



2019

ANNUAL REPORT

Measure L Citizens' Bond Oversight Committee



TOP: Aerial view of the new Aquatics Center and the 1M and 3M diving boards at the competition pool.

LEFT: The new competition pool includes a moveable bulkhead to allow for multiple configuration for swimming lanes and water polo courses.

RIGHT: The new therapy pool provides constant 90 degree temperature for classes and community use. In addition to the stair and ladder entries, both pools are also equipped with an ADA lift to assist swimmers with entry and exit.



SLO Aquatics Center: The San Luis Obispo Campus Aquatic Center project was completed June 2019. A grand opening community event was held on June 14, 2019. The project replaced the two existing pools with a 50-meter competition-sized pool, and a 25-yard therapy-pool. The project also included ADA upgrades to the 1000 complex, including accessible bathrooms and locker rooms in the 1000 and 1100 buildings for pool users. A new accessible restroom stall on the pool deck is being completed as a separate contract and is anticipated to be complete early 2020.



Citizens' Bond Oversight Committee Members

Duane Leib
Committee Chair
Community Member

Susan Dressler
Vice Chair
Support Organization

Scott Lathrop
Taxpayers' Organization

Trinity Leland
Student Representative

Gayla Chapman
Community Member

Patrick O'Hara
Business Community

George Galvan
Senior Citizens'

Robert Mancell
Community Member

Susan Middleton
Community Member

Linda Mielke
Community Member

Kathy Smith
Community Member

A Message from the CBOC Chair

The Measure L Citizens' Bond Oversight Committee is pleased to report significant progress on projects funded under the voter approved Measure L. The committee has the responsibility to verify to the best of its knowledge, that Measure L Bond revenues have been spent only for the purposes identified in Measure L.

The committee relies heavily upon the Independent Auditor's Report of financial statements as well as a Performance Audit report performed by the certified public accountant firm EideBailly. The financial statements for Measure L were given a clean audit recommendation, and the Performance Audit testing indicated the San Luis Obispo Community College District has properly accounted for the expenditures in the Bond Fund for Measure L and that such expenditures were made for authorized Bond projects.

This annual report lists many projects completed and underway using Bond funding as provided by the First Issuance of Measure L Bond funds of \$75 Million in March 2015, and the Second Issuance of \$73 Million in January 2018. Two more Bond Issuances will be made, one in 2021, and another and final issuance in 2024. The projects are needed and the results are outstanding.

The future looks bright for San Luis Obispo County Community College with facilities improved to provide a quality education and life experience. The contribution of the College to the County is enormous. The Citizens' Bond Oversight Committee is proud to be part of this most beneficial program.

The San Luis Obispo County Community College District Measure L Citizens' Oversight Committee wishes to report that, to the best of its knowledge, the Cuesta Community College District is in full compliance with the responsibilities described in Article XIII A, Section 19b0930 of the California State Constitution.

Sincerely,

Duane P. Leib

Duane P. Leib, Chairman
Measure L Citizens' Oversight Committee

A Message from the President

Thank you for your interest in the Measure L Citizen's Oversight Committee (COC) 2019 Annual Report.

The District has successfully completed buildings and projects funded by the second issuance, which were highlighted by the opening of the SLO Data Center and the new SLO Aquatics Center. The Gilbert H. Stork Gymnasium reflooring project and renovations to the SLO campus building 1000 complex have also been completed. Ongoing projects under the second issuance include the North County R&B Shultz Early Childhood Center, which is nearing completion.

This annual report provides a summary of how taxpayer 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, increasing our ability to provide a safe and current learning environment for all students. I hope you find this report informative and valuable with regard to all activities and expenditures under Measure L. Please visit the College's official bond website: <https://cuestacollegebond.info/about-measure-l> for additional information.

Sincerely,



Jill Stearns, Ph.D.
Superintendent/President

Committee Meeting Dates:

March 29, 2019
October 11, 2019
March 13, 2020
October 2020

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>

Cuesta College is an EEO/AA institution.

