



State of Louisiana

Department of Health and Hospitals
Health Education Authority of Louisiana

Regular Meeting HEAL Board of Trustees

Minutes December 5, 2012

A meeting of the Health Education Authority of Louisiana (HEAL) Board of Trustees was held on Wednesday, December 5, 2012 at 5:30 p.m. in the office of the Health Education Authority of Louisiana, 300 LaSalle St., Suite B, New Orleans, LA. M. Maitland Deland, M.D., Chairman presided.

Members Present

Harold Asevedo, Ph.D.
M. Maitland Deland, M.D.
Ronald J. French, M.D.
Mr. Louis L. Frierson
Dolleen Licciardi, M.D.
Mr. M. Cleland Powell, III
Jay Shames, M.D.
Mr. Kurt M. Weigle

Members Absent

Mr. Richard Mahoney
Vacancy
Vacancy
Vacancy
Vacancy

Guests

Mr. Luther Speight, CPA, Luther C. Speight & Company
Mr. Coleman Ridley, Jr., Attorney at Law, Jones Walker
Mrs. Shames

Staff

Mr. Jacob C. Johnson, Executive Director
Mrs. Deborah Vandrell, Administrative Assistant

The meeting of the Health Education Authority of Louisiana (HEAL) Board of Trustees was called to order by Dr. Deland at 5:50 p.m.

Roll call was held by Board Members and a quorum was declared. Mr. Johnson announced to Madam Chairperson, Dr. Deland that a quorum was present and official business can be conducted.

Introduction of Guest

Guest were introduced and welcomed by the members of the HEAL Board of Trustees.

Review and Approval of Agenda

The Agenda of the Meeting of December 5, 2012 was approved by the members of the HEAL Board of Trustees after hearing no objection.

Mr. Johnson asked, that the agenda be amended to move Mr. Luther Speight of Luther C. Speight, LLC, CPA's and Consultants and Mr. Coleman Ridley, Attorney at Law of Jones Walker from Position 8 on the Meeting Agenda to Position 5. Hearing no objections, the request was approved. Motion passed without dissent.

Luther C. Speight and Company, LLC, CPA's and Consultants

Mr. Luther Speight of Luther C. Speight & Co., LLC, CPA's and Consultants presented to the Board, reports and findings of the audit recently conducted by his audit firm of; Standard Parking (operator of the HEAL Garage) for calendar years 2009, 2010 and 2011, for matters in connection with the:

Amended and Restated Lease-Operating Agreement dated as of December 1, 1998 between the Health Education Authority of Louisiana and the APCOA - LaSalle Parking Company, LLC (Standard Parking) a part of the following Bond Issue:

Health Education Authority of Louisiana Taxable Revenue Bonds,
(New Orleans Parking Facility), Series 1998, December 1998,
\$9,350,000 Million

Mr. Speight referred the Members of the Board to the Independent Auditor's Report which indicated that his firm was engaged to audit the statement of gross receipts (cash basis) for the year ended December 31, 2009, December 31, 2010 and December 31, 2011. The audit also considered certain compliance aspects of the lease operating agreement between HEAL and APCOA LaSalle Parking Company, LLC as they relate to the determination of gross receipts. This statement and compliance with the agreement provisions is the responsibility of the Facility Operator's management.

Mr. Speight indicated that many of the source documents (parking tickets which are issued at the time a car enters the garage) requested in support of the amount of gross receipts reported were not available. Because of the source documents that were not available as well as other matters described in the findings and recommendations section of their report, the scope of their work was not sufficient to enable them to express, and they do not express, an opinion on the financial statements.

Mr. Speight and Members of the Board engaged in discussions regarding the findings of the Audit Firm. After a question and answer dialogue regarding the audit findings the lack of source documents indicates a control weakness exists with the operator. Standard Parking did respond to the audit reports submitted by the audit firm.

There being no objections the Independent Audit Reports conducted by Luther Speight & Company, LLC, CPA's of the Standard Parking Corporation (operator of the HEAL Garage) for calendar years 2009, 2010 and 2011 (Statement of Gross Receipts – Cash Basis), were accepted by the Members of the Board of Trustees of the Health Education Authority of Louisiana.

