

Louisiana Cancer Research Center
Board of Directors Meeting
June 27, 2019, 1pm
The meeting of the Board of Directors was held at
Louisiana Cancer Research Center
1700 Tulane Avenue
10th Floor Conference Room

The following members of the Board of Directors were present:

Dr. Lee Hamm, Senior Vice President and Dean, TUHSC, Chairman
Dr. Larry Hollier, Chancellor, LSUHSC, Vice Chairman
Ms. Barbara Goodson, Deputy Commissioner of Administration, Secretary/Treasurer
Dr. Gene D'Amour, Special Assistant to the President, Xavier University
Mr. Walter Leger, Jr, Senior Partner, Leger & Shaw Attorneys and Counselors
Dr. Oliver Sartor, Medical Director, Tulane Cancer Center, Assistant Dean for Oncology
Ms. Carroll Suggs

The following members of the Board of Directors were not present:

Mr. Terrence Ginn, Deputy Commissioner for Finance & Admin, BOR
Dr. Lucio Miele, Dept Head, Genetics, Director for Inter-Institutional Programs, Cancer Center, LSUHSC
Mr. Michael Pernici, Director of Business Development, Louisiana Economic Development
Ms. Pamela Ryan
Dr. Leonardo Seoane, Executive Vice President & Chief Academic Officer, Ochsner Health System

Also present were:

Mr. Sven Davisson, Chief Administrative Officer, LCRC
Ms. Deborah Reeder, Chief Financial Officer, LCRC
Dr. Augusto Ochoa, Director, LSUHSC Cancer Center
Dr. Thomas Wiese, Professor, Xavier University
Dr. Patrice Delafontaine, Executive Dean, Tulane School of Medicine
Mr. Richard Granen, Business Manager, LSUHSC Cancer Center
Ms. Stephanie Wiebke, Business Manager, Xavier University
Dr. Edward Trapido, Chair, TFL Steering Committee
Ms. Tonia Moore, Director, TFL
Mr. Daniel Cochran, CFO, LPHI
Mr. Michael Celestin, Associate Director, Louisiana Tobacco Control Initiative
Mr. Ryan Graffagnini, Controller, LCRC

Dr. Hamm called the meeting to order.

Dr. Hamm called for the Finance Committee Report.

Ms. Goodson stated the Finance Committee met last week and went over the projected budgets for FY20. There was some questions regarding the use of reserve funds and further Board discussion was requested. Ms. Reeder provided an update, which was distributed in the meeting binders. At the Finance Committee Meeting each institution presented their budget request. A budget was added for Ochsner for \$255K which would be used for the acquisition of equipment. Supporting documentation was provided. **Ms. Goodson** said at the Finance Committee meeting there were also discussions of cost offset for building operations relative to lease and tobacco tax revenues. She added she would like to figure out how to lease out the rest of the space on the fifth floor to help cover the remaining building operating expenses. Ms. Reeder stated projected lease income is approximately \$3.4M and expenses for Facilities and Administration at approximately \$4.9M. [FY20 facilities detailed budget totals

\$3,351,450 in expenses against a rent revenue projection of \$3,435,000.] **Dr. Hollier** asked how much income could be made if the remaining space on the 5th floor is leased out. Ms. Reeder said a roughly \$400K.

Mr. Davisson added that Facilities and Administration budget includes non-building related expenses such as Board related costs of insurance. Ms. Reeder said other ways discussed to address the gap are fundraising, parking, meeting room rental and interest income. There was discussion on preparing a proposal for requesting additional tax revenue on all tobacco products, including electronic cigarettes. Mr. Davisson thought it would be beneficial to the Board if Ms. Moore made a presentation at an upcoming Board meeting of how Louisiana's taxes relates to other states in the region and nationally, including the national standard.

Dr. Hamm requested approval of the minutes from the April 25th and May 6th, 2019 Board meetings.

A motion was made by **Ms. Suggs** and seconded by **Ms. Goodson**.

RESOLVED, with all in favor, to approve the minutes of the April 25th and May 6th, 2019 Board meetings.

The Finance Report was continued.

