

Bond Audit

Presentation of Annual Financial and Performance Audit by Steve Pittman, Nystrom and Co.

Steve Pittman, Nystrom and Co., presented the Audit of General Obligation Bonds for the period July 1, 2007 through June 30, 2008. Pittman confirmed that Nystrom and Co. has determined that Mendocino-Lake Community College District has complied, in all material respects, with all State of California requirements.

Quarterly Bond Reports

Measure W Bond Program Quarterly Status Report – December, 2008

Perryman prefaced the discussion of the Report by providing members with a review of the projects in progress, noting that several projects had moved from Projects Pending to Projects in Progress; specifically, the Pt. Arena Field Station Project and the Solar Technology Project.

Measure W Bond Program Financial Activity Report – July 1, 2008 to December 31, 2008

Perryman advised members that the current Financial Activity Report contained all financial activity for the entire quarter – from July 1 through December 31, 2008. In the future, all financial activity reports will reflect activity for the fiscal year to date.

Budget Reallocation

Perryman provided a Bond Project Cash Flow Analysis which provided a cash flow analysis through the life of the Bond Project, estimated to be completed during 2012/13. He explained that the data included:

- current bond project budget
- current match estimates
- proposed reallocation of bond funds
- revised bond project budget
- revised match estimates
- total revised project budget

The proposed revisions to project budgets in order to complete the L/LRC project were approved by BOT at the meeting held in January 2009.

CBOC Annual Report to the Community

Perryman presented a draft of the Measure W Report to the Community for 2009. He noted that the financial information to be included in the Report will be as of March 31. The report will appear in the Summer and Fall 2009 Class Schedule, and will be delivered as an insert in three local newspapers. The deadline for structural changes to the report is February 28 and the deadline for all figures to be included within charts in March 31.

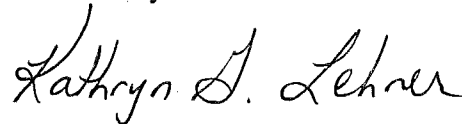
Members approved the structure of the report and made suggestions to present information clearly and in a positive light.

*Future Agenda
Items*

- A request was made for a recap of all TLCDC Architecture expenditures, in all categories, from the inception of the Measure W Bond budget to present. Perryman confirmed that that information would be provided at the next CBOC meeting.
- Members were reminded that the next meeting, scheduled for May 5, 2009, would be an Organizational Meeting wherein meeting dates for the 2009/10 year would be determined and new officers would be elected.

ADJOURNMENT The meeting was adjourned at 7:20 PM

Submitted by:



Kathryn G. Lehner, Superintendent/President

term.

A motion was made to nominate Bill Jack as Vice Chair for the 2009/10 term. M/S/C (Geck/Graff) RESOLVED, That Bill Jack be appointed to the position of Vice Chair of the Citizens' Bond Oversight Committee for the 2009/10 term.

Meeting Dates for 2009/10

Lehner presented a proposed meeting date schedule, noting that meetings were scheduled to coincide with the end of the fiscal year and the production of the Measure W Bond Program Quarterly Status Report. Meeting dates were set for the first Tuesday in the second month following the end of a quarter to allow staff sufficient time to prepare the Quarterly Report after the quarter end.

M/S/C (Smith/Holdenried) Resolved, To accept the Meeting Dates 2009/10 schedule as presented.

Quarterly Bond Reports

Measure W Bond Program Quarterly Status Report – March, 2009

Perryman highlighted important milestones in several projects. The purchase contract on the *Willits/ North Mendocino County Center*, 100 Lenore Avenue, was accepted and the property is currently undergoing Phase I testing. He anticipates a 12 month CEQA review process. A preferred site for the *Lake County Center* has been identified on Merritt Road in Kelseyville. An appraisal is expected soon and an offer could be presented within the next two months. The student registration system portion of the *Datatel Project* will be live on May 11. Campus wide testing has been on-going to assure a smooth transition. The *Library/Learning Center* project is on track with working drawings complete. The project could go out to bid in the Spring of 2010. The *Maintenance/Warehouse/East Campus* project may be ready to go out to bid during the summer of 2009.

