed by the Board of Trustees, served on the committee during the past year. Howard Gustafson, Rick Heuer, Jay Hudson, and Ken White completed their tenure on the committee in November, 2007, having served two consecutive terms. In addition, Leon Stutzman completed his first term and elected not to continue his membership for a second term. These members were recognized by the Board of Trustees for their service to the college and received certificates of commendation.

As a result of these changes, five vacancies were created on the committee. Notices were placed in the Monterey Herald to solicit interested applicants. Applications were reviewed and interviews conducted by the Superintendent/President and five new members were recommended for appointment by the Governing Board: Scott Coté, Daphne Hodgson, and Gary Ray as representatives of the community at large; Mary Ann Kane, GENTRAIN Society representative; and Ronald Pasquinelli, Monterey Peninsula Taxpayers Association representative.

In accordance with the Bylaws, officers were selected at the annual organizational meeting on November 5, 2007. Peter Baird was appointed to the Chair position by Dr. Garrison and Steve Emerson was elected to serve as Vice Chair.

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

Howard Gustafson, Jr.	2-year second term, 11/2005 – 11/2007
Rick Heuer	2-year second term, 11/2005 – 11/2007
Peter Baird, Chair	2-year initial term, 11/2006 – 11/2008
Scott Coté	2-year initial term, 11/2007 – 11/2009

Steven Emerson, Vice Chair	2-year initial term, 11/2006 – 11/2008
Daphne Hodgson	2-year initial term, 11/2007 – 11/2009
Jay Hudson	2-year second term, 11/2005 – 11/2007
Mary Ann Kane	2-year initial term, 11/2007 – 11/2009
Elinor Laiolo	2-year initial term, 11/2006 – 11/2008
Eleanor Morrice	2-year initial term, 11/2005 – 11/2007
Ronald Pasquinelli	2-year initial term, 11/2007 – 11/2009
Gary Ray	2-year initial term, 11/2007 – 11/2009
Sondra Rees	2-year initial term, 11/2006 – 11/2008
Leon Stutzman	2-year initial term, 11/2005 – 11/2007
Ken White	2-year second term, 11/2005 – 11/2007

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.

During 2007-08, the committee convened four quarterly meetings. The annual organizational meeting of the committee was held November 5, 2007, with subsequent meetings held on March 3, 2008, June 9, 2008, and August 4, 2008. Meetings were located at the Sam Karas Room in the Library & Technology Center except for the June meeting, which was held at the MPC Education Center at Marina.

At the meetings held during 2007-08, the committee received status updates on the bond projects and reviewed bond program expenditures. The June meeting included a tour of facility projects at the Monterey campus and at the college's sites at the former Fort Ord. Also, in January 2008, the District issued Series B and C bonds and the committee received a presentation from Monterey County Treasurer-Tax Collector, Lou Solton, on the investment of these bond funds. At the June meeting, the committee received a presentation on the District's bond website which had been extensively updated to reflect current facilities projects and budget information. The website includes a page designated for the committee's activities, including the meeting schedule, agendas, minutes, and annual reports.

Financial Report of the Citizens' Bond Oversight Committee

The first bond issuance was June 18, 2003. Total principal amount was \$40 million. The bond was refinanced in December 2005, increasing the principal amount to \$44,240,051. The second and third series of the bonds were issued in January 2008. In Series B, \$9,004,530 of taxable bonds were issued, with no time limit for expenditure. The principal amount in the Series C issuance was \$95,994,770 of tax exempt bond funds that are anticipated to be 85% expended within five years.

Expenditures and payments made from bond funds have been regularly reviewed and accepted by the committee during the course of the year. This annual report shows expenditures during the report period of October 1, 2007 through September 30, 2008 and total expenditures since bond inception.