Ms. Reeder stated that at the last Finance Committee Meeting there was a request for a summary of all of the reserve balances as of June 30, 2019. Ms. Reeder distributed the summary and highlighted it. She added the summary includes FY19 projections because the year is not closed yet.

Ms. Reeder reported the Finance Committee reviewed the FY20 annual appropriation base budget requests and the goals and objectives for all program components. The cancer research component's supplemental budget request was deferred until the next Finance Committee meeting. **Ms. Goodson** added the base budget requests were in line with previous requests and there was no opposition or concern. The Finance Committee did not approve the Cessation/TFL reserve budget request and asked for further discussion at the Board Meeting. Ms. Reeder provided details on the purposes of each of the various funding request by line item. The total reserve budget request is \$950,992. The Finance Committee recommended the FY20 budgets for approval as follows:

LCRC's total budget request is \$16,418,383 allocated as follows:

Cancer Research Component total request of \$10,640,310 with \$7,075,310 funded by the tobacco tax appropriations and \$3,565,000 funded by Other Revenue).

Cessation/TFL component's total request of 5,778,073 with \$4,827,081 funded by the tobacco tax appropriation and \$950,882 funded with funds held in reserve.

A motion was made by **Ms. Goodson** and seconded by **Ms. Suggs**.

RESOLVED, with all in favor, to approve the Cancer Research Component's, Fiscal Year 2019-2020 base budget, goals, objectives and indicators, as presented.

A motion was made by **Ms. Goodson** and seconded by **Ms. Suggs**.

RESOLVED, with all in favor, to approve Cessation/TFL Component, Fiscal Year 2019-2020 total budget request; including budget, goals, objectives and indicators as presented.

Ms. Reeder stated several agreements are due to expire on June 30, 2019 and require renewal or amendments. The current agreement between LCRC and LPHI is a three year agreement. An amendment is prepared for approval for up to two one year terms. The maximum term of the agreement would be five years. The Board was reminded that the 90 day cancellation clause will still remain in the agreement. Therefore, it can be cancelled prior to a full-year term.

The IT Agreement between LCRC and LSUHSC is an annual agreement which renews on a month to month basis. A new agreement is required annually until a longer term agreement is negotiated. There is no increase in cost and it the agreement allows LCRC to delay the funding and hiring of a fulltime IT manager.

The four Operating Agreements that govern the transfer of funds from LCRC to the cancer research programs are due to expire. New three year agreements with the same terms and conditions and with an effective date beginning July 1, 2019 are required for LSUHSC, TUHSC, Xavier, and Ochsner. The termination date for these new agreements would be June 30, 2022.

With LSUHSC's Lease Agreement executed, new lease agreements for TUHSC and Xavier have been drafted, with terms and conditions substantially similar to those contained in the LSUHSC Agreement. The only differences anticipated are those specific to each respective school. Authorization is being requested, to allow Mr. Davisson to proceed with the review and execution of the lease agreements, barring any significant changes proposed by either or both schools. If such changes are requested, the changes will be reviewed by LCRC's general counsel and brought before to the Board for review and approval.

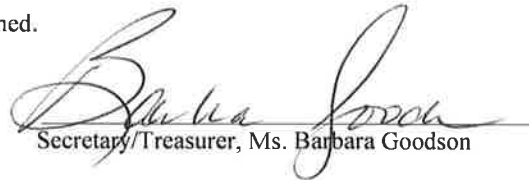
A motion was made by **Ms. Suggs** and seconded by **Ms. Goodson**.

RESOLVED, with all in favor, to approve the amendment extending the contract between LCRC and LPHI; the IT Agreement between LCRC and LSUHSC, and the Operating Agreements as presented.

It is further RESOLVED, with all in favor, to authorized Mr. Davisson, CAO to proceed with the reviews and execution of TUHSC's and Xavier's Lease Agreements, barring any significant proposed changes to the Lease Agreement(s).

Dr. Hamm introduced Dr. Patrice Delafontaine to the Board, who will attend LCRC Board meetings. He added Dr. Delafontaine has been recruited back to Tulane as Executive Dean of the School of Medicine.

With no further discussion or business, the meeting adjourned.



Secretary/Treasurer, Ms. Barbara Goodson