

**Lompoc Healthcare District**  
**BOND OVERSIGHT COMMITTEE MEETING**  
Tuesday, July 24, 2007

**Call to Order**

Chairperson Fox called the meeting to order at 1:40 p.m. in the LHD Medical Staff Library.

**Roll Call**

Members in attendance: Anthony Fox, Howard Grantz, Roger McConnell, Justin Rughe and Gary Williams.

Members absent: George Kennedy (due to delayed physician appointment).

Others present: Bob Baden, Todd Hagood (ProWest), Jim White and Irene Melton.

**Review of Prior Meeting Minutes**

The minutes from the May 22, 2007 committee meeting were accepted as presented.

**Revisions to Agenda**

There were no revisions proposed for this agenda or future agendas.

**NEW BUSINESS:**

**Sale of the GO Bonds, Series B (2007)**

- An update on the sale of \$32,500,000 in bonds which occurred July 10, 2007. Mr. Baden presented information to the committee regarding the recent sale of the remaining GO Bonds for the New Building Project. He shared who the bidders were, the lowest interest rate bid (4.896689%) of the five bidding parties and the successful bidder, Citigroup Global Markets, Inc. He explained the Bond Sale closing was on August 7 and how the funds would flow to the District and into a Guaranteed Investment Contract account to assure go excellent interest income would accrue on the invested bond proceeds. He noted that the District Board consider at their next board meeting the tax rate needed to cover the Interest & Principal payments through the tax rolls. After discussion there was no action taken by the Committee.

**Status of the New Hospital Project:**

- An update on the status of the New Building Project will be provided at the meeting. Mr. White and Mr. Hagood provided an overview of what is now happening at the building site on the "B" building, noting that good progress is continuing. Latest projections indicate the "B" building should be complete by February 2008. The "I" building plan are being reviewed by OSHPD (State). Normal process takes 4 reviews by the State and LHD has just received the results of the second review. Architect's are working on the comments and responding to the State. The District's goal is to complete all needs by the end of the third review. This goal is being sought to begin sending out bid proposal packages to the sub-contractors on the "I" building before the end of 2007. There were several questions from committee members regarding the construction, timing and review process that were responded to by Mr. Hagood and Mr. White.

**Overview of the Budget and Expenditures to date.**

- Review of the total project budget and current projections based upon current commitments through June 30, 2007. Mr. Baden reviewed the June 30, 2007 Budget Control Report with the Committee members. Highlights of the were:

- General costs to the project were projected at \$2,860,000 below budget,
  - "B" Building costs were projected to run \$2,796,000 over budget,
  - "I" building costs while currently projected to run \$11,314,000 over budget will depend on the actual bids that come in from the sub-contractors later this year, and
  - Due to earnings on the bond proceeds during construction now being forecast at \$4,000,000, the total overage is currently projected at \$7,250,000.
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- Current actual expenditures to date through June 30, 2007.  
Mr. Baden reviewed latest and current expenditures to date on the project from the worksheet labeled Cash Out Report. He noted that expenditures during the month of June 2007 totaled \$1,460,000 primarily for construction costs on the "B" building. Total cash expenditures to date were now at \$15,464,000 of the total \$74,500,000 received from the two GO Bond Sales. Questions from committee members regarding select line items were answered and no further action was necessary.

**OLD BUSINESS:**

**None**

**Other**

- None.

**Adjourn**

The meeting adjourned at 2:20 p.m.

  
Anthony Fox, Chair