MPC Bond Expenditure Report July 1, 2003 through September 30, 2008

<u>Receipts:</u>	Prior	10/1/2007- 09/30/2008	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	\$9,004,530
Bond Principal - Series C, nontaxable		\$95,994,770	\$95,994,770
Interest Income*	\$2,963,757	\$2,520,815	\$5,484,572
Total Receipts	\$47,203,809	\$107,520,115	\$154,723,924

Expenditures:

Completed Projects:

As Built Drawings	\$209,792	\$0	\$209,792
Automotive Technology HVAC	\$16,443	\$0	\$16,443
Business Computer Science Building seismic design	\$5,412	\$2,570	\$7,982
Child Development Center	\$0	\$1,019,001	\$1,019,001
Demolition of Old Plant Services	\$63,522	\$0	\$63,522
Drafting Building	\$15,349	-\$1,375	\$13,974
Environmental Impact Report	\$154,163	\$0	\$154,163
Humanities - Seismic design	\$16,375	\$0	\$16,375
HVAC Repairs	\$618,539	\$0	\$618,539
Infrastructure I (main campus utilities, A lot)	\$12,989,076	\$7,113,810	\$20,102,886
Infrastructure II (parking lots D, E, & F)		\$2,004,161	\$2,004,161

Landscaping	\$438,293	\$0	\$438,293
Lecture Forum remodel	\$1,374,890	\$725,613	\$2,100,503
Life Science elevator evaluation	\$7,794	\$0	\$7,794
Master Signage Program	\$53,890	\$0	\$53,890
New Plant Services Building	\$487,574	\$0	\$487,574
Old Library Renovation Analysis	\$21,280	\$0	\$21,280
Miscellaneous	\$0	\$420	\$420
Physical Education (Stadium, Fitness Center, etc.)	\$16,856,177	\$369,570	\$17,225,747
Physical Science elevator evaluation	\$6,976	\$10	\$6,986
Roof Repairs	\$480,256	\$0	\$480,256
Social Science remodel	\$576,777	\$280,403	\$857,180
Telephone System Upgrades	\$599,414	\$0	\$599,414
Vehicles	\$187,070	\$0	\$187,070
Walkway/Safety Improvements	\$225,630	\$0	\$225,630
Completed Projects	\$35,404,692	\$11,514,184	\$46,918,876

In Process:

Auto Technology addition		\$10,080	\$10,080
Bond Program Management	\$1,903,806	\$851,502	\$2,755,308
Education Center at Marina	\$1,201,605	\$517,545	\$1,719,150
Furniture/Equipment	\$256,477	\$72,354	\$328,831
Gym - floor/seismic/bleachers		\$150,744	\$150,744
Infrastructure III		\$26,032	\$26,032
Music Theater		\$22,733	\$22,733
New Admin/Old Library Renovation	\$0	\$764,527	\$764,527
Public Safety at Seaside	\$366,958	\$605,229	\$972,187
Student Services Building	\$284,117	\$509,420	\$793,537
Student Center Building		\$9,705	\$9,705
Swing Space	\$814,361	\$687,648	\$1,502,009
Total Expenditures	\$40,232,016	\$27,255,886	\$55,973,718

* Interest income is through June 30 of each fiscal year

Campus Renovation/Construction Projects Completed, In Process and Planned for Future
September 30, 2008

COMPLETED:

<u>Project</u>	<u>Description</u>	<u>Funding Source</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State & other</u>	
Library & Technology Center	This new 65,000 sq. ft., 3-story building houses the college's book and media collections and includes computer labs, classrooms, multi-media rooms, group study rooms, teleconferencing capability and a faculty lounge. The \$19.9 million project was primarily funded by the state, with \$438,000 provided by MPC bond funds. The facility was completed in July 2003.	\$438,293	\$19,470,000	\$19,908,293
Facilities Building	The new 18,440 sq. ft. building consolidates the plant services, warehouse, building maintenance and grounds operations within one building. Old structures formerly housing these operations were demolished. The state funded \$2.48 million of the total \$2.97 million project cost and MPC bonds provided \$488,000. This project was completed Fall 2003.	\$487,574	\$2,478,000	\$2,965,574
Early start & Miscellaneous Projects	Includes walkway and safety improvements, new IP phone system, new roofs on Life Sci, Physical Sci, Bus Computer Sci, & Art Deminsional, rebuild HVAC in Art Deminsional, Soc Sci, Bus Computer Sci, 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.	\$2,683,530	\$439,037	\$3,122,567

