

MINUTES OF THE ST. BERNARD PARISH HOSPITAL SERVICE DISTRICT MEETING HELD ON WEDNESDAY, DECEMBER 16, 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, December 16, 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 Cavnac, Mr. Ron Chapman, Mr. James DiFatta, and Mr. Daniel Dysart

There were absent: NONE

Also present were: Dr. Brian Bertucci, Advisor to the HSD, and Phil Wendling from Hammes Co.

Dr. Brian Bertucci delivered the invocation

Mr. Chapman led the Pledge of Allegiance.

#1

On motion of Mr. Cavnac, seconded by Mr. DiFatta, it was moved to approve the minutes of the 12/2/2009 HSD meeting.

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 16th day of December, 2009.

#2

On motion of Mr. Cavnac, seconded by Mr. DiFatta, it was moved to receive an update from the Chairman.

Mr. Landry wanted to bring the board up to speed on meetings he had attended regarding CDBG funding. Mr. Landry met with the Director of Division of Administration Mr. Gray, also Pat Forbes and Mr. Jack Stoller of Sullivan, Stoller, and Resor. Mr. Landry stated that the state wants the CDBG application amended to roll both the MOB and hospital together as one project. Mr. Landry said amending the application was not a simple process; there would be criteria to be met before the application could be amended. The capitol outlay funds need to be moved to from level 5 to level 1 or a letter from Angele Davis's office to Mark Gates, the facilities and planning commission contact, so that they are allowed to use

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Capital Outlay funds to be identified and awarded for construction. The additional CDBG funds that the LRA gave a verbal commitment on, the LRA needs to pass a resolution that says even though they are not transferring funds today, the LRA will state where the funds are being transferred from and then that would be acceptable to Mr. Gray and Pat Forbes so the project could move forward. Mr. Landry also stated he spoke with Paul Rainwater to get the resolution done by drafting a letter to expedite things. Also in the meeting it was discussed that there were many things that go into building a hospital because it's an institution, not just "bricks and sticks". There are monies needed throughout this project to ensure the hospital is fully operational when the doors open. Mr. Landry went on to discuss what some of those items were: Management fees from now until the hospital opens, a materials management person to procure equipment, the salary of the clerk are among a few items that could be paid for by CDBG. Mr. Landry went on to explain that an amendment to the CDBG application would be necessary.

Mr. Chapman wanted to know if there was any additional news regarding the capital outlay monies.

Mr. Landry stated that the monies will not be moved from level 5 to level 1 this fiscal year, but it will move next fiscal year. Mr. Landry stated that a letter from the state would seal the deal.

Mr. DiFatta stated all new developments are needed and welcomed so the burdens can be lifted from the HSD to know there are monies to fill in the gaps.

Mr. DiFatta asked when will the "trigger" be pulled to amend the CDBG Application.

Mr. Landry stated that a lot of work and information has to be compiled prior to amending the application.

Discussion Ensued.

#3

On motion of Mr. DiFatta, seconded by Mr. Chapman, it was moved to approve FMOL to include website development in their management contract as recommended by the Finance Workgroup.

Mr. Cavnac stated that the last details with the IT consultant were discussed at the last Finance Workgroup meeting, and all details have been finalized. Mr. Cavnac also stated that these final delivery costs could also be paid for by CDBG monies, which is a plus for the project fiscally.

Mr. Landry stated that this would help the website development move forward.

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

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

And the motion was declared **ADOPTED** on the 16th day of December, 2009.

#4

On motion of Mr. DiFatta, seconded by Mr. Cavnignac, it was moved to approve reimbursables for Hammes Co. Invoice #10907A-06 in the amount of \$888.00 confirmed by the state and reimbursable methodology as recommended by the Finance Workgroup.

Mr. DiFatta stated that in the month of October, Hammes Co. submitted an expenditure on their bill that was questionable, and after requesting proper documentation and back up from Hammes Co., the Finance Workgroup agreed the expenditure was authorized.

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 16th day of December, 2009.

#5

On motion of Mr. DiFatta, seconded by Mr. Chapman, it was moved to approve GSP Invoice #0635781 in the amount of \$290,654.82 as recommended by the Finance Workgroup.

Mr. DiFatta stated that the invoice was reviewed and discussed at length with Hammes Co. and everything was found to be in line for payment.

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 16th day of December, 2009.

