

**ANNUAL REPORT OF
CITIZENS BOND OVERSIGHT COMMITTEE
MARIN HEALTHCARE DISTRICT**

On November 5, 2013, eligible voters of Marin County, California approved Measure F which authorized the Marin Healthcare District (District) to issue \$394,000,000 in general obligation bonds (Bonds) in order to (a) make seismic upgrades to Marin General Hospital to meet stricter California earthquake standards and keep open Marin County's only designated trauma center, (b) expand and enhance emergency and other medical facilities, (c) provide the latest lifesaving medical facilities for treatment of heart, stroke, cancer and other diseases, and (d) reduce emergency room wait times.

In literature supporting Measure F, potential voters were advised that the establishment of a Citizens Bond Oversight Committee (Committee) 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) establishing the purpose, duties and operations of the Committee. In accordance with the Charter, the Marin Healthcare District Board of Directors selected six Marin County residents to serve as uncompensated members of the Committee for a minimum term of two years.

The Charter states 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 Charter requires the Committee to report to the public annually 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. In attendance at each Committee meeting in 2016, among others, were the Chief Financial Officer (CFO) and Controller of the District.

Activities of the Committee since its inception have included the following: (a) touring Marin General Hospital; (b) receiving updates from District staff on construction progress; (c) discussing with District staff the status of the Bonds, funding and project costs, including the review of itemized spreadsheets detailing the expenditure of Bond proceeds as of September 30, 2016; (d) reviewing with District staff the requisition procedures by which the District receives Bond proceeds; and (e) reviewing with District staff future projected expenditures of proceeds and the timing of any additional series of Bonds.

In conjunction with these activities, the Committee worked closely, yet independently, with the CFO and his financial team, who have 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 has determined that the District's expenditure of Bond proceeds as of September 30, 2016 has been in accordance with the purposes stated in Measure F.

February 15, 2017

**CITIZENS BOND OVERSIGHT COMMITTEE
MARIN HEALTHCARE DISTRICT**