

***SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT
MEASURE "A" COMMUNITY OVERSIGHT COMMITTEE
ANNUAL REPORT TO THE COMMUNITY
AUGUST 2010***

Measure "A" General Obligation bond of \$108 million was passed in March 2006 to support the upgrade of San Gorgonio Memorial Hospital facilities. With 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 proper expenditure of Measure "A" bond proceeds and advising the public whether the District is in compliance with requirements for how the bond proceeds are spent. The purposes for which the funds may be expended include construction, reconstruction, rehabilitation, or replacement of hospital facilities. Expenditures may also include development of infrastructure and installation of equipment and furnishings that will support the new facilities. This annual report will update you on progress to date through June 30, 2010.

Preconstruction costs for architectural drawings, cost estimates, Office of Statewide Health Planning and Development (OSHPD) and city fees, Inspector of Record (IOR) fees, testing and inspection, and soils report before the construction could begin, total \$1,848,421.

Three major pieces of hospital equipment were purchased, a 64-slice CT scanner, a fluoroscopy machine and a McKesson information technology system. All are state of art and will help San Gorgonio Memorial Hospital successfully care for patients well into the future. These have all been placed into service. With construction costs for these installations and other fees, the total was \$6,707,734.

Phase 0 is the new access drive to Ramsey and the helipad. Relocating underground utilities also started during this phase. Two new electrical interceptor vaults and a sewer monitoring manhole were required by the City of Banning and installed this past year. This phase was completed for a total cost of \$3,367,861.

Phase 1A continued the replacement and relocation of underground utilities, as well as building a cooling tower and oxygen farm on the site of a former Quonset hut near the intersection of Highland Springs Avenue and Wilson Street. A modular building with a lift serves as a temporary receiving area for all supplies during the remainder of the construction. New parking lot lights for improved safety and drought-tolerant landscaping were added this year. The total costs for this phase are \$8,001,180.

We started construction for Phase 1B, the new Central Plant, in April 2009 and expect substantial completion in January 2011. This is the two story building south of the main hospital on Highland Springs Avenue. Equipment currently being installed includes two emergency generators, two chillers and three boilers. The second floor will be for engineering offices, information technology equipment and general storage. In addition to the building, there is a utility tunnel which connects the Central Plant to the future Emergency Department/Intensive Care Unit building and patient tower. A keystone retaining wall between the hospital and medical office buildings has been built. Stairs will be installed for easy pedestrian access. Work to upgrade the current electric room required staff to move into temporary trailers near the Wilson Street entrance. The estimate for this phase is \$26,435,030.

Phase 1C is the new Emergency Department (ED) and Intensive Care Unit (ICU). We received a structural permit from OSHPD in March 2010 and immediately began extending the utility tunnel from the previous phase. The full permit was received in May 2010. Large lateral mat footings of rebar and concrete are complete and will serve as the foundation for the steel columns which will be installed in September 2010.

When complete in fall 2012, we will have 23 private rooms in the ED plus 5 rapid care rooms and 16 private ICU rooms on the second floor. New campus signage, including several large monuments to clearly direct traffic to appropriate entrances, will begin to appear in early 2011. Due to a positive bidding climate, the construction costs for this phase are \$12 million less than originally forecast. When complete, the total costs will be \$38,609,262.

After the ED/ICU building is occupied, a new loading dock, Phase 1D, will be constructed where the current ED is located. There will be four pieces of equipment on the dock: trash compactor, cardboard bailer, food composter and laundry scale. Other internal remodels to occur during the same timeframe are Phase 1E-B, conversion of the current ED to materials management and housekeeping and Phase 1E-C, creation of office spaces in a back hallway to accommodate staff now located in the temporary trailers. The trailers will then be removed. These costs have not been finalized but are projected to be \$5,768,786.

The kitchen must be expanded, Phase 1E-A, to meet code requirements for additional beds. This is quite complex as it must remain in operation to serve patients, staff and visitors; therefore it has been divided into 5 phases. Costs, which include fixed equipment, are estimated at \$9,222,533.

A new priority identified this year is replacement of the roof on the current hospital. Multiple roofs, including a foam one, have been applied over the 59 years since the original building opened and yet leaks continue during our rainy season. Much equipment is located on the roof. That which is no longer needed will be removed and the remainder must be lifted to remove all previous roofing materials down to the deck. Asbestos was found throughout the current roof, necessitating specialized removal crews. Total costs are estimated at \$3,515,000.

Additionally, \$4,524,193 was previously spent on drawings for the patient tower, Phase 2A and Phase 3A, internal remodels. While the patient tower was put on hold for lack of funding, the need remains very high for this facility to be built in the near future.

As of June 30, 2010, all \$108 million of bonds have been sold. Including interest income, \$111,416,859 is available for the project; \$41,323,970 has been spent for the first phases and \$70,029,890 remains to be spent.

Measure "A" funds cannot be used for movable equipment and furnishings which will be needed to open the ED/ICU. There is a requirement of approximately \$2.2 million for these items which needs to be raised through other means.

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

Committee members:

Dorothy Ellis, Chair
Vicki Grunewald
Johnny Russo

Lynn Baldi,
Donna Lester
Charla Sparks

Ted Grady
Estelle Lewis
Jan Wages

Staff:

Kay Lang, Project Manager