



MONTEREY PENINSULA
COLLEGE

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

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

MEETING AGENDA

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

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| 9. Monterey County Treasurer's Investment Report
Series B and C bonds were issued by the district in 2008 and invested with the Monterey County Treasurer's office. The Treasurer's Report of Investments for the quarter ending December 31, 2013 provides the status of these investments. | INFORMATION |
| 10. Facilities Master Budget Update
The changes to the District's facilities master budget recommended by the Facilities Committee and approved by the Governing Board on December 11, 2013 will be reviewed. | INFORMATION |
| 11. Update on Facilities Projects, Timelines and Schedules
A status report will be provided on all projects. The timelines and schedules for current facility projects will be reviewed. | INFORMATION |
| 12. Meeting Schedule
Future meetings of the Committee are scheduled for:
Monday, June 16, 2014
Monday, August 4, 2014
Monday, November 3, 2014 (Annual Organizational Meeting) | INFORMATION |
| 13. Suggestions for Future Agenda Topics and Announcements
June and August meetings -- Committee tour of facilities projects on Monterey campus | 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/mpcbond/CitizensBondOversight/Pages/CBOCAgendas.aspx> , at the Superintendent/President's office, Monterey Peninsula College, 980 Fremont Street, Monterey, California during normal business hours, or at the Committee meeting.



MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

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

Meeting Minutes

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

ABSENT: None

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

OTHERS PRESENT: Mr. Michael Carson, Kitchell

1. Call to Order

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

2. Public Comment

There were no public comments.

3. Tour of Physical Science Building

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

4. Approval of August 5, 2013 Minutes

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

5. Accept Bills and Warrants Report

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6. Bond Expenditure Status Report and Cost Control Report

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

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

7. Annual Report for 2012-13

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

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

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

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

8. Monterey County Treasurer's Investment Report

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

9. Update on Facilities Projects, Timelines, and Schedules

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

Pool – The slab has been poured.

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

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

10. Committee Membership Update

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

11. Officers

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

12. Meeting Schedule

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

13. Suggestions for Future Agenda Topics and Announcements

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

14. Adjournment

Chair Fagan adjourned the meeting at 4:35 PM.

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FINANCIAL REPORT OF THE CITIZENS’ BOND OVERSIGHT COMMITTEE

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

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

The bond funds have been invested in Monterey County’s investment portfolio, with a portion of the funds placed in custom investments outside of the general pool to generate higher interest earnings. In 2012-13, interest earnings totaled \$441,044 through June 30, 2013.

In 2002, a property tax rate of \$23.89 per \$100,000 of assessed value was projected when the District’s bond measure was approved. The tax rate for Measure I in 2013 was \$23.67. Since the first bond issuance in 2003, the average tax rate has been \$21.06.

Expenditures and payments made from bond funds have been regularly reviewed and accepted by the committee during the course of the year. The annual expenditure report below shows expenditures for the report period of October 1, 2012 through September 30, 2013 and total expenditures since bond inception.

MPC Bond Expenditure Report
July 1, 2003 through September 30, 2013

<u>Receipts:</u>	Prior	10/1/12-9/30/13	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*	\$8,403,885	\$441,044	\$8,844,929
Interest Write-off**	(\$1,878,835)	\$0	(\$1,878,835)
Interest Recovery**	\$665,149	\$0	\$665,149
Total Receipts	\$156,429,551	\$441,044	\$156,870,595

* Interest income is through June 30, 2013

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

Expenditures:

Completed Projects:

As Built Drawings	\$209,792	\$0	\$209,792
Automotive Technology -- HVAC	\$16,443	\$0	\$16,443
Auto Technology Addition	\$958,602	\$0	\$958,602
Business Computer Science	\$2,215,418	\$0	\$2,215,418
Business Computer Science Building - Seismic Design	\$7,982	\$0	\$7,982
Child Development Center	\$1,029,199	\$0	\$1,029,199
College Center Renovation	\$23,608	\$0	\$23,608
Demolition of Old Plant Services	\$63,522	\$0	\$63,522
Drafting Building	\$13,974	\$0	\$13,974
Environmental Impact Report	\$154,163	\$0	\$154,163
Family and Consumer Science Renovation	\$67,671	\$0	\$67,671
Gym - Floor/Seismic/Bleachers	\$877,847	\$0	\$877,847
Humanities Building - Seismic Design	\$16,375	\$0	\$16,375
HVAC Repairs	\$618,539	\$0	\$618,539
Infrastructure I (main campus utilities, parking lot A)	\$20,886,001	\$0	\$20,886,001
Infrastructure II (parking lots D, E, & F)	\$2,481,607	\$0	\$2,481,607
Landscaping – Library & Technology Center	\$438,293	\$0	\$438,293
Lecture Forum Remodel	\$2,117,203	\$0	\$2,117,203
Life Science -- Elevator Evaluation	\$7,794	\$0	\$7,794
Master Signage Program	\$53,890	\$0	\$53,890
New Admin/Old Library Renovation	\$4,712,191	\$0	\$4,712,191
New Education Center Building at Marina	\$8,159,655	\$0	\$8,159,655
New Facilities Building	\$487,574	\$0	\$487,574
New Student Services Building	\$9,681,388	\$0	\$9,681,388
Old Library Renovation Analysis	\$21,280	\$0	\$21,280
Miscellaneous	\$221	\$0	\$221
Physical Education (Stadium, Fitness Center, etc.)	\$17,236,568	\$0	\$17,236,568
Physical Science -- Elevator Evaluation	\$6,986	\$0	\$6,986
Public Safety Training Center	\$7,478,201	\$0	\$7,478,201
Roof Repairs	\$480,256	\$0	\$480,256
Social Science Remodel	\$863,697	\$0	\$863,697
Telephone System Upgrades	\$599,414	\$0	\$599,414
Theater Light Board	\$22,733	\$0	\$22,733
Vehicles	\$187,070	\$0	\$187,070
Walkway/Safety Improvements	\$225,630	\$0	\$225,630
Completed Projects	\$82,420,787	\$0	\$82,420,787

In Process:

Arts Complex	\$346,621	\$78,313	\$424,934
Bond Program Management	\$5,282,339	\$246,890	\$5,529,229
College Center	\$19,701	\$415,234	\$434,935
Furniture/Equipment	\$3,401,327	\$1,257,565	\$4,658,892

Humanities, Bus-Hum, Student Services	\$1,059,165	\$995,724	\$2,054,889
Infrastructure - Phase III	\$6,110,297	\$325,173	\$6,435,470
Life & Physical Science	\$5,485,243	\$4,698,241	\$10,183,484
Music Building	\$23,770	\$0	\$23,770
PE Phase II - Gym/Locker Room Renov.	\$2,447,318	\$1,362,718	\$3,810,036
Pool/Tennis Courts Renovation	\$176,560	\$144,064	\$320,624
PSTC Parker Flats	\$69,474	\$1,025	\$70,499
Swing Space/Interim Housing	\$4,980,609	\$637,612	\$5,618,221
Theater	\$5,992,554	\$4,355,414	\$10,347,968
General Contingency	\$0	\$0	\$0
Management Expense for Custom Investment Portfolio***	\$3,173	\$42,099	\$45,272
In Process	\$35,398,151	\$14,560,072	\$49,958,223
Total Expenditures	\$117,818,938	\$14,560,072	****\$132,379,010

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

**** Total expenditures of \$132,379,010 equate to 84% of Measure I bond proceeds of \$156,870,595 being spent through September 30, 2013 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 \$39,504,037, resulting in total projected expenditures of \$196,489,632 for facilities projects by the end of the bond program.

Monterey Peninsula College		
Bills & Warrants Report		
Through December 31, 2013		
Vendor Name	Description of service or purchase	Amount Paid
	<i>Total Expense at September 30, 2013</i>	<i>\$434,934.91</i>
Student Center		
PARC Environmental	Soft demo and hazardous abatement services.	\$137,726.00
M3 Environmental	Hazardous abatement oversight for the month of August 2013.	\$4,585.14
Kitchell	Construction management services for the month of September 2013.	\$16,500.00
Otto Construction	Payment application #1.	\$213,702.50
HGHB	Professional design services consisting of: construction documents. Service for September 2013.	\$3,942.00
David Foord	Inspection services for the month of September 2013.	\$1,725.00
Bank of Sacramento-Otto Const.	Retention payment deposited with the Bank of Sacramento for escrow account application #1.	\$11,247.50
M3 Environmental	Hazardous abatement oversight for the month of September 2013.	\$11,732.58
Kitchell	Construction management services for the month of October 2013.	\$16,500.00
Otto Construction	Payment application #2.	\$300,375.75
HGHB	Professional design services consisting of: construction documents. Service for October 2013.	\$9,855.00
Kleinfelder	Special inspection services consisting of: bolt testing, concrete testing, and project management. Bill thru 11/3/13.	\$7,450.50
David Foord	Inspection services for the month of October 2013.	\$5,850.00
	To Date Expense through December 31, 2013	<u>\$1,176,126.88</u>
	<i>Total Expense at September 30, 2013</i>	<i>\$424,934.28</i>
Arts Complex		
PARC Environmental	Art complex abatement services. 90% complete.	\$89,010.00
M3 Environmental	Hazardous materials abatement monitoring for the art ceramics building. Service for August 2013.	\$2,911.52
M3 Environmental	Hazardous materials abatement monitoring for the art studio building. Service for August 2013.	\$2,577.02
PARC Environmental	Additional hazardous abatement services. Added roof removal building #1, and demo shed to building #30.	\$28,240.00
Kitchell	Construction management services for the month of September 2013.	\$8,800.00
HGHB	Professional design services consisting of: construction administration. Service for September 2013.	\$2,760.00
Kitchell	Construction management services for the month of October 2013.	\$8,800.00
Ausonio	Payment application #1.	\$134,030.00
HGHB	Professional design services consisting of: construction administration. Service for October 2013.	\$9,200.00
HGHB	Professional design services for roof replacement. Service for September 2013.	\$525.00
HGHB	Professional design services for roof replacement. Service for October 2013.	\$1,400.00
Kleinfelder	Special testing and inspection services consisting of: bolt testing, soil sampling, and administration services. Bill thru 11/3/13.	\$1,837.25
Airopath	Purchase 2 additional plug adaptors for the wireless network bridge for the art gallery.	\$135.40

Monterey Peninsula College		
Bills & Warrants Report		
Through December 31, 2013		
Vendor Name	Description of service or purchase	Amount Paid
Arts Complex (continued)		
GBMI Inc	Inspection services for the month of October 2013.	\$4,500.00
M3 Environmental	Hazardous materials abatement monitoring for the art studio building. Service for September 2013.	\$4,908.39
M3 Environmental	Hazardous materials abatement monitoring for the art ceramics building. Service for September 2013.	\$3,669.88
Kitchell	Construction management services for the month of November 2013.	\$8,800.00
	To Date Expense through December 31, 2013	<u>\$737,038.74</u>
Music Building		
	<i>Total Expense at September 30, 2013</i>	\$23,770.35
	No new expense this period.	\$0.00
	To Date Expense through December 31, 2013	<u>\$23,770.35</u>
PE Phase II (Gym/Locker Room Renovation)		
	<i>Total Expense at September 30, 2013</i>	\$3,810,035.95
	No new expense this period.	\$0.00
	To Date Expense through December 31, 2013	<u>\$3,810,035.95</u>
Pool Building		
	<i>Total Expense at September 30, 2013</i>	\$183,397.61
HGHB	Professional design services consisting of: construction administration services for the month of September 2013.	\$3,887.00
David Foord	Inspection services for the month of September 2013.	\$9,000.00
HGHB	Professional design services consisting of: construction administration services for the month of October 2013.	\$7,774.00
David Foord	Inspection services for the month of October 2013.	\$8,100.00
	To Date Expense through December 31, 2013	<u>\$212,158.61</u>
Pool/Tennis Court Renovation		
	<i>Total Expense at September 30, 2013</i>	\$137,226.37
American Reprographics	PlanWell retrieval fee. Invoice 836907.	\$204.82
American Reprographics	PlanWell retrieval fee. Invoice 830066.	\$17.78
American Reprographics	PlanWell retrieval fee. Invoice 826140.	\$89.52
American Reprographics	Delivery and fuel charge. Invoice 824159.	\$21.66
American Reprographics	Monthly user fee. Invoice 837396.	\$52.25

