

**MINUTES OF MEETING OF
THE BOARD OF DIRECTORS OF
LOUISIANA CORRECTIONAL FACILITIES CORPORATION
TUESDAY, APRIL 21, 2015**

A meeting of the Board of the Louisiana Correctional Facilities Corporation ("LCFC") was duly called and held on Tuesday, April 21, 2015 in the Fifth Floor Main Conference Room of Jones Walker LLP, Four United Plaza, 8555 United Plaza Boulevard, Baton Rouge, Louisiana 70809-7000, pursuant to due notice having been given according to Louisiana Public Meetings Law.

The following members were present:

Mr. Ted Riser
Secretary James LeBlanc
Mr. Charles McDonald

The following member was absent:

Mr. Whalen Gibbs, Jr.

Also present:

Mr. Tom C. Bickham, III – Undersecretary, Department of Public Safety & Corrections
Mr. Rhett Covington – Assistant Secretary, Department of Public Safety & Correction
Mr. Billy Breland, Maintenance and Corrections Director – Department of Public Safety & Corrections
Mr. Matt Kern, Esq. – Jones Walker LLP
Ms. Patti Dunbar – Jones Walker LLP
Mr. Michael Moore - Prison Enterprises
Mr. Joe Buttross - Prison Enterprises
Mr. Watson Barger – The Bank of New York Mellon Trust Company
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 December 15, 2014

Motion was made for the approval of minutes from the Board meeting of December 15, 2014 by Mr. McDonald. The Motion was seconded by Secretary LeBlanc and the Motion passed by unanimous vote.

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

Mr. Barger went through the bank statements from March 31, 2015 and explained the various accounts and balances. He stated that invoices and travel expenses received had been paid as directed through the Administrative Expense Fund.

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

Mr. Breland discussed matters related to the facility located at 704 Mayflower Street which is being prepared for the relocation by Prison Enterprises. He stated that everything is moving forward and they are anticipating a move-in date of September or October 2015. He also state the project manager, Gary Shotwell, is very experienced and that he knows the state system.

Secretary LeBlanc then asked for the status of the Transitional Center for Women. Mr. Breland stated that it was completed with no major problems. He stated that the pump station is complete and that there was a small heater fire this past winter but that has been resolved. Secretary LeBlanc then stated that this was the only facility on which payments were still being made.

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

Motion was made by Secretary LeBlanc for the approval of reimbursement of expenses incurred by Board Members, Mr. Riser and Mr. McDonald. The Motion was seconded by Mr. McDonald and the Motion passed by unanimous vote.

Item 6 - Approval of legal fees submitted by Jones Walker LLP (JW Invoice Nos. 75502 dated January 26, 2015, 759053 dated February 23, 2015, 765685 dated March 27, 2015 and 76958 dated April 15, 2015)

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

Item 7 – Approval of The Bank of New York Mellon Trust Company Invoice No. 252-1855453 in the amount of \$825.00 for the Administration Fee for the period December 1, 2013 to November 30, 2014

Motion was made for the approval of The Bank of New York Mellon Trust Company Invoice No. 252-1817771 by Mr. McDonald. The motion was seconded by Secretary LeBlanc and the Motion passed by unanimous vote.

Item 8: Follow-up report from Prison Enterprises

Mr. Moore from Prison Enterprises thanked the Board for facilitating the process which will allow Prison Enterprises to move into the facility on Mayflower Street. He stated that Prison Enterprises appreciates the Board support. Mr. Buttross from Prison Enterprises went on to state that this move will have a positive impact on Prison

Enterprises. He stated that they took a draw on the bonds at the time of closing in the amount of \$198,000. They will need to take another small draw today with more draws to come as the process progresses. He also stated that they are on tap to meet budget and he went on to thank Mr. Breland and his office for all of the work they have done to facilitate everything involved. There will be a grand opening of the Mayflower Street facility for anyone who wants a tour.

Mr. Mayeaux stated that this was an interesting transaction. Because of the self-generated funds of Prison Enterprises it was a transaction that was a different than a lot of investors had seen. This was more like a private transaction rather than a state deal. All credit union funds had to be kept separate from the state funds. He stated that Red River Bank was very helpful in getting the deal done.

Secretary LeBlanc stated that 704 Mayflower is a historic building and that he was excited that it was getting new usage. Mr. Breland stated that if anyone wanted to see the progress, that they could stop by the site.

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

Secretary LeBlanc mentioned that CCA, the operator of Winn Correctional Center, no longer wants to operate the facility. He stated that they were going through the process of trying to find a new operator to take over before CCA's contract is up, which is in October 2015. There is a problem with the locking devices at the facility in that they are not locking correctly and need to be replaced. They received an estimate of \$230,000 for this work from Southern Steel. Secretary LeBlanc asked if this was an expense that could be financed through LCFC. He stated that Capital Outlay was not an option because this would need to be done before the new operator was set to take over, preferably by July 1st. Mr. Breland stated that they would need to look over the Southern Steel quote as there would be design fees on top of the \$230,000. He stated that they would need to determine the most efficient way to handle the lock replacement. Mr. Barger stated that there was a \$476,000 balance in the Administrative Expense Fund which is used to pay legal expenses, trustee expenses and Board member travel expenses. Secretary LeBlanc suggested that after they look into this matter further, he would like it to be brought up at the next LCFC Board meeting either in May or in June, if possible. He stated that they should have a better idea of the total costs by that point.

Secretary LeBlanc then discussed various problems that they have had with Winn Correctional Center including an undercover Mother Jones reporter who was hired as a guard and drones dropping contraband. He stated that the transition from CCA to the next operator must be done carefully.

There was no other business to transact. Motion was made to adjourn by Secretary LeBlanc. The Motion was seconded by Mr. McDonald and the Motion passed by unanimous vote.