

MINUTES OF THE REGULAR SESSION MEETING OF THE HOSPITAL SERVICE
DISTRICT #2 OF THE PARISH OF ST. MARY BOARD OF COMMISSIONERS HELD ON
OCTOBER 1, 2025

A regular monthly business meeting of the Board of Commissioners of Hospital Service District #2 of the Parish of St. Mary was held on Wednesday, October 1, 2025 at 12:00 P.M. in the Media Room of the Morgan City Harbor & Terminal District Building located at 7327 Highway 182, Morgan City, LA 70380

PRESENT: Dr. William A. Cefalu, Jr., Angelena Brocato, Jackie Cheramie, William McCarty, Thane Aucoin, Clarence Robinson, Jr. and Barry Dufrene

Also present: William E. Bourgeois, Counsel for Hospital Service District #2

Dr. Cefalu called the meeting to order.

Dr. Cefalu lead in the Pledge of Allegiance.

Roll call was taken. Those Board Members present and those absent listed above.

On motion of Mrs. Brocato, second by Mr. Robinson and unanimously carried, the Board approved and signed the Minutes of September 3, 2025.

Dr. Cefalu opened the floor for Guest/public comments, to which there were none. Raymond Pisani with Respiratory Therapy at Ochsner St. Mary (OSM), Bill Decker with the Daily Review, Lea Hebert, Member of OSM Governing Board and Dr. Larry Nelson, Anaesthesiologist with OSM attended without comment.

Dr. Cefalu called for the Financial Report. Mrs. Cheramie presented the Financial Report for the period ending August 31, 2025. Upon motion of Mr. Aucoin, second by Mrs. Brocato and unanimously carried, the Board approved the financials as presented. Dane Robison with Robison Wealth Management addressed the Board and gave an update on the transfer of the accounts to Raymond James.

Dr. Cefalu called for discussion and any action on conceptual design proposals for permanent exterior building panels. Barry Lann with Grace Hebert Curtis Architects, LLC gave a power point presentation on the different options for the exterior panels for the hospital facility. He stated that the panels could withstand a strong Category 2 or 3 Hurricane and that the panels meet the Miami Dade County Hurricane storm test. After a brief discussion on each option, it was agreed that Mr. Lann would provide Attorney Bourgeois with a PDF of the various options which will be forwarded to each Board Member for their review. The Board was instructed to direct their respective opinions via email to Mr. Lann.

Dr. Cefalu called for discussion and any action on conceptual design proposals for the first

floor interior renovations. Mr. Lann presented a power point on the new design for the first floor renovations and he stated that he will be meeting with OSM regarding the proposal. Discussions were held regarding recommendations for flooring, etc. Attorney Bourgeois discussed the flooring proposal received and the need to obtain more quotes. Further discussions were held as to these matters.

Dr. Cefalu called for discussion and action on OSM engineering and front entrance overhang project. Mr. Lann gave updates on the status of the front entrance/overhang project. After a brief discussion, on motion of Mrs. Brocato, second by Mr. McCarty and unanimously carried, the Board voted to authorize Dr. Cefalu to sign Change Order #5 (brick ledge iron demo). Attorney Bourgeois then discussed the Engineering phases and the totals going from \$7mil to \$16mil. A brief discussion was held as to this matter.

Dr. Cefalu called for discussion and action to adopt resolution to authorize Capital Outlay requests. Attorney Bourgeois and Barry Lann discussed this matter, the time line and what the monies would be allocated towards based on the Engineering phases (4th & 5th year items and maybe the panels). Further discussions were held and the request for the total dollar amounts will be provided at a later date. On motion of Mr. Dufrene, second by Mrs. Brocato and unanimously carried, the Board authorized Dr. Cefalu to sign a Resolution to proceed with requests for Capital Outlay Funds.

