



MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

Monday, November 5, 2018
3:00 PM – Regular Meeting
Sam Karas Room, Library and Technology Center
Monterey Peninsula College
980 Fremont Street, Monterey, California

MEETING AGENDA

- 1. Call to Order**
- 2. Introduction of New Members** INFORMATION
Incoming members who will be joining the Citizens' Bond Oversight Committee in November will be introduced.
- 3. Public Comment**
Members of the audience wishing to address the Citizens' Bond Oversight Committee may do so during the public comment period. Under provisions of the Brown Act, the committee is prohibited from discussing or taking action on oral requests that are not part of the agenda. Comments are limited to three minutes per person or as determined by the committee.
- 4. Approval of August 27, 2018 Minutes** ACTION
- 5. Accept Bills and Warrants Report** ACTION
The list of payments from bond funds expended through September 30, 2018 will be reviewed for acceptance by the Committee.
- 6. Bond Expenditure Status Report** INFORMATION
The September 30, 2018 bond expenditure status report will be reviewed with the committee.
- 7. Monterey County Treasurer's Investment Report** INFORMATION
The bonds issued by the district have been invested with the Monterey County Treasurer's office. The Treasurer's Report of Investments, for the quarters ending June 30, 2018, provides a review of asset allocation and investment performance.

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|------------|--|--------------------|
| 8. | Annual Report for 2017-18
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. | ACTION |
| 9. | Superintendent/President Update | INFORMATION |
| 10. | Committee Membership Update
Committee membership will be reviewed by Dr. Tribley. | INFORMATION |
| 11. | Officers
Dr. Tribley will appoint the committee chair. Committee members will indicate their interest in serving as vice-chair and a vote will be taken. | ACTION |
| 12. | Meeting Schedule (PLEASE BRING CALENDARS)
The following meeting dates for 2019 are suggested for adoption: <ul style="list-style-type: none"> • Monday, March 4, 2019 • Monday, June 10, 2019 • Monday, August 26, 2019 • Monday, November 4, 2019 (Annual Organizational Meeting) | INFORMATION/ACTION |
| 13. | Suggestions for Future Agenda Topics and Announcements | INFORMATION |
| 14. | Adjournment | |

Public records provided to the Committee for the items listed on this agenda may be viewed online at the College's website <http://www.mpc.edu/about-mpc/campus-information/mpc-bond-measure/citizen-s-bond-oversight-committee/meeting-agenda-minutes>; at the Superintendent/President's office, Monterey Peninsula College, 980 Fremont Street, Monterey, California during normal business hours; or at the Committee meeting.

Posted: October 31, 2018

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

Monday, August 27, 2018
3:00 PM – Regular Meeting
Sam Karas Room, Library and Technology Center
Monterey Peninsula College
980 Fremont Street, Monterey, California

MEETING MINUTES

MEMBERS PRESENT: Mr. Dan Albert, Jr.
Mr. Tom Gaspich
Mr. Hunter Harvath, Chair
Mr. Dave Hober
Mr. Jeffrey Riehl

ABSENT: Mr. Stephen Lambert
Mr. Rob Lee, Vice Chair

STAFF PRESENT: Ms. Shawn Anderson, Assistant to the President
Ms. Rosemary Barrios, Controller
Mr. David Martin, Vice President for Administrative Services
Dr. Walter Tribley, Superintendent/President

OTHERS PRESENT: Mr. Mike Carson, Kitchell

- 1. Call to Order**
The regular meeting of the Citizens' Bond Oversight Committee of Monterey Peninsula College was called to order at 3:02 p.m. by Chair Harvath.
- 2. Public Comment**
There were no public comments.
- 3. Approval of June 11, 2018 Minutes**
Motion made by Mr. Albert, seconded by Mr. Hober, to approve the minutes of the June 11, 2018 meeting. Motion carried unanimously.

AYES:	5	MEMBERS:	Albert, Gaspich, Harvath, Hober, Riehl
NOES:	0	MEMBERS:	None
ABSENT:	2	MEMBERS:	Lambert, Lee
ABSTAIN:	0	MEMBERS:	None

4. Accept Bills and Warrants Report

Chair Harvath advised that the report would be reviewed by page and invited questions. Members had no questions or comments.

Motion made by Mr. Albert, seconded by Mr. Riehl, to accept the June 30, 2018 bills and warrants report. Motion carried unanimously.

AYES:	5	MEMBERS:	Albert, Gaspich, Harvath, Hober, Riehl
NOES:	0	MEMBERS:	None
ABSENT:	2	MEMBERS:	Lambert, Lee
ABSTAIN:	0	MEMBERS:	None

5. Bond Expenditure Status Report

Chair Harvath reviewed the revisions made to the Bond Expenditure Status Report under Construction Schedule Column: Arts Complex and Infrastructure – Phase IV, and invited questions. Members had no concerns.

6. Superintendent/President Update

Dr. Tribley reported on the district’s intention to repurpose the remaining Measure I bond funds. He explained that although the district is committed to building facilities for our first responders in the former Fort Ord, the remaining bond funds of approximately \$6 million wouldn’t be enough to accomplish that goal. Additionally, he noted that for two consecutive years, the state has not matched our approved projects with state funds, which further impedes the district’s ability to build these facilities. As a result, we have determined that we should expend the remaining bond funds on approved future projects for which we have great need. We then will be better positioned to go out for a future bond that will enable us to fully fund facilities in former Fort Ord for our first responders. Dr. Tribley reviewed these approved future projects listed on the bond expenditure report, which include the baseball field, the music building, and Parker Flats, totaling \$1.72 million. He noted that those dollars, in particular, are being reviewed for repurposing, pending input from the campus and approval by the Board of Trustees. He also noted that Mr. Martin will be facilitating campus discussions regarding the repurposing of the remaining bond funds.

Additionally, Dr. Tribley reported on the college’s accreditation status. He remarked that we are fully reaffirmed until January 31, 2020. He also noted that we have a follow-up report due on November 1, 2018 to the Accrediting Commission for Community and Junior Colleges (ACCJC). If the ACCJC’s review of that report is favorable, we hope the college will receive full accreditation until October 2023. He explained that the college’s accreditation status will be crucial to our ability to go out for another bond, as it is one of the items, in addition to financial solvency, that’s considered by Moody’s, Standard, and Poor’s when issuing credit ratings.

Dr. Tribley recounted the status of the Monterey Peninsula College Board of Trustee elections. There are currently two candidates running for each of the two available trustee areas: Trustee Area 1 (Seaside), currently represented by Mr. Charles Brown, and Trustee Area 2 (Marina), currently represented by Dr. Margaret-Anne Coppernoll. He noted that Mr. Brown has decided not

to run for reelection. Therefore, following the November 6, 2018 elections, the college will have at least one new trustee.

Dr. Tribley also reported on his announced retirement, effective no later than September 4, 2019, and the resultant search for a new superintendent/president. He described the open and transparent nature of the search process, and indicated that it will involve public forums, at which members of the committee would be welcome to attend. He explained that the Governing Board will conduct a request for qualifications (RFQ), which will allow them to select a consulting search firm that is best for the college. The search firm selected by the board then will assist the board with the recruitment and hiring of the next superintendent/president. That person's start date will be determined by the board and the selected candidate. Dr. Tribley reported that although he can't state with certainty how long this process will take, the typical time frame is approximately six months.

Mr. Hober relayed the concerns that had been shared with him by fire chiefs and police chiefs regarding the funds for public safety facilities that had not yet been expended. He thanked Dr. Tribley for reiterating his, and the college's, continued support for those facilities. Dr. Tribley described the recent Monterey County Grand Jury report in which jurors conveyed their opinion that the community needs a public safety training facility. He related the board's response, which was to reaffirm, as a board action, the college's commitment to public safety training at a special board meeting in July.

Mr. Albert conveyed his gratitude and appreciation to Dr. Tribley for Dr. Tribley's service to the college. He also inquired as to whether or not the board has provided direction as to the proposal for repurposing the remaining bond funds. Dr. Tribley responded that the board has not yet reviewed this proposal, as it first must be reviewed through the district's participatory process. Mr. Martin explained that this process will begin with the Facilities Committee, which will be presented with a list of projects that meet the criteria outlined in the ballot measure and currently have been approved for bond eligibility. Although we have a portion of funds allocated to those projects, based on the current market rate, the allocations aren't enough to complete them. Therefore, we could repurpose the remaining bond funds by reallocating them to pre-existing, pre-approved funded bond projects and providing those projects with enough funds to see them through to completion. The Facilities Committee's recommendations then would be presented to the President's Advisory Group (PAG) for their review. Following PAG's review and recommendation to Dr. Tribley, Dr. Tribley will then make a recommendation to the Governing Board as to the reallocation of the remaining bond funds.

7. Membership Update

Dr. Tribley reported that Mr. Harvath has agreed to serve a third term as a member of the Citizens' Bond Oversight Committee, and to a second term as the chair. The vice chair will be voted upon at the November meeting.

Dr. Tribley presented Mr. Gaspich with a certificate of appreciation in gratitude for his service to the committee for the past four years. Mr. Gaspich remarked that it has been a pleasure working with Dr. Tribley and wished him luck in the future.

Dr. Tribley announced that Dr. Linda Bynoe, a retired professor from California State University, Monterey Bay, has verbally agreed to serve on the committee as a representative of the MPC Foundation. Her application will be presented to the Governing Board for approval in September. He also announced that the current student trustee, Ms. Ellise Kittrell, has been asked to replace Mr. Stephen Lambert as the student representative on the committee. Mr. Lambert, who also had served as the student trustee and student body president, has transferred out of MPC. Dr. Tribley stated that our new members should be present at the committee's November meeting.

8. Meeting Schedule

Future meetings of the Citizens' Bond Oversight Committee are scheduled for:

- Monday, November 5, 2018 (Annual Organizational Meeting)

9. Suggestions for Future Agenda Topics and Announcements

No items or announcements were suggested.

10. Adjournment

Chair Harvath adjourned the meeting at 3:20 p.m.

Monterey Peninsula College Bills & Warrants Report Through September 30, 2018		
Vendor Name	Description of service or purchase	Amount Paid
Art Complex	<i>Total Expense at June 30, 2018</i>	\$3,555,565.20
	No new expense this period.	\$0.00
	To Date Expense through September 30, 2018	<u>\$3,555,565.20</u>
Music Building	<i>Total Expense at June 30, 2018</i>	\$23,770.35
	No new expense this period.	\$0.00
	To Date Expense through September 30, 2018	<u>\$23,770.35</u>
Furniture/Equipment	<i>Total Expense at June 30, 2018</i>	\$5,432,101.97
	No new expense this period.	\$0.00
	To Date Expense through September 30, 2018	<u>\$5,432,101.97</u>
General Institutional Bond Mgmt.	<i>Total Expense at June 30, 2018</i>	\$5,869,660.21
	No new expense this period.	\$0.00
	To Date Expense through September 30, 2018	<u>\$5,869,660.21</u>
PSTC Parker Flats	<i>Total Expense at June 30, 2018</i>	\$70,498.52
	No new expense this period.	\$0.00
	To Date Expense through September 30, 2018	<u>\$70,498.52</u>
Infrastructure Phase IV	<i>Total Expense at June 30, 2018</i>	\$225,039.88
HGHB	Professional services consisted of: Way-Finding Signage design. 30% complete.	\$11,992.00
HGHB	Professional services consisted of: Signage Master Program. Design Services. 37% complete.	\$11,332.00
	To Date Expense through September 30, 2018	<u>\$248,363.88</u>
Data Center Network Security	<i>Total Expense at June 30, 2018</i>	\$567,356.71
	No new expense this period.	\$0.00
	To Date Expense through September 30, 2018	<u>\$567,356.71</u>

Monterey Peninsula College		
Bills & Warrants Report		
Through September 30, 2018		
Vendor Name	Description of service or purchase	Amount Paid
Baseball Field	<i>Total Expense at June 30, 2018</i>	<i>\$18,579.58</i>
	No new expense this period.	\$0.00
	To Date Expense through September 30, 2018	<u>\$18,579.58</u>
General Contingency	<i>Total Expense at June 30, 2018</i>	<i>\$349,455.98</i>
	No new expense this period.	\$0.00
	To Date Expense through September 30, 2018	<u>\$349,455.98</u>
Closed Projects		
Old Library		\$21,279.52
Early Start - Walkway/Safety Improvements		\$225,630.18
Early Start - Telephone System Upgrades		\$599,414.48
Early Start - As Built Drawings		\$209,792.00
Early Start - Roof Repairs		\$480,255.64
Early Start - HVAC Repairs	Social Science/Computer Science buildings.	\$618,538.68
Early Start - Landscaping	Library technology area.	\$438,292.96
Early Start - Vehicles		\$187,070.27
Early Start - Master Signage Plan		\$53,890.42
Early Start - Auto Technology Bldg	HVAC replacement.	\$16,443.00
Drafting Bldg	Furnace replacement.	\$13,974.00
Early Start - New Plant Services Bldg	Costs over state funding for new building.	\$487,574.35
Early Start - Demolition of Old Plant Services Bldg		\$63,521.68
Environmental Impact Report - Campus		\$154,162.67
Business & Computer Science Bldg	Seismic design.	\$7,981.84
Humanities Bldg	Seismic design.	\$16,375.04
International Center Bldg	Blue Prints.	\$14.71

