

MINUTES OF THE **ST. BERNARD PARISH HOSPITAL SERVICE DISTRICT MEETING HELD ON WEDNESDAY, NOVEMBER 18, 2009 AT SEVEN (7:00) P.M.** IN ST BERNARD PARISH COUNCIL CHAMBERS, LOCATED AT 8201 WEST JUDGE PEREZ DRIVE, CHALMETTE, LOUISIANA

The Hospital Service District met on Wednesday, November 18, 2009 in the St. Bernard Parish Council Chambers pursuant to notice given to each member and posted in the manner required by law.

The Chairman, Mr. Landry, convened the meeting at 7:07 p.m. and continued with calling the roll.

There were present: Mr. Wayne J. Landry (Chairman), Mr. George Cavignac, Mr. Ron Chapman, Mr. James DiFatta, and Mr. Daniel Dysart

There were absent: NONE

Also present were: Dr. Brian Bertucci, Advisor to the HSD, Phil Wendling of Hammes Co., Frank Folino and Dr. Bryan Redfield of Franciscan Missionaries of Our Lady (FMOL).

Dr. Brian Bertucci delivered the invocation

Mr. Dysart led the Pledge of Allegiance.

#1

Agenda Item #1

Without objection, Mr. Landry added the minutes of the 10/28/09 Special HSD Meeting to be approved.

Without objection the minutes of the 10/28/09 and 11/4/2009 HSD meetings were unanimously approved.

#2

Agenda Item #2

On motion of Mr. Cavignac, seconded by Mr. DiFatta, it was moved to discuss the millage for the Hospital Service District.

Mr. Cavignac stated that he felt this needed to be addressed early due to the dead lines with the Secretary of State to have the millage placed on the ballot.

Mr. DiFatta stated that the community (St. Bernard) is fortunate to have the funding to build the 40 bed hospital and majority of the funding to build the Medical Office Building (MOB). Mr. DiFatta went further to state that although HSD has been fortunate enough to have acquired the funding to begin construction, there is still a need of funding to open the doors of the hospital. Mr. DiFatta stated that the hospital will need "seed capital" to carry out the general operations of the hospital for approximately 1-2 years upon opening the doors. Mr. DiFatta stated that we (HSD) is going to have to start planning now for funding mechanisms to ensure that this hospital can operate efficiently once the doors open. Mr. DiFatta also

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stated that he realizes businesses, especially the refineries, will pay the majority of the mileages that HSD will acquire, but sales tax, and other sources will not be a dedicated stream of funding at this time that this hospital can rely on.

Mr. Chapman stated that the HSD should exercise caution when contemplating this millage. Mr. Chapman reminded the board that the recent millage for sanitation and the fire department failed. He stated that small business owners are struggling. Mr. Chapman also stated that he realized most HSD's had a millage, but because of our unique circumstance, research should be done to determine exactly what and how much is needed.

Mr. Cavnac responded that caution should be exercised, but he believed that the hospital will be the greatest economic engine that the community will benefit from. Mr. Cavnac believed that \$5Million is a fairly solid amount for Operations and Maintenance budget for the first year.

Mr. Dysart agreed with Mr. Chapman that HSD should exercise caution in asking for the millage. He also stated he wanted to see research and recommendations in writing from FMOL and any other sources that could back up the information to say what the millage would be used for and that HSD needed concrete numbers before asking the community to support a millage.

Dr. Brian Bertucci commented by saying that the hospital is the missing link in order to allow the community to flourish and grow economically. Dr. Bertucci made the point that this millage was completely different from the last millage for sanitation and fire in being that the hospital will boost the economy by creating jobs and bring back assisted living and nursing homes. Dr. Bertucci believes the people should have the opportunity to voice their opinion on whether they believe the millage is necessary or not. Dr. Bertucci fully believes the people of the community will vote for the millage because it's an investment in their community.

Dr. Redfield explained that FMOL will provide the very best medical care to the community and will do whatever it can to help raise monies for the hospital to open. Dr. Redfield stated that high quality health care is hinged on available cash flow. Dr. Redfield agreed that the hospital will need cash flow to bridge the gaps of funding that the state and federal government cannot provide. Dr. Redfield went on to say that FMOL will help educate the people of the community to let them know why this millage is needed and how important it is.

Mr. Landry stated that the hospital is being built debt free, but it will still need money to start up this operation to be able to open the doors. Mr. Landry stated that today there are \$0.00 in cash to open the doors. Mr. Landry welcomed other members to come up with a plan to subsidize the short falls of this project.

