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Website: www.marinhealthcare.org Email: info@marinhealthcare.org
Telephone: 415-464-2090 Fax: 415-464-2094

CITIZENS' BOND OVERSIGHT COMMITTEE

Monday, June 14, 2021 @ 2:00 PM

Chair:	Leslie Lava	In Person:	
Vice Chair:	Jonathan Frieman		Inverness Conference Room in Oak
Members:	Steven Dely, George Feiss, Charles Reite, Jeffrey Tsai		Pavilion, MarinHealth Medical Center 250 Bon Air Road, Greenbrae CA
Staff:	David Klein, MD, CEO Eric Brettner, CFO Elizabeth Lasnier, Controller Louis Weiner, Executive Assistant	And via Zoom:	https://mymarinhealth.zoom.us/join Meeting ID: 913 4096 2647 Passcode: 94904
Guests:	Ron Peluso, MGH 2.0 Project Manager		Or via Zoom telephone: 1-669-900-9128

AGENDA -- REVISED

- | | |
|---|----------|
| I. Call to Order | Lava |
| A. Roll Call | |
| B. Agenda Review and Approval (Action) | |
| C. Minutes Review and Approval: March 29, 2021 (Action) (Tab #1) | |
| D. General Public Comment – <i>(Any member of the public audience may make statements regarding any items NOT on the agenda. Statements are limited to a maximum of three (3) minutes. Please state your name if you wish to be recorded in the minutes.)</i> | |
| II. CFO Annual Report 2020 (Tab #2) | Brettner |
| III. Citizens' Bond Oversight Committee Annual Report 2020 (Action) (Tab #3) | Lava |
| IV. MGH 2.0 Project Status Update (Tab #4) | Peluso |
| V. Status of General Obligation Bonds, Funding & Project Costs (Tab #5) | Brettner |
| VI. Update: McCarthy Issues | Klein |
| VII. Next Meeting | Lava |
| VIII. Adjournment | Lava |
| IX. Oak Pavilion Tour | Klein |

Tab 1



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CITIZENS BOND OVERSIGHT COMMITTEE

Virtual Meeting via WebEx

March 29, 2021 @ 3:00 PM

Minutes

I. Call to Order –Chair Lava called the virtual meeting to order at 3:04 pm.

A. Roll Call

- *Committee Members Present:* Leslie Lava, Jonathan Frieman, Steven Dely, Jeffrey Tsai
- *Committee Members Absent:* George Feiss, Charles Reite
- *Staff Members Present:* David Klein, MD (CEO), Liz Lasnier (Controller), Louis Weiner (EA)
- *Guests Present:* Ron Peluso

B. Approve Agenda: It was moved, seconded and carried to approve the agenda as presented.

C. Approve Previous Minutes of December 3, 2020: It was moved, seconded and carried to approve the minutes as presented.

D. General Public Comment: There was no public comment.

II. MGH 2.0 Project Status

Mr. Peluso presented the project status report (Tab #2). Previous owner's contingency was around \$6M. It is now \$2.2M after taking a hit from workers' comp insurance claims due to the work delay, and an attempt will be made to recover those funds from Schuff Steel. The project is still on budget of \$439M. Certificate of Occupancy with Exceptions was received on 9/3/20, and first patient day was 9/29/20. The exceptions are some ADA items due to be completed by April 23, at which point the project will be closed. McCarthy is removing the site trailers and landscaping will be recovered. There remain some sub-contractor payment issues which are in the process of being settled.

Dr. Klein reported that there is nothing new to report regarding the Schuff Steel / McCarthy issue. He will provide information to the committee after discussion with counsel.

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

A. Q4 2020

Ms. Lanier presented the report (Tab #3). As of 12/31/20, the project fund balance was \$16M. Since the last report on 9/30/20, no additional requisitions have been paid.

The total project cost estimate remains at \$534M. As of 12/31/20, total expenses have been \$448M.

Mr. Dely asked about how the costs incurring from legal issues will be booked. Ms. Lasnier replied that no such estimate is yet possible while in negotiations and so no adjustment is needed at this time. Dr. Klein added that we have an owner's risk policy that offers such protection.