Monterey Peninsula College		
Bills & Warrants Report		
Through September 30, 2018		
Vendor Name	Description of service or purchase	Amount Paid
Closed Projects, continued		
Physical Science Bldg	Architectural Services, for potential elevator replacement.	\$6,986.44
Life Science Bldg	Architectural Services, for potential elevator replacement.	\$7,793.83
Pool/Tennis Courts	Preliminary architectural services.	\$206.00
Physical Education Facility		\$1,488,294.29
PE Field/Track		\$14,848,446.67
Fitness Phase IB		\$899,827.93
College Center Renovation		\$23,608.41
Social Science Renovation		\$863,696.74
Music/Theater Building		\$22,732.50
Family and Consumer Science		\$67,671.12
Gymnasium Building	Floor/Seismic/Bleachers.	\$877,847.00
Lecture Forum Renovation		\$2,117,203.20
Child Development Center		\$1,029,198.71
Infrastructure/Parking		\$20,886,001.04
Infrastructure 2		\$2,481,606.93
New Administration/Old Library Building		\$4,712,191.10
Public Safety Training Center Renovation		\$7,478,201.30
Auto Technology Building Renovation		\$958,602.22
Business & Computer Science (includes Math)		\$2,215,417.93
New Student Services Building		\$9,681,388.03
New Education Center at Marina		\$8,159,654.52
PE Phase II (Gym/Locker Room Renovation)		\$3,810,035.95
Pool Renovation (includes Pool Building)		\$2,047,493.00
Student Center Renovation		\$6,157,617.00
Humanities, Bus-Hum, Student Services		\$3,543,043.00

Monterey Peninsula College		
Bills & Warrants Report		
Through September 30, 2018		
Vendor Name	Description of service or purchase	Amount Paid
Closed Projects, continued		
Infrastructure- Phase III		\$6,458,266.00
Life Science /Physical Science		\$10,832,201.00
Swing Space / Interim Housing		\$5,777,350.00
Theater		\$10,382,736.00
	To Date Expense through September 30, 2018	<u>\$131,429,529.30</u>
	Total Payments (closed projects, under construction, and planned projects)	<u>\$147,564,881.70</u>

BOND EXPENDITURE REPORT 9/30/2018

Total Budget With Other Funds	Projects	A Total Bond Budget	B Total Bond Prior Year Expenses	C 2018-2019	A-B-C	(B+C)/A	
				Year to Date Bond Payments	Bond Budget Balance	% Bond Cost	% Construction Schedule
	In Process						
\$3,795,585	Arts Complex	\$3,795,585	\$3,555,565	\$0	\$240,020	94%	99%
\$5,685,000	Furniture & Equipment	\$5,837,175	\$5,432,102	\$0	\$405,073	93%	99%
\$358,463	General Contingency	\$358,463	\$349,456	\$0	\$9,007	0%	0%
\$574,857	Infrastructure - Phase IV	\$574,857	\$248,364	\$0	\$326,493	43%	35%
\$400,000	Data Center Network Security	\$400,000	\$567,357	\$0	(\$167,357)	142%	100%
\$10,413,905	Total in Process	\$10,966,080	\$10,152,844	\$0	\$813,236		
	Future						
\$750,000	Baseball Field	\$750,000	\$18,580	\$0	\$731,420	2%	0%
\$1,200,000	Music	\$1,200,000	\$23,770	\$0	\$1,176,230	2%	0%
\$12,000,000	PSTC Parker Flats	\$6,000,000	\$70,499	\$0	\$5,929,501	1%	0%
\$13,950,000	Total Future	\$7,950,000	\$112,849	\$0	\$7,837,151		
	Completed						
\$1,057,576	Early Start/Completed-HVAC Repairs	\$618,539	\$618,539	\$0	\$0	100%	100%
\$2,965,574	Early Start/Completed-New Plant Serv Bldg	\$487,574	\$487,574	\$0	\$0	100%	100%
\$599,414	Early Start/Completed-Telephone System	\$599,414	\$599,414	\$0	(\$0)	100%	100%
\$67,671	Family Consumer Science	\$67,671	\$67,671	\$0	\$0	100%	100%
\$1,517,774	Gym - floor/seismic/bleachers	\$877,847	\$877,847	\$0	\$0	100%	100%
\$2,481,607	Infrastructure - Phase II	\$2,481,607	\$2,481,607	\$0	\$0	100%	100%
\$20,886,001	Infrastructure - Phase I	\$20,886,001	\$20,886,001	\$0	\$0	100%	100%
\$2,117,203	Lecture Forum Renovation	\$2,117,203	\$2,117,203	\$0	\$0	100%	100%
\$7,427,191	New Admin / Old Library Renovation	\$4,712,191	\$4,712,191	\$0	(\$0)	100%	100%
\$5,413,198	New Child Development Center Bldg	\$1,029,198	\$1,029,198	\$0	\$0	100%	100%
\$21,420,211	Other Early start / completed	\$1,950,012	\$1,950,012	\$0	\$0	100%	100%
\$17,336,569	PE Field Track, Fitness Building	\$17,236,569	\$17,236,569	\$0	\$0	100%	100%
\$863,697	Social Science Renovation (inc. Seismic)	\$863,697	\$863,697	\$0	\$0	100%	100%
\$7,478,201	Public Safety Training Center Renov.	\$7,478,201	\$7,478,201	\$0	\$0	100%	100%
\$1,000,000	Auto Technology Building	\$958,602	\$958,602	\$0	(\$0)	100%	100%
\$2,300,000	Business Computer Science	\$2,215,418	\$2,215,418	\$0	\$0	100%	100%
\$8,300,000	New Ed Center Building at Marina	\$8,300,000	\$8,159,654	\$0	\$0	98%	100%
\$9,700,000	New Student Services Building	\$9,700,000	\$9,681,388	\$0	\$0	100%	100%
\$3,830,000	PE Phase II - Gym/Locker Room Renov.	\$3,830,000	\$3,810,036	\$0	\$0	99%	100%
\$2,640,519	Pool Renovation	\$2,640,519	\$2,047,493	\$0	\$0	78%	100%
\$6,157,617	College Center Renovation	\$6,157,617	\$6,157,617	\$0	\$0	100%	100%
\$6,614,000	Humanities, Bus-Hum, Student Services	\$3,543,043	\$3,543,043	\$0	\$0	100%	100%
\$6,458,266	Infrastructure - Phase III	\$6,458,266	\$6,458,266	\$0	\$0	100%	100%
\$10,832,201	Life Science/Physical Science	\$10,832,201	\$10,832,201	\$0	\$0	100%	100%
\$5,800,000	Swing Space / Interim Housing	\$5,777,350	\$5,777,350	\$0	\$0	100%	99%
\$10,382,736	Theater	\$10,382,736	\$10,382,736	\$0	\$0	100%	100%
\$165,647,226	Total Completed	\$132,201,476	\$131,429,529	\$0	(\$1)		
\$190,011,131	Total All Projects	\$151,117,556	\$141,695,222	\$0	\$8,650,386		
	General Institutional-Bond Management		\$5,869,660	\$0			
			\$147,564,882	\$0			
	Total Bond Funds Spent to Date		\$147,564,882				



Monterey County Board of Supervisors

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

Board Order

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

- a. Received and Accept the Treasurer's Report of Investments for the Quarter Ending June 30, 2018; and
- b. Received and Approve the Treasurer's Investment Policy for FY 2018-2019; and
- c. Renewed the Delegation of Investment Authority to the Treasurer-Tax Collector pursuant to California Government Code 53607.

PASSED AND ADOPTED on this 24th day of July 2018, by the following vote, to wit:

AYES: Supervisors Alejo, Salinas, Phillips, Parker and Adams

NOES: None

ABSENT: None

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 81 for the meeting July 24, 2018.

Dated: July 24, 2018
File ID: 18-744

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Joel G. Pablo, Deputy



Monterey County

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

Board Report

Legistar File Number: 18-744

July 24, 2018

Introduced: 7/11/2018

Current Status: Agenda Ready

Version: 1

Matter Type: General Agenda Item

- a. Receive and Accept the Treasurer's Report of Investments for the Quarter Ending June 30, 2018; and
- b. Receive and Approve the Treasurer's Investment Policy for FY 2018-2019; and
- c. Renew the Delegation of Investment Authority to the Treasurer-Tax Collector pursuant to California Government Code 53607.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Receive and Accept the Treasurer's Report of Investments for the Quarter Ending June 30, 2018; and
- b. Receive and Approve the Treasurer's Investment Policy for FY 2018-2019; and
- c. Renew the Delegation of Investment Authority to the Treasurer-Tax Collector pursuant to California Government Code 53607.

SUMMARY:

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

The Treasurer also annually reviews the Monterey County Investment Policy and has recommended updates for Board approval. These updates revise outdated language to clearly define investment guidelines and categories as stated in Government Code §53601(q). In addition, annual Board delegation of investment authority to the Treasurer-Tax Collector is prescribed by Government Code sections 53646 and 53607.

DISCUSSION:

During the April - June quarter, interest rates moved higher across the yield curve. The yield curve remained flat as rates on shorter term maturities moved up more than longer term maturities. Interest rates continued to trend higher during the quarter as the Federal Reserve again raised the Fed Funds target rate. A strong labor market with unemployment at 4.0%, up from 3.8% in May, reflected an increase in the labor force participation rate and strong corporate profits were driven in part by savings from tax cuts. Expectations for a solid GDP growth in 2018 exist, despite a slowdown in the first quarter, along with stable to modestly higher inflation and wages which confirm that U.S. economic conditions continue to be positive.

On June 30, 2018, the Monterey County investment portfolio contained an amortized book value of

\$1,556,503,866 spread among 130 separate securities and funds. The par value of those funds was \$1,560,422,623 with a market value of \$1,551,265,646 or 99.7% of amortized book value. The portfolio's net earned income yield for the period was 1.63%. The portfolio produced an estimated quarterly income of \$6,477,653 that will be distributed proportionally to all agencies participating in the investment pool. The investment portfolio had a weighted average maturity of 233 days. The County Treasury performed comparatively with most of the portfolio benchmarks due to a consistent investment strategy that uses short term debt to provide liquidity and enhanced investment opportunities while also taking advantage of higher rates in the one to three-year investment range. The investment portfolio is in compliance with all applicable provisions of state law and the adopted Investment Policy, and contains sufficient liquidity to meet all projected outflows over the next six months. Market value pricings were obtained through resources such as Bloomberg LLP, Union Bank of California and live-bid pricing of corporate securities.

OTHER AGENCY INVOLVEMENT:

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

FINANCING:

The investment portfolio contains sufficient liquidity to meet all projected expenditures over the next six months. Investment earnings in the General Fund exceeded budgeted revenue for the 2017-18 fiscal year.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This recommendation supports the Administration initiative by providing transparency and accountability in the management of County funds in the Treasurer's investment portfolio.

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

Prepared by: Susanne King, Treasury Manager, x5490

Approved by: Mary A. Zeeb, Treasurer-Tax Collector, x5474

Legistar File Number: 18-744

All attachments are on file with the Clerk of the Board:

Exhibit A - Investment Portfolio Review 06.30.18

Exhibit B - Portfolio Management Report 06.30.18

Exhibit C - Monterey County Historical Yields vs. Benchmarks 06.30.18

Exhibit D - Aging Report 07.01.18

Exhibit E - Monterey County Investment Policy 2017-2018 - Red Line

Exhibit F - Monterey County Investment Policy 2018-2019 - Proposed

cc:

Auditor-Controller - Internal Audit Section

All depositors

County Administrative Office

County Counsel

Treasury Oversight Committee

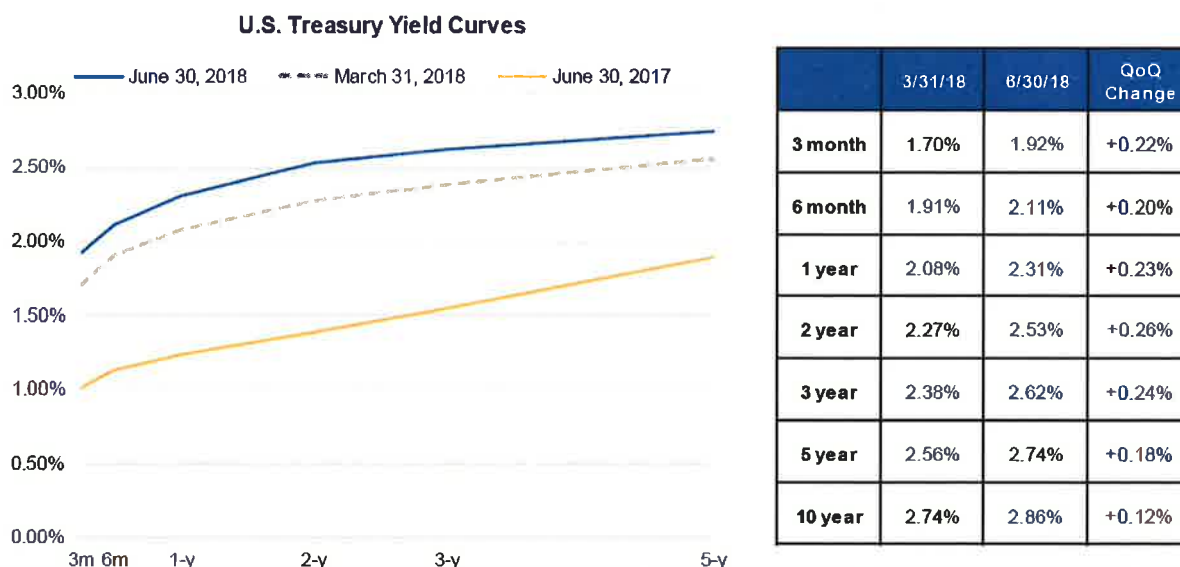
Exhibit A Investment Portfolio Review Quarter Ending June 30, 2018

OVERVIEW April 1, 2018 – June 30, 2018

During the April - June quarter interest rates moved higher across the yield curve. The yield curve remained flat as rates on shorter term maturities moved up more than longer term maturities. Interest rates continued to trend higher during the quarter as the Federal Reserve again raised the Fed Funds target rate. A strong labor market with unemployment at 4.0%, up from 3.8% in May, reflected an increase in the labor force participation rate and strong corporate profits were driven in part by savings from tax cuts. Expectations for a solid GDP growth in 2018 exist despite a slowdown in the first quarter, along with stable to modestly higher inflation and wages which confirm that U.S. economic conditions continue to be positive.