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 \$13.7 million cost, with \$100,000 received from a state 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	The 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.	\$3,819,075		\$3,819,075
Child Development Center	This 3-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.	\$1,019,001	\$4,384,000	\$5,403,001
Infrastructure - Phase I	All of the campus infrastructure (underground utilities, roads, walkways, bridges, etc.) will be rebuilt. Phase I makes up 77% of the total infrastructure work on campus and was completed in September, 2008.	\$20,102,886		\$20,102,886

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, floor covering and paint were applied. The majority of work was completed August 2007 with minor work remaining to be completed in summer 2008.	\$2,100,503		\$2,100,503
Social Science	The existing 12,580 square foot instructional building was remodeled to meet current seismic and ADA standards. The bathrooms were rebuilt, HVAC system replaced, new furniture, paint and floor coverings were added. The majority of the work was completed August 2007 with minor work completed in summer 2008.	\$857,180		\$857,180
Infrastructure - Phase II	Includes rebuilding and expansion of parking lots D, E, & F, addition of campus wide emergency alarms, and rebuilding the baseball backstop. The parking lots and alarm installation were completed in August 2008; the backstop drawings are currently being reviewed by the Division of the State Architect.	\$2,004,161		\$2,004,161
Totals for Completed Projects		\$46,918,875	\$26,871,037	\$73,789,912

Note: Under Completed Projects, Prop 39 Bond amounts are actual expenditures to date.

			Budgets		
IN PROCESS:			<u>Prop 39 Bond</u>	<u>State & other</u>	<u>Total Cost</u>
			\$4,085,000	\$2,715,000	\$6,800,000
Admin Building Renovations	The 19,040 sq. ft. former library building is currently being remodeled to house campus administrative offices. The state is funding \$2.715 million of the total cost with \$4.085 million contributed from MPC bond funds. The project is currently 65% complete. Office move-in is scheduled in spring 2009.				
Auto Technology	Remodel and addition to existing facility. Schematic drawings are currently being worked on. Construction is scheduled June 2009 through January 2010.		\$1,000,000		\$1,000,000
Ed Center at Marina	Temporary facilities have been added in the Ed Center site on Imjin Parkway and 3rd Avenue in Marina. The first permanent 12,000 square foot academic facility is currently be designed with a planned opening in Spring 2011.		\$11,000,000		\$11,000,000
Family Consumer Science	Remodel existing facility to repair roof and upgrade the classroom. Roof repairs have been completed and classroom upgrades will be done over the semester break and completed January 2009.		\$500,000		\$500,000
Furniture & Equipment	New furniture has been installed in all lecture classrooms. Additional funds will be used to provide furniture for the Ed Center, Public Safety Training Center, and new Student Services building.		\$4,000,000		\$4,000,000

Gym	The upper floor of the existing gym is being rebuilt including seismic upgrades, gym floor and bleacher replacement. MPC bond funds are covering 50% of the \$1.2 million estimated project cost, with the remaining 50% provided by the state. The project is scheduled to be completed in January 2009.	\$600,000	\$600,000	\$1,200,000
Infrastructure - Phase III	Includes new data cabling campus wide, rebuilding many sidewalks and parking lots B, C, & J, additional lighting and signage upgrades, an elevator at PE, and additions to disaster notification systems. Work will be completed in phases from May 2009 through September 2014.	\$3,800,000		\$3,800,000
Public Safety Training Center	Two existing former Army buildings on Col. Durham Rd. at former Ft. Ord are being renovated to provide classrooms and offices for public safety training programs. This project was successfully bid and construction began in July, 2008. The project will be completed in time for the Fall, 2009 semester.	\$9,000,000		\$9,000,000
Student Center Renovation	Remodel existing facility. Schematic drawings are currently being worked on. Construction will be completed in phases, from June 2009 through August 2012.	\$4,700,000		\$4,700,000
Student Services Building	A new 22,000 sq. ft. building that will allow the consolidation of student services offices in one central location will be constructed adjacent to the current Student Center. The building design has been completed and drawings are currently at the Division of State Architect for review and approval. Construction is expected to begin in spring 2009. Completion of the project is estimated to be in spring 2010.	\$11,000,000		\$11,000,000

