



State of Louisiana

Department of Health and Hospitals
Health Education Authority of Louisiana

Health Education Authority of Louisiana Board of Trustees
Meeting Minutes
January 23, 2015
10:00 a.m.

A meeting of the Health Education Authority of Louisiana Board of Trustees was held on Friday, January 23, 2015 at 10:00 a.m. at the HEAL Office, 300 LaSalle St., Suite B, New Orleans, LA. M. Maitland DeLand, M.D., Chairman presided.

HEAL Board Member Present

Ronald J. French, M.D.
M. Maitland Deland
Walter C. Flower, III
Jay Shames, M.D.
Carroll Suggs
Claudia Cavallino, D.D.S.
Juan Gershanik, M.D.
Dolleen Licciardi, M.D.
Kurt Weigle
M. Cleland Powell, III

HEAL Board Member Absent

Eileen Mederos, R.N.

Guest Present

Henry M. Kinney, Board Counsel, Kinney, Ellinghausen, Richard & DeShazo
Dan Miranda, Board Counsel, Kinney, Ellinghausen, Richard & DeShazo
Fred Chevalier, Bond Counsel, Jones Walker
Lauren Ellis, Bond Counsel, Jones Walker
Kael Saloy, Accountant, Luther C. Speight & Company

Staff

Jacob Johnson, HEAL Executive Director
Karen Jefferson, Administrative Assistant

The meeting was called to order by Dr. DeLand, at 10:15 a.m.

Roll call was held and a Quorum was declared.

Review and Approval of August 1, 2014 Executive Committee Meeting Minutes

The minutes of August 1, 2014 were presented to the Committee. Ms. Suggs moved that the minutes be reviewed and approved, seconded by Mr. Weigle. The motion passed unanimously.

Review and Approval of Agenda

The meeting Agenda was reviewed and presented to the HEAL Board of Trustees. Mr. Johnson informed the Board of the amended item #14, Bond Issuance and Finance Committee, Exhibit 8 to be an Action Item. Dr. DeLand requested a motion that the Agenda be amended with the addition of Item #14, Bond Issuance and Finance Committee. Ms. Suggs moved that the Agenda be amended, seconded by Mr. Weigle. The motion passed unanimously.

Ratification of Resolution Authorizing Refunding and Final Approval

A RESOLUTION RATIFYING THE ACTIONS TAKEN BY THE EXECUTIVE COMMITTEE OF THE HEALTH EDUCATION AUTHORITY OF LOUISIANA AUTHORIZING THE ISSUANCE OF THE HEALTH EDUCATION AUTHORITY OF LOUISIANA'S NOT TO EXCEED \$7,000,000 PARKING REVENUE REFUNDING BONDS, IN ONE OR MORE SERIES, TAXABLE OR TAX-EXEMPT, OR BOTH (THE "*REFUNDING BONDS*"), FOR THE PURPOSE OF REFUNDING ITS \$9,350,000 TAXABLE REVENUE BONDS, SERIES 1998; APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION OF A TRUST INDENTURE, A BOND PURCHASE AGREEMENT, AND ANY OFFERING MEMORANDA NECESSARY IN CONNECTION WITH THE ISSUANCE OF THE REFUNDING BONDS; AUTHORIZING THE ACCEPTANCE AND EXECUTION OF

**A COMMITMENT LETTER IN CONNECTION WITH THE
PURCHASE OF THE REFUNDING BONDS; AND PROVIDING FOR
OTHER MATTERS IN CONNECTION WITH THE FOREGOING.**

Mr. Chevalier, HEAL Bond Counsel, explained the Bond Issue in its entirety. The Resolution authorizes Bond Counsel to proceed with placing the bonds and authorizes Bond Counsel and Mr. Johnson to execute documents necessary to put new bonds in place to replace the old bonds. The Trustee of the old bonds was Whitney Bank, whom Bond Counsel suggested should remain as Trustee of the new bonds.

Mr. Johnson advised the Board that he inquired with various financial institutions regarding their work as Trustee Banks, but received no response.

The Board decided to continue to utilize Whitney Bank as the Trustee Bank for HEAL Bonds.

Dr. DeLand moved to vote on the Resolution authorizing and refunding of HEAL Bonds with an amendment to keep Whitney Bank as Trustee of the bonds. The motion was seconded, passed and approved unanimously.

Ratification of Resolution of Lease Proposal of Little Learners and Return of Deposit and Reissue Invitation to Bid

Mr. Johnson, along with Mr. Kinney, Board Counsel, offered background information to the Board as it relates to the Little Learners lease proposal.

Conversation ensued between all Board Members about Little Learners. During the discussion, the Board inquired on the hiring of a Real Estate broker.

Mr. Kinney advised the Board that it would be wise to hire a Real Estate Consultant.