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IV. Next Meeting

The next meeting is TBA, to include a tour of the new hospital. Mr. Weiner will arrange it.

V. Adjournment

Chair Lava adjourned the meeting at 3:24 pm.

DRAFT

Tab 2



June 11, 2021

TO: Marin Healthcare District Board
Citizens Bond Oversight Committee

FROM: Eric Brettner, Chief Financial Officer
Marin Healthcare District

SUBJECT: Annual Report of Sources & Uses of Marin Healthcare District General
Obligation (GO) Bonds

Pursuant to Government Code Section 53411, the Chief Fiscal Officer is required to file a report with the Governing Body of the District each January 1st after issuance of General Obligation Bonds. In a communication to the Marin Healthcare District Board and Bond Oversight Committee dated December 18, 2015, the Reporting Period of October 31 of each year was selected. This report covers all bond activity of the District for the period November 1, 2019 through October 31, 2020 and is formatted in accordance with subparts (a) and (b) of Government Code Section 53411.

(a) The amount of funds collected and expended.

No general obligation bonds were issued during the Reporting Period. The entire \$394,000,000 in General Obligation Bonds was issued in the three prior Reporting Periods.

Proceeds from the issuance of the bonds are held by the Bank of New York Mellon (BNY) Trust Company, also known as the Paying Agent. The Marin Healthcare District issues requisitions, authorizing BNY to pay for expenditures associated with the Voter Measure detailed in (b) below.

(b) The status of any project required or authorized to be funded as identified in subdivision (a) of Section 53410 (specific purposes of the Bond).

Voter Measure F

Measure F which was approved on November 5, 2013 was placed on the ballot as a result of the Board's determination that the District needs funds to:

- Make seismic upgrades to Marin General Hospital (MGH) to meet stricter California earthquake standards and keep open Marin County's only Designated Trauma Center;
- Expand and enhance emergency and other medical facilities;
- Provide modernized medical facilities for treatment of heart, stroke, cancer and other diseases



During the Reporting Period, construction continued on the Marin General Hospital Replacement project branded as MGH2.0. As of the date of this report, the project is estimated to be 95% complete. The new tower was occupied and in use. Remaining funds are to be used to pay retention that has not yet been billed.

For the reporting period ending October 31, 2020, 75 requisitions totaling \$39,295,531 were issued to BNY authorizing payment for the following expenditures associated with Measure F:

	<u>Reporting Period Ending 10/31/2020</u>	<u>Project Total</u>
<u>Hospital Replacement Project Expenditures</u>		
• Hospital Replacement	\$38,295,379	\$335,907,081
• West-Wing Make Ready	51,992	20,537,094
• West-Wing Ground + L1	600,870	2,538,580
• Site Work	<u>434,487</u>	<u>521,168</u>
Total Hospital Replacement Project Expenditures	\$39,295,531	\$359,503,923
 <u>Parking Garage Expenditures</u>		
• Parking Structure		24,820,208
 Total	 \$39,295,531	 \$384,324,131

Citizens Bond Oversight Committee

In accordance with Measure F, a six member Citizens Bond Oversight Committee was created for the purpose of informing the public about expenditures of Measure F bond funds and to ensure that proceeds are expended for the purposes described in Measure F. This Committee meets quarterly and operates under a Charter which has been approved by the Governing Board of the Marin Healthcare District.

For additional information and periodic updates, please visit the Marin Healthcare District website at: <https://www.marinhealthcare.org/marinhealth-medical-center/bond-committee>.

Tab 3

**ANNUAL REPORT OF
CITIZENS BOND OVERSIGHT COMMITTEE
MARIN HEALTHCARE DISTRICT
June 2021**

On November 5, 2013, eligible voters of Marin County, California approved Measure F which authorized the Marin Healthcare District (District) to issue \$394,000,000 in general obligation bonds (Bonds) in order to (a) make seismic upgrades to Marin General Hospital to meet stricter California earthquake standards and keep open Marin County's only designated trauma center, (b) expand and enhance emergency and other medical facilities, (c) provide the latest lifesaving medical facilities for treatment of heart, stroke, cancer and other diseases, and (d) reduce emergency room wait times.