Swing Space/Interim Housing	Temporary space to house programs and services displaced by modernization projects. Ten temporary modulars have been placed on campus and the Ed Center. Plans are currently being worked on to convert the old administration building for temporary classrooms, and additional modulars for labs will be needed to accommodate the Life Sci and Physical Sci projects.	\$4,600,000		\$4,600,000
Totals for projects In Process		\$54,285,000	\$3,315,000	\$57,600,000
Program Management	An outside firm is being used to manage the overall construction program. Funds to pay for these services are generated from interest earnings on bond funds. Amounts to right represent actual expenses to date.	\$2,755,308		\$2,755,308

FUTURE:			Budgets		
			<u>Prop 39 Bond</u>	<u>State & other</u>	<u>Total Cost</u>
	Art Studio/Art Ceramics/AD/IC	Rebuild existing Art Studio, Art Ceramics, Art Dimensional, and International Center buildings, and demolish existing Drafting building. The Final Project Proposal was submitted to the state Chancellor's Office in July 2008 to request 50% state funding support. The projected completion date of summer 2014 is contingent upon state funding approval.	\$5,646,000	\$5,646,000	\$11,292,000
	Business Humanities	Rebuild existing Humanities and student services buildings, and demolish existing Business Humanities building. The Final Project Proposal was submitted to the state Chancellor's Office in July 2007 to request 50% state funding support and was approved. The project has state approval for drawings starting July 2009. The estimated project completion in 2012 is subject to the availability of state bond dollars for construction.	\$3,845,000	\$3,845,000	\$7,690,000
	Business, Math, and Science Buildings	Rebuild of existing Physical Science, Life Science, and Business Computer Science buildings. The Final Project Proposal was submitted to the state Chancellor's Office in July 2007 to request 50% state funding support. The projected completion date of spring 2012 is contingent upon state funding approval.	\$15,453,000	\$15,453,000	\$30,906,000
	Gym - showers/lockers	Rebuild existing shower and locker rooms, and demolish existing pool building. Drawings are currently being completed. Construction will be done in phases, starting spring 2009. The estimated completion of the project is 2010-11 and is subject to change.	\$3,000,000		\$3,000,000

Music/Theater	Renovate existing Theater and build new Music building, creating a Center for the Performing Arts. The existing Music buildings will be demolished. The Final Project Proposal was submitted to the state Chancellor's Office in July 2008 to request 50% state funding support. The projected completion date of spring 2013 is contingent upon state funding approval.	\$11,314,000	\$11,314,000	\$22,628,000
Nursing	Replace roof on existing facility and paint exterior. This project is scheduled to be completed fall 2014.	\$500,000		\$500,000
Pool & Tennis courts	Rebuild pool and add one additional tennis court. The project is estimated to be complete in 2014-15.	\$5,000,000		\$5,000,000
Public Safety Training Center - Phase II (Parker Flats)	Construct new outdoor training facilities at the Parker Flats site at the former Fort Ord, including emergency vehicle driving course, live fire burn building, and firing range. The Initial Project Proposal for this project was submitted to the state Chancellor's Office in July 2008 for state funding consideration. The Final Project Proposal is planned to be submitted in July 2009 to secure 50% state funding support.	\$6,000,000	\$6,000,000	\$12,000,000
Totals for Future Projects		\$50,758,000	\$42,258,000	\$93,016,000
Grand Totals		\$154,717,183	\$72,444,037	\$227,161,220

APPENDIX

COMMITTEE ROSTER

COMMITTEE MEETING AGENDAS (Not included in Draft)

November 5, 2007

March 3, 2008

June 9, 2008

August 4, 2008

COMMITTEE MEETING MINUTES (Not included in Draft)

November 5, 2007

March 3, 2008

June 9, 2008

August 4, 2008

MONTEREY PENINSULA COLLEGE

Citizens' Bond Oversight Committee Members

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

TO BE PUBLISHED IN THE OFFICIAL REPORTS

OFFICE OF THE ATTORNEY GENERAL
State of California

BILL LOCKYER
Attorney General

OPINION	:	No. 04-110
	:	
of	:	November 9, 2004
	:	
BILL LOCKYER	:	
Attorney General	:	
	:	
DANIEL G. STONE	:	
Deputy Attorney General	:	
	:	

THE HONORABLE MANNY DIAZ, MEMBER OF THE STATE ASSEMBLY, has requested an opinion on the following question:

May a school district use Proposition 39 school bond proceeds to pay the salaries of district employees who perform administrative oversight work on construction projects authorized by a voter approved bond measure?

