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CITIZENS BOND OVERSIGHT COMMITTEE

December 11, 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, Charles Reite. Absent: George Feiss, Jeffrey Tsai.
- Staff Members Present: Eric Brettner (CFO), Beverly Wells (Assistant Controller), Elizabeth Lasnier (Controller), Ron Peluso (Project Manager), Michael Lighthawk (EA).

B. Approval of Agenda - Chair Lava moved to approve agenda. **Agenda Approved.**

C. Minutes Approval for September 18, 2019 - Member Dely moved to approve minutes as amended. Member Reite seconded. Vote: All Ayes. **Previous Minutes approved.**

II. CFO Annual Report

Mr. Brettner prefaced his report by stating that the requirement for an annual Chief Financial Officer Report on the sources and uses of the general obligation (GO) bonds is contained in the General Obligation Bond Measure passed in Marin County in 2013. The reporting year for this report is the period between November 1, 2018 to October 31, 2019. The entire \$394M in General Obligation Bonds were issued in the prior three reporting periods.

Total Hospital Replacement Project Expenditures in this reporting period were \$114,264,543; of which \$111.6M were for Hospital Replacement; \$1M for West-Wing Make Ready; and \$1.6M for West-Wing Ground + L1. At this point, the Project is estimated to be 88% complete.

This report will be presented to the District Board on January 14 by Leslie Lava or Eric Brettner.

III. MGH 2.0 Project Status Update

Referring to the MGH 2.0 New Hospital Replacement Project Status Report, Ron Peluso, Construction Manager for the project, stated he is working with the California Department of Public Health (CDPH), who licenses the hospital, to schedule a tour and inspection of the new towers. Following this initial inspection, the CDPH will come back about 100 days before the official opening to conduct a final inspection and sign off on the project following the OSHPD final approval.

Steel Fabrication Issue – Ron reported that McCarthy and Shuff Steel have not yet come to a conclusion regarding the steel fabrication issues. In the meantime, McCarthy has not asked for any monies associated with the delay due to the errors in fabrication. Additionally, the inspectors that did not catch the fabrication errors, are at risk on the steel issue as well.



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Cash Flow – Ron reported that as of September 31st, McCarthy Construction spent \$251.6M representing about 83.5% of the approved construction budget. The project now has about 450 workers on site per day including the extra shift implemented to make up for time lost. The Contractor’s Contingency of \$12.4M has been 100% expended. There is still \$12.6M in Owner Contingency remaining. Additionally, McCarthy has increased management staff to further help make up for lost time, directing labor crews and keeping the buildings clean. Ron stated that it is rare to have a general contractor step up and take responsibility to this degree for time lost.

Member Frieman asked if there had been any more injuries on the project. Ron replied that with 835,000 man-hours to date, there have been only 4 reportable injury incidents.

Following further discussion on the Shuff Steel issue, Mr. Brettner agreed to come back to the committee with documentation of any proceedings on the issue.

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

As of September 30, 2019, the project fund balance maintained at Bank of New York Mellon was \$68,551,599. Six more requisitions have been paid to date totaling \$11,067,183 for a total of 87 requisitions since 2015. Total requisitions paid in all categories now total \$344,630,979 with \$297,196,869 paid on the Hospital Replacement project.

A. Requisition Detail

Mr. Brettner indicated that requisition numbers 82-87 were applied to the Hospital Replacement Buildings and that requisitions are submitted when they come in and are paid out immediately to McCarthy Construction.

V. 2020 Meeting Dates

- February 19 - May 20
- August 19 - November 18

VI. Agenda Items for Next Meeting

- CBOC Annual Report to the Community - Leslie Lava
- MGH 2.0 Project Status Update – Ron Peluso
- Steel Issues Update – Ron Peluso
- Status of GO Bonds, Funding & Project Costs

VII. Adjournment – Chair Lava adjourned the meeting at 7:05pm.