Dr. Cefalu called for discussion and action to budget for and to authorize bid advertisement for 1250 kw emergency standby generator and related equipment. Attorney Bourgeois advised the Board that the Electrical Engineers advised that this needs to be replaced and that it will take approximately one (1) year to obtain. Further discussions were held as to the costs, the availability of funds and the need to budget for said purchase and who will oversee the bid process. Further comments were made by Mr. Lann regarding the bid process for public entities in Louisiana and that we could use a qualifications based project delivery called a construction manager at risk. On motion of Mrs. Brocato, second by Mr. Aucoin and unanimously carried, the Board authorized Dr. Cefalu to sign documents to start the bid advertising process to obtain said generator and to budget the funds for the costs thereof.

Dr. Cefalu called for discussion and any action to adopt resolution giving preliminary approval to limited tax bonds of the District to not exceed the amount of \$6,700,000.00. Attorney Bourgeois, M. Jason Akers, Bond Attorney and Steve Nosacka, Municipal Advisor, explained/advised the Board of the purpose of the resolution, the need to start the process, the procedure that will follow and the percentage costs thereof. After further discussions, on motion of Mr. Dufrene, second by Mrs. Brocato and yeas by Dr. Cefalu, Mrs. Brocato, Mrs. Cheramie, Mr. Aucoin, Mr. McCarty, Mr. Robinson and Mr. Dufrene, the following Resolution was adopted by the Board, to-wit:

RESOLUTION

A resolution giving preliminary approval to the issuance of not to exceed Six Million Seven Hundred Thousand Dollars (\$6,700,000) of Limited Tax Bonds of Hospital Service District No. 2 of the Parish of St. Mary, State of Louisiana, and providing for other matters relating thereto.

WHEREAS, Part II of Chapter 4 of Subtitle II of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority (the "**Act**"), authorizes political subdivisions to borrow money in anticipation of revenues to be realized from special taxes; and

WHEREAS, the Board of Commissioners of Hospital Service District No. 2 of the Parish of St. Mary, State of Louisiana (the "**Board of Commissioners**"), acting as the governing authority of Hospital Service District No. 2 of the Parish of St. Mary, State of Louisiana (the "**District**") pursuant to the Act, and subject to the approval of the State Bond Commission and the St. Mary Parish Council (the "**Parish Council**"), desires to incur debt and issue not exceeding Six Million Seven Hundred Thousand Dollars (\$6,700,000) of Limited Tax Bonds (the "**Bonds**") of the District, for the purpose of (i) improving and equipping new and existing hospital and other health care facilities in the District (the "**Project**"), and (ii) paying the costs of issuance of the Bonds, said Bonds to be payable from an irrevocable pledge and dedication of the funds to be derived by the District from the levy and collection of a special ad valorem tax of 9 mills (such rate being subject to adjustment from time to time due to reassessment) authorized at an election held on December 7, 2024, which the District is authorized to impose and collect beginning in Tax Year 2025 and continuing through 2034 (the "**Tax**"); and

WHEREAS, the District has no outstanding bonds or other obligations of any kind or nature payable from or enjoying a lien on the revenues of the Tax; and

WHEREAS, the District desires to make formal application to the State Bond Commission for approval of the issuance of the Bonds;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners, acting as the governing authority of the District, that:

SECTION 1. **Preliminary Approval of Bonds.** Preliminary approval is given to the issuance of not exceeding \$6,700,000 of Limited Tax Bonds (the "**Bonds**") of the District, pursuant to the Act, for the purpose of (i) improving and equipping new and existing hospital and other health care facilities in the District (the "**Project**"), and (ii) paying the costs of issuance of the Bonds, said Bonds to be secured by and payable from an irrevocable pledge and dedication of the funds to be derived by the District from the levy and collection of the Tax. The Bonds will be issued at an interest rate not exceeding 6% per annum and shall mature no later than March 1, 2035. The Bonds shall be issued in fully registered form and shall have such additional terms and provisions as may be determined by this Board of Commissioners.

SECTION 2. **State Bond Commission Approval.** Application is hereby made to the State Bond Commission, Baton Rouge, Louisiana, for approval of the issuance and sale of the Bonds and for consent and authority to proceed with the issuance and sale of the Bonds as provided above, and Bond Counsel is directed to make application to the State Bond Commission in accordance with the foregoing on behalf of the District.