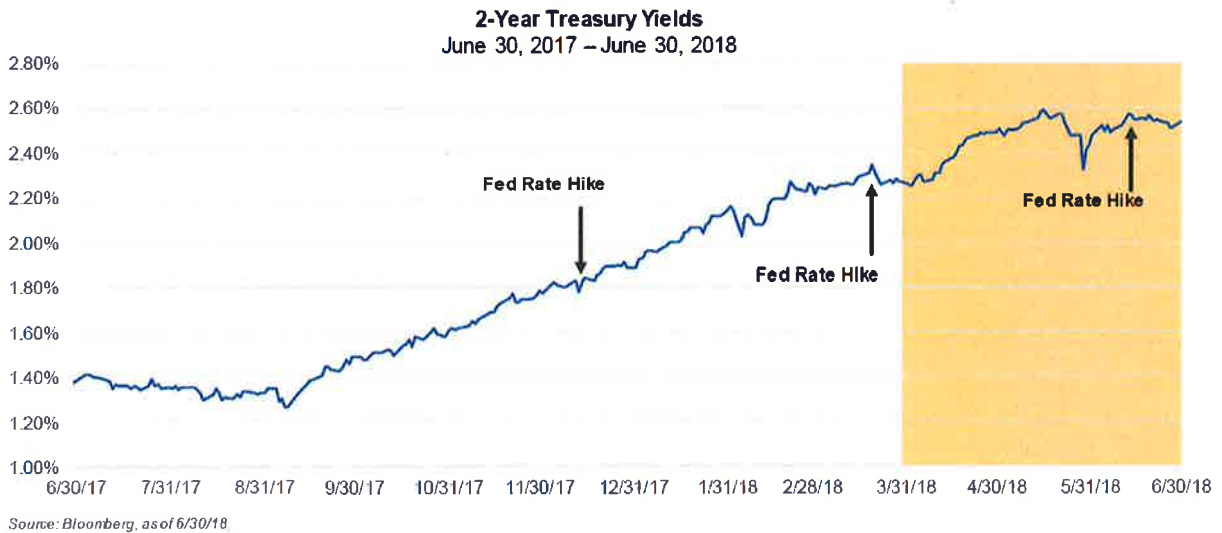
U.S. TREASURY YIELD CURVE

- Interest rates moved higher across the yield curve. However, the yield curve remained flat, as rates on shorter term maturities moved up more than longer term maturities.



Source: Bloomberg, as of 6/30/18.

- Interest rates continued to trend higher during the quarter as the Federal Reserve continued to raise the Fed Funds target rate.
- The interest rate increase was also tempered by trade tensions between the U.S. and our trade partners.



The County Treasury continues to perform comparatively to portfolio benchmarks this quarter. Our investment continues to focus on capturing relative value while remaining cautious. The following indicators reflect key aspects of the investment portfolio in light of the above noted conditions:

1. Market Access – During the quarter, investment purchases for the portfolio included U.S. Treasuries, Supranationals, Certificates of Deposits, Corporate Notes, Commercial Paper, an Asset Backed Security and a Municipal Bond. The Treasurer continues to keep a higher level of liquid assets reflecting the need to maintain levels of available cash to ensure the ability to meet all cash flow needs.
2. Diversification - The Monterey County Treasurer’s portfolio consists of 130 separate fixed income investments, all of which are authorized by the State of California Government Code 53601.

The portfolio asset spread is detailed in the table below:

Portfolio Asset Composition								
Corporate Notes	Negotiable CDs	Overnight Liquid Assets	US Treasuries	Federal Agencies	Commercial Paper	Supranational	Asset Backed Securities	Municipal Bonds
12.7%	5.5%	27.0%	23.3%	16.1%	11.9%	3.1%	0.6%	<0.1%

- Total may not equal 100% due to rounding

- Credit Risk** – Approximately 87.5% of the investment portfolio is comprised of U.S. Treasuries, Federal Agency securities, negotiable CDs and other liquid funds. All assets have an investment grade rating. U.S. Treasuries are not specifically rated, but are considered the safest of all investments. All corporate debt is rated in the higher levels of investment grade and all Federal Agency securities have AA ratings, or are guaranteed by the U.S. Treasury. The Municipal Bond is rated AA and the Supranationals and the Asset Backed Securities are rated AAA. The credit quality of the Treasurer’s portfolio continues to be high.

The portfolio credit composition is detailed in the table below:

Portfolio Credit Composition													
AAA	AAAm	AA+	AA	AA-	A+	A	A-	A-1+ (Short Term)	A-1 (Short Term)	Aaf/S1+ (CalTRUST)	BBB- (split rated)	Not Rated (LAIF/MMF)	Not Rated
4%	14%	41%	1%	2%	4%	2%	2%	6%	9%	9%	1%	4%	1%

- Liquidity Risk** – Liquidity risk, as measured by the ability of the County Treasury to meet withdrawal demands on invested assets, was managed during the April - June quarter. The portfolio’s average weighted maturity was 233 days, and the Treasurer maintained \$417.8M in overnight investments to provide immediate liquidity and to be able to react quickly to opportunities in the current market. In addition, the Treasurer maintained \$738.8M in securities with maturities under a year to provide enhanced liquidity.

PORTFOLIO CHARACTERISTICS

	<u>March 31, 2018</u>	<u>June 30, 2018</u>
Total Assets	\$1,516,664,506.96	\$1,560,422,623.40
Market Value	\$1,509,587,099.98	\$1,551,265,646.11
Days to Maturity	233	233
Yield	1.41%	1.63%
Estimated Earnings	\$5,262,243.84	\$6,477,652.90

FUTURE STRATEGY

The Treasurer has 27% of the portfolio invested in the 1-3-year maturity range and 47% invested in maturities under one year to take advantage of the higher yields offered in those parts of the yield curve and to be able to react quickly to opportunities in current market. We will continue to manage the portfolio under the established tenets of safety and liquidity while seeking to maximize the rate of return.

Exhibit B

Monterey County Portfolio Management Portfolio Details - Investments June 30, 2018

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	S&P	YTM	Maturity Date
Money Market Accts - GC 53601(k)(2)												
SYS11672	11672	BlackRock			0.00	0.00	0.00	0.337			0.337	
SYS12159	12159	DREYFUS AMT FREE TAX EXEMPT MM		08/18/2017	7,051,188.76	7,051,188.76	7,051,188.76	1.124			1.124	
SYS11830	11830	Federated		07/01/2017	0.00	0.00	0.00	0.101	Aaa	AAA	0.101	
SYS11578	11578	Fidelity Investments			4,200,000.00	4,200,000.00	4,200,000.00	1.720	Aaa	AAA	1.720	
Subtotal and Average			52,329,122.49		11,251,188.76	11,251,188.76	11,251,188.76				1.346	
State Pool - GC 16429.1												
SYS11361	11361	LAIF			64,500,000.00	64,500,000.00	64,500,000.00	1.510			1.510	
Subtotal and Average			64,659,340.66		64,500,000.00	64,500,000.00	64,500,000.00				1.510	
CALTRUST/CAMP - GC 53601(p)												
SYS11801	11801	CalTrust			133,800,000.00	133,800,000.00	133,800,000.00	1.953	Aaa	AAA	1.953	
SYS11802	11802	CalTrust			1,000,000.00	1,000,000.00	1,000,000.00	1.726	Aaa	AAA	1.726	
SYS10379	10379	Calif. Asset Mgmt			207,000,000.00	207,000,000.00	207,000,000.00	2.046		AAA	2.046	
SYS11961	11961	Calif. Asset Mgmt		07/01/2017	0.00	0.00	0.00	0.658		AAA	0.658	
Subtotal and Average			335,598,901.10		341,800,000.00	341,800,000.00	341,800,000.00				2.009	
SWEEP ACCOUNT-MORG STNLY												
SYS12041	12041	Morgan Stanley			1.00	1.00	1.00	0.731			0.731	
Subtotal and Average			2.28		1.00	1.00	1.00				0.731	
SWEEP ACCOUNT - CUSTOM												
SYS12138	12138	Morgan Stanley		07/01/2017	210,433.64	210,433.64	210,433.64	1.744			1.744	
Subtotal and Average			223,427.05		210,433.64	210,433.64	210,433.64				1.744	
Medium Term Notes - GC 53601(k)												
0258M0DP1	12088	American Express Credit		06/27/2016	10,000,000.00	10,020,900.00	10,064,217.38	2.250	A2	A-	1.660	08/15/2019
025816BM0	12156	American Express Credit		08/21/2017	250,000.00	249,816.25	249,816.25	2.500	A3	BBB+	2.519	08/01/2022
037833BQ2	12066	Apple Inc Corp Notes		02/23/2016	6,000,000.00	5,985,900.00	5,999,781.63	1.700	Aa1	AA+	1.706	02/22/2019
037833AQ3	12129	Apple Inc Corp Notes		04/07/2017	10,000,000.00	10,023,000.00	10,047,521.36	2.100	Aa1	AA+	1.528	05/06/2019
037833CQ1	12151	Apple Inc Corp Notes		08/17/2017	250,000.00	251,119.59	251,119.59	2.300			2.177	05/11/2022
037833DH0	12187	Apple Inc Corp Notes		03/14/2018	5,000,000.00	4,957,165.61	4,957,165.61	1.800	Aa1		2.443	11/13/2019
05531FAV5	12153	BB&T Corporation		08/21/2017	250,000.00	249,648.42	249,648.42	2.050	A2	A-	2.101	05/10/2021
06406HCZ0	12126	Bank of New York Mellon Corp		03/17/2017	10,000,000.00	9,985,700.00	10,006,339.55	2.150	A1	A	2.110	02/24/2020
097014AL8	12186	BOEING Capital Securities		03/14/2018	7,500,000.00	7,715,485.93	7,715,485.93	4.700	A2	A	2.468	10/27/2019

Portfolio INVT
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Exhibit B

Monterey County Portfolio Management Portfolio Details - Investments June 30, 2018

