A general obligation bond of $108m, known as Measure A was passed in March 2006 to support the upgrade and modernization of San Gorgonio Memorial Hospital facilities. The bonds have been used to finance expansion, improvement, acquisition, construction, equipping and renovation of health facilities of the District to also meet state mandated seismic requirements. Following the bond passage, a Community Oversight Committee was appointed by the San Gorgonio Memorial Healthcare District Board of Directors. This committee is charged with reviewing and reporting on the appropriate expenditure of Measure A bond funds and advising the general public on the District's compliance of the bond requirements.

Since the issuance of the bond in the 2006, below is summary of the funds allocated to date:

- **Preconstruction costs including architectural drawings, cost estimates, Office of Statewide Health Planning and Development (OSHPD) and city permit fees, cost of bond issuance, Inspector of Record (IOR) fees, testing and inspection, surveys and soils reports required before construction began** - $1,829,328.

- **Fixed hospital equipment; construction & upgrades needed to insure SGMH's quality of patient care** - $6,828,533
  - 64-slice CT scanner (later moved into the new ED/ICU bldg.)
  - Fluoroscopy machine
  - McKesson information technology (IT) system, which includes computerized physician order entry. This system meets the federal mandate for electronic record keeping and has enhanced earnings.
  - Damaged flooring was replaced in several locations within the current hospital.

- **Phase 0** $3,172,188
  - A new access point road off of Ramsey Street (Memorial Drive S)
  - Helipad (subsidized by a gift of $800,000 from the Morongo Band of Mission Indians)
  - Relocation of underground utilities
  - Two new electrical interceptor vaults
  - Sewer monitoring manhole required by the City of Banning

- **Phase 1A** $7,873,851
  - Continued replacement and movement of underground utilities
  - Cooling tower and oxygen tank farm near the intersection of Highland Springs Avenue and Wilson Street.
o A modular building for linen storage and a lift serve as a temporary receiving area for all supplies during the remainder of construction.

o New parking lot lights for improved safety, a physician parking lot and drought-tolerant landscaping.

o A 30,000 gallon emergency sewer holding tank was installed that will serve all current and planned facilities to meet the 72 hour code requirement in case of disaster.

• Phase 1B - $26,580,841
  o Underground tunnel housing utilities for current and planned future facilities. These included electrical, water and medical gases designed for maintenance and repairs. All required fire protection including sprinklers, smoke detectors, alarms and outside air ventilation.
  o The Central Utility Plant (CUP), completed in June 2011, is comprised of a single story building plus a mezzanine (16,031 sf). This state of the art plant has computerized operations and manual back-up protection. The CUP houses:
    ▪ (2) Chillers
    ▪ (3) Steam boilers
    ▪ Heat exchangers
    ▪ Soft water exchange systems
    ▪ (2) Emergency generators
    ▪ Medical gas tank and cylinder storage
    ▪ Engineering staff offices are located on the mezzanine along with an information technology climate controlled room housing the hospital’s computers and phone switch
  ▪ Additional projects completed in this phase:
    • Imaging pad in the parking lot off Wilson Street to allow mobile MRI, CT or other portable units to be brought on site for patient care
    • (2) electric charging stations capable of serving four electric vehicles are located in the same parking lot
    • Steam line connecting the new boilers to the current hospital heat exchangers provides hot water to 80+ faucets in the hospital as well as steam for autoclaves

• Phase 1C - $37,668,338
  o Two story clinical building plus mechanical room on the roof (39,536 sf). Completed in January 2013, this facility was opened to the public on May 14, 2013:
    ▪ (23) Emergency Department (ED) private rooms
    ▪ (5) rapid care rooms
    ▪ (16) private Intensive Care Unit (ICU) rooms
    ▪ It also houses the hospital’s Respiratory Therapy department and contains a decontamination room adjacent to the ambulance entrance
    ▪ The utility tunnel was extended from the CUP and carries utilities to this building and the planned future Patient Care Building
    ▪ Related misc projects completed:
- Monument signs on Highland Springs Avenue and Wilson Street
- New 100 space parking lot meeting ADA requirements and access from Wilson Street (Memorial Drive N)
- A new, one-way vehicle entrance to the ED from Highland Springs Avenue (Memorial Drive W)
- Electrical infrastructure upgrades

