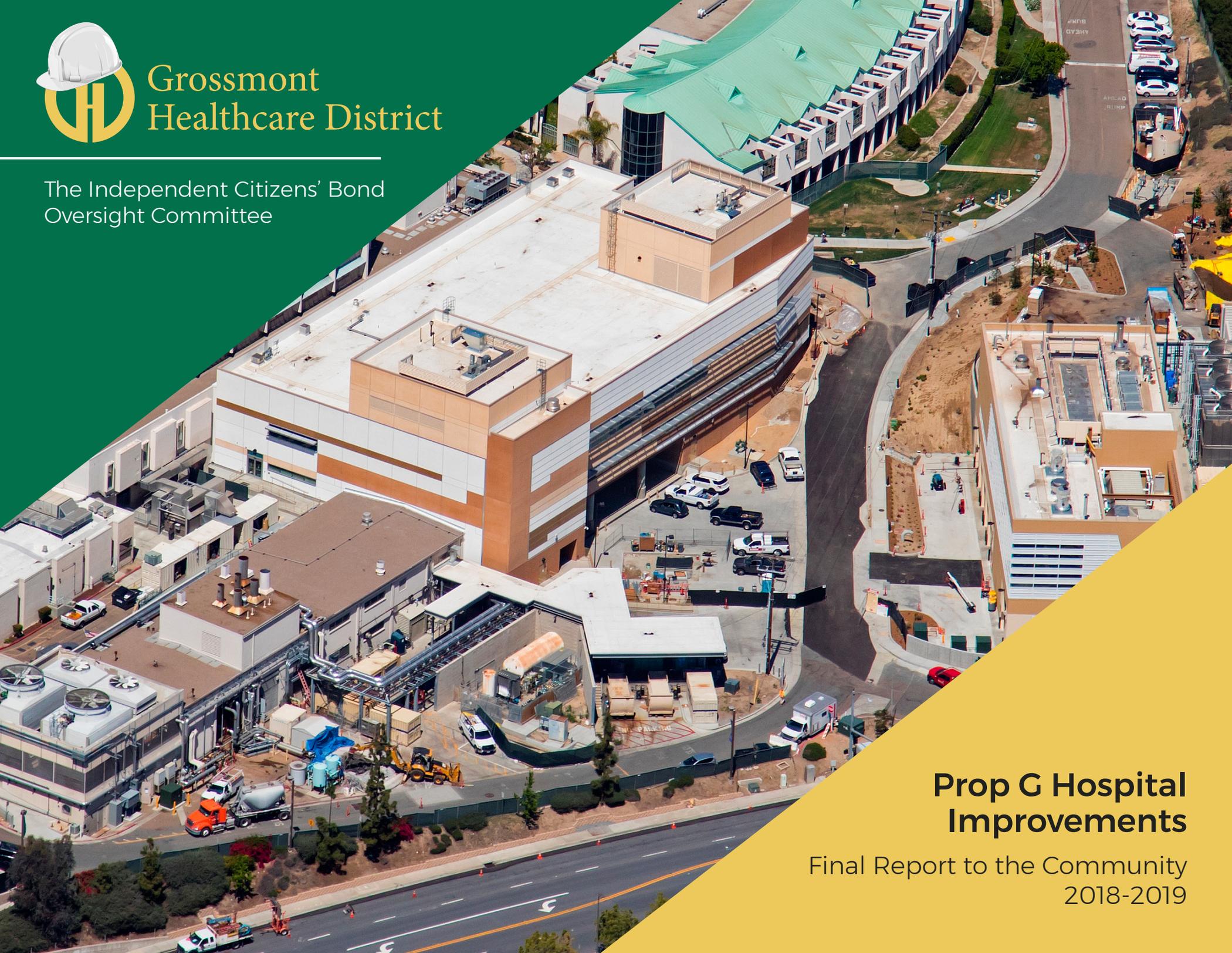




Grossmont Healthcare District

The Independent Citizens' Bond
Oversight Committee



Prop G Hospital Improvements

Final Report to the Community
2018-2019

Letter From the Chair

On behalf of the Proposition “G” Independent Citizens’ Bond Oversight Committee (ICBOC), it is my pleasure to present our 2018 Annual Report to the community. However, unlike the other 11 reports this one will summarize the total program. After 12 years of construction projects, this final report summarizes completion of all Prop G bond-financed facility improvements at Sharp Grossmont Hospital.