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	S&P	YTM	Maturity Date
Medium Term Notes - GC 53601(k)												
06051GGE3	12202	Bank of America Corp		06/07/2018	250,000.00	246,309.05	246,309.05	3.124	A3	A-	3.477	01/20/2023
084670BX5	12098	Berkshire Hathaway Finance		08/15/2016	2,415,000.00	2,409,034.95	2,414,982.29	1.150	Aa2	AA	1.156	08/15/2018
084664BT7	12182	Berkshire Hathaway Finance		03/12/2018	250,000.00	250,473.01	250,473.01	3.000	Aa2	AA	2.947	05/15/2022
14913Q2E8	12183	CATERPILLAR FINL SERVC		03/12/2018	250,000.00	244,099.98	244,099.98	2.550	A3	A	3.129	11/29/2022
14912L6Y2	12189	CATERPILLAR FINL SERVC		04/02/2018	5,000,000.00	4,952,758.46	4,952,758.46	2.100			2.738	01/10/2020
166764AY6	12208	Chevron Corp. Global		06/25/2018	2,155,000.00	2,130,047.60	2,130,047.60	2.419			2.926	11/17/2020
17275RBG6	12104	Cisco Systems Inc Corp		09/20/2016	9,000,000.00	8,906,130.00	8,995,939.25	1.400	A1		1.438	09/20/2019
17275RBD3	12150	Cisco Systems Inc Corp		08/17/2017	250,000.00	251,622.61	251,622.61	2.200	A1	AA-	1.946	02/28/2021
172967KS9	12085	Citibank		06/09/2016	3,840,000.00	3,828,864.00	3,839,377.62	2.050	Baa1	A-	2.068	06/07/2019
191216BV1	12130	Coca- Cola Co		04/07/2017	4,431,000.00	4,393,868.22	4,424,323.92	1.375	Aa3	AA-	1.543	05/30/2019
25468PDH6	12064	The Walt Disney Copr		01/08/2016	2,710,000.00	2,701,951.30	2,709,371.23	1.650	A2	A	1.696	01/08/2019
38141GVT8	12074	Goldman Sachs		04/25/2016	1,415,000.00	1,410,740.85	1,413,929.16	2.000	A3	BBB+	2.096	04/25/2019
38141GVT8	12075	Goldman Sachs		04/26/2016	7,210,000.00	7,188,297.90	7,208,742.69	2.000	A3	BBB+	2.022	04/25/2019
38148FAB5	12188	Goldman Sachs		04/02/2018	5,000,000.00	4,976,231.73	4,976,231.73	2.550	A3	BBB+	2.923	10/23/2019
38145GAG5	12205	Goldman Sachs		06/07/2018	250,000.00	241,292.15	241,292.15	2.350	A3	BBB+	3.454	11/15/2021
02665WBA8	12068	American Honda Finance		02/23/2016	3,780,000.00	3,764,464.20	3,779,838.15	1.700	A1	A+	1.707	02/22/2019
02665WBE0	12091	American Honda Finance		07/12/2016	2,500,000.00	2,465,425.00	2,499,141.20	1.200	A1	A+	1.234	07/12/2019
4581X0DB1	12191	Inter-America Devel BK		04/19/2018	285,000.00	284,414.80	284,414.80	2.625	Aaa		2.687	04/19/2021
459200JE2	12067	IBM Corp Notes		02/19/2016	20,000,000.00	19,948,000.00	19,997,781.51	1.800			1.812	05/17/2019
44932HAH6	12181	IBM Corp Notes		03/12/2018	250,000.00	247,694.35	247,694.35	3.000	A1	A+	3.218	02/06/2023
458140AZ3	12136	INTEL CORP		05/15/2017	10,000,000.00	9,954,100.00	10,010,834.57	1.850	A1	A+	1.790	05/11/2020
458140AZ3	12155	INTEL CORP		08/21/2017	250,000.00	248,852.50	250,229.03	1.850	A1	A+	1.799	05/11/2020
24422ETE9	12063	John Deere Capital Corp		01/08/2016	8,300,000.00	8,292,945.00	8,299,913.77	1.950	A2	A	1.952	01/08/2019
24422EUA5	12180	John Deere Capital Corp		03/12/2018	250,000.00	244,712.19	244,712.19	2.700	A2	A	3.209	01/06/2023
46625HQU7	12081	JP Morgan Chase		05/26/2016	10,000,000.00	9,963,400.00	10,004,238.68	1.850	A3	A	1.789	03/22/2019
46625HHU7	12157	JP Morgan Chase		08/21/2017	250,000.00	261,675.15	261,675.15	4.250	A3	A-	2.129	10/15/2020
58933YAS4	12164	MERCK & CO INC		08/22/2017	250,000.00	250,722.12	250,722.12	1.850	A1	AA	1.666	02/10/2020
594918BN3	12095	MICROSOFT CORP		08/08/2016	6,500,000.00	6,413,095.00	6,497,538.97	1.100	Aaa	AAA	1.135	08/08/2019
594918BN3	12133	MICROSOFT CORP		04/07/2017	6,000,000.00	5,919,780.00	5,969,693.94	1.100	Aaa	AAA	1.568	08/08/2019
594918BG8	12149	MICROSOFT CORP		08/17/2017	250,000.00	251,527.76	251,527.76	2.000	Aaa	AAA	1.730	11/03/2020
68389XBB0	12148	Oracle Corp		08/17/2017	250,000.00	252,401.55	252,401.55	2.500	A1	AA-	2.471	05/15/2022
68389XAX3	12185	Oracle Corp		03/14/2018	5,000,000.00	4,982,214.27	4,982,214.27	2.250	A1	AA-	2.537	10/08/2019
742718EN5	12154	Procter & Gamble Co		08/21/2017	250,000.00	249,656.78	249,656.78	1.850	Aa3	AA-	1.905	02/02/2021
713448DE5	12070	Pepsico Inc Corp Note		02/24/2016	3,850,000.00	3,832,405.50	3,849,760.75	1.500	A1	A	1.510	02/22/2019
717081DU4	12083	PFIZER INC		06/03/2016	10,000,000.00	9,921,100.00	9,996,495.56	1.450	A1	AA	1.489	06/03/2019
808513AW5	12196	Charles Schwab Corp		05/22/2018	160,000.00	159,995.37	159,995.37	3.250	A2		3.251	05/21/2021

Exhibit B

Monterey County Portfolio Management Portfolio Details - Investments June 30, 2018

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	S&P	YTM	Maturity Date
Medium Term Notes - GC 53601(k)												
857477AS2	12158	State Street Corp		08/21/2017	250,000.00	253,486.04	253,486.04	2.550	A1	A	1.874	08/18/2020
89236TBP9	12121	Toyota Motor Corporation		01/12/2017	5,000,000.00	5,000,150.00	5,011,235.10	2.125	Aa3	AA-	1.904	07/18/2019
89236TCQ6	12165	Toyota Motor Corporation		08/22/2017	250,000.00	255,404.80	255,404.80	2.800	Aa3	AA-	2.231	07/13/2022
9111312BP0	12170	UNITED PARCEL SERVICE		11/14/2017	200,000.00	199,742.94	199,742.94	2.050	A1		2.099	04/01/2021
91159HHA1	12152	US BANCORP		08/17/2017	250,000.00	264,301.48	264,301.48	4.125	A1	A+	2.215	08/24/2021
92826CAC6	12203	Visa Inc		06/07/2018	250,000.00	246,108.27	246,108.27	2.800	A1	A+	3.178	12/14/2022
94974BFU9	12089	Wells Fargo & Company		06/27/2016	10,000,000.00	9,998,400.00	10,050,602.46	2.125	A2	A	1.483	04/22/2019
Subtotal and Average			203,253,242.66		198,251,000.00	197,696,632.68	198,461,958.03				1.854	
Negotiable CDs - GC 53601(i)												
06417GU22	12204	Bank of Nova Scotia		06/07/2018	400,000.00	399,853.08	399,853.08	3.080			3.100	06/05/2020
06539RGM3	12166	Bank of Tokyo-MITS		09/27/2017	250,000.00	250,000.00	250,000.00	2.070	P-1	A-1	2.099	09/25/2019
06417GUE6	12127	Bank of Nova Scotia Hous		04/06/2017	10,000,000.00	9,963,800.00	10,000,000.00	1.910			1.910	04/05/2019
13606BVF0	12190	Canadian Imperial Holding		04/10/2018	250,000.00	250,000.00	250,000.00	2.737			2.737	04/10/2020
65558LWA6	12109	Nordea Bank Finland NY		12/05/2016	17,500,000.00	17,510,850.00	17,500,000.00	1.760	Aa3	AA-	1.760	11/30/2018
83050FXT3	12141	Skandinaviska Enskilada Banken		08/04/2017	14,000,000.00	13,938,540.00	13,997,022.50	1.840	P-1	A-1	1.860	08/02/2019
87019UD6	12172	Swedbank		11/17/2017	18,000,000.00	17,902,800.00	18,000,000.00	2.270			2.270	11/16/2020
89113X5B6	12209	Toronto Dominion Bank		06/29/2018	25,000,000.00	25,000,000.00	25,000,000.00	2.670	P-1	A-1+	2.670	06/28/2019
Subtotal and Average			60,626,865.39		85,400,000.00	85,215,843.08	85,396,875.58				2.178	
Commercial Paper Disc.- GC 53601(h)												
06538CJE2	12178	Bank of Tokyo-MITS		02/28/2018	25,000,000.00	24,883,854.17	24,883,854.17	2.230	P-1	A-1	2.304	09/14/2018
09659CGA0	12167	BNP Paribas NY		11/01/2017	25,000,000.00	24,757,250.00	24,990,000.00	1.600	P-1	A-1	1.632	07/10/2018
22533UJE4	12177	Credit Agricole CIB NY		02/28/2018	25,000,000.00	24,886,458.33	24,886,458.33	2.180	P-1	A-1	2.252	09/14/2018
25214PHE6	12200	DEXIA CREDIT LOCAL SA NY		05/31/2018	25,000,000.00	24,671,375.00	24,671,375.00	2.390	P-1	A-1+	2.461	01/15/2019
4497W1H90	12171	ING		11/17/2017	24,000,000.00	23,721,120.00	23,956,060.00	1.690	P-1	A-1	1.726	08/09/2018
4497W1QF6	12207	ING		06/25/2018	6,125,000.00	6,016,560.28	6,016,560.28	2.480	P-1	A-1	2.556	03/15/2019
46640QGH8	12168	J P Morgan Securities Inc		11/01/2017	30,000,000.00	29,697,900.00	29,978,266.67		P-1	A-1	1.664	07/17/2018
89233HG57	12169	Toyota Motor Corporation		11/01/2017	25,000,000.00	24,763,500.00	24,995,583.33		P-1	A-1+	1.621	07/05/2018
Subtotal and Average			162,133,577.57		185,125,000.00	183,398,017.78	184,378,157.78				1.963	
Fed Agcy Coupon Sec - GC 53601(f)												
3133EEMA5	12011	Federal Farm Credit Bank		01/30/2015	10,000,000.00	9,901,800.00	10,002,862.49	1.500	Aaa	AA	1.480	12/30/2019
3130A8DB6	12084	Federal Home Loan Bank		06/03/2016	16,935,000.00	16,753,118.10	16,932,732.75	1.125	Aaa	AA+	1.139	06/21/2019
3130A8DB6	12090	Federal Home Loan Bank		07/12/2016	26,000,000.00	25,720,760.00	26,081,805.48	1.125	Aaa	AA+	0.797	06/21/2019
3130A8PK3	12097	Federal Home Loan Bank		08/15/2016	18,000,000.00	17,888,760.00	17,995,940.90	0.625	Aaa	AA+	0.853	08/07/2018

Exhibit B

Monterey County Portfolio Management Portfolio Details - Investments June 30, 2018

