

**MINUTES OF MEETING OF
THE BOARD OF DIRECTORS OF
LOUISIANA CORRECTIONAL FACILITIES CORPORATION
WEDNESDAY, NOVEMBER 20, 2019**

A meeting of the Board of the Louisiana Correctional Facilities Corporation (“LCFC”) was duly called and held on Wednesday, November 20, 2019 in the 8th Floor Louisiana Conference Room of Jones Walker LLP, 445 North Boulevard, Baton Rouge, Louisiana 70802, pursuant to due notice having been given according to Louisiana Public Meetings Law.

The following members were present:

Mr. Ted Riser
Mr. Tom C. Bickham, III
Mr. Rhett Covington

The following member was absent:

None

Also present:

Mr. Billy Breland, Maintenance and Corrections Director –
Department of Public Safety & Corrections
Mr. Matt Kern – Jones Walker LLP
Mr. John Morris – Jones Walker LLP
Ms. Patti Dunbar – Jones Walker LLP
Mr. John Mayeaux – Sisung Securities

Item 1 – Call to Order

The meeting was called to order by Mr. Riser. Mr. Riser called roll and noted that a quorum was present and that the Board could conduct its business.

Item 2 - Approval of Minutes of the Board Meeting from April 17, 2019

Motion was made for the approval of minutes from the Board meeting of April 17, 2019 by Mr. Bickham. The Motion was seconded by Mr. Covington and the Motion passed by unanimous vote.

Item 3 - Update on LCFC Finances (review of bank statements)

No Bank of New York representatives were present at the meeting so Mr. Kern stated that he had reviewed the bank statements and that it was all routine activity in the

2015 accounts. One significant change in the 2007 accounts since the last meeting is that the Tallulah bonds have been paid off. When bonds are paid off, the Trustee is supposed to use the debt service reserve fund to make the final payment and bill the State for any difference. In this case, the Trustee billed the State for 100% of the debt service payment, so the bonds were paid off and funds were left in the debt service reserve fund. The documents stated that remaining funds were to be transferred to the Division of Administration. The Trustee reached out to Mr. Kern to obtain wiring instructions for the State at the same time they were having discussions regarding the structuring of the Office of Juvenile Justice bond issue. Some of the structural changes created the need possibly for some cash to be available for project costs. Mr. Kern stated that he had some conversations with the Division of Administration about rather than having all of the funds in the account sent to the Division, they could direct that these funds could maybe stay with LCFC which would give LCFC some flexibility for those funds to go towards the Office of Juvenile Justice project or other possible upcoming projects. Therefore, the balances of the 2007 accounts are now all zero and a deposit has been made in the amount of \$2.4 million to the Administrative Expense Fund which was created for the 2015 Trust Indenture for the Prison Enterprises project. The Division of Administration was agreeable to this transfer with the expectation that LCFC work with them to determine how the funds are used. Mr. Bickham then asked how much of that will be needed for the Office of Juvenile Justice project. Mr. Kern stated that the idea for these funds would be to pay debt service until the facility can open. John Mayeaux then stated that the exact amount would depend on many factors like construction, the timing of the fiscal year and what happens at the State Bond Commission hearing tomorrow. Mr. Bickham stated that there was a shortage on the funding for the work needed on LCIW repairs.

Item 4 - Update on projects for Department of Public Safety and Corrections

Mr. Breland stated that he wanted to thank LCFC for the help with the recent issue they had at Tallulah with the grinder pump station that went down. Funds were transferred and the vendor was paid with no problem. He stated that the fiber project at Allen has been finished and it will now be starting at Avoyelles. The Winfield facility is now housing ICE offenders and in connection with that, a lot of improvements have been made to the facility. He also stated that there were a lot of other ongoing projects happening but nothing else that is major besides LCIW. A new location west of Hunt Correctional has been found for the facility. A land swap with LSU AG Center is now in process for this land. Between FEMA and insurance payments, the total received for this project has been approximately \$43 million, so there will be a shortfall of approximately \$40+ million as of now. He stated that they were expecting some funds from other sources. The project is in the schematic design phase right now with the opening of the facility being at least 2 years away. Mr. Bickham stated that they were interesting in financing this with bonds, similar to what was done for the Office of Juvenile Justice project. Mr. Kern stated that he could get the process starting with Mr. Mayeaux by looking at the numbers and drafting resolution. He stated that it would have to appear in the Capital Outlay Act in a specific section of that Act. To get to that point, he stated that LCFC would need to have another meeting to take the initial step of

approving a Not to Exceed amount so that there would be a way to describe it in the Capital Outlay Act.