Status Report

Tax Rate Increment 2018-19

<i>Year</i>	July 1, 2018 – June 30, 2019
<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, 2019

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, 2018 to June 30, 2019. The reports were prepared by certified public accountant firm EideBailly.

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, 2019... 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, 2019, 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 small-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

During the 2019 year, the Information Technology department continued to utilize the Technology Implementation Plan to design and engineer infrastructure and wireless upgrades in and around multiple buildings on campus. The 2000's complex, Athletic fields and multiple staff buildings were completely upgraded with Cat 6A cabling, Alcatel-Lucent switches, and Aruba Wireless Access Points. In addition, over 55% percent of the campus has received new single mode fiber to support higher quality network access. Furthermore, the new core network switch that was purchased last year was installed and activated in the brand new Data Center. Lastly, our team is in the planning process to replace the entire phone system on both the SLO and NCC campuses.



TOP: New EV Charging Stations installed at the SLO Campus in parking lot 2A as part of PG&E's incentive based program "EV Charge Network".

ABOVE: New wireless access points were installed at the athletic fields as part of the campus-wide technology upgrades.

LEFT: The new Data Center is the hub for Cuesta's fiber network. Fiber runs from all the buildings on campus will terminate in the new building.

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:

Roofing & HVAC
Aquatic Center Renovation (Design)
Infrastructure & Utilities

21st Century Technology Upgrades

Debt Retirement for Capital/Construction Projects

Second Issuance

January 2018 - \$73 Million

New Facilities:

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

Critical Repairs & Upgrades:

ADA, Roofing & HVAC
Hollister Adobe Stabilization
SLO Gym Floor Replacement
Electrical Switchgear Replacement

21st Century Technology Upgrades

Debt Retirement for Capital/Construction Projects

Third Issuance

2021 - \$65 Million

New facilities:

North County Site Improvement
Campus Center Design – SLO
Trades and Technology Center
Design – NC

Repairs & Upgrades:

Complex by Complex

21st Century Technology Upgrades

Fourth Issuance

2024 - \$62 Million

New classroom facilities:

Campus Center – SLO
Trades and Technology Center – NC

21st Century Technology Upgrades

Program/Project Completion

For more information:

www.cuestacollegebond.info

2nd Issuance Project Updates

SLO Data Center

The new 4,400 square foot building was completed December 2019. IT Services staff completed the migration of all servers and networking equipment just before ringing in the New Year. The building now serves as a single, central location for the District's servers and switches and the hub for all new direct high speed fiber out to each building. Additionally, the building's machine room is equipped with redundant cooling and power and a backup natural gas generator to ensure the Cuesta network can stay up and running in the event of an unexpected HVAC equipment or power failure. Also housed in the building are staff offices, restrooms, employee break room and a storage room designed for expansion if additional machine room space is needed in the future. Cuesta College is officially "cloud ready"!

R&B Shultz Early Childhood Education Building

Construction commenced January 2, 2019 on the new one-story, 11,000 sq. ft. Early Childhood Education Building. Also included in the project is a 12,000 sq. ft. play yard with all new playground equipment, trike path and two exterior storage buildings and new Parking Lot. The new building will provide two levels of childcare (toddler and preschool) and include faculty offices, additional parking adjacent to the new structure, and a dedicated teaching space related to early childhood education. The new facility is scheduled to be open for business and classes for the spring 2021 semester. The Parking Lot 12 was completed and opened for District use October 2019.

1000 & 2000 Complex Switchgear

Replacement of the electrical switchgear for the 1000 & 2000 complexes was completed over winter break. The project was completed nearly three weeks early, minimizing the downtime to the District and eliminated the need for an additional campus wide power outage.

ADA, HVAC & Roofing Upgrades

New roof and HVAC systems were installed on Building 1200 over the summer of 2019. ADA, roofing and HVAC upgrades for buildings 2100, 2200, 2300 and 2400 commenced summer 2019 and were completed winter 2019. Roofing for building 2200 is scheduled for summer 2020.

Dr. Stork Gymnasium Floor Replacement

The existing 20,000 square foot gymnasium floor, original to the building, was replaced over the summer and reopened for use in fall 2019. The new floor system's technology provides consistent multi-athlete resilience and comfort over extended periods of time while providing a range of reaction from the lightest to the heaviest of loads. The gym floor also features newly painted game lines including the Cuesta Cougar logo on center court – GO COUGARS!