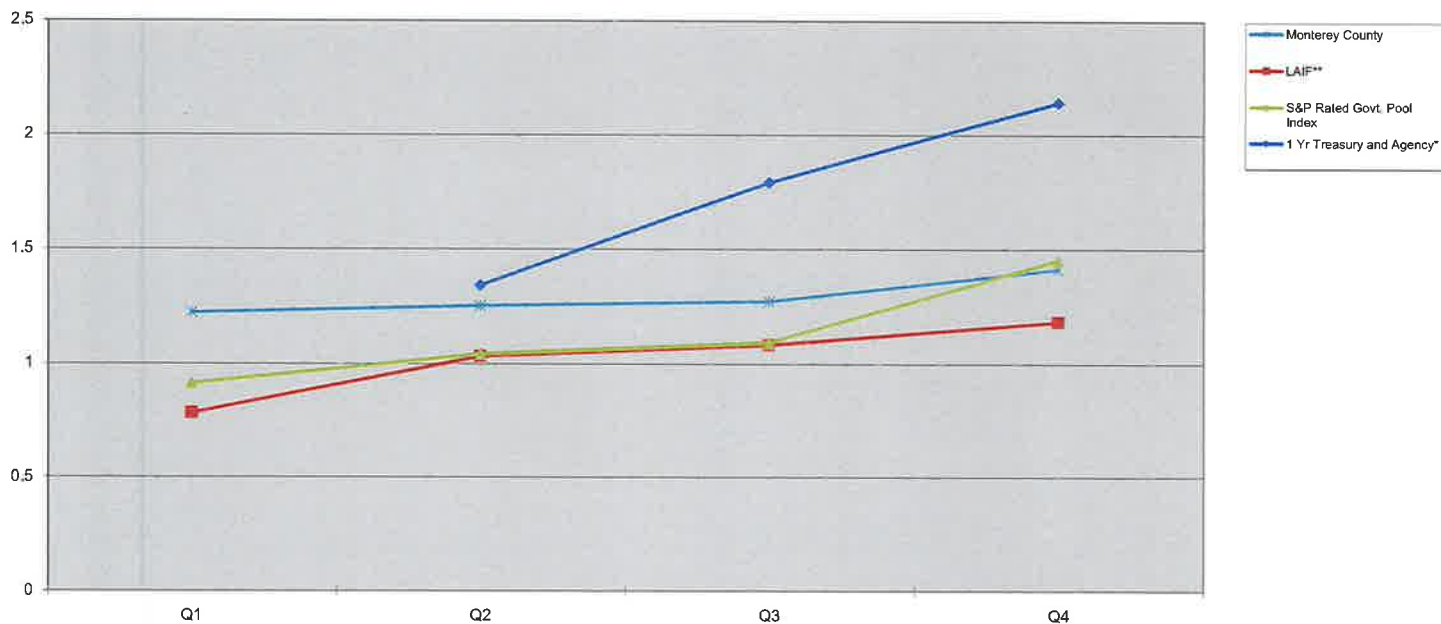
CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	S&P	YTM	Maturity Date
Fed Agcy Coupon Sec - GC 53601(f)												
3130A9AE1	12101	Federal Home Loan Bank		08/29/2016	17,500,000.00	17,383,625.00	17,498,519.69	0.875	Aaa	AA+	0.909	10/01/2018
3130AAXX1	12125	Federal Home Loan Bank		03/17/2017	10,000,000.00	9,942,200.00	9,994,154.23	1.375	Aaa	AA+	1.458	03/18/2019
313383HU8	12144	Federal Home Loan Bank		08/16/2017	1,200,000.00	1,204,826.96	1,204,826.96	1.750	Aaa	AA+	1.538	06/12/2020
3137EADZ9	12100	Federal Home Loan Mtg Corp		08/29/2016	17,500,000.00	17,339,875.00	17,522,958.67	1.125	Aaa	AA+	0.956	04/15/2019
3137EAED7	12103	Federal Home Loan Mtg Corp		09/16/2016	10,150,000.00	10,079,762.00	10,149,409.10	0.875	Aaa	AA+	0.896	10/12/2018
3137EAEB1	12114	Federal Home Loan Mtg Corp		12/19/2016	20,000,000.00	19,687,200.00	19,859,286.45	0.875	Aaa	AA+	1.561	07/19/2019
3137EAEE5	12139	Federal Home Loan Mtg Corp		08/07/2017	1,200,000.00	1,200,159.22	1,200,159.22	1.500	Aaa	AA+	1.491	01/17/2020
3136FTS67	12013	Federal National Mtg Assn		02/03/2015	10,000,000.00	9,984,300.00	10,034,658.47	1.700	Aaa	AA	1.157	02/27/2019
3135G0YM9	12033	Federal National Mtg Assn		04/23/2015	10,000,000.00	10,008,700.00	10,017,073.89	1.875	Aaa	AA+	1.060	09/18/2018
3135G0J53	12069	Federal National Mtg Assn		02/23/2016	21,150,000.00	20,950,132.50	21,139,169.17	1.000	Aaa	AA+	1.080	02/26/2019
3135G0N33	12094	Federal National Mtg Assn		08/08/2016	18,675,000.00	18,375,639.75	18,659,158.77	0.875	Aaa	AA+	0.954	08/02/2019
3135G0J53	12096	Federal National Mtg Assn		08/09/2016	7,900,000.00	7,825,345.00	7,904,919.62	1.000	Aaa	AA+	0.903	02/26/2019
3135G0T29	12123	Federal National Mtg Assn		02/28/2017	12,600,000.00	12,469,212.00	12,595,542.40	1.500	Aaa	AA+	1.522	02/28/2020
3135G0ZA4	12134	Federal National Mtg Assn		04/07/2017	20,000,000.00	20,005,200.00	20,071,928.57	1.875	Aaa	AA	1.298	02/19/2019
3135G0T60	12140	Federal National Mtg Assn		08/07/2017	1,200,000.00	1,198,148.79	1,198,148.79	1.500	Aaa	AA+	1.576	07/30/2020
3135G0T29	12142	Federal National Mtg Assn		08/16/2017	1,200,000.00	1,187,544.00	1,200,290.64	1.500	Aaa	AA+	1.485	02/28/2020
Subtotal and Average			322,433,100.54		251,210,000.00	249,106,308.32	251,263,546.26				1.115	
US Treasury Note-GC 53601(b)												
912828A34	12042B	U.S. Treasury		11/10/2015	5,290,000.00	5,264,184.80	5,290,000.00	1.250	Aaa	AA	1.250	11/30/2018
912828A34	12052	U.S. Treasury		11/25/2015	10,000,000.00	9,951,200.00	10,000,323.57	1.250	Aaa	AA	1.242	11/30/2018
912828WD8	12056	U.S. Treasury		12/22/2015	40,000,000.00	39,840,800.00	40,001,825.91	1.250	Aaa	AA+	1.236	10/31/2018
912828S68	12113	U.S. Treasury		12/19/2016	20,000,000.00	19,901,600.00	19,992,678.27	0.750	Aaa		1.200	07/31/2018
912828RE2	12115	U.S. Treasury		12/19/2016	20,000,000.00	19,975,000.00	20,009,377.52	1.500	Aaa		1.215	08/31/2018
912828H52	12116A	U.S. Treasury		12/21/2016	12,400,000.00	12,235,824.00	12,333,836.76	1.250	Aaa		1.596	01/31/2020
912828T42	12117	U.S. Treasury		12/21/2016	25,000,000.00	24,822,250.00	24,971,474.73	0.750	Aaa		1.214	09/30/2018
912828SD3	12119	U.S. Treasury		12/21/2016	25,000,000.00	24,843,750.00	24,992,952.54	1.250	Aaa		1.299	01/31/2019
912828N63	12122	U.S. Treasury		01/24/2017	20,000,000.00	19,854,600.00	19,995,709.08	1.125	Aaa		1.165	01/15/2019
912828XV7	12143	U.S. Treasury		08/16/2017	2,500,000.00	2,498,802.96	2,498,802.96	1.250			1.299	06/30/2019
912828N63	12145A	U.S. Treasury		08/16/2017	1,670,000.00	1,657,859.10	1,668,675.88	1.125	Aaa		1.273	01/15/2019
912828H86	12160	U.S. Treasury		08/18/2017	2,000,000.00	1,984,966.10	1,984,966.10	1.500	Aaa		1.719	01/31/2022
912828T67	12161	U.S. Treasury		08/18/2017	2,000,000.00	1,972,104.03	1,972,104.03	1.250	Aaa		1.685	10/31/2021
912828Q78	12162	U.S. Treasury		08/18/2017	2,000,000.00	1,987,263.95	1,987,263.95	1.375			1.607	04/30/2021
912828L99	12163	U.S. Treasury		08/18/2017	2,000,000.00	1,993,563.77	1,993,563.77	1.375	Aaa		1.517	10/31/2020
912828U99	12173	U.S. Treasury		12/21/2017	20,000,000.00	19,889,000.00	19,947,006.25	1.250			1.786	12/31/2018
912828S43	12174	U.S. Treasury		12/21/2017	20,000,000.00	19,663,200.00	19,773,910.90	0.750	Aaa		1.857	07/15/2019

Exhibit B

Monterey County Portfolio Management Portfolio Details - Investments June 30, 2018

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	S&P	YTM	Maturity Date
US Treasury Note-GC 53601(b)												
912828SX9	12175	U.S. Treasury		12/21/2017	20,000,000.00	19,800,000.00	19,875,980.28	1.125	Aaa		1.814	05/31/2019
9128282T6	12176	U.S. Treasury		01/31/2018	25,000,000.00	24,770,722.76	24,770,722.76	1.250			2.054	08/31/2019
9128282P4	12179	U.S. Treasury		03/12/2018	1,250,000.00	1,214,416.64	1,214,416.64	1.875	Aaa		2.617	07/31/2022
912828U73	12184	U.S. Treasury		03/12/2018	20,000,000.00	19,753,081.26	19,753,081.26	1.375			2.243	12/15/2019
912828TV2	12193	U.S. Treasury		04/30/2018	15,900,000.00	15,661,988.73	15,661,988.73	1.250	Aaa		2.402	10/31/2019
9128282G4	12194	U.S. Treasury		04/30/2018	20,000,000.00	19,645,879.41	19,645,879.41	0.875	Aaa		2.376	09/15/2019
912828U32	12198	U.S. Treasury		05/21/2018	10,000,000.00	9,801,739.47	9,801,739.47	1.000	Aaa		2.481	11/15/2019
912828K58	12210	U.S. Treasury		06/29/2018	22,400,000.00	21,948,973.36	21,948,973.36	1.375	Aaa		2.506	04/30/2020
Subtotal and Average			365,214,763.22		364,410,000.00	360,932,770.34	362,087,254.13				1.688	
Supranationals												
4581X0CX4	12201	Inter-America Devel BK		05/31/2018	12,975,000.00	12,760,138.81	12,760,138.81	1.625			2.541	05/12/2020
459058GA5	12195	INTL BK RECON & DEVELP		04/30/2018	15,000,000.00	14,670,193.72	14,670,193.72	1.626	Aaa		2.675	09/04/2020
459058FS7	12197	INTL BK RECON & DEVELP		05/21/2018	10,000,000.00	9,798,804.76	9,798,804.76	1.126			2.595	11/27/2019
459058FA6	12199	INTL BK RECON & DEVELP		05/25/2018	10,000,000.00	9,793,896.09	9,793,896.09	1.376	Aaa	AAA	2.591	03/30/2020
Subtotal and Average			22,722,752.29		47,975,000.00	47,023,033.38	47,023,033.38				2.605	
Asset Backed Security(GNMA/CMO)												
05522RCW6	12206	BACCT 2017		06/13/2018	10,000,000.00	9,841,406.25	9,841,406.25	1.950	Aaae		2.896	08/15/2022
Subtotal and Average			1,946,651.79		10,000,000.00	9,841,406.25	9,841,406.25				2.896	
Municipal Bonds												
13063DGA0	12192	California TXBL		04/25/2018	290,000.00	290,010.88	290,010.88	2.800	Aa3	AA-	2.799	04/01/2021
Subtotal and Average			213,524.75		290,000.00	290,010.88	290,010.88				2.799	
Total and Average			1,591,355,271.78		1,560,422,623.40	1,551,265,646.11	1,556,503,865.69				1.772	

Exhibit C Monterey County Historical Yields vs. Benchmarks



Quarterly Yield	FY 16/17				FY 17/18			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Monterey County	1.54	1.07	1.18	1.22	1.25	1.27	1.41	1.63
1-3 Yr Treasury and Agency	0.79	1.18	1.28	1.41	n/a	n/a	n/a	n/a
1 Yr Treasury and Agency*					1.34	1.79	2.14	2.37
LAIF**	0.55	0.61	0.68	0.78	1.03	1.08	1.18	1.43
S&P Rated Govt. Pool Index	0.45	0.54	0.72	0.91	1.04	1.09	1.45	1.81

The S&P Index yields are obtained from Bloomberg

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

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

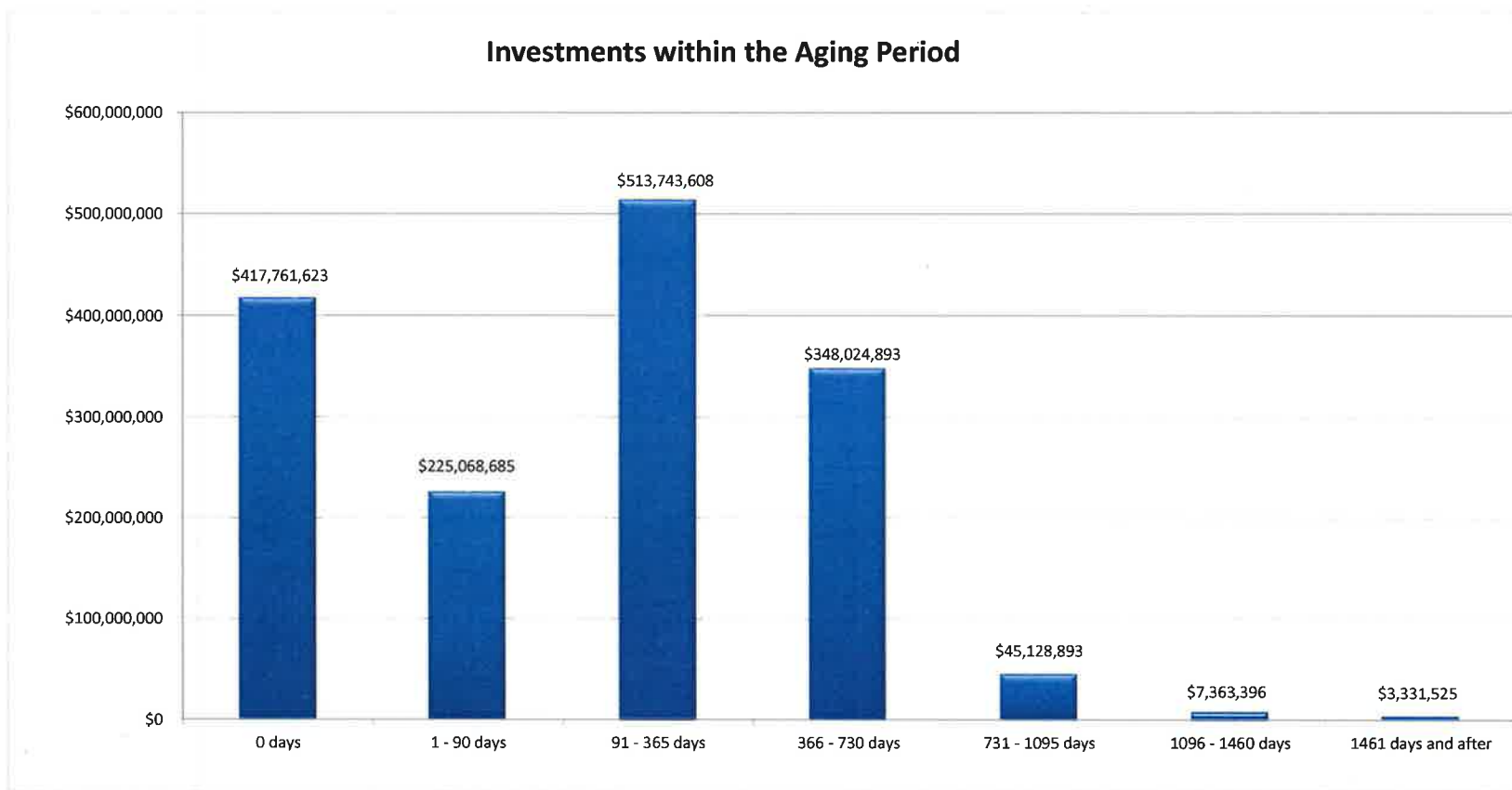
* benchmark changed to reflect current portfolio

