

MARIN HEALTHCARE DISTRICT

100B Drakes Landing Road, Suite 250, Greenbrae, CA 94904

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CITIZENS' BOND OVERSIGHT COMMITTEE MEETING

MAY 25, 2016 AT 6:00 P.M.

Chair: Leslie Lava
Members: Steven Dely
Jonathan Frieman
George Lula
Jeffrey Tsai
Paul Violich

Location:
MGH Finance Conference Room
100B Drakes Landing Road, Suite 190
Greenbrae, CA 94904

Staff: James McManus, Chief Financial Officer
Jean Noonan, Controller
Colin Coffey, Legal Counsel
Michael Lighthawk, Executive Assistant

AGENDA

- | | |
|--|-----------|
| I. Call to Order | Lava |
| A. Roll Call | |
| B. Agenda Approval | |
| C. Minutes of February 5, 2015 | |
| D. Safety Minute – 2016 Operation Safety Goals | Lighthawk |
| II. Item Tabled from Previous Meeting | Lava |
| A. Clarification of Purpose, Scope, and Authority of the CBOC | |
| III. Measure F: Bond Financing 101 | McManus |
| IV. Status of General Obligation Bonds, Funding & Project Costs | Noonan |
| V. Agenda Items For Next Meeting | Lava |
| VI. Adjournment | Lava |

**Previous Minutes
February 5, 2016**



Marin Healthcare District Office
100B Drake's Landing Road, Suite 250
Greenbrae, CA 94904
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Bond Oversight Committee

February 5, 2016 – 11:00AM

MINUTES

- I. **Call to Order:** James McManus, CFO, called the meeting to order at 11:00am.
- A. **Roll Call:**
- Acting Chair: James McManus, CFO
Members: Steven Dely, Jonathan Frieman, George Lula, Jeffrey Tsai, Paul Violich
Absent: Leslie Lava
Guest: Ron Peluso, Vertran Associates
Staff: Lee Domanico, CEO; James McManus, CFO; Jean Noonan, Controller
Jamie Maites, Director of Marketing; Colin Coffey, Legal Counsel
Michael Lighthawk, Executive Assistant
Public: Dennis Whipp
- B. **Approval of Agenda** (Pg. 1 of packet)
Agenda reviewed and approved.
- C. **Approval of Previous Minutes: November 17, 2015**
Two corrections of members' names indicated: Jeffrey Tsai and Jonathan Frieman.
Previous minutes approved with corrections.
- D. **Safety Minute** – Mr. Lighthawk introduced the committee to the hospital wide Operation Safety initiative. Mr. Domanico pointed out that Operation Safety is designed to reduce serious safety events in the hospital and that, since its inception two years ago, Operation Safety has reduced the number of serious safety events by 75%.

II. **Tour Of Marin General Hospital**

Lee Domanico

Lee Domanico, Ron Peluso, and Jim McManus led the committee on a tour of the Marin General Hospital Campus and construction areas, pointing out existing and planned structures sites as well as the extensive excavation required to accommodate MGH 2.0.

Returning from the campus tour, Mr. Domanico pointed out that the project to date has not generated a single neighbor complaint nor has there been a single injury on site during construction. The project is on time, on budget, 100% complete on design and 50% bid on the project. Mr. Domanico then invited the committee to view the new Hospital Replacement Project Video "Building for the Future" which outlines goals, building and floor plans, and patient room design.

Member Dely opened discussion on questions raised at the previous committee meeting, specifically:

- Committee Organization – Under what auspices is the committee established and what, exactly, are the responsibilities of the committee?

Mr. Domanico responded that a public oversight committee is required by the public bond. Also, the committee charter references back to Proposition F.

Further discussions ensued regarding clarification of the committee's responsibility to the public recognizing that the foundation of public oversight of the proper use of bond funds is founded in Proposition F itself and that the Committee Charter approved by the Marin Healthcare District Board of Directors is the highest public authority overseeing expenditures.

III. Review Of Proceeds Received From First Series of Bonds Issued

Jim McManus

Mr. McManus prefaced his presentation by saying that if there are areas that the committee would like more detail on, please let us know and will take any other over-arching questions as well.