CONCLUSION

A school district may use Proposition 39 school bond proceeds to pay the salaries of district employees to the extent they perform administrative oversight work on construction projects authorized by a voter approved bond measure.

ANALYSIS

On November 8, 2000, California voters approved Proposition 39, which amended the Constitution to allow the issuance of bonds for the construction of school facilities if approved by 55 percent of a school district's voters and if specified conditions are met.¹ Among other things, subdivision (b)(3) was added to section 1 of article XIII A of the Constitution, providing that the one percent property tax limitation does not apply to:

“Bonded indebtedness incurred by a school district, community college district, or county office of education for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, approved by 55 percent of the voters of the district or county, as appropriate, voting on the proposition on or after the effective date of the measure adding this paragraph. This paragraph shall apply only if the proposition approved by the voters and resulting in the bonded indebtedness includes all of the following accountability requirements:

“(A) *A requirement that the proceeds from the sale of the bonds be used only for the purposes specified in Article XIII A, Section 1(b)(3), and not for any other purpose, including teacher and administrator salaries and other school operating expenses.*

“(B) A list of the specific school facilities projects to be funded and certification that the school district board, community college board, or county office of education has evaluated safety, class size reduction, and information technology needs in developing that list.

“(C) A requirement that the school district board, community college board, or county office of education conduct an annual, independent performance audit to ensure that the funds have been expended only on the specific projects listed.

“(D) A requirement that the school district board, community college board, or county office of education conduct an annual, independent financial audit of the proceeds from the sale of the bonds until all of those proceeds have been expended for the school facilities projects.” (Italics added.)

¹ Normally, approval of a school district's bonded indebtedness would require a two-thirds approval vote of a district's voters. (See Cal. Const., art. XIII A, § 1, subd. (b)(2), art. XVI, § 18, subd. (a).)

We are asked to determine whether the prohibition against using Proposition 39 school bond proceeds for “teacher and administrator salaries and other school operating expenses” (Cal. Const., art. XIII A, § 1, subd. (b)(3)(A)) applies to the payment of salaries of school district employees who perform administrative oversight work on construction projects authorized by a voter approved bond measure. We conclude that the prohibition is inapplicable to such salary expenses.

Preliminarily, we note that Proposition 39 also amended section 18 of article XVI of the Constitution in several respects, including the addition of subdivision (b), as follows:

“ . . . [O]n or after the effective date of the measure adding this subdivision, in the case of any school district, community college district, or county office of education, any proposition for the incurrence of indebtedness in the form of general obligation bonds for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, shall be adopted upon the approval of 55 percent of the voters of the district or county, as appropriate, voting on the proposition at an election. This subdivision shall apply only to a proposition for the incurrence of indebtedness in the form of general obligation bonds for the purposes specified in this subdivision if the proposition meets all of the accountability requirements of paragraph (3) of subdivision (b) of Section 1 of Article XIII A.”

In addition, to implement the provisions of Proposition 39, the Legislature has enacted “The Strict Accountability in Local School Construction Bonds Act of 2000” (Ed. Code, §§ 15264-15288; “Act”),² targeting “unauthorized expenditures” of Proposition 39 school bond proceeds. Section 15264 thus provides:

“It is the intent of the Legislature that all of the following are realized:

“(a) Vigorous efforts are undertaken to ensure that the expenditure of bond measures, including those authorized pursuant to paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution, are in strict conformity with the law.

² All references hereafter to the Education Code are by section number only.

“(b) Taxpayers directly participate in the oversight of bond expenditures.

“(c) The members of the oversight committees appointed pursuant to this chapter promptly alert the public to any waste or improper expenditure of school construction bond money.

“(d) That unauthorized expenditures of school construction bond revenues are vigorously investigated, prosecuted, and that the courts act swiftly to restrain any improper expenditures.”

