



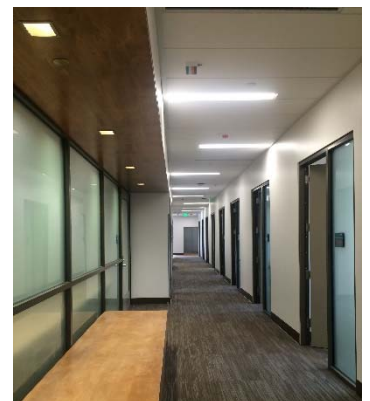
2017

ANNUAL REPORT

Measure L Citizens' Bond Oversight Committee



SLO Instructional Building The new 32,000 square foot two-story structure opened its doors for the spring 2018 semester. Math, Physical Science and Business Economics courses are the first to be taught in the nine first floor classrooms. Math, Nursing and Workforce Economic Development faculty and staff have moved into their offices on the second floor which is also equipped with a faculty/staff kitchen and lounge, workroom, meetings rooms, and student breakout rooms. The project is the first large capital project completed with Measure L Bond funds and was successfully completed on time and on budget.



Citizens' Bond Oversight Committee Members

Scott Lathrop
Committee Chair
Taxpayers' Organization

Susan Dressler
Vice Chair
*Senior Citizens'
Community Member*

Jordan Jantzen
Student Representative

Anneka Scranton
Support Organization

Gayla Chapman
Community Member

Patrick O'Hara
Business Community

George Galvan (2018)
Community Member

Duane Leib (2018)
Community Member

Robert Mancell (2018)
Community Member

Susan Middleton (2018)
Community Member

Linda Mielke (2018)
Community Member

Kathy Smith (2018)
Community Member

A Message from the CBOC Chair

On behalf of the San Luis Obispo County Community College District Measure L Citizens' Oversight Committee, it is my privilege as Chairman to present the Measure L 2017 Annual Report to the Board of Trustees.

These are exciting times for all stakeholders of Cuesta College. Thanks to the local taxpayer Measure L is changing the face and infrastructure of the college. In 2017, accomplishments of the College's facilities development team were outstanding. In this report you'll read about the progress the team has made towards completing the list of bond projects, with the crowning event in 2017, the opening of the new San Luis Obispo campus Instructional Building. Measure L funds are and will continue to make Cuesta College an institution that we can take great pride.

The Citizens' Bond Oversight Committee plays an important role in informing the public about the District's expenditures of bond money, providing oversight to ensure that bond revenues are spent on construction projects as promised to voters. I'm pleased to report that the San Luis Obispo County Community College District has received spotless audit reviews. Staff and administration are commended for outstanding service.

Stemming from the committee's oversight activities and the independent financial and performance audits referenced in the following report, San Luis Obispo County Community College District is in compliance with the requirements of Article XIII A, Section 1(b) (3) of the California Constitution.

Committee members trust that you will find the annual report accurate, informative, and comprehensive.

Sincerely,



Scott R. Lathrop, Chairman
Measure L Citizens' Bond Oversight Committee

A Message from the President

Thank you for your interest in the Measure "L" Citizens' Bond Oversight Committee (CBOC) 2017 Annual Report.

As promised to the local community during the Measure L campaign, the District has successfully completed the buildings and projects funded by the first issuance. The second issuance has been funded, and the District is now working on constructing two new buildings. In addition, work will begin on the replacement, repair, and refurbishment of facilities located within the 1000 (Kinesiology/Athletics) and 2000 (Physical/Biological Sciences) complexes.

These annual reports provide the taxpayers a summary of how their money is being spent and details the progress Cuesta College has made with regard to its promise to the citizens of San Luis Obispo County.

Cuesta College continues to champion student success through its improvement of District facilities and the ability to provide a safe and current learning environment to all students. I hope you find this report informative and valuable with regard to all activities and expenditures under Measure "L". Please visit the bond's official website: www.cuestacollegebond.info.

Sincerely,



Gilbert H. Stork, Ed.D.