**LAIF - results for the month preceding quarter end



Exhibit D Monterey County Aging Report By Maturity Date As of July 1, 2018

Aging Interval:	Maturities	Maturity Par Value	Percent of Portfolio	Current Book Value	Current Market Value
0 days (07/01/2018 - 07/01/2018)	11 Maturities	417,761,623.40	26.77%	417,761,623.40	417,761,623.40
1 - 90 days (07/02/2018 - 09/29/2018)	11 Maturities	225,068,685.49	14.42%	224,120,275.37	222,893,177.45
91 - 365 days (09/30/2018 - 07/01/2019)	39 Maturities	513,743,607.59	32.92%	511,382,620.72	508,822,686.71
366 - 730 days (07/02/2019 - 06/30/2020)	37 Maturities	348,024,892.95	22.30%	342,801,721.93	341,447,734.28
731 - 1095 days (07/01/2020 - 06/30/2020)	16 Maturities	45,128,892.78	2.90%	42,430,998.58	42,333,798.58
1096 - 1460 days (07/01/2021 - 06/30/2022)	7 Maturities	7,363,396.02	0.47%	5,216,657.91	5,216,657.91
1461 days and after (07/01/2022 -)	9 Maturities	3,331,525.12	0.21%	12,789,967.78	12,789,967.78
Total for 130 Investments		1,560,422,623.35	1.00	1,556,503,865.69	1,551,265,646.11





Citizens' Bond Oversight Committee

ANNUAL REPORT

2017-2018

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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: _____

Hunter Harvath, Chair
Citizens' Bond Oversight Committee

Date: November 5, 2018

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INTRODUCTION

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

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

The Citizens' Bond Oversight Committee Bylaws, setting forth the duties and rights of the committee, were also adopted by the Board at the February 25, 2003 meeting. The Bylaws were subsequently amended in February 2012 to remove the district residency requirement for the student member and in October 2015 to allow members to serve three consecutive terms per a change to Education Code 15282.

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

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

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SUMMARY OF THE COMMITTEE'S PROCEEDINGS AND ACTIVITIES FOR 2017-2018

COMMITTEE MEMBERSHIP

The Bylaws require that the CBOC consists 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 three consecutive two-year terms. Among those ineligible to serve are elected officials, employees, vendors, contractors, or consultants of the district.

Currently, the committee is composed of nine members appointed by the Board of Trustees. Member Sharon Larson resigned from the committee after the September 2017 meeting of the CBOC and her departure from the MPC Foundation Board of Directors. In November 2017, three members, Wayne Cruzan, Rick Heuer, and Birt Johnson, Jr. completed their third consecutive term on the committee. As a result of these membership changes, vacancies were created on the committee for representatives from a college support organization, a taxpayers organization, and the community-at-large. Applicants were solicited from appropriate groups and through public notices. The new members appointed by the Governing Board for an initial two-year term were: Mr. Dan Albert, Jr. and Mr. David Hober, representing the community, and Mr. Jeffrey Riehl, representing the Gentrain Society.

The student representative, Stephen Lambert, completed his initial term in November 2017 and was reappointed to a second term. Following his graduation in June 2018, Mr. Lambert resigned from the committee.

In accordance with the Bylaws, officers were selected at the annual organizational meeting on November 6, 2017. Dr. Tribley appointed Mr. Harvath to serve as chair and the committee approved Mr. Lee to serve as vice chair.

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

Wayne Cruzan	2-year third term, 11/2015 – 11/2017
Thomas Gaspich	2-year second term, 11/2016 – 8/2018
Hunter Harvath	2-year second term, 11/2016 – 11/2018
Rick Heuer	2-year third term, 11/2015 – 11/2017
Birt Johnson, Jr.	2-year third term, 11/2015 – 11/2017
Stephen Lambert	2-year second term, 11/2017 – 6/2018

Sharon Larson	2-year second term, 11/2016 – 10/2017
Rob Lee	2-year second term, 11/2016 – 11/2018
Dan Albert, Jr.	2-year initial term, 3/2018 – 11/2019
David Hober	2-year initial term, 3/2018 – 11/2019
Jeffrey Riehl	2-year initial term, 3/2018 – 11/2019

MEETINGS AND ACTIVITIES OF THE CITIZENS' BOND OVERSIGHT COMMITTEE

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

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

During 2017-18, the committee convened four quarterly meetings. The annual organizational meeting of the committee was held November 6, 2017, with subsequent meetings held on March 12, 2018, June 11, 2018, and August 27, 2018. The primary location for the meetings was the Sam Karas Room in the Library & Technology Center on the Monterey campus.

At the meetings held during 2017-18, the committee regularly reviewed bond program expenditures and quarterly Monterey County Treasurer's Investment Reports. At the November meeting, the committee reviewed the Annual Report for 2016-17. In March, the committee reviewed the 2016-17 independent financial and performance audit reports for the district's bond funds. The June meeting included a review of the committee's purpose and duties and a summary of the Brown Act by David Casnocha, district bond counsel. At each meeting, Dr. Tribley provided the committee with a campus update, including an update on budgetary issues and a progress report regarding the college's accreditation recommendations and subsequent reaffirmation of its accreditation status.

FINANCIAL REPORT OF THE CITIZENS' BOND OVERSIGHT COMMITTEE

The first bond issuance, Series A, was conducted on June 18, 2003. Total principal amount issued was \$40 million. The Series A bond was refinanced in December 2005, increasing the principal amount to \$44,240,052. The second and third series of bonds were issued in January 2008. In Series B, \$9,004,530 of taxable bonds were issued, with no time limit for expenditure. The principal amount of the Series C issuance was \$95,994,770 of tax exempt bond funds that were anticipated to be 85% expended within five years.

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

A third refinancing was completed in June 2016. A portion of the Series C bonds were refinanced, with approximately \$105.4 million of bonds issued. This refinancing lowered the average interest rate of 5.03% to 2.87%, resulting in savings to the taxpayers of \$28.2 million, from 2017 to 2034.

The college's bond funds have been invested in Monterey County's investment portfolio. A portion of the funds were placed in custom investments outside of the general pool to generate higher interest earnings. These custom investments matured in January 2014. During the past year, interest earnings on the bond funds invested with Monterey County totaled \$126,831 through September 30, 2018.

A property tax rate of \$23.89 per \$100,000 of assessed value was projected in 2002 when the district's bond measure was approved. The tax rate for Measure I in 2017-18 was \$21.65. Since the first bond issuance in 2003, the average tax rate has been \$22.14.

Expenditures and payments made from bond funds have been regularly reviewed and accepted by the committee during the course of the year. The annual expenditure report on the following pages shows expenditures for the report period of October 1, 2017 through September 30, 2018 and total expenditures since bond inception.

MPC Bond Expenditure Report
July 1, 2003 through September 30, 2018

Receipts:	Prior	10/1/2017- 09/30/2018	Total
Bond Principal – Series A	\$40,000,000	\$0	\$40,000,000
Refinancing - Series A	\$4,240,052	\$0	\$4,240,052
Bond Principal - Series B, taxable	\$9,004,530	\$0	\$9,004,530
Bond Principal - Series C, nontaxable	\$95,994,770	\$0	\$95,994,770
Interest Income*	\$9,600,230	\$126,831	\$9,727,061
Interest Write-off**	(\$1,878,835)	\$0	(\$1,878,835)
Interest Recovery**	\$761,346	\$0	\$761,346
Total Receipts	\$157,722,093	\$126,831	\$157,848,924

* Interest income is through Sept. 30, 2018

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

Expenditures:

Completed Projects:

As Built Drawings	\$209,792	\$0	\$209,792
Automotive Technology -- HVAC	\$16,443	\$0	\$16,443
Auto Technology Addition	\$958,602	\$0	\$958,602
Business Computer Science	\$2,215,418	\$0	\$2,215,418
Business Computer Science Building - Seismic Design	\$7,982	\$0	\$7,982
Child Development Center	\$1,029,199	\$0	\$1,029,199
College Center Renovation	\$23,608	\$0	\$23,608
Demolition of Old Plant Services	\$63,522	\$0	\$63,522
Drafting Building	\$13,974	\$0	\$13,974
Environmental Impact Report	\$154,163	\$0	\$154,163
Family and Consumer Science Renovation	\$67,671	\$0	\$67,671
Gym - Floor/Seismic/Bleachers	\$877,847	\$0	\$877,847
Humanities Building - Seismic Design	\$16,375	\$0	\$16,375
Humanities, Bus-Hum, Student Services	\$3,543,043	\$0	\$3,543,043
HVAC Repairs	\$618,539	\$0	\$618,539
Infrastructure I (main campus utilities, parking lot A)	\$20,886,001	\$0	\$20,886,001
Infrastructure II (parking lots D, E, & F)	\$2,481,607	\$0	\$2,481,607
Infrastructure - Phase III	\$6,458,266	\$0	\$6,458,266
Landscaping – Library & Technology Center	\$438,293	\$0	\$438,293
Lecture Forum Remodel	\$2,117,203	\$0	\$2,117,203
Life Science -- Elevator Evaluation	\$7,794	\$0	\$7,794
Life & Physical Science	\$10,832,201	\$0	\$10,832,201
Master Signage Program	\$53,890	\$0	\$53,890
New Admin/Old Library Renovation	\$4,712,191	\$0	\$4,712,191
New Education Center Building at Marina	\$8,159,655	\$0	\$8,159,655
New Facilities Building	\$487,574	\$0	\$487,574
New Student Services Building	\$9,681,388	\$0	\$9,681,388
Old Library Renovation Analysis	\$21,280	\$0	\$21,280

Miscellaneous	\$221	\$0	\$221
Physical Education (Stadium, Fitness Center, etc.)	\$17,236,568	\$0	\$17,236,568
Physical Science -- Elevator Evaluation	\$6,986	\$0	\$6,986
PE Phase II - Gym/Locker Room Renovation	\$3,810,036	\$0	\$3,810,036
Pool Renovation	\$2,047,493	\$0	\$2,047,493
Public Safety Training Center	\$7,478,201	\$0	\$7,478,201
Roof Repairs	\$480,256	\$0	\$480,256
Swing Space/Interim Housing	\$5,777,350	\$0	\$5,777,350
Social Science Remodel	\$863,697	\$0	\$863,697
Student Center Renovation	\$6,157,617	\$0	\$6,157,617
Telephone System Upgrades	\$599,414	\$0	\$599,414
Theater Light Board	\$22,733	\$0	\$22,733
Theater	\$10,382,736	\$0	\$10,382,736
Vehicles	\$187,070	\$0	\$187,070
Walkway/Safety Improvements	\$225,630	\$0	\$225,630

Completed Projects	\$131,429,529	\$0	\$131,429,529
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In Process:

Arts Complex	\$3,555,565	\$0	\$3,555,565
Baseball Field	\$17,243	\$1,337	\$18,580
Bond Program Management	\$5,692,510	\$177,150	\$5,869,660
Data Center Network	\$524,051	\$43,306	\$567,357
Furniture/Equipment	\$5,416,094	\$16,008	\$5,432,102
Infrastructure - Phase IV	\$141,895	\$106,469	\$248,364
Music Building	\$23,770	\$0	\$23,770
PSTC Parker Flats	\$70,499	\$0	\$70,499
General Contingency	\$199,792	\$149,664	\$349,456
Management Expense for Custom Investment Portfolio***	\$45,272	\$0	\$45,272

In Process	\$15,686,691	\$493,934	****	\$16,180,625
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Total Expenditures	\$147,116,220	\$493,934		\$147,610,154
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*** The district requested the Monterey County Treasurer to manage and place custom investments for a portion of the funds on deposit with the Treasurer. These investments were outside the general pool and currently include GE corporate bonds which generate a higher rate of return. The district was notified by the Treasurer's Office that the last security matured on 1/7/14. There were no further interest postings to segregated investments after this date.

