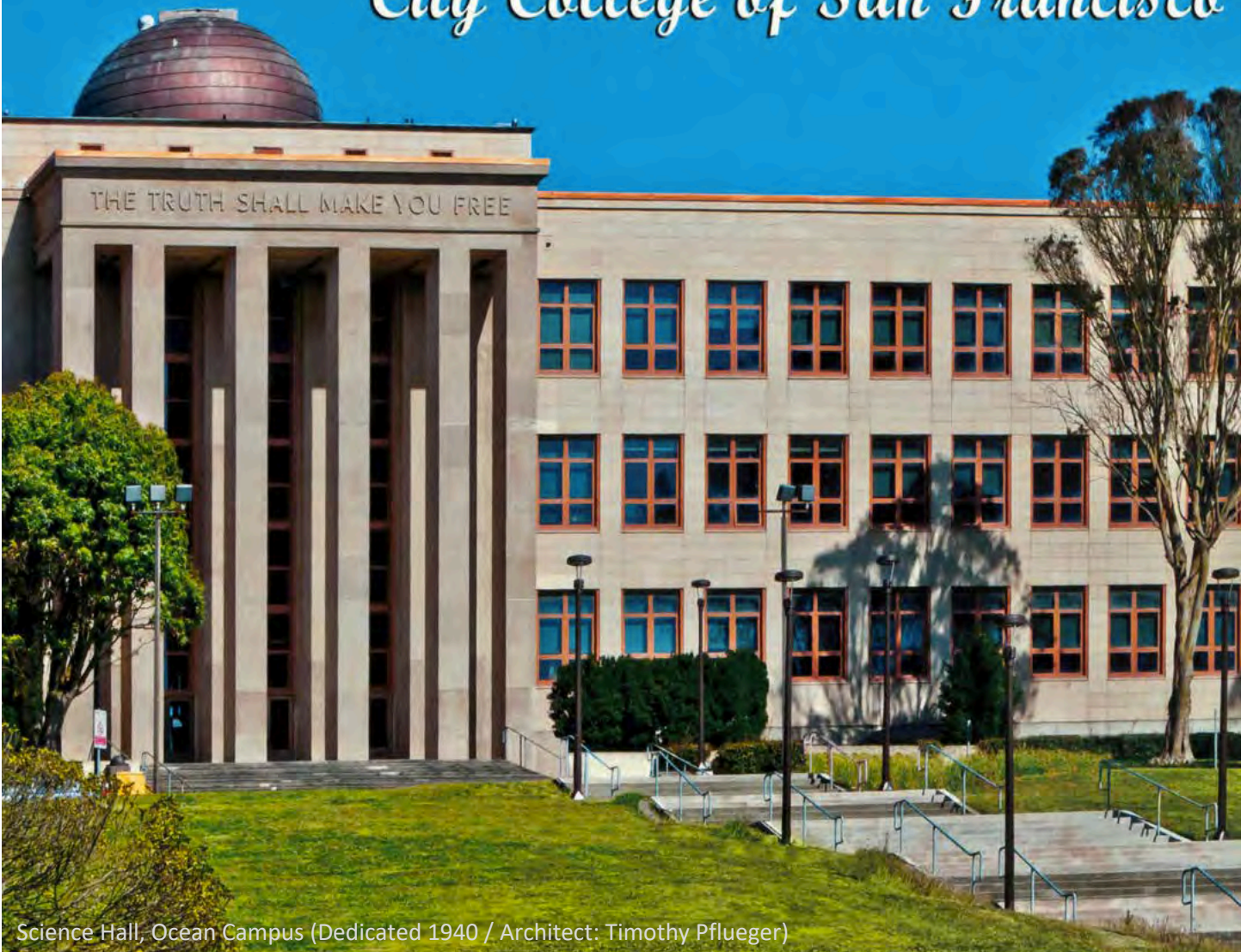


# *City College of San Francisco*



Science Hall, Ocean Campus (Dedicated 1940 / Architect: Timothy Pflueger)

