

**LOUISIANA TAX FREE SHOPPING COMMISSION**  
Commission Meeting

**MINUTES**

Monday July 12, 2021  
Baton Rouge, LA  
1:00 P.M.  
Meeting held via Zoom

Commission Members Present via Zoom:

- Kevin Richard, Louisiana Department of Revenue
- Laura Lapeze, State Treasurer's Office
- Tom Spiers, World Trade Center
- Julie Stokes, Governor's Appointee

LTFS Staff Present via Zoom:

- Amy Hemphill, Accountant
- Deepa Woods, Program Administrator

1. Call to Order:

Meeting was called to order and zoom public meeting instructions were read by Kevin Richard at 1:07pm.

2. Holding the public meeting for R.S. 42:17.1 and Proclamation 79 of 2021 by John Bel Edwards.

**3. Approval of Minutes from June 25, 2021:**

Tom questioned #4 in the financial statements because there was a topographical error. Also, Tom asked about eligibility for federal funding regarding the CARES Act and ARP. Motion to approve the minutes made by Tom. Seconded by Laura Lapeze. Kevin Richard approved the amended minutes pending changes from the previous meeting.

**AGENDA:**

**State of the Program:**

- Kevin Richard talked to the secretary about ARP funding since Lieutenant Governor's office received funding for Loss and Travel. Those funds and a portion of the \$5.2 billion were attributed to the Office of Tourism. The questions regarding those monies can be answered by Doug Bourgeois who is associated with this office. The federal office put out guidelines which will be enacted by a task force to see how the money is disbursed and acknowledge any losses.

## **Update on the State of the Program:**

- **Location Updates:**
  - Riverwalk remains the same with two part-time employees. There was a complaint regarding the Riverwalk not being open during mall hours. Deepa Woods explained to the manager that due to staffing the Riverwalk had to be closed.
  - Tanger Outlet Mall in Gonzales, LA wanted to be subsidized for their services and employees working overtime. They estimated about \$657/month (by their account) and Kevin Richard proposed that 25% of the fees be reimbursed (up to \$500/month) to avoid any legal situations.
  - Airport is ready to go, just need employees and a system. The rent is a little over \$600/month (\$491.73/month and Internet is \$150/month)
  - Lakeside returned and found a small space in Macy's. They charge \$1,000/month in rent and expressed they did not want unclaimed property in the mall. Laura Lapeze was notified that a meeting needed to be scheduled discussing these changes. An email was sent but a response was not received to discuss future intentions.
  - Canal Place contacted Deepa Woods to discuss having a refund center there which is similar to Tanger Outlet. They will staff it and create mall hours. Unlike Tanger Outlet, they do not want compensation because their intentions are to provide a profitable, beneficial program. They are ready to sign a contract/have tax free there around the time of the Jazz Festival.
- Discussions with OTS to create an operating system uniquely for tax free shopping. There is a solution in place and a live was held explaining the new system. Equipment will be supplied.
- **International Travel:** Some cruises will begin in September and Disney will have a cruise out of New Orleans in February 2022. Pre-pandemic cruises were 1/3 of fees.

## **Financial Discussion**

Budget was not approved in the last meeting. A full year of numbers was provided on Attachment 3A. Just under \$51,000 in handling fees and about \$28,000 of those fees were for the last quarter of last year. (\$6,000 in April, \$10,000 in May, \$11,000 in June). A large amount of expenses came from payouts of leave last August which resulted in an overall loss of \$144,000.

- **P&L for 2020:** There were still some amounts that weren't billed and those fees are included in the handling fees. These fees were not reflected in the billing sheet. The multi-year income statements from profit and loss showed that salaries went down and the budget increased again. Payroll tax increased when salaries were halved. Amy Hemphill explained that leave payouts had higher taxes that needed to be paid.
- **Item 3B:** Amy Hemphill prepared an update discussing the amount of money in the bank, refund center accounts, and operating accounts. The office is owed \$167,000 by the state and locals. The staff is working on creating reports to bill parishes and state to return proper money to the bank. Capturing all the receivables would amount to \$346,000.
- **Bank Accounts:** no comments
- **Budget:** In previous meeting Julie asked for the previous year's financial statements with the revenue numbers. Fiscal year 2020 numbers were applied with a 75% ratio

coming up with the handling fees. The last quarter is when the pandemic hit which is when the economy sank. The monthly PNL's are trending upward. System is prepared and Deepa Woods will go out and train those employees. Marketing will be headed by Doug Bourgeois and Office of Tourism. Vouchers for the program will be printed by LDR and DCFS at a cheaper cost. There is a 10-year lease on the Riverwalk which will end in 2024. Rent for the Elmwood is \$338.52/month and Life Storage is \$268/month. At Life Storage, a 60-day notice needs to be given before disposing of old equipment and other miscellaneous items. There was a contract at the airport from Benson and the Riverwalk which resulted in two parking charges of \$12,000 and \$9,000. This occurred because there was a "pay per ticket" contract which requires a 500 ticket purchase every six weeks (\$10/sticker)

#### **Action Items:**

- **Tanger Contract:** Approve the contract and offer another contract with up to 25% of the handling fees with a hard cap of \$500/month. Motion approved by Kevin Richard. Seconded by Tom.
- **Canal Place Contract:** Authorize the chairman to enter a negotiation for a Zero Cost contract from the department with the exception of training and possible computer equipment – no fees. Motion approved by Kevin Richard. Seconded by Julie.
- **Approval of the Budget:** Approved the current and amended budget with the increase of parking commission documents from \$2,500 to \$5,000. Kevin Richard will change the amount of allotted fees to Tanger from Account 402. Account 402 will be moved to Account 599 which is the Satellite Refund Center fees. The postage will be \$1,750. The security will be \$2,500. Motion by Kevin Richard. Seconded by Laura Lapeze.
- **Appointment of the Executive Director:** Kevin Richard recommended approval for Deepa Woods to serve as Executive Director with the current salary of \$25/hour. Once the three refund centers are open and fully staffed, the increase of salary to \$35/hour will go into effect. Since the position is unclassified, there are no contracts attached. Motion approved by Laura Lapeze. Seconded by Julie.

#### **Other Discussion Items:**

Kevin Richard will schedule another meeting in September. Monthly reports will be sent out in August. There are no current plans with Lakeside but any changes, plans, or instructions from the Treasurer will be discussed at the October meeting.

#### **Adjournment:**

Motion to adjourn made by Julie. Seconded by Laura Lapeze. Meeting ended at 2:40 p.m.