It all began in June 2006 with a ballot measure called Proposition G (Prop G), a \$247 million general obligation bond measure sponsored by the Grossmont Healthcare District. The bond revenues have financed a variety of much-needed infrastructure improvements at the hospital, and is the first such bond measure since the hospital opened in 1955. Prop G included the creation of an ICBOC to monitor the bond transaction process and construction progress.

The ICBOC is a group of uncompensated East County residents with experience in project management, large-scale construction operations, finance, labor and healthcare industries. Since the first committee meeting in October 2006, our job has been to review Prop G construction expenditures on behalf of local taxpayers.

I would like to commend the leadership and foresight of the GHD board of directors not only in terms of Prop G, but also throughout the construction process in maintaining the integrity of the public-private partnership between GHD and Sharp HealthCare to operate Sharp Grossmont Hospital. As a result of the Prop G improvements, for years to come, our public hospital is positioned to respond effectively in the rapidly changing healthcare environment.

It has been a pleasure to serve taxpayers as the final chair of the ICBOC. I believe strongly that our work has helped build a better experience for patients at the hospital, which has served the communities and patients of San Diego’s East County region for more than 60 years.

A handwritten signature in black ink, appearing to read "Jeffrey A. Olson". The signature is fluid and cursive, with the first name "Jeffrey" being more prominent and the last name "Olson" following in a similar style.

Jeffrey A. Olson, ICBOC Chair

Our Partners

We thank our community partners for their support throughout the Prop G journey. The Grossmont Healthcare District and Independent Citizens' Bond Oversight Committee were able to translate this vision into reality in partnership with Sharp Grossmont Hospital, the Grossmont Hospital Foundation, The Brady Family, Ed and Sandy Burr, and of course, our local taxpayers. Without this community collaboration, these facility upgrades would not be possible.

Awards and Recognitions

In 2008, the ICBOC was honored as a finalist for a Golden Watchdog award by the San Diego County Taxpayers Association (SDCTA). The SDCTA is an independent, non-partisan, nonprofit organization that brings the taxpayer's perspective to public policy debates. SDCTA takes a leadership role in fiscal oversight of local government. The Golden Watchdog awards are presented to programs that exemplify efficient use of tax dollars. In honoring the ICBOC, the SDCTA said the Committee "has proven itself as an exemplary model of quality oversight. From the onset of the bond program, the Committee was involved in the process every step of the way. The Committee and GHD Board are noted as having an effective working relationship, due in large part to the District's sincere commitment to oversight."

Starting in 2014, the San Diego Press Club has honored the ICBOC Annual Report annually with an Excellence in Journalism writing award, signifying clarity and readability for taxpayers.

Promises Made, Promises Kept

From the end of the 2006 bond campaign to the final review of the completed projects' financial statements in 2019, the ICBOC has monitored the Grossmont Healthcare District in carrying out the commitments spelled out by Prop G. Per the ballot language, GHD used the proceeds of the bonds as authorized in the measure to finance various components of Grossmont Hospital's Facilities Master Site Plan. The campaign commitments are listed below with a synopsis of each.

<p>COMPLETE GROSSMONT HOSPITAL'S EMERGENCY & CRITICAL CARE CENTER AND ADD NEW PATIENT BEDS</p>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> • At a cost of \$41 million, build-out was completed in 2009 of three upper floors of the Emergency & Critical Care Center, located directly above the hospital's existing Emergency Department and First Floor Surgical Intensive Care Unit. • The 75,000-square-foot expansion added 90 new state-of-the-art patient rooms, including 24 intensive care beds and 66 medical-surgical beds to serve the growing community. These beds help to ease impacts on the busy Emergency Department, increasing the capacity for patient flow. 	
<p>EXPAND ADVANCED RAPID-RESPONSE, STATE-OF-THE-ART CARDIAC MEDICAL CARE</p>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> • Prop G included construction of a three-story surgical building to provide new operating rooms, including catheterization labs and interventional radiology labs. • The 60,000 square-foot facility houses four new cardiac catheterization labs and four new operating rooms that expand capacity and enable surgeons and cardiologists to perform advanced procedures to treat complex heart diseases and conditions. • The Hospital is now poised to receive certification as a Comprehensive Stroke Center, the highest commitment to the residents of the East Region. 	