## Citizens' Bond Oversight Committee

2017 Annual Report to the Community  
for the Fiscal Year July 2015 – June 2016

San Francisco  
Community College District

Published December 2017 (Updated 7/30/2018)

**Citizens' Bond Oversight  
Committee**

Rafael Musni, Chair  
At Large Member

Karen Waltz, Vice-Chair  
Bona Fide Taxpayer Association  
Member

Faruq Ahmad\*  
At Large Member

Anni Chung  
Senior Citizens' Organization  
Member

Christine Hanson  
At Large Member

Bradley Hook\*  
Student Member

Kenneth Laslavic, Esq.  
At Large Member

Todd Suchevids\*\*  
At Large Member

Daniel Weaver  
Business Organization Member

**Annual Report  
Subcommittee**

Faruq Ahmad\*  
Christine Hanson  
Rafael Musni

\*Term through 10/13/2017

\*\*Term through 7/20/2017



**2017 Annual Report to the Community**  
for the Fiscal Year July 2015 to June 2016

This is the San Francisco Community College District's (City College of San Francisco) Citizens' Bond Oversight Committee (CBOC) 2017 Annual Report to the Community approved by the CBOC on November 17, 2017.

**Contacting the CBOC**

Additional questions can be addressed to the Citizens' Bond Oversight Committee in care of City College of San Francisco's Office of the Vice Chancellor of Facilities, Planning & Construction.

City College of San Francisco  
50 Phelan Avenue, B-606  
San Francisco, CA 94112  
(415) 239-3055  
[facilities@ccsf.edu](mailto:facilities@ccsf.edu)

This report is available from the CBOC's website at  
<http://www.ccsf.edu/en/about-city-college/board-of-trustees/bond/annual-report>

# CBOC Roles & Activities

## Citizens' Bond Oversight Committee Roles and Responsibilities

The purpose of the Citizens' Bond Oversight Committee (CBOC) is to inform the public concerning the expenditure and use of bond revenues. The CBOC shall actively review and report on the expenditure of taxpayers' money for bond-funded school construction to ensure that bond funds are spent in accordance with the provisions of the ballot measure. The CBOC is comprised of volunteers who represent specific constituencies, including senior citizens, businesses, taxpayer organizations, students, and the community-at-large. The CBOC reviews and reports on the annual audits, in addition to their other monitoring and reporting activities.

## Background

Voters in San Francisco generously approved a bond measure (Proposition A in 2001) which provided \$195 million in funding 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, San Francisco voters approved Proposition A, a \$246.3 million bond measure that provided 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.

As required by Education Code Section 15278, the District Board of Trustees established a Citizens' Bond Oversight Committee composed of community leaders with expertise in finance, accounting, education, construction, sustainability and local government. The Committee is charged with the responsibility to assure voters that bond proceeds are expended only for construction, reconstruction, rehabilitation or replacement of College facilities in compliance with the ballot language approved by voters, and that no funds are used for teacher or administrator salaries or operating expenses.

## Committee Activities

The Committee convened and participated in a number of key activities central to their main charge, such as preparing the Annual Report, reviewing program expenditures, and reviewing annual audits. The full CBOC met on three occasions during the 2015-2016 fiscal year. Further, some members attended the CalBOC Conference, "Getting It Right": <http://www.calboc.com/2016-conference.html> on May 31, 2016. Committee members along with the public toured projects including the Chinatown/North Beach Center, the Orfalea Child Development Center and the subterranean infrastructure of the future Performing Arts Education Center (Performing Arts Center).