Section 15278 requires the establishment of a citizens’ oversight committee with the following duties:

“The purpose of the citizens’ oversight committee shall be to inform the public concerning the expenditure of bond revenues. The citizens’ oversight committee shall actively review and report on the proper expenditure of taxpayers’ money for school construction. The citizens’ oversight committee shall advise the public as to whether a school district or community college district is in compliance with the requirements of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution. The citizens’ oversight committee shall convene to provide oversight for, but not be limited to, both of the following:

“(1) Ensuring that bond revenues are expended only for the purposes described in paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

“(2) Ensuring that, as prohibited by subparagraph (A) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution, no funds are used for any teacher or administrative salaries or other school operating expenses.” (§ 15278, subd. (b).)

Oversight committees are expressly permitted to engage in a number of review and inspection activities, including review of school districts’ efforts “to maximize bond revenues by implementing cost-saving measures,” specifically including “[m]echanisms designed to reduce the costs of professional fees.” (§ 15278, subd. (c)(5)(A).)

Finally, section 15284 provides for the filing of expedited civil actions, known as “School Bond Waste Prevention Actions,” by persons residing in the school district when, among other things, it appears that bond proceeds are being spent “for purposes other than those specified in paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.” (§ 15284, subd. (a)(1).)

With these constitutional and statutory provisions in mind, we return to the language of section 1, subdivision (b)(3)(A), of article XIII A of the Constitution. School bond proceeds may be expended only for “the construction, reconstruction, rehabilitation, or replacement of school facilities” and *not* “for any other purpose, including teacher and administrator salaries and other school operating expenses.” In which of these categories are the salaries of district employees whose work involves oversight of the construction projects authorized by a voter approved bond measure?

We believe that the phrase “the construction, reconstruction, rehabilitation, or replacement of school facilities” embraces project administrative costs, such as monitoring contracts and project funding, overseeing construction progress, and performing overall project management and accounting that facilitates timely completion of the construction project. A construction project generates not only the costs of materials and equipment, architectural and engineering design work, and construction worker salaries, but also costs of project administration -- work that the school district would not be required to undertake or to fund *but for* the existence of the construction project. This administrative work is performed, whether by private consultants under contract with the school district or by school district employees with expertise in project management, to ensure that all aspects of the construction project are properly coordinated; that each step satisfies the specifications; that invoices are reviewed, revised where appropriate, and paid in a timely manner; that costs do not exceed the project’s budget; and that the project is completed on schedule. (See 78 Ops.Cal.Atty.Gen. 48 (1995).)³

Some of these administrative tasks -- specifically, conducting an annual independent performance audit and an annual independent financial audit during the life of the construction project -- are expressly required by Proposition 39 itself, as a condition of qualifying for the 55 percent voter approval requirement. (See Cal. Const., art. XIII A, § 1, subds. (b)(3)(C), (b)(3)(D).) We view these kinds of project administration costs, because they relate directly to the bond projects and are an integral part of the construction process,

³ We distinguish these “management costs” from actual construction labor that district employees might contribute to the project -- such as electrical work, carpentry, painting, or plumbing. The use of district employees for construction labor is subject to separate legal restrictions. (See, e.g., Pub. Contract Code, § 20114; cf. Pub. Contract Code, § 22032.) However, the question posed here concerns only those administrative duties required for oversight of the construction project.

as coming within “the purposes specified in Article XIII A, Section 1(b) (3).” (Cal. Const., art. XIII A, § 1, subd. (b)(3)(A); see § 15278, subd. (b).)⁴

Such project management costs may therefore be funded by Proposition 39 school bond proceeds unless the expenditures are specifically prohibited under the phrase “teacher and administrator salaries and other school operating expenses.” The “teacher and administrator salaries” in question are limited to those that qualify as “school operating expenses” because of the word “other” contained in the phrase.⁵ We believe that “school operating expenses” are those regular, ongoing, day-to-day costs associated with maintaining and operating a school. Among such expenses would be (1) the cost of managing the educational services provided, including the salaries of school administrators, and (2) the cost of providing instruction to students, including the salaries of teachers. (See 22 Ops.Cal.Atty.Gen. 105, 108 (1953) [school district’s normal operating expenses include purchase of supplies and payment of salaries of school administrators, teachers, and janitors].)⁶