#6

On motion of Mr. DiFatta, seconded by Mr. Cavnignac, it was moved to approve GSP Invoice #0636351 in the amount of \$188,902.27 as recommended by the Finance Workgroup.

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Mr. DiFatta stated that the invoice was reviewed and discussed at length with Hammes Co. and everything was found to be in line for payment. Mr. DiFatta went further to say that this bill represents billing for the first 2 of the 5 components of the architects and engineers service. Mr. DiFatta stated the programming services and design development was complete.

Mr. Dysart wanted clarification if there was something to show for where the architect was at this time.

Mr. DiFatta stated that Mr. Wendling would explain all the stages that were completed at this time.

Mr. Wendling explained and showed the specification books and drawings of everything that the architect had done so far.

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 16th day of December, 2009.

#7

On motion of Mr. DiFatta, seconded by Mr. Cavnignac, it was moved to approve the St. Bernard News Invoice #79192 in the amount of \$414.00 for the HSD Secretary's job announcement as recommended by the Finance Workgroup.

Mr. Landry explained that this was the advertisement for the secretary's job announcement.

Mr. DiFatta stated that it was extremely self explanatory.

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 16th day of December, 2009.

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#8

On motion of Mr. DiFatta, seconded by Mr. Cavnignac, it was moved to approve Environ Invoice # 271552 in the amount of \$1875.00.

Mr. DiFatta stated that this particular invoice represented 15% of the entire work that Environ had contracted with the HSD. Mr. DiFatta went further to say that this represented the wetlands permitting process. Mr. DiFatta stated that Environ was on schedule and everything was in line to pay the invoice for the work that had been completed thus far.

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 16th day of December, 2009.

#9

On motion of Mr. DiFatta, seconded by Mr. Chapman, it was moved to discuss bridge loan financing.

Mr. DiFatta stated that the fiscal agent has not been able to get the bridge loan done as quickly as previously thought. Mr. DiFatta went further to say the loan and finance committees are requiring the HSD to have certain requirements which may not be attainable by the HSD. Mr. DiFatta stated that HSD may have to look into other institutions to provide the bridge loan.

Mr. Landry asked what specifically was being asked that could not be done.

Mr. DiFatta responded that Gulf Coast Bank wanted SBPG obligate itself and guarantee the bridge financing loan. Mr. DiFatta said the parish should not be looked upon nor is the parish in the position to guarantee the loan.

Mr. Chapman wanted to clarify that the reason for the bridge loan financing was to make sure that the contractors got paid in a timely manner due to additional fees and interests that would be tacked on for not paying the contractors by due date.

Mr. DiFatta confirmed that was correct.

Mr. Landry reminded Mr. Wendling to keep the draft of construction documents consistent with the timing of the flow of CDBG monies.

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Mr. Wendling stated he was aware and would schedule it out accordingly.

No Action Necessary

#10

On motion of Mr. DiFatta, seconded by Mr. Cavnac, it was moved to discuss pro-forma to determine if alternate revenues streams are necessary to fund the hospital.

Mr. Landry stated that the pro-forma would be necessary for several reasons and he stated that one reason was to determine the gap between the income and expenses of operations and another was to put together the delivery aspect for the hospital.

Without objection, Mr. Landry suspended the rules and combined items 10 and 11 together.

Item#11:

Motion to allow the Chairman to amend the CDBG Application as necessary to include delivery and capital items.

Mr. Landry stated that expanding Hammes Co. contract to include the pro-forma would cost approximately \$40,000.00 as opposed to putting an RFP out to have an outside firm bid the pro-forma, and outside companies and sources that were previously identified are roughly costing \$140,000.00.

Mr. DiFatta stated he asked a few other CPAs and colleagues to put out feelers and see if a pro-forma could be generated for the HSD and Mr. DiFatta was told that there was a lot involved with a CPA firm doing a pro-forma because of the regulations with the state board of accountants, and basically a CPA's "hands are tied" in providing some of the necessary information and the HSD still has no idea what the cost would be to engage a private CPA firm to put the pro-forma together. Mr. DiFatta went further to say that it made sense for Hammes Co. to conduct the pro-forma if they already had the right individuals "number crunchers" to get the job done and that the rate seemed reasonable and he was satisfied with Hammes Co's credibility.

Mr. Cavnac stated that he spoke with Kelly Longwell, NMTC Consultant, and it was important to get the pro-forma done because of the necessary, financial information Ms. Longwell needed to finalize the spec sheets going out to the investors for the tax credit transactions. Mr. Cavnac stated he had a problem with the motion on the table and moved to amend the item as it was written.

