



**CITY OF MARTINEZ**

**CITY COUNCIL AGENDA  
July 2, 2008**

**TO:** Mayor and City Council

**FROM:** Joann Tool, Deputy Director – Parks & Community Services  
Karen L. Majors, Acting City Manager

**SUBJECT:** Parks Bond – Amount, Language and Debt Service Method

**DATE:** June 19, 2008

**RECOMMENDATION:**

Approve the recommendations of the Park and Recreation Commission regarding 1) setting the bond amount at \$30 million, 2) approving the proposed bond language and 3) selecting the escalating debt service financing formula.

**BACKGROUND:**

**BOND AMOUNT:**

The Park and Recreation Commission held a special meeting on Wednesday, June 18, 2008, to discuss and provide recommendations on the proposed bond amount, the bond language, and the financing method used to sell the bonds.

There have been several drafts of the park cost estimates prepared by Borrecco Killian and Associates (BKA). Initially BKA was asked to estimate the costs of park improvements necessary for compliance with the American with Disabilities Act and to insure playground safety an issue which is common to every park throughout the City. The three priorities were 1) restroom replacement, 2) ADA improvements as outlined in the ADA survey completed by Architectural Network and 3) play structure replacement. A signature project in each park was also added. This first level of improvements is estimated to cost approximately \$9,274,747.

In the second draft of the report BKA was asked to add in costs associated with the renovation of all turf surfaces in each park including an upgraded computerized irrigation system with a central monitoring station. This estimate also includes sports field upgrades featuring a demonstration synthetic field at Hidden Lakes Park. This park was selected for the demonstration synthetic field because of the poor soil conditions and high field use at this park. Hidden Lakes Park is also in the Contra Costa Water District service area requiring the City to pay for water service within this park. This second level of park improvements is estimated to cost approximately

\$8,486,355. The level one and two improvements total approximately \$17,761,107. The estimated park improvement costs include design, construction, inspection and contingency expenses.

The Parks and Recreation Commission recommends that the proposed Parks and Library Bond be sized at \$30 million to facilitate a high level of investment in our park infrastructure system that will serve several generations of Martinez families and residents. This recommended level of improvements includes new restroom facilities, compliance with the American with Disabilities Act, safe and accessible play structures, and new turf and irrigation centrally controlled and monitored to conserve energy and water and reduce maintenance costs. The Parks and Recreation Commission also recommends at least one specific improvement in each park such as the installation of restrooms at Holiday Highlands Park, the installation of new playground equipment that reflects the natural beauty in Rankin Park and a new artificial turf soccer field at Hidden Lakes Park. All of the proposed improvements are based upon the Parks Master Plan. The estimated cost for all the park improvements is approximately \$17,761,102. The estimated cost of the proposed pool renovations is \$6 million and the cost of the proposed library upgrades is \$2 million. Based upon the above estimates, the Parks and Recreation recommends that the City Council approve a \$30 million bond as follows:

) Library Upgrades	\$2,000,000
2) Pool Improvements/Renovations:	\$6,000,000
3) Park Improvements	\$18,000,000
4) Cost Inflation and Contingency	\$4,000,000
TOTAL	\$30,000,000

**BOND LANGUAGE:**

The Park and Recreation Commission recommends approval of the following language drafted by the Bond Consultant and reviewed by the City’s Bond Counsel and Financial Advisor. This language also meets the 75 word ballot language limitation pursuant to the requirements of the County Elections Department. The proposed language reads:

**PARKS, LIBRARY, AND POOL SAFETY AND IMPROVEMENT BOND MEASURE**

To repair, renovate and make needed safety improvements to neighborhood parks, children’s playgrounds, sporting fields, and the Rankin Pool; renovate and expand the Martinez Library with a designated children’s area; provide recreational opportunities for youth; 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?

**DEBT SERVICE METHOD:**

The final recommendation from the Park and Recreation Commission is to direct the City's financial advisor to use the escalating debt service method for structuring the bonds. The Commission compared the escalating debt service scenario to the level debt service scenario and concluded that the voters would be more amenable to the escalating debt service methodology as it keeps the average annual tax levy at approximately \$29.50 per \$100,000 of assessed valuation. Given an average assessed home value of \$250,000, the annual cost to a homeowner in Martinez for this proposed Parks and Library Bond would be approximately \$73.75 per year for 30 years. Additional information regarding the annual bond cost at different assessed values is shown in Attachment 2.

**FISCAL IMPACT:**

None at this time.

**ACTION:**

Approve the proposed bond language, the proposed bond amount and the escalating debt service for the Parks Bond as recommended by the Park and Recreation Commission.