After passage of Measure F, the District promulgated the General Obligation Citizens Bond Oversight Committee Charter (Charter), which established the purpose, duties and operations of the Citizens Bond Oversight Committee (Committee). The Marin Healthcare District Board of Directors then selected six Marin County residents to serve as uncompensated members of the Committee for a minimum term of two years.

The Charter states that the role of the Committee is to represent, advocate and promote the interests of District taxpayers and to inform the public concerning the District's expenditure of Bond proceeds. The Charter requires the Committee to report to the public annually on its activities and findings. It is in compliance with this mandate that the Committee submits this Annual Report which covers the period from November 1, 2019 through October 31, 2020.

During the reporting period, the Committee met virtually in May, August and December 2020. The scheduled 1st quarter meeting in March was cancelled due to COVID concerns. In attendance at each Committee meeting in 2020, among others, were the Chief Financial Officer (CFO) and the Controller of the District, as well as the Project Manager. At each quarterly meeting, the Committee received updates from the Project Manager on construction progress. It also received updates from District staff on the status of the Bonds, funding and project costs via itemized spreadsheets detailing the expenditure of Bond proceeds as well as spreadsheets detailing future projected expenditures of Bond proceeds.

During the reporting period, the Committee worked closely, yet independently, with the CFO and the financial team, which have the day to day responsibility and accountability to the Board of Directors of the District for Measure F implementation and oversight. This team informed the Committee that it had established internal and external systems and controls to

ensure that all Bond proceeds were spent only for purposes consistent with Measure F. Based upon this information and the aforementioned review, to the best knowledge of the Committee, for the period from November 1, 2019 through October 31, 2020, the District's expenditure of Bond proceeds has been in accordance with the purposes stated in Measure F.

June 14, 2021

**CITIZENS BOND OVERSIGHT COMMITTEE
MARIN HEALTHCARE DISTRICT**

Chair: Leslie M. Lava

Vice Chair: Jonathan Frieman

Members: Steven Dely, George J. Feiss, Charles D. Reite and Jeffrey E. Tsai

Tab 4

MGH 2.0 New Hospital Replacement (HRB) Project Status Report

Submitted By The Design Build Team

Schedule				
Risk	Description			
	Certificate of Occpancy with Exceptions received 9/3/2020			
	MHMC Oak Pavilion - First Patient Day was 9/29/2020			
	Construction Final Received from OSHPD on 5/7/2021			

Construction Schedule - January 2020 Update (Revised Recovery Plan - In Progress)

Risk	Activity	Target	Actual	Comments

Weather / Rain Bank

Risk	Activity	Approved	Used to Date	Comments
	Weather Days	57	57	

Upcoming Activites - Construction

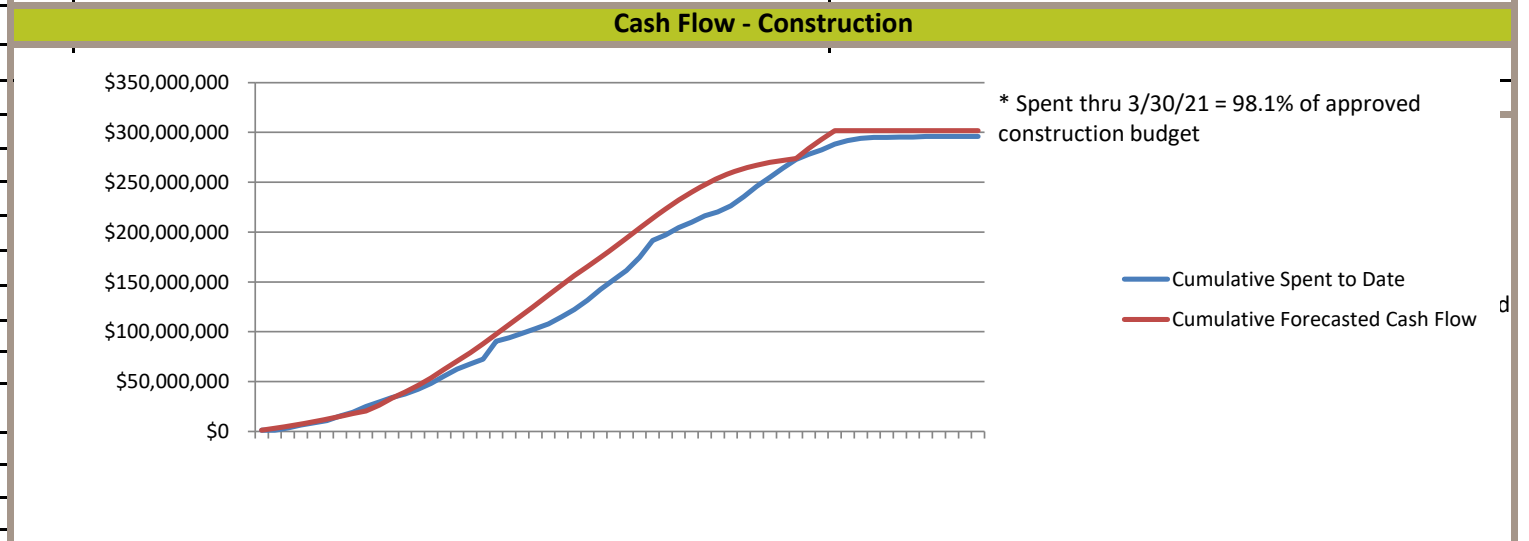
Risk	Activity	Target	Actual	Comments
	West Wing Addition - Construction Start	Aug-2020		