General Obligation (GO) Bonds (Pg. 9) J

Mr. McManus pointed out that the first series of bonds (\$170M) was issued on October 27th (2015) and the transaction closed on November 10th with the funds being transferred to BNY Mellon. This happened to be perfect timing for the market and the District realized an effective interest rate of 3.83%. On December 8th the District Board enacted the resolution that allowed the bond funds to be used. Subsequently, in December (2015), the district began paying down project expenditures that were previously paid for by Marin General Hospital. These expenditures began in 2009 and continued through the end of 2015. During that time the assets were transferred over to the District as well. Currently, BNY Mellon is holding a little over \$150M of bond funds. In order to realize a little bit of interest, we are looking to pass a resolution to invest available cash on a short term basis of the bond proceeds in instruments that give very minimal returns because of the very strict requirements and regulations governing public fund investments. Member Violich asked if management could provide the schedule of securities and investments intended for the investable cash of the bond proceeds from the investment advisors, Canterbury Consulting.

In November, Mr. McManus mentioned that the Chief Financial Officer is required to provide an annual report to the community. This report will be presented to this committee, the District Board and publicly posted on the District website. Mr. McManus then outlined his choice of timing of the report taking into consideration the recent change in the fiscal year of the District to a calendar year. Therefore, Mr. McManus chose October 31 as the date of the report with a due date of January 1 of each fiscal year.

IV. Review of Project Expenditures to Date

Bond Requisitions Pg. 10

Jean Noonan

Provided in chart format are the first three requisitions submitted to BNY Mellon by the District signatories: Lee Domanico, CEO; James McManus, CFO; and Jean Noonan, Controller. BNY Mellon pays the vendor directly using a standard form for distribution of funds. The first two requisitions were for reimbursement of hospital expenditures. The same day of the reimbursement, the assets were transferred to the District. Detail is provided in the slide summarizing what the expenditures and related assets were, i.e., Hospital Replacement, West Wing Make Ready, Hillside Parking Structure, and West Wing Renovation. The hospital was reimbursed for expenditures from June 1, 2013 to present day. The third requisition went mostly to Hospital Replacement (\$1.7M) and was paid towards the end of December, 2015. Invoice support is required by BNY Mellon.

Member Dely asked what the process is to assure that the work is actually done that matches the expenditures. Ms. Noonan stated that the invoices are reviewed by the Project Manager, Ron Peluso, who reviews the schedule of values with all the sub-contractors who indicate the percentage of the individual

projects are complete. The inspector of record actually walks the site and reviews the scope of the project so far and validates the work completed. Contractors and sub-contractors invoice monthly.

Bond Requisitions Pg. 11

The bulk of the initial three bond fund requisitions went to McCarthy Building Companies - \$21.6M. The last vendor payment went to the Office of Statewide Planning (\$1.0M) for permits and fees to assure that we pass inspections. Mr. McManus interjected that these "OSHPD" (Office of Statewide Health Planning and Development) permits are required anytime there is a change in a building or renovation plans. Additionally, OSHPD revises their building code requirements for healthcare every year, so we will continue to have a very active relationship with OSHPD as we proceed with the project.

MGH 2.0 Pg. 12

Total cost of the MGH 2.0 project is estimated at \$534M of which \$394M will be realized from bond funding with additional funding coming from ongoing hospital operations, philanthropic resources and revenue bonds. As of the end of December 2015, \$49.6M in expenses have been incurred for MGH 2.0 as detailed in the slide on page 12 and further broken down in the schedule on page 13.

Project Funds Expended to Date Pg. 13

Member Violich noted that the schedule on page 13 does not illustrate whether or not the expenditures are above or below budget which would have a bearing on the timing and level of what the next tranche of bond funds will need to be. Ms. Noonan indicated that Mr. Peluso provides monthly updates and updated forecasts for what the subsequent months spending will be and management can provide a delta between that and the budget in our reports going forward.

