



STAFF REPORT

City Council

Date: July 17, 2024
To: Mayor and City Council
From: Carolyn Robinson, City Treasurer
Prepared By: Michael Chandler, City Manager
Kristine Sosa, Finance Manager
Ali Hatefi, Assistant City Engineer
Title: Measure H – Citizen Bond Oversight Committee Annual Report

Recommendation

Receive and file the Measure H Citizens' Bond Oversight Committee Annual Report for FY 2022-23.

The Committee met on June 24, 2024, to review, discuss and accept the Annual Report. The Committee accepted the Annual Report and asked several clarifying questions, which were addressed and are recapped within this Report.

Background

In November 2008, voters approved Measure H, authorizing issuance of up to \$30 million in General Obligation Bonds to finance the costs of improvements to parks, the library and the swimming pool. On April 1, 2009, the City Council passed Resolution No.027-09, authorizing issuance of the first series of bonds in the amount of \$15 million. On February 15, 2012, the City Council passed resolution No. 010-12, authorizing issuance of the second series of bonds in the amount of \$10 million.

On October 4, 2017, the City Council authorized the refinancing of the Series A General Obligation Bonds to take advantage of lower interest rates and authorized a new money issuance of the final \$5 million of the \$30 million authorized by the voters with Measure H in 2009. On November 6, 2017, the City received a credit rating from Standard & Poor's of AA+ on both issues. On November 14, 2017, bids were received for the sale of the bonds. The transactions for both the \$5 million Series C, and \$10.9 million in 2017 General Obligation Refunding Bonds closed on December 6, 2017. The Series C bonds were sold at a true interest cost (TIC) of 2.97% with bonds maturing over 25 years from August 1, 2018 through August 1, 2042. The 2017 General Obligation Refunding Bonds resulted in a net present value savings of approximately \$3.3 million. The refunding resulted in a 23.7% savings in debt service over the refunded Series A Bonds. The annual debt service savings exceeded the \$2.6 million in interest costs for the Series C Bonds.

Oversight Committee – Establishment and Function

The City established a Citizens' Bond Oversight Committee (Committee) to provide enhanced

accountability to the citizens. The Committee’s purpose is to inform the public regarding the expenditure of bond proceeds and to ensure that the bond proceeds will be used only for the purposes specified in the ballot measure, which are as follows:

“To repair, renovate, and make needed safety improvements to neighborhood parks, playgrounds, sporting fields, and the replacement of Rankin Pool; renovate and expand the Martinez Library with a designated children’s area; provide youth recreational opportunities; and improve disabled access to parks and libraries, shall the City of Martinez issue \$30 million in general obligation bonds, subject to citizen oversight and independent audits with no money for administrators’ salaries?”

The Measure H – Citizens’ Bond Oversight Committee Bylaws, adopted on December 17, 2008 and attached for reference as Attachment A, specifies the Committee’s purview within Section 3. Duties, and Section 4. Authorized Activities, respectively as follows:

3.1 Inform the Public. The Committee shall inform the public regarding compliance of the City’s expenditures of bond proceeds.

3.2 Review Expenditures. The Committee may review quarterly expenditure reports produced by the City 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 administrative salaries of City employees or other operating expenses.

3.3 Annual Report. The Committee shall present to the City Council, in public session, an annual written report which shall include the following:

- (a) A statement indicating whether the Committee has determined that the City has expended bond proceeds only for the purposes set forth in the ballot measure; and*
- (b) A summary of the Committee’s proceedings and activities for the preceding year.*

4.1 In order to perform the duties set forth in Section 3.0, the Committee may engage in the following authorized activities:

- (a) Receive and review copies of the City’s annual independent audit of expenditure of bond proceeds.*
- (b) Inspect City facilities and grounds for which bond proceeds have been or will be expended, in accordance with any access procedure established by the City Manager of the City.*

Oversight Committee Review/Financials

Each fiscal year, the City is required to have a financial audit conducted by an independent certified public accountancy firm. The CPA firm of Maze and Associates is the City’s independent external auditor. The City’s Fiscal Year 2022-23 audit was completed in May 2024 in conformity with generally accepted accounting principles (GAAP). The auditors’ opinion was that the

financial statements fairly represent the financial position of the City as of June 30, 2023. On May 15, 2024, the audit was received and accepted by the City Council.