Mr. Coleman Ridley, Attorney at Law, Jones Walker

HEAL Counsel; Mr. Coleman Ridley addressed the Board regarding the findings of the recently conducted audit. Mr. Ridley has been in contact with Mr. Johnson, HEAL Executive Director and will continue to do so until further notice.

The following resolution was adopted by the HEAL Board of Trustees after receiving, reviewing and discussing the independent audit reports with Mr. Coleman Ridley, Jr., Attorney at Law, Jones Walker.

The following Resolution was adopted by the HEAL Board of Trustees on December 5, 2012:

A resolution authorizing the full Board of Trustees of the Health Education Authority of Louisiana (“HEAL”) to engage the firm of Jones Walker Litigation Department for Legal Services to the Health Education Authority of Louisiana. On behalf of HEAL, Jones Walker Litigation Department shall execute the following: Transmit notification Letter of Default to Standard Parking; File Suit on behalf of HEAL for declared reason; notify and consult with the Department of Justice, Office of the Attorney General; and State of Louisiana, Office of the Legislative Auditor for matters in connection with the:

Amended and Restated Lease-Operating Agreement dated as of December 1, 1998 between the Health Education Authority of Louisiana and the APCOA - LaSalle Parking Company, LLC (Standard Parking), and a part of the following Bond Issue:

Health Education Authority of Louisiana Taxable Revenue Bonds, (New Orleans Parking Facility), Series 1998, December 1998, \$9,350,000 Million.

Ronald J. French, M.D, moved that a Resolution be adopted authorizing the full Board of Trustees of the Health Education Authority of Louisiana (“HEAL”) to engage the firm of Jones Walker Litigation Department for Legal Services, seconded by Kurt M. Weigle. Motion passed.

The aforementioned resolution will become a part of these minutes.

Review and Approval of January 4, 2012 Meeting Minutes

The Minutes of January 4, 2012 were presented to the Board. Mr. Powell moved, the motion was seconded by Dr. French that the Minutes of January 4, 2012 were reviewed and approved. Motion passed without dissent.

It was noted by Dr. Shames that the Minutes of February 29, 2012 and May 16, 2012 were not presented to the Board. The meetings scheduled on February 29, 2012 and May 16, 2012 were cancelled at meeting time DUE TO A LACK OF QUORUM.

Mr. Johnson was asked to transmit meeting notes for the dates in question. Mr. Johnson informed the Members of the Board of Trustees that meeting notes are available and will be transmitted to all members.

Review and Approval of HEAL Financial Statements – State Fiscal Year (SFY) 2012 (July 1, 2011 – June 30, 2012)

Mr. Johnson presented, HEAL Financial Statements for SFY 2012, to the Members of the Board of Trustees, for approval, and also informed the Members of the Board of Trustees of the comparison from the previous year, June 30, 2011.

Dr. French moved that the Financial Statements of SFY 2012 (July 1, 2011 – June 30, 2012) be approved, seconded by Dr. Asevedo. Motion passed without dissent.

The following Resolutions were adopted and ratified by the full Board of Trustees:

A. Lambeth House Project Resolution:

A resolution adopting as the action of the full Board of Trustees and ratifying that certain resolution adopted by the Executive Committee on January 27, 2012, authorizing the execution of an Escrow Deposit Agreement among the Health Education Authority of Louisiana; Lambeth House, Inc., The Bank of New York Mellon Trust Company, N. A., as Escrow Trustee, and The Bank of New York Mellon Trust Company, N. A. in its capacity as the trustee for the \$57,770,000 Health Education Authority of Louisiana Revenue Refunding Bonds \$53,770,000 Series 1998A and \$4,000,000 Series 1998B; authorizing taking all actions contemplated by such agreement, including executing a direction to the Trustee to redeem said bonds and retain legal counsel to represent HEAL with respect to such matters; and providing for other matters in connection therewith; and ratifying all action taken in connect therewith.

Mr. Powell moved that the Lambeth House Project Resolution adopted by the Executive Committee on January 27, 2012 be ratified and adopted by the full HEAL Board of Trustees, seconded by Dr. French. Motion passed without dissent.