**ATTACHMENTS:**

- 1) Attachment 1 - Summary of Park Cost Estimates
- 2) Attachment 2 - Bond Cost Information

**APPROVED BY:**   
Acting City Manager



# Martinez Park System Opinion of Probable Costs

June 20, 2008

## Opinion of Cost Overall Summary Totals

### Alhambra Park

Site Furnishings	\$7,750.00
ADA Accessibility/Pathway	\$42,954.00
Landscape/Irrigation	\$77,399.00
Fees/Permits	\$20,458.00
Sales Tax/Shipping & Handling	\$636.00
<b>Alhambra Park Total</b>	<b>\$149,197.00</b>

### Cappy Ricks Park

Restroom replacement	\$200,952.00
Playground Up-grade	\$15,550.00
Site Furnishings	\$6,750.00
ADA Accessibility/pathways	\$91,337.00
Landscape/Irrigation	\$91,633.00
Park Improvements	\$33,800.00
Fees/Permits	\$77,301.00
Sales Tax/Shipping & Handling	\$10,172.00
<b>Cappy Ricks Park Total</b>	<b>\$527,495.00</b>

### Foothill Park

Playground Addition	\$110,059.00
Site Furnishings	\$8,300.00
ADA Accessibility	\$60,583.00
Landscape/Irrigation	\$129,650.00
Park Improvements	\$7,200.00
Fees/Permits	\$53,683.00
Sales Tax/Shipping & Handling	\$4,840.00
<b>Foothill Park Total</b>	<b>\$374,315.00</b>



Summary Total - Page Two

**Golden Hills Park**

Restroom replacement	\$340,242.00
Playground Up-grade	\$8,000.00
Site Furnishings	\$31,850.00
ADA Accessibility/Pathways	\$290,888.00
Landscape/Irrigation	\$341,062.00
Park Improvements	\$115,570.00
Fees/Permits	\$194,192.00
Sales Tax/Shipping & Handling	\$10,000.00
<b>Golden Hills Park Total</b>	<b>\$1,331,804.00</b>

**Hidden Lakes Park**

Restroom replacement	\$227,058.00
Playground Replacement	\$137,904.00
Site Furnishings	\$7,650.00
ADA Accessibility	\$333,478.00
Landscape/Irrigation	\$657,076.00
Park improvements	\$1,248,200.00
Fees/Permits	\$446,431.00
Sales Tax/Shipping & Handling	\$17,800.00
<b>Hidden Lakes Park Total</b>	<b>\$3,075,597.00</b>

**Hidden Valley Park**

Restroom replacement	\$277,384.00
Site Furnishings	\$416,131.00
ADA Accessibility	\$395,654.00
Landscape/Irrigation	\$529,014.00
Park Improvement s	\$68,537.00
Fees/Permits	\$289,242.00
Sales Tax/Shipping & Handling	\$22,772.00
<b>Hidden Valley Park Total</b>	<b>\$1,998,734.00</b>



Summary Total - Page Three

**Highlands Ave Park**

Playground Replacement	\$91,136.00
Site Furnishings	\$24,850.00
ADA Accessibility	\$63,337.00
Landscape/Irrigation	\$60,054.00
Fees/Permits	\$41,392.00
Sales Tax/Shipping & Handling	\$11,001.00
<b>Highlands Park Total</b>	<b>\$291,770.00</b>

**Holiday Highlands Park**

Restroom Addition	\$167,352.00
Playground Up-grade	\$24,750.00
Site Furnishings	\$101,667.00
ADA Accessibility/Pathways	\$91,419.00
Landscape/Irrigation	\$252,230.00
Park Improvements	\$37,850.00
Fees/Permits	\$117,294.00
Sales Tax/Shipping & Handling	\$15,706.00
<b>Holiday Highlands Park Tot</b>	<b>\$808,268.00</b>

**John Muir Park**

Playground Up-grade	\$2,800.00
Site Furnishings	\$20,350.00
ADA Accessibility	\$101,112.00
Landscape/Irrigation	\$14,976.00
Fees/Permits	\$23,668.00
Sales Tax/Shipping & Handling	\$1,769.00
<b>John Muir Park Total</b>	<b>\$164,675.00</b>



Summary Total - Page Four

**Morello Park**

Playground replacement	\$62,790.00
Site Furnishings	\$14,900.00
ADA Accessibility/Pathways	\$194,988.00
Landscape/Irrigation	\$303,230.00
Park Improvements	\$64,002.00
Fees/Permits	\$109,483.00
Sales Tax/Shipping & Handling	\$8,807.00
<b>Morello Park Total</b>	<b>\$758,200.00</b>