- Phase 1E-A - $9,103,215 (estimated)
  - A kitchen expansion was required to meet code for additional beds. This was a complex location for construction as dietary services must remain in operation; therefore it is was sequenced into 3 sub-phases. These phases were completed recently in 2014 and received CDPH licensing in June of 2014. Temporary support facilities have been removed including the ware wash trailer.
  - An emergency oxygen inlet to the new ED/ICU building and the relocation of the emergency oxygen inlet to the front of the Women’s Center were completed as code and logistics requirements.

- Phase 1E-B - $5,875,730 (estimated)
  - After the ED/ICU building was occupied, a new loading dock where the ambulance entrance was formerly located, has been completed which serves as the area where all supplies are brought to the hospital.
  - A trash compactor, cardboard baler and biohazard storage area are included in this project.
  - The former ED space has been converted to Materials Management and Housekeeping Departments (EVS) (3,382 sf).
  - Following the relocation of Materials Management and EVS to their new spaces, the final phase will create office spaces for staff now located in temporary trailers needed to be removed in preparation for the Patient Care Building.

- Existing hospital was re-roofed 2011. Hazardous materials were found throughout the old roof necessitating specialized removal. $3,286,421.

- A humidifier to comply with current standards in the operating room, recovery room and former ICU was installed. $604,910.

- Seismic compliance of the existing hospital buildings was received through a HAZUS review process which allows acute care operations to continue up to 2030. $322,543.

- Phase 2A - $4,854,103 (cost incurred to date)
  - Design of the Patient Care Building. The SGMH District Board of Directors authorized HDR (architect) to complete construction drawings and submit them for agency approval in September of 2010. OSHPD approval of the drawings was received in June 2013. The majority of these costs have been paid out of interest income earned on the Measure A remaining principal amounts. An extension was recently granted by OSHPD allowing the permit to be held through a construction start of June 2015.
A 30,000 gallon underground water storage tank will also be installed in conjunction with the Patient Care Building completing all required elements for 72 hour disaster preparation.

All $108m of bonds have been sold. As of July 31, 2014, total proceeds available for the project from Measure A, including interest income, is $113,952,321; $111,233,058 has been spent to date which leaves a remaining available balance of $2,696,815.

Measure A funds cannot be used for movable equipment and furnishings which were needed to open the ED/ICU and the remaining phases. Approximately $2.4 million spent on these items was financed through an equipment lease and is being repaid by the SGMH Foundation.

Next Steps & New Projects

TCU to Medical Surgical conversion – a design has been submitted to OSHPD for agency review and approval which converts the Transitional Care Unit of 16 beds that is no longer in use into 8 additional bed Medical Surgical private rooms. These 8 rooms will provide much needed extra capacity in the flu season and will allow for continued revenue growth. A detailed schedule and construction budget are currently being developed.

Patient Care Building – SGMH, through a memorandum of understanding, has contracted with Loma Linda University Medical Center to provide construction management services for the Patient Care Building. Scope of work for these services includes support, management and coordination for development of the Master Plan as we move forward. There will be comprehensive management of ongoing or pending capital projects as it relates to the eventual completion of the Patient Care Building.

Preconstruction has begun for the Patient Care Building. Major components of this phase include scheduling, budget development, alignment of the existing drawings to current market conditions, a peer review of the drawings for quality control, coordination & logistics and general contractor bidding & selection processes. Additional planning exercises will further define the exact scope and kick off the design phase for the support functions and reutilization of existing space needed once the Patient Care Building is complete.

It is the conclusion of the Measure A Community Oversight Committee that San Gorgonio Memorial Healthcare District is in compliance with bond requirements and bond funds for the San Gorgonio Memorial Hospital expansion project are being spent appropriately.

Committee members:
Lynn Baldi, Chair  Bob Ewert    Vicki Grunewald    Donna Lester
Estelle Lewis  Ron Rader  Brian Sylva

Prepared by:
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