Dr. Redfield stated that it highly likely that the hospital will not have the appropriate cash flow to operate these first few years.

Mr. Landry wanted to clarify that the last election that did not pass was a fee not a millage, and the millage will be largely born by industry and not individuals. Mr. Landry did not believe that any time there

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would be a surplus from the millage. Mr. Landry was concerned that the revenue streams may not be there if the millage was not in place.

Mr. Chapman wanted to make sure the land was locked in and HSD was actually starting construction to show the citizens something tangible in order for them to see progress and justify a vote on the millage.

Mr. Cavignac stated that it is critically important for the people of our community to realize this will be their hospital. Mr. Cavignac asked that the body make a decision by next meeting and members that have concerns to do whatever research necessary to make a decision to move forward with the millage since there is much paperwork and deadlines in order to get this on the ballot.

Mr. Cavignac made a motion, seconded by Mr. DiFatta to make the decision by next meeting to have the millage go forward.

Mr. DiFatta wanted other independent financial experts that deal with the medical industry to forecast the hospital's operations.

Mr. Folino recommended Price Waterhouse to give some statistical research and projections in order to move forward.

Mr. Dysart stated that he wanted a plan to show the community what was needed to provide cash flow to the hospital.

Dr. Redfield said he did not believe FMOL could get the information back to the board within 2 weeks to make a decision, but he did not believe that HSD should go to the public with a vote until Price Waterhouse or another reputable company gave their stamp of approval for the millage.

Mr. Chapman wanted to ask Mr. Cavignac to not put a time constraint on voting on the millage.

Mr. Cavignac said he did realize there were some credibility issues with the board early on, but the board can move on with the people's confidence. Mr. Cavignac just reiterated that the board should move aggressively and expeditiously.

The above and foregoing having been submitted to a vote, the vote thereupon resulted as follows:

YEAS: Cavignac, Chapman, DiFatta, Dysart

NAYS: NONE

ABSENT: NONE

The Chairman, Mr. Landry, cast his vote as **YEA**

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And the motion was declared **ADOPTED** on the 18th day of November, 2009

#3

Agenda Item #3

On the motion of Mr. DiFatta, seconded by Mr. Cavnac it was moved to pay Frilot Invoice #113032 in the amount of \$6565.00.

Mr. DiFatta stated that this Frilot invoice was reviewed in the Finance Workgroup Meeting, and was recommended for payment.

The above and foregoing having been submitted to a vote, the vote thereupon resulted as follows:

YEAS: Cavnac, Chapman, DiFatta, Dysart

NAYS: NONE

ABSENT: NONE

The Chairman, Mr. Landry, cast his vote as **YEA**

And the motion was declared **ADOPTED** on the 18th day of November, 2009

#4

Agenda Item #4

On the motion of Mr. DiFatta, seconded by Mr. Chapman it was moved to pay the September 2009 Hammes Invoice #1097A-05 in the amount of \$44,221.25

Mr. DiFatta stated the Hammes Co. invoice was reviewed during the Finance Workgroup meeting, everything was in order and it was recommended that the board proceed with payment.

The above and foregoing having been submitted to a vote, the vote thereupon resulted as follows:

YEAS: Cavnac, Chapman, DiFatta, Dysart

NAYS: NONE

ABSENT: NONE

The Chairman, Mr. Landry, cast his vote as **YEA**

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And the motion was declared **ADOPTED** on the 18th day of November, 2009.

#5

Agenda Item #5

On the motion of Mr. DiFatta, seconded by Mr. Cavnignac it was moved to pay the October 2009 Hammes Co. Invoice #1097A-06 in the amount of \$46,221.52.

Mr. DiFatta stated that the Hammes Co. invoice was reviewed during the Finance Workgroup Meeting and it was recommended to remove \$888.00 from the original bill amount of \$47109.52 until Hammes Co. could provide more information as to what the line item "resource materials" was actually used for.

The above and foregoing having been submitted to a vote, the vote thereupon resulted as follows:

YEAS: Cavnignac, Chapman, DiFatta, Dysart

NAYS: NONE

ABSENT: NONE

The Chairman, Mr. Landry, cast his vote as **YEA**

And the motion was declared **ADOPTED** on the 18th day of November, 2009.

Item #6

Agenda Item #6

On the motion of Mr. DiFatta, seconded by Mr. Cavnignac it was moved to pay BFM Invoice #019487 in the amount of \$10,246.00.

Mr. DiFatta stated that the work had been subcontracted through Gresham Smith and Partners (GSP) and that GSP had reviewed the invoice and the work was complete. Mr. DiFatta also stated that the invoice was reviewed during the Finance Workgroup Meeting it was recommended for payment.

