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LCTCS FACILITIES CORPORATION

**LCTCS Facilities Corporation
Board Meeting Minutes
Thursday, October 11, 2018 4:00 p.m.**

1-877-810-9415; Access Code: 6499147#

A duly called meeting of the Board of Directors of LCTCS Facilities Corporation was conducted on Thursday, October 11, 2018, commencing at 4:00 p.m. Directors of the Corporation joined the meeting by phone: Chairman Stephen Smith, Director Gene Thibodeaux, and Director Billy Montgomery. Together, they represented a quorum of the Board. Other attendees included: Monty Sullivan, Joe Marin, Anthony Brown, Brian Budd, Gretchen Lindquist, John Mayeaux, Matt Kern, and Michele Nardini.

1. Welcome and Approval of the July 19, 2018 and September 20, 2018 Minutes

Chairman Smith welcomed the group and called the meeting to order at 4:08 p.m.

On motion by Director Thibodeaux, and seconded by Director Montgomery, the Board voted to approve the minutes of July 19, 2018 and September 20, 2018, as presented. The motion carried.

*Note to file: a previous agenda inaccurately listed an August 30, 2018, meeting that did not occur. The Board was presented with July 19, 2018, meeting minutes for review and approval. Approval of the July 19, 2018, minutes is listed on this agenda for proper approval.

2. Phase III of Act 360 Bond Sales Discussion

LCTCS System President, Monty Sullivan, provided an update on Phase III of the Act 360 Bond Sales. He thanked the board members and team for their dedication to this system and making sure the work gets done. Governor John Bel Edwards recently contacted Dr. Sullivan to talk about the next round of projects. The Governor remains committed to furthering the work of this corporation and fulfilling the promises of Act 360. The Governor recently authorized the Delgado Health Care Campus and Culinary Project, the Ruston Campus at Louisiana Delta Community College, the SOWELA Hospitalities and Gaming Facility, and the Westbank Campus at Delgado. All told, a huge investment by the state even through the budget struggles. It is the hope that bond sales will occur in late November or early December to move the projects forward. This leaves us with three projects – Nunez Community College, Fletcher Technical Community College and Delgado Community College Metairie Campus that remain to be funded, but it is Dr. Sullivan's hope these will be fulfilled sometime in the future.

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3. Executive Overview and Board Approval of Resolution Authorizing the Issuance of the Third Phase of Act 360 Bond Funding

John Mayeaux informed the Board that Sisung Securities Corporation (SSC), the Corporation's competitively selected financial advisor, recommends the Board approve