



# HEALTH EDUCATION AUTHORITY OF LOUISIANA

FUNDING FOR BIOMEDICAL RESEARCH, HEALTHCARE AND HEALTH EDUCATIONAL INSTITUTIONS

Health Education Authority of Louisiana Board of Trustees  
Meeting Minutes  
April 19, 2018  
10:00 am

A meeting of the Health Education Authority of Louisiana (HEAL) Board of Trustees was held on Thursday, April 19, 2018 at 10:00 am at the Claiborne Building, 1201 North 3<sup>rd</sup> Street, Baton Rouge LA. Mr. Charles Cravins, Chairman presided.

**HEAL Board Members Present**

Mr. Charles Cravins, Chairman  
Ms. Genevieve Pope, Vice-Chair  
Ms. Raegan Carter, Treasurer  
Ms. Gwendolyn Hamilton, Secretary  
Mr. Charles New

**HEAL Board Members Absent**

Mr. B. Wayne Brown  
Ms. Zazell Dudley

**Contractors**

Mr. Henry Kinney, Board Counsel, Kinney, Ellinghausen, & DeShazo (KED)  
Mr. Aaron Maples, Board Counsel, Kinney, Ellinghausen, & DeShazo (KED)  
Mr. Matthew Kern, Bond Counsel, Jones Walker  
Ms. Lauren DeWitt, Bond Counsel, Jones Walker

**Staff**

Mr. Nathan Fontaine, Administrative Program Specialist  
Ms. Vanessa McKee, Administrative Assistant

**Speaking Guests**

Mr. Rick McGimsey, Executive Counsel, Division of Administration  
Ms. Sara Woodward, Arts Council of New Orleans  
Ms. Shanti Brown, Arts Council of New Orleans

**Nonspeaking Guests**

Members from CareSouth, Bayou Acquisitions, OFSS, and LCRC. Please see attached sign in sheet.

Health Education Authority of Louisiana

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The meeting was called to order by Mr. Charles Cravins, Chairman at 10:10am.

Mr. Charles New gives an opening prayer.

Roll call was done, 5 of 7 seated board members are present and a Quorum was declared.

Mr. Chairman asks for a 15 minute recess to review the Board Meeting Agenda Books.

### **Public Comment**

Mr. Chairman opens the floor to public comments. Asks that comments be limited to 3 minutes per speaker and should be limited to actionable items on the agenda.

No guests come forward.

### **February 1, 2018 Meeting Minutes**

Mr. Chairman presents the Minutes from the February 1, 2018 meeting to the Board and asks for a motion to accept as written. Ms. Gwendolyn Hamilton motions to accept with Mr. Charles New seconding. A voice vote is called and the motion passes unanimously.

### **Chairman's Comments**

Mr. Chairman speaks to the most recent LLA audit, HEAL's budget, its mandate and his desire to stabilize the agency. Praises HEAL staff, Ms. Vanessa McKee and Mr. Nathan Fontaine, for their commitment to the agency. States the he does not want to abolish the agency but rather stabilize the agency and that his and the board's actions now and in the future will be to that end.

### **HEAL Financial Statements**

Mr. Chairman asks Ms. McKee to present HEAL's current financial standing. Ms. McKee reviews the balance of the checking accounts, 10 CDs held at Whitney Bank and raises regular outstanding bills that are due. Mr. Chairman asks Ms. Raegan Carter, Treasurer, to enumerate HEAL's balance of all liquid accounts, Ms. Carter explains that it would be the total of all three checking accounts and the CDs. She and Ms. Genevieve Pope review the checking accounts weekly with Ms. McKee, then herself and then Ms. Pope checking the balances. Ms. Hamilton asks for a grand total of all accounts, \$1,635,918.90.