Item 5 - Approval of reimbursement of expenses incurred by Board members for travel expenses

Motion was made by Mr. Bickham for the approval of reimbursement of expenses incurred by Board Members. The Motion was seconded by Mr. Covington and the Motion passed by unanimous vote.

Item 6 – Approval of legal fees submitted by Jones Walker LLP (JW Invoice No. 979309 dated April 16, 2019, No. 983771 dated May 21, 2019, No. 991054 dated July 17, 2019, No. 994693 dated August 12, 2019, No. 998424 dated September 12, 2019 and No. 1003351 dated October 18, 2019)

Motion was made for the approval of legal fees submitted by Jones Walker LLP by Mr. Bickham. The motion was seconded by Mr. Covington and the Motion passed by unanimous vote.

Item 7 – Ratification of all actions taken by the Chairman in connection with the closing of funds and accounts related to the 2007 Bonds and the transfer of the account balances related thereto

Motion was made for the ratification of all actions taken by the Chairman in connection with the closing of funds and accounts related to the 2007 Bonds and the transfer of the account balances related thereto by Mr. Bickham. The motion was seconded by Mr. Covington and the Motion passed by unanimous vote.

Item 8 – Approval of The Bank of New York Mellon Trust Company Invoice No. 252-2226652 dated September 6, 2019 in the amount of \$1,500.00 for the Final Rebate Calculation for Series 2007 Lease Revenue Bonds

Motion was made for the approval of The Bank of New York Mellon Trust Company Invoice No. 252-2226652 by Mr. Bickham. The motion was seconded by Mr. Covington and the Motion passed by unanimous vote.

Item 9 - Transaction of such other business as may properly come before the Board

Mr. Kern proposed that an item be added to the agenda to take final action on the Office of Juvenile Justice project contingent upon State Bond Commission approval tomorrow. He then passed out a copy of the resolution. Motion was made to add this item to the agenda by Mr. Bickham. The motion was seconded by Mr. Covington and the Motion passed by unanimous vote.

Item 9a – Approval of the following resolution in connection with Office of Juvenile Justice projects:

A RESOLUTION MAKING CERTAIN FINDINGS WITH RESPECT TO AND AUTHORIZING THE ISSUANCE AND SALE BY THE LOUISIANA CORRECTIONAL FACILITIES CORPORATION OF NOT EXCEEDING \$25,000,000 OF THE CORPORATION'S LEASE REVENUE BONDS (OFFICE OF JUVENILE JUSTICE PROJECTS), IN ONE OR MORE SERIES, WITH RESPECT TO JUVENILE JUSTICE FACILITIES IN MONROE, LOUISIANA; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT AND CERTAIN FINANCING DOCUMENTS REQUIRED FOR THE ISSUANCE OF THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF ALL OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND OTHERWISE PROVIDING WITH RESPECT THERETO.

Mr. Kern stated that additional work needed to be done for the Bridge City site selection so the State Bond Commission suggested that the projects be split up and that we proceed with the Swanson project first, which is what this resolution covers. Motion was made by Mr. Bickham to approve this resolution. The Motion was seconded by Mr. Covington and the Motion passed by unanimous vote.

Mr. Kern then stated we received a letter from the Bank of New York regarding the arbitrage rebate calculation due in 2020 for the 2015 Prison Enterprise bonds. He proposed that an item be added to the Agenda to deal with this matter. Motion was made by Mr. Bickham to add this item to the Agenda. The Motion was seconded by Mr. Covington and the Motion passed by unanimous vote.

Item 9b – Authorizing Bank of New York to send a proposal for their arbitrage rebate calculation services for the 2015 Lease Revenue Bonds

Motion was made by Mr. Bickham to approve obtaining a proposal from Bank of New York for this rebate calculation. The Motion was seconded by Mr. Covington and the Motion passed by unanimous vote.

Motion was made to adjourn by Mr. Bickham. The Motion was seconded by Mr. Covington and the Motion passed by unanimous vote.