As of June 30, 2023, the audited fund balance of Measure H was fully expended. as shown below and in Attachment B to this report.

Total Fiscal Year Income to Date	\$ 30,869,604.49
Cost of Bond Issuance	\$ (142,000.00)
Project Costs Expenditures	\$ (30,727,604.49)
Measure H Fund Balance	\$ 0

Attachment B also includes a yearly audited summary of Measure H activity, including by each specific project. Attachment C to this report provides more specific details regarding the total income earned and expenditures incurred during FY 2022-23 for project costs related to capital projects C5036 (2018 Measure H Park Improvement), C5041 (Cappy Ricks Play Equipment Replacement), C5042 (Waterfront Park Field 5 / Multi-Purpose Field Improvements) and C5043 (Hidden Lakes Restroom/Concession/ADA).

The last of the Measure H funds were spent and closed out in FY 2023.

Oversight Committee Discussion

During the June 24, 2023 meeting, members of the Committee received an overview of the audited and unaudited financials and a review of the recently completed Measure H projects at Hidden Lakes Park, Cappy Ricks Park, and Waterfront Field 5, all of which required supplemental funding from the General Fund and Prop 68 Per Capita grant to complete. Staff confirmed that this will be the last Measure H Oversight Committee meeting as all of the Measure H funding is now spent following the completion of the FY 2022-23 audit. The Committee noticed an error in Attachment C regarding the net income on investment (which was incorrectly listed as net loss on investment). This correction has been made to Attachment C to this report.

The Committee asked questions regarding funding for maintenance and upkeep of parks, which is outside of the purview of Measure H funding designated for capital purposes only. The Measure X annual report (presented to Council on June 26, 2024) did include information regarding the annual operating funding spent on Parks and Grounds and Open Space in FY 2022-23 of \$2,606,175, an increase from the total spent in FY 2021-22 of \$2,206,830.

The Committee asked about the status of the Pine Meadow project and budget and staff provided an update, which clarified that the project was not funded with Measure H proceeds.

The Committee also asked whether the recent project at Cappy Ricks Park included the restrooms and staff confirmed it did not, as it pertained to only the play structure, fall zone, and landscaping.

The Committee expressed satisfaction with the success of Measure H and by unanimous vote determined that the City has expended bond proceeds only for the purposes set forth in the

ballot measure and recommended moving the report to the next available Council meeting on July 17, 2024.

Measure H Projects - Completed

The construction of the last Measure H projects C5041/C5042/C5043 were completed under a single construction contract, which was awarded by the City Council in September 2022, and now all Measure H funds allocated to the projects have been expended.

The following is a comprehensive list of the most significant Measure H projects:

Cappy Ricks Play Equipment Replacement Project (C5041)

Project replaced the under-utilized tot-lot play equipment with a new play structure and equipment more appropriate for 5 to 12-year-old children.

Waterfront Park Field 5 / Multi-purpose Field Improvements (C5042)

Project constructed numerous potential improvements to make this field more viable as an offset for Field 3's exclusive status for semi-professional, men's, and youth ages 14 and up baseball, including a new infield and backstop, shade coverings over dugouts, and field irrigation improvements.

Hidden Lakes Restroom / Concession Building Replacement (C5043)

Project replaced the existing restroom/concession stand with an ADA compliant facility. The project constructed ADA pathway access between the ballfields, parking lot, and restroom/concession building, and performed repairs to fencing at this park.

2018-19 Park Improvements Project (C5036)

This project improved facilities at Golden Hills Park, Highland Avenue Park, John Muir Park and John Sparacino Park. The City Council initially approved this project as part of the FY 2017-18 Capital Improvement Program budget which allocated \$1.2 million of Measure H funds. On April 17, 2019, the City Council allocated an additional \$870,354 of Measure H funds toward Project C5036 (along with allocations of Gas Tax for Reliez trail improvements, Park and Recreation fees for refurbishing the tennis courts at Golden Hills Park, and Park In-Lieu fees for the Romtec modular building at Golden Hills Park). The project was accepted by the City Council on May 5, 2020.