Projected Costs 2016-2020 Pg. 14

Mr. McManus pointed out that this schedule represents the budget for each year. Each column for each year is a summary of expected costs that is further broken down into minute detail under each category in the far left column. These numbers are all budget numbers and forecasted by Ron Peluso. Again, Ron reforecasts the expenditures every month based on any unexpected expenditures occurring in the prior month. Therefore, when Lee Domanico says we are currently on time and on budget the Total Project Costs for all categories will still be \$534M.

Member Dely asked that if any balance over the \$394M in bond funds will be partially fulfilled by hospital operational revenue, what would be important to know is the future operational cost structure of the new hospital. Mr. McManus responded that, although an excellent question, it is actually external to this group because it involves the actual operations of the hospital which is charged by the District to the MGH organization and management group.

Further discussions ensued regarding the committee's responsibility to the public to see that the bond funds are being appropriately spent on the actual construction of the new hospital according to the mandate provided by the passage of Measure F.

V. Bond Oversight Committee Web Page

Jamie Maites

Ms. Maites introduced herself as Director of Marketing, Communications and Public Relations activities for MGH and MHD. Jamie's team has put together a webpage on the Marin Healthcare District's website dedicated to the Citizen's Bond Oversight Committee that includes the MGH 2.0 video, links to the committee charter as well as to the Public Meetings section where all the documents for the committee will be archived.

Ms. Maites invited the committee members to submit their professional bios for the webpage and hopes that members are willing to have their portraits taken to go with the bios. A link to the hospital's MGH 2.0 webpage includes FAQ's about Measure F and the related taxes that Marin residents started to receive this year.

Further discussions ensued regarding how helpful it would be to have a clear three dimensional picture of how the bond process works not only for the committee but for the public on the website as well.

VI. Selection of Committee Chair

Mr. McManus called attention to the fact that Leslie Lava is absent from this meeting. However, Ms. Lava did express sincere interest in serving the committee as Chair and wished Mr. McManus to convey that desire to the committee.

Now that the committee members have had ample opportunity to consider the resumes of each member, Mr. McManus, as acting chair, asked for input and direction from the members on how to proceed.

Following a brief discussion, Member Violich, recognizing Ms. Lava's expertise and willingness to serve moved to nominate Ms. Lava as Chair of the Citizen's Bond Oversight Committee.

Member Tsai, speaking for the members, asked that if Ms. Lava is confirmed as chair, that she would continue the discussion of clarifying the purpose and scope of the committee at the next meeting.

The motion was seconded. The vote was unanimous.

Motion passed. Leslie Lava is elected Chair of the Citizen's Bond Oversight Committee.

Member Dely asked for confirmation if the members of the committee are protected under director's indemnity insurance under the Marin Healthcare District liability insurance. Mr. McManus stated that he asked both the District's internal counsel as well as our insurance agent, James + Gable, and is able to validate that coverage.

Mr. McManus concluded by thanking the committee for their time and patient, open conversation.

VII. Agenda Items for Next Meeting (Wednesday, May 25, 2016)

A. Clarification of Purpose, Scope, and Authority of the CBOC

VIII. Adjournment - There being no further business, the chair adjourned the meeting at 12:55pm.

Marin Healthcare District

Creating a healthier Marin together.

Measure F: Bond Financing 101

Created May 2016

What is a general obligation (GO) bond?

A GO bond is a common type of municipal bond in the United States that is secured by a state or local government's pledge to use legally available resources, including tax revenues, to repay bond holders.

Why is a GO bond needed for Marin General Hospital?

- California law requires that all hospitals, Marin General Hospital included, be built to meet the State's rigorous seismic standards. Hospitals not meeting this mandate are forced to close.
- As Marin County's designated Trauma Center, it is essential to the health and well-being of the community, that Marin General Hospital remain open in the immediate aftermath of a natural disaster and other emergency.

What is Measure F?

