

Louisiana Cancer Research Center
Board of Directors Meeting
June 27, 2018, 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. Larry Hollier, Chancellor, LSUHSC, Chairman
Dr. Lee Hamm, Senior Vice President and Dean, TUHSC, Chairman
Ms. Barbara Goodson, Deputy Commissioner of Administration, Secretary/Treasurer (via telephone)
Dr. Steve Nelson, Dean, LSUHSC School of Medicine
Ms. Pamela Ryan
Ms. Carroll Suggs
Dr. Gene D'Amour, Special Assistant to the President, Xavier University (via telephone)
Mr. Terrence Ginn, Deputy Commissioner for Finance & Admin, BOR (via telephone)

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

Dr. Oliver Sartor, Medical Director, Tulane Cancer Center, Assistant Dean for Oncology
Dr. William McDade, Executive Vice President & Chief Academic Officer, Ochsner Health System
Mr. Walter Leger, Jr., Senior Partner, Leger & Shaw Attorneys and Counselors

Also present were:

Mr. Sven Davisson, Chief Administrative Officer, LCRC
Ms. Deborah Reeder, Chief Financial Officer, LCRC
Mr. Paige Sensenbrenner, LCRC Legal Counsel
Dr. Prescott Deininger, Director, Tulane Cancer Center
Dr. Augusto Ochoa, Director, LSUHSC Cancer Center
Dr. John Cole, Chairman, Hematology/Oncology, Ochsner Health Systems
Mr. Michael Celestine, Associate Director, Louisiana Tobacco Control Initiative
Ms. Tonia Moore, Director, TFL
Dr. Lucio Miele, Professor & Department Head, Dept. of Genetics, Director for Inter-Institutional Programs, Cancer Center, LSUHSC
Mr. Daniel Cocran, Chief Financial Officer, LPHI
Mr. Michael Pernici, Director of Business Development, Louisiana Economic Development

Dr. Hollier called the meeting to order. The roll was called and there was a quorum.

Dr. Hollier requested approval of the minutes of the May 24, 2018 Board meeting. He pointed out a typo in the minutes on the second page; last paragraph 343b should be 340b.

A motion was made by **Ms. Suggs** and seconded by **Dr. Nelson**.
RESOLVED, with all in favor, to approve the May 24, 2018 Board meeting minutes, with the recommended correction.

Dr. Hollier called for the Finance Committee Report.

Ms. Goodson gave a brief update on the Finance Committee meeting. She told the Board that the Committee requested that the LCRC Admin team restructure the budget to include lease income. Ms. Reeder discussed the details of the proposed budgets as approved and to be recommended by the Finance Committee. The major

difference referred to by **Ms. Goodson** is the fact that LCRC now has an agreement with LSU for traditional rent payments. Going forward, all leases will be more traditional. Since that is the case and we can more accurately project lease income, LCRC should budget for the funds collected as rent. A projected total of \$3.1M is expected to be collected for rent this year. Those funds, according to the Ground Lease and current Occupancy Agreement, will be allocated to Facilities and Admin costs to cover each schools proportionate share of costs. All funds available after Facilities and Admin costs are allocated to the programs. The budget presented has been restructured to show this effect. Mr. Davisson added the change does not change the bottom line but will show the amount of income the building is generating and will be more consistent with generally accepted accounting practices. **Dr. Hollier** requested an additional line item be included in LCRC's financial report that shows how much support is given to LCRC reseachers by the partners. He added this has been poorly understood by auditors and consultants. Ms. Reeder reported the budget presented reflects how the funds will be allocated. LCRC was appropriated \$6.9M for Cancer Research and because Facilities and Admin only needs \$1.6M at this time the balance available comes to \$2.4M, which has been allocated across the programs based on the approved allocation/percentage (45/45/10). Ms. Reeder added that at this point the Finance Committee is recommending approval of \$4M in supplemental funds. Dr. Deininger expressed his concern that the accounting change could result in a \$500K reduction in reserve contributions for Tulane's cancer research program. There was further discussion. Mr. Davisson pointed out that the change does not impact the FY19 budgets that have already been submitted and recommended for approval by the Finance Committee. He reminded the Board that there is a previous Board Resolution on how the lease income would be handled that was going forward until amended. Mr. Sensenbrenner informed the Board that they will need to rescind any previous action on how tenant lease income was to be handled and supersede it with the traditional allocation recommended by the Finance Committee. Mr. Davisson and Ms. Reeder will work on a summary presentation so the restructuring of the budgets is better understood.

A motion was made by **Ms. Ryan** and seconded by **Ms. Suggs**.
RESOLVED, will all in favor to approve the following resolution.