Electric Vehicle (EV) Charging Stations

Cuesta College is a participant in PG&E's incentive-backed EV Charge Network program, a three-year program to install 7,500 EV chargers throughout PG&E's service territory from 2018 to 2020. PG&E was responsible for the design, DSA approval process and infrastructure to supply electricity to each EV parking space, roughly 60-80% of the total project cost. The District was responsible for purchasing and installing the EV chargers. Construction commenced in September 2019 and was completed in December 2019. The final programming and activation is scheduled for January 2020. The new EV chargers are located on both the SLO and North County Campuses. A total of 24 chargers in Lot 2 in SLO and 16 chargers in Lot 11 in North County. In addition to the work funded by PG&E, the Bond Team also worked with the SLO Air Pollution Control Board and secured \$125,380 in grant monies to help offset the purchase of the EV Chargers.

Site Infrastructure - SLO 12kV Primary Electrical Replacement

The first site infrastructure project for the second issuance was the replacement of the main electrical service to the SLO Campus. Construction commenced spring 2019 with the preparation of the site for the new equipment. The final phase of the work was completed over winter break to minimize the impact of the required campus wide power shutdown.

Hollister Adobe Stabilization

Measure L funds will be utilized to provide minimum maintenance and structural stability for the Hollister Adobe. Projects planned throughout the duration of the bond which will include roof repair, seismic strengthening, stucco removal, access improvement and landscaping. Phase 1, fiberglass rod seismic strengthening, was awarded September 2019 and new adobe bricks are in fabrication offsite, construction onsite is scheduled to start January 2020.

ACTIVE BOND PROJECTS SERIES A

SAN LUIS OBISPO COUNTY
COMMUNITY COLLEGE DISTRICT
December 31, 2019

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	\$909,444
Miscellaneous Income	\$650
Total Available Revenue	\$82,024,258

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

Series A Total Expenditures (January 1 – December 31, 2019)	Current Year
North County Campus Center	\$434,569
San Luis Obispo Instructional Building	(\$14,817)
Interim Offices and Classrooms	\$387,827
Technology Upgrades	\$7,505
Program Management	\$39,301
Early Childhood Education Center	\$300
Data Center	\$37,643
Campus Safety	\$96,694
Site Infrastructure	\$8,440
NC Sitework Improvement	\$155,804
Road Asphalt Overlay	\$331,089
Gym Floor Replacement	\$468,003
1400 Building HVAC	\$114,382
7300 Building Upgrades	\$123,558
TOTAL EXPENDITURES 2019	\$2,190,299
Total Prior Period Expenditures	\$73,075,958
TOTAL PROGRAM EXPENDITURES TO DATE	\$75,266,257

UNAUDITED ENDING BALANCE	\$434,123
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ACTIVE BOND PROJECTS SERIES B

SAN LUIS OBISPO COUNTY
COMMUNITY COLLEGE DISTRICT

December 31, 2019

PROGRAM TOTALS

Total Remaining of the General Obligation Bond Authorization	\$200,000,000
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Series B Issuance (Non-Taxable)	\$73,000,000
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General Obligation Bond Balance to be Issued	\$127,000,000
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Revenue

Series B Issuance	\$73,000,000
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Premium on Sale of Bonds Issuance B	\$7,451,575
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Interest Income	\$2,080,785
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Cost of Issuance Returned	\$4,404
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Total Available Revenue	\$82,536,764
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Cost of Issuance Debt

Cost of Second Issuance	\$196,909
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Underwriter's Discount Series B	\$288,350
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Transfer for Debt Services	\$7,163,225
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Total Cost of Issuance	\$7,648,484
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Description / Project Name