**Mountain View Park**

Playground replacement	\$182,930.00
Site Furnishings	\$39,750.00
ADA Accessibility/Pathways	\$132,024.00
Landscape/Irrigation	\$331,825.00
Park improvements	\$69,170.00
Fees/Permits	\$129,866.00
Sales Tax/Shipping & Handling	\$18,877.00
<b>Mountain View Park Total</b>	<b>\$904,442.00</b>

**Nancy Boyd Park**

Playground replacement	\$182,930.00
Site Furnishings	\$199,098.00
ADA Accessibility/Pathway	\$267,192.00
Landscape/Irrigation	\$525,750.00
Park Improvements	\$63,095.00
Fees/Permits	\$211,870.00
Sales Tax/Shipping & Handling	\$22,077.00
<b>Nancy Boyd Park Total</b>	<b>\$1,472,012.00</b>



Summary Total - Page Five

**Rankin Park**

Restroom replacement	\$363,386.00
Playground replacement	\$299,595.00
Site Furnishings	\$107,916.00
ADA Accessibility/Pathway	\$350,964.00
Landscape/Irrigation	\$317,967.00
Park improvements	\$148,350.00
Fees/Permits	\$276,663.00
Sales Tax/Shipping & Handling	\$45,535.00
<b>Rankin Park Total</b>	<b>\$1,910,376.00</b>

**Susana Park**

Site Furnishings	\$11,850.00
ADA Accessibility/Pathways	\$76,584.00
Landscape/Irrigation	\$163,767.00
Park Improvements	\$23,744.00
Fees/Permits	\$46,910.00
Sales Tax/Shipping & Handling	\$1,638.00
<b>Susana Park Total</b>	<b>\$324,493.00</b>

**Waterfront Park**

Restroom replacement	\$218,546.00
Playground replacement	\$17,210.00
Site Furnishings	\$119,574.00
ADA Accessibility/pathway	\$729,509.00
Landscape/Irrigation	\$1,677,313.00
Park Improvements	\$357,740.00
Fees/Permits	\$534,981.00
Sales Tax/Shipping & Handling	\$14,851.00
<b>Waterfront Park Total</b>	<b>\$3,669,724.00</b>

**Total For All Parks** **\$17,761,102.00**



**City of Martinez  
Election of 2008 General Obligation Bonds  
Summary of Tax Levy (Tax Rate Per \$100,000 A.V.)  
Escalating Debt Service**