By virtue of applicant/issuer's application for, acceptance and utilization of the benefits of the Louisiana State Bond Commission's approval(s) resolved and set forth herein, it resolves that it understands and agrees that such approval(s) are expressly conditioned upon, and it further resolves

that it understands, agrees and binds itself, its successors and assigns to, full and continuing compliance with the "State Bond Commission Policy on Approval of Proposed Use of Swaps, or other forms of Derivative Products Hedges, Etc.", adopted by the Commission on July 20, 2006, as to the borrowing(s) and other matter(s) subject to the approval(s), including subsequent application and approval under said Policy of the implementation or use of any swap(s) or other product(s) or enhancement(s) covered thereby.

SECTION 3. **Parish Council Approval.** Application is hereby made to the Parish Council for consent and authority to issue, sell and deliver the Bonds, and a certified copy of this resolution shall be forwarded to the Parish Council on behalf of the District, together with a letter requesting the prompt consideration and approval of this application.

SECTION 4. **Employment of Bond Counsel.** The Board of Commissioners finds and determines that a real necessity exists for the employment of special counsel in connection with the issuance of the Bonds, and accordingly, Foley & Judell, L.L.P., of New Orleans, Louisiana, as Bond Counsel, is hereby employed to do and perform work of a traditional legal nature as bond counsel with respect to the issuance and sale of said Bonds. Said Bond Counsel shall prepare and submit to this Board of Commissioners for adoption all of the proceedings incidental to the authorization, issuance, sale and delivery of such Bonds, shall counsel and advise this Board of Commissioners as to the issuance and sale thereof and shall furnish its opinions covering the legality of the issuance of the Bonds. The fee of Bond Counsel for each series of bonds shall be fixed at a sum not exceeding the fee allowed by the Attorney General's fee guidelines for such bond counsel work and based on the amount of said Bonds actually issued, sold, delivered and paid for, plus "out-of-pocket" expenses, said fees to be contingent upon the issuance, sale and delivery of said Bonds. The Chairman is hereby authorized and directed to execute, and this Board of Commissioners hereby agrees to and accepts the terms of, the engagement letter of Bond Counsel appended hereto. A certified copy of this resolution shall be submitted to the Attorney General of the State of Louisiana for approval of said employment and of the fees herein designated, and the Secretary is hereby empowered and directed to provide for payment of the work herein specified upon completion thereof and under the conditions herein enumerated without further approval of this Board of Commissioners.

SECTION 5. **Appointment of Municipal Advisor.** The District hereby retains Trinity Capital Resources, LLC, of Baton Rouge, Louisiana, to act as its Municipal Advisor ("MA") pursuant to the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the rules promulgated thereunder by the Securities and Exchange Commission. The District hereby acknowledges that it is represented by the MA and will rely upon the advice of the MA with respect to the Bonds. The fee to be paid the MA shall be payable solely from the proceeds of the Bonds when and if issued, and the amount thereof shall be subject to the approval of the State Bond Commission. The Chairman is hereby authorized and directed, in his discretion, to execute any contract the MA may request with respect to the engagement.

SECTION 6. **Declaration of Official Intent.** Prior to the delivery of the Bonds, the District presently intends and reasonably expects that it may pay all or a portion of the costs of the Project from legally available funds in its General Fund. Upon the issuance of the Bonds, the District presently intends and reasonably expects to reimburse any such expenditures for the Project from a portion of the proceeds of the Bonds, provided that such reimbursement shall be in an amount not currently reasonably expected to exceed the maximum principal amount of the Bonds set forth in Section 1 hereof. Any such allocation of proceeds of the Bonds for reimbursement will be with respect to capital expenditures (as defined in Reg. 1.150-1(b)) and will be made not later than 3 years after the later of (i) the date such expenditure was paid or (ii) the date on which the Project was placed in service or abandoned. This Section is intended to be a declaration of official intent within the meaning of Reg. 1.150-2, and certain terms used in this Section shall have the meaning given in such Regulation. All

of the expenditures covered by this Section were or will be made on and after the date which is 60 days prior to the effective date of this Resolution or as otherwise allowed by Reg. 1.150-2 which includes, among other things, an exception for "preliminary expenditures" as defined therein.

