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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 (CBOC)**

**February 20, 2019, 6:00 PM**

### **MINUTES**

#### **I. Call to Order** – Chair Lava called the meeting to order at 6:00pm.

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

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

##### **B. Agenda Approval** - Motion to approve: Member Frieman so moved. Member Dely seconded.

Vote: All “Ayes”. **Agenda approved.**

##### **C. Minutes Approval** - Motion to approve: Member Dely so moved. Member Feiss seconded. Vote:

All “Ayes”. **Minutes approved.**

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

**MGH 2.0 Site Tour** – Jonathan Frieman shared his experience of being inside one of the two new hospital towers on the second floor with Ron Peluso, the MGH 2.0 Project Manager. Jonathan said the overall spaciousness of the structure felt incredibly strong and massive and the infrastructure and the complexity was really impressive. Jonathan stated he really got a sense of security for the community in what we are achieving here with MGH 2.0.

**Appreciation** – Leslie Lava shared with the Committee that the MHD Board of Directors always lets her know how much they appreciate the committee members’ time and efforts in providing the community with oversight on the usage of the G.O. Bond funds for the MGH 2.0 building project.

#### **II. CBOC Annual Report to Community (Pgs. 8-9)**

Leslie Lava presented the “2018 Annual Report of the Citizens’ Bond Oversight Committee” to the community. This report summarizes the purpose, duties and operation of the CBOC as well as stating that the District’s expenditure of bond proceeds has been in accordance with the purposes stated in Measure F.

Chair Lava acknowledged there were no suggested changes or comment on the report coming from the committee members. Hearing no objections to the report, Leslie will present the report to the District Board of Directors and asked for the report to be posted to the District Website.



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### **III. MGH 2.0 Project Status Update (Pg. 11)**

Ron Peluso referred to the MGH 2.0 Project Status Report pointing out that the structural steel corrections have been addressed. The planned 2<sup>nd</sup> shift will begin in March, Monday through Friday evenings and daylight hours OT on Saturday. Site utility work has started on the campus including sanitation, electrical and O2 lines and will continue through the summer months.

State licensing requirements and procedures have begun. Recent legislation now requires a response to licensing requests within 30 days of application. This will help the project to finish on time. The project is about 2-3 weeks behind in making up the lost days from the steel fabrication issues but should be caught up by November of 2019.

Forty-two rain days have been used so far leaving 15 days in the Weather/Rain Bank. Additionally, 5 work days were lost due to the smoke from the Northern California fires but are not included in the Weather/Rain Bank at this time.

Ron summed up construction progress in various areas of the project:

- Interior finishing and dry wall installation has started.
- Med Gas lines are being tested and starting to be approved.
- Structural steel for the loading dock starts in March (not August).
- All elevators are ordered and the steel framing inside the elevator wells began in January.
- Basement wall framing is coming along well and is a critical path.
- Roof is water tight and dried in.
- Permanent power has been pushed out to May.
- Acoustical grid ceiling installation will start in April.
- Exterior sun shades should be finished by May 19.
- Aiming for June to be ready for fire alarm testing.

Upcoming activities include getting the site utility connections started and working through the summer to complete the permanent utility hookups. Additionally, a new lobby and gift shop will be added onto the West Wing and the current corridors will be remodeled.

Cash Flow – As of January 31, \$197M has been spent representing 65.5% of the Approved Construction Budget. Of the \$20.3M budgeted for contingencies, there is \$12.6M remaining. We are still on budget and on time for opening in June of 2020.

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

Jean Noonan stated there are \$155M remaining in G.O. Bond proceeds as of January 31. We submitted 3 requisitions during the Holiday period to cover costs for Hospital Replacement, West Wing Make Ready, and West Wing Renovation work totaling \$12.1M. Total G.O. Bond Expenditures are \$243M as of January 31, 2019.



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Total project cost is estimated at \$535M. As of January 31, 2019, \$279.6M in expenses have been incurred for MGH 2.0 across its five categories.

Yearly details of Project Funds Expended across all categories and sub-categories can be found on slide 16 of the packet.

- A. Requisition Detail – Leslie encouraged all committee members to review the requisition detail in order to insure compliance with the stated bond usages.

**V. Agenda Items for Next Meeting**

- MGH 2.0 Project Status Update
- Status of General Obligation Bonds, Funding & Project Costs

**VI. Adjournment**– Chair Lava adjourned the meeting at 6:30pm.