The aforementioned resolution will become a part of these minutes.

B. Department of Justice Office of the Attorney General Resolution: Contract /Agreement with the Department of Justice, Office of the Attorney General of the State of Louisiana:

A resolution authorizing the Health Education Authority of Louisiana (“HEAL”) hereinafter sometimes referred to as (“State”) enter into a contract/agreement with the Department of Justice, Office of the Attorney General of the State of Louisiana hereinafter sometimes referred to as (“Counsel”) to retain legal counsel for Legal Services and Legal Representation of (“HEAL”).

Mr. Powell moved that the Department of Justice, Office of the Attorney General Resolution adopted by the Executive Committee on May 14, 2012 be ratified and adopted by the full HEAL Board of Trustees, seconded by Mr. Weigle. Motion passed without dissent.

The aforementioned resolution will become a part of these minutes.

C. Resolution Authorizing Legal Counsel Firms:

A resolution authorizing the full Board of Trustees of the Health Education Authority of Louisiana (“HEAL”) to engage Bond Counsel for Legal Services to the Health Education Authority of Louisiana for the issuance of HEAL Bonds.

The members of the Board of Trustees do hereby adopt as the action of the Board of Trustees and ratify the adoption on May 14, 2012 by the Executive Committee of the authorization of the firm of Jones Walker as Lead Counsel and the firms of Foley Judell, L.L.P. and Kinney, Ellinghausen, Richard & DeShazo, as Supplementary Bond Counsel, for Legal Services to the Health Education Authority of Louisiana for the issuance of HEAL Bonds.

Mr. Powell moved that the Resolution Authorizing Legal Counsel Firms adopted by the Executive Committee on May 14, 2012 be ratified and adopted by the full HEAL Board of Trustees, seconded by Mr. Frierson. Motion passed without dissent.

The aforementioned resolution will become a part of these minutes.

D. Resolution Authorizing Underwriting Firms:

A resolution authorizing Bond Counsel and Underwriter on a refunding of the \$9,350,000 Health Education Authority of Louisiana Taxable Revenue Bonds Series 1998.

The HEAL Board of Trustees authorized the Investment Firms of Raymond James/Morgan Keegan and The Frazier Lanier Company, Investment Bankers as Underwriters and the firm of Jones Walker, as Bond Counsel, to develop a refinancing plan (on a fee basis to be later negotiated and contingent upon the successful closing of the proposed transaction) of the \$9,350,000 Health Education Authority of Louisiana Taxable Revenue Bonds Series 1998.

Dr. French moved that the Resolution Authorizing Bond Counsel and Underwriter Firms adopted by the Executive Committee on May 14, 2012 be ratified and adopted by the full HEAL Board of Trustees, seconded by Dr. Shames. Motion passed without dissent.

The aforementioned resolution will become a part of these minutes.

E. Resolution Authorizing Luther Speight & Company CPA – Independent Audit Services:

A resolution authorizing the Health Education Authority of Louisiana to enter into a contract/agreement with Luther Speight & Company CPA's to perform independent audit services for:

1. The Health Education Authority of Louisiana Financials and Compliance Audit shall not exceed \$10,000 for the following:
 - State Fiscal Year (SFY) – 2009 – 2010
 - State Fiscal Year (SFY) – 2010 – 2011
2. Lease Compliance Audit of the Amended and Restated Lease-Operating Agreement dated as of December 1, 1998 between the Health Education Authority of Louisiana and the APCOA LaSalle Parking Company, LLC for the years; 2009, 2010 and 2011. For a cost not to exceed \$23,500.00, for the following Bond Issue:

Health Education Authority of Louisiana Taxable Revenue Bonds,
(New Orleans Parking Facility), Series 1998, December 1998,
\$9,350,000 Million

- Calendar Year – January 1 2009 – December 31, 2009
- Calendar Year – January 1 2010 – December 31, 2010
- Calendar Year – January 1 2011 – December 31, 2011

Mr. Powell moved that the Resolution Authorizing Luther Speight & Company, LLC, CPA's and Consultants to perform independent Audit Services for HEAL was adopted by the Executive Committee on July 14, 2012 be ratified and adopted by the full HEAL Board of Trustees, seconded by Dr. Deland. Motion passed without dissent.