Committee Meeting Dates:

March 16, 2017
October 26, 2017
May 17, 2018
October 2018

For more information about the Citizens' Bond Oversight Committee, past meetings agendas, reports to the community, annual audits, and policies and procedures go to:

<http://www.cuesta.edu/aboutcc/planning/oversightcommittee/index.html>

Status Report

Tax Rate Increment 2016-17

<i>Year</i>	July 1, 2016 – June 30, 2017
<i>Actual Tax Rate</i>	\$19.25 per \$100,000 of assessed property valuation for the San Luis Obispo County Community College District
<i>First Bond Issuance</i>	March 2015 \$75 Million
<i>Second Bond Issuance</i>	January 2018 \$73 Million
<i>Third Bond Issuance</i>	2021 \$65 Million
<i>Fourth Bond Issuance</i>	2024 \$62 Million
<i>Bond Ratings</i>	Standard & Poor's Rating: AA- Moody's Rating: Aa2

SLOCCCD Measure L General Obligation Bond Under the Provisions of State Proposition 39

San Luis Obispo County residents voted November 4, 2014, to approve Measure L - Cuesta College affordable education, job training and campus repair Bond, a \$275 million general obligation bond. Funding from the bond is helping the college modernize technology, upgrade the failing infrastructure of decades-old classrooms and labs, and build new teaching and learning spaces.

After voter approval of Measure L, the College Board of Trustees established the Measure L Citizens' Bond Oversight Committee (CBOC) appointing ten members of the community serving staggered terms providing objective oversight of District bond fund expenditures.

The role of the Citizens' Bond Oversight Committee is to determine whether or not the use of the funds is consistent with the original bond measure, inform the public on District expenditures of bond proceeds and to publish an annual report of the year's Measure L activities for taxpayers of San Luis Obispo County Community College District.

Independent Auditors' Financial and Performance Audits

Fiscal Year Ending June 30, 2017

The Citizens' Bond Oversight Committee received the Independent Auditor's Report for the financial statements of the general obligation bonds of the San Luis Obispo County Community College District as well as a Performance Audit report on the uses of bond monies for the period of July 1, 2016 to June 30, 2017. The reports were prepared by certified public accountant firm Vavrinek, Trine, Day and Company, LLP.

The Independent Auditor's Report states:

We have audited the accompanying financial statements of the San Luis Obispo County Community College District's (the District), General Obligation Bond Fund (Measure L), as of and for the year ended June 30, 2017... Our responsibility is to express an opinion on these financial statements based on our audit... In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the General Obligation Bond Fund (Measure L) of the District at June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The Performance Audit states that the objectives of our performance audit are to:

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

Conclusion: The results of our tests indicated that, in all significant respects, San Luis Obispo County Community College District has properly accounted for the expenditures held in the General Obligation Bond Fund (Measure L) and that such expenditures were made for authorized Bond projects.

To view these reports online, go to <http://www.cuesta.edu/aboutcc/planning/oversightcommittee/financials.html>



About SLOCCCD

San Luis Obispo County Community College District is a medium-sized rural single college district that offers instruction and student support services as Cuesta College at three locations: the San Luis Obispo Campus, the North County Center, and the South County Site. In addition to serving as locations to offer instructional programs and student services, Cuesta College hosts various public events, recreational activities, and community education programs.

Technology Planning & Implementation Update

The final year of the first bond issuance continued to be a year dedicated to design and planning. The Information Technology (IT) team continued to follow the Technology Implementation Plan. Most of the projects called for in the 2017 year had been completed in the prior year; these projects included the virtualization of our servers, conversion to the new wireless system, and the implementation of a new data backup system for our virtual server farm. The core switch upgrade was moved to 2018 due to cost issues, and the need for a cohesive fiber plant plan design which will define requirements of the core. The first phase of the telecommunications vault survey has been completed as foundational work for the fiber master plan.

In order to accelerate the construction timeline of the SLO Data Center, technology funds were used in 2017 to facilitate plan creation and technology consultants to support the new building. Cuesta engaged a technology consultant to assist with creating standards for our future new buildings, and technology upgrades for our existing buildings. Planning sessions for the new master fiber plan have also begun and been integrated in the design of the new SLO Data Center.



TOP: Progress photo of the second floor open computer area in the new North County Campus Center

ABOVE: Ribbon Cutting Ceremony for the SLO Instructional Building held on February 5th, 2018.

LEFT: New IT servers and racks in the SLO Instructional Data Room.

