

**MINUTES OF MEETING OF  
THE BOARD OF DIRECTORS OF  
LOUISIANA CORRECTIONAL FACILITIES CORPORATION  
WEDNESDAY, MAY 27, 2020**

A meeting of the Board of the Louisiana Correctional Facilities Corporation (“LCFC”) was duly called and held on Wednesday, May 27, 2020 via Zoom Video Conference, pursuant to due notice having been given according to Louisiana Public Meetings Law and Executive Proclamations by Governor John Bel Edwards regarding the COVID-19 State of Emergency.

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 and Roll Call

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 – Certification of Inability to Operate due to Lack of Quorum

Attached to the Agenda is a Certificate of Inability to Operate due to Lack of Quorum which describes the current COVID-19 State of Emergency and provides for the meeting to be held by video conference.

Item 3 - Approval of Minutes of the Board Meeting from November 20, 2019

Motion was made for the approval of minutes from the Board meeting of November 20, 2019 by Mr. Bickham. The Motion was seconded by Mr. Covington and

the Motion passed by unanimous vote.

Item 4 - 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. He then noted that 2007 Tallulah Bonds have been paid off and that those accounts have been closed. The balances of those 2007 accounts has been transferred to the Administrative Expense Fund which was created for the 2015 Trust Indenture for the Prison Enterprises project. The majority of these funds was from the debt service reserve fund from the 2007 bond issue. The Division of Administration wants a good portion of these funds to be used for the Office of Juvenile Justice project. Mr. Kern then stated that the balance of the Administrative Expense Fund is \$2.8 million. \$2.4 million of that was the funds transferred from the 2007 accounts and the remaining \$398,000 was the balance before the transfer. Mr. Bickham then asked how much of that \$2.4 million the Division of Administration was expecting to go towards the Office of Juvenile Justice project. Mr. Kern stated that he thought that would depend on the timeline of the project. Mr. Kern stated that the latest information from the Division of Administration indicates that they have a construction manager on board working on fine tuning the construction costs. They expect to have construction costs nailed down by August or September of this year so we will know more at that time.

Item 5- Update on projects for Department of Public Safety and Corrections

Mr. Breland stated that there was a lot going on but construction projects are now on hold due to COVID-19 and not having access to the prison labor pool. He stated that they are ready to get the projects up and running again as soon as resources become available. Mr. Breland stated that he wanted to thank LCFC for the help with funding with the recent issues they had at Tallulah. He is anxious to get back to normal so that some of these projects can get moving again. Mr. Bickham then provided an update on the LCIW project. The LCIW project is still in the design phase and a construction manager has been hired. This will be a \$100 million project included in Capital Outlay. The Department is still having to work through FEMA which has been a slow process. They are also trying to do a land swap with LSU for land adjacent to Hunt. FEMA is waiting for this process to be completed before their funds can be released. He stated that they are looking forward to breaking ground as soon as possible.

Item 6 – Consideration of the following resolution in connection with the Louisiana Correctional Institute for Women project

A RESOLUTION AUTHORIZING THE LOUISIANA CORRECTIONAL FACILITIES CORPORATION TO PROCEED WITH THE ISSUANCE OF NOT TO EXCEED \$40,000,000 LOUISIANA CORRECTIONAL FACILITIES CORPORATION LEASE REVENUE BONDS (LOUISIANA CORRECTIONAL INSTITUTE FOR WOMEN PROJECT), IN ONE OR MORE SERIES, TAXABLE OR TAX-EXEMPT; MAKING APPLICATION TO THE STATE BOND COMMISSION FOR APPROVAL OF SUCH BOND ISSUANCE; EMPLOYING

BOND COUNSEL, MUNICIPAL ADVISOR AND UNDERWRITERS; AND PROVIDING FOR OTHER MATTERS IN CONNECTION THEREWITH.

