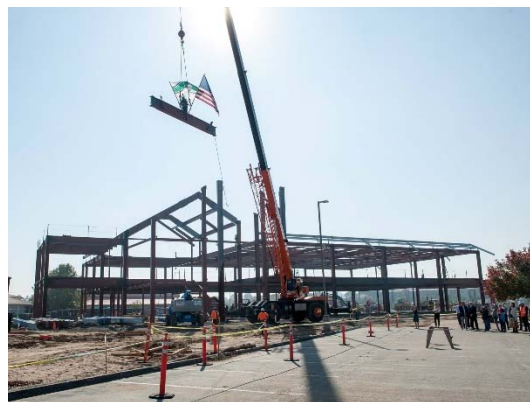




2016

ANNUAL REPORT

Measure L Citizens' Bond Oversight Committee



North County Campus Above, the new 11,000 square foot Early Childhood Education Building is scheduled to break ground Spring semester 2018 with completion scheduled for Spring 2019.

Topping Out Ceremonies Construction is underway on the San Luis Obispo Instructional Building (bottom left) and North County Campus Center (bottom right). Project Teams held Topping Out Ceremonies marking the completion milestone of the structural steel erection in October and November respectively.

Citizens' Bond Oversight Committee Members

Scott Lathrop
Committee Chair
Community Member

Daniel Cadwell
Vice-Chair
Student Representative

Susan Dressler
Senior Citizens'
Community Member

Mark Johnson
Taxpayers' Organization

Anneka Scranton
Support Organization

Pamela Avila
Business Community

Gayla Chapman
Community Member

Patrick O'Hara
Community Member

Committee Meeting Dates:

February 11, 2016
May 12, 2016
December 12, 2016
March 16, 2017
October 2017

*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.*

A Message from the CBOC Chair

The Citizens' Bond Oversight Committee is pleased to forward its 2016 annual report on the progress of the \$275 million general obligation Measure L bond program. The committee continues to carry out its principal duties of ensuring that bond proceeds have been expended for the purposes set forth in the Measure L ballot language, reporting progress annually to the public, and providing a compliance statement.

As you will see in this report, Measure L projects such as Technology Infrastructure Improvements, SLO Instructional Building and North County Campus Center are well underway, additional planning and design work has begun on the NC Early Childhood Education Center, SLO Data Center and SLO Aquatics Center.

The funding provided by Measure L is an indispensable investment in Cuesta College. It is essential to maintaining both San Luis Obispo and North County campuses as valuable community resources for enhancing educational opportunities and training and retraining students for higher paying and higher skilled jobs.

The committee relied on the annual performance and financial audits conducted by an independent certified public accounting firm, which disclosed no instances of non-compliance with the terms of Proposition 39 or Measure L. The 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 1(b)(3) of the California State Constitution.

Sincerely,



Scott R. Lathrop, Chairman
Measure L Citizen's Oversight Committee

A Message from the President

Thank you for your interest in the Measure "L" Citizen's Oversight Committee (COC) 2016-2017 Annual Report.

Since the first issuance of funds under Measure "L" in Spring 2015, the District has been successfully moving forward to address longstanding facility, infrastructure and technology needs as identified in its initial bond proposal to the community.

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.

Status Report

Tax Rate Increment 2015-16

<i>Year</i>	July 1, 2015 – June 30, 2016
<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 \$72 Million
<i>Third Bond Issuance</i>	2021 \$67 Million
<i>Fourth Bond Issuance</i>	2024 \$61 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' and Performance Audits

Fiscal Year Ending June 30, 2016

The Citizens' Oversight Committee received the Independent Auditors' Report for the accountants' schedule of proceeds and use 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, 2015 to June 30, 2016. The reports were prepared by certified public accountants Vavrinek, Trine, Day & Co., LLP.

The Independent Auditors' 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, 2016... 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, 2016, 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 Campus, and the South County Center. In addition to serving as locations to offer instructional programs and student services, SLOCCCD sites are centers for various public events, recreational activities, and community education programs.

Technology Planning & Implementation Update

WTC Consulting assisted with the creation of a Technology Implementation Plan for Cuesta College. This plan was completed in May 2016 and will complement the existing tech plan as well as inform the District's new Technology plan which begins in 2017. The plan addresses:

- Data and voice network and infrastructure
- Servers and storage
- Classroom technology
- Enterprise systems

The consultants worked closely with a working group made up of members from Information Technology, Facilities, and Public Safety. The working group sought input from faculty, staff and students throughout the SLO and NC campuses. The Cuesta Technology Committee functioned as the steering committee for the Technology Implementation Plan and provided high level direction for the plan.

During the 2016 year, Information Technology purchased and installed new virtual server farms at both San Luis Obispo and North County campuses. In all, 139 servers were migrated from physical servers to virtual server farms. With the new servers and storage systems fully upgraded and functional, IT moved on to the purchase and implementation of a new backup system for these systems. Over the summer and winter breaks respectively, IT also upgraded the wireless systems at North County and San Luis Obispo.



ABOVE: Concrete foundations being placed for the SLO Instructional building.

LEFT: Cuesta Engineering & Architecture classes touring the SLO Instructional Building.

BOTTOM: New, fully upgraded IT servers and racks.