We distinguish between routine, everyday school operating expenses and the narrow category of costs and salaries of concern here -- costs that arise only in connection with, and are incurred only for the duration of, construction projects authorized by a voter approved school bond measure. The latter expenses are not incurred in the school’s ordinary ongoing operation, but are instead an integral part of the construction process and “in the nature of an investment for the future.” As the court explained in *Marin U. Junior College Dist. v. Gwinn* (1930) 106 Cal.App. 12:

“For years the legislature has recognized the well-established economic

⁴ To the extent the management services consist of onsite assessment of technical matters involving, for example, design, materials, building standards, or workmanship, a project manager may be required to be licensed and have experience in the particular subject area. (Cf. Gov. Code, §§ 4525-4529.5; 78 Ops.Cal.Atty.Gen. 48, *supra*; 57 Ops.Cal.Atty.Gen. 421 (1974).)

⁵ In interpreting the constitutional language added by Proposition 39, “our paramount task is to ascertain the intent of those who enacted it. [Citation.]” (*Thompson v. Department of Corrections* (2001) 25 Cal.4th 117, 122.) In determining that intent, we “look first to the language of the constitutional text, giving the words their ordinary meaning.” (*Leone v. Medical Board* (2000) 22 Cal.4th 660, 665.) “A constitutional amendment should be construed in accordance with the natural and ordinary meaning of its words. [Citation.]” (*Hi-Voltage Wire Works, Inc. v. City of San Jose* (2000) 24 Cal.4th 537, 559.)

⁶ We read Proposition 39’s use of the term “teacher . . . salaries” as meaning salaries for teaching, thus corresponding with “salaries of classroom teachers” as defined for school accounting purposes in section 41011. Appropriate definitions of “teacher” and “administrative employee” are contained in section 41401.

distinction between cost of capital expenditures and cost of maintenance. Throughout the school law this distinction has appeared in the special provisions for taxation (or for the issue of bonds) for the purchase of school lands and erection of school buildings and in the special provisions for maintenance. It is further illustrated by the numerous statutes calling for the creation of special building funds as distinct from the general, or maintenance, funds. It is based upon the sound economic principle that a capital expenditure is in the nature of an investment for the future, whereas the cost of maintenance is a definite present expense.” (*Id.* at pp. 13-14.)

Accordingly, we believe that Proposition 39’s prohibition against the use of school bond proceeds for “school operating expenses” does not bar use of the proceeds for the payment of salaries of school district employees performing oversight work on construction projects authorized by a voter approved bond measure.

Our interpretation of the language of Proposition 39 allows school districts, where feasible, to implement “cost-saving measures” and “reduce the costs of professional fees” on voter approved construction projects -- objectives promoted by the Legislature in implementing Proposition 39. (See § 15278, subd. (c)(5)(A).) School district employees with the requisite expertise may be able to perform project management work at less cost to the district than if the work were performed by private consultants.

It is also consistent with other legislative schemes dealing with similar types of costs. (See, e.g., Gov. Code, § 16727, subd. (a) [“costs of construction or acquisition of capital assets” for which bond proceeds may be expended “include costs incidentally but directly related to construction or acquisition”]; Pub. Resources Code, § 5096.674 [bond proceeds for site acquisition and development of parks and recreation areas may be applied to “costs incurred in connection with administering” bond programs]; Wat. Code, § 13959, subd. (f) [defining “construction” of bond-funded water treatment facilities to include “legal, fiscal, or economic investigations or studies, surveys, designs, plans, . . . or the inspection or supervision of any of the foregoing items”].) Administrative oversight work is an integral part of the construction process.

Finally, we note that a contrary conclusion would permit the use of the school bond proceeds for administrative oversight work if performed by private consultants under contract with a school district while forbidding the use of such proceeds for the same work performed, presumably at lower cost, by district employees. Nothing in the November 8, 2000 ballot pamphlet remotely suggests that California voters intended such a result when they adopted Proposition 39.

We conclude that a school district may use Proposition 39 school bond proceeds to pay the salaries of district employees to the extent they perform administrative oversight work on construction projects authorized by a voter approved bond measure.