Bond Measure L Project Overview

First Issuance

March 2015 - \$75 Million

Temporary classroom replacement and new classroom facilities:

- Instructional Building – SLO
- Campus Center – North County
- Interim Offices & Classrooms – SLO & NC

Critical Repairs & Upgrades:

- Roofs
- HVAC
- Aquatic Center Renovation (Design)
- Infrastructure & Utilities

21st Century Technology Upgrades

Debt Retirement for Capital/Construction Projects

Second Issuance

January 2018 - \$73 Million

New classroom facilities:

- R&B Shultz Early Childhood Education Building – NC
- Aquatic Center Complex – SLO
- Data Center – SLO
- Campus Center Design – SLO

Repairs & Upgrades:

- SLO 1000 & 2000 Complex
- Hollister Adobe Stabilization

21st Century Technology Upgrades

Debt Retirement for Capital/Construction Projects

Third Issuance

2021 - \$65 Million

New classroom facilities:

- Campus Center – SLO
- Trades and Technology Center – NC

Repairs & Upgrades:

- Complex by Complex

21st Century Technology Upgrades

Fourth Issuance

2024 - \$62 Million

New classroom facilities:

- Trades and Technology Center – NC

Repairs & Upgrades:

- Complex by Complex

21st Century Technology Upgrades

Program/Project Completion

For more information:

www.cuestacollegebond.info

1st Issuance Capital Projects Update

SLO Instructional Building

The new San Luis Obispo Instructional Building opened its doors for the spring 2018 semester. A ribbon cutting ceremony was held for the public on February 5, 2018. The new state of the art building is the first Measure L capital project to be completed since the passage of the bond in 2014. The first floor is comprised of high-capacity multi-discipline classrooms. The second floor consist of more than 40 offices, staff lounge and meeting rooms. The building was successfully completed on schedule and within budget.

North County Campus Center

The Campus Center is a new 43,000 sq. ft. two-story building on the North County campus that will house a variety of programs and offices including admissions and records, counseling, financial aid, student life and leadership, health center, bookstore and the cafeteria. Through December 2017, the project has reached 85% completion and is scheduled to be complete by summer 2018.

2nd Issuance Capital Projects Update

SLO Data Center

The approximately 4,400 square foot, new one story building will include the San Luis Obispo Campus' main data/server room, along with support offices, restrooms, and an employee break room. Design completed in fall 2017 and is scheduled to be approved by the Division of the State Architect (DSA) in March 2018. The project will bid in late spring and construction is scheduled to begin summer 2018.

R&B Shultz Early Childhood Education Building

The new one-story, 11,000 sq. ft. Early Childhood Education Building will provide two levels of childcare (toddler and preschool) and include faculty offices, additional parking adjacent to the new structure, and dedicated teaching spaces related to early childhood education. Design completed in fall 2017 and was approved by DSA in January 2018. The project will bid in March and construction is scheduled to begin late spring 2018.

SLO Aquatics Center & 1000 Complex ADA

The San Luis Obispo Campus Aquatic Center project will replace the two existing pools on the San Luis Obispo Campus with a 50-meter competition-sized pool, and a 25-yard therapy-pool. The project will also include ADA upgrades to the 1000 complex, including accessible bathrooms and locker rooms in the 1000 and 1100 buildings for pool users and a new accessible restroom stall on the pool deck. Design completed in fall 2017 and was approved by DSA in February 2018. The project bids in March 2018 and will be in construction for a year starting in May 2018.

SLO Campus Center Design

The program team is scheduled to begin stakeholder meetings in fall 2018 to develop programming for the new SLO Campus Center. Design will continue through the second issuance with construction scheduled to kick-off the third issuance in 2021.

Monument, Courtyard & Parking Lot

Design will begin spring 2018 on the North County Monument which will reside at the entrance to the new Campus Center. The project will also include a central courtyard space and modification to the existing Parking Lot 10. Construction is scheduled to start summer 2019.



Front Elevation of the North County Campus Center with Curtain Wall installation in progress above the main entry doors.

