



*Creating a healthier Marin together.*

Website: [www.marinhealthcare.org](http://www.marinhealthcare.org) Email: [info@marinhealthcare.org](mailto:info@marinhealthcare.org)  
Telephone: 415-464-2090 Fax: 415-464-2094

## **CITIZENS BOND OVERSIGHT COMMITTEE**

**November 28, 2018, 6:00 PM**

Location: 100B Drakes Landing Road, Suite 190, Greenbrae, CA

### **MINUTES**

#### **I. Call to Order**

Leslie Lava

##### **A. Roll Call**

- ✓ Committee Members Present: Leslie Lava (Chair), Jonathan Frieman (Vice Chair), Steven Dely, George Feiss, Charles Reite.
- ✓ Committee Member Absent: Jeffrey Tsai
- ✓ Staff Members Present: Jim McManus (CFO); Jean Noonan (Controller), Ron Peluso, (MGH 2.0 Project Manager), Michael Lighthawk, (EA).

##### **B. Approval of Agenda - Motion to approve: Member Reite so moved. Member Dely seconded. Vote: All "Ayes". **Agenda approved.****

##### **C. Previous Minutes Approval for August 15, 2018 - Ron Peluso asked to amend his statement in Section III, 2<sup>nd</sup> paragraph, last sentence to read, "McCarthy has taken responsibility for the manufacturing error and is making the necessary changes." Member Dely so moved. Vice Chair Frieman seconded. Vote: All "Ayes". **Minutes approved with change.****

##### **D. General Public Comment – No Public.**

#### **II. CFO Annual Report**

Jim McManus

Jim McManus prefaced his report by stating the genesis for the CFO Report came from the Bond Measure passed in 2013 requiring the CFO to provide an annual report on the sources and uses of the general obligation (GO) bonds. The reporting year was selected as November 1 to October 31. There were no new issuances in the reporting period ending October 31, 2018 as all of the \$394M in GO Bonds were previously issued within the two prior reporting periods. Total Hospital Replacement Project Expenditures in this reporting period were \$96.3M; \$92.3M for Hospital Replacement and \$4M for West Wing Make Ready category. At this point, the Project is close to 50% complete. This report will be introduced to the District Board on December 11 and can be presented by either Jim or Leslie Lava.

#### **III. MGH 2.0 Project Status Update**

Ron Peluso

Ron Peluso stated his Project Status Report risk column has green and yellow shading because we are tracking to a revised schedule due to overtime. We have not had to launch the second shift because we are making up lost time in overtime to make up for lost days. The second shift is expected to be used when we begin taping drywall on the interior around March or April.

##### **Schedule Highlights**

- The OSHPD Permit & Steel Issue delay on has been mitigated back from 90 days to 45 days.



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- The licensing meeting with the California Department of Health went well and there were no issues identified that would prevent licensing.
- Exterior Building OSHPD Design Change (ACD's - Architectural Change Delays) – Steel plate ACD's and others are still needing to be approved by OSHPD. Currently, we have 5 of the 29 locations fixed with proper welds aided by a traction welder to manage the speed of the weld on every pass.
- We intend to use 2-3 days of rain delay budget as smoke delays due to the Northern California fires. The smoke has caused us to necessarily equip all workers with masks because of air quality regulations for construction. It took time to fit construction workers as a lot of the men had to shave their beards to be fitted to their safety masks. Some workers left because of this requirement.
- Production dry-wall starts tomorrow according to schedule.
- PG&E will be coming out in January to connect 12kv power to the site. All underground connectivity is in place ready to power up.
- Acoustical grid ceiling installation will be moved back to February.
- West wing building connections – Plans are being submitted to OSHPD who requires separate drawings for new plans.
- Final risk issues are around the impact of the weather. October took us off guard and we had to take some drywall down in six locations which will be resolved.

Cash Flow numbers are through September 2018. Expenditures to date are \$151.2M representing 50.1% of approved construction budget. The current funding burn rate is \$9.5M per month. There have been no new owner or contractor contingencies and there is still about \$5.5M remaining in contingencies.

We are still forecasting January 2020 for completion of the project and be ready for the first patient on June 1<sup>st</sup> 2020.

#### **IV. Status of General Obligation Bonds, Funding & Project Costs**

Jean Noonan

Bond Requisitions - Jean Noonan stated as of October 31, 2018, 65 bond requisitions totaling \$231M have been paid out of project funds. \$166M of bond proceeds remain as of October, 31, 2018.

Project Funds Expended and Projected Costs – To date, project funds expended are \$256M. Projected Costs are \$27M in 2018; \$169M in 2019; and \$72.7M in 2020.

Additional funding from ongoing operations, philanthropic resources (\$50M+) and Revenue Bonds (\$91M) will be used to bridge the gap from \$394M to \$535M.

A. Requisition Detail – No discussion.



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**V. 2019 Meeting Dates**

- **February 20**
- **May 15**
- **August 21**
- **November 20:** Following discussion, the committee agreed to change the November 20 meeting to an early December date, TBD.

**VI. Agenda Items for Next Meeting**

- CBOC Annual Report to the Community – Leslie Lava

Leslie Lava announced that it was time to draft the committee's annual report to the community based on the same data previously published in the reports for 2016-2017. Since the format of the report is already established, Leslie will update last year's report with the 2018 data and bring the report back to the committee in February for review and comment before posting. (Action)

**VII. Adjournment** – Chair Leslie Lava adjourned the meeting at 6:55pm.