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 Housing – 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 - \$72 Million

New classroom facilities:

- Early Childhood Education Building – NC
- Aquatic Center Complex – SLO
- Data Center – SLO
- Campus Center – SLO

Repairs & Upgrades:

- SLO 1000 & 2000 Complex

21st Century Technology Upgrades

Debt Retirement for Capital/Construction Projects

Third Issuance

2021 - \$67 Million

New classroom facilities:

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

Repairs & Upgrades:

- Complex by Complex

21st Century Technology Upgrades

Fourth Issuance

2024 - \$61 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 Instructional Building is a new 32,000 sq. ft. two-story building on the San Luis Obispo campus that will house the programs and departments displaced by the removal of modular structures. The first floor is comprised of high-capacity multi-discipline classrooms. The second floor will consist of more than 40 offices, staff lounge and meeting rooms. The project was bid in March 2016 and started construction on April 11, 2016. Of the 14 construction bid packages awarded, 13 local Central Coast contractors were awarded \$9,782,367, 81% of the \$12,069,367 total contracted dollars. Through December 2016, the project has reached 45% completion. The building is on schedule to be complete during Fall 2017 and open for Spring 2018.

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. The project also includes the demolition of existing buildings: N1000 (Nacimiento Wolf Building), N2000 (Carrisa Building), N3000 (Adelada Building), N4000 (Estrella Building), N5000 (Cerro Alto Building), and N6000 (Santa Lucia Building). The project was bid in April 2016 and started construction on May 16, 2016. Of the 13 construction bid packages awarded, 10 local Central Coast contractors were awarded \$15,138,937, 73% of the \$20,665,687 total contracted dollars. Through December 2016, the project has reached 25% completion. The building is on schedule to be complete during Fall 2017 and open for Spring 2018.

A rainbow over the steel structure of the North County Campus Center.



2nd Issuance Capital Projects Update

NC Early Childhood Education Building

The current North County Campus's Early Childhood Education Program is located in portable buildings. The high-demand program offers both childcare services and lecture courses. The new one-story, 11,000 sq. ft. Early Childhood Education Building will continue to 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 commenced in the fall of 2016 and is scheduled to begin construction during the spring of 2018.

SLO Data Center

The approximately 4,400 square foot, one story new building will include the San Luis Obispo Campus's main data/server room, along with support offices, restrooms, and an employee break room. Design commenced in the fall of 2016 and is scheduled to begin construction during the spring of 2018.

SLO Aquatics Center & 1000/1100 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 L-shaped pool. Pool decks, deck drainage, starting blocks, and diving boards will also be replaced. The pools will be connected to new equipment and utility infrastructure. The project will also include the ADA upgrades to the 1000 and 1100 buildings to provide accessible bathrooms and locker rooms for pool users and a new accessible restroom stall on the pool deck. Construction is scheduled to start summer of 2018.

ACTIVE BOND PROJECTS

**SAN LUIS OBISPO COUNTY
COMMUNITY COLLEGE DISTRICT**
December 31, 2016

PROGRAM BUDGET

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	\$525,114
Miscellaneous Income	\$650
Total Available Revenue	\$81,639,928

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, 2016)	Current Year
Program Management	\$248,412
Bond Program District	\$195,525
North County Campus Center	\$5,520,867
San Luis Obispo Instructional Building	\$6,181,921
Aquatic Center Complex	\$71,743
Aquatics Center Renovation	\$27,041
Interim Housing	\$662,921
Faculty Interim Housing	\$330,277
Roofing/HVAC Replacement	\$49,923
Building Repairs & Upgrades	\$189,367
Bond Planning	\$443,546
Hollister Adobe Planning	\$28,725
Technology Upgrades	\$583,958
Data Center	\$80,548
Early Childhood Education Center	\$27,233
North County Campus Trades & Technology	(\$4,429)
TOTAL EXPENDITURES 2016	\$14,637,578
Total Prior Period Expenditures	\$19,832,939
TOTAL PROGRAM EXPENDITURES TO DATE	\$34,470,517
UNAUDITED ENDING BALANCE	\$40,845,533



**The future facilities of
Cuesta College**

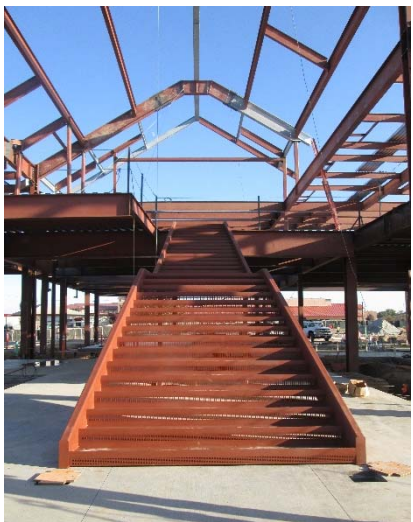
TOP: Northwest corner of the SLO Instructional Building featuring the Elevator and Stair Tower

LEFT: Future computer lab on the second floor of the NC Campus center featuring a central atrium and skylight

RIGHT: NC Campus Center lobby staircase

BOTTOM: NC Early Childhood Education Center rendering

For more Information:
www.cuestacollegebond.info



Your Measure L Dollars at Work!



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



RIGHT: Progress photo of the Campus Center front entrance structural steel framing.

Second Issuance Planning UPDATE

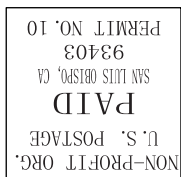
Signage & Wayfinding

Shortly after the 2nd Issuance bond funds are received in early 2018, the program team will begin the planning and design for District-wide Signage & Wayfinding.

ADA, HVAC & Roofing Upgrades

Summer of 2017, the program team will begin the design for ADA, Roofing and HVAC upgrades for the 1000 and 2000 building complexes on the San Luis Obispo Campus. The work is planned to be completed over semester breaks whenever possible to minimize the impact to the District.

Return Service Requested



San Luis Obispo, CA 93403
Highway 1