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Dr. Cefalu called for discussion and any action on Budget Planning. Attorney Bourgeois reviewed with the Board the draft of the preliminary 2026 Budget contained in the meeting packets. He requested input from the Board and stated that he would be meeting with our CPA and Accountants for further guidance in this matter. He also stated that the amounts to be budgeted for scholarships, recruitment and community outreach needs to be decided upon by the Board. This matter will be discussed further at next months meeting with the final Budget needing to be approved/adopted at the December meeting. Further discussions were held as to this matter.

Dr. Cefalu called for discussion and any action to authorize contract(s) with physician recruiting firm(s) or reimbursement for same. Attorney Bourgeois advised that the meeting scheduled with Jennifer Wise, Chief Nursing Officer and CEO of OSM on 9/11/2025 was cancelled by OSM. Further discussions will be held in Executive Session.

Dr. Cefalu called for discussion and any action to authorize the creation of an HSD #2 website, to include information on providers not employed by OSM. Attorney Bourgeois discussed with the Board the Website Development Proposal submitted by Cypresstech. After a brief discussion, on motion of Mr. Robinson, second by Mr. McCarty and unanimously carried, the Board voted to select "Option C" of the proposal.

Dr. Cefalu called for discussion and any action on pediatric behavioral health services. Attorney Bourgeois stated that he had no new information to provide the Board and that he was waiting on a follow up meeting with Beth Chaisson with Chamber, who is gathering more information.

Dr. Cefalu called for discussion on status of Morgan City Swimming Pool/Wellness Facility. Attorney Bourgeois stated that he has nothing to report, there has been no action in this matter and it doesn't sound like there is a consensus on having Wellness Facility with the Pool.

Dr. Cefalu called for discussion and any action on HSD #2 communications with OSM. Attorney Bourgeois discussed the email contained in the meeting packets and of the communication hiccups. He requested that the Board let him know if any changes need to be made in the way things are handled.

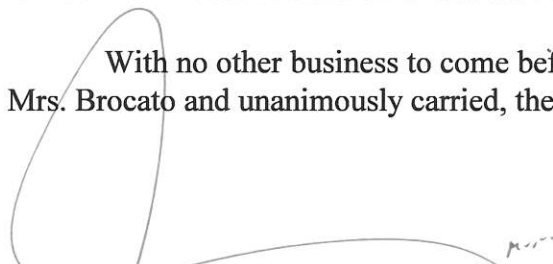
Dr. Cefalu called for discussion and any action on existing Cooperative Endeavor Agreement (CEA) with Ochsner. Attorney Bourgeois discussed with the Board the issues concerning CEA with regards to community outreach and the invoices. After a brief discussion, the Board decided to discuss this matter further in Executive Session.

Dr. Cefalu called for discussion and action on moving the November meeting date. Attorney Bourgeois advised the Board of his conflict with the regular scheduled November 5th meeting date. After a brief discussion, on motion of Mr. Aucoin, second by Mrs. Brocato and unanimously carried, the Board voted to reschedule our November 5th meeting to November 19th.

Attorney Bourgeois then introduced Evan D. Boudreaux, Director of Economic Development for St. Mary Parish. Mr. Boudreaux informed the Board of Federal Programs to help with rural hospitals. He discussed the "One Big Beautiful Bill" recently passed by Congress, which includes Rural Health Transformation Program (RHT). He provided a handout to the Board, explained the RHT, discussed its benefits and offered his Office's support to help HSD #2. Attorney Bourgeois addressed the Board concerning this matter and of his upcoming meetings in Baton Rouge and the need to have OSM involved.

On motion of Mr. Robinson, second by Mrs. Brocato and unanimously carried, the Board retired into Executive Session to discuss strategic planning pursuant to *LA R.S. 46:1071, et seq.*

With no other business to come before the Board, on motion of Mrs. Cheramie, second by Mrs. Brocato and unanimously carried, the meeting was adjourned.



William A. Cefalu, Jr., M.D., Chairman


Jackie Cheramie, Secretary/Treasurer