Monterey Peninsula College		
Bills & Warrants Report		
Through December 31, 2013		
Vendor Name	Description of service or purchase	Amount Paid
<u>Pool/Tennis Court Renovation (continued)</u>		
M3 Environmental	Hazardous material abatement specification. Service from 5/1/13-9/30/13.	\$2,200.00
Ausonio	Repair leak in training room.	\$999.00
Ausonio	Payment application #1.	\$301,070.00
Kleinfelder	Special inspection services consisting of: compaction testing, masonry/mortar/grout testing, anchor bolt testing, concrete testing, and concrete services. Bill thru 10/6/13.	\$10,896.75
Kleinfelder	Special inspection services consisting of: compaction testing, lab testing, soil sampling, and administration services. Bill thru 9/15/13.	\$11,667.00
Ausonio	Payment application #2.	\$173,243.00
Kleinfelder	Special inspection services consisting of: concrete services, steel sampling, bolt testing, concrete sampling and testing, and administrative services. Bill thru 11/3/13.	\$20,727.25
To Date Expense through December 31, 2013		<u>\$658,415.40</u>
<u>Furniture/Equipment</u>		<i>Total Expense at September 30, 2013</i> \$4,658,891.94
Contrax	Purchase 5 drafting stools for the physical building classroom and lab.	\$1,478.72
Palace	Purchase of 1 ergo task chair for the life science office.	\$332.18
Laboratory Craftsmen	Purchase of 2 thermowell c3am 100 ml heating mantle, and 20 3A powermite heater control for organic chemistry.	\$4,084.40
Palace	Purchase of 1 banana board keyboard for physical science instructor's office. Invoice 20103-0.	\$333.25
Palace	Purchase of 1 banana board keyboard for physical science instructor's office. Invoice 20104-0.	\$333.25
Oceanside Photo	Purchase of 2 solar filters, 2 zoom baader clickstop zoom eyepiece, and 1 celestron starsense accessory for telescopes.	\$923.97
SP Scientific	Shipping charges for 1 arrow clip undercounter glassware washer.	\$11.21
To Date Expense through December 31, 2013		<u>\$4,666,388.92</u>
<u>Swing Space</u>		<i>Total Expense at September 30, 2013</i> \$5,618,220.64
Cardinale Moving	Moving the Art program over the summer. Invoice 36051.	\$1,065.00
Cardinale Moving	Moving the Art program over the summer. Invoice 36033.	\$2,130.00
Cardinale Moving	Moving the Art program over the summer. Invoice 36061.	\$2,130.00
Cardinale Moving	Moving the bookstore over the summer. Invoice 36011.	\$1,322.64
Cardinale Moving	Moving food service over the summer. Invoice 36015.	\$1,555.00
Cardinale Moving	Moving the bookstore over the summer. Invoice 36023.	\$1,323.60

Monterey Peninsula College		
Bills & Warrants Report		
Through December 31, 2013		
Vendor Name	Description of service or purchase	Amount Paid
Swing Space (continued)		
Cardinale Moving	Moving the Art program over the summer. Invoice 36020.	\$1,465.00
Cardinale Moving	Moving the Art program over the summer. Invoice 36027.	\$1,285.00
Cardinale Moving	Moving the Art program over the summer. Invoice 36034.	\$1,065.00
Cardinale Moving	Moving the bookstore over the summer. Invoice S-34386.	\$59.00
Manpower	General labor provided to help with summer swing space moves. Invoice 26078932.	\$2,994.13
Manpower	General labor provided to help with summer swing space moves. Invoice 25996507.	\$5,067.50
Mobile Modular	Rental of classroom trailer 39581. Rent from 9/11/13 - 10/10/13.	\$420.00
Mobile Modular	Rental of 3 portable classrooms placed on tennis courts. Unit 40241. 45185. 45190. Rent from 8/31/13 - 9/29/13.	\$1,998.00
American Lock & Key	Switched lock in general classroom.	\$164.35
Wasson's Cleaning	Cleaning services of the general classrooms before the start of school.	\$740.00
Boyd's Asphalt	Striping in Parking Lot C for kitchen trailer.	\$975.00
Don Chapin	Gas line repair in Parking Lot C.	\$4,033.46
Hobart Sales	Service on freezer in mobile trailer.	\$199.50
Hobart Sales	Service on freezer in mobile trailer.	\$467.51
Monterey County Fence	Stair platform for the swing space kitchen.	\$650.00
Williams Scotsman	Rental of ADA rental trailer. Rental from 9/20/13-10/19/13.	\$258.00
Mobile Modular	Rental of classroom trailer 31638. Rent from 9/5/13 - 10/4/13.	\$588.03
ASAP Sign & Printing	Purchase vinyl signs, for bookstore, cafeteria, ASMPC, security, and student ID cards	\$251.55
PARC Environmental	Packaging of ceramics glazing materials for swing space move.	\$3,420.00
Aurum Consulting	Electrical engineering design work for the art swing space. Service from 8/16/13-9/15/13.	\$318.00
Geo H. Wilson	Provide labor, materials, and equipment to replace faucets in the art ceramic building.	\$697.00
Peninsula Office Solution	Rental payment for Toshiba copier for chemistry in the general classroom. Service from 9/4/13-10/4/13. Final invoice.	\$77.69
Mobile Modular	Rental of classroom trailer 49127. Rent from 10/3/13-11/1/13.	\$80.63
Williams Scotsman	Rental payment of unit CPX-62795 for the period 9/29/13-10/28/13.	\$372.00
Williams Scotsman	Rental payment of unit AME-00440 for the period 9/29/13-10/28/13.	\$1,158.00
Mobile Modular	Rental of classroom trailer 31638. Rent from 10/5/13 - 11/3/13.	\$588.03
Mobile Modular	Rental of classroom trailer 39581. Rent from 10/11/13-11/09/13.	\$420.00
Circle C Electric	Install temporary power in building #29.	\$150.00
Circle C Electric	Install temporary feed for Parc's power boxes in the student center.	\$350.00
Circle C Electric	Install GFI for washout station. Remove lights from art studio and install in art swing space.	\$535.66

Monterey Peninsula College		
Bills & Warrants Report		
Through December 31, 2013		
Vendor Name	Description of service or purchase	Amount Paid
Swing Space (continued)		
Circle C Electric	Remove power from build in desks. Remove power from furniture and cabinets. Install outlet for light table. Art studio and general classroom area.	\$1,245.72
Circle C Electric	Remove data cables from ceiling of T-400 Food Service.	\$150.80
Circle C Electric	Install track lighting in T-600.	\$2,723.21
Circle C Electric	Remove and reinstall contactors for kilns. Safe-off floor outlets in wash out area. Remove data wires ceiling and floor chase.	\$990.35
Circle C Electric	Remove power to portable trailers at tennis court. Install new 100A breaker for food service trailer. Run new circuits for microwave and coffee machine.	\$1,782.17
Mobile Modular	Removal of 3 portable trailers on the tennis courts. Unit 40241, 45185, 45190.	\$18,092.20
Monterey County Fence	Dismantle fence and gate at the tennis courts to get the portable buildings off the court.	\$320.00
Mobile Modular	Rental of classroom trailer 49127. Rent from 11/2/13-12/1/13.	\$80.63
Williams Scotsman	Rental payment of unit AME-00440 for the period 10/29/13-11/2/13.	\$1,158.00
Williams Scotsman	Rental payment of unit CPX-62795 for the period 10/29/13-11/28/13.	\$372.00
Williams Scotsman	Rental of ADA rental trailer. Rental from 10/20/13-11/19/13.	\$258.00
Mobile Modular	Rental of classroom trailer 31638. Rent from 11/4/13 - 12/3/13.	\$588.03
Williams Scotsman	Rental of ADA rental trailer. Rental from 11/20/13-12/19/13.	\$258.00
Mobile Modular	Rental of classroom trailer 39581. Rent from 11/10/13 - 12/09/13.	\$420.00
To Date Expense through December 31, 2013		<u>\$5,687,034.03</u>
General Institutional Bond Mgmt		
<i>Total Expense at September 30, 2013</i>		<i>\$5,529,229.06</i>
Kitchell	Program management services for September 2013.	\$15,825.00
American Reprographics	PlanWell monthly user fee. Invoice 857797.	\$52.25
Kitchell	Program management services for October 2013.	\$15,797.00
Kitchell	Program management services for November 2013.	\$10,999.00
To Date Expense through December 31, 2013		<u>\$5,571,902.31</u>

Monterey Peninsula College Bills & Warrants Report Through December 31, 2013		
Vendor Name	Description of service or purchase	Amount Paid
		<i>Total Expense at September 30, 2013</i>
Theater Building		\$10,347,967.87
Kitchell	Construction management services for September 2013.	\$9,500.00
HP Inspections	Final project report.	\$400.00
Andy's Roofing	Modify lower roof for additional venting. Remove and reinstall coping to trim a continuous vent at the soffit of the black box low-sloped roof ridge condition.	\$6,700.00
Circle C Electric	Furnish and install exit lights in theater.	\$5,091.60
Division of State Architect	Additional fees for theater.	\$210.70
		To Date Expense through December 31, 2013
		\$10,369,870.17
Infrastructure Phase III/ Miscellaneous		
		<i>Total Expense at September 30, 2013</i>
		\$6,435,470.02
Division of State Architect	Additional fees for theater building walkway.	\$132.77
		To Date Expense through December 31, 2013
		\$6,435,602.79
PSTC Parker Flats		
		<i>Total Expense at September 30, 2013</i>
		\$70,498.52
	No new expense this period.	\$0.00
		To Date Expense through December 31, 2013
		\$70,498.52
Humanities, Bus-Humanities, Student Services		
		<i>Total Expense at September 30, 2013</i>
		\$2,054,888.98
Axiom Engineers	Commissioning services for building 4 & 7. Service from 8/18/13-9/14/13.	\$790.00
Contrax	Purchase of 3 double door storage cabinets, 19 tack boards, and 3 full end shelf's.	\$1,190.62
Kleinfelder	Special inspection services consisting of: administrative services. Bill thru 9/15/13.	\$135.00
Otto Construction	Payment application #18.	\$126,104.40
Kitchell	Construction management services for the month of September 2013.	\$8,500.00
HGHB	Construction administration services for the month of September 2013.	\$4,772.88
CS & Associates	Consulting services consisting of: providing labor compliance review for the humanities building project. Service from 9/5/13-10/5/13.	\$716.57
CS & Associates	Consulting services consisting of: providing labor compliance review for the humanities building project. Service from 4/5/13-5/5/13.	\$716.57
Otto Construction	Payment application #19.	\$30,054.60
David Foord	Inspection services for the month of September 2013.	\$375.00

Monterey Peninsula College		
Bills & Warrants Report		
Through December 31, 2013		
Vendor Name	Description of service or purchase	Amount Paid
<u>Humanities, Bus-Humanities, Student Services (continued)</u>		
Division of State Architect	Alteration to 2 - classroom buildings 4 & 7 humanities.	\$166.60
Palace Art & Office Supply	Purchase of 7 office master ergo task chairs and 6 office master adj. arm kit for chairs. One chair without arm kit.	\$2,562.16
HGHB	Construction administration services for the month of October 2013.	\$4,772.88
Kitchell	Construction management services for the month of October 2013.	\$8,500.00
CS & Associates	Consulting services consisting of: providing labor compliance review for the humanities building project. Service from 10/5/13-11/5/13.	\$716.57
David Foord	Inspection services for the month of October 2013.	\$825.00
Coastwide Environmental	Asbestos abatement lead abatement.	\$37,566.00
Axiom Engineers	Commissioning services for building 4 & 7. Service from 10/20/13-11/16/13.	\$790.00
Kitchell	Construction management services for the month of November 2013.	\$8,500.00
To Date Expense through December 31, 2013		\$2,292,643.83
<u>Life Science & Physical Science</u>		<i>Total Expense at September 30, 2013</i> \$10,183,483.86
Division of State Architect	Alterations to 2- life science and physical science buildings 10 and 15.	\$68.60
Kleinfelder	Special inspection services for the life science and physical science building consisting of: professional engineering review, and administration. Bill thru 8/11/13.	\$278.00
Axiom Engineers	Commissioning services for the life science and physical science building. Service for the period 8/18/13-9/14/13.	\$1,290.00
Kitchell	Construction management services for the life science and physical science building. Service for September 2013.	\$22,290.00
Geo H Wilson	Replace bearing at large fan in the physical science building.	\$1,498.00
HGHB	Professional design services consisting of: post construction administration services. Service for October 2013.	\$912.69
Kitchell	Construction management services for the life science and physical science building. Service for October 2013.	\$11,210.00
Otto Construction	Payment application #25.	\$102,309.30
Media Systems Group	Install two projectors in the physical science lab and install air vents.	\$10,808.71
Axiom Engineers	Commissioning services for the life science and physical science building. Service for the period 10/20/13-11/16/13.	\$1,290.00
To Date Expense through December 31, 2013		\$10,335,439.16