Fiscal Year	Assessed Valuation	\$35,000,000		\$30,000,000		\$25,000,000		\$20,000,000	
		2009/2011 Series Debt Service	Levy Rate	2009/2011 Series Debt Service	Levy Rate	2009 Series Debt Service	Levy Rate	2009 Series Debt Service	Levy Rate
2008	4,441,209,338								
2009	4,574,445,618	827,462	18.09	827,462	18.09	1,354,586	29.61	1,114,535	24.36
2010	4,711,678,987	1,930,295	40.97	1,587,285	33.69	1,392,642	29.56	1,116,048	23.69
2011	4,853,029,356	1,942,811	40.03	1,684,520	34.71	1,392,642	28.70	1,116,048	23.00
2012	5,146,578,944	1,862,811	39.27	1,684,520	33.90	1,412,642	28.26	1,131,049	22.63
2013	5,303,036,209	2,011,830	38.02	1,719,044	33.39	1,456,766	28.29	1,165,353	22.63
2014	5,462,127,296	2,056,478	38.82	1,757,391	33.14	1,488,902	28.26	1,199,044	22.59
2015	5,625,991,115	2,102,766	38.50	1,803,837	33.02	1,536,989	28.18	1,234,102	22.59
2016	5,794,770,848	2,149,827	38.21	1,842,559	32.76	1,591,974	28.12	1,263,235	22.45
2017	5,969,613,973	2,198,733	37.94	1,889,535	32.61	1,622,514	28.00	1,285,621	22.36
2018	6,147,672,393	2,244,733	37.61	1,928,586	32.31	1,660,510	27.82	1,330,941	22.30
2019	6,332,102,564	2,282,515	37.29	1,974,869	32.12	1,705,502	27.74	1,363,736	22.16
2020	6,522,065,641	2,326,688	36.80	2,017,936	31.87	1,747,168	27.59	1,389,980	22.09
2021	6,717,727,611	2,362,101	36.52	2,057,392	31.55	1,790,365	27.45	1,431,354	21.95
2022	6,919,259,439	2,433,415	36.22	2,103,334	31.31	1,829,869	27.24	1,465,803	21.82
2023	7,128,837,222	2,480,076	35.84	2,146,210	31.00	1,870,626	27.04	1,487,356	21.64
2024	7,340,642,339	2,527,074	35.46	2,189,009	30.70	1,912,375	26.83	1,530,755	21.48
2025	7,560,861,609	2,574,087	35.07	2,231,403	30.40	1,954,776	26.63	1,565,676	21.33
2026	7,787,687,457	2,620,789	34.66	2,276,086	30.09	1,997,560	26.42	1,596,949	21.12
2027	8,021,318,061	2,669,847	34.24	2,313,693	29.71	2,040,300	26.20	1,629,150	20.92
2028	8,261,957,623	2,711,811	33.81	2,357,103	29.39	2,077,633	25.90	1,667,237	20.79
2029	8,509,816,352	2,760,308	33.41	2,399,666	28.04	2,119,468	25.65	1,700,462	20.58
2030	8,765,110,843	2,806,731	32.98	2,446,068	28.74	2,165,267	25.44	1,733,897	20.38
2031	9,028,054,169	2,850,756	32.52	2,485,685	28.36	2,204,394	25.15	1,767,135	20.16
2032	9,298,908,093	2,897,167	32.08	2,528,607	28.01	2,247,008	24.89	1,800,064	19.94
2033	9,577,873,276	2,945,467	31.68	2,574,297	27.68	2,287,526	24.60	1,832,364	19.71
2034	9,865,209,474	2,995,126	31.27	2,617,229	27.33	2,330,766	24.33	1,863,844	19.46
2035	10,161,165,759	3,040,609	30.82	2,657,140	26.93	2,371,136	24.04	1,899,196	19.25
2036	10,466,000,731	3,086,596	30.38	2,698,713	26.56	2,413,316	23.75	1,932,827	19.02
2037	10,779,980,753	3,132,473	29.83	2,746,334	26.24	2,456,712	23.47	1,964,427	18.77
2038	11,103,390,175	3,182,621	29.52	2,789,090	25.87	2,495,713	23.15	1,999,685	18.54
2039	11,439,481,581	3,226,128	29.06	2,831,662	25.50				
2040	11,779,578,028	3,276,645	28.65	2,871,618	25.11				
2041									
Total Debt Service		\$80,655,768		\$70,045,182		\$56,923,669		\$45,604,803	
Weighted Average Levy Rate			34.07		29.50		26.28		21.08
Average Levy Rate			34.28		29.72		26.61		21.32
Maximum Levy Rate			40.97		34.71		29.61		24.36
Total Principal		\$35,000,000		\$30,000,000		\$25,000,000		\$20,000,000	

Assumptions:  
 2009: MMD GO AAA Ins Scale as of 06/1/08 + 50bps  
 2011: MMD GO AAA Ins Scale as of 06/1/08 + 75bps  
 3.0% Growth from 2007-2008 Assessed Valuation Figure from City of Martinez  
 March 2009 Dated and Delivery Date, First Maturity of June 2010  
 Series are sized to generate enough premium to cover cost of issuance (for 2009 and 2011), underwriter's discount (for 2009 and 2011) and first interest payment (for 2009).  
 \$30M issue broken into two \$15M issues in 2009 and 2011; \$35M issue broken into one \$15M in 2009 and one \$20M issue in 2011.

**City of Martinez  
Election of 2008 General Obligation Bonds  
Summary of Tax Levy (Tax Rate Per \$100,000 A.V.)  
Level Debt Service**

