

**A MEETING OF THE FINANCE/INVESTMENT COMMITTEE
OF THE LIVING WELL FOUNDATION
ON THURSDAY, JULY 19, 2018, AT 7:30 A.M.
AT THE FOUNDATION OFFICE,
3711 CYPRESS STREET, SUITE 2,
WEST MONROE, LOUISIANA 71291**

MINUTES

Members Present:

A. Whitfield “Whitty” Hood, Jr. ,Vice Chair
Jim Allbritton
Courtney Hornsby
Dr. Dave N, Norris, Jr.

Staff Present:

Alice M. Prophit, President/CEO

Staff Absent:

Janet Rutledge, Executive Assistant
Secretary/Treasurer

Members Absent:

none

Others Present:

none

Whitty Hood called the meeting to order, and the presence of a quorum was verified.

Minutes – The minutes from the March 29, 2018, meeting were reviewed. There being no changes, upon motion by Dr. Norris seconded by Mr. Albritton, the minutes were unanimously approved (5-0).

June 2018 Financial Statements – The June 2018 financial statements were presented, with the June 2018 Argent statement and portfolio overview. Discussion was held on the current cash balance, investment maturities, and market valuations. Two areas were noted above budget, with audit fees higher based on the first year agreed-upon procedures review, and investment management fees higher based on the new fee schedule. It was further noted that Argent was not charging a fee on the cash balance as of June 2018. There was a noted deficit in the month and year-to-date change in asset valuations due to the increased unrealized losses. Further discussion was held on consideration of an RFP process for investment portfolio management based on the possibility of a 5-year rotation, and it was determined that this topic would be considered at the next meeting in October. After discussion, upon motion by Mrs. Hornsby, seconded by Dr. Norris, the June 2018 financial statements were unanimously approved (5-0). This item will be presented to the Board of Directors and thereafter to the HSD #1 Board of Commissioners for their quarterly review.

Fall 2018 Grant Cycle Budget – A review was held on the 2018 operations budget and the current financial performance, with additional overview from the recent HSD meeting attended by Mrs. Hornsby and Mr. Hood. It was noted that continuing as a grant-making body within the overall Foundation mission is important as viewed by both the Living Well Foundation Board of Directors and the HSD #1 Board of Commissioners. The proposed budget for grant-making and initiatives was considered, and the recommendation was made to proceed at the designated budgets at this time for a grant cycle in the fall. Upon motion by Mrs. Hornsby, seconded by Dr. Shepard, the recommendation was unanimously approved (5-0). This item will be presented to the Board of Directors.

ULM Autism Center Initiative – Upon the recent review by the Executive Committee of a possible initiative for the ULM Autism Center, discussion was held to consider a budget for the initiative. After review of the Autism Center’s grant funding by the Foundation and ongoing importance for the Center to the service area, as well as

the status of the Center within ULM's Health Sciences academic focus, it was recommended that a budget of \$34,000 be added within the Foundation's operations budget in a 3-year initiative with a Memorandum of Understanding (MOU) between the Living Well Foundation and ULM, outside of the normal grant-making process. Upon motion by Dr. Norris, seconded by Mrs. Hornsby, the recommendation was unanimously approved (5-0). This item will be presented to the Board of Directors and thereafter to the HSD #1 Board of Commissioners.

2019 Operating and Capital Budgets Package – The proposed 2019 Operating Budget Package, with the Capital Budget, was presented. It was noted that the new budget reflected a slight increase in projected revenues based on rising interest rates. Special event revenues were increased to include a major Corporate sponsorship from Blue Cross Blue Shield of Louisiana through recent application by the Foundation. There were no new contract renewals noted in 2019, although the office space lease will be renewed. A revision was made to increase the expense for the 2018 audit due to the agreed-upon procedures review and the recent audit fees. The Capital Budget included provisions for upgraded computer equipment for both stations in the office, only if not completed within 2018. Discussion was held on the allocation for school-based health centers and potential start-ups in outlying parishes. After discussion, it was recommended that the 2019 Operating Budget Package, with the Capital Budget, and including the revision for audit fees, be introduced at the August Board meeting, and thereafter presented for public inspection, with final consideration for approval at the October Board meeting. Upon motion by Mrs. Hornsby, seconded by Dr. Norris, the recommendation was unanimously approved (5-0).

1st Amendment to the 2018 Budget – This item will be considered at a later date. No further action was necessary at this time.

Portfolio Benchmark – The current benchmark for the investment portfolio is the Barclay Aggregate Bond US Government 3-5 Year Index, as approved in July 2017. An overview of the benchmark was held, with written input provided from Lucius McGehee, Jr., President, Argent Institutional Services, indicating no change warranted at this time, with agreement by the Vice Chair, Mr. Hood, and the President/CEO, Mrs. Proffit. Upon motion by Dr. Shepard, seconded by Mr. Allbritton, the recommendation was unanimously approved (5-0). This item will be presented to the Board of Directors.

Internal Financial Procedures Policy: The financial procedures policy was then reviewed, as requested by the Audit Committee based upon the noted areas within the agreed-upon procedures (AUPs) review in the 2017 audit report. After discussion, it was recommended that the policy be revised to include two provisions for travel reimbursement, specifically lodging rates and daily mileage reimbursement rates for staff, otherwise not included in the Employee Manual. No further policy revisions were necessary at this time after review of the existing policies and practices. Upon motion by Dr. Shepard, seconded by Mrs. Hornsby, the recommendation was unanimously approved (5-0). This item will be presented to the Board of Directors.

There being no other activities, and no Committee members or members of the public wished to make any further comments, upon motion duly made and seconded, the meeting was adjourned.

Vice Chair

Secretary