**Presentation from Jones Walker regarding HEAL Bonds**

Mr. Matt Kern of Jones Walker gives a presentation regarding the history of HEAL's current outstanding bonds, the garage refinancing specifically and the Tulane parking deal. Mr. Chairman asks if HEAL can reassign the obligation to oversee and repayments another entity. Mr. Kern says that the obligations to repay cannot be reassigned but there are things that HEAL can do without impairing the bonds. Mr. Chairman asks if HEAL can enter into a Cooperative Endeavor Agreement with the state without impairing the bond issues. Mr. Kern says that HEAL can do so as long as the agreement is clear that nothing would affect the debt service of the bonds. Mr. Henry Kinney asks if Mr. Chairman could ask about what kind of CEA as he feels that information is important. Mr. Chairman does not feel that question is necessary. Mr. Chairman asks for any questions from the Board for Bond Counsel, hearing none he moves on to the next agenda item.

**Outstanding HEAL Bills**

Mr. Chairman asks Ms. Carter for HEAL's outstanding bills, Ms. Carter defers to Ms. McKee. Ms. McKee presents the bills from Civil Service, OTS, OTM, a long outstanding Jones Walker Bill and the Auditors Bill. Ms. McKee presents the invoice and minutes from the previous Board regarding what action that Board wanted taken with this bill. Mr. Kern presents some of the history regarding this bill. That the Chairman at the time, Mr. Kurt Weigle, had questions regarding labor and employment of the Executive Director. Mr. Chairman asks if there were issues raised about the bill, Mr. Kern denies any such issues. Ms. McKee offers that the controversy of the bill was that Jones Walker was, based on their contract, Bond Council only. Mr. Kinney says that if the Board sees fit to pay the bill the first step would be for this Board to ratify the engagement and then if the Board wishes to pay it to just go ahead and pay it. Mr. Chairman asks for a motion to that extent.

Ms. Hamilton inquires about a motion to retroactively approve work done by Jones Walker, Bond Council, outside the scope of their contract. Mr. Kinney says that the issue can be remedied via a motion of the Board. Ms. Carter asks if it was the previous Board that engaged Jones Walker on this matter or was it the Executive Director. Mr. Kinney says that it was not the Board but rather only the Chairman, Mr. Weigle that requested it though other members of the Board were aware of the request. Ms. Hamilton asks for an itemization of the bill and Ms. McKee brings her attention to the requested items. Ms. Hamilton asks if there was no question that the work was done and done in accordance with regulations. Mr. Kinney offers his legal opinion that the work was done and at the rate schedule approved by the State Attorney General's Office. Felt that the work was done and appropriate but it had not been pre-approved by the Board. Mr. Kinney again restates that he felt the work was done and the amount was reasonable and if the Board wanted it could approve the engagement. Ms. Hamilton asks if the board can retroactively approve this action. Mr. Chairman points out that the Board has already done something of this nature. The previous board had an executive committee that was more hands on. Also that Mr. Kinney had engaged in some work between the time that the board was appointed and the first meeting and at the February 1 meeting the Board voted to ratify the work

that Mr. Kinney had done. Mr. Chairman believes that the Board can ratify the actions of the previous Board

Ms. Hamilton, under the advice of three counsel, motions to ratify the actions of the previous board with Ms. Carter seconding. No objections and the motion passes unanimously. Ms. Hamilton makes a motion to pay the bill with Ms. Carter seconding. A voice vote is called and the motion passes unanimously.

#### **Nonrenewal of HEAL CD**

Mr. Chairman inquires about the nonrenewal of a HEAL CD on deposit with Whitney Bank. Ms. McKee goes over the specifics of said CD and asks that the full balance of it be deposited into the primary checking account. Mr. Chairman asks for a motion to not renew said CD, Ms. Pope motions to accept with Mr. New seconding. A voice vote is called and the motion passes unanimously.

#### **Status of Contracts**

Mr. Chairman asks about the status of the contracts approved at the February 1, 2018 Board meeting. Ms. McKee presents that none of the contracts had been written and submitted to the state system. Mr. Aaron Maples agrees to write up the contracts and submit them to the Board and Ms. McKee for processing in the State ProAct system. Ms. McKee asks if KERD is going to do everything, or is she going to receive the written contract and Ms. McKee would go through the process. Mr. McGimsey inquires about what contracts, Ms. McKee states, KERD, Jones Walker and Speight. Mr. Chairman asks Mr. Kern to get a copy of the executed Jones Walker contract to Ms. McKee. Mr. McGimsey asked if Mr. Speight had a contract or Engagement Letter. Ms. McKee responds with a Contract that expired on June 30 2017.