Mr. Chapman asked where HSD stood with CDBG Funds.

Mr. Wendling responded that he would get an update from Kendall Magee and pass the information on to the board members.

Mr. Cavnignac reiterated that HSD was well within budget of the cash flow sheet.

The above and foregoing having been submitted to a vote, the vote thereupon resulted as follows:

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YEAS: Cavnignac, Chapman, DiFatta, Dysart

NAYS: NONE

ABSENT: NONE

The Chairman, Mr. Landry, cast his vote as **YEA**

And the motion was declared **ADOPTED** on the 18th day of November, 2009.

#7

Agenda Item #7

On the motion of Mr. DiFatta, seconded by Mr. Cavnignac it was moves to select HSD experienced special counsel.

Mr. DiFatta stated that both legal firms (Breazeale, Sachse & Wilson LLP. and Sullivan, Stolier & Resor) both were interviewed and each had expertise in different areas that would complement each other and that both firms should be accepted.

Discussion ensued.

The above and foregoing having been submitted to a vote, the vote thereupon resulted as follows:

YEAS: Cavnignac, Chapman, DiFatta, Dysart

NAYS: NONE

ABSENT: NONE

The Chairman, Mr. Landry, cast his vote as **YEA**

And the motion was declared **ADOPTED** on the 18th day of November, 2009.

#8

Agenda Item #8

On the motion of Mr. Dysart, seconded by Mr. Chapman it was moved to authorize Chairman to execute the donation and servitude agreements with the Meraux Foundation.

Mr. Dysart stated that recommendations that needed to be changed should have been provided to the Chairman, and there should be no reason not to move forward.

Mr. Cavnignac responded that changes were received from the MF in regards to the servitude documents right before the meeting via email and he was somewhat uncomfortable with some of the language in those

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documents. Mr. Cavnac said he agreed that the Chairman should execute once the changes were complete, and at this time they were not complete.

Mr. Landry stated the item was tabled prior to this for the very same reason of not all documents being clear and ready to simultaneously be executed.

Mr. Dysart wanted clarity as to where the board stood.

Mr. Cavnac responded that there was an alignment issue with the ingress/egress lining up with the hospital and it still was not settled.

Mr. Landry stated that if the attorneys sent information today, the documents were not finalized. Mr. Landry went further to state that he had not had time to review the document fully and felt uncomfortable executing the documents without having time to review what was sent.

Mr. Cavnac stated that one of the issues he had concerns with the landscaping and alignment issues. The MF stated that the alignment would be decided by the MF with no consideration for what LaDOTD had previously discussed at an earlier meeting. Mr. Cavnac stated that this would be problematic.

Mr. DiFatta stated that his dilemma was that he too had not had a chance to look over the document either because he could not open the file from his computer. Mr. DiFatta stated that the hard copy had just been given to him by Mr. Landry.

The above and foregoing having been submitted to a vote, the vote thereupon resulted as follows:

YEAS: Chapman, Dysart

NAYS: Cavnac, DiFatta

ABSENT: NONE

The Chairman, Mr. Landry, cast his vote as **NEA**

And the motion was declared **FAILED** on the 18th day of November, 2009.

#9

Agenda Item #9

Update from Hammes Co.

Mr. Wendling provided Visioning presentations to all board members for review and asked for any feedback the members may have.

Mr. Wendling stated that the Design and Development documents will be printed for pricing on December 1st.

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Mr. Wendling stated that the early site package is complete, and the 404 application will go to the state and then to the Army Corps and HSD should know something in 120 days. Mr. Wendling has no response back from LaDOTD.

Mr. Wendling requested the board to allow an advertisement to go in the local papers for a Radiographic Shield to be purchased.

The above and foregoing having been submitted to a vote, the vote thereupon resulted as follows:

YEAS: Cavnac, Chapman, DiFatta, Dysart

NAYS: NONE

ABSENT: NONE

The Chairman, Mr. Landry, cast his vote as **YEA**

And the motion was declared **ADOPTED** on the 18th day of November, 2009.

Mr. Wendling stated that progress of the MOB Feasibility Study was on schedule to be completed on time.

#10

Agenda Item #10 – Old Business

No Action Necessary

#11

Agenda Item #11 – New Business

No Action Necessary

There being no further business for discussion, the Chairman, Mr. Landry declared the meeting adjourned at 8:41p.m.p.m. on the 18th day of November, 2009.

Gretchen H. Henry

Gretchen H. Henry
Recording Secretary

Wayne J. Landry

Wayne J. Landry
Chairman