Monterey Peninsula College		
Bills & Warrants Report		
Through December 31, 2013		
		Amount
Vendor Name	Description of service or purchase	Paid
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
Physical Science Bldg	Architectural Services, for potential elevator replacement.	\$6,986.44
Life Science Bldg	Architectural Services, for potential elevator replacement.	\$7,793.83
Pool/Tennis Courts	Preliminary architectural services.	\$206.00
Physical Education Facility		\$1,488,294.29
PE Field/Track		\$14,848,446.67
Fitness Phase IB		\$899,827.93
College Center Renovation		\$23,608.41
Social Science Renovation		\$863,696.74
Music/Theater Building		\$22,732.50
Family and Consumer Science		\$67,671.12
Gymnasium Building	Floor/Seismic/Bleachers.	\$877,847.00
Lecture Forum Renovation		\$2,117,203.20

Monterey Peninsula College		
Bills & Warrants Report		
Through December 31, 2013		
Vendor Name	Description of service or purchase	Amount Paid
Closed Projects (continued)		
Child Development Center		\$1,029,198.71
Infrastructure/Parking		\$20,886,001.04
Infrastructure 2		\$2,481,606.93
New Administration (former Library Building)		\$4,712,191.10
Public Safety Training Center Renovation		\$7,478,201.30
Auto Technology Building Renovation		\$958,602.22
Business, Math & Computer Science		\$2,215,417.93
New Student Services Building		\$9,681,388.03
New Education Center at Marina		\$8,159,654.52
	To Date Expense (closed projects) through December 31, 2013.	<u>\$82,420,787.35</u>
	Total Payments (closed projects, under construction, and planned projects)	<u>\$134,467,713.01</u>

BOND EXPENDITURE REPORT 12/31/13

Total Budget With Other Funds	Projects	A Total Bond Budget	B Total Bond Prior Year Expenses	C	A-B-C	(B+C)/A	
				2013-2014 Year to Date Bond Payments	Bond Budget Balance	% Bond Cost	% Construction Schedule
	In Process						
\$4,724,000	Arts Complex	\$4,724,000	\$414,085	\$322,954	\$3,986,961	16%	35%
\$5,952,000	Student Center Renovation	\$5,952,000	\$412,153	\$763,974	\$4,775,873	20%	35%
\$4,000,000	Furniture & Equipment	\$5,685,000	\$4,405,083	\$261,306	\$1,018,611	80%	81%
\$7,690,000	Humanities, Bus-Hum, Student Services	\$3,296,000	\$1,421,296	\$871,349	\$1,003,355	80%	92%
\$6,466,000	Infrastructure - Phase III	\$6,466,000	\$6,434,689	\$913	\$30,398	99%	94%
\$10,750,000	Life Science/Physical Science	\$10,750,000	\$9,518,325	\$817,114	\$414,561	92%	100%
\$3,830,000	PE Phase II - Gym/Locker Room Renov.	\$3,830,000	\$3,810,036	\$0	\$19,964	99%	100%
\$2,640,519	Pool/Tennis Courts Renovation	\$2,640,519	\$243,135	\$627,439	\$1,769,945	15%	85%
\$4,600,000	Swing Space / Interim Housing	\$5,800,000	\$5,372,420	\$314,614	\$112,966	98%	100%
\$10,400,000	Theater	\$10,400,000	\$10,251,357	\$118,513	\$30,130	98%	100%
\$1,667,699	General Contingency	\$0	\$0	\$0	\$0	0%	0%
\$62,720,218	Total in Process	\$59,543,519	\$42,282,578	\$4,098,176	\$13,162,765		
	Future						
\$1,200,000	Music	\$1,200,000	\$23,770	\$0	\$1,176,230	4%	0%
\$12,000,000	PSTC Parker Flats	\$6,000,000	\$70,499	\$0	\$5,929,501	1%	0%
\$13,200,000	Total Future	\$7,200,000	\$94,269	\$0	\$7,105,731		
	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%
\$8,159,655	New Ed Center Building at Marina	\$8,159,655	\$8,159,655	\$0	\$0	100%	100%
\$9,681,388	New Student Services Building	\$9,681,388	\$9,681,388	\$0	\$0	100%	100%
\$112,772,930	Total Completed	\$82,420,787	\$82,420,787	\$0	(\$0)		
\$188,693,148	Total All Projects	\$149,164,306	\$124,797,634	\$4,098,176	\$20,268,495		
	General Institutional-Bond Management		\$5,493,464	\$78,438			
			\$130,291,098	\$4,176,614			
	Total Bond Funds Spent to Date		\$134,467,712				

Cost Control Report

2/11/2014

Life Science / Physical Science

	Budget	Current Projection	Variance	Comments
Design Phase	\$ 1,080,000	\$ 1,080,000	\$ -	Design includes Architect, DSA fees, printing, etc.
Constructn bid	\$ 7,400,000	\$ 7,400,000	\$ -	Actual bid amount.
C.O. Contngcy.	\$ 980,000	\$ 980,000	\$ -	
Test & Inspect.	\$ 210,000	\$ 210,000	\$ -	
Cnstr Mgmt Fee	\$ 625,000	\$ 625,000	\$ -	
Equipment	\$ -	\$ -	\$ -	Furniture and Equipment will be from a separate fund.
Other	\$ 505,000	\$ 505,000	\$ -	Includes hazmat, demolition, IT and future allowance.
Total	\$10,800,000	\$10,800,000	\$ -	

Summary: The present budget is \$10,800,000. The Life Science and Physical Science buildings have been completed, and final costs are being compiled.

Old Student Services / Humanities / Business

	Budget	Current Projection	Variance	Comments
Design Phase	\$ 1,100,000	\$ 1,100,000	\$ -	Design includes Architect, DSA fees, printing, etc.
Constructn bid	\$ 4,110,000	\$ 4,110,000	\$ -	Actual bid amount.
C.O. Contngcy.	\$ 411,000	\$ 411,000	\$ -	
Test & Inspect.	\$ 231,000	\$ 231,000	\$ -	
Cnstr Mgmt Fee	\$ 330,000	\$ 330,000	\$ -	
Equipment	\$ 132,000	\$ 132,000	\$ -	Equipment partially State funded
Other	\$ 300,000	\$ 300,000	\$ -	Includes hazmat, demolition and IT
Total	\$ 6,614,000	\$ 6,614,000	\$ -	

Summary: It is important to recognize that this is a State "match" funded project (State will fund \$3,318,000 and MPC will fund \$3,296,000). The original budget of \$3,845,000 that MPC was to contribute has now been reduced to \$3,296,000 due to the bids coming in lower than the budget. This results in a potential savings to the MPC bond budget of \$549,000. Phase 1 (Old Student Services Building) and Phase 2 (Humanities Building) have been completed. Demolition of the Business/Humanities buildings has been completed and the parking lot was opened before the commencement of classes. Landscaping work has almost been completed. The project is scheduled for completion in spring 2014.

Arts Complex

	Budget	Current Projection	Variance	Comments
Design Phase	\$ 450,000	\$ 450,000	\$ -	Design includes Architect, DSA fees, printing, etc.
Constructn bid	\$ 2,400,660	\$ 2,400,660	\$ -	Actual bid amount.
C.O. Contngcy.	\$ 240,000	\$ 240,000	\$ -	
Test & Inspect.	\$ 130,000	\$ 130,000	\$ -	
Cnstr Mgmt Fee	\$ 120,000	\$ 120,000	\$ -	
Equipment	\$ -	\$ -	\$ -	Furniture and equipment will be from a separate fund
Other	\$ 1,383,340	\$ 1,383,340	\$ -	Includes contingency for future Art Dimensional construction
Total	\$ 4,724,000	\$ 4,724,000	\$ -	

Summary: The "Other" budget is higher than typical projects because work needs to be done on the Art Dimensional building (this work will be done in the future). Construction continues as scheduled, and the project will be completed in summer 2014.

Student Center				
	Budget	Current Projection	Variance	Comments
Design Phase	\$ 370,250	\$ 370,250	\$ -	Includes architect fees, printing, etc.
Constructn bid	\$ 4,525,000	\$ 4,525,000	\$ -	Actual bid amount
C.O. Contngcy.	\$ 452,500	\$ 452,500	\$ -	10% of construction bid
Test & Inspect.	\$ 128,000	\$ 128,000	\$ -	
Cnstr Mgmt Fee	\$ 226,250	\$ 226,250	\$ -	
Equipment	\$ -	\$ -	\$ -	Furniture & Equipment will be from a separate fund.
Other	\$ 250,000	\$ 250,000	\$ -	Includes hazmat abatement, demolition, IT and other costs.
Total	\$ 5,952,000	\$ 5,952,000	\$ -	

Summary: The budget is \$5,952,000, and projections are within that budgeted amount. Construction continues as scheduled, and the project will be completed in summer 2014.

Pool				
	Budget	Current Projection	Variance	Comments
Design Phase	\$ 330,549	\$ 330,549	\$ -	Includes architect fees, DSA fees, bid drawings, etc.
Constructn bid	\$ 1,774,000	\$ 1,774,000	\$ -	Actual bid amount
C.O. Contngcy.	\$ 177,400	\$ 177,400	\$ -	
Test & Inspect.	\$ 96,000	\$ 96,000	\$ -	
Cnstr Mgmt Fee	\$ 97,570	\$ 97,570	\$ -	
Equipment	\$ -	\$ -	\$ -	
Other	\$ 165,000	\$ 165,000	\$ -	Includes hazmat and demolition, etc.
Total	\$ 2,640,519	\$ 2,640,519	\$ -	

Summary: In this project, the scope originally included pool and tennis courts. The project was bid with the tennis courts as an alternate to determine the cost for doing the tennis courts. Unfortunately, due to conditions such as poor soils and extensive hazmat abatement, the pool/tennis courts came in over budget and, therefore, the tennis court work could not be done under this budget. The projected costs are within the approved budget. Construction is almost complete.



Governing Board and Citizens' Oversight Committee
Monterey Peninsula Community College District
Monterey, California

We have audited the financial statements of the Measure I General Obligation Bond Funds (Measure I) of Monterey Peninsula Community College District (the District) for the year ended June 30, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 11, 2013. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive estimates affecting the District's Measure I General Obligation Bond Funds (Measure I) financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. No such misstatements were noted in completing our audit.

Disagreements With Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Governing Board and Citizens' Oversight Committee
Monterey Peninsula Community College District
Page 2

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 19, 2013.

Management Consultations With Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition to our retention.

This information is intended solely for the use of the Governing Board, management, and the Citizens' Oversight Committee of Monterey Peninsula Community College District, and is not intended to be and should not be used by anyone other than these specified parties.

Vaurine & Time Day & Co., LLP.