#### **Discussion on proposed mural on the HEAL Garage**

Mr. Chairman introduces for informational purposes only, Ms. Sara Woodward and Ms. Shanti Brown of the Arts Council of New Orleans present a proposal to paint a mural on the Duncan Plaza side of the HEAL Garage. The initiation of the project came from the Arts Council of New Orleans. Ms. Woodward describes a collaboration between the Arts Council and the Young Artists Movement. They envision the project as a mural to contribute to inspire the city. The scope of the project is contingent on the Boards approval. Ms. Woodward goes into an explanation of how the project works, how the design will be chosen, and how extensive the artwork will be. Says they are not asking for funding, but rather permission and letters of approval they can provide to the city to obtain permission from the city. Ms. Carter asks how the youths are recruited, Ms. Woodward explains that they are taken from groups that are partners with the Arts Council of New Orleans. Ms. Pope asks about the timeline. Ms. Woodward states that contingent on permission being obtained from the Board and the city then the design would be completed over the summer and painting would begin in early fall when the weather cools off. Mr. Chairman asks if they believe their prospects for getting funding are good. Ms. Woodward

believes so, they already have some funding and they can go through the Arts Council to get additional funding as well as contacts to potential funders. Mr. Nathan Fontaine points out that the proposed location would be visible from the front windows of City Hall. Ms. McKee states that the Downtown Development District (DDD) is already working on plans to beautify Duncan Plaza. Ms. Woodward states that the Arts Council has been working with the DDD to help beautify and update various civic spaces.

Mr. Chairman confirms that they are not seeking funding but rather permission to do this project provided they can obtain permission from the City. Ms. Woodward says they already have permission from the Arts Council of New Orleans, but the city approval requires a letter of support from the owners of the building. Mr. Chairman brings up that there is a possible issue in that the terms of a lease signed with APCOA, APCOA currently owns the garage. Mr. Kinney states that his office has been involved with the DDD in this process and he feels that sometime in the future it might be appropriate for HEAL to also engage in this process. Mr. Kinney believes that, pending the litigation, it would be appropriate to hold off on the approval until things can be clarified. Mr. Chairman asks to defer the matter till the Board can consult with APCOA regarding owner permission to approve the project. Mr. McGimsey asks if the HEAL Board would have a say in the final design of the Mural and Ms. Woodward acknowledges such.

Mr. Chairman asks HEAL staff to remind the Board about this issue by May. Ms. Hamilton inquires about the project budget of the project and Ms. Woodward states that around \$75,000 would be needed to paint it as large as they want. Ms. Hamilton inquires if they have secured that funding yet and Ms. Woodward states that most who would grant funding will want the project to have approval (from the building owner) before they will grant the funding. Mr. Chairman brings up that APCOA and DoA might not have any issues about the mural, Mr. McGimsey asks to exchange contact information with Ms. Woodward so that the issue can be worked on.

#### **Consideration and approval of canceling the ground lease**

Mr. Chairman asks Mr. McGimsey to present the consideration of canceling of the Ground Lease between the State and APCOA. Mr. McGimsey goes into the history of the land, the State leased it to HEAL who then issued bonds to build the garage. In 1997 a decision to expand the garage was reached and the State extended the Ground Lease. States that when the lease ends in 2030 the property will come back to the State. Mr. McGimsey offers that HEAL could cancel the lease early so that HEAL would not have to deal with the upkeep, maintenance, legal issues etc., of the garage. Offers another option of having DoA operate and administrate HEAL but not own the building (garage). Mr. Kinney states that his legal advice is for the Board and reminds the Board the Mr. McGimsey does not represent HEAL. Mr. Kinney states that in his legal opinion that this action (canceling the lease) is not legal. Suggests that if there is a difference of opinion on the legality of the issues that we go to the Attorney General for an opinion. Mr. Kinney feels that we are considering the issues in the wrong order canceling the lease before the Cooperative Endeavor Agreement to have DoA administrate HEAL. Mr. McGimsey states the HEAL has the authority to cancel the lease early. Mr. Fontaine inquires what happens between HEAL and