The renovation of Golden Hills Park included demolition and construction of a new community building in a new ADA accessible location, reconstruction of the basketball courts and resurfacing of the tennis courts together with miscellaneous improvements including pathway lighting, a new picnic area, reseeding the playfield and installation of a new monument sign. Highland Avenue Park improvements included replacement of the play structure and reconstruction of the basketball court. At John Muir Park and John Sparacino Park, improvements included constructing pathway and lighting improvements. Each of the four parks also received various landscaping, irrigation, drainage, fencing and park furniture improvements.

Waterfront Park Renovation Project (C5017)

This project was completed in January 2019. Improvements included renovated sports fields; new field lighting; parking lot and path lights and conduits; renovated pathways; asphalt paving; various landscaping and irrigation improvements; improved restrooms; new storm drains and retaining walls; new fences and railings; new park furniture; installation of new electrical work; reconstructed parking lots; and Americans with Disabilities Act (ADA) improvements. The project also included renovating the Group Picnic area and a new “tot” restroom near the play equipment.

Hidden Lakes Park Soccer Field (C5020)

This project, completed in 2016, replaced the natural turf soccer field with an artificial turf, multi-use field. The track around the field, along with paths in the park was also rehabilitated. Construction of ADA upgrades was included in the project.

The project was designed with the input of local youth soccer organizations. The soccer user groups indicated a desire to have flexibility for a wide range of age groups. The layout includes one adult sized field with one Under 11 field and two Under 9 fields striped also. The field accommodates one lacrosse field marked in a light green color so as not to contrast with soccer striping.

Susana Street Park (C5025)

The Susana Street Park Renovation Project was completed in the fall of 2015. The project included new pathways and sidewalks, new picnic areas and lighting. ADA access and restroom upgrades are also a part of the Project. The park was opened up for better visibility. In response to community input, the seatback portion rock benches were preserved and re-used as a planting border at the Estudillo Street entrances to the park.

Mountain View Park (C5025)

The Mountain View Park Renovation Project was completed in the fall of 2015. The play equipment areas were combined in a central location of the park and new picnic areas were constructed. The little league field received new fencing, dugouts and seating areas. New picnic areas were added and existing picnic areas were upgraded. The Project also included ADA access and restroom upgrades.

Hidden Valley Park (C5024)

This project was completed in 2014 and consisted of ADA compliance, restroom replacement and other park improvements. Some of the improvements include new swings, rentable and first come first serve picnic areas, walking circuit with active exercise stations, a level grass play area and refurbished baseball/softball fields.

Cappy Ricks Park (C5024)

This project was completed in 2014 and reconstructed the restrooms, tennis courts and turf. New picnic areas and pathways were added along with rubber surfacing under the existing play equipment.

Nancy Boyd Park (C5024)

This project was completed in two phases. The first phase renovated the restroom, ball field, tennis and basketball courts replaced the picnic and playground areas of the park. The second phase of the project was completed in 2014 and included construction of new picnic areas, including a new group picnic facility and the installation of play equipment.

Holiday Highlands Park (C5012)

This project was completed in 2012 and consisted of ADA, playground up-grade and other turf, picnic and park improvements. A restroom was installed at the park along with sewer connection.

Rankin Park / Tavan Field (C5023)

This project, completed in 2012, consisted of ADA compliance, playground upgrades, and other turf and park improvements. The existing restroom and concession building were replaced. Significant grading and sculpted retain walls were required to conform the site to ADA accessible grades.

Rankin Aquatic Center (C5009)

This project was completed in 2011 and consisted of a redesign and replacement of the former Rankin Pool including bathhouse, staff area and pump room. Exterior upgrades included ADA compliance, security/safety improvements, special features for children such as a sprayground, swim team classroom space and buffers for sound/wind.

Library Improvements (C4012)

This project was completed in 2011 and included a complete renovation and expansion of the basement area of the library. The project included the installation of an elevator to both make the area ADA accessible and improve circulation and accessibility. A community meeting room was added along with research and reading spaces.

Fiscal Impact

The expenses summarized in Attachments B and C reflect the audited expenses paid through Measure H for these park projects.

Attachments:

Attachment A – Measure H Citizens' Bond Oversight Committee Bylaws

Attachment B – FY 2022-23 Measure H Fund Summary (Audited, by year and project)

Attachment C – FY 2022-23 Measure H Project Expenditures (Audited)