**** Total expenditures of \$147,610,154 equate to 94% of Measure I bond proceeds of \$157,848,924 being spent through September 30, 2018 on district bond projects. In addition, the district has been successful in securing matching funds from the state and other sources to augment bond proceeds and further address district facility needs. These matching funds will supplement bond proceeds by an estimated \$40,704,037, resulting in total projected expenditures of \$198,552,961 for facilities projects by the end of the bond program.

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

September 30, 2018

COMPLETED PROJECTS:

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

<u>Project</u>	<u>Description</u>	<u>Funding Source</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State & Other</u>	
Library & Technology Center	This new 65,000 sq. ft., 3-story building houses the college's book and media collections and includes computer labs, classrooms, multi-media rooms, group study rooms, teleconferencing capability and a faculty lounge. The \$19.9 million project was primarily funded by the state, with \$438,000 provided by MPC bond funds. The facility was completed in July 2003.	\$438,293	\$19,470,000	\$19,908,293
Facilities Building	The new 18,440 sq. ft. building consolidates the college's plant services, warehouse, building maintenance, and grounds operations within one building. Old structures formerly housing these operations were demolished. The state funded \$2.48 million of the total project cost of \$2.97 million and MPC bonds provided funding of \$488,000. This project was completed in fall 2003.	\$487,574	\$2,478,000	\$2,965,574

COMPLETED PROJECTS:

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

<u>Project</u>	<u>Description</u>	<u>Funding Source</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State & Other</u>	
Early Start & Miscellaneous Projects	This group of projects includes walkway and safety improvements, new IP phone system, new roofs on Life Science, Physical Science, Business-Computer Science, and Art Dimensional buildings, rebuilding the HVAC systems in Art Dimensional, Social Science, Business-Computer Science buildings, completing required campus wide CEQA reports, campus as-built site drawings, purchase of new vans and street cleaner. Dollar amounts given represent actual MPC bond expenses to date. Most of these projects were completed by 2004, with the exception of the campus CEQA environmental report, completed in March, 2006.	\$2,729,672	\$439,037	\$3,168,709
Community Stadium	This project completely refurbished and modernized the existing campus football stadium, track, and softball fields. The upgrades include synthetic football/soccer and softball fields, an eight lane all weather track, new bleachers and support facilities. MPC bond funds covered most of the \$13.5 million cost, with \$100,000 received from a state waste tire grant program for the artificial turf installed on the football field. The project was completed in spring 2007.	\$13,406,672	\$100,000	\$13,506,672
Fitness Center	This new 12,750 sq. ft., two-story building provides classrooms, offices, and a weight room. The old structure was demolished. The project was completed August, 2007.	\$3,829,897		\$3,829,897

COMPLETED PROJECTS:

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

<u>Project</u>	<u>Description</u>	<u>Funding Source</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State & Other</u>	
Child Development Center	This new three-building, 9,900 sq. ft. complex provides a child care facility serving the campus and community. The facilities also include a classroom and observation rooms that make up an academic laboratory to provide practicum experience for Child Development Program courses. The state funded \$4.4 million of the project with \$1 million contributed from MPC bond funds. The project was completed in October, 2007.	\$1,029,198	\$4,384,000	\$5,413,198
Infrastructure - Phase I	All of the campus infrastructure (underground utilities, roads, walkways, bridges, etc.) will be rebuilt under the bond program. Phase I makes up 77% of the total infrastructure work on campus and was completed in September, 2008.	\$20,886,001		\$20,886,001
Lecture Forum	The existing 18,545 square foot instructional building was remodeled to upgrade technology and improve acoustics. The HVAC system was replaced, restrooms rebuilt, new seating and floor covering installed, and the building repainted. The majority of work was completed August 2007 with minor work completed in summer 2008.	\$2,117,203		\$2,117,203
Social Science	The existing 12,580 square foot instructional building was remodeled to meet current seismic and ADA standards. The bathrooms were rebuilt, the HVAC system replaced, and new furniture, paint, and floor coverings were added. The majority of the work was completed August 2007 with minor work completed in summer 2008.	\$863,697		\$863,697

COMPLETED PROJECTS:

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

<u>Project</u>	<u>Description</u>	<u>Funding Source</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State & Other</u>	
Infrastructure - Phase II	This phase includes the rebuilding and expansion of parking lots D, E & F, addition of campus wide emergency alarms, and rebuilding of the baseball backstop. The parking lots and alarm installation were completed in August 2008; the backstop was completed in August 2009.	\$2,481,607		\$2,481,607
Family Consumer Science	The existing facility was remodeled to repair the roof and upgrade the classroom. The project was substantially completed January 2009.	\$67,671		\$67,671
Gym	The upper floor of the existing gym was rebuilt, including seismic upgrades and gym floor and bleacher replacement. The project was accomplished using a combination of state scheduled maintenance funding and MPC bond funds. The project was completed in January 2009.	\$877,847	\$600,000	\$1,477,847
Administration Building Renovation	The former library building, consisting of 19,040 square feet, was remodeled to house campus administrative offices. The state funded \$2.715 million of the total cost with \$4.56 million contributed from MPC bond funds. Office move-in was accomplished in April 2009.	\$4,712,191	\$2,715,000	\$7,427,191
Public Safety Training Center Renovation	Two existing former Army buildings on Colonel Durham Road in Seaside at the former Fort Ord were renovated to provide classrooms and offices for public safety training programs. Construction began in July, 2008. The project was substantially completed in December 2009. Site drainage issues were resolved in summer 2010.	\$7,478,201		\$7,478,201

COMPLETED PROJECTS:

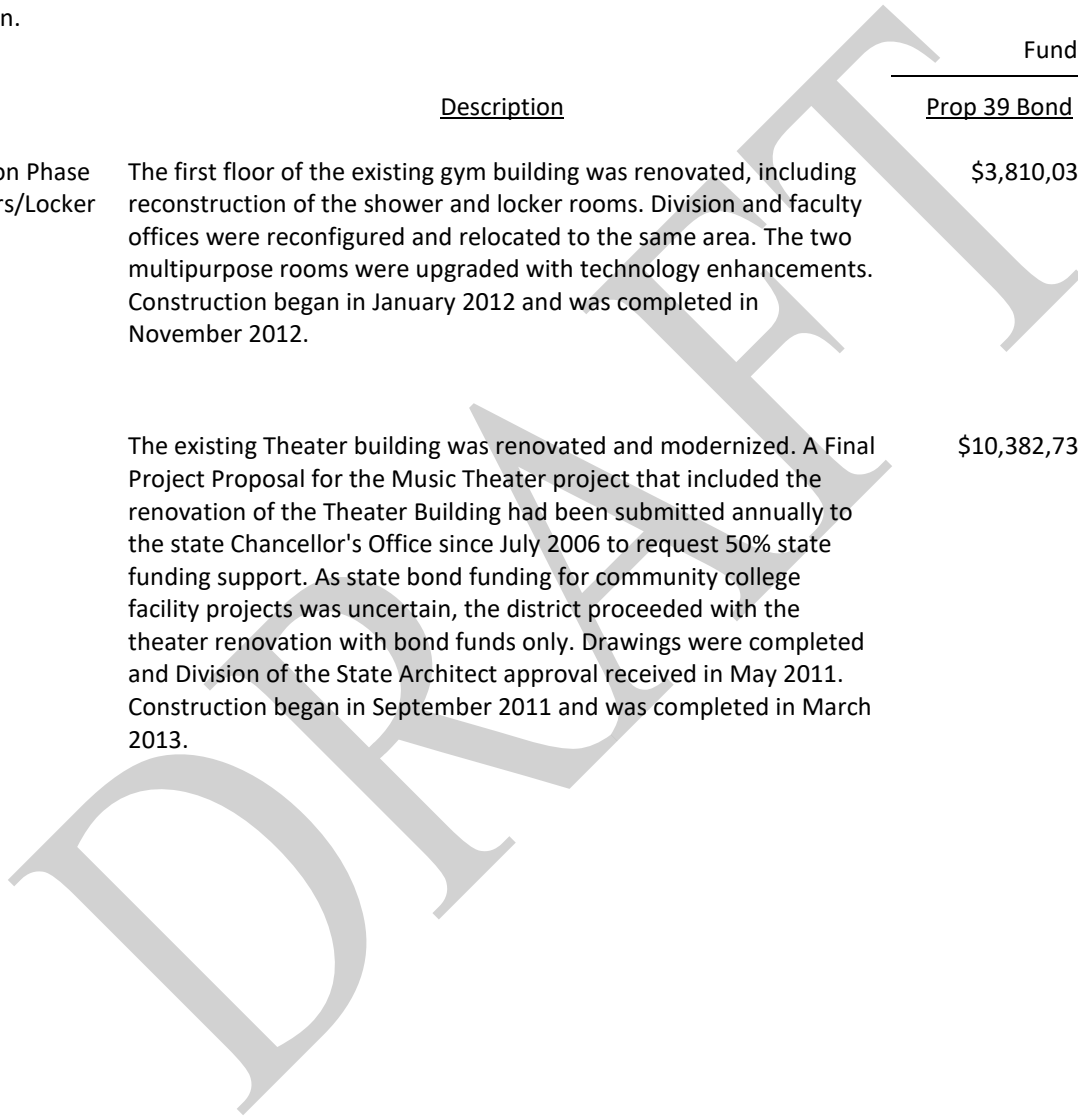
Note: For completed projects, Prop 39 Bond amounts listed are actual expenditures to date. Projects are listed in order of completion.

<u>Project</u>	<u>Description</u>	<u>Funding Source</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State & Other</u>	
Auto Technology Addition	This project consisted of a remodel and addition to the existing facility. The project was substantially completed in September 2010.	\$958,602		\$958,602
Business, Math, Computer Science	The existing Business Computer Science building was completely renovated. Former fiscal services and information technology offices were converted into math classrooms and a math learning center. A Final Project Proposal for the Business, Math and Science Buildings project that included the renovation of the Business Computer Science Building was submitted to the state Chancellor's Office in July 2007 to request 50% state funding support and was subsequently approved. However, as state bond funding for community college facility projects has been uncertain, the district determined this project would go forward using bond funds only. Construction began in June 2010. The project was completed in February 2011.	\$2,215,418		\$2,215,418
Student Services Building	A new 22,000 sq. ft. building was constructed adjacent to the current Student Center, allowing the consolidation of student services offices at one location on the Monterey campus. Construction began in August 2009 and was substantially completed by March 2011. Offices were moved in phases and accomplished by May 2011.	\$9,681,388		\$9,681,388
Education Center at Marina	Temporary facilities were installed on the Education Center site on Imjin Parkway and 3rd Avenue in Marina in 2007. Construction of the first permanent academic facilities began in February 2010 and was substantially complete by August 2011, in time for the start of the fall 2011 semester.	\$8,159,655		\$8,159,655

COMPLETED PROJECTS:

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

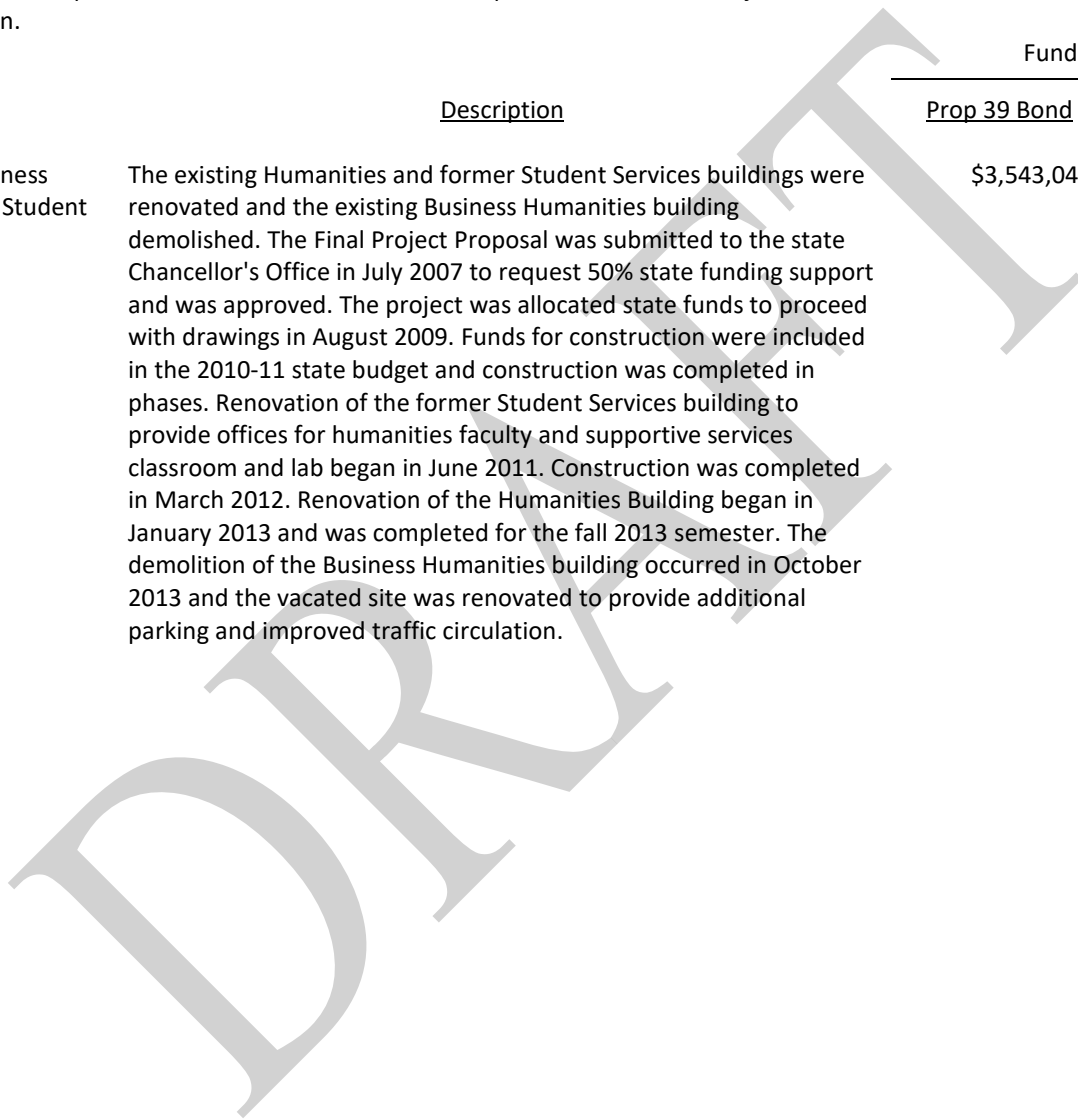
<u>Project</u>	<u>Description</u>	<u>Funding Source</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State & Other</u>	
Physical Education Phase II: Gym - Showers/Locker Rooms	The first floor of the existing gym building was renovated, including reconstruction of the shower and locker rooms. Division and faculty offices were reconfigured and relocated to the same area. The two multipurpose rooms were upgraded with technology enhancements. Construction began in January 2012 and was completed in November 2012.	\$3,810,036		\$3,810,036
Theater	The existing Theater building was renovated and modernized. A Final Project Proposal for the Music Theater project that included the renovation of the Theater Building had been submitted annually to the state Chancellor's Office since July 2006 to request 50% state funding support. As state bond funding for community college facility projects was uncertain, the district proceeded with the theater renovation with bond funds only. Drawings were completed and Division of the State Architect approval received in May 2011. Construction began in September 2011 and was completed in March 2013.	\$10,382,736		\$10,382,736



COMPLETED PROJECTS:

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

<u>Project</u>	<u>Description</u>	<u>Funding Source</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State & Other</u>	
Humanities, Business Humanities, and Student Services	The existing Humanities and former Student Services buildings were renovated and the existing Business Humanities building demolished. The Final Project Proposal was submitted to the state Chancellor's Office in July 2007 to request 50% state funding support and was approved. The project was allocated state funds to proceed with drawings in August 2009. Funds for construction were included in the 2010-11 state budget and construction was completed in phases. Renovation of the former Student Services building to provide offices for humanities faculty and supportive services classroom and lab began in June 2011. Construction was completed in March 2012. Renovation of the Humanities Building began in January 2013 and was completed for the fall 2013 semester. The demolition of the Business Humanities building occurred in October 2013 and the vacated site was renovated to provide additional parking and improved traffic circulation.	\$3,543,043	\$3,318,000	\$6,861,043



COMPLETED PROJECTS:

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

<u>Project</u>	<u>Description</u>	<u>Funding Source</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State & Other</u>	
Life Science and Physical Science Buildings	The existing Physical Science and Life Science buildings were rebuilt, to include modernizing and upgrading of all science laboratories. A Final Project Proposal for the Business, Math and Science Buildings project that included the renovation of these buildings was submitted to the state Chancellor's Office in July 2007 to request 50% state funding support and was subsequently approved. However, as state bond funding for community college facility projects was uncertain, the district adjusted the scope, and completed this project with local bond funds only. Revised schematic drawings were completed by the architect and the Division of the State Architect approval received in May 2011. The project was completed in phases. The Life Science building renovation began construction in September 2011 and was completed in June 2012. Renovation of the Physical Science building began in September 2012 and was completed for fall semester 2013.	\$10,832,201		\$10,832,201
Pool and Tennis Courts Renovation	The existing swimming pool was renovated to eliminate the existing diving well, creating a shallower pool bottom. A lift for disabled students was added. The pool locker room facility was demolished and a new pool equipment building constructed to house new filtration and heating equipment. The pool will be served by the gym locker rooms which were renovated and completed in 2012. Construction began in August 2013 and the pool was completed in March 2014. The tennis courts were not renovated as the estimated cost exceeded the amount of funds remaining in the project budget.	\$2,047,493		\$2,047,493

COMPLETED PROJECTS:

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

<u>Project</u>	<u>Description</u>	<u>Funding Source</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State & Other</u>	
Student Center Renovation	The Student Center was renovated and all building systems repaired. The interior space was redesigned to better serve student support functions, including food service, bookstore, TRIO, ASMP, student activities, and security. Construction was underway in September 2013, and completed in August 2014.	\$6,157,617		\$6,157,617
Infrastructure - Phase III	This phase included new data cabling installed campus wide, the rebuilding of many sidewalks and parking lots B, C, & J, the installation of additional lighting and signage upgrades, an elevator at PE, additions to disaster notification systems, new greenhouses, a generator for the data center, and replacement of the kilns for the art ceramics program. Work was completed in phases from May 2008 through September 2014.	\$6,458,266		\$6,458,266
Swing Space/Interim Housing	Temporary space was planned to house programs and services displaced by modernization projects. Temporary modulars were placed on campus and at the Education Center. The former administration building was renovated in 2009 to provide temporary classrooms and renamed the General Classrooms building. The facility was modified again in summer 2011 to provide space for labs to accommodate the Life Science and Physical Science programs. Additional modification occurred in summer 2013 to provide temporary space for the creative arts programs while the Art Studio and Art Ceramics buildings were renovated.	\$5,777,350		\$5,777,350
Totals for Completed Projects		\$131,429,529	\$33,504,037	\$164,933,566

PROJECTS IN PROCESS:

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

<u>Project</u>	<u>Description</u>	<u>Budgets</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State & Other</u>	
Arts Complex	The Final Project Proposal to rebuild the existing Art Studio, Art Ceramics, Art Dimensional, and International Center buildings, and demolish the existing Drafting building was re-submitted to the state Chancellor's Office in July 2009 to request 50% state funding support and was approved. However, with state bond funding for community college facility projects being uncertain, the district completed this project with local bond funds only. The project was reduced in scope. A complete renovation of the Art Studio and Art Ceramics buildings was accomplished. Construction began in September 2013, and completed in late summer 2014, in time for fall semester. The Art Dimensional building will be improved as the budget allows, to include replacement of mechanical and electrical systems, exterior painting, and roofing.	\$3,795,585		\$3,795,585
Furniture & Equipment	New furniture has been installed in all lecture classrooms. Funds have been used to provide furniture and equipment for the Business, Math, Computer Science building, the Education Center at Marina, the Public Safety Training Center in Seaside, the new Student Services building, the Life Science and Physical Science buildings, the Theater, Student Center, and Art buildings.	\$5,837,175		\$5,837,175
Infrastructure – Phase IV	This phase includes various technology improvements and upgrades to existing buildings to address safety, environmental controls, signage, technology, and functionality. Work on this phase began in fall 2014.	\$574,857		\$574,857

PROJECTS IN PROCESS:

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

<u>Project</u>	<u>Description</u>	<u>Budgets</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State & Other</u>	
Data Center Network Security	Essential network administration components of the data center will be implemented to provide secure connectivity to the internet. These components include an identity services management system, an advanced enterprise firewall, and monitoring tools that will assist with cyber threat detection and analysis. Implementation began in November 2016 and was completed in 2018.	\$400,000		\$400,000
Totals for Projects In Process		\$10,532,760		\$10,532,760

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FUTURE PROJECTS:

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

<u>Project</u>	<u>Description</u>	<u>Budgets</u>		<u>Total Cost</u>
		<u>Prop 39 Bond</u>	<u>State & Other</u>	
Baseball Field Upgrade	Artificial turf will be installed at the existing baseball field to provide a safer environment for students and reduce water consumption.	\$750,000		\$750,000
Music Facilities – Phase I	The existing Music facilities will be modernized. Two of the three music facility structures (the current recital hall and the music lab wing) will be renovated. The recital hall will be converted into two rehearsal rooms. The third structure (choral music room) will be demolished. The Final Project Proposal for phase I of renovation of the Music facilities was submitted to the state Chancellor's Office in July 2013 to request 50% state funding support and was approved. However, in 2017, the Chancellor's Office reexamined its implementation strategy for facilities funding for 2019-20 forward due to funding constraints, and the Final Project Proposal for this project will need to be updated and resubmitted for consideration.	\$1,200,000	\$1,200,000	\$2,400,000
Public Safety Training Center - Phase II (Parker Flats)	New outdoor training facilities will be constructed at the Parker Flats and MOUT sites at the former Fort Ord, including an emergency vehicle driving course, a burn building for firefighter training, and a firing range. The Final Project Proposal for this project was submitted to the state Chancellor's Office in July 2009 for 50% state funding consideration and was approved. The projected completion date of summer 2020 is contingent upon state bond funding being approved and allocated.	\$6,000,000	\$6,000,000	\$12,000,000
Totals for Future Projects		\$7,950,000	\$7,200,000	\$15,150,000

CONTINGENCY:

<u>Description</u>	<u>Budgets</u>		<u>Total Cost</u>
	<u>Prop 39 Bond</u>	<u>State & Other</u>	
The contingency was established in August 2010 to provide contingent funding for projects as needed. Project cost estimates are subject to change due to the variable bid climate or from unexpected construction issues that may arise. Currently, the contingency is equivalent to 0.23% of total Prop 39 bond funds.	\$358,463	\$0	\$358,463
Grand Totals (Projects)	\$150,270,752	\$40,704,037	\$190,974,789

BOND PROGRAM MANAGEMENT:

<u>Description</u>	<u>Budgets</u>		<u>Total Cost</u>
	<u>Prop 39 Bond</u>	<u>State & Other</u>	
An outside firm was used to manage the overall bond construction program. Funds to pay for these services were generated from interest earnings on the bond funds on deposit with the Monterey County Treasurer (minus any management fees on the custom investment portfolio managed by the treasurer). Amounts in the columns to the right represent actual expenses to date.	\$5,869,660		\$5,869,660
Projected program management expense for the remaining years of the bond program.	\$1,633,655		\$1,633,655
Totals for Program Management	\$7,503,315		\$7,503,315
Overall Grand Totals	\$157,848,924	\$40,704,037	\$198,552,961

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APPENDIX

COMMITTEE ROSTER

COMMITTEE MEETING AGENDAS (Not Included in Draft)

November 6, 2017

March 12, 2018

June 11, 2018

August 27, 2018

COMMITTEE MEETING MINUTES (Not Included in Draft)

November 6, 2017

March 12, 2018

June 11, 2018

August 27, 2018

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MONTEREY PENINSULA COLLEGE

Citizens' Bond Oversight Committee Members

- Hunter Harvath, Chair, *Monterey County Hospitality Association*
- Rob Lee, Vice Chair, *Monterey Peninsula Chamber of Commerce*
- Dan Albert, Jr., *Community Member*
- Wayne Cruzan, *Gentrain Society*
- Thomas Gaspich, *Carmel Foundation*
- Rick Heuer, *Monterey Peninsula Taxpayers Association*
- David Hober, *Community Member*
- Birt Johnson, Jr., *Community Member*
- Stephen Lambert, *Associated Students of Monterey Peninsula College*
- Sharon Larson, *Monterey Peninsula College Foundation*
- Jeffrey Riehl, *Gentrain Society*

MONTEREY PENINSULA COLLEGE

Citizens' Bond Oversight Committee Members and Terms

NAME	MEMBERSHIP CRITERION	TERM
Dan Albert, Jr.	Community at-large member	1st term (11/2017 – 11/2019)
Dr. Lynda Bynoe	Monterey Peninsula College Foundation (college support organization)	1 st term (11/2018-11/2020)
Hunter Harvath	Monterey County Hospitality Association (business organization)	3rd term (11/2018 – 11/2020)
Dave Hober	Community at-large member	1st term (11/2017 – 11/2019)
Ellise Kittrell	Associated Students of Monterey Peninsula College (student government)	1st term (11/2018 – 11/2020)
Rob Lee	Monterey Peninsula Chamber of Commerce (business organization)	3rd term (11/2018 – 11/2020)
Jeffrey Riehl	GENTRAIN Society (college support organization)	1st term (11/2017 – 11/2019)
Vacant	Carmel Foundation (senior citizens' organization)	
Vacant	Monterey Peninsula Taxpayers Association	