APCOA if the lease is canceled. Mr. McGimsey says that nothing would happen, APCOA would just have to work with DoA regarding the garage. Mr. Fontaine points out that the lease agreement with APCOA says that APCOA operates and maintains the garage, not HEAL. Mr. McGimsey says that APCOA would have to continue such. Mr. Chairman states that he thinks if the provisions of the lease allow HEAL to cancel it, then there is nothing illegal about canceling such. Mr. Chairman and Mr. McGimsey brings up that this item and the next should have been done in opposite order and Mr. Chairman asks for a motion to table this item till a later time. Ms. Hamilton asks what would be the advantage for HEAL if the Board does go through with canceling the lease. Mr. McGimsey states "it would be to accelerate a decision of the Board to transfer the operations, maintenance and control of the HEAL assets to the Division." Mr. Kinney states that it would be giving away the revenue of the agency and would be a prohibitive donation. States the he has an issue with the donation of the garage and its revenue to the State. States that the intent of this item is to allow the State to take over the garage today and that the next item the proposed Cooperative Endeavor Agreement would take all of the agencies money. Mr. Chairman calls Mr. Kinney out of order. Mr. McGimsey states that the Division is here to help the Board make decisions about how to manage their affairs. States there is a cost to running the garage and whoever is going to be running the operations of HEAL has costs that need to be defrayed. Ms. Hamilton gets clarification from Mr. Chairman and Mr. McGimsey that HEAL can either allow the Lease to continue or cancel it at this time.

Ms. McKee asks if we cancel the lease would it affect our bonding authority and would it change the mission of the agency. Mr. Chairman defers to Mr. Kern who states that terminating the ground lease would not have an effect on the outstanding bonds as they are paid through a separate agreement and no one is talking about canceling those agreements. Mr. Chairman asks for a motion to table this issue to be brought up later, possibly even at this meeting. Ms. Hamilton so motions with Ms. Carter seconding. A voice vote is called and the motion to table passes unanimously. Mr. McGimsey brings up that Jones Walker Law Firm was charged with reviewing outstanding bond applications to determine if there was any negative impact on them and where they stand. Mr. Chairman states that this topic can be discussed under the next agenda item.

#### **Consideration and approval of a Cooperative Endeavor Agreement with Division of Administration**

Mr. Chairman presents a Cooperative Endeavor Agreement between HEAL and the Division of Administration (DoA). Mr. Chairman states that he feels that one of the obstacles to HEAL's growth has been its reliance on the income from the garage and thinks it has become a crutch. Feels it has stifled innovation and progress to find new revenue streams for the Board for HEAL to continue its mission. Also points out that the Legislative Auditors report shows that stagnation had led to the agency losing about \$30,000 a year. Offers that after four months of consideration that it would be helpful to the Board to take away that crutch and also remove the liabilities that come with it like litigation or payments if someone else takes over the expenses of the Board. Believes that a fair compensation for whoever would take over operation of the garage would be to receive the revenue of the garage. Points out that DoA could run the garage

better because there is an efficiency of scale. Mr. Chairman asks for an alteration to the Agreement in the appropriate section that all actions of DoA in its governance would have to be to further the Legislative Mandate of the HEAL Statute. So that the Division couldn't take over running the garage then abandon the mandate of HEAL. States that this would not entail the abolishment of the Board but rather the Board would continue its oversight for HEAL operations and making sure the Division is following the mandate of HEAL. States that if the Division takes over the garage HEAL would have no bills or liabilities left. Proposes to transfer \$400,000 to the division for other liabilities that are out there. HEAL would have \$1.2 million dollars and the Division would be paying HEAL salaries, the Division would guarantee employment. If we go through with this then the Division would be going through with the mandate of HEAL under the direction of the Board and then HEAL would have \$1.2 million dollars to enter into cooperative endeavors with appropriate nonprofits or governmental agencies to further in addition to what the Division is doing to further get someone else to work on HEAL's mandate and to use that money to seek other funding from matching grants and things like that. Feels that some of this money could be transferred to worthy third parties to proceed and do things that fulfill HEAL's mandate. Any remaining monies would be used as a seed and encourage the Board to not be complacent in regards to funding. States that HEAL has the constitutional and statutorily authority to enter into a Cooperative Endeavor Agreement. This agreement would have the Division only provide day to day management services, the Board would still be in ultimate control of policy. Ms. Hamilton states that she is in agreement with everything brought forth and it is in the best interest of the intention as she understands it of the HEAL Board. She says that it appears that if the Division manages the affairs of HEAL, HEAL doesn't go away. Brings up section 3 the transfer of assets and liabilities to the Division and that the Commission (Board) would be giving up all its assets. Mr. Chairman states that what he had just presented would be a modification of this section Mr. Kinney states that as written this document would turn over the HEAL garage and its income and liabilities as well as all the CDs at Whitney Bank and the HEAL checking accounts to DoA. Ms. Hamilton acknowledges that is her understanding also but agrees that if they are doing the managing then they need to income to pay for it. She offers that her interpretation of the language there wouldn't really be a need for the HEAL Board.