ACTIVE BOND PROJECTS

**SAN LUIS OBISPO COUNTY
COMMUNITY COLLEGE DISTRICT**
December 31, 2017

PROGRAM TOTALS

Total General Obligation Bond Authorization	\$275,000,000
Series A Issuance (Non-Taxable)	\$72,400,000
Series A-1 Issuance (Taxable)	\$2,600,000
General Obligation Bond Balance to be Issued	\$200,000,000

Revenue

Series A Issuance	\$75,000,000
Premium on Sale of Bonds Issuance A	\$6,114,164
Interest Income	\$792,914
Miscellaneous Income	\$650
Total Available Revenue	\$81,907,728

Cost of Issuance Debt

Cost of First Issuance	\$195,186
Underwriter's Discount Series A and A-1	\$300,000
Transfer for Debt Services	\$5,828,692
Total Cost of Issuance	\$6,323,878

Description / Project Name

Total Expenditures (January 1 – December 31, 2017)	Current Year
North County Campus Center	\$16,328,652
San Luis Obispo Instructional Building	\$9,341,393
Aquatic Center Complex	\$368,855
Interim Offices and Classrooms (Formerly Interim Housing)	\$226,501
Interim Offices (Formerly Faculty Interim Housing)	\$10,267
Technology Upgrades	\$225,538
Program Management	\$151,282
Bond Program District	\$177,802
Early Childhood Education Center	\$313,988
Data Center	\$300,207
Bond Planning	\$2,516
Campus Safety	\$71,404
1000 Complex	\$46,943
Site Infrastructure	\$3,600
TOTAL EXPENDITURES 2017	\$27,568,948
Total Prior Period Expenditures	\$34,470,517
TOTAL PROGRAM EXPENDITURES TO DATE	\$62,039,465

UNAUDITED ENDING BALANCE

\$13,544,385



The future facilities of Cuesta College

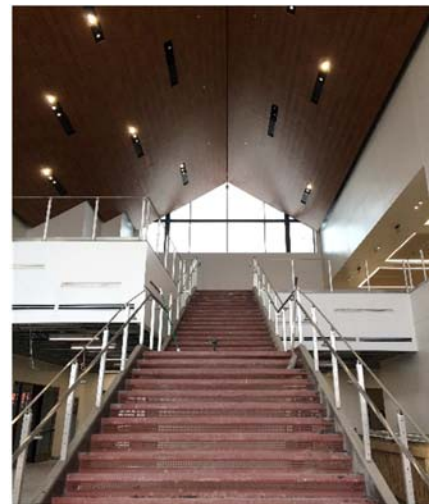
TOP: Rendering of the new SLO Aquatics Center

LEFT: New fencing was installed around the Hollister Adobe and a sign was installed to provide information on future projects and the history of the adobe.

RIGHT: The main entrance to the NC Campus Center features a grand staircase and high vaulted ceiling.

BOTTOM: SLO Instructional second floor open computer stations and balcony.

For more Information:
www.cuestacollegebond.info



Your Measure L Dollars at Work!



Progress photo of the outdoor dining area trellis for the North County Campus Center cafeteria.

Second Issuance Project UPDATES

Signage & Wayfinding

The bond program team will begin the planning and design for District-wide Signage & Wayfinding in March 2018.

Hollister Adobe Stabilization

Measure L funds will be utilized to provide minimum maintenance and structural stability for the Hollister Adobe. Additional fundraising efforts by the Friends of the Hollister with help from the Cuesta Foundation will provide additional funds for projects planned throughout the duration of the bond which will include roof repair, seismic strengthening, stucco removal, access improvement and landscaping.

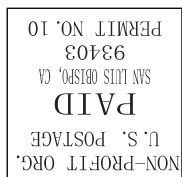
ADA, HVAC & Roofing Upgrades

Design was completed in Fall 2017 for roof and HVAC upgrades on the 1000 complex, construction is scheduled to start summer 2018. The bond team will start design in spring 2018 for ADA, roofing and HVAC upgrades for the 2000 complex on the San Luis Obispo Campus. The work is planned to start construction summer 2019.

Citizens' Bond Oversight Committee Member Changes

Thank you to outgoing members, Pamela Avila and Mark Johnson, for their participation on the 2017 CBOC. On April 11, 2018, the Board of Trustees received six qualified applications for the two vacant CBOC positions and voted to appoint all six candidates as members to the District's CBOC. Welcome new 2018 members, George Galvan, Duane Leib, Robert Mancell, Susan Middleton, Linda Mielke and Kathy Smith.

Return Service Requested



San Luis Obispo, CA 93403
Highway 1