Mr. Kern stated this resolution is intended to deal with funding of a portion of the LCIW project as described by Mr. Bickham. He reviewed the provisions of the resolution and stated that it was the same type of resolution passed for the Office of Juvenile Justice Project. He stated that we would need a letter of support from the Division of Administration before submitting an application to the State Bond Commission. We need to determine the timing of submitting an application to the State Bond Commission on this matter. We should make sure the Capital Outlay Bill is adopted with this project in it before proceeding to the State Bond Commission. Mr. Kern then discussed Net State Tax Supported Debt which was a big issue in connection with the Office of Juvenile Justice project. The State's finances are in a much different shape now because of COVID-19 so this will be an even bigger issue for this project. Mr. Bickham then explained that the Department is currently paying sheriffs to house the female inmates at \$2,639 per day. The premise here is that they are going to bring in an additional 442 female inmates so that this is the funding that would be eligible to be bonded out, which should be more than adequate to be covered by the \$40 million. Mr. Kern stated that the next fiscal year would be tight because of COVID-19, the official revenue forecast was a reduction of \$850 million. He stated that he spoke to the head of the State Bond Commission after this reduction and he indicated that both the Office of Juvenile Justice bonds and the bonds for this project could be done and fit under the cap. Mr. Bickham stated that this was positive news. Mr. Mayeaux then stated that regarding the Net State Debt calculation, the regulation puts out a 5-year forecast and that the 5-year number is the most important number because that is what is used to build out for the next 20 years what the revenues are going to be. For this LCIW project, it would be \$40 million in bonds, \$17 million in GO Bonds, \$43 million is a combination of FEMA and insurance. Mr. Mayeaux and Mr. Bickham then discussed the possibility of working with Bernhard for this project. Mr. Mayeaux stated that he has worked with the Division in connection with the Shaw project and Bernhard is also doing a lot of university projects. The Division of Administration had a lot of questions on the university deals for Bernhard regarding whether the private use rules are met. This may not apply to the LCIW project. Mr. Kern will look into this matter. Mr. Bickham stated that his understanding is that Bernhard's work would end at a pipe 2 feet away from entering a building. Mr. Bickham stated that he would update Mr. Kern and Mr. Mayeaux after his meeting with the Division of Administration on Friday.

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

Item 7 – Approval of legal fees submitted by Jones Walker LLP (JW Invoice No. 1008070 dated November 20, 2019 in the amount of \$1,767.50, No. 1010232 dated December 6, 2019 in the amount of \$2,708.40, No. 1015972 dated January 27, 2020 in the amount of \$416.50, No. 1020411 dated March 2, 2020 in the amount of \$1,584.00, No. 1023749 dated March 24, 2020 in the amount of \$282.00, and No. 1030916 dated May 21, 2020 in the amount of \$900.00)

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 8 – Ratification of all actions taken by the Chairman in connection with engaging The Bank of New York Mellon Trust Company to perform the IRS Rebate Calculation in connection with the LCFC Series 2015 Lease Revenue Bonds and approval of The Bank of New York Mellon Trust Company Invoice No. 252-2267679 dated February 18, 2020 in the amount of \$3,250.00 for this service

Motion was made for the ratification of all actions taken by the Chairman in connection with engaging The Bank of New York Mellon Trust Company to perform the IRS Rebate Calculation in connection with the LCFC Series 2015 Lease Revenue Bonds and approval of The Bank of New York Mellon Trust Company Invoice No. 252-2267679 dated February 18, 2020 in the amount of \$3,250.00 for this service by Mr. Bickham. The motion was seconded by Mr. Covington and the Motion passed by unanimous vote.

Item 9 – Approval of The Bank of New York Mellon Trust Company Invoice No. 252-2256435 dated December 30, 2019 in the amount of \$825.00 for the Administration Fee for the LCFC Custody Account for the period December 1, 2018 to November 30, 2019

Motion was made for the approval of The Bank of New York Mellon Trust Company Invoice No. 252-2256435 by Mr. Bickham. The motion was seconded by Mr. Covington and the Motion passed by unanimous vote.

Item 10 – Approval of The Bank of New York Mellon Trust Company Invoice No. 252-2273750 dated March 9, 2020 in the amount of \$2,100.00 for the Administration Fee for the LCFC 2015 Lease Revenue Bonds for the period March 9, 2020 to March 8, 2021

Motion was made for the approval of The Bank of New York Mellon Trust Company Invoice No. 252-2273750 by Mr. Bickham. The motion was seconded by Mr. Covington and the Motion passed by unanimous vote.

Item 11 - Transaction of such other business as may properly come before the Board

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