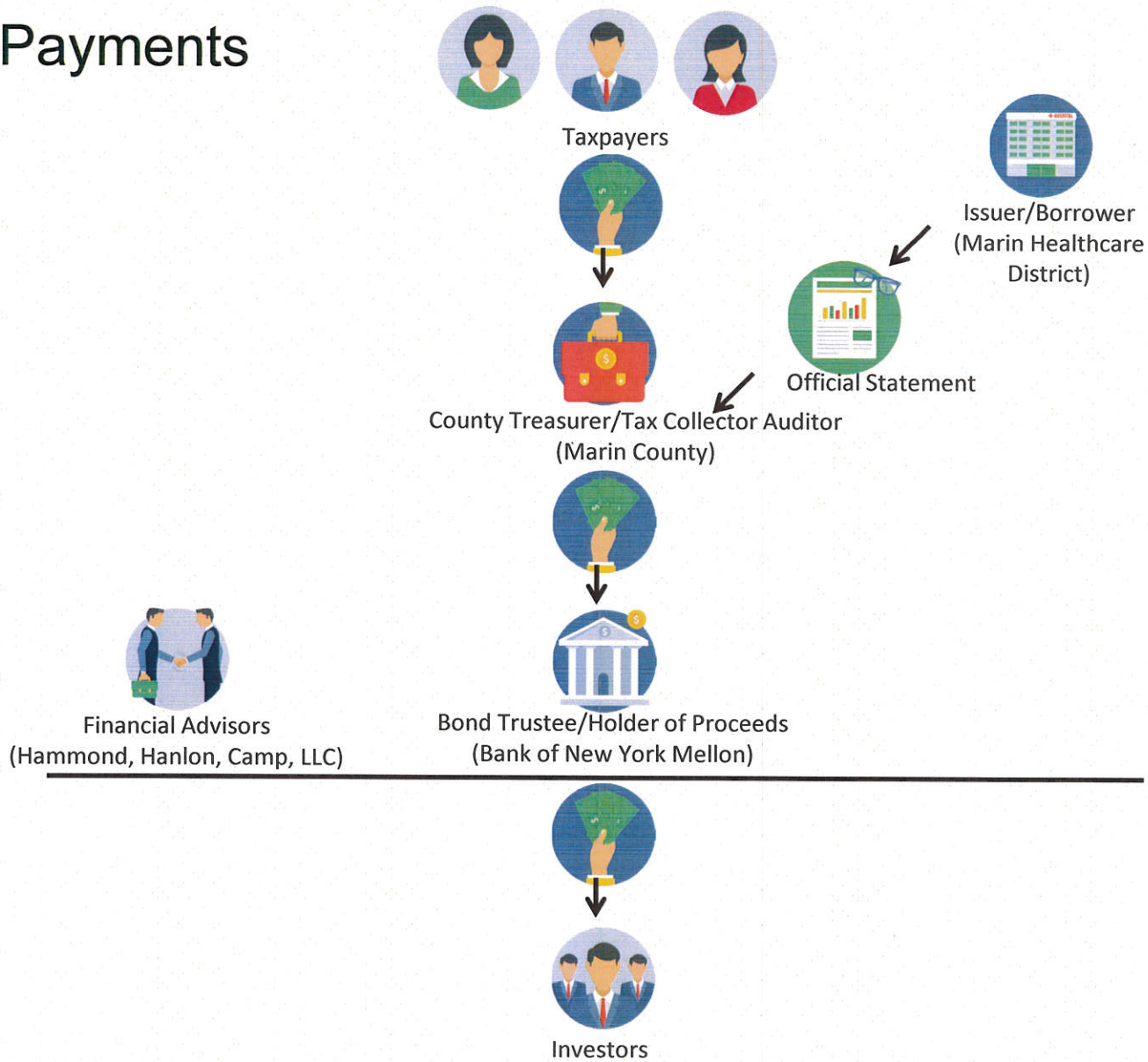
On November 5, 2013, voters in the Marin Healthcare District approved Measure F, the \$394 million general obligation (GO) bond, to rebuild Marin General Hospital. The funds from the bond, which are expected to be on taxes for the next 30 years, will be used to build the new Marin General Hospital – MGH 2.0 – a modern, earthquake-safe, hospital that will serve our community well into the future. Property owners will be assessed on the value of owned property for the next 30 years.

MGH will request that a portion of the GO bonds be issued at various times to fund the construction of the new hospital. In November 2015, \$170 million of the \$394 million was issued.

