



2018

ANNUAL REPORT

Measure L Citizens' Bond Oversight Committee



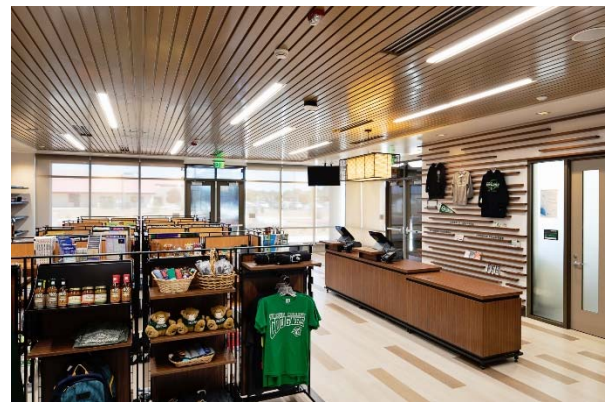
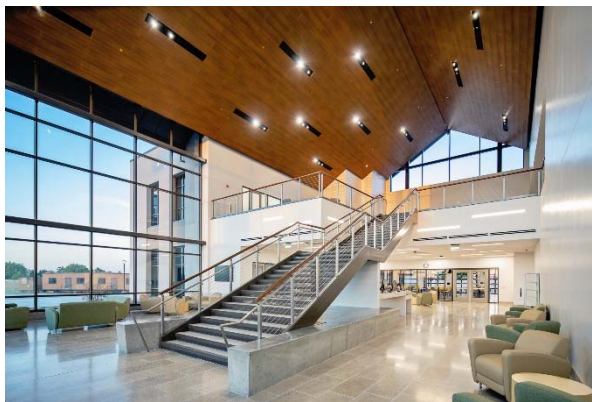
North County Campus Center

The new 43,000 square foot two-story structure opened its doors for the 2018 summer session. Students attending classes on the North County Campus now have a central location for all student services with the Campus Center being the new home for Enrollment Services, Financial Aid, Counseling, CaFE, Student Health Services, Student Life & Leadership, Cashier, Continuing Education Programs, Veterans Resource Center, Bookstore, Campus Police, Computer Lab, and Cafeteria. Also within the building are two multipurpose classrooms, a Fine Arts classroom, conference rooms, and staff lounge.

TOP: Main entrance to the North County Campus Center.

LEFT: Lobby with main staircase up to the second floor

RIGHT: First floor Bookstore with all new bookshelves, merchandise racks, and point of sale desk.



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
Community Member

Duane Leib
Community Member

Robert Mancell
Community Member

Susan Middleton
Community Member

Linda Mielke
Community Member

Kathy Smith
Community Member

A Message from the CBOC Chair

This year marks our 4th annual report to the community from the Measure L Citizens' Bond Oversight Committee. Our committee is made up of members from the business community, senior citizen organizations, taxpayer associations, student body and the community-at-large. Members are appointed by the District's Board of Trustees and charged with bond oversight responsibilities as outlined per state law.

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.

The District continues to efficiently deliver the voter-authorized bond projects that address the priorities of all stakeholders. All projects are designed to give our students and staff safer, updated facilities with the ultimate goal of promoting student success. Financial reporting continues to be compliant, timely and transparent.

I am pleased to report the District continues to make excellent progress on a number of bond projects. The annual report provides a summary of projects completed, under construction or in the development phase for the reporting period.

The Citizens' Bond Oversight Committee commends the Board of Trustees for their courage and efforts in pursuing these bonds. The list of approved bond projects will address the continuing facility and equipment demands of our current and future students, while at the same time provide high paying jobs to our local community.

Based on the committee's oversight activities in conjunction with independent financial audits referenced in the report, our committee found Cuesta Community College District 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' Oversight Committee

A Message from the President

Thank you for your interest in the Measure L Citizen's Oversight Committee (COC) 2018 Annual Report.

As The District has successfully completed the buildings and projects funded by the first issuance, highlighted by the opening of two major new facilities – the Dr. Frank R. Martinez Instructional Building and the North County, Campus Center. Thanks to the community's generous support of Measure L, these facilities are currently enhancing the experience of Cuesta students! The second issuance has been funded, and construction is underway on the SLO Data Center, SLO Aquatics Center, and North County R&B Shultz Early Childhood Education Building. Upcoming projects include reflooring the SLO campus gymnasium and completing renovations on the 1000 Building Complex.