Mr. Chairman says that this document will need to be changed to remove the 'all' assets part. Mr. Chairman proposes to remove from Section 4 all the CDs kept at Whitney Bank. Ms. Hamilton says she doesn't understand why a transfer of assets is needed to affect a management of said assets. Mr. Kinney suggests that if the Board wants the State to take over management of HEAL then have the State send you a bill for services rendered. Ms. Hamilton offers that this suggestion goes beyond what she wanted to know. Mr. Chairman states the purpose of the transfer of assets allows the Division the freedom to do what it needs to do in the management of the garage and the administration of HEAL. Mr. Chairman again suggests taking the CDs out of the agreement. Mr. Fontaine explains how HEAL worked while it was housed under the Department of Health and Hospitals (now Louisiana Department of Health). Mr. Chairman explains that this is different because this would take away the future revenue and if HEAL is to survive it will need to go find more revenue. Again reiterates that the parking garage is a crutch and this action would remove that crutch. Ms. McKee inquires if we would become a State

generated funds agency. Mr. Chairman denies this and says HEAL needs to sink or swim. Mr. Chairman posits that if HEAL were to offer half a million dollars to non-profits and governmental agencies that there would be groups lining up at the door. This would be in addition to DoA pursuing the original mandate of HEAL on its own.

Mr. Kinney offers his legal opinion that the HEAL Board does not have the legislative authority to do what is proposed in the CEA. Mr. Chairman asks if the Board has the Constitutional authority. Mr. Kinney says that the HEAL Board does not have the Constitutional authority either. Ms. Hamilton asks for clarification on doing what and Mr. Kinney refers to the CEA in front of the Board. Mr. Kinney explains that the Board does not have the authority to transfer the assets of HEAL to anyone it feels like. Mr. Chairman questions Mr. Kinney's standing as Board Counsel or Opposing Counsel as he feels that Mr. Kinney is speaking in a manner that someone opposed to the actions of the board would speak. Mr. Chairman provides an example of Law Enforcement Agency's donating their vehicles to other Law Enforcement Agencies without anything in return. Mr. Kinney advises against breaking the law under the guise of a CEA. Mr. Chairman asks what law and Mr. Kinney responds with Article 7 Section 14. Mr. Chairman interrupts insisting this is not a donation but rather a contracted service. Mr. Chairman asks Mr. McGimsey for his opinion. Mr. Kinney explains that if HEAL wishes it could enter a formal contract with the Division to have it take over the garage and run HEAL it could do so legally. Mr. Kinney argues against giving away the garage worth millions of dollars and questions how that is going to help this Agency. Mr. Chairman asks if Mr. Kinney was the attorney when HEAL signed the contract allowing APCOA to claim ownership of the garage and Mr. Kinney denies being so. Mr. Chairman believes that Mr. Kinney's current line of speech is misinforming the Board about its assets and what they can or cannot do with them. Mr. Chairman again insists that this is a contract and not a donation. Mr. Chairman again asks for Mr. McGimsey opinion. Mr. McGimsey states his opinion is that the Board can enter into a Cooperative Endeavor for public purposes. The purpose here is for the Administration, the Division to take over the management of HEAL.