Who are the GO Bond Issuing Participants?

- Issuer/Borrower
 - Marin Healthcare District
- Financial Advisor
 - Hammond, Hanlon, Camp, LLC
- Bond Counsel
 - Orrick
- Disclosure Counsel
 - Archer Norris
- Rating Agency
 - Moody's
- Bond Trustee/Holder of Proceeds
 - Bank of New York Mellon
- County Treasurer-Tax Collector/Auditor
 - Marin County
- Underwriter
 - Morgan Stanley and Stifel Nicolaus
- Underwriter Counsel
 - Sidley Austin

Bond Payments



Issuing Participants Explained



Issuer/Borrower (Marin Healthcare District)

- Receives voter approval to issue GO bonds
- Can't afford to pay for project on a pay-as-you-go basis
 - Needs to borrow money for a large project
 - May issue certificates of participation (COPs), if no GO bonds are available

Investors/Lender

- Have money to invest
- Prefer tax free fixed income

Issuing Participants Explained, cont.



Financial Advisor (Hammond, Hanlon, Camp, LLC)

- Fiduciary responsibility to the Issuer
- Assists with debt authorization
- Explores financing alternatives
- Constructs financial model
- Assembles “Financing Team”
- Develops financing schedule
- Evaluates and recommends method of sale
- Prepares bond specifications and terms
- Prepares district personnel and presentation materials for bond rating
- Manages bond sale
- Provides compliance
- Financial Advisor

Issuing Participants Explained, cont.

Bond Counsel (Orrick)

- Prepares legal documents including:
 - Resolution calling for election
 - Ballot proposition
 - Bond issuance resolution
- Advises:
 - State legal constraints
 - Federal tax law
- Issues “validity” opinion
- Issues tax-exempt opinion
- Prepares transcript of legal proceedings

Issuing Participants Explained, cont.

Disclosure Counsel (Archer Norris)

- Provides advice on disclosure obligations
- Prepares official statement
- Prepares continuing disclosure agreement

Issuing Participants Explained, cont.

Rating Agency (Moody's Reviews)

- Four broad factors determine rating
 - The financial strength of the issuer
 - The economic health of the community (commercial, industrial, residential)
 - Managerial and governance practices
 - Debt position – direct and overlapping debt, overall debt to wealth position
- Interviews Issuer, others
- Assigns a letter ratings to bonds

Issuing Participants Explained, cont.



Bond Trustee/Holder of Proceeds (Bank of New York Mellon)

- Responsible for the payment of interest and principal on municipal bonds on behalf of the issuer
- Collects payments from Issuer
 - Distributes payments to Investors
- Holder of proceeds

Issuing Participants Explained, cont.



County Treasurer – Tax Collector/Auditor (Marin County)

- Levies tax based on the assessed value of District property.
- Collects tax and remits proceeds to the paying agent to make principal and interest payments to investors on the outstanding bonds.

Issuing Participants Explained, cont.

Underwriter (Morgan Stanley and Stifel Nicolaus)

- Fiduciary responsibility to investor
- Offers to buy the bonds from the issuer at specific interest rates
 - Sells bonds to investors
 - Fee earned is called Underwriter's Spread (Reoffering Price – Purchase Price)
 - Can advise on structure/terms of financing (negotiated sale)
- 3 Divisions
 - Public Finance/Investment Banking
 - Liaison between underwriter and public officials
 - Underwriting/Trading
 - Prices bonds
 - Syndicate formation
 - Settlement/clearing



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CITIZENS' BOND OVERSIGHT COMMITTEE
Status of General Obligation Bonds,
Funding & Project Costs

May 25, 2016

Bond Requisitions

- **As of April 30, 2016, Bank of New York Mellon balances of \$136,608,770.65 consisted of the following:**

- **Project Funds of \$117,768,472.49 for the Project Fund**
- **Debt Service Funds of \$18,749,893.35**
- **Cost of Issuance Funds of \$90,404.81**