Rancho Cucamonga, California
December 19, 2013

**MONTEREY PENINSULA
COMMUNITY COLLEGE DISTRICT**

**MEASURE I GENERAL OBLIGATION BONDS
ELECTION 2002**

AUDIT REPORT

JUNE 30, 2013

**MONTEREY PENINSULA
COMMUNITY COLLEGE DISTRICT**

**MEASURE I GENERAL OBLIGATION BONDS
ELECTION 2002**

FINANCIAL AUDIT

JUNE 30, 2013

**MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
ELECTION 2002**

JUNE 30, 2013

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Governing Board and Citizens' Oversight Committee
Monterey Peninsula Community College District
Monterey, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Measure I General Obligation Bond Funds (Measure I) of Monterey Peninsula Community College District (the District) and the related notes to the financial statements, as of and for the year ended June 30, 2013, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure I General Obligation Bond Funds (Measure I) of the District at June 30, 2013, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Measure I General Obligation Bond Funds (Measure I), and are not intended to present fairly the financial position and changes in financial position of the District in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2013, on our consideration of the District's Measure I General Obligation Bond Funds (Measure I) internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's Measure I General Obligation Bond Funds (Measure I) internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

Vawter, Time, Day & Co., LLP.

Rancho Cucamonga, California
December 19, 2013

**MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
ELECTION 2002**

**BALANCE SHEET
JUNE 30, 2013**

ASSETS

Cash and cash equivalents	\$ 3,761
Investments	25,632,267
Accounts receivable	26,303
Due from other funds	<u>1,069,400</u>
Total Assets	<u><u>\$ 26,731,731</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	<u>\$ 919,823</u>
------------------	-------------------

Fund Balance:

Restricted	
Capital projects	<u>25,811,908</u>
Total Liabilities and Fund Balance	<u><u>\$ 26,731,731</u></u>

See the accompanying notes to financial statements.

**MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
ELECTION 2002**

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2013**

REVENUES	
Interest revenues	\$ 26,304
EXPENDITURES	
Salaries and benefits	24
Services and operating expenditures	3,260,864
Capital outlay	<u>12,224,618</u>
Total Expenditures	<u>15,485,506</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(15,459,202)</u>
OTHER FINANCING SOURCES (USES)	
Other sources	36,975,456
Other uses	<u>(36,595,581)</u>
Total Other Financing Sources (Uses)	<u>379,875</u>
NET CHANGE IN FUND BALANCE	(15,079,327)
FUND BALANCE, BEGINNING OF YEAR	<u>40,891,235</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 25,811,908</u></u>

See the accompanying notes to financial statements.

**MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
ELECTION 2002**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

The accounting policies of the Measure I General Obligation Bond Funds (Measure I) conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants.

Financial Reporting Entity

The audited financial statements include only the Measure I General Obligation Bond Funds (Measure I) of Monterey Peninsula Community College District. This Fund was established to account for the receipt of proceeds of general obligation bond issuances and the expenditures of the proceeds under the General Obligation Bonds Election of November 2008. These financial statements are not intended to present fairly the financial position and changes in financial position of the District in compliance with accounting principles generally accepted in the United States of America.

Fund Accounting

The operations of the Measure I General Obligation Bond Funds (Measure I) are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Resources are allocated to, and accounted for, in the funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Basis of Accounting

The Measure I General Obligation Bond Funds (Measure I) is accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. These fund financial statements do not include the adoption of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as the District was not required to adopt GASB Statement No. 54 under the reporting requirements of GASB Statement No. 35.

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. The District's governing board adopts an operating budget no later than July 1 in accordance with State law. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements. The Board revises this budget during the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

**MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
ELECTION 2002**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

Encumbrances

The District utilizes an encumbrance accounting system under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are liquidated when the commitments are paid and all outstanding encumbrances are liquidated at June 30 since they do not constitute expenditures or liabilities.

Fund Balance - Governmental Funds

As of June 30, 2013, the fund balance of the Measure I General Obligation Bond Funds was classified as follows:

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - INVESTMENTS

Policies and Practices

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

Investment in County Treasury

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

**MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
ELECTION 2002**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the Monterey County Investment Pool. The District maintains an investment of \$25,632,267 with the Monterey County Investment Pool. The fair value of this investment is approximately \$25,496,765 with an average weighted maturity of 555 days.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment in the Monterey County Investment Pool is not required to be rated, nor has it been rated as of June 30, 2013.

**MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
ELECTION 2002**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 3 - ACCOUNTS RECEIVABLE

The accounts receivable at June 30, 2013, in the amount of \$26,303 represents interest earnings that have yet to be received. All amounts have been determined by management to be fully collectible.

NOTE 4 - INTERFUND TRANSACTIONS

Interfund receivable balance at June 30, 2013, consists of the following:

Due from Capital Outlay Projects Fund	\$ 994,354
Due from General Fund	<u>75,046</u>
Total Due From Other Funds	<u><u>\$ 1,069,400</u></u>

NOTE 5 - ACCOUNTS PAYABLE

The accounts payable balance at June 30, 2013, represents amounts owed to vendors for both ongoing and completed construction projects in the amount of \$919,823.

NOTE 6 - FUND BALANCE

Fund balance is composed of the following element:

Restricted Capital projects	<u><u>\$ 25,811,908</u></u>
--------------------------------	-----------------------------

**MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
ELECTION 2002**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 7 - COMMITMENTS AND CONTINGENCIES

As of June 30, 2013, the District had the following commitments with respect to the unfinished capital projects:

<u>CAPITAL PROJECTS</u>	<u>Remaining Construction Commitments</u>	<u>Expected Dates of Completion</u>
Furniture and Equipment	\$ 67,770	2015-2016
Humanities, Business - Humanities, Student Services	1,877,456	2013-2014
Infrastructure - Phase III	6,480	2015-2016
Life Science/Physical Science	987,981	2013-2014
Pool/Tennis Courts Renovation	52,193	2013-2014
Swing Space/Interim Housing	2,862	2015-2016
Theater	129,807	2013-2014
Arts Complex	100,000	2014-2015
College Center Renovation	121,640	2014-2015
	<u>\$ 3,346,189</u>	

The projects are funded through a combination of general obligation bonds and capital project apportionments from the State Chancellor's Office.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the Measure I General Obligation Bond Funds (Measure I) at June 30, 2013.

INDEPENDENT AUDITORS' REPORTS



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Governing Board and Citizens' Oversight Committee
Monterey Peninsula Community College District
Monterey, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying financial statements of the Measure I General Obligation Bond Funds (Measure I) of Monterey Peninsula Community College District (the District) and the related notes to the financial statements as of and for the year ended June 30, 2013, and have issued our report thereon dated December 19, 2013.

As discussed in Note 1, the financial statements present only the Measure I General Obligation Bond Funds (Measure I), and are not intended to present fairly the financial position and changes in financial position of the District in conformity with accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's Measure I General Obligation Bond Funds (Measure I) internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's Measure I General Obligation Bond Funds (Measure I) internal control. Accordingly, we do not express an opinion on the effectiveness of the District's Measure I General Obligation Bond Funds (Measure I) internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's Measure I General Obligation Bond Funds (Measure I) financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's Measure I General Obligation Bond Funds (Measure I) financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's Measure I General Obligation Bond Funds (Measure I) internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's Measure I General Obligation Bond Funds (Measure I) internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vawter, Time, Day & Co., LLP.

Rancho Cucamonga, California
December 19, 2013

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
ELECTION 2002**

**FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS
JUNE 30, 2013**

None reported.

**MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
ELECTION 2002**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2013**

None reported.

**MONTEREY PENINSULA
COMMUNITY COLLEGE DISTRICT**

**MEASURE I GENERAL OBLIGATION BONDS
ELECTION 2002**

PERFORMANCE AUDIT

JUNE 30, 2013

**MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
ELECTION 2002**

**PERFORMANCE AUDIT
JUNE 30, 2013**

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INDEPENDENT AUDITORS' REPORT ON PERFORMANCE

Governing Board and Citizens' Oversight Committee
Monterey Peninsula Community College District
Monterey, California

We were engaged to conduct a performance audit of Monterey Peninsula Community College District's (the District) Measure I General Obligation Bond Funds for the year ended June 30, 2013.

We conducted this performance audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

Our audit was limited to the objectives listed within the report which includes determining the District's compliance with the performance requirements as referred to in Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution. Management is responsible for the District's compliance with those requirements.

In planning and performing our performance audit, we obtained an understanding of the District's internal control in order to determine if the internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

The results of our tests indicated that the District expended Measure I General Obligation Bond Funds only for the specific projects approved by the voters, in accordance with Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution.

Rancho Cucamonga, California
December 19, 2013

**MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BOND
ELECTION 2002**

**PERFORMANCE AUDIT
JUNE 30, 2013**

AUTHORITY FOR ISSUANCE

The Measure I General Obligation Bond Funds were issued pursuant to the Constitution and laws of the State of California (the State), including the provisions of Chapters 1 and 1.5 of Part 10 of the California *Education Code* and other applicable provisions of law.

The Bonds were authorized to be issued pursuant to a request of the District made by a resolution adopted by the Governing Board of the District.

The District received authorization at an election held on November 5, 2002, to issue bonds of the District in an aggregate principal amount not to exceed \$145,000,000 to finance the construction and modernization of certain District property and facilities, the acquisition of equipment, and to pay the costs of issuance associated with the Bonds. The proposition required approval by at least 55 percent of votes cast by eligible voters within the District (the Authorization).

In December 2005, the District issued the 2005 General Obligation Refunding Bonds in the amount of \$33,304,385. The Bonds were used to advance refund a portion of the outstanding Bonds from the first series of the authorized Bonds, Series A. The second and third series of authorized Bonds issued was in January 2008; the District issued Series B in the amount of \$9,004,530 and Series C in the amount of \$95,994,770, respectively.

PURPOSE OF ISSUANCE

The net proceeds of the Bonds issued under the 2002 Authorization will be used for the purposes specified in the District bond proposition submitted at the Election, which include the financing of the construction, and modernization of certain District property and facilities, the acquisition of equipment and to pay the costs of issuance associated with the Bonds.

AUTHORITY FOR THE AUDIT

On November 7, 2000, California voters approved Proposition 39, the Smaller Classes, Safer Schools, and Financial Accountability Act. Proposition 39 amended portions of the California Constitution to provide for the issuance of general obligation bonds by school districts, community college districts, or county offices 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 rental property for school facilities", upon approval by 55 percent of the electorate. In addition to reducing the approval threshold from two-thirds to 55 percent, Proposition 39 and the enacting legislation (AB 1908 and AB 2659) requires the following accountability measures as codified in *Education Code* Sections 15278-15282:

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

**MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BOND
ELECTION 2002**

**PERFORMANCE AUDIT
JUNE 30, 2013**

2. The District must list the specific school facilities projects to be funded in the ballot measure, and must certify that the governing board has evaluated safety, class size reduction, and information technology needs in developing the project list.
3. Requires the District to appoint a citizens' oversight committee.
4. Requires the District to conduct an annual independent financial audit and performance audit in accordance with the *Government Auditing Standards* issued by the Comptroller General of the United States of the bond proceeds until all of the proceeds have been expended.
5. Requires the District to conduct an annual independent performance audit to ensure that the funds have been expended only on the specific projects listed.

OBJECTIVES OF THE AUDIT

1. Determine whether expenditures charged to the Measure I General Obligation Bond Funds have been made in accordance with the Bond project list approved by the voters through the approval of Measure I.
2. Determine whether salary transactions charged to the Measure I General Obligation Bond Funds were in support of Measure I and not for District general administration or operations.

SCOPE OF THE AUDIT

The scope of our performance audit covered the period of July 1, 2012 to June 30, 2013. The population of expenditures tested included all object and project codes associated with the bond projects. The propriety of expenditures for capital projects and maintenance projects funded through other State or local funding sources, other than proceeds of the bonds, were not included within the scope of the audit. Expenditures incurred subsequent to June 30, 2013, were not reviewed or included within the scope of our audit or in this report.

**MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BOND
ELECTION 2002**

**PERFORMANCE AUDIT
JUNE 30, 2013**

PROCEDURES PERFORMED

We obtained the general ledger and the project expenditure reports prepared by the District for the fiscal year ended June 30, 2013, for the Measure I General Obligation Bond Funds (Measure I). Within the fiscal year audited, we obtained the actual invoices and other supporting documentation for a sample of expenditures to ensure compliance with the requirements of Article XIII A, Section 1(b)(3)(C) of the California Constitution and the Measure I as to the approved Bond projects list. We performed the following procedures:

1. Determine District procedures for disbursement of funds related to the voter approved Measure I General Obligation Bonds were applied in accordance with laws and regulations, as well as policies approved by the Board of trustees. This will be accomplished through the inspection of specified documents evidencing certain types of transactions and detailed attributes thereof; including, but not limited to, the specific documents related to bid procedures for contracts and services, invoices for services rendered, and other appropriate documents deemed necessary to provide a basis for the results of our objective.
2. Review the detailed accounting of expenditures to determine if proceeds are being spent on administrative salaries or any other expense that would otherwise be the obligation of the General Fund.
3. From a sample of construction expenditures from the detailed accounting of expenditures, review expenditures to determine if proceeds expended are for specific projects as listed in the voter approved bond language. Expenditures from all projects will be included in the sample.