EXPAND THE HOSPITAL'S CENTRAL PLANT TO ACCOMMODATE GROWTH DEMANDS



- At a cost of **\$46 million**, a new Central Energy Plant (CEP) opened in 2016 to help meet future capacity needs of the hospital.
- This two-story, **18,000-square-foot** CEP features generators, boilers and systems auxiliaries. In the event of an outage or other emergency, the Hospital can continue to operate as needed.
- For decades into the future, the cogeneration system will allow the Hospital to generate its own electricity, **saving millions in energy costs**, while reducing the Hospital's emission of greenhouse gas pollutants by **90 percent**.

EARTHQUAKE SAFETY UPGRADES AND IMPROVED DISASTER RESPONSE



- At a cost of **\$9 million**, seismic retrofitting was completed on the Hospital's main patient floors (East Tower), a building originally constructed in 1974.
- The East Tower foundations are now in **compliance** with California seismic requirements, to help ensure acute patient care and treatment areas can continue to function in the event of an earthquake.
- The projects also included the construction of two new loading docks to service the Hospital to ensure the capacity for delivery of goods and supplies.
- The new Central Energy Plant (noted above) also **exceeds the requirements** for safety and disaster response, as the Hospital can continue to function as needed.

STATE-OF-THE-ART MEDICAL TECHNOLOGY



- All of the new and renovated facilities noted above utilize the latest in technology, to provide the most advances in patient care.
- A new pharmacy and clinical testing laboratory, located in the **Heart and Vascular Center**, began serving patients in March 2016. This latest medical technology enhances patient diagnosis, treatment and recovery.
- The new **6,700-square-foot** pharmacy replaced the Hospital's previous 3,100-square-foot pharmacy. The new pharmacy helps fill more than **90,000 medication orders a month**.
- The new **13,000-square-foot laboratory** replaced the Hospital's existing 10,000-square-foot laboratory. The lab's new refrigerator equipment with a capacity of **26,000 test tubes** permits the Hospital to double the storage time of most specimens. The new lab also has a **Clinical Resource Room** available for ongoing training sessions, validation of new instrument technology and space for student reference information.
- The ballot measure commitment to "repair and replace deteriorated plumbing, electrical systems, elevators, ventilation, and other major building systems" was **achieved** in all of the projects.
- Major enhancements and upgrades to the Hospital's main patient floors (East Tower), originally built in the 1970s, including the most sophisticated in-patient headwalls, **met the Prop G commitment** to "renovate and remodel patient rooms to accommodate developing medical practices and technology and support future advances for improved patient care."

Heart and Vascular Center

In 2018, the Heart and Vascular Center (H&V) building – pictured in the center of the cover photo – was completed and opened for use, becoming the only dedicated cardiovascular center in the region. Located on the east side of the Hospital campus, the **\$60 million, 71,000-square-foot** H&V adjoins the existing Hospital with new operating rooms and cardiac catheterization labs. Within the H&V building, an expanded pharmacy and laboratory have been serving patients since 2017, and full occupancy of the H&V took place this past year with the completion of the Level 1 Surgery Floor build-out (see page 7 for more details).

This facility was completed in partnership with many other dedicated community members and Hospital stakeholders. Since Prop G bond dollars can only be spent strictly on construction, the nonprofit Grossmont Hospital Foundation has been raising money for medical technology and equipment for the facility. At a ribbon cutting in July 2018, the announcement was made that the H&V was renamed the Burr Heart & Vascular Center in recognition of La Mesa residents Ed and Sandy Burr, who donated \$5 million dollars toward the facility, the largest gift ever made to the Hospital.



Proposition G Timeline of Major Events

2006

Voters approve Prop. G by 77 percent; first ICBOC meeting held

2007

Construction begins on first project: Critical Care Center (CCC); General obligation (GO) bonds of \$85.6 million were sold



H&V Level 1 Surgery Floor Build-Out

Inside the Heart and Vascular (H&V) Center building, Prop G funds were allocated for construction of its Level 1 Surgery Floor. The construction formally began in February 2017 and it was completed in 2018. The work included four new cardiac catheterization labs and four multi-purpose procedural rooms that are currently supporting a wide range of surgeries, including general surgery, open-heart surgery, minimally invasive surgery and image-guided surgery, as well as various endovascular interventional procedures. The **\$10.2 million** construction contract, awarded in December 2016, was roughly **\$1.7 million below initial estimates** for the build-out. The contract represented the final construction contract for voter-approved Prop G projects. Sharp HealthCare is paying for additional H&V in-fill construction featuring eight new procedure rooms separate from Prop G, including a post-anesthesia care unit. Completion for Sharp's in-fill construction is scheduled for 2019.

