

LOUISIANA TAX FREE SHOPPING COMMISSION
Commission Meeting

MINUTES

Tuesday, February 1, 2022
Baton Rouge, LA
10:00 A.M.
Meeting held via Zoom

Commission Members Present via Zoom:

- Kevin Richard, Louisiana Department of Revenue
- Doug Bourgeois, Office of the Lt. Governor
- Laura Lapeze, State Treasurer's Office
- Thomas Spiers, World Trade Center New Orleans

LTFS Staff Present:

- Deepa Woods, Executive Director
- Amy Hemphill, Accountant

1. Call to Order

Kevin Richard called the meeting to order at 10:00 a.m. and read the zoom public meeting instructions.

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

2. Approval of Minutes from July 12, 2021:

Motion to approve the minutes made by Laura Lapeze. Seconded by Tom Spiers.

AGENDA:

State of the Program:

• **Location Updates:**

Deepa Woods provided information on the redemption center locations.

- The airport redemption center opened in October and operates three days a week.
- The Riverwalk is still open four days a week.
- The Canal Place Refund Center agreement has been signed and was supposed to start up by the end of January; however, some delays have occurred. Currently working with OTS to get equipment set up. There was a meeting with Canal Place and the issue of handling cash was discussed. They would prefer not to handle cash so close to Canal Street. They are still willing to be partners and have the refund center. The center will be opened but customers will be mailed checks. Cash will

only be accessible at the Airport or Riverwalk. Another meeting will be held this week to eventually open the center.

- The four refund centers are Tanger, the Airport, the Riverwalk and Canal Place.
- Lakeside has not been contacted again but the location is not feasible at this time because of rent and other financial matters.

- **Update on Tanger**

We are still trying to get back normal business because the hurricane caused some property damage. At the last meeting, a cap of \$500 per month and up to 25% of the handling fees was agreed upon to reimburse Tanger for the utilization of their staff.

- **Louisiana Boardwalk**

Louisiana Boardwalk reached out in November about the redemption center. They wanted to process a refund because the person working had retired. Amy was able to find a contract from 2013-2018. Ran numbers from an 18-month period and \$1,600 dollars was profited. 50% (\$800) of the profit was refunded to them, and a termination letter was sent a couple weeks ago to close the refund center.

- **Employees**

Deepa Woods, Amy Hemphill, Gwen Stewart at the Riverwalk and Muhammad Rathor at the Airport are the only employees at the time. A new part-time hire who currently works full time at the Airport was willing to work a few days a week. After 6 weeks, she had to resign because of staffing issues. She is still willing to come back and work if things change. Staffing interviews were halted after Hurricane Ida. Process will resume in the next couple of weeks. An LDR employee is retiring and wants to work for LTFS. The Riverwalk has had some increase since the Carnival Cruise Ships arrived and then another increase will occur with the arrival of Disney Cruise Lines.

- **International Travel**

Deepa Woods spoke with the Airport in mid-January. The new variant halted some of their services and had an impact on travel. British Airways and Air Transit had to pause their services. Air Canada had to delay their return service. An update via email was received which included a schedule for the month of February and states the seat capacity is up 14% over January 2022 and down only 3% compared to February 2019. Compared to last month, Spirit added the most capacity with the addition of 32 flights and over 5,800 seats per week. Norwegian and United Southwest made large increases as well. TSA Checkpoints open at 3:30am and the latest scheduled departures occur at 9:40pm.

Financial Discussion

- **YTD Profit and Loss Statement**

Kevin Richard provided an update for the fiscal year. For the first six months of the fiscal year, the Riverwalk has brought in the most revenue. Amy provided a comparison of customers for 2021 to the beginning of 2022. For fiscal year 2021, there were 1,649 customers and for just the first month of 2022 there were 1,300 customers. November had the most cruise ship passengers. December only had eleven. The Disney Cruise ships are

only doing seven sailings. Deepa Woods will reach out to the cruise ship coordinator to inform them that there are shopping opportunities for their passengers and crew.

Amy Hemphill prepared the Profit and Loss Statement for the first six months of the year and for the last three years for comparison purposes. Through the end of December, there was a loss of \$49,000 compared to the year before which was \$135,000. Amy is able to utilize the new database to run reports and produce checks, which allows people to receive information useful for the marketing of the mall. The biggest expenses on the Profit and Loss Statement are salaries which is followed by rent at Tanger and the airport which accounts for 82.5% of the expenses. Amy prepared the team budget which shows a shortage regarding the handling fees. Tom suggested reaching out to Doug's group to discuss branding especially regarding reaching out to international travelers.

- **Bank Account**

Attachment 4C contains these readings. At the last meeting, the bank accounts were very low and now billing the parishes has restored some of those funds. Billing needs to be done for July, November and December. \$47,000 is still owed through December and does not include January. There is still \$55,000 in the operating account. Item 4D was included to see if any adjustments were necessary. None were made.

Action Items

Motion made by Tom Spiers to move \$75,000 in funds from the refund center to the operating center. Motion seconded by Laura Lapeze.

Other Discussion Items

- **New Data Base Introduced at Tanger and the Riverwalk**

We are currently working through issues; however, information is more accessible. The timeline for upgrades and wish list for more items is in the works. July is the only month that has not been billed due to the transfer of information into the new system. The bills will go out once we have reconciled the information. Amy has billed all parishes as of December 2021 and collected over \$220,000.

- **US Bank & Stored Value Cards**

The Treasury holds the contract with US Bank for Stored Value Cards. An RFP for Stored Value Cards was released, and the contract was just awarded to US Bank. Contract negotiations are underway. US Bank has an international stored value card available that can be utilized by Tax Free Shopping. Greer Almquist is available to describe to the Commission how Tax Free Shopping can utilize these cards. Tom and Kevin would like to attend this meeting.

A follow up meeting will occur in either April or May.

Adjournment

Motion to adjourn made by Laura Lapeze. Seconded by Tom Spiers. Meeting ended at 10:54 a.m.