CONCLUSION

We reviewed construction expenditures totaling 98 percent of all expenditures and other uses from the detailed accounting of expenditures. Our sample included transactions totaling \$50,832,082 of the total expenditures and other uses of \$52,081,087. The results of our tests indicated that, in all significant respects, Monterey Peninsula Community College District has properly accounted for the expenditures held in the Measure I General Obligation Bond Funds (Measure I) and that such expenditures were made for authorized Bond projects. There were no salaries of administrators charged to the Measure I General Obligation Bond Funds (Measure I) for District general administration or operations. District procedures for disbursement of funds were applied in accordance with laws and regulations, as well as policies approved by the Governing Board.

**MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BOND
ELECTION 2002**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2013**

None reported.

**MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BOND
ELECTION 2002**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2013**

None reported.



Monterey County

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Salinas, CA 93901
831.755.5066

Board Report

File #: 14-025, **Version:** 1

Receive and Accept the Treasurer's Report of Investments for the quarter ending December 31, 2013.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Receive and accept the Treasurer's Report of Investments for the quarter ending December 31, 2013.

SUMMARY:

Government Code Section 53646 (b) (1) states the Treasurer may submit a quarterly report of investments. The attached Exhibit A provides a narrative portfolio review of economic and market conditions that support the investment activity during the October - December period. Exhibit B describes the investment portfolio position by investment type as of December 31, 2013. Exhibit C is a listing of historical Monterey County Treasury Pool yields versus benchmarks. Exhibit D describes the investment portfolio by maturity range, and Exhibit E is an overview of the short term funds that the Treasurer invests in overnight, liquid assets.

DISCUSSION:

During the October to December quarter, Treasury yields continued to rise. Yield increases were more significant in the 5+ year range, while the rate increases in shorter term issues remained quite modest. The majority of the increase in yields was caused by positive economic data that generally signaled continued improvement in the U.S. economy. The preliminary U.S. GDP report in November on the June - September quarter showed a greater than expected 2.8% increase in GDP, but much of it was attributed to an increase in inventory, rather than increases in sales. In the period under review, yield spreads between Treasury, Agency and Corporate issues remained narrow. Although rates could continue to move higher, the rate for short-term investments remains near zero, which will continue the trend of very low returns in overnight funds and shorter term securities.

On December 31, 2013 the Monterey County investment portfolio contained an amortized cost basis of \$1,049,985,939 spread among 80 separate securities and funds. The par value of those funds was \$1,048,602,520, with a market value of \$1,046,087,332 or 99.63% of amortized book value. The portfolio's net earned income yield for the period was 0.50%. The portfolio produced estimated income of \$1,220,716 for the quarter which will be distributed proportionally to all agencies participating in the investment pool. The investment portfolio had a weighted average maturity of 496 days.

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

OTHER AGENCY INVOLVEMENT:

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

File #: 14-025, **Version:** 1

FINANCING:

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

Prepared by: Eamonn M. Mahar, Investment Officer, X5490

Approved by: Mary A. Zeeb, Treasurer-Tax Collector, X5057

cc:

County Administrative Office
County Counsel
Auditor-Controller - Internal Audit Section
All depositors
Treasury Oversight Committee

Attachments:

Exhibit A - Investment Portfolio Review - 12.31.13
Exhibit B - Portfolio Management Report - 12.31.13
Exhibit C - Monterey County Historical Yields vs. Benchmarks
Exhibit D - Aging Report - 01.01.14
Exhibit E - Overnight (Liquid) Asset Distribution



Monterey County

Board Order

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

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

Received and accepted the Treasurer's Report of Investments for the quarter ending December 31, 2013.

PASSED AND ADOPTED on this 28th day of January 2014, by the following vote, to wit:

AYES: Supervisors Armenta, Calcagno, Salinas, and Parker

NOES: None

ABSENT: Supervisor Potter

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 77 for the meeting on January 28, 2014.

Dated: January 29, 2014
File Number: 14-025

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

By Denise Hancock
Deputy

Exhibit A

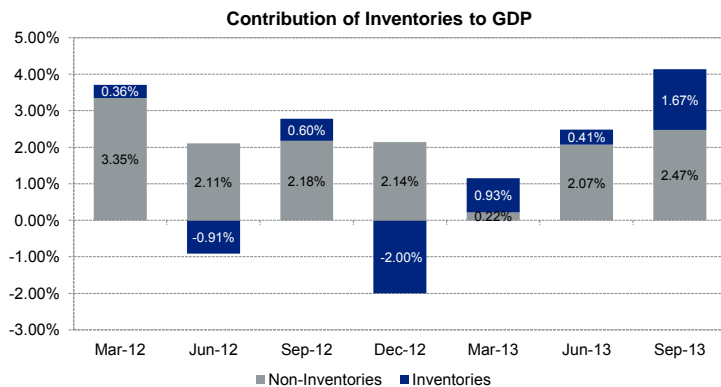
Investment Portfolio Review Quarter Ending December 31, 2013

OVERVIEW – October 1 – December 31, 2013

During the October to December quarter, Treasury yields continued to rise. Yield increases were more significant in the 5+ year range, while rate increases in shorter term issues remained quite modest. The majority of the increase in yield was caused by positive economic data that generally signaled continued improvement in the U.S. economy. The preliminary U.S. GDP report in November on the June – September quarter showed a greater than expected 2.8% increase in GDP, but much of it was attributed to an increase in inventory, rather than increases in sales. In the period under review, yield spreads between Treasury, Agency and Corporate issues remained narrow. Although rates could continue to move higher, the rate for short-term investments remains near zero, which will continue the trend of very low returns in overnight funds and shorter term securities.

Inventory Build-Up Overstates Economic Strength

- The third quarter growth rate may have overstated the underlying strength of the economy as nearly half of the growth was attributable to a 1.7% growth in inventories.
- If consumers' purchases don't accelerate enough to justify the third quarter's 1.7% inventory growth, then companies may slow production in the coming quarters to decrease inventories. This could result in inventories being a negative contributor to GDP growth.



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

1. Market Access – The U.S. Treasury continues to issue substantial amounts of debt instruments. The continued large issuance is due to efforts to stimulate the economy by providing funding for financial institutions, social programs, and ongoing military funding requirements. Access to U.S. Treasuries and Agency debt has been plentiful, but yields have continued to remain low as investors seek safe havens from an uncertain world market. These issues have continued to keep yields low on Treasury bonds from September through December.

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

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

The portfolio asset spread is detailed in the table below:

Portfolio Asset Composition			
Corporate Assets	Overnight Liquid Assets	US Treasuries	Federal Agencies
5.72%	33.23%	0.95%	60.10%

3. Credit Risk – Approximately 94.28% of the investment portfolio is comprised of U.S. Treasuries, Federal Agency securities and other liquid funds. All assets have an investment grade rating. U.S. Treasuries are not specifically rated, but are considered the safest of all investments. The corporate debt (5.72%) is rated in the higher levels of investment grade. All federal agency securities have AA ratings, or are guaranteed by the U.S. Treasury.

The portfolio credit composition is detailed in the table below:

Portfolio Credit Composition					
AA+	AA-	A-1+ (Short Term)	Not Rated (LAIF/Blackrock)	AAAm	Amf/S1 (Cal Trust)
64.00%	2.00%	1.00%	14.00%	10.00%	9.00%

4. Liquidity Risk – Liquidity risk, as measured by the ability of the county’s Treasury to meet withdrawal demands on invested assets, was adequately managed during the September to December quarter. The portfolio’s average weighted maturity was 496 days, and large percentages (33.23%) of assets are held in immediately available funds.

PORTFOLIO CHARACTERISTICS

	<u>September 30, 2013</u>	<u>December 31, 2013</u>
Total Assets	\$925,323,720	\$1,049,985,939
Market Value	\$922,151,473	\$1,046,087,332
Days to Maturity	603	496
Yield	0.49%	0.50%
Estimated Earnings	\$1,202,998	\$1,220,716

FUTURE STRATEGY

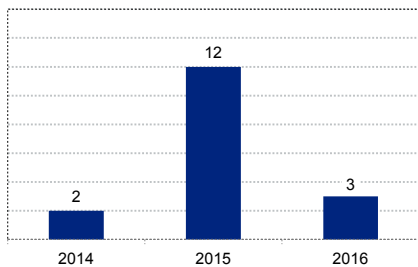
The U.S. Treasury has continued a policy of heavy borrowing for stimulus programs, military funding and other additional needs. The continued improvement in our economy has given the Federal Reserve an opportunity to taper their Quantitative Easing program by \$10 billion a month, which may make securities easier to obtain, but will have little effect on short term rates in the near term. The consistent improvement has also ensured that investors will continue to prefer the safety of U.S. debt to other investment options.

By the end of the quarter, the U.S. Government passed a budget that will extend until 2015 which should help alleviate some of the uncertainty in Treasury and Agency markets. It is important to note; given all the market concern about tapering of the Federal Reserve's QE program, they are nowhere near their previously stated comfort level to consider increasing short term rates. Although the tapering of the QE program is a good signal of increased confidence in our economic recovery, it is the belief of the Monterey County Treasurer that the current round of tapering (or buying less than the current \$85 Billion per month), will not have a dramatic effect on short term rates. As long as the Federal Treasury remains actively engaged in the fixed income markets, and continues to target short term rates at 0%-0.25%, the returns on the investments in the County's pool will remain historically low. If the rate environment continues its trend, the portfolio is adequately positioned to take advantage of the changing market conditions.

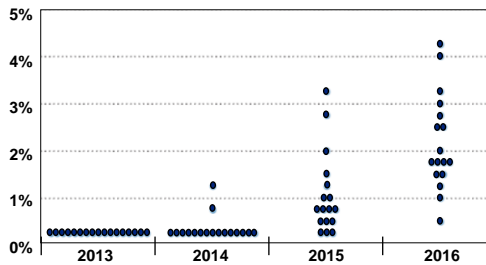
Fed Rate Guidance Indicates Continued Low Rates Through at Least 2015

- At its December meeting, the Federal Reserve announced the first taper of its \$85 billion bond purchase program. Beginning in January, the Fed will purchase \$5 billion fewer long-term Treasuries and \$5 billion fewer mortgage-backed securities each month.
- Despite this taper, the Federal Reserve is not expected to raise its target range for the federal funds rate until at least 2015.

FOMC Participant Votes on Appropriate Timing of Policy Firming
as of December 18, 2013



Targeted Federal Funds Rate at Year-End FOMC Participant Forecasts
as of December 18, 2013



● Individual FOMC participant's judgment of the appropriate level of the target federal funds rate at the end of the specified calendar year.
Source: Federal Reserve Open Market Committee.

In the near term the Treasurer continues to believe rates will not begin to rise until there is a longer history of consistent improvement in the unemployment rate, or the Federal Reserve starts to see significant inflation in the core Consumer Price Index. The Treasurer's rolling investment ladder will access short term Treasury and Agency markets with expected yields of less than one-quarter percent. In our efforts to continue to provide the safest vehicles for Treasury investments, the Treasurer will maintain a portfolio weighted with U.S. Treasuries, Federal Agency securities, and other highly liquid assets.