Series B Total Expenditures (January 1 – December 31, 2019)	Current Year
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Program Management	\$663,138
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Bond Program District	\$214,221
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Technology Upgrades	\$1,035,574
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Aquatic Center Complex	\$7,042,931
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1000 Complex	\$571,017
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2000 Complex Renovation	\$1,923,356
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1000/2000 Switchgear	\$108,569
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Data Center	\$6,173,214
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Early Childhood Education Center	\$6,332,978
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NC Sitework Improvements	\$254,463
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Wayfinding	\$28,290
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Site Infrastructure	\$160,825
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Interim Offices and Classrooms	(\$11,217)
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Interim Faculty Offices	\$15,941
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Gym Floor	\$72,286
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SLO Campus Center	\$163,088
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Bond Planning	\$52,180
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9100 Building Upgrades	\$7,236
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Hollister Adobe	\$16,163
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7100 Building Electrical	\$120,815
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Road Asphalt Improvements	\$775
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SLO Campus Interiors	\$4,317
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Roof Repairs District Wide	\$35,290
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Electric Vehicle Charging Stations	\$225,376
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TOTAL EXPENDITURES 2019	\$25,210,827
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Total Prior Period Expenditures	\$12,811,940
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TOTAL PROGRAM EXPENDITURES TO DATE	\$38,022,767
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UNAUDITED ENDING BALANCE	\$36,865,513
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The future facilities of Cuesta College

TOP: Replacement of the 40+ year old gym floor also included new graphics at center court and main court baselines.

RIGHT: Construction is well underway on the new R&B Shultz Early Childhood Education Center in North County. Pictured is the front of the building

BOTTOM: The new competition pool is ready for hosting swim meets with all new starting blocks and a moveable bulkhead to give flexibility to course configurations.