- Review of Financial and Performance Audits
- Review of Expenditure Reports
- Review of Committee Bylaws

# CBOC Roles & Activities

## CBOC Statement to the Community

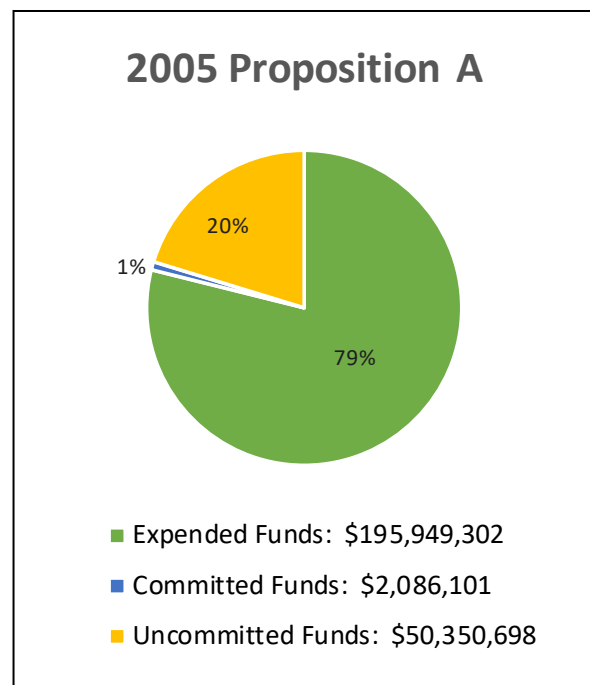
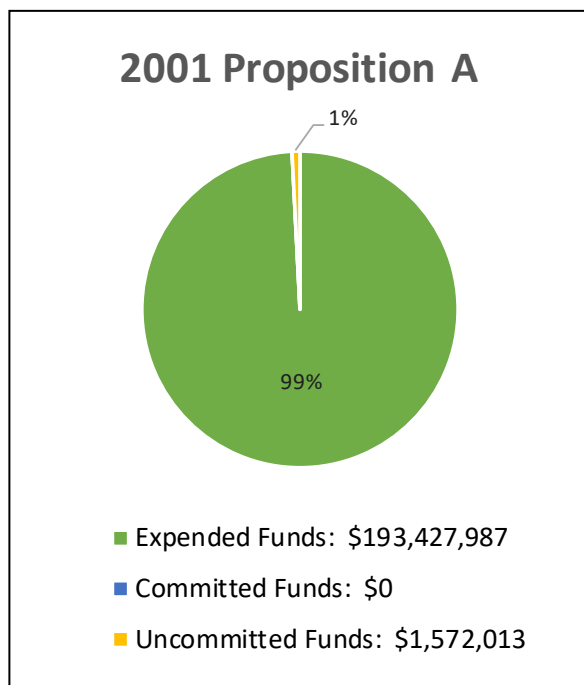
The Citizens' Bond Oversight Committee in reviewing the documents, reports and statements made by the Board of Trustees, Administration, their vendors and by visiting the physical properties is confident that the school is in compliance with the parameters of the Bond and that the school has made progress in Bond expenditure controls. Of the remaining items on the project list and the remaining Bond funds, the Committee is satisfied that the Administration is properly advancing towards completion in almost all aspects. However, the Committee remains concerned that the Performing Arts Education Center has no clear path to completion and that the remaining Bond monies are thus uncommitted in accounts. We recommend that the Board of Trustees and the administration expedite a solution to this.

This report was created in part by the work of the Annual Report Subcommittee that was formed after the change in the CBOC bylaws that allowed such committees. The CCSF Board of Trustees at the regular Board meeting on August 24, 2017 approved these bylaw changes.

More detailed information about the bond projects, timelines, and expenditures-to-date is available on the District's facilities web site: [www.ccsf.edu/facilities](http://www.ccsf.edu/facilities). From this page, click on the Bond Projects link to find information related to the activities of the Citizens' Bond Oversight Committee: meeting dates, agendas, meeting minutes, and reports. The Bond Oversight Committee welcomes members of the community to its meetings.