- **To date, MHD has requested 12 requisitions of bond funds as follows:**

Requisition	Hospital Replacement	West Wing Make Ready	Hillside Parking Structure	West Wing Renovation	Sitework	Amount
1	15,468,599.16	3,545,033.43	9,916,287.93	301,472.04	86,680.70	29,318,073.26
2	6,829.40	45,407.40	1,342,439.02	-	-	1,394,675.82
3	1,733,061.80	1,113,195.70	7,500.00	-	-	2,853,757.50
4	4,301,014.57	1,210,694.71	2,581,072.52	-	-	8,092,781.80
5	1,694,775.67	104,546.60	1,045,944.02	-	-	2,845,266.29
6	135,293.86	665,495.00	36,085.91	-	-	836,874.77
7	770,969.12	53,760.83	1,381,324.26	-	-	2,206,054.21
8	550.00	-	-	-	-	550.00
9	193,781.25	891,257.50	19,988.91	-	-	1,105,027.66
10	569,216.35	111,563.39	1,572,180.96	-	-	2,252,960.70
11	826,269.32	-	41,333.00	-	-	867,602.32
12	616,625.10	718,475.00	805.00	-	-	1,335,905.10
Total	26,316,985.60	8,459,429.56	17,944,961.53	301,472.04	86,680.70	53,109,529.43



Bond Requisitions

Significant vendor payments through the first 12 requisitions:

- **McCarthy Building Companies: \$36,098,579.98**
- **Lee, Burkhardt, and Liu, LLC: \$5,037,526.57**
- **Office of Statewide Planning: \$2,890,009.48**
- **Perkins Eastman Architects: \$2,548,889.67**
- **AON Risk Insurance Service: \$1,786,519.28**
- **Vertran Associates, LLC: \$1,514,315.31**

MGH 2.0

- ✓ Total project cost is estimated at \$534,864,000.
- ✓ Additional funding from ongoing operations, philanthropic resources and revenue bonds (estimated in 2018) will be used to bridge the gap from \$394M to \$545M.
- ✓ As of April 30, 2016, \$64.8M in expenses have been incurred for MGH 2.0 as follows:

• Hospital Replacement	\$34.1M
• Hillside Parking Structure	\$19.7M
• West Wing Make Ready	\$10.1M
• West Wing Renovation	\$0.6M
• Site Work	\$0.3M
• Total	\$64.8M