2008

CCC construction continues; San Diego County Taxpayers Association recognized ICBOC as "an exemplary model of quality oversight"

2010

Performance audit indicated Prop. G processes were well managed



2009

CCC grand opening (project completed within budget)

2011

A second round of GO bonds \$136,860,000 were sold; exterior utilities relocation began

Emergency & Critical Care Center

In 2009, construction was completed on the top three floors of the Emergency and Critical Care Center. The ECCC was the first infrastructure improvement project financed by the Prop G bonds at the Hospital. Located directly above the Hospital's existing Emergency Department, the **\$41 million, 75,000-square-foot** expansion includes **90 new patient beds**, including **24 intensive care beds** on one floor and **66 medical-surgical beds** on two other floors. Patients were admitted to the new floors beginning in September of that year.

The three new floors showcase soaring windows that provide views of the surrounding hills, lounge areas and sundeck terrace patios. Private rooms are equipped with flat-screen TVs, showers, and reclining chairs or couches that convert to beds for loved ones. Rooms also are equipped with extra storage capacity and new state-of-the-art medical equipment for improved diagnosis and treatment, including articulating arms that allow physicians to view monitors from any location at the bedside, without the risk posed by electrical cords along the floor. Some equipment is located in headwalls for easy access for nurses, and critical care and acute care beds are configured into stations, or "pods," and arranged near various nursing stations along shorter, rounded hallways.



“*The dream of expanded critical care services at Sharp Grossmont Hospital is now a reality and I couldn't be more excited. With the completion of the final three floors, the expanded Critical Care Center will provide much-needed beds for emergency admissions helping us reduce Emergency Department wait times and patients' length of stay.*”

Sandy Pugliese
ICBOC member, 2015-present

2011

A second round of GO bonds \$136,860,000 were sold; exterior utilities relocation began

2013

H&V Center groundbreaking ceremony. CEP foundation poured; CEP combustion turbine generator delivered; Ring Road utility relocation completed

2012

State regulators approve CEP plans. East Tower work begins. New loading dock construction begins





Central Energy Plant (CEP)

In 2016, the **\$47 million** CEP – pictured toward the bottom right of the cover photo – was completed and became fully operational in 2017. With the CEP complete, the Hospital is no longer solely reliant on the electrical power grid, now generating nearly 100 percent of its electricity on site. The three-story, **18,400-square-foot** building, visible from the State Route 125 freeway on the southwest side of the Hospital campus, houses a new **\$18 million cogeneration system** paid for by Sharp HealthCare as part of the continuing partnership with GHD. The new facility was designed to allow for future growth and expansion of the Hospital. On the north side of the CEP, a sign declares “Brady Family CoGen” in honor of a significant contribution from La Mesa residents Ron and Mary Alice Brady.

Built by Solar Turbines of San Diego, the cogeneration system utilizes a combustion turbine generator (CTG), similar in function to the engine on a passenger jetliner. In addition to electrical power, the **52-ton CTG** produces heat that is converted to steam, which is then used to operate medical equipment, space heating and air conditioning, and it provides hot and cold water to the Hospital. Powered by natural gas, the CTG has a capacity to produce up to **4.4 megawatts of electricity**, which is more than the Hospital’s current need of about 3.2 megawatts.



2015

A final round of GO bonds, \$24.5 million were sold; East Tower floors completed

2017

Build-out of H&V Surgery Floor; Notices of Completion received for CEP and H&V shell

2014

Voters approved Prop. H to extend hospital lease with Sharp HealthCare until 2051; H&V topping-off ceremony; Loading dock to serve entire hospital completed

2016

Completion of CEP and H&V Center shell

2018

Planned completion of H&V Surgery Floor

East Tower

In 2015, construction was completed on floors two through five of the Hospital's seven-story East Tower building, originally constructed in 1974. Each renovated floor of the East Tower has **37 patient beds for a total of 148 beds**. Among the improvements: patient-bed utility headwalls were replaced with advanced units; new Americans with Disability Act (ADA) and bariatric accessible rooms were retrofitted; reconfigured central work stations featured upgraded lighting and finishes. Other upgrades included modernization of the building's mechanical, electrical and plumbing systems, existing elevators, and private restrooms. The project also included a seismic retrofit, which brought the building into compliance with California Building Code earthquake standards.