Schedule Impact

Risk	Activity	Comments
	Increment 3 - Shoring Schedule Delay	1.5 month delay
	Increment 4 - Steel	1 month delay
	Increment 5 - Interior	2 week delay
	Steel Issue	Schuff Steel Impact

Risk Category	
	Green On Track
	Yellow Medium Impact : Potential Risk / Unresolved
	Red Critical or High Impact

Project Risk - Issues		
Risk	Item	Status
	Covid -19	Cost Impacts have not been submitted by MBC
	OSHPD Major Changes	Cost Impacts have not been submitted by MBC



Contingency			
Owner		Construction	
Contingency at Start of Construction (A) = \$	20,300,000	Contingency at Start of Construction =	12,454,268
Total Owner Changes (Pending + Final) (B) = \$	13,654,000	% of Contingency Items (Pending+Final) =	100.0%
Total Contingency Remaining (A - B) = \$	6,646,000	Total Contingency Remaining =	-

Owner Changes			
	Order # - Description	Cost (\$)	Status: Pending (P) Final (F)
	Approved Owner Changes (1-19)	18,054,000	F
	Pending (23)	(4,400,000)	P
	Total =	13,654,000	

Project Budget			
Risk		Approved Budget	Forecast
	MGH 2.0 Project Budget Total	439,736,000	439,736,000

Project Schedule			
Risk		Approved Schedule	Actual
	MGH 2.0 Project Hospital Ready for Licensing	March 2020	Sept 2020
	MGH 2.0 Project Hospital First Patient	June 2020	Sept 2020

Tab 5



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CITIZENS' BOND OVERSIGHT COMMITTEE

**Status of General Obligation Bonds,
Funding & Project Costs**

March 31, 2021

Bond Requisition

- As of March 31, 2021, the project fund balance maintained at Bank of New York Mellon was \$16,033,526.
- Since our last report date of December 31, 2020, no requisitions have been paid for a total of 99 requisitions since 2015.

Req	Date Paid	Hospital Replacement	West Wing Make Ready	Sitework	West Wing Renovation	Hillside Parking Structure	Total
96	01/31/20	\$9,464,503	\$12,000	-	-	-	\$9,476,503
97	02/26/20	\$10,138,829	-	\$434,487	\$250	-	\$10,573,566
98	02/27/20	\$5,732,553	\$12,000	-	-	-	\$5,744,553
99	02/28/20	\$834,221	-	-	-	-	\$834,221
Total		\$335,907,081	\$20,537,094	\$521,168	\$2,538,580	\$24,820,208	\$384,324,131

MGH 2.0

- ✓ Total project cost is estimated at \$534,864,000.
- ✓ As of March 31, 2021, \$448.0M in expenses have been incurred for MGH 2.0 as follows:

• Hospital Replacement	\$397.6M
• Hillside Parking Structure	\$25.5M
• West Wing Make Ready	\$19.4M
• West Wing Renovation	\$4.8M
• Site Work	\$0.7M
• Total	\$448.0M

Project Funds Expended

Spec Section	Specification Name	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total	
Hillside Parking Structure														
1.00000	Property Acquisition	-	-	-	-	-	-	-	-	-	-	-	-	
2.00000	Design	1,181,000	-	245,778	47,074	656,553	432,935	297,956	378,456	(378,456)	-	-	1,680,296	
3.00000	Permits & Fees	817,000	-	-	-	20,802	438,599	145,657	96,140	(113,030)	-	-	588,168	
4.00000	Construction	23,709,000	-	-	-	-	12,223,999	10,251,147	4,933	489,250	-	-	22,969,329	
5.00000	Owner Purchased FF&E	30,000	-	-	-	-	-	163,853	407,500	(407,500)	-	-	163,853	
6.00000	Major Medical Equipment	-	-	-	-	-	-	-	(35,920)	35,920	-	-	-	
7.00000	Data / Communications	225,000	-	-	-	-	12,217	59,699	440,803	(440,803)	-	-	71,916	
A	Total Hillside Parking Structure Costs	25,962,000	-	245,778	47,074	677,355	13,107,750	10,918,312	1,291,912	(814,619)	-	-	25,473,562	
B Stitework Project														
1.00000	Property Acquisition	-	-	-	-	-	-	-	-	-	-	-	-	
2.00000	Design	1,314,000	79,624	-	183,393	-	-	-	-	-	-	-	263,017	
3.00000	Permits & Fees	702,000	-	-	-	-	-	-	-	-	-	-	-	
4.00000	Construction	9,245,000	-	-	-	-	-	-	-	-	49,452	434,487	483,939	
5.00000	Owner Purchased FF&E	-	-	-	-	-	-	-	-	-	-	-	-	
6.00000	Major Medical Equipment	-	-	-	-	-	-	-	-	-	-	-	-	
7.00000	Data / Communications	100,000	-	-	-	-	-	-	-	-	-	-	-	
B	Total Stitework Project Costs	11,361,000	79,624	-	183,393	-	-	-	-	-	49,452	434,487	746,956	
C Hospital Replacement Building Project														
1.00000	Property Acquisition	-	-	-	-	-	-	-	-	-	-	-	-	
2.00000	Design	27,797,000	5,307,908	1,562,490	878,666	682,814	4,705,174	12,550,989	6,159,089	562,753	290,562	742,133	(34,563)	33,408,016
3.00000	Permits & Fees	16,072,000	-	-	-	-	-	2,863,363	1,391,745	3,771,190	2,621,084	3,185,836	521,331	14,354,549
4.00000	Construction	348,281,000	-	-	-	-	-	99,878	19,509,752	71,316,065	87,571,384	138,358,460	22,850,755	339,706,293
5.00000	Owner Purchased FF&E	8,612,000	-	-	-	-	-	-	8,177	-	18,224	-	-	26,401
6.00000	Major Medical Equipment	31,745,000	-	-	-	-	-	614,415	1,195,686	5,510,265	2,296,298	468,625	10,085,289	
7.00000	Data / Communications	7,446,000	-	-	-	-	6,132	-	98,075	327,624	(420,699)	-	11,132	
C	Total Hospital Replacement Building Project Costs	439,953,000	5,307,908	1,562,490	878,666	682,814	4,705,174	15,520,362	27,683,178	76,943,769	96,339,143	144,162,028	23,806,148	397,591,681
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	470,949	150,000	(18,131)	-	-	3,174,196	
3.00000	Permits & Fees	538,000	-	-	-	-	100,718	356,214	500,000	(500,000)	-	-	456,931	
4.00000	Construction	16,577,000	-	-	-	-	3,375,173	6,920,092	3,718,823	1,791,232	(54,151)	24,000	15,775,169	
5.00000	Owner Purchased FF&E	100,000	-	-	-	-	-	-	-	-	-	-	-	
6.00000	Major Medical Equipment	-	-	-	-	-	-	-	-	-	-	-	-	
7.00000	Data / Communications	-	-	-	-	-	337	432	-	-	-	-	769	
D	Total West Wing Make Ready Project Costs	18,600,000	178,616	18	24,093	438,524	5,406,355	7,747,686	4,368,823	1,273,101	(54,151)	24,000	19,407,064	
E West Wing Renovation														
	Design	3,968,000	296,623	-	-	-	301,472	3,700	-	189,645	132,380	-	923,820	
	Permit	2,116,000	-	-	-	-	-	-	-	5,500	397,137	250	402,887	
	Owner Purchased FF&E	-	-	-	-	-	-	-	-	-	-	-	-	
	Construction	32,904,000	-	-	-	-	-	-	-	1,738,508	1,656,982	2,130	3,457,620	
E	Total West Wing Renovation Costs	38,988,000	296,623	-	-	-	301,472	3,700	-	1,993,653	2,186,499	2,380	4,784,327	
F	Total Project Costs	534,864,000	5,307,908	2,117,353	1,124,462	937,373	5,821,053	34,335,939	46,352,875	82,604,504	98,791,278	146,343,828	24,267,015	448,003,590