Perryman advised members that, due to severe water restrictions imposed recently, the *Athletic Field Improvement and Renovation* project approval to go to bid was pulled from the Board of Trustees' May 6th Agenda. The project is not terminated; it is only deferred until water conditions improve. A contract with SunPower for the *Solar Project* is expected to be presented at the May 6th Board of Trustees' meeting. The scope of the *Energy Project* has been adjusted to encompass HVAC upgrades and exterior lighting only. This change will reduce the project costs to approximately \$3.5 million from an earlier estimate of \$7 million.

Measure W Bond Program Financial Activity Report – July 1, 2008 to March 31, 2009

Perryman advised members that the current Financial Activity Report contained all financial activity for the entire year to date – from July 1, 2008 through March 31, 2009. He requested that any questions be addressed to either him or Eileen Cichocki. Kathy noted that the match funds had been removed from the report, since there was little or no expectation that these funds would be granted. She was requested to add the PGE matching funds notations as previously reported.

TLCD Architecture

Costs to date in all categories

Perryman provided a vendor history report for TLCD, broken down by project. It was requested that he produce a one page analysis of TLCD's costs and services at the next scheduled meeting.

*CBOC Annual
Report to
Community*

Perryman informed members that the Annual Report to the Community for 2009 had been updated and distributed to approximately 66,000 households throughout Ukiah, Willits, and Lake County.

*Future Agenda
Items*

- Review how funds and fund requests for projects are changed and reallocated.
- Update members on the status of Lake Center and the technical upgrades that were requested during the previous years' tour of the center.
- Tour Ukiah campus' completed projects: Media Center, Fitness Center, Theatre, Raku Roof

ADJOURNMENT The meeting was adjourned at 6:48 PM

Submitted by:

Kathryn G. Lehner, Superintendent/President

**MENDOCINO-LAKE COMMUNITY COLLEGE DISTRICT
MINUTES
Citizens' Bond Oversight Committee**

A regular meeting of the Mendocino-Lake Community College District Citizens' Bond Oversight Committee (CBOC) was convened on Tuesday, August 4, 2009, Mendocino College, 1000 Hensley Creek Road, Ukiah CA.

GENERAL MATTERS

Call To Order The meeting was called to order at 5:10 PM by Charles Meyers.

<i>Members</i>	Charles Myers, Chair	Myron Holdenried
	Dave Geck	Joanne LaCasse
	Marty Lombardi	Absent
	Bill Jack	
	Diane Pauli	Absent
	Gary D. Smith	Absent

College Support Staff Present Kathy Lehner, Superintendent/President, Meridith Randall, Larry Perryman, and Carolyn Pryor

Public Comments No public comments

Agenda Approval M/S/C (Jack/LaCasse) RESOLVED, That the Citizens' Bond Oversight Committee does hereby approve the agenda as presented.

Approval of Minutes M/S/C (Jack/Holdenried) RESOLVED, That the Citizens' Bond Oversight Committee does hereby approve the minutes of May 5, 2009.

Quarterly Bond Reports **Measure W Bond Program Quarterly Status Report – June, 2009**
Perryman advised members that the *Technology Upgrades in Classrooms and Media/Computer Graphics Lab* projects were both completed during the quarter. He added that the Priority One tasks for Phase One of the *Disabled Access Improvements* project would be completed during the summer and an RFP for the *HVAC Upgrades and Additions/Energy* project, which will include the areas of heating, ventilation, air conditioning, boilers, chillers and energy management controls, has been approved and will be sent to consultants for submittal during the summer. The site prep for the *Solar Energy* project is scheduled to begin this month and the *Maintenance/Warehouse* project has been expanded to include the *East Campus Complex* site work, parking lot, road work, and the change in location for the Sonoma State building. Perryman advised that the *Lake County Center* project was proceeding, as District's purchase offer was accepted on property located on Merritt Road in Kelseyville. Superintendent/President Lehner informed members that she had been contacted by the bank involved in the Parallel Drive property and that she and Perryman will be meeting with them on Friday, August 6 to determine any further interest.