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 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 College's official bond website: www.cuestacollegebond.info for additional information.

Sincerely,



Jill Stearns, Ph.D.

Superintendent/President

Committee Meeting Dates:

May 17, 2018
November 2, 2018
March 29, 2019

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 2017-18

<i>Year</i>	July 1, 2017 – June 30, 2018
<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, 2018

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, 2017 to June 30, 2018. 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, 2018... 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, 2018, 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>

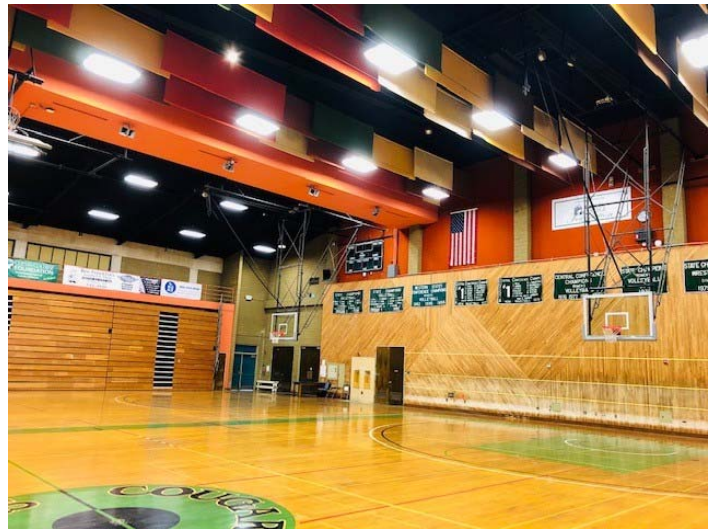


About SLOCCCD

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 2018 year, the Information Technology department utilized the implementation plan created by WTC Consulting to design and engineer infrastructure and wireless upgrades in and around multiple buildings on campus. The 1000's complex was completely re-cabled with CAT6A and ARUBA Wireless Access Points were installed in each building. A new Core Network Switch was purchased in preparation for the new Data Center, the North County Greenhouse Facility gained connectivity, and plans to install new Fiber Optic Cabling throughout the SLO campus were started. Also in the works were plans to update the cabling and provide wireless access to the 2000's complex, Facilities Offices, Shipping & Receiving, Union Offices, and Sports Fields.



TOP: Second floor open computer area in the new North County Campus Center

ABOVE: New wireless access points were installed throughout the 1000s complex, including the SLO gym, as part of the technology upgrades. Additionally, the gym floor is scheduled to be replaced summer 2019.

LEFT: Technology upgrades in the 1000s complex include new IT server racks and upgraded telecom rooms.

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
Campus Center Design – SLO
Parking Lot & Central Campus - NC

Repairs & Upgrades:

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

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 Project Updates

North County Campus Center

The new North County Campus Center opened its doors for the summer 2018 session. A ribbon cutting was held for the public on June 21, 2018. The new two-story Campus Center serves as the social and intellectual heart of the North County Campus. Design features include an open floor plan with a central two-story atrium that allows for natural light into the building's core. The new Campus Center has reshaped the North County Campus, serving as the new "front door" to the campus and one-stop shop for all student services. The project received the Education Design Showcase 2018 "Project of Distinction" award and The Architectural Portfolio 2018 "Outstanding Design: Post-Secondary" award.

2nd Issuance Projects Update

SLO Aquatics Center & 1000 Complex ADA

The San Luis Obispo Campus Aquatic Center project replaces 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 also includes 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. Construction commenced on May 21, 2018. The 1000 complex ADA upgrades in Buildings 1000, 1100, 1200, 1300 and 1400 are being completed in phases to minimize disruption to Program with an anticipated completion of April 2019. The Aquatics Center is scheduled to be complete by May 31, 2019, and open for use by Program and the public starting June 1, 2019.

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. The project started construction in September 2018 and is scheduled to be complete during the fall 2019 semester, with the transition of staff and network services anticipated over the winter 2019 break.

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. The project was awarded in December 2018 with construction commencing January 2, 2019. Construction is anticipated to take 18-months, followed by furniture, IT/AV, and communication installations and a childcare facility licensing period. The new facility is anticipated to be open for business and classes for the spring 2020 semester.

SLO Campus Center Design

The program team has begun stakeholder meetings to develop programming for the SLO Campus Center project. Programming will continue through summer 2019 with design development starting fall 2019.