## Monitoring Bond Fund Expenditures

During the past year, the Citizens' Bond Oversight Committee monitored the Bond fund expenditures by reviewing the District's bond project plans, timelines and proposed expenditures. At each meeting, the Committee was provided financial reports and project plan updates describing the bond-related activities undertaken by the District. As of June 30, 2016, the District has expended \$193,427,987 and committed \$0 of 2001 Proposition A funds – 99.2% of the total authorization. The District has also expended \$195,949,302 and committed \$2,086,101 of 2005 Proposition A funds – 80.4% of the total authorization. The Committee additionally requested a bond audit reconciliation (Table 1) for review of detailed project expenditures for compliance with the ballot language project list.





# CBOC Roles & Activities

Table 1: Bond Audit Reconciliation

Project	Expense Classification	2015-16 Amount
2005 Chinatown Phase II	Construction in Progress	\$ 28,046.35
	Other Consulting	\$ 7,130.00
	Project Management	\$ 437,441.03
Performing Arts Center	Planning Costs	\$ 128,279.46
Childcare Center Renovations	Construction in Progress	\$ 1,047,007.12
	Fees for Services	\$ 474.78
	Legal Services	\$ 472,853.64
	Planning Costs	\$ 142,212.04
	Project Management	\$ 34,963.56
Prop 39 - Architectural/Engineering	Planning Costs	\$ 6,295.00
2005 ADA Renovation	Project Management	\$ 30,555.38
2006 Legal & Audit Exp	Legal Services	\$ 109,072.54
	Other Consulting	\$ 54,230.00
Bench Contracts	Project Management	\$ 86,772.82
Campus Police & Dean's Office	Planning Costs	\$ 37,392.73
Civic Center Temporary Site	Add-Expendable Misc Equipment	\$ 94,857.74
	Add-Furniture/Fixtures	\$ 38,587.30
	Add-Non Cap Computer Eqp	\$ 5,466.94
	Construction in Progress	\$ 137,000.68
	Maint & Repair - Equipment	\$ 381.04
	Maint & Repair - Non-Equipment	\$ 99,842.01
	Other Property Leases	\$ 566,700.00
	Planning Costs	\$ 69,240.87
	Project Management	\$ 12,225.80
Facilities Master Plan TCO	Legal Services	\$ 1,760.73
	Planning Costs	\$ 260,555.35
	Project Management	\$ 714.51
Gough Street Relocation	Planning Costs	\$ 77,310.56
SM 13-14 Downtown Campus	Construction in Progress	\$ 7,783.54
	Project Management	\$ 3,859.06
SM 13-14 John Adams Campus	Construction in Progress	\$ 10,666.45
	Planning Costs	\$ 319.00
	Project Management	\$ 596.99
SM 13-14 Rosenberg Library	Planning Costs	\$ 3,317.77
	Project Management	\$ 226.29
<b>Total 2015-16 Non-Payroll Expense</b>		<b>\$ 4,014,139.08</b>
<b>Total 2015-16 Payroll Expense</b>		<b>\$ 9,575.00</b>
<b>Total 2015-16 Expense</b>		<b>\$ 4,023,714.08</b>

# CBOC Roles & Activities

## Results of Financial and Performance Audits

In the annual financial and performance audits for Fiscal Year July 2015 through June 2016, the Auditors reviewed 81% of 2001 and 2005 Proposition A expenditures. The audits have concluded that the District complied in all material respects with bond measure requirements to expend proceeds only on the facilities projects specified in the bond measure legislation. The auditor issued an unqualified opinion that no deficiencies or unallowable expenses were discovered that should not be charged to the Bond Program. This report was presented to the full Committee at the January 19, 2017 meeting. The auditor answered Committee questions regarding its methods and findings. The audit reports are available at: <http://www.ccsf.edu/en/about-city-college/board-of-trustees/bond/audit-reports.html>.



**Vavrinek, Trine, Day & Co., LLP**  
Certified Public Accountants



**INDEPENDENT AUDITOR'S REPORT ON PERFORMANCE**

The Board of Trustees and  
Citizens' Oversight Committee  
San Francisco Community College District  
San Francisco, California

We were engaged to conduct a performance audit of San Francisco Community College District (the District) General Obligation Bond Funds (Election of 2001, Series A, B, and C and Election of 2005, Series A, B, C, and D) for the year ended June 30, 2016.

