



**MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT**  
**Citizens' Bond Oversight Committee**

Monday, March 4, 2019  
3:00 PM – Regular Meeting  
Sam Karas Room, Library and Technology Center  
Monterey Peninsula College  
980 Fremont Street, Monterey, California

**MEETING MINUTES**

MEMBERS PRESENT: Mr. Dan Albert, Jr.  
Mr. Hunter Harvath, Chair  
Mr. Dave Hober  
Ms. Ellise Kittrell  
Mr. Rob Lee, Vice Chair  
Mr. Jeffrey Riehl  
Dr. Linda Turner Bynoe

ABSENT: None

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

ABSENT: Dr. Walter Tribley, Superintendent/President

OTHERS PRESENT: Mr. Michael Carson, Kitchell

- 1. Call to Order**  
The regular meeting of the Citizens' Bond Oversight Committee of Monterey Peninsula College was called to order at 3:00 p.m. by Chair Harvath.
- 2. Public Comment**  
There were no public comments.
- 3. Approval of November 5, 2018 Minutes**  
Motion made by Mr. Albert Jr., seconded by Mr. Hober, to approve the minutes of the November 5, 2018 meeting. Motion carried unanimously.

AYES:	7	MEMBERS:	Albert, Bynoe, Harvath, Hober, Kittrell, Lee, Riehl
NOES:	0	MEMBERS:	None
ABSENT:	0	MEMBERS:	None
ABSTAIN:	0	MEMBERS:	None

**4. Accept Bills and Warrants Report**

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

Motion made by Mr. Albert Jr., seconded by Dr. Bynoe, to approve the bills and warrants report. Motion carried unanimously.

AYES:	7	MEMBERS:	Albert, Bynoe, Harvath, Hober, Kittrell, Lee, Riehl
NOES:	0	MEMBERS:	None
ABSENT:	0	MEMBERS:	None
ABSTAIN:	0	MEMBERS:	None

**5. Bond Expenditure Status Report**

Chair Harvath advised that Mr. Martin would review the bond expenditure status report and invited questions. Members had no questions or comments. Chair Harvath then inquired as to the definition of a categorical purchase. Mr. Martin responded that a categorical purchase is categorized two different ways: the purchase threshold is \$5,000 and MPC accounting standards define it as a permanent fixture that lasts over a year.

**6. Bond Auditors’ Reports for 2017-18**

Chair Harvath advised that Mr. Martin would review the bond auditors’ reports for 2017-18.

Mr. Martin explained that per proposition 39 language, the District must receive two audit reports each year in order to operate a bond program.

- The financial statement audit is a focus on the accounting of the bond funds (a review of the income sheet and balance statement of our bond funds).
- The performance audit focuses on compliance—whether or not the bond expenditures were in compliance with the proposition ballot language approved by voters in 2002.

Financial Statement Audit

Independent Auditor’s Report – page 3: Mr. Martin noted that the auditors issued a clean audit opinion on the financial statements.

Balance Sheet – page 4: Mr. Martin explained that the District has two assets: investments of \$8.8 million and accounts receivable (interest revenue from the County investment treasury) of \$37,362. Mr. Martin noted that the fund balance, which is the total amount of Measure I bond funds remaining to be spent as of June 30, is \$8,838,286.

Compliance and Other Matters – page 13: Mr. Martin explained that in addition to the numbers, the auditors also review the processes of our business practices. The auditors

indicate in the last sentence of this section that during their review, they noted no issues or exceptions with the government auditing standards.

#### Performance Audit

Independent Auditor's Report on Performance – page 1: Mr. Martin reported that the last sentence indicates that the expenditures tested by the auditors were in compliance with the Measure I Bond Fund ballot language.

Procedures Performed – page 4: Mr. Martin noted the three procedures performed by the auditors.

- They determined the district procedures for disbursement of funds related to the voter approved Measure I General Obligation Bonds Funds.
- They ensured that no administrative salaries were being charged to the bond fund.
- They ensured that the expenditures they reviewed were in accordance with the voter approved bond language.

Mr. Martin explained that the opinion that there were no performance findings is an indication that the three tests were performed with no exceptions.

Chair Harvath invited questions. Members had no questions or comments.

### **7. Monterey County Treasurer's Investment Report**

Chair Harvath invited Mr. Martin's review of the treasurer's investment report.

Mr. Martin explained that MPC is an involuntary participant of the County treasury. He noted that the \$8.8 million of bond funds indicated in the audit report is held in this treasury. The Monterey County Treasury issues a quarterly report which gives an indication of how their investments are doing. Currently the District's \$8 million in bond funds is part of a \$1.5 billion treasury pot that earned approximately \$7 million in interest during the last quarter.

Chair Harvath invited questions.

Dr. Bynoe asked if Committee members should look at the items identified by Mr. Martin every time he gives a similar report. Mr. Martin replied yes and directed Committee members to the summary of the report on page 1, under "Discussion," where they can find financial numbers summarized in text form.

### **8. Meeting Schedule**

Chair Harvath noted the future meetings of the Committee and invited comments. Members had no comments.

- Monday, June 10, 2019
- Monday, August 26, 2019
- Monday, November 4, 2019 (Annual Organizational Meeting)

### **9. Suggestions for Future Agenda Topics and Announcements**

- Tours of MPC Facilities:

- Chair Harvath asked if there was interest for a facilities tour among any members of the Committee. Dr. Bynoe indicated her interest. Chair Harvath requested that Ms. Anderson schedule the tour and indicated that he would be interested in joining Dr. Bynoe.

**10. Adjournment**

Chair Harvath adjourned the meeting at 3:14 p.m.