On a substitute motion of Mr. Cavnac, it was moved to amend the item to read as: Motion to authorize Chairman in conjunction with Jack Stolier and Pat Forbes (as long as no RFP is needed) to go forward and for final application to be voted on by the HSD Board.

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Mr. Dysart stated he was confused and wanted clarity of the amendment and what the feasibility study was for. Mr. Dysart wanted the complete scope of the work that would be performed.

Mr. Cavnac explained that by expanding Hammes. Co. contract to include the feasibility study and to have Jack Stolier and Pat Forbes review the expanded contract to ensure proper procurement language is included so that CDBG monies will cover the expense of the feasibility study.

Mr. Dysart stated he was concerned that the board was not voting on the item.

Mr. DiFatta replied that if Pat Forbes wanted a RFP, then he agreed, but if no RFP was needed, then Mr. DiFatta was fine with that.

Mr. Chapman wanted clarification on the definition of the pro-forma and was it a calculation of operational costs when the hospital opened.

Mr. DiFatta confirmed that he was correct.

Mr. Wendling went through all phases of the pro-forma and how the pro-forma is modeled and constructed.

Mr. Dysart stated that Hammes Co is going to provide a scope that entails 4 or 5 different phases and HSD should vote only after seeing what Hammes Co. is proposing to do and have it delineated and outlined in black and white for everyone to see prior to voting on it.

Mr. Wendling stated he would provide whatever the board requested of him.

Mr. Landry addressed Mr. Cavnac's substitute motion and asked if Mr. Cavnac would add additional language to the motion to read at the end "pending an engagement letter acceptable by Pat Forbes"

Mr. Cavnac did not object to the language being added.

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 16th day of December, 2009.

#11

No Action Necessary. This item combined with Item #10.

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#12

On motion of Mr. DiFatta, seconded by Mr. Cavnac, it was moved to allow the Chairman to amend the CDBG Application as necessary to include delivery and capital items.

Mr. Landry said most information was given during his update, but wanted the board to know that he would not be able to just go in and update an application. Mr. Landry stated he would need the help of Jack Stoler, FMOL, and Phil Wendling, and before the application is sent it would be blessed by Pat Forbes.

Mr. DiFatta requested that prior to the amendment being completed and sent so the board knows and the public knows it will be moving forward for submission.

Mr. Landry stated that he did not want to start spending the board's money and time without putting the motion on the floor to get the board's approval.

On a motion of Mr. Dysart, seconded by Mr. DiFatta, all work or amendments to CDBG Application would come back before the board before moving forward.

Without objection the new amended language was accepted.

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 16th day of December, 2009

#13

On motion of Mr. DiFatta, seconded by Mr. Cavnac, it was moved to discuss old business.

Mr. DiFatta stated that he wanted to make some comments regarding the NMTC issue, and wanted the public to understand that the port was not the governing body of the NMTC. Mr. DiFatta explained that several port commissioners sit on the St. Bernard Redevelopment LLC Commission and they made an additional allocation to the HSD. Mr. DiFatta went further to say that the Coats and Rose firm is doing leg work to make sure these dollars could be spent supply medical equipment and putting the hospital and MOB together. All dollars will be applicable to these NMTC. Mr. DiFatta commended the committee members for their support of the hospital.

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Mr. Cavignac wanted to say the port did generously give 25% of their allocation to the HSD and he did not want them to go un-noticed.

Mr. DiFatta commented that Mr. Cavignac was correct; the port did see fit to allocate those credits to HSD because they feel it's the single most important recovery project in St. Bernard.

Mr. Landry wanted to publically thank the port also for their support.

#14

On a motion of Mr. Chapman, seconded by Mr. Cavignac it was moved to discuss new business.

Mr. Chapman wanted to comment on the donation documents given to Meraux Foundation and if everything was approved next week, he wanted to make sure that an emergency meeting would be held to move on the changes that MF was making.

Mr. DiFatta stated he also agreed and that he wanted to move forward as soon as possible.

Mr. Landry wished everyone a Merry Christmas and Happy Holiday Season.

There being no further business for discussion, the Chairman, Mr. Landry declared the meeting adjourned at 8:35 p.m. on the 16th day of December, 2009.

Gretchen H. Henry

Gretchen H. Henry
Recording Secretary

Wayne J. Landry

Wayne J. Landry
Chairman