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2014-2015 Citizens' Bond Oversight Committee REPORT TO THE COMMUNITY



CERTIFICATION OF EXPENDITURES

The San Francisco Community College District Vice Chancellor of Finance and Administration certifies that the bond proceeds for fiscal years 2014 and 2015 were expended only for the purposes set forth in the ballot measure and that no bond proceeds were used for any teacher or administrative salaries or other operating expenses. The expenditures for these fiscal years have been audited by our external auditors, Vavrineck, Trine, Day & Co., LLP, and the findings presented to the Oversight Committee. All performance and financial reports may be viewed by the following link: <http://www.ccsf.edu/en/about-city-college/administration/vcfa/Budget0.html>.

Bond proceeds for fiscals 2011, 2012, and 2013 were also expended for the purposes set forth in the ballot measure and no bond proceeds were used for any teacher or administrative salaries or other operating expenses. The expenditures for these fiscal years have been audited by our external auditors, Crowe Horwath and Vavrineck, Trine, Day & Co., LLP, and the findings presented to the current Oversight Committee. The previous Oversight Committee was not able to meet during this time period due to not obtaining a quorum. All performance and financial reports may be viewed by the following link: <http://www.ccsf.edu/en/about-city-college/administration/vcfa/Budget0.html>

ACTIVITIES OF THE OVERSIGHT COMMITTEE

The Oversight Committee met regularly during the year to review bond expenditures, receive updates on bond projects, and review annual fiscal financial and performance audits. They met on May 27, 2015, October 22, 2015, January 28, 2016, and again on June 16, 2016 at 33 Gough Street.

Effective July 2013, City College was under the supervision of a State appointed "Special Trustee With Extraordinary Powers." The elected Board of Trustees were not in power at that time. On January 7, 2015 the elected Board of Trustees were sworn in and their ability to vote on school policy was phased in over fiscal year 2015, while a Special Trustee continued with stay and rescind authority. The Special Trustee's stay and rescind authority was removed effective January 2016.

BOARD OF TRUSTEES

Rafael Mandelman, President
Thea Selby, Vice President
Amy Bacharach, Member
Dr. Brigitte Davila, Member
Steve Ngo, Member
Alex Randolph, Member
John Rizzo, Member
Bouchra Simmons, Student Trustee

BACKGROUND OF BONDS

In 2001, the voters of the San Francisco Community College District approved Proposition A, a \$195 million bond measure. Under the ballot measure approved, the District was authorized to use the proceeds to: eliminate portable buildings; improve disabled accessibility; complete the creation of a technology network; and build/complete new campuses in the Mission and Chinatown/North Beach neighborhoods.

In 2005, the voters of the San Francisco Community College District approved Proposition A, a \$246.3 million bond measure. Under the ballot measure approved, the District was authorized to use the proceeds to: provide for capital improvements including increasing student access to advanced computer technology and bio/stem cell technology, renovating classrooms, building new facilities for upper division classes, neighborhood classes and the performing arts.

Under both bond authorizations, the required voter approval rate required was 55% and required the creation of a Citizens' Oversight Committee in order to satisfy accountability requirements. Regulated by the Ralph M. Brown Public

Meetings Act, the Committee reviews expenditures reports to ensure that a) bond proceeds are expended only for the purposes set forth in the ballot measure; and b) no bond proceeds are used for any teacher or administrative salaries or operating expenses.

BOND OVERSIGHT COMMITTEE FORMED

On February 28, 2002, the Board of Trustees established an independent Citizens' Oversight Committee to inform the public about the expenditure of bond revenues. The Committee is designated as the San Francisco Community College District Citizens' Bond Oversight Committee (CBOC).

The purpose of the CBOC is to inform the public concerning the expenditure and uses of bond revenues. The CBOC shall actively review and report on the expenditure of taxpayers' money for bond-funded construction. The CBOC shall convene to provide oversight of the following:

- Ensuring that bond revenues are expended only for the purposes described in the official proposition which includes the ballot measure and the General Bond Project Report; and
- Ensuring that, as prohibited by Article XIII A, Section 1, subdivision (b)(3)(A) of the California Constitution, no funds are used for any teacher or administrative salaries or other school operating expenses. Notwithstanding the foregoing, the CBOC shall recognize that the District is authorized to use bond proceeds for the payment of salaries of District employees who perform oversight work on construction projects.