NC Parking Lot & Central Campus

Design is underway for the modifications to Parking Lot 10 and Central Campus. Construction for the parking lot is scheduled to be complete at the end of the second issuance with the central campus construction starting at the beginning of the third issuance.

SLO Gymnasium Floor Replacement

The Bond Team is wrapping up the floor system design and court layouts, with input from Program, for the approx. 20,000 square foot replacement of the existing gymnasium floor. Construction is scheduled to start following the spring 2019 semester and will be complete prior to the start of the fall 2019 semester.

1000 & 2000 Complex Switchgear

Design is wrapping up on the electrical switchgear replacement for the 1000 & 2000 complexes. Construction is scheduled to be completed over the 2019 winter break to minimize the impact of power outages for the District.

Site Infrastructure

The first site infrastructure project for the second issuance will be the replacement of the main electrical service to the SLO Campus. Design is in progress and is anticipated to bid and award in spring 2019.

ACTIVE BOND PROJECTS SERIES A

SAN LUIS OBISPO COUNTY
COMMUNITY COLLEGE DISTRICT
December 31, 2018

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	\$876,918
Miscellaneous Income	\$650
Total Available Revenue	\$81,991,732

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, 2018)	Current Year
North County Campus Center	\$7,103,308
San Luis Obispo Instructional Building	\$2,427,050
Aquatic Center Complex	\$192,178
Interim Offices and Classrooms (Formerly Interim Housing)	\$147,024
Technology Upgrades	\$225,184
Program Management	\$17,867
Bond Program District	\$17,152
Early Childhood Education Center	\$268,805
Data Center	\$173,479
1000 Complex	\$18,168
Site Infrastructure	\$34,160
NC Parking 10, Monuments & Quad	\$39,975
Road Asphalt Overlay	\$372,143
TOTAL EXPENDITURES 2018	\$11,036,492
Total Prior Period Expenditures	\$62,039,465
TOTAL PROGRAM EXPENDITURES TO DATE	\$73,075,957

UNAUDITED ENDING BALANCE	\$2,591,897
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ACTIVE BOND PROJECTS SERIES B

SAN LUIS OBISPO COUNTY
COMMUNITY COLLEGE DISTRICT
December 31, 2018

PROGRAM TOTALS

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

Revenue	
Series B Issuance	\$73,000,000
Premium on Sale of Bonds Issuance B	\$7,451,575
Interest Income	\$1,012,139
Cost of Issuance Returned	\$4,404
Total Available Revenue	\$81,468,118

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

Description / Project Name

Series B Total Expenditures (January 1 – December 31, 2018)	Current Year
COPs Repayment	\$6,035,788
Program Management	\$554,772
Bond Program District	\$180,781
Technology Upgrades	\$602,196
Fiber Loop Programming	\$3,613
Aquatic Center Complex	\$2,438,092
1000 Complex	\$1,152,526
2000 Complex Renovation	\$273,911
1000/2000 Switchgear	\$23,088
Data Center	\$622,467
Early Childhood Education Center	\$604,126
Quad Programming	\$17,974
NC Courtyard/Quad/Monument	\$59,680
Wayfinding	\$10,712
Site Infrastructure	\$54,953
Interim Offices and Classrooms	\$40,379
Interim Faculty Offices	\$8,992
Gym Floor	\$8,845
SLO Campus Center	\$30,292
Bond Planning	\$88,755
TOTAL EXPENDITURES 2018	\$12,811,940
Total Prior Period Expenditures	\$0
TOTAL PROGRAM EXPENDITURES TO DATE	\$12,811,940

UNAUDITED ENDING BALANCE

\$61,007,694



The future facilities of Cuesta College

TOP: Rendering of the future R&B Shultz Early Childhood Education Center opening spring 2020.

LEFT: The start of demolition for the existing pools on the San Luis Obispo campus.

RIGHT: Placement of the concrete floor for the competition pool.

BOTTOM: North County Campus Center cafeteria/dining facility with roll-up perimeter doors that open up to covered outdoor seating.