Fiscal Year	Assessed Valuation	2009/2011 Series Debt Service	Levy Rate	2009/2011 Series Debt Service	Levy Rate	2009 Series Debt Service	Levy Rate	2009 Series Debt Service	Levy Rate
2008	4,441,209,338	\$35,000,000		\$30,000,000		\$25,000,000		\$20,000,000	
2009	4,574,445,618	1,038,048	22.69	1,038,048	22.69	1,718,285	37.56	1,382,806	30.23
2010	4,711,678,987	1,318,628	27.99	1,251,556	26.56	1,717,532	36.45	1,378,736	29.26
2011	4,998,620,237	2,419,088	48.95	2,075,800	42.77	1,719,094	35.42	1,378,720	28.41
2012	5,148,578,844	2,417,800	46.97	2,073,055	41.47	1,720,152	34.41	1,378,440	27.58
2013	5,303,036,209	2,417,200	45.95	2,076,046	40.32	1,720,497	33.42	1,382,681	26.86
2014	5,462,127,286	2,415,991	45.56	2,073,381	39.10	1,719,954	32.43	1,381,056	26.04
2015	5,625,991,115	2,418,726	44.28	2,074,921	37.99	1,718,366	31.46	1,378,661	25.24
2016	5,794,770,848	2,419,473	42.92	2,075,155	36.89	1,720,566	30.58	1,380,357	24.54
2017	5,968,613,973	2,416,907	40.49	2,076,062	35.79	1,721,243	29.70	1,380,845	23.83
2018	6,147,672,393	2,417,316	39.32	2,071,281	33.69	1,720,287	28.82	1,380,034	23.12
2019	6,332,102,584	2,415,309	38.14	2,074,688	32.76	1,718,204	27.13	1,377,881	22.41
2020	6,522,065,641	2,418,408	36.00	2,075,612	30.88	1,717,713	26.57	1,379,283	21.78
2021	6,717,727,611	2,418,625	35.89	2,074,355	30.88	1,721,618	26.40	1,378,912	21.14
2022	6,919,259,439	2,415,870	34.95	2,075,612	30.00	1,718,834	24.88	1,377,854	20.57
2023	7,126,837,222	2,419,280	33.89	2,075,309	29.11	1,718,489	24.11	1,382,264	19.91
2024	7,340,642,339	2,419,821	32.96	2,075,431	28.27	1,717,905	23.40	1,379,486	18.79
2025	7,560,861,609	2,418,889	32.00	2,074,302	27.43	1,719,856	22.75	1,379,859	18.25
2026	7,787,697,457	2,415,318	31.03	2,074,104	26.63	1,718,985	22.07	1,377,980	17.69
2027	8,021,318,081	2,415,318	30.11	2,076,241	25.88	1,720,153	21.44	1,378,825	17.19
2028	8,261,957,623	2,419,830	29.29	2,074,788	25.11	1,718,129	20.80	1,382,080	16.73
2029	8,508,816,352	2,419,835	28.44	2,074,749	24.38	1,717,932	20.19	1,377,504	16.19
2030	8,766,110,843	2,415,940	27.56	2,075,840	23.68	1,719,241	19.61	1,380,342	15.75
2031	9,028,084,188	2,416,424	26.77	2,072,857	22.96	1,716,954	19.02	1,380,176	15.29
2032	9,298,906,093	2,418,680	26.00	2,073,360	22.32	1,721,047	18.51	1,381,983	14.86
2033	9,577,873,276	2,418,980	25.25	2,074,366	21.86	1,721,053	17.97	1,380,560	14.41
2034	9,865,209,474	2,419,373	24.52	2,073,950	21.02	1,716,956	17.40	1,380,886	14.00
2035	10,161,165,758	2,418,431	23.81	2,072,557	20.40	1,718,748	16.91	1,377,682	13.56
2036	10,466,000,731	2,416,175	22.41	2,071,654	19.79	1,720,839	16.44	1,380,937	13.19
2037	10,779,980,793	2,417,314	21.77	2,072,998	18.67	1,717,929	15.94	1,380,044	12.80
2038	11,103,390,175								
2039	11,436,481,581								
2040	11,779,576,028								
2041									
<b>Total Debt Service</b>		<b>\$74,882,611</b>		<b>\$64,520,951</b>		<b>\$51,577,192</b>		<b>\$41,386,746</b>	
<b>Weighted Average Levy Rate</b>		<b>33.27</b>		<b>28.63</b>		<b>25.29</b>		<b>20.30</b>	
<b>Average Levy Rate</b>		<b>33.01</b>		<b>28.51</b>		<b>25.29</b>		<b>20.30</b>	
<b>Maximum Levy Rate</b>		<b>49.85</b>		<b>42.77</b>		<b>37.56</b>		<b>30.23</b>	
<b>Total Principal</b>	<b>\$35,000,000</b>			<b>\$30,000,000</b>		<b>\$25,000,000</b>		<b>\$20,000,000</b>	

Assumptions:  
 2009: MMD GO AAA Ins Scale as of 06/11/08 + 50bps  
 3.0% Growth from 2007-2008 Assessed Valuation Figure from City of Martinez  
 March 2009 Dated and Delivery Date, First Maturity of June 2010  
 2011: MMD GO AAA Ins Scale as of 06/11/08 + 75bps  
 Series are sized to generate enough premium to cover cost of issuance (for 2009 and 2011), underwriter's discount (for 2009 and 2011) and first interest payment (for 2009)  
 \$30M issue broken into two \$15M issues in 2009 and 2011; \$35M issue broken into one \$15M in 2009 and one \$20M issue in 2011