The investigations for geotechnical, cultural, and Phase I Environmental on the Lenore Street site in Willits, as part of the *Willits/North County Center* project, have been completed.

Measure W Bond Program Financial Activity Report – July 1, 2008 to June 30, 2009

Perryman advised members that the current Financial Activity Report contains all financial activity for the entire year – from July 1, 2008 through June 30, 2009. He noted that the final audit is due in the September/October time frame and that adjustments, if necessary, will be done at that time. Perryman informed members that the *Technology Upgrades in Classrooms* and *Media/Computer Graphics Lab* projects had been moved to the Projects Completed section of the report. The original match estimates have also been restored to *HVAC Upgrades and Additions, Solar Technology, Lake County Center* and *Willits/North County Center*.

- What is represented by the large expenditure for overtime appearing in the Financial Activity Report for project 717270 – Enterprise Resource Planning?

Perryman explained that during the Datatel implementation process, many regular employees were working on the transition as well as fulfilling their normal job duties. He anticipates that the current impact is minimal and should decrease from now until the end of the Fall semester.

TLCD Architecture

Summary of Expenditures

As a follow up to a request made at the meeting held on May 5, 2009, Perryman provided a Summary of Expenditures, by project, including all expended and encumbered monies committed to TLCD Architecture.

Future Agenda Items

- As a result of the resignation of John Graff, a new taxpayer representative is needed. Lehner will send out a community notification.

Tour of Completed Projects on Ukiah Campus

Members and Staff participated in a tour of completed and in-process projects which included:

- Media/Computer Lab
- Renovation of Financial Aid, Counseling Center, Room 740/Lowery Library Building
- CVPA
 - Flooring
 - Center Theatre improvements
 - New offices of the Vice President of Education and Student Services
- UPS and back-up generator system
- Raku roof in the Ceramics Department yard
- Future site of solar array field on East Campus

ADJOURNMENT The meeting was adjourned at 6:30PM

Submitted by:

Kathryn G. Lehner, Superintendent/President

MENDOCINO-LAKE COMMUNITY COLLEGE DISTRICT
MINUTES
 Citizens' Bond Oversight Committee

A regular meeting of the Mendocino-Lake Community College District Citizens' Bond Oversight Committee (CBOC) was convened on Tuesday, November 3, 2009, Mendocino College, 1000 Hensley Creek Road, Ukiah CA.

GENERAL MATTERS

Call To Order The meeting was called to order at 5:01 PM by Charles Meyers.

<i>Members</i>	Charles Myers, Chair	Myron Holdenried
	Dave Geck	Joanne LaCasse
	Marty Lombardi	Absent
	Bill Jack	
	Diane Pauli	
	Gary D. Smith	

College Support Staff Present Larry Perryman, Meridith Randall, and Cindy Chapman

Public Comments No public comments

Agenda Approval M/S/C (Jack/LaCasse) RESOLVED, That the Citizens' Bond Oversight Committee does hereby approve the agenda with the removal of Item #6 – Dedication of Solar Field.

Approval of Minutes M/S/C (Jack/LaCasse) RESOLVED, That the Citizens' Bond Oversight Committee does hereby approve the minutes of August 4, 2009 as presented.

Quarterly Bond Reports **Measure W Bond Program Quarterly Status Report – September, 2009**
 Perryman highlighted several active projects included in the report:

- **Energy Projects**
 The bid for the design portion of the Energy Project has been awarded to Costa Engineering. Costa Engineering will put together the bid documents for the construction portion of the project that will include new boilers, chillers, and a digital energy management system. We anticipate going to bid on this project in December or January with a completion date during the 2010 calendar year. Bond funds will be used for this project; however, the majority of the funding will be provided by outside financing with debt service paid for from resultant energy savings.

