

**ANNUAL REPORT OF
CITIZENS BOND OVERSIGHT COMMITTEE
MARIN HEALTHCARE DISTRICT
February, 2018**

On November 5, 2013, eligible voters of Marin County, California approved Measure F, authorizing the Marin Healthcare District (District) to issue \$394,000,000 in general obligation bonds (Bonds). Measure F specifically identified several issues to be addressed. Among them were seismic upgrades to Marin General Hospital, expanding and enhancing emergency and other medical facilities, providing the latest lifesaving medical facilities for treatment of heart, stroke, cancer and other diseases, and reducing emergency room wait times. The seismic upgrades are designated to meet stricter California earthquake standards, and keep open Marin County's only designated trauma center.

Voters also established a Citizens Bond Oversight Committee (Committee), which would ensure that Bond proceeds were spent for the purposes stated in Measure F. Accordingly, after passage of Measure F, the District promulgated the General Obligation Citizens Bond Oversight Committee Charter (Charter), which established the purpose, duties and operations of the Committee. The Marin Healthcare District Board of Directors then selected six Marin County residents to serve as uncompensated members of the Committee for a minimum term of two years.

The Charter declares that the role of the Committee is to represent, advocate and promote the interests of District taxpayers, and to inform the public concerning the District's expenditure of Bond proceeds. The Committee fulfills this role through quarterly meetings and an annual report to the public on its activities and findings. It is in compliance with this mandate that the Committee submits this Annual Report.

The Committee had its initial meeting in November 2015 and met quarterly thereafter in February, May, August and November 2016, continuing those efforts in February, May, August and November of 2017. In attendance at each Committee meeting in 2016, among others, were the Chief Financial Officer (CFO) and Controller of the District, as well as the Construction Supervisor. In August of 2017 the Committee took an extensive tour of the new site, reviewing the completed parking garage, a mockup of a hospital room therein, and an overlook of the two new buildings in construction.

During its quarterly meetings the Committee receives updates from District staff on construction progress and discusses in some detail with District staff the status of the Bonds, funding and project costs. These updates include reviewing itemized spreadsheets detailing the expenditure of Bond proceeds, reviewing requisition procedures by which the District receives Bond proceeds, reviewing with District staff future projected expenditures of proceeds, and addressing the timing of any additional series of Bonds.

Over the past year the Committee continued to work closely, yet independently, with the CFO and the financial team, which has the day to day responsibility and accountability to the Board of Directors of the District for Measure F implementation and oversight. This team has informed the Committee that it has established internal and external systems and controls to ensure that all Bond proceeds are spent only for purposes consistent with Measure F. Based upon this information and the aforementioned review, to the best knowledge of the Committee, the Committee now determines that the District's expenditure of Bond proceeds as of September 30, 2017 has been in accordance with the purposes stated in Measure F.

February 13, 2018

**CITIZENS BOND OVERSIGHT COMMITTEE
MARIN HEALTHCARE DISTRICT**

Chair: Leslie Lava

Vice Chair: Jonathan Frieman

Members: Steven Dely, George J. Feiss, Charles D. Reite, and Jeffrey E. Tsai.