We conducted our performance audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

Our audit was limited to the objectives listed within the report which includes determining the District's compliance with the performance requirements as referred to in Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution. Management is responsible for the District's compliance with those requirements.

In planning and performing our performance audit, we obtained an understanding of the District's internal control in order to determine if the internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 39 and outlined in Article XIII A, Section 1 (b)(3)(C) of the California Constitution, but not for the purpose of expressing an opinion of the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

The results of our tests indicated that the District expended the Bond Funds only for the specific projects approved by the voters, in accordance with Proposition 39 and outlined in Article XIII A, Section 1 (b)(3)(C) of the California Constitution.

  
 Rancho Cucamonga, California  
 December 15, 2016

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10091 Foothill Blvd., Suite 200 | Rancho Cucamonga, CA 91730 | Tel: 909 465 4410 | www.vtdcpa.com | Fax: 909 465 4481

# CBOC Roles & Activities



Vavrinek, Trine, Day & Co., LLP  
Certified Public Accountants

VALUE THE DIFFERENCE

## INDEPENDENT AUDITOR'S REPORT

The Board of Trustees and  
Citizens' Oversight Committee  
San Francisco Community College District  
San Francisco, California

### Report on the Financial Statements

We have audited the accompanying financial statements of San Francisco Community College District (the District) General Obligation Bond Funds (Election of 2001, Series A, B, and C and Election of 2005, Series A, B, C, and D) (the Bond Funds) as of and for the year ended June 30, 2016, and the related notes to the financial statements, as listed in the Table of Contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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10501 Foothill Blvd., Suite 300 Rancho Cucamonga, CA 91730

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Bond Funds 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.

### Emphasis of Matter

As discussed in Note 1, the financial statements present only the Bond Funds specific to General Obligation Bonds, Election of 2001, Series A, B, and C and Election of 2005, Series A, B, C, and D, and are not intended to present fairly the financial position and changes in financial position of the District in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2016, on our consideration of the District's General Obligation Bond Funds (Election of 2001, Series A, B, and C and Election of 2005, Series A, B, C, and D) internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's General Obligation Bond Funds (Election of 2001, Series A, B, and C and Election of 2005, Series A, B, C, and D) internal control over financial reporting and compliance.

Vavrinek Trine Day & Co LLP

Rancho Cucamonga, California  
December 15, 2016

# CBOC Roles & Activities

## Bond Refinancing Efforts to Save Taxpayers' Money

San Francisco Community College District has aggressively pursued efforts to refinance bonds from 2001 and 2005 Proposition A to save taxpayers' money resulting in over \$41.17 million of taxpayer savings since 2015. The process of refinancing bonds is similar to refinancing a home loan – the District borrowed money at lower interest rates to pay off bonds that carried higher interest rates. All of the savings from the refinancing are passed onto the District's taxpayers in the form of lower property taxes.

In 2015, capitalizing on lower interest rates, the District refinanced approximately \$104.3 million of 2001 Proposition A bonds and approximately \$137.03 million of 2005 Proposition A bonds.

As part of each new financing or refinancing, the District requests a financial review from one or more of the nation's three credit rating agencies. Similar to a consumer, when a school district receives a better credit score, they have the ability to obtain better interest rates and ultimately save more money in the long run. The District's most recent financing provided the District with very strong ratings of Aa3 from Moody's and a A/Stable rating from Fitch.

The District will continue to monitor the market to take advantage of a low interest rate opportunities to refinance its debt and save taxpayers' money.