Will the \$157,000 PGE match remain the same?

Perryman advised that this was an early estimate and that he now expects that the PGE match could be as high as \$500,000.

What happens to funds realized by energy savings if they exceed the debt service?

Perryman said that yearly savings in excess of debt service would go into the General Fund to be used for any purpose.

- **Library/Learning Resource Center**
Perryman reported that the design phase of the project has been completed. Plans are currently being reviewed by the Department of the State Architect. It is anticipated that the project will go to bid in Spring, 2010.
- **Maintenance/Warehouse Building**
Perryman advised members that, because of the evolving nature of this project, it had been renamed to the East Campus Development project. Midstate Construction, from Petaluma, was awarded the project as the low bidder and the Notice to Proceed was issued on October 30. Midstate has established their presence on campus, and work has begun. Perryman added that this project will include the construction of a new maintenance/warehouse building and corporation yard, updating of the water, sewer and utility infrastructure to the East Campus, a new parking lot and service road to the area, building pads for the Quad modulars, and a new foundation for the relocation of the SSU building. The relocation of the SSU building will take place during the winter break.
- **Lake County Center**
Perryman notified members that additional consideration is now being given to the previously contemplated site in Lakeport on Parallel Drive. Because of obstacles that will cause substantial, unanticipated mitigation costs with the Kelseyville site and because we were notified that the bank has taken possession of the Lakeport site, Superintendent/President Lehner and Perryman have met with the president of the bank currently holding the Lakeport site to discuss potential options. Lehner and Mike Adams are meeting with city of Lakeport officials tonight to discuss how to resolve the water line issue that was one of the detriments to the consideration of the Lakeport site. Perryman said that it is possible that a decision regarding the site of choice will be announced at the Board of Trustees meeting to be held tomorrow, November 4.
- **Willits/North Mendocino County Center**
The Willits site is currently in the process of mitigation by the owner due to paint thinner contamination, for which the owner is responsible. Perryman advised that the original escrow was for a period of twelve months; however, the Water Resources Board is required to monitor the site for twelve months after mitigation is completed before escrow can close, which would indicate that escrow will most likely close a year from now.
- **Athletic Field Improvement and Renovation**
In response to a question about the schedule for the athletic field renovation, Perryman advised that the project would be revisited once we have a clear idea of the local water situation at the beginning of spring.

Measure W Bond Program Financial Activity Report – July 1, 2009 to September 30, 2009

Perryman provided members with a Budget Summary Report in addition to the Financial Activity Report for the period and asked members to advise him as to which report they would prefer to receive going forward, noting that the only difference in the information provided was the format in which it was presented. Perryman responded to concern expressed about overtime and backfill with the

CBOC Minutes, November 3, 2009

Datatel student record system by noting that these charges will end at the end of the fall semester. Perryman also reported that the July 2010 date for the implementation of the financial system may be put on hold due to the substantial impact of these implementations on staff and the fact that, due to budget constraints, the college is not looking to add new employee positions.

*Bond Project
Funds Adopted
Budget*

Perryman brought the members' attention to the \$37,000,000 Series B bond proceeds, noting that this is the amount of bonds left to be issued. The original plan was to offer these bonds this coming spring, but this probably won't happen due to the decline in assessed valuations in Lake and Mendocino Counties. As a result of the decline, the college would only be able to issue approximately \$20,000,000 in bonds and Perryman stated that he did not want to issue a partial amount due to the fees associated with issuing the bond sale. He anticipates a favorable sale coming within two years.

*Future Agenda
Items*

- A demonstration of the Datatel student system at a future meeting was requested.
- Charlie Myers, Dave Geck, and Joanne LaCasse will be unable to attend the February 2, 2010 meeting. The meeting may need to be rescheduled if a quorum is not available. Members will be notified prior to the meeting to determine if a quorum will be present.

ADJOURNMENT The meeting was adjourned at 6:08PM

Submitted by:

Larry Perryman, Vice President of Administrative Services