For more Information:
www.cuestacollegebond.info

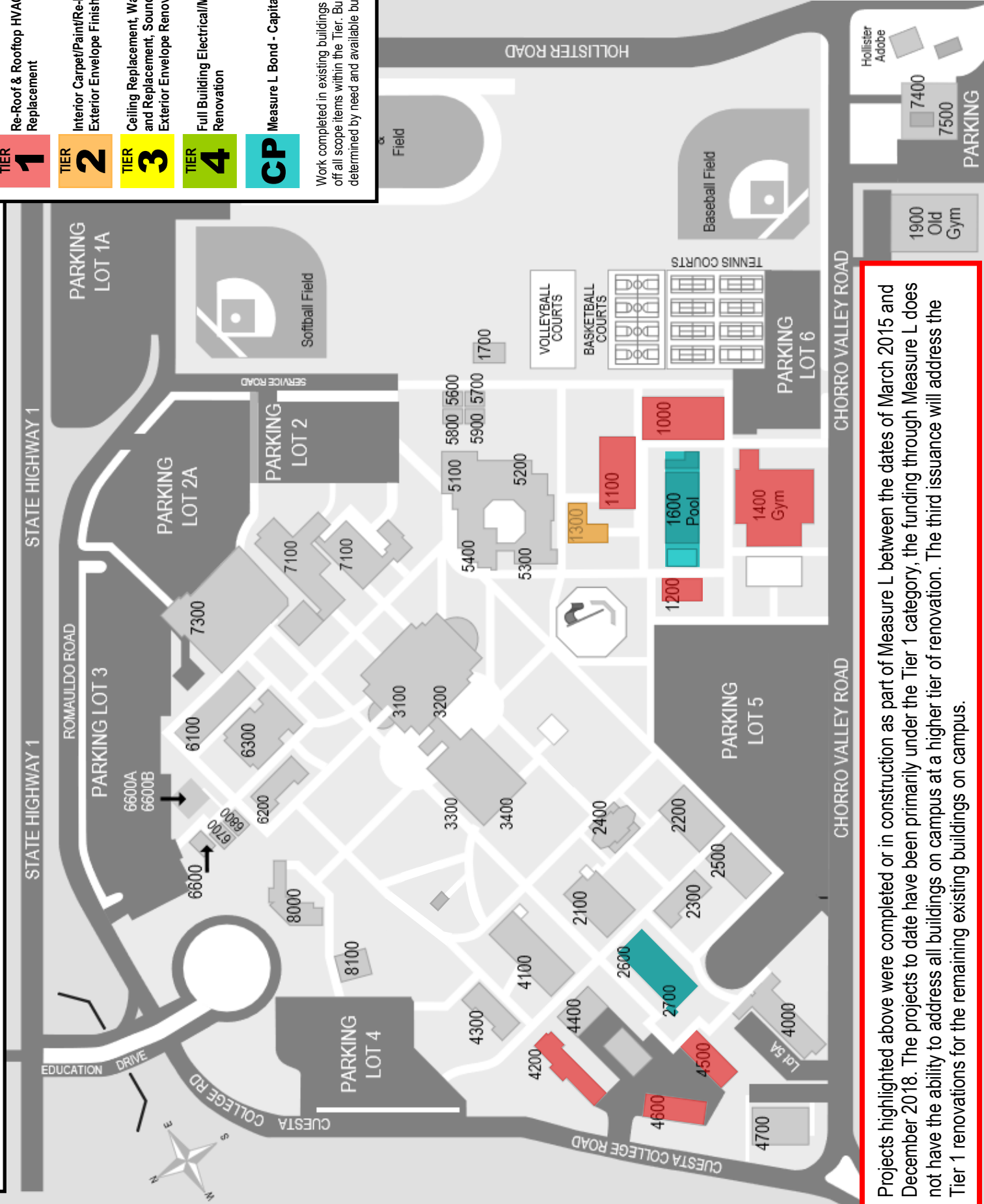


Measure L Completed Projects

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 2018. 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!



Second story view through the Campus Center main entrance with lobby and student facing computer stations below.

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. Projects planned throughout the duration of the bond which will include roof repair, seismic strengthening, stucco removal, access improvement and landscaping. Design for phase 1, fiberglass rod seismic strengthening, was completed in September 2018 with construction anticipated for summer 2019.

ADA, HVAC & Roofing Upgrades

New roof and HVAC systems were installed on the 1000 and 1300 buildings over the summer and fall 2018 semesters. Building 1200 construction is scheduled to start summer 2019. The bond team will wrap up design for the SLO campus 2000 complex ADA, roofing and HVAC upgrades spring 2019 with construction commencing summer 2019.

Asphalt Improvement Projects

Many roads and parking lots are in need of asphalt repairs on the SLO and NC campuses. The first of these in the second issuance will be the Romauldo Road Asphalt Overlay project. Design was completed in 2018 and construction is slated to be completed during spring 2019.

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