Mr. Chairman asks Mr. McGimsey for a place in the CEA that the provision that the Division would act on the mandate of HEAL be added to. Mr. Kinney advises that the Board can't transfer its purpose and ask the state to take over what HEAL should be doing. Mr. Chairman responds that the legislation does not make HEAL a garage operating agency, rather it is a policy Board and nothing in this CEA will hinder that functioning. Mr. McGimsey recommends putting the requested language in section 4.2. Mr. Chairman clarifies that the language will make the Division run HEAL in line with its legislative intent. Mr. Kinney again asks for time to get an opinion from the Attorney General on the matter, also recommends getting an appraisal on the value of the garage. More discussion between Mr. Chairman, Mr. Kinney and Mr. McGimsey regarding the turning over of the asset. Mr. McGimsey asks for an opportunity to do some technical cleanup as well as the revision to Section 4.2.

Mr. Chairman asks for a motion from the Board to have Jones Walker work with the Division to resolve concerns the CEA. Ms. Hamilton does not believe that a motion is necessary, she believes that her question has been answered regarding giving up the Boards authority to manage



contractors. She agrees with the intent but questions if transferring the asset would the Board be giving up its authority to manage its own functions. She does not see this as a donation. Mr. Chairman lists the assets of the Agency. Mr. Chairman asserts that the garage is not an asset of the agency as APCOA says they own it. Ms. Hamilton wants to make sure that the Agency has the authority to manage its contracts. Mr. Kinney again informs the Board that this agreement will turn over control of the garage and its revenue to the State, Mr. Chairman responds with the Agency having \$1.2 million dollars in CDs to work with. Ms. Hamilton seeks clarification that the garage rent is use to pay the Bonds. Mr. Kinney responds that the bonds are paid by Tulane, not with the rental income. Ms. Hamilton corrects herself to 'expenses, whatever those are'. Ms. Hamilton says that she is comfortable as long as the Board doesn't abrogate its responsibilities as defined by the HEAL Legislation.

The Board stands in recess as one member had to step out and there is no quorum present.

Mr. Chairman again asks for a motion from the Board to have Mr. McGimsey make changes to the CEA to address the concerns that have been raised at this meeting as well as a special meeting in one week (April 26, 2018) to consider the modified CEA. Ms. Hamilton wants to make it clear that her question was answered and she understands the language differently regarding the transferring the assets and liabilities of the agency. Mr. Chairman says that cleanup work is needed though. Mr. Fontaine brings up the possibility of the lawsuit vs APCOA turning to our favor or having to wait out the rest of the contract, at which point the income received would be higher. Mr. McGimsey responds that when the contract expires the land and garage would return to the State and HEAL would not have control of it. Mr. Chairman goes into risk reward theory regarding litigation.

Mr. Chairman asks again for a motion to table the item for one week to allow DoA a chance to modify the CEA. Ms. Hamilton so moves with Ms. Pope seconding. A voice vote is called and the motion to table the item till the April 26, 2018 at 2pm meeting passes unanimously.

#### **Presentation from a Representative from the Division of Administration**

Mr. McGimsey declines to do his presentation.

#### **Consider and Approve disbursements to qualified health care providers**

Mr. Chairman asks that these presenters return next week.

#### **Executive Session**

A motion to enter Executive Session to discuss the HEAL vs. APCOA suit is made by Ms. Hamilton with Mr. New seconding. A voice vote is called and the motion passes unanimously. Executive session is entered at 12:17.

A motion to exit Executive session is called by Ms. Hamilton with Mr. New seconding. A voice vote is called and the motion passes unanimously. Executive session is exited at 12:49.

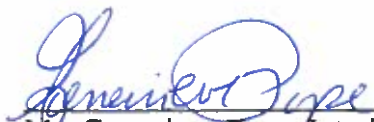
**Adjournment**

A motion to adjourn is made by Ms. Hamilton with a second by Ms. Pope. A voice vote is called and the motion passes unanimously. The meeting is adjourned at 12:50.

**Certification**

I, the undersigned, 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 19<sup>th</sup> day of April, 2018, 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 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 19<sup>th</sup> day of April, 2018:

  
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Ms. Genevieve Pope, Interim Chair