SAN GORGONIO MEMORIAL HOSPITAL
MEASURE A OVERSIGHT COMMITTEE MINUTES
Boardroom
November 29, 2007
5:30 P.M.

The first quarterly meeting of the Citizens Oversight Committee was held on Thursday, November 29, 2007 in the Boardroom.

Present: Lynn Baldi, Dorothy Ellis, Vicki Grunwald, Donna Lester, Estelle Lewis, Charla Sparks, Jan Wages

Absent: Johnny Russo

Staff: Jonathan Brenn (CEO), Dave Conrad (CFO), Anne Zacovic (Exec Director of Community Relations), Dan Mares (Director of Plant Operations)

Call to Order

Jonathan Brenn, CEO, called the meeting to order at 5:45 P.M.

Welcome and Introductions

Following introductions around the table, Jonathan welcomed everyone and stated briefly that the purpose of this Citizens Oversight Committee is to review the expenditures of the Measure A bond monies and to ascertain that their uses have been proper as described by the bond documents.

Committee Policies

Jonathan distributed copies of the Committee’s Policy and Regulations (copy attached). He noted that the Committee is expected to inform the public, at least annually in a written report, concerning the expenditure of Measure A bond proceeds. He stated that bond proceeds may be expended for the construction, reconstruction, rehabilitation, or replacement of hospital facilities, as well as the purchase and installation of equipment and furnishings that will support the new facilities. The Committee shall initially consist of eight members but may not include any employee of the District or any vendor, contractor, construction bidder, or consultant of the District. Committee members shall serve either one-year or two-year terms, without compensation. Jonathan noted that members will be exempt from liability for any debts, liabilities, or obligations of the District. It is expected that members shall have no financial interest in the matters they review and no other conflicts of interest. The District Board shall provide sufficient technical and administrative support to allow the Committee to fulfill its obligations. Jonathan noted that the members should be thinking about electing a chairperson at the end of the meeting’s business.

Measure A Uses

Jonathan explained that Measure A bond proceeds may be expended on construction costs related to the completion of the new hospital facilities, professional fees for architectural, engineering, consulting, and management services, fees for permitting, connection, and usage, the installation of an information system, and the purchase and installation of fixed
equipment. He noted too that monies may properly be used to rehabilitate the existing hospital facilities or to replace existing fixed equipment as long as the equipment will continue to be used in the new facilities.

Project Scope and Timelines

Jonathan distributed copies of the Preconstruction Schedule as produced by ProWest Constructors, the construction management consultants. He explained that the schedule is separated by phases, including the entry roadway and helipad, the cooling tower and oxygen tank relocation, the central plant, the two-story emergency department and ICU, the loading dock, and the six-story tower which will include Imaging, Surgery, and 120 private patient rooms. Ground was broken to commence the helipad and roadway in August 2007, and it is expected that the tower will be completed in mid-2012.

Project Cost Estimates

Jonathan reviewed a summary of the most current cost estimates of the project by each phase (copy attached). In summary, construction costs are estimated to be $162 million for all phases through the 6-story tower and $33 million in “soft costs”. He added that, in addition, from $20 to $25 million will be required to complete the seismic retrofit and renovation requirements in the existing facilities, and approximately $7.5 million will be needed to complete the shelled 6th floor in the tower. He stated that, given that the Measure A bond proceeds are currently capped at $108 million, the Board is working to resolve the existing financing shortfall.

Election of Chairperson

Following a brief discussion, the committee elected Jan Wages as Chairwoman.

Next Meeting

The Committee decided that its next meeting would be Thursday, February 28, 2008, at 5:30 P.M.

Adjournment

There being no further business, the meeting was adjourned at 7:10 P.M.

Minutes respectfully submitted by Jonathan Brenn, CEO