*Wellness Center, Ocean Campus*



# Building a Better Community

## Completed Projects Funded by Bond Measures

- Downtown Center – 2004
- Student Health Center – 2006
- Mission Center – 2007
- Community Health & Wellness Center – 2008
- Child Development Center – 2008
- Accessibility Upgrades – 2009
- Evans Center – 2010
- John Adams Center Upgrade – 2010
- Land Acquisition & Improvements for Parcel Adjacent to Ocean Avenue (Unity Plaza) – 2010
- Ocean West Campus (Balboa Reservoir) Infrastructure – 2012
- Joint Use Facility (Multi-Use Building) – 2012
- Chinatown / North Beach Center – 2012
- Renovation / Remodeling / ADA Access / Child Care – 2006 to current
- Computer Technology Network – Ongoing
- Energy Conservation - Ongoing



Mission Center

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*“Recognizing the challenges in addressing the educational needs of the community, a group of community leaders, teachers, and classified staff worked tirelessly for 34 years to realize our dream--a permanent home for the Mission Center in the heart of the Mission District, where an equitable education would be available to the community members. On August 7, 2007, that dream became a reality when members of the community cut the ceremonial ribbon.”*

**Jorge Bell, Mission Center Dean**

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Multi-Use Building, Ocean Campus (Joint Use Facility)

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*“The Chinatown / North Beach Center provides a signature facility in this vibrant community. The Center’s modern instructional, student support and collegial/community spaces allow City College to offer its world-class educational programs in this important part of San Francisco.”*

**Kit Dai, Chinatown/North Beach Center Dean**

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Chinatown/North Beach Center

# Building a Better Community

## Projects Delayed Pending Additional Funding

### Performing Arts Education Center

Approximately \$41 million (of the \$50 million uncommitted) 2005 Proposition A bond funds remain to construct City College's Performing Arts Education Center and Diego Rivera Theatre at the Ocean Campus. In Fiscal Year 2015–2016, the District submitted a grant application to secure an additional \$123 million in State Capital Outlay funding to supplement local bond funds. This project will construct an auditorium, recital hall and black box theater to house performances and events.

The auditorium concourse will display the mural "Pan-American Unity" by renowned artist Diego Rivera. The facility will provide modern, efficient, technology-supported and inspired classrooms, studios and rehearsal spaces for disciplines of critical thinking, creative, artistic expression and intelligent communication.



Artist Renderings

*"With the completion of numerous projects over the last decade, the school is better prepared to serve its students and citizens for the next century. And with the highly anticipated completion of the Performing Arts Education Center, City College will be a new civic asset for the city."*

**Rafael Musni**  
Chair, Citizens' Bond Oversight Committee

### Advanced Technology & Bio-Stem Cell Technology Learning Center

Construction of a new facility and associated infrastructure on the Ocean Avenue Campus with classroom, laboratory and related space to support Engineering, Design/Graphics, Computer, Bio-Stem Cell Technology Training Programs.

### Student Development Center

Construction of a new building and associated infrastructure on the Ocean Avenue Campus to provide for the consolidation of student services (admissions, registration, financial aid, matriculation, counseling, advising, and career planning) in a one-stop service center for all students.



# Building a Better Community

## Leveraging Local Bond Funds

District staff continues its work to secure additional State, local and private funding to supplement bond funds; to date, the District has secured more than \$84.3 million from these sources. Community colleges in California have experienced a significant decline in State Capital Outlay funds due to the fact that the State has failed to approve an educational facilities bond since 2006. A November 2016 statewide ballot measure (Proposition 51) was approved by voters that will provide approximately \$76 million in State Capital Outlay funds to supplement 2001 and 2005 Proposition A funds for modernization of City College of San Francisco's academic facilities (\$63 million for Utility Infrastructure Replacement at the Ocean Campus, and \$13 million for a seismic upgrade and modernization of the Civic Center instructional facility at 750 Eddy Street). In addition, City College of San Francisco has secured energy efficiency grants and rebates, and State Physical Plant grants, to further supplement local bond funds.