Exhibit B

Monterey County Portfolio Management Portfolio Details - Investments December 31, 2013

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	S&P	Days to Maturity	Maturity Date
Money Market Accts-GC 53601(k)(2)												
SYS11672	11672	BlackRock			99,770,206.82	99,770,206.82	99,770,206.82	0.069			1	
SYS11801	11801	CalTrust			100,000,000.00	100,000,000.00	100,000,000.00	0.415	Aaa	AAA	1	
SYS11830	11830	Federated		07/01/2013	0.00	0.00	0.00	0.101	Aaa	AAA	1	
SYS11578	11578	Fidelity Investments			5,832,312.88	5,832,312.88	5,832,312.88	0.046	Aaa	AAA	1	
Subtotal and Average			194,167,313.21		205,602,519.70	205,602,519.70	205,602,519.70				1	
State Pool-GC 53601(p)												
SYS11361	11361	LAIF			50,000,000.00	50,000,000.00	50,000,000.00	0.257			1	
Subtotal and Average			50,000,000.00		50,000,000.00	50,000,000.00	50,000,000.00				1	
CAMP-GC 56301(p)												
SYS10379	10379	Calif. Asset Mgmt			93,300,000.00	93,300,000.00	93,300,000.00	0.063		AAA	1	
SYS11526	11526	Calif. Asset Mgmt			0.00	0.00	0.00	0.071		AAA	1	
Subtotal and Average			68,189,130.43		93,300,000.00	93,300,000.00	93,300,000.00				1	
Negotiable CDs - GC 53601 (i)												
78009NGU4	11863	RBC Capital Markets		06/25/2012	10,000,000.00	9,991,000.00	10,000,000.00	0.346	Aa	AA	540	06/25/2015
Subtotal and Average			10,000,000.00		10,000,000.00	9,991,000.00	10,000,000.00				540	
Medium Term Notes - GC 53601(k)												
36962G4N1	11701	General Electric		08/11/2010	10,000,000.00	10,076,200.00	10,000,000.00	1.000	A	AA	587	08/11/2015
36962G4X9	11738	General Electric		01/07/2011	5,000,000.00	5,000,950.00	5,000,073.06	2.100	A	AA	6	01/07/2014
36962G4X9	11749	General Electric		03/09/2011	5,000,000.00	5,000,950.00	5,000,080.16	2.100	A	AA	6	01/07/2014
36962G5W0	11855	General Electric		04/27/2012	5,000,000.00	5,139,350.00	4,995,647.89	2.300	A	AA	1,212	04/27/2017
36962G5W0	11856	General Electric		04/27/2012	5,000,000.00	5,139,350.00	5,004,983.33	2.300	A	AA	1,212	04/27/2017
89233P5S1	11839	Toyota Motor Corporation		02/29/2012	5,000,000.00	5,109,950.00	5,068,241.96	2.050	Aa	AA	1,107	01/12/2017
89233P5Z5	11840	Toyota Motor Corporation		02/29/2012	5,000,000.00	5,033,850.00	5,006,937.73	1.000	Aa	AA	412	02/17/2015
Subtotal and Average			40,080,634.51		40,000,000.00	40,500,600.00	40,075,964.13				642	
Commercial Paper Disc.- GC 53601(h)												
89233HE18	11938	Toyota Motor Corporation		08/05/2013	10,000,000.00	9,993,100.00	9,990,666.67		P-1	A-1	120	05/01/2014
Subtotal and Average			9,987,127.78		10,000,000.00	9,993,100.00	9,990,666.67				120	

Exhibit B

Monterey County Portfolio Management Portfolio Details - Investments December 31, 2013

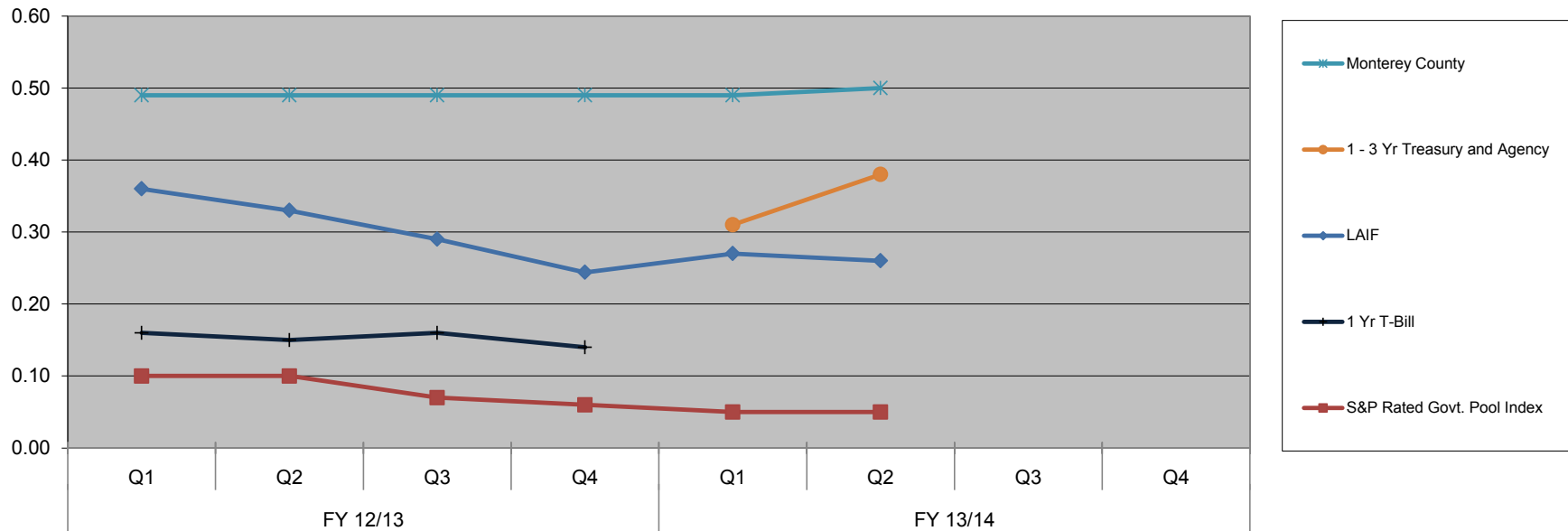
CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	S&P	Days to Maturity	Maturity Date
Fed Agcy Coupon Sec - GC 53601(f)												
3133EAF86	11864	Federal Farm Credit Bank		08/07/2012	10,000,000.00	9,915,400.00	10,000,000.00	0.970	Aaa	AA	1,314	08/07/2017
3133ECD35	11902	Federal Farm Credit Bank		01/17/2013	10,000,000.00	10,000,100.00	9,999,968.44	0.150	Aaa	AA	16	01/17/2014
31331KAH3	11909	Federal Farm Credit Bank		03/19/2013	10,000,000.00	10,015,200.00	10,014,778.70	1.125	Aaa	AA	57	02/27/2014
3133ECHV9	11912	Federal Farm Credit Bank		04/02/2013	10,000,000.00	9,998,500.00	10,001,887.61	0.350	Aaa	AA	575	07/30/2015
3133ECFJ8	11914	Federal Farm Credit Bank		04/02/2013	10,000,000.00	10,003,600.00	10,000,236.47	0.250	Aaa	AA	394	01/30/2015
3133ECTM6	11931	Federal Farm Credit Bank		07/02/2013	10,000,000.00	10,073,100.00	10,042,146.00	1.900	Aaa	AA	1,643	07/02/2018
313380EC7	11878	Federal Home Loan Bank		09/17/2012	10,000,000.00	9,809,300.00	9,963,953.91	0.750	Aaa	AA	1,346	09/08/2017
313380XB8	11881	Federal Home Loan Bank		10/17/2012	10,000,000.00	9,961,100.00	9,997,904.17	0.625	Aaa	AA	1,020	10/17/2016
313370TW8	11888	Federal Home Loan Bank		12/05/2012	10,000,000.00	10,336,400.00	10,393,205.32	2.000	Aaa	AA	982	09/09/2016
313381WC5	11900	Federal Home Loan Bank		01/15/2013	10,000,000.00	10,000,000.00	9,999,856.11	0.125	Aaa	AA	14	01/15/2014
313376UF0	11901	Federal Home Loan Bank		01/16/2013	10,000,000.00	10,001,800.00	10,001,613.94	0.375	Aaa	AA	28	01/29/2014
3133805T0	11904	Federal Home Loan Bank		01/23/2013	10,000,000.00	10,000,800.00	10,000,751.09	0.270	Aaa	AA	22	01/23/2014
313382DF7	11908	Federal Home Loan Bank		03/06/2013	10,000,000.00	9,999,900.00	9,999,210.89	0.125	Aaa	AA	55	02/25/2014
313380EE3	11910	Federal Home Loan Bank		03/19/2013	10,000,000.00	10,001,400.00	10,001,155.05	0.250	Aaa	AA	44	02/14/2014
313373SZ6	11913	Federal Home Loan Bank		04/02/2013	10,000,000.00	10,363,900.00	10,402,747.39	2.125	Aaa	AA	891	06/10/2016
313382LD3	11915	Federal Home Loan Bank		04/09/2013	10,000,000.00	10,000,900.00	10,000,070.18	0.170	Aaa	AA	79	03/21/2014
313382JY0	11919	Federal Home Loan Bank		04/12/2013	10,000,000.00	10,001,000.00	10,000,504.17	0.180	Aaa	AA	76	03/18/2014
313382FM0	11921	Federal Home Loan Bank		04/16/2013	10,000,000.00	10,000,800.00	10,000,840.00	0.170	Aaa	AA	69	03/11/2014
313382EG4	11922	Federal Home Loan Bank		04/16/2013	10,000,000.00	10,000,900.00	10,000,501.57	0.180	Aaa	AA	63	03/05/2014
313378A43	11925	Federal Home Loan Bank		05/02/2013	10,000,000.00	9,914,200.00	10,253,261.13	1.375	Aaa	AA	1,528	03/09/2018
313383A68	11928	Federal Home Loan Bank		06/13/2013	10,000,000.00	9,724,000.00	10,000,000.00	1.080	Aaa	AA	1,624	06/13/2018
313382Q63	11933	Federal Home Loan Bank		06/28/2013	10,000,000.00	10,001,000.00	10,000,191.21	0.170	Aaa	AA	90	04/01/2014
313382QM8	11934	Federal Home Loan Bank		06/28/2013	10,000,000.00	10,001,000.00	10,000,194.04	0.170	Aaa	AA	92	04/03/2014
313373JR4	11937	Federal Home Loan Bank		07/24/2013	10,000,000.00	10,050,500.00	10,050,721.33	1.375	Aaa	AA	147	05/28/2014
313383BN0	11939	Federal Home Loan Bank		08/02/2013	10,000,000.00	10,000,400.00	9,999,951.38	0.140	Aaa	AA	141	05/22/2014
3130A05Y2	11941	Federal Home Loan Bank		09/30/2013	10,000,000.00	9,997,100.00	9,999,469.63	0.090	Aaa	AA	180	06/30/2014
3130A04L1	11942	Federal Home Loan Bank		09/27/2013	10,000,000.00	9,998,400.00	10,000,424.37	0.110	Aaa	AA	173	06/23/2014
313383WP2	11943	Federal Home Loan Bank		10/11/2013	9,700,000.00	9,699,612.00	9,698,765.45	0.120	Aaa	AA	140	05/21/2014
313379TL3	11944	Federal Home Loan Bank		10/31/2013	10,000,000.00	10,010,600.00	10,011,782.65	0.375	Aaa	AA	162	06/12/2014
3130A05Y2	11947	Federal Home Loan Bank		12/04/2013	10,000,000.00	9,997,100.00	9,998,435.92	0.090	Aaa	AA	180	06/30/2014
313383SV4	11950	Federal Home Loan Bank		12/06/2013	10,000,000.00	10,001,100.00	10,002,230.60	0.170	Aaa	AA	208	07/28/2014
313383QF1	11951	Federal Home Loan Bank		12/06/2013	10,000,000.00	10,002,200.00	10,003,047.53	0.190	Aaa	AA	205	07/25/2014
3137EADC0	11852	Federal Home Loan Mtg Corp		04/18/2012	10,000,000.00	10,016,300.00	9,978,949.94	1.000	Aaa	AA	1,162	03/08/2017
3134G3H52	11871	Federal Home Loan Mtg Corp		09/12/2012	10,000,000.00	9,870,700.00	10,000,000.00	1.000	Aaa	AA	1,350	09/12/2017
3134G3K33	11875	Federal Home Loan Mtg Corp		09/27/2012	10,000,000.00	9,966,900.00	9,997,945.83	0.700	Aaa	AA	1,000	09/27/2016
3134G3S50	11887	Federal Home Loan Mtg Corp		11/30/2012	10,000,000.00	9,960,100.00	10,018,182.75	0.625	Aaa	AA	1,035	11/01/2016