Project Funds Expended

Spec Section	Specification Name		2010	2011	2012	2013	2014	2015	4/30/16	Total
	Hillside Parking Structure									
1.00000	Property Acquisition	-	-	-	-	-	-	-	-	-
2.00000	Design	1,181,000	-	-	-	-	-	-	-	-
3.00000	Permits & Fees	817,000	-	-	245,778	47,074	656,553	404,412	26,165	1,379,982
4.00000	Construction	23,709,000	-	-	-	-	20,802	407,424	142,650	570,875
5.00000	Owner Purchased FF&E	30,000	-	-	-	-	-	12,223,999	5,410,728	17,634,727
6.00000	Major Medical Equipment	-	-	-	-	-	-	-	-	-
7.00000	Data / Communications	225,000	-	-	-	-	-	-	-	-
A	Total Hillside Parking Structure Costs	26,962,000	-	-	245,778	47,074	677,355	13,048,052	5,704,642	19,722,801
	B Sitework Project									
1.00000	Property Acquisition	-	-	-	-	-	-	-	-	-
2.00000	Design	2,684,000	-	79,624	-	-	-	-	-	-
3.00000	Permits & Fees	1,138,000	-	-	183,393	-	-	-	-	263,017
4.00000	Construction	22,439,000	-	-	-	-	-	-	-	-
5.00000	Owner Purchased FF&E	-	-	-	-	-	-	-	-	-
6.00000	Major Medical Equipment	-	-	-	-	-	-	-	-	-
7.00000	Data / Communications	100,000	-	-	-	-	-	-	-	-
B	Total Sitework Project Costs	26,361,000	-	79,624	-	183,393	-	-	-	263,017
	C Hospital Replacement Building Project									
1.00000	Property Acquisition	-	-	-	-	-	-	-	-	-
2.00000	Design	28,014,000	5,307,908	1,562,490	878,666	682,814	4,705,174	11,107,113	3,446,866	27,691,032
3.00000	Permits & Fees	16,072,000	-	-	-	-	-	4,366,937	648,704	5,015,640
4.00000	Construction	337,126,000	-	-	-	-	-	99,878	1,273,031	1,372,908
5.00000	Owner Purchased FF&E	7,550,000	-	-	-	-	-	-	37,988	37,988
6.00000	Major Medical Equipment	31,745,000	-	-	-	-	-	-	-	-
7.00000	Data / Communications	7,446,000	-	-	-	-	-	-	-	-
C	Total Hospital Replacement Building Project Costs	427,953,000	5,307,908	1,562,490	878,666	682,814	4,705,174	16,580,060	6,409,762	34,126,865
	D West Wing Make Ready Project									
1.00000	Property Acquisition	-	-	-	-	-	-	-	-	-
2.00000	Design	1,385,000	-	178,616	18	24,093	438,524	1,930,128	153,587	2,724,966
3.00000	Permits & Fees	538,000	-	-	-	-	-	100,718	208,890	309,607
4.00000	Construction	13,577,000	-	-	-	-	-	3,375,173	3,692,899	7,068,072
5.00000	Owner Purchased FF&E	100,000	-	-	-	-	-	-	20,000	20,000
6.00000	Major Medical Equipment	-	-	-	-	-	-	-	-	-
7.00000	Data / Communications	-	-	-	-	-	-	337	-	337
D	Total West Wing Make Ready Project Costs	15,600,000	-	178,616	18	24,093	438,524	5,406,355	4,075,376	10,122,981
	E West Wing Renovation									
	Design	3,968,000	-	296,623	-	-	-	301,472	-	598,095
	Permit	2,116,000	-	-	-	-	-	-	-	-
	Construction	32,904,000	-	-	-	-	-	-	-	-
E	Total West Wing Renovation Costs	38,988,000	-	296,623	-	-	-	301,472	-	598,095
F	Total Project Costs	534,864,000	5,307,908	2,117,353	1,124,462	937,373	5,821,053	34,335,939	15,189,670	64,833,760