Health & Wellness Center

For ongoing updates to the CBOC, please visit <http://www.ccsf.edu/Board/Bond>

PROJECT HIGHLIGHTS AND OVERVIEWS

1. Completed Projects:

- Mission Center- Fall 2007
- Community Health & Wellness Center - Fall 2008
- Student Health Center - Summer 2006
- Downtown Center - Fall 2004
- Joint Use (Multi-Use Bldg.) - Summer 2012
- Chinatown/ North Beach Center - Fall 2012
- John Adams Center - Summer 2010

2. Ongoing Projects

- Child Development Center - Spring 2008

3. Chinatown/North Beach Center

The purpose of the project was to provide a new building that would become the permanent home to the academic and student service programs offered through the Chinatown/North Beach Center. Educational programs at the Chinatown/North Beach Center include credit and noncredit classes: noncredit ESL, Home Health Aide, credit and noncredit Business. The new Chinatown/North Beach Center is also home for many other credit classes -- Math, Physics, Chemistry, Geology, Nutrition, Fashion, Astronomy, Health Sciences and Foreign Languages. The new Chinatown/North Beach Center total square feet is 186,764 and has a library, a book store, and Culinary program



Chinatown/North Beach Center

4. Multi -Use Building

The primary purpose of this project is to provide needed instructional space to fulfill program and enrollment requirements of the City College campus. The project also replaces 43,435 ASF of deteriorating portables. Initially, this project was to construct a building that would be shared with San Francisco State University for collaborative training and integrated degree programs but ultimately the District moved forward with solely constructing and occupying the new facility.

5. Performing Arts

In October 2013, the Special Trustee With Extraordinary Powers did not pursue the building of the Performing Arts and Education Center citing a shortfall of approximately 20 million dollars and lack of planning for facility maintenance. To date, \$26 million dollars has been spent on architectural planning and site preparation for this structure. After not pursuing the project, \$22 million dollars in matching funds were reverted to the state. The College remains committed to this project and will resume its planning and construction efforts once the project has been fully funded. Approximately \$42.7 million in local bond dollars remain in this project budget.



Chinatown/North Beach Center



Performing Arts

LEVERAGING OF BOND FUNDS

The District makes every effort to leverage locally supported bond funds with other local state and federal funds in order to stretch tax payers' dollars. Of the \$ 563.6 million spent to-date on bond approved projects, approximately \$420 million was from bond funds and \$143.6 was received from federal, state, and local sources. This shared approach to funding resulted in 75 percent of project costs coming from bond funds and 25% paid for by the state or other local agencies.

The funding strategy used in the past will be utilized whenever possible for future capital construction projects. This funding strategy demonstrates the efforts the District has made to maximize the use of local bond funds.

Additionally, the District refinanced its general obligation bond funds in 2015. This refinance resulted in debt service savings to property tax payers of \$48.7 million as well as provided an opportunity for the District's bond ratings to be raised to Aa3 and A/Stable for Moody's, S&P, and Fitch respectively, the highest level since 2011.



For further information please visit:
<http://www.ccsf.edu/Board/Bond>

MEASURE A OVERSIGHT COMMITTEE MEMBERS¹

- Rafael Musni – Chair – Community Member Representative
 Faruq Ahmad – Member at Large Representative
 Christine Hanson – Member at Large Representative
 Kenneth Laslavic - Member at Large Representative
 Robert Linscheid – Business Organization Representative
 John Mahoney – Foundation Representative
 Todd A. Suchevis – Member at Large Representative
 Brenna Stroud – Student Representative
 Karen Waltz – Tax Payers Association Representative