Projected Costs

Spec Section	Specification Name				Total Budget Remaining	Total
		2020	2021	2022		
1.00000	Hillside Parking Structure					
2.00000	Property Acquisition	-	-	-	-	-
3.00000	Design	-	-	-	-	1,680,296
4.00000	Permits & Fees	-	-	-	-	588,168
5.00000	Construction	-	-	-	-	22,969,329
6.00000	Owner Purchased FF&E	-	-	-	-	163,853
7.00000	Major Medical Equipment	-	-	-	-	-
	Data / Communications	-	-	-	-	71,916
A	Total Hillside Parking Structure Costs	-	-	-	-	25,473,562
B	Sitework Project					
1.00000	Property Acquisition	-	-	-	-	-
2.00000	Design	323,124	-	-	323,124	586,141
3.00000	Permits & Fees	234,000	-	-	234,000	234,000
4.00000	Construction	3,201,535	-	-	3,201,535	3,685,474
5.00000	Owner Purchased FF&E	-	-	-	-	-
6.00000	Major Medical Equipment	-	-	-	-	-
7.00000	Data / Communications	33,333	-	-	33,333	33,333
B	Total Sitework Project Costs	3,791,992	-	-	3,791,992	4,538,948
C	Hospital Replacement Building Project					
1.00000	Property Acquisition	-	-	-	-	-
2.00000	Design	402,200	-	-	402,200	33,810,216
3.00000	Permits & Fees	800,000	-	-	800,000	15,154,549
4.00000	Construction	17,943,296	-	-	17,943,296	357,649,589
5.00000	Owner Purchased FF&E	1,800,000	-	-	1,800,000	1,826,401
6.00000	Major Medical Equipment	8,700,000	-	-	8,700,000	18,785,289
7.00000	Data / Communications	1,500,000	-	-	1,500,000	1,511,132
C	Total Hospital Replacement Building Project Costs	31,145,496	-	-	31,145,496	428,737,177
D	West Wing Make Ready Project					
1.00000	Property Acquisition	-	-	-	-	-
2.00000	Design	-	-	-	-	3,174,196
3.00000	Permits & Fees	-	-	-	-	456,931
4.00000	Construction	-	-	-	-	15,775,169
5.00000	Owner Purchased FF&E	-	-	-	-	-
6.00000	Major Medical Equipment	-	-	-	-	-
7.00000	Data / Communications	-	-	-	-	769
D	Total West Wing Make Ready Project Costs	-	-	-	-	19,407,064
E	West Wing Renovation					
	Design	586,966	600,000	600,000	1,186,966	2,110,786
	Permit	710,000	600,000	600,000	1,310,000	1,712,887
	Owner Purchased FF&E	300,000	2,220,000	1,220,000		
	Construction	26,373,260	20,532,696	10,930,389	57,836,345	61,293,965
E	Total West Wing Renovation Costs	27,970,226	23,952,696	13,350,389	51,922,922	56,707,249
F	Total Project Costs	62,907,714	23,952,696	13,350,389	86,860,410	534,864,000