Exhibit B

Monterey County Portfolio Management Portfolio Details - Investments December 31, 2013

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	S&P	Days to Maturity	Maturity Date
Fed Agcy Coupon Sec - GC 53601(f)												
3134G42M9	11916	Federal Home Loan Mtg Corp		04/25/2013	10,000,000.00	9,874,900.00	10,000,000.00	0.700	Aaa	AA	1,210	04/25/2017
3134G42G2	11917	Federal Home Loan Mtg Corp		04/30/2013	10,000,000.00	9,703,600.00	10,000,000.00	1.050	Aaa	AA	1,580	04/30/2018
3137EACR8	11918	Federal Home Loan Mtg Corp		04/12/2013	10,000,000.00	10,018,300.00	10,018,304.79	1.375	Aaa	AA	55	02/25/2014
3134G43F3	11920	Federal Home Loan Mtg Corp		04/30/2013	10,000,000.00	9,695,400.00	10,000,000.00	1.020	Aaa	AA	1,580	04/30/2018
3134G43V8	11923	Federal Home Loan Mtg Corp		05/15/2013	10,000,000.00	9,743,600.00	9,999,125.56	1.050	Aaa	AA	1,595	05/15/2018
3134G47M4	11930	Federal Home Loan Mtg Corp		06/26/2013	10,000,000.00	9,917,300.00	10,000,000.00	1.500	Aaa	AA	1,637	06/26/2018
3134G3SB7	11932	Federal Home Loan Mtg Corp		06/27/2013	10,000,000.00	10,007,900.00	10,006,880.07	0.375	Aaa	AA	117	04/28/2014
3137EACB3	11935	Federal Home Loan Mtg Corp		06/28/2013	10,000,000.00	10,074,000.00	10,072,651.93	2.500	Aaa	AA	112	04/23/2014
3134G2UA8	11949	Federal Home Loan Mtg Corp		12/05/2013	10,000,000.00	10,052,100.00	10,055,193.49	1.000	Aaa	AA	231	08/20/2014
3135G0HV8	11837	Federal National Mtg Assn		03/06/2012	10,000,000.00	10,010,200.00	9,980,916.67	1.200	Aaa	AA	1,160	03/06/2017
3136G0B26	11874	Federal National Mtg Assn		09/27/2012	10,000,000.00	9,875,800.00	10,000,000.00	1.000	Aaa	AA	1,365	09/27/2017
3135G0NH2	11876	Federal National Mtg Assn		09/13/2012	10,000,000.00	9,885,800.00	9,995,577.53	0.950	Aaa	AA	1,330	08/23/2017
3136G04Q1	11884	Federal National Mtg Assn		11/20/2012	10,000,000.00	10,006,100.00	10,154,434.06	1.500	Aaa	AA	1,419	11/20/2017
3136G06Z9	11885	Federal National Mtg Assn		12/13/2012	10,000,000.00	9,939,600.00	10,000,000.00	0.650	Aaa	AA	1,077	12/13/2016
3136G14N6	11890	Federal National Mtg Assn		01/02/2013	10,000,000.00	9,850,700.00	9,994,166.15	0.750	Aaa	AA	1,274	06/28/2017
3135G0PP2	11903	Federal National Mtg Assn		01/18/2013	10,000,000.00	9,875,500.00	10,026,270.51	1.000	Aaa	AA	1,358	09/20/2017
3135G0UH4	11906	Federal National Mtg Assn		02/22/2013	10,000,000.00	9,783,000.00	10,000,000.00	1.200	Aaa	AA	1,513	02/22/2018
3135G0AP8	11911	Federal National Mtg Assn		03/28/2013	10,000,000.00	10,017,100.00	10,016,723.40	1.250	Aaa	AA	57	02/27/2014
3135G0XA6	11924	Federal National Mtg Assn		05/21/2013	10,000,000.00	9,692,800.00	10,000,000.00	1.030	Aaa	AA	1,601	05/21/2018
31398AVZ2	11926	Federal National Mtg Assn		05/06/2013	10,000,000.00	10,051,600.00	10,052,112.05	2.750	Aaa	AA	71	03/13/2014
3135G0XK4	11927	Federal National Mtg Assn		05/30/2013	10,000,000.00	9,674,500.00	10,000,000.00	1.050	Aaa	AA	1,605	05/25/2018
3135G0WJ8	11929	Federal National Mtg Assn		05/28/2013	10,000,000.00	9,673,100.00	9,927,476.85	0.875	Aaa	AA	1,601	05/21/2018
3135G0PQ0	11948	Federal National Mtg Assn		12/04/2013	10,000,000.00	9,829,900.00	9,930,945.97	0.875	Aaa	AA	1,394	10/26/2017
Subtotal and Average			565,622,449.87		589,700,000.00	586,948,112.00	591,065,663.80				730	
Federal Agency Disc.-GC 53601(f)												
313397XH9	11945	Freddie Mac Discount Security		11/26/2013	10,000,000.00	9,997,200.00	9,995,133.33		Aaa	AA	146	05/27/2014
Subtotal and Average			3,910,910.87		10,000,000.00	9,997,200.00	9,995,133.33				146	
US Treasury Note-GC 53601(b)												
912828VR8	11940	U.S. Treasury		08/29/2013	10,000,000.00	10,002,300.00	9,959,922.31	0.625	Aaa	AA	957	08/15/2016
Subtotal and Average			9,958,016.84		10,000,000.00	10,002,300.00	9,959,922.31				957	
Federal Agency Step Up-GC 53601(f)												
3134G4NB0	11946	Federal Home Loan Mtg Corp		12/19/2013	10,000,000.00	9,903,800.00	10,000,000.00	0.625	Aaa	AA	1,448	12/19/2017
3136G07K1	11886	Federal National Mtg Assn		12/06/2012	10,000,000.00	9,840,000.00	9,996,069.44	0.700	Aaa	AA	1,435	12/06/2017
3136G1QP7	11936	Federal National Mtg Assn		07/30/2013	10,000,000.00	10,008,700.00	10,000,000.00	1.125	Aaa	AA	1,671	07/30/2018
Subtotal and Average			21,408,990.19		30,000,000.00	29,752,500.00	29,996,069.44				1,518	
Total and Average			973,324,573.69		1,048,602,519.70	1,046,087,331.70	1,049,985,939.38				496	

Exhibit C Monterey County Historical Yields vs. Benchmarks



Quarterly Yield	FY 12/13				FY 13/14			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Monterey County	0.49	0.49	0.49	0.49	0.49	0.50		
1 - 3 Yr Treasury and Agency					0.31	0.38		
LAIF	0.36	0.33	0.29	0.24	0.27	0.26		
1 Yr T-Bill	0.16	0.15	0.16	0.14				
S&P Rated Govt. Pool Index	0.10	0.10	0.07	0.06	0.05	0.05		

The S&P Index yields are obtained from Bloomberg

The 1-3 Yr Treas and Agy benchmark has replaced the 1 Yr T-Bill , as it more accurately reflects the current composition and weighted average maturity of the County's portfolio.

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



**Exhibit D
Monterey County
Aging Report
By Maturity Date
As of January 1, 2014**

Aging Interval:			Maturity Par Value	Percent of Portfolio	Current Book Value	Current Market Value	
Aging Interval:	0 days	(01/01/2014 - 01/01/2014)	7 Maturities	348,902,519.70	33.27%	348,902,519.70	348,902,519.70
Aging Interval:	1 - 90 days	(01/02/2014 - 04/01/2014)	17 Maturities	160,000,000.00	15.26%	160,106,734.81	160,112,700.00
Aging Interval:	91 - 365 days	(04/02/2014 - 01/01/2015)	15 Maturities	149,700,000.00	14.28%	149,885,548.39	149,882,312.00
Aging Interval:	366 - 730 days	(01/02/2015 - 01/01/2016)	5 Maturities	45,000,000.00	4.29%	45,009,061.81	45,103,150.00
Aging Interval:	731 - 1095 days	(01/02/2016 - 12/31/2016)	7 Maturities	70,000,000.00	6.68%	70,769,907.77	70,530,300.00
Aging Interval:	1096 days and after	(01/01/2017 -)	29 Maturities	275,000,000.00	26.23%	275,312,166.90	271,556,350.00
Total for 80 Investments				100.00%	1,049,985,939.38	1,046,087,331.70	