Projected Costs 2016-2020

Spec Section	Specification Name	2016	2017	2018	2019	2020	9/30/21	Total Budget Remaining	Total
	Hillside Parking Structure								
1.00000	Property Acquisition	-	-	-	-	-	-	-	-
2.00000	Design	36,000	-	-	-	-	-	36,000	1,415,982
3.00000	Permits & Fees	629,266	-	-	-	-	-	629,266	1,200,141
4.00000	Construction	5,299,150	-	-	-	-	-	5,299,150	22,933,877
5.00000	Owner Purchased FF&E	85,000	-	-	-	-	-	85,000	85,000
6.00000	Major Medical Equipment	-	-	-	-	-	-	-	-
7.00000	Data / Communications	189,783	-	-	-	-	-	189,783	327,000
A	Total Hillside Parking Structure Costs	6,239,199	-	-	-	-	-	6,239,199	25,962,000
	B Sitework Project								
1.00000	Property Acquisition	-	-	-	-	-	-	-	-
2.00000	Design	-	225,000	325,000	631,543	200,000	1,039,440	2,420,983	2,684,000
3.00000	Permits & Fees	-	-	-	-	-	1,138,000	1,138,000	1,138,000
4.00000	Construction	-	900,000	12,550,000	3,225,000	1,550,000	4,214,000	22,439,000	22,439,000
5.00000	Owner Purchased FF&E	-	-	-	-	-	-	-	-
6.00000	Major Medical Equipment	-	-	-	-	-	-	-	-
7.00000	Data / Communications	-	-	-	-	-	100,000	100,000	100,000
B	Total Sitework Project Costs	-	1,125,000	12,875,000	3,856,543	1,750,000	6,491,440	26,097,983	26,361,000
	C Hospital Replacement Building Project								
1.00000	Property Acquisition	-	-	-	-	-	-	-	-
2.00000	Design	1,454,807	900,000	900,000	675,000	-	-	3,929,807	31,620,839
3.00000	Permits & Fees	4,727,744	2,966,615	2,966,615	2,693,826	-	-	13,354,800	18,370,440
4.00000	Construction	17,777,833	82,847,244	160,605,224	68,159,451	-	-	329,389,752	330,762,660
5.00000	Owner Purchased FF&E	188,750	1,745,938	7,219,688	-	-	-	9,154,376	9,192,364
6.00000	Major Medical Equipment	-	3,095,138	15,951,863	11,507,563	-	-	30,554,564	30,554,564
7.00000	Data / Communications	98,846	755,024	4,524,376	2,064,590	-	-	7,442,836	7,452,133
C	Total Hospital Replacement Building Project Costs	24,247,980	92,309,959	192,167,766	86,100,430	-	-	393,826,136	427,953,000
	D West Wing Make Ready Project								
1.00000	Property Acquisition	-	-	-	-	-	-	-	-
2.00000	Design	92,085	-	-	-	-	-	92,085	2,817,051
3.00000	Permits & Fees	175,000	-	-	-	-	23,806	198,806	508,413
4.00000	Construction	5,126,128	-	-	-	-	-	5,126,128	12,194,200
5.00000	Owner Purchased FF&E	60,000	-	-	-	-	-	60,000	80,000
6.00000	Major Medical Equipment	-	-	-	-	-	-	-	-
7.00000	Data / Communications	-	-	-	-	-	-	-	337
D	Total West Wing Make Ready Project Costs	5,463,213	-	-	-	-	23,806	5,477,019	15,600,000
	E West Wing Renovation								
	Design	-	-	317,440	2,515,499	536,966	-	3,369,905	3,968,000
	Permit	-	-	-	1,198,253	793,012	124,736	2,116,001	2,116,001
	Construction	-	-	79,350	2,813,718	20,885,337	9,125,594	32,903,999	32,903,999
E	Total West Wing Renovation Costs	-	-	396,790	6,527,470	22,216,315	9,250,330	38,389,905	38,988,000
F	Total Project Costs	35,940,392	93,434,959	205,439,556	95,484,443	23,965,315	15,766,576	470,030,240	534,864,000

Classification of Project Costs

Property Acquisition - Costs incurred to purchase land and buildings necessary

Design - Costs incurred for design of the master plan (eg. Architect and civil engineer fees)

Permits & Fees - Costs such as city planning permits and OSHPD filing fees

Construction - Includes "hard" construction costs as well as project manager and capitalized labor costs

Owner Purchased FF&E - Includes furnishings for buildings necessary to get building ready for intended use

Major Medical Equipment - Includes equipment necessary to get building ready for intended use

Data / Communications - Includes costs such as wiring for structures to get building ready for intended use

Construction Costs

	Hospital Replacement	West Wing Make Ready	Hillside Parking Structure	West Wing Renovation	Site Work
Percentage Completion Per Vertran	2.4%	58.8%	85.7%	0.0%	0.0%
Actual Construction Costs	\$ 1,372,908	\$ 7,068,072	\$17,634,727	\$ -	\$ -
Total Budgeted Construction Costs	\$ 337,126,000	\$13,577,000	\$23,709,000	\$32,904,000	\$22,439,000
As a % of Total Construction Costs	0.4%	52.1%	74.4%	0.0%	0.0%

Budget to Actual Variance

✓ As of April 30, 2016

	Hospital Replacement	West Wing Make Ready	Hillside Parking Structure	West Wing Renovation	Site Work	Total
Actual Construction Costs	\$ 34,126,865	\$ 10,122,981	\$ 19,722,801	\$ 598,096	\$ 263,017	\$ 64,833,760
Total Budgeted Construction Costs	\$ 39,588,091	\$ 12,397,108	\$ 21,526,006	\$ 597,954	\$ 2,885,882	\$ 76,995,041
Favorable/(Unfavorable) Variance	\$ 5,461,226	\$ 2,274,127	\$ 1,803,205	\$ (142)	\$ 2,622,865	\$ 12,161,281
Variance %	13.8%	18.3%	8.4%	0.0%	90.9%	15.8%