## How You Are Helping City College Build for the Future

Thanks to taxpayers, taxes collected from property owners to pay back the investors' purchase of 2001 and 2005 Bonds have already provided new and upgraded buildings to enhance the educational experience of City College of San Francisco students. The community at large has benefited greatly by using the facilities for meetings and programs. Construction will continue with the remaining Bond funds according to the approved projects helping critical infrastructure for education.



*Unity Plaza (Photo Credit: San Francisco Department of Real Estate)*

### Citizens' Bond Oversight Committee

Rafael Musni, Chair | Karen Waltz, Vice Chair  
Faruq Ahmad | Anni Chung | Christine Hanson | Bradley Hook | Kenneth Laslavic, Esq. | Daniel Weaver

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### Board of Trustees

Thea Selby, President | Dr. Brigitte Davila, Vice President  
Rafael Mandelman, Trustee | Alex Randolph, Trustee | John Rizzo, Trustee  
Tom Temprano, Trustee | Shanell Williams, Trustee | Bouthaina Belayadi, Student Trustee  
Dr. Mark W. Rocha, Chancellor

# Frequently Asked Questions

## What is a general obligation bond?

General obligation bonds fund projects such as the renovation of existing classrooms and school facilities, as well as construction of new schools and classrooms. Similar to a home loan, general obligation bonds are typically repaid over 30 years. The loan repayment comes from a tax on all taxable property – residential, commercial, agricultural and industrial – located in the District.

## How can I be sure that general obligation bonds will be spent on improving District facilities?

Fiscal accountability provisions were established to protect taxpayers. As required by law, an independent citizens' bond oversight committee was established to ensure that bond funds are properly spent. Also by law, there must be annual audits and no bond money can be used for teacher or school administrator salaries.

## What is the Citizens' Bond Oversight Committee and why does it matter to me?

The Citizens' Bond Oversight Committee (CBOC) is a collection of community members that are tasked to oversee the spending of general obligation bonds. This additional oversight is important because you pay for these bonds as part of your property taxes.

## What exactly does the CBOC oversee?

The scope of the CBOC duties and responsibilities are outlined in Proposition 39, passed in November of 2000. Oversight includes the review of construction and financial reports for proper expenditure of taxpayers' money. The committee is also responsible for the yearly review of a financial audit and is required to present this information to the public each year.

## When does the CBOC meet and can members of the public attend?

All CBOC meetings are open to the public. The meeting schedule, agendas, meeting minutes, and reports are posted online at [www.ccsf.edu/facilities](http://www.ccsf.edu/facilities). From this page, click on the Bond Projects link to find information related to the activities of the Citizens' Bond Oversight Committee.

## Does the Citizens' Bond Oversight Committee oversee the actual construction?

No. The District's Facilities Department manages planning and construction. Sometimes professional management companies are contracted to provide complementary and supplementary services.

## Does the Citizens' Bond Oversight Committee decide how bond funds will be expended?

No. The District's governing Board of Trustees approves projects and expenditures. The Citizens' Bond Oversight Committee monitors expenditures and reports out to the community.

## When will the Performing Arts Education Center be built?

The CBOC cannot answer this question since it is not involved in overseeing the actual construction or decides how bond funds will be expended. For more information regarding the District's facilities planning, please visit [www.ccsf.edu/facilities](http://www.ccsf.edu/facilities).

## I don't attend City College or have children who attend CCSF; how would bond measures benefit me?

Improvements to schools can have a positive impact on the entire community, not only the students. Aside from positive impacts on quality of education, improvements to schools can positively impact the local economy, local property values, traffic flow and safety. The District is committed to hiring from local businesses and companies, benefiting the current workforce. A better quality of education will lead to a better-skilled workforce in the future.

## How can I get additional information?

Visit [www.ccsf.edu/facilities](http://www.ccsf.edu/facilities) to keep apprised of latest happenings in the capital improvement program. A complete list of projects is available at this site. For additional questions, please contact the Office of the Vice Chancellor of Facilities, Planning & Construction at (415) 239-3055.