The Louisiana Cancer Research Center (LCRC) Board hereby adopts this Resolution to rescind any previous Board resolution allocating rent income and replace it with the current methodology as recommended by the Finance Committee.

Mr. Davisson stated at the June Finance Committee Meeting the FY19 budgets were discussed in detail. The budget information was distributed for reference. The Finance Committee recommended the budgets for approval.

A motion was made by **Dr. Nelson** and seconded by **Ms. Ryan**.
RESOLVED, with all in favor, to approve Tobacco Free Living Component, Fiscal Year 2018-2019 base budget, goals, objectives and indicators, and supplemental budgets, as presented.

A motion was made by **Dr. Nelson** and seconded by **Ms. Ryan**.
RESOLVED, with all in favor, to approve the Cancer Research Component's, Fiscal Year 2018-2019 base budget, goals, objectives and indicators, and supplemental budgets, as presented.

Ms. Goodson reported to the Board the annual financial audit will be starting soon. Ms. Reeder added they are already on site but an opening conference with the Legislative Auditors will be confirmed soon. Ms. Reeder reported LCRC has received the amendment to add \$3M to capital outlay. Ms. Reeder reported the Governor's Office of Homeland Security & Emergency Management (GOHSEP) has decided to do a site visit to LCRC. They want to start in September but LCRC will request a later date because the annual legislative audit will not wrap up until October 31, 2018.

Dr. Hollier called for the Chief Administrative Officer's Report.

Mr. Davisson asked if there was any news to report from the program for Tobacco Free Living. Ms. Moore reported Louisiana received a national award, 3rd place, for the most number of smoke free municipalities.

Mr. Davisson reminded the Board that LCRC's appropriation was moved to come directly from the Treasury Department. Every year the Board needs to grant Mr. Davisson authority to execute the CEA on behalf of LCRC.

A motion was made by **Ms. Suggs** and seconded by **Ms. Ryan**.
RESOLVED, with all in favor, to grant authority to Mr. Sven Davisson to enter into a CEA with the Louisiana Department of Treasury for transfer of tobacco tax funds appropriated to LCRC.

Dr. Hollier called for Old Business.

Dr. D'Amour presented a brief Development Committee Update. He stated it is critical that the Program Directors meet as soon as possible to look at strengths and weaknesses and come up with a 3-5 year plan for designation. **Dr. Hollier** asked again for a "score card" to be available at all meeting that shows the programs, the number of ROI's, how many researchers, etc. **Ms. Ryan** said the committee is still working on a list of suggested members for the Community Advisory Board. She added the committee has also been discussing the possibility of LCRC creating a development position.

Dr. Hollier called for New Business.

Dr. Hollier announced that **Dr. Nelson** is resigning from his seat as the LSUHSC representative on the LCRC Board of Directors.

A motion was made by **Ms. Suggs** and seconded by **Ms. Ryan**.
RESOLVED, with all in favor, to accept the resignation of **Dr. Steve Nelson** and to appoint **Dr. Lucio Miele** to the Board of Directors as an LSUSHC representative.

Mr. Michael Pernici, Director of Business Development at Louisiana Economic Development was introduced to the Board. Mr. Pernici is LED's appointed LCRC Board representative.

Ms. Suggs nominated **Mr. Michael Pernici** to serve as a member of the LCRC Board of Directors, as the Louisiana Economic Development representative.
RESOLVED, with all in favor, **Mr. Michael Pernici** was elected to the LCRC Board of Directors.

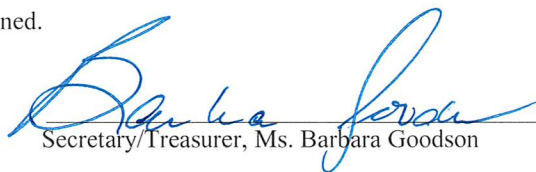
Dr. Hollier called for the election of officers.

Dr. Hollier nominated **Dr. Hamm** to serve as Chairman of the Board. The nomination of **Dr. Hamm** to serve as Chairman of the Board was unanimously approved.

Dr. Hamm nominated **Dr. Hollier** to serve as Vice Chairman of the Board. The nomination of **Dr. Hollier** to serve as Vice Chairman of the Board was unanimously approved.

Ms. Suggs nominated **Ms. Goodson** to serve as Secretary/Treasurer of the Board and as Chair of the Finance Committee. The nomination of **Ms. Goodson** to serve as Secretary/Treasurer of the Board and Chair of the Finance Committee was unanimously approved.

With no further discussion or business, the meeting adjourned.


Secretary/Treasurer, Ms. Barbara Goodson