The aforementioned resolution will become a part of these minutes.

F. Executive Directors Contract

Mr. Johnson, HEAL Program Executive Director presented to the Board an "Executive Director Employment Agreement" for approval. After discussion regarding the Employment Agreement as it relates to Executive Directors within the industry the following action was taken:

A motion was made by Mr. Powell and seconded by Dr. French to authorize a Resolution to approve the "Executive Director Employment Agreement".

Mr. Weigle motioned that the Resolution be amended, seconded by Mr. Powell to establish a Performance Evaluation Committee to determine an increase in compensation and develop a performance evaluation for the Executive Director

It was duly moved by Kurt Weigle and seconded by M. Cleland Powell that the following resolution be adopted:

Approval of the “Unclassified Employment” Executive Director’s Employment Agreement dated December 5, 2012. Between the Board of Trustees of the Health Education Authority of Louisiana (“HEAL”) of 300 LaSalle St., Suite B, New Orleans, Louisiana 70112 and Jacob C. Johnson, MPA, HEAL Program Executive Director.

- The Executive Director’s Employment Contract was unanimously approved by the full Board of Trustees of the Health Education Authority of Louisiana without dissent.
- Establish a Performance Evaluation Committee to determine increase in compensation and develop an annual performance evaluation for the Executive Director.
- Members of the Performance Evaluation Committee are as follows:

Maitland Deland, M.D., Chairman
Kurt M. Weigle, Vice Chairman
Harold Asevedo, Ph.D., HEAL Board Member

A date will be set in the near future for the members of the Committee to meet.

The aforementioned resolution will become a part of these minutes.

HEAL By-Laws

By-Laws of the Health Education Authority of Louisiana were deferred to the next meeting of the HEAL Board of Trustees.

Office of Risk Management – Commercial General Liability Certificate

Mr. Johnson informed the Members of the Board of Trustees of the following

The Office of Risk Management provided HEAL with a Certificate of Commercial General Liability, it was noted by the Office of Risk Management, that Employees and public officials of the Health Education Authority of Louisiana are provided liability coverage while providing services on behalf of the State of Louisiana.

The policy does not provide coverage for occurrences outside the course and scope of their duties as assigned by the State of Louisiana.

HEAL Board of Trustees Appointments

Mr. Johnson informed the Members of the Board of Trustees of the following:

HEAL has been informed by Ms. Kendal Melvin, Director Boards and Commissions, Office of the Governor that appointments should be completed by January 1, 2013 to the HEAL Board of Trustees.

Louisiana Legislative Auditor Report – Boards, Commissions and Like Entities

Mr. Johnson informed the Members of the Board of Trustees of the following:

Included in the Legislative Auditors Report of 2012 on Boards Commissions and Like Entities the Health Education Authority of Louisiana is in compliance with no findings.

Division of Administration – Louisiana Property Assistance Agency

Mr. Johnson informed the Members of the Board of Trustees of the following:

A recent audit was conducted by the Division of Administration – Louisiana Property Assistance Agency (Inventory) of the Health Education Authority of Louisiana with no findings.

Executive Director’s Report

Mr. Johnson referred to Exhibit 10 and presented an overview of the Executive Director’s report to the members of the HEAL Board.

Mr. Louis L. Frierson – HEAL Board Member

Mr. Louis L. Frierson was presented with a Resolution by Dr. Deland on behalf of the HEAL Board of Trustees that the said Board expresses its sincere appreciation for the invaluable service which has been rendered to HEAL by Mr. Frierson as a member of the HEAL Board of Trustees since 1995. Mr. Frierson represented the Tulane University Educational Fund and was appointed by the Honorable Edwin W. Edwards.

Adjournment

There being no further business, Dr. Asevedo motioned that the meeting be adjourned at 7:20 p.m., seconded by Mr. Frierson. Motion passed without dissent.

A handwritten signature in blue ink, reading "Ronald J. French". The signature is written in a cursive style and is positioned above a horizontal line.

Ronald J. French, M.D., Secretary
HEAL Board of Trustees