“*I look back with much gratification on my time as ICBOC chair. I was proud of the hospital staff who endured a number of scheduling complexities, where medical equipment was relocated and work areas were modified so that construction work could proceed. Congratulations to all that made Prop. G such a wonderful success.*”

Robert Klaiber
Former ICBOC member & committee chair, 2007-2013



Proposition G Final Expenditure Report

E Tower Phase 1
\$249,566

Early Utilities and North Dock
\$13,312,513

ED-CCU
\$40,514,579

CEQA
\$104,211



Health Occupations Training Center

Among the projects included in the Prop G ballot measure was land acquisition and potential construction of a healthcare educational facility, which later became known as the Health Occupations Training Center (HOTC). Plans called for the HOTC to feature space for the training of future generations of healthcare professionals, but the GHD board members voted to discontinue the project in 2014. This decision was due to the adequacy of other local facilities, such as the Health Occupations Center administered by Grossmont Union High School District, which could be used for similar training. The GHD board then allocated the unused dollars, roughly **\$7.5 million**, to other Prop G needs at the hospital, consistent with the bond language. About \$100,000 was spent for conceptual design costs before the project was discontinued. ICBOC was briefed on this process with regular updates.

Ring Road Utilities

In 2012, various existing underground utilities were relocated on the ring road along the hospital's east side. The ring road was also realigned to new contours and elevations to accommodate the future Heart & Vascular Center.

So Dock/Level B Seismic Upgrades
\$11,998,902

East Tower Renovation
\$39,553,298

Central Energy Plant
\$58,911,593

Heart and Vascular Building
\$61,189,869

Level 1 Build Out
\$35,128,805

HOTC
\$100,236

Totals
\$261,063,572



Pictured: (top, left to right) Charles R. Fouquette, Kenneth D. Lavigne, Kathleen Bute, James Sly,
(bottom, left to right) Sandy Pugliese, Jeffrey A. Olson, Glen Sparow, Lindsey Ryan. Not Pictured: James D. Maletic, Jimmy L. Parker.

2018-2019 ICBOC Members

Jeffrey A. Olson, ICBOC Chair

Division Chief of Assessment Services, San Diego County Assessor's Office, representing Grossmont Hospital Foundation and Auxiliary

Glen Sparrow, ICBOC Vice Chair

retired San Diego State University professor, representing the San Diego County Taxpayers Association

Kathleen Bute

retired financial policy and planning officer, County of San Diego, representing finance

Charles R. Fouquette

retired construction industry supervisor, representing construction operations

Kenneth D. Lavigne

Facility Manager and safety instructor, International Brotherhood of Electrical Workers, Local 569, representing the San Diego and Imperial Counties Labor Council

James D. Maletic

owner and president, James D. Maletic Construction Management Services, representing construction operations and private business

Sandy Pugliese

community relations manager, Sharp Grossmont Hospital, representing Sharp Grossmont Hospital executive management

Lindsey Ryan

Registered Nurse, Manager of Innovation and Performance Excellence, Sharp Grossmont Hospital, representing Sharp Grossmont Hospital professional staff

James Sly

VP/COO, San Diego East County Economic Development Council, representing project management

Jimmy L. Parker

CPA, Jimmy L. Parker, A Professional Corporation, representing finance

2006-present

*Served as Chair

Patrick Donnelly	2006-2007
Michael Emerson (Alternate)	2006-2008
Andy Knutson	2006-2008
James Schmidt	2006-2008
Peter Hanson	2006-2010
Ellen Arcadi	2006-2011
Walter Heiser	2006-2011
Michael Peddecord	2006-2011
James Johnson	2006-2011
Joseph Powell	2006-2011
Ernest Ewin*	2006-2012
George Hawkins	2006-2012
Robert Klaiber*	2007-2013
Robert "Bob" Ayres	2008-2011
James Maletic	2008-present
Peggy Gaul	2010-2016
Kathleen Bute*	2011-present
Glen Sparrow*	2011-present
Kenneth Lavigne	2011-present
Dona Christensen	2012-2016
Dexter Levy	2012-2017
Charles Fouquette	2012-present
Lee Remington-Boone	2013
Allison Ferguson	2013-2015
Jeffrey Olson*	2013-present
Jeremy Hogan	2014-2015
Sandy Pugliese	2015-present
Lindsey Ryan	2016-present
James Sly	2017-present
Jimmy L. Parker	2018

We thank you for your time, expertise, and service to the people in the Grossmont Healthcare District



Grossmont
Healthcare District

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   | grossmonthealthcare.org

SHARP **GROSSMONT HOSPITAL**