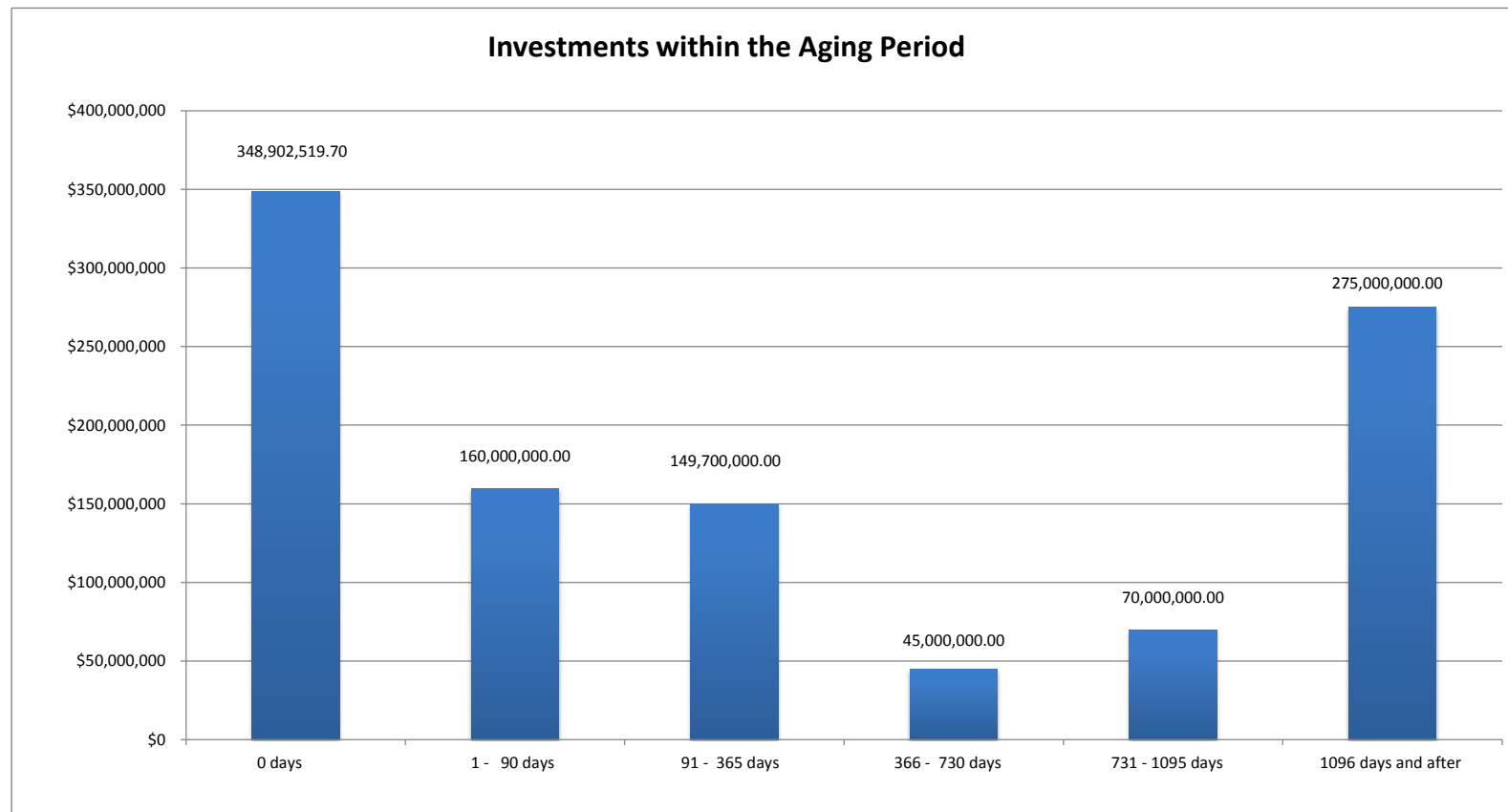
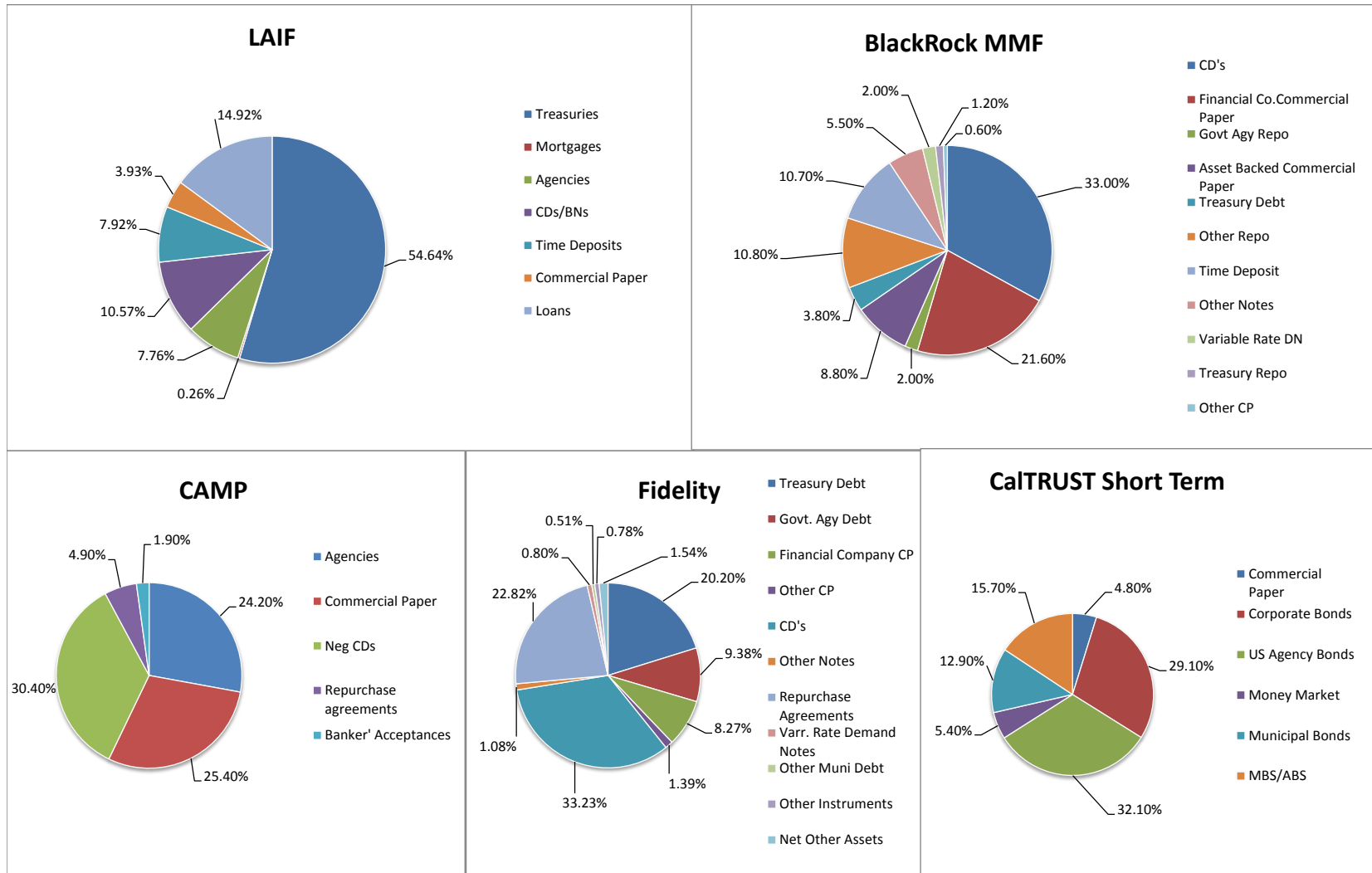


Exhibit E Overnight (Liquid) Asset Distribution



* Percent total may not equal 100 due to rounding

* Net Other Assets may include cash and receiveables and payables related to open security or capital stock trades

	LAIF	CAMP	Fidelity MMF	BlackRock	CalTRUST Short-Term
Credit Rating	NR	AAAm	AAAm	NR	Amf/S1
Fund Assets	\$56.5 Billion	\$2.06 Billion	\$39.0 Billion	\$8.28 Billion	\$639Million
WAM	209 days	58 days	44 days	44 days	511 days
Percent of Portfolio Invested in Fund	4.77%	8.90%	0.56%	9.51%	9.54%
Fund Quarterly Return	0.26%	0.08%	0.05%	0.08%	0.38%

Monterey Peninsula Community College District

Governing Board Agenda

December 11, 2013

New Business Agenda Item No. C

Administrative Services
College Area

Proposal:

That the Governing Board approve the updated Facilities Master Budget as recommended by the district's Facilities Committee (see Attachment A).

Background:

The district's Facilities Committee is a subcommittee of College Council. The committee's role is to provide input on the District's facility master plan relative to project scope and allocation of bond funds. The committee is recommending adjustments to the facility master plan budget to reflect updated projections based on recent bids, plan development, and recently completed work. At this point in time, the district has completed \$82.46M in projects, has \$59.54M in process or under construction, and has \$7.2M in planning or design.

The last time the board of trustees approved the Facility Master Plan budget was in November 2012. In the past twelve months, a number of new projects have been started including the Student Center, the Art Complex and the Pool.

The facilities team continues to make significant progress in completing the facilities master plan. Staff has bid the Art Complex, Student Center, and Pool / Tennis court projects last spring with construction anticipated to begin in summer 2013. With the completion of the three projects mentioned above, the district's bond program will be approximately 95% complete with the two remaining projects being Parker Flats and the Music facility.

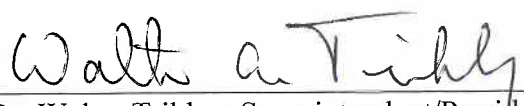
Budgetary Implications:

The Facilities Master Plan budget has been updated to reflect changes in project scope and costs. The approved list of projects continues to remain within the \$149M bond program budget.

Resolution: **BE IT RESOLVED,** That the Governing Board approve the updated Facilities Master Budget as recommended by the district's Facilities Committee.

Recommended By: 
Joseph Bissell, Special Assistant to the Superintendent/President

Prepared By: 
Suzanne Ammons, Administrative Services

Agenda Approval: 
Dr. Walter Tribley, Superintendent/President

*Attachment A***Recommended Budget 11/22/13**

Projects		Board Approved	Forecasted	Variance
In Process				
1	Furniture & Equipment	\$5,685,000	\$5,685,000	\$0
2	Swing Space / Interim Housing	\$5,800,000	\$5,800,000	\$0
3	Infrastructure - Phase III / Miscellaneous	\$6,466,000	\$6,466,000	\$0
4	Human/Bus-Hum/Old StudntServ	\$3,296,000	\$3,296,000	\$0
5	Life Science / Physical Science	\$10,800,000	\$10,750,000	\$50,000
6	PE Phase II - Gym/Locker Room Renov.	\$4,010,000	\$3,830,000	\$180,000
7	Theater	\$10,500,000	\$10,400,000	\$100,000
8	Student Center Renovation	\$5,000,000	\$5,952,000	(\$952,000)
9	Pool Renovation	\$2,000,000	\$2,640,519	(\$640,519)
10	Art Studio/Art Ceramics/AD/IC/Drafting (total)	\$5,724,000	\$4,724,000	\$1,000,000
11	General Contingency	\$262,519	\$0	\$262,519
Total in Process		\$59,543,519	\$59,543,519	\$0
Future Projects				
12	PSTC Parker Flats	\$6,000,000	\$6,000,000	\$0
13	Music	\$1,200,000	\$1,200,000	\$0
Total Future Projects		\$7,200,000	\$7,200,000	\$0
Total Completed Projects through 9/30/13		\$82,495,832	\$82,495,832	\$0
Total All Projects		\$149,239,351	\$149,239,351	\$0

- 1 Furniture & Equipment - At this point in time, forecasted budget is within Board approved budget.
- 2 Swing Space - At this point in time, forecasted budget is within Board approved budget.
- 3 Infrastructure - As of 9/30/13 spent \$6,431,812. \$34, 188 remaining.
- 4 Human/Bus-Hum/Old StudntServ - State matching funds.
- 5 Life Science / Physical Science - Completed under budget.
- 6 PE Phase II - Completed under budget.
- 7 Theatre - Completed under budget.
- 8 Student Center - Bids over budget (used Contingency funds).
- 9 Pool - Over budget (used Contingency). Tennis Courts in bid but not being done.
- 10 Arts - Studio and Ceramics under construction.. Limited work on AD in future.
- 11 General Contingency - Used for balancing budgets that are bid under and over budget.
- 12 PSTC Parker Flats - Future.
- 13 Music - Very limited budget. Private donations and State funding could increase budget.

MPC
Active Bond/Facility Projects Update
February 11, 2014

Humanities / Old Student Services / Business Humanities – The project is receiving State matching funds. Phase 1 (Old Student Services Building) and Phase 2 (Humanities Building) have been completed. The last phase of this project is the demolition of the Business Humanities building and a new parking lot in its place. This will result in improved traffic circulation and 66 additional parking spaces. The parking lot was completed before commencement of classes. Landscaping is almost complete, and a notice of completion will be filed shortly.

Swing Space – The General Classrooms building and the Swing Space Village buildings have been renovated to accommodate the needs of the Student Center and the Arts Complex. Upon completion of the Student Center and Arts Complex next summer, the swing space will no longer be needed and the rented relocatable buildings will be returned to the vendors and the remaining areas will be renovated to suit the needs of the college.

Infrastructure – Site work (lighting, parking lots, sidewalks) will be ongoing for the next few years.

Pool / Equipment Building / Site Work – The pool was filled on January 23, 2014 (ahead of schedule). The pool equipment has been installed, and the department of health has inspected the pool. MPC maintenance technicians are being trained. Landscaping and miscellaneous site work is being done, and the pool project is anticipated to be completed by the end of February (ahead of schedule).

Student Center – Roofing has been completed and the high bay windows have been installed. The interior metal stud walls have been installed, and the electrical and plumbing rough-in is complete. Drywall is now being installed. Completion is still scheduled for summer of 2014.

Arts Complex – Interior framing is complete. Interior electrical, mechanical and plumbing rough-in continues. Roofing work continues. Drywall will be installed after rough-in has been completed. Site work and utility work continue. Completion is scheduled for the summer of 2014.

Music Building – MPC is applying for matching State funding for the renovation of some of the existing Music buildings.

Facilities Committee – The Committee meets to review project budgets and schedules. The next meeting is tentatively scheduled for the end of February.

Description	Early Start	Early Finish	2010 2011 2012 2013 2014 2015 2016											
			Gantt chart area with a vertical red line at approximately mid-2014.											
Old Student Services/Humanities/Bus Humanities			<ul style="list-style-type: none"> Old Student Services Construction (Progress bar, approx. 2011-2012) Humanities Construction (Progress bar, approx. 2013-2014) Demo Business Humanities/Parking lot expansion (Progress bar, approx. 2014-2015) 											
Pool and Tennis Courts			<ul style="list-style-type: none"> Pool Construction (Progress bar, approx. 2013-2014) 											
Student Center			<ul style="list-style-type: none"> Student Center Construction (Progress bar, approx. 2013-2014) 											
Art Studio/Ceramics/dimensional/Inter. Center			<ul style="list-style-type: none"> Art Studio Constuction (Progress bar, approx. 2013-2014) Art Ceramics Construction (Progress bar, approx. 2013-2014) Art Dimensional Construction (Early bar, approx. 2014-2015) 											

Start date	JUN082010
Finish date	OCT162015
Data date	FEB022014
Run date	FEB102014
Page number	1A
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**Monterey Peninsula College
MPC Master Project Schedule**

-  Early bar
-  Progress bar
-  Critical bar
-  Summary bar
-  Start milestone point
-  Finish milestone point