For more Information:
www.cuestacollegebond.info

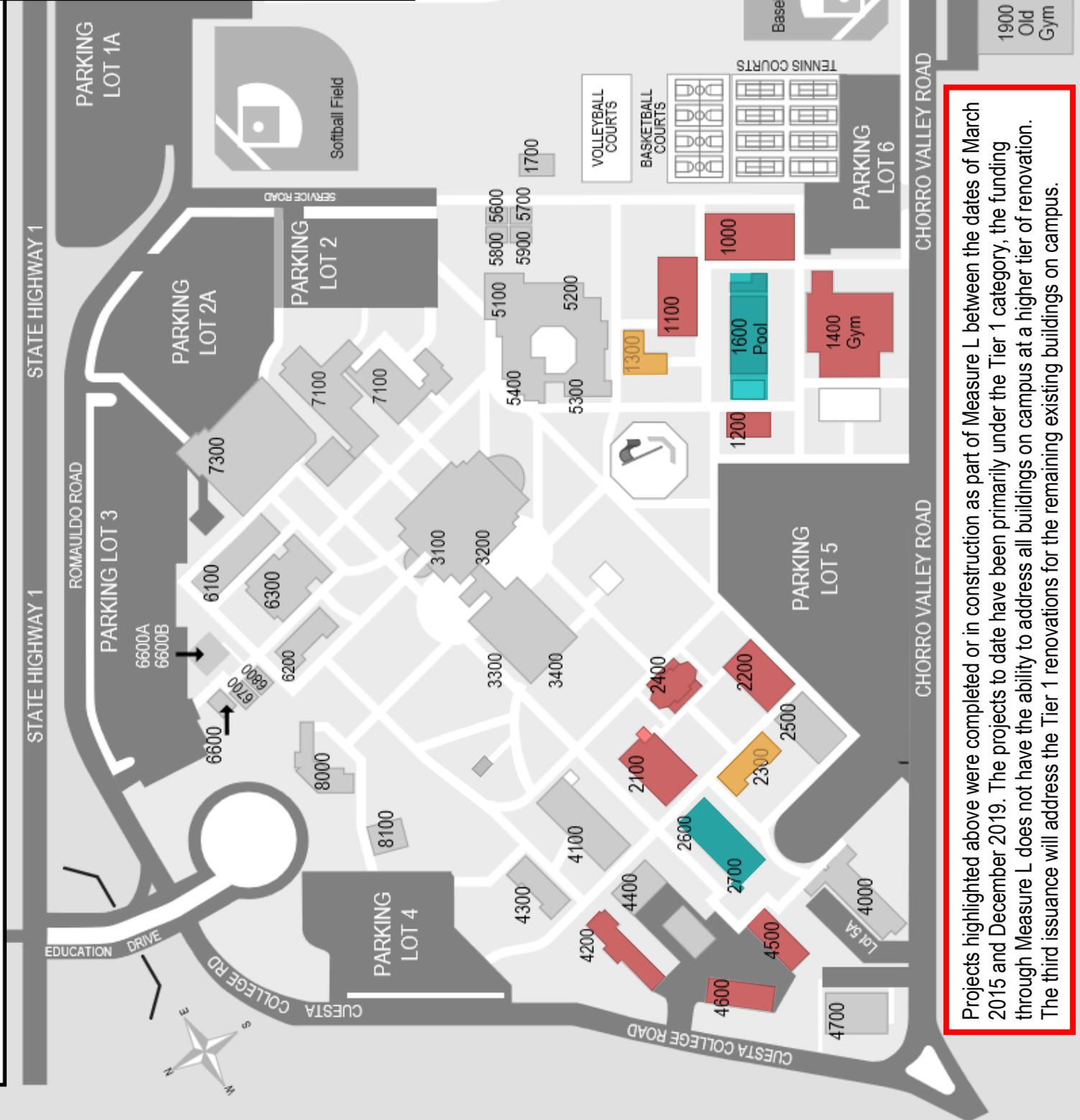


Measure L Completed Projects

LEGEND

- TIER 1** Re-Roof & Rooftop HVAC Equipment Replacement
- TIER 2** Interior Carpet/Paint/Re-lamping, Exterior Envelope Finishes
- TIER 3** Ceiling Replacement, Wall Surface Remove and Replacement, Sound Dampening, Exterior Envelope Renovation
- TIER 4** Full Building Electrical/Mechanical/Controls Renovation
- CP** Measure L Bond - Capital Project

Work completed in existing buildings may not be inclusive of all scope items within the Tier. Building scope is determined by need and available budget.



Projects highlighted above were completed or in construction as part of Measure L between the dates of March 2015 and December 2019. The projects to date have been primarily under the Tier 1 category, the funding through Measure L does not have the ability to address all buildings on campus at a higher tier of renovation. The third issuance will address the Tier 1 renovations for the remaining existing buildings on campus.

Your Measure L Dollars at Work!



At the completion of setting structural steel for the new Children's Center, Cuesta College Superintendent/President, Dr. Stearns, took part in a special beam signing event held with the kids and teachers to commemorate the milestone.

District-wide Project UPDATES Signage & Wayfinding

The Measure L Bond Team has met with a District stakeholder group to begin the conceptual planning and design for District-wide Signage & Wayfinding. Design efforts will continue into 2020 with a plan to begin construction by the end of the year.

Asphalt Improvement Projects

Many roads and parking lots are in need of asphalt repairs on the SLO and NC campuses. Completed during summer 2019 was the overlay of Chorro Valley Road and portions of Cuesta College Road and Hollister Road.

3rd Issuance Project UPDATES

North County Site Improvements

The design for the North County Site Improvements project includes a new driveway and entry loop from Buena Vista Drive, re-configured parking in Lot 10 and pedestrian improvements, landscaping, and paving on the interior of campus tying all buildings on the North County campus together. The plans are anticipated to go to DSA for approval in early spring 2020. Construction is scheduled to start summer 2020.

ADA, HVAC & Roofing Upgrades

The majority of 3rd Issuance funds will be allocated to address failing roofs, HVAC systems, and ADA compliance. Similar to the 2nd Issuance projects, work will be phased by complex. The first of the complexes are the 4000s, 5000s, and 6000s. Design is anticipated to begin in March 2020 with construction kicking off the 3rd issuance in spring 2021.

SLO Campus Center Design

Although construction is not scheduled to commence until the 4th issuance, the bond team will begin the programming discussions with the District's Stakeholder group early in the 3rd Issuance.

Completed in December 2019, the new Data Center on the SLO Campus is now the central location for the District's servers and switches and the hub for all new direct high speed fiber out to each building.