1. DRAFT - June 16, 2016

BOND EXPENDITURE UPDATE

| Project | Actuals Through 2013 | Adopted Budgets | Actuals Through 2011 | 2011-12 Actuals | 2012-13 Actuals | 2013-14 Actuals | 2014-15 Actuals | Total | 2001 Bond Funds | State Leveraged Funds | 2005 Bond Funds | State Leveraged Funds | Total |
|---|----------------------|--------------------|----------------------|-------------------|------------------|--------------------|------------------|--------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|
| New Mission | 93,664,321 | 59,104,692 | 93,648,607 | 13,683 | 2,031 | - | - | 93,664,321 | 34,519,062 | 27,519,000 | 29,498,259 | 2,128,000 | 93,664,321 |
| Chinatown/North Beach* | 110,978,128 | 81,021,478 | 53,149,620 | 53,609,694 | 4,218,814 | 28,250,108 | 160,228 | 139,388,464 | 24,782,015 | 2,519,000 | 65,682,986 | 46,404,463 | 139,388,464 |
| Computer Network | 23,536,251 | (656,789) | 21,859,279 | 319,579 | 1,357,394 | 134,484 | 788 | 23,671,523 | 15,226,398 | | 8,445,125 | | 23,671,523 |
| Renovation and ADA | 44,555,584 | 1,148,715 | 42,068,684 | 2,234,901 | 251,998 | 465,003 | 545,689 | 45,566,276 | 20,062,706 | | 25,503,570 | | 45,566,276 |
| Joint Use Academic Facilities | | 31,429,615 | - | 223,614 | 2,517 | 69,283,148 | 247,570 | 69,756,849 | 301,074 | 1,038,000 | 29,865,775 | 38,552,000 | 69,756,849 |
| Performing Arts Center | 29,555,765 | (27,891,832) | 29,555,765 | | | (3,422,704) | 3,137 | 26,136,198 | 1,653,074 | | 24,483,124 | | 26,136,198 |
| Student Development Center | 237,021 | (32,770,000) | 237,021 | - | - | - | - | 237,021 | | | 237,021 | | 237,021 |
| Advance Technology/Bio Stem Cell Center | - | (36,790,000) | - | - | - | 1,149,418 | - | 1,149,418 | | | 1,149,418 | | 1,149,418 |
| J. A. Retrofit and Remodel | | 37,507,517 | - | 62,599 | 62,781 | 47,228,592 | 72,430 | 47,426,402 | | 1,932,000 | 22,000,841 | 23,493,561 | 47,426,402 |
| Evans Campus | 10,343,525 | 1,186,495 | 10,332,030 | 4,384 | 7,111 | | | 10,343,525 | 10,343,525 | | | | 10,343,525 |
| Community Health and Wellness | 82,161,674 | 65,409,200 | 82,064,695 | 94,093 | 2,886 | | | 82,161,674 | 82,161,674 | | | | 82,161,674 |
| Land Acquisition & Improvements for Parcel Adj to Ocean | 5,437,332 | (63,384) | 5,437,332 | | | | | 5,437,332 | 5,437,332 | | | | 5,437,332 |
| Balboa Reservoir-Infrastructure | 3,208,517 | (9,662,770) | 3,208,517 | | | | | 3,208,517 | 3,208,517 | | | | 3,208,517 |
| Child Development Center | 4,160,805 | 1,160,805 | 4,160,805 | | | | | 4,160,805 | 4,160,805 | | | | 4,160,805 |
| Student Health Services | 11,323,198 | 6,323,198 | 11,323,198 | | | | | 11,323,198 | 11,323,198 | | | | 11,323,198 |
| Totals | 419,162,121 | 176,456,941 | 357,045,554 | 56,562,547 | 5,905,532 | 143,088,049 | 1,029,842 | 563,631,523 | 213,179,380 | | 206,866,119 | 110,578,024 | 563,631,523 |

* In addition to amounts shown above, City College received and expended \$565,418 in donations and contributions from private sources. Additionally, as of June 30, 2016, 5.21M unexpended bond dollars remain. This table includes bond funding as well as leveraged/matching funds. Please visit <http://www.ccsf.edu/en/about-city-college/administration/vcfa/Budget0/bond-audits.html> to view the audit report that shows the bond revenue and expenditures.