Ms. Suggs moved to approve the Resolution of Lease Proposal of Little Learners and Return of Deposit and Reissue Invitation to Bid, second by Mr. Powell. The motion passed unanimously.

Review and Approval of Financial Statements

Mr. Johnson referred the Board to Exhibit #4, which contained the Financial Statements, SFY 2nd Quarter Invoice and Ratifications. Mr. Johnson introduced Mr. Kael Saloy, HEAL Accountant, of Luther Speight & Company to present HEAL's Financial Statements.

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Mr. Saloy proceeded with his presentation to the Board on the Financial Statements with an explanation of the documents that were prepared, as well as the figures reflected on the financial statement, line by line.

After a brief discussion between the Board members related to the Financial Statement, the Board inquired about the collateralization of the Investment Accounts, which were not reflected in the documents, and suggested that future statements reflect such information.

Mr. Johnson noted that the Investment Accounts were secured and that a copy of the Insurance would be emailed to the Board members and Mr. Saloy also agreed to prepare the future statements with footnotes added to the report to reflect that the HEAL Investment Accounts are collateralized, per Board's request.

Mr. Flower referenced the first paragraph, second sentence of the letter to the Board from Luther Speight, which stated that "Luther Speight & Company have not audited or reviewed the accompanying special-purpose financial statements and accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the Board format presentation requirements."

Mr. Saloy clarified the scope of their engagement, which was to provide an accounting but not to audit the financials.

Dr. DeLand moved to approve the Financial Statements – SFY 2015 (October 2, 2014 – December 31, 2014).

Dr. DeLand moved to approve the 2nd Quarter Invoice & Expenditure Report from DHH Fiscal Management (SFY 2015-October 1 – December 31, 2014), second by Mr. Powell. Pass unanimously.

Mr. Powell moved to approve the Ratification of the Financial Statements - SFY 2015 (July 1 – September 30, 2014), seconded by Mr. Flower. The motion passed unanimously.

Mr. Powell moved to approve the Ratification of the July 1, 2014 – September 30, 2014 1st Quarter Invoice & Expenditure Report from DHH Fiscal Management (SFY 2015), seconded by Mr. Flower. The motion passed unanimously.

Mr. Powell moved to approve the Ratification of the August 2014 – 5th Quarter Invoice & Expenditure Report from DHH Fiscal Management (SFY 2014), seconded by Mr. Flower. The motion passed unanimously.

Mr. Powell moved to approve the Ratification of the Revised HEAL Budget (SFY 2015), seconded by Mr. Flower. The motion passed unanimously.

Ratification of the Audit Engagement Report – SFY 2014

Mr. Johnson referred the Board to Exhibit #5 in reference to the Ratification of the Audit Engagement Report 2013-2014 (SFY 2014). The Audit for 2013-2014 (SFY 2014) was completed in a timely manner and without findings and requested approval of the audit report.

Mr. Weigle moved that the Audit Engagement Report be approved, seconded by Mr. Gershanik. The motion passed unanimously.

Approval of Request for Qualifications for HEAL Audit Service

Mr. Johnson, after providing the Board with background information pertaining to the Audit Service, expressed to the Board that HEAL is approaching the last year for Audit Services with Jonald Walker.

Conversation ensued amongst the Board members regarding Qualifications for the HEAL Auditor. During the discussion, the Board suggested that HEAL continue with Jonald Walker as Auditor and to extend the agreement for another year.

Mr. Powel moved to extend the agreement for another year with Jonald Walker, seconded by Mr. Flower. The motion passed unanimously.

Ratification - Resolution SSA Consultants - Contract

Mr. Johnson provided background information to the Board regarding SSA's Professional Service Contract and mentioned that he explored conversations between HEAL, Board Counsel, DOA and DHH, as Mr. Kinney reiterated HEAL's Authority to hire Professional Services to carry out the business of HEAL pursuant to LA R.S. 17:3051, et seq.

Dr. Slaughter advised the Board that this is a continuation of a discussion with the Board from a previous meeting. She stated the three items in the scope of services to be provided - 1.) Financial Plan Alignment, 2.) Financial Legislative Planning, and 3.) Financial Media Planning - are the result of a strategic planning process. Dr. Slaughter also advised the Board that we are getting close to the legislative session and that the fiscal legislation is a very short session. Dr. Slaughter mentioned inquiries of HEAL's success of getting legislation approved with LSU and Tulane Medical School.

Dr. Slaughter further explained that the Board discussed last year what would be acceptable in terms of amending legislation and she would like that revisited, indicating that SSA will work closely with Mr. Johnson on HEAL's behalf utilizing Board members as appropriate with their contacts to try and gain alignment from stakeholders.

Mr. Powell asked whether the proposed health care cuts affect HEAL, to which Mr. Johnson stated that the proposed cuts indirectly affect HEAL through primary and participating Institutions.

Mr. Weigle moved Ratification of the SSA Agreement, seconded by Ms. Suggs. The motion passed unanimously.

Committee Reports

The Executive Committee Meeting Minutes for October 24, 2014 and November 19, 2014 were presented to the Board and explained in detail regarding the purpose of each meeting.

Approval of HEAL Rules Revision (Executive Committee)

The Board discussed suggested amendment suggested by Mr. Weigle to the HEAL Rules, section 6.02.2, as provided below:

“The Executive Committee shall convene and take action on any matter referred to it by the Board of Trustees and on all matters involving the routine, daily activities and operations of the authority, which may include authorizing procurement of goods and services and approving execution of contracts up to \$50,000.00 in value. Meetings of the Executive Committee shall be called by the Chairperson. The Executive Committee is authorized to take action on behalf of the Board of Trustees in the interim between meetings of the full Board, and may consider and act upon any matter requiring prompt attention by way of resolution. Any action of the Executive Committee shall be presented to the full Board for ratification at the next meeting of the Board.”

Mr. Weigle moved to approve the HEAL Rules with the added amendments, seconded by Ms. Suggs. The motion passed unanimously.

Annual Election of Officers (Vice-Chairman; Treasurer; & Secretary)

Mr. Johnson referenced the HEAL Legislation R.S. 17:3051 for annual election of officers. Mr. Johnson advised the Board that the only officer that cannot be elected by the Board is the chairperson, who is appointed by the Governor.

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The members of the Executive Committee are as follows:

M. Maitland DeLand, M.D., Chairman
Kurt Weigle, Vice Chairman
M. Cleland Powell, III, Treasurer
Ronald J. French, M.D., Secretary

Dr. DeLand opened the floor for election. Brief discussion ensued amongst the Board members and no changes were made. Dr. Licciardi moved that the current members be re-elected, seconded by Ms. Suggs. The motion passed unanimously.

Appointed Committees

The members of the Bond Issuance Committee are as follows:

M. Maitland DeLand, M.D., Chairman
Kurt Weigle, Vice-Chairman
Ronald J. French, M.D., Secretary
Carroll Suggs
Jay Shames, M.D.

The members of the Finance Committee are as follows:

M. Maitland DeLand, M.D., Chairman
Carroll Suggs
M. Cleland Powell, III
Jay Shames, M.D.

The members of the Legislative Committee are as follows:

M. Maitland DeLand, M.D., Chairman
Dolleen Licciardi, M.D.
Eileen Mederos, R.N.
Carroll Suggs

Conversation ensued amongst the Board members as it relates to the extent of authority to be afforded to the Legislative Committee.

Mr. Weigle moved for Board approval authorizing the legislative committee to work with the Executive Director and Consultants to draft HEAL's legislative strategy during this session, seconded by Mr. Flower. The motion passed unanimously.

Ratification of HEAL Accounting Policies & Procedures Manual

Mr. Johnson advised the Board that he sent the Accounting Policy to HEAL's Accountant, Luther Speight and Associates. The only change proposed by Mr. Speight was to create a mail log under Cash Receipts, which is already being documented, to reflect the person opening the bank statements. Mr. Johnson also stated that we stamp them in and sign them on a monthly basis.

Mr. Powell suggested adding language to the investment section on page 20 of the policy after US obligation – “and properly secured and insured certificates of deposits or repurchase agreements.”

Mr. Powell moved to approve the Ratification of the Accounting Policy with the amended language change, seconded by Ms. Suggs. The motion passed unanimously.

Executive Director Report

Mr. Johnson referred the Board to Exhibit #10 and presented an overview of the Executive Director's Report to the members of the HEAL Board of Trustees.

A motion was made by Ms. Suggs and seconded by Mr. Flower that the Board enters into Executive Session. The motion passed unanimously, the Board entered into Executive Session at 12:10 p.m.

Executive Session

The Executive Session contained discussion of litigation strategy in the lawsuit identified in the meeting agenda.

The Executive Session concluded at 12:24 p.m.

Adjournment

There being no further business, a Motion was made by Ms. Suggs and seconded by Mr. Flower that the meeting be adjourned at 12:25 p.m. The motion passed unanimously.

Ronald J. French M.D., Secretary



CERTIFICATION

I, the undersigned secretary of the Health Education Authority of Louisiana hereby certify that the above is a true, full, complete and correct copy of the minutes and resolutions adopted on motion duly made and seconded at a meeting of the members of the Board of Trustees of the Health Education Authority of Louisiana held on the 23th day of January, 2015, at which meeting a quorum of the members were present and acted throughout and that a copy of the foregoing is duly entered upon the minute book of the Board of Trustees of the Health Education Authority of Louisiana, and is now in full force and effect, and has not been amended, changed, modified, rescinded or repealed in any way.

WITNESS MY SIGNATURE, this _____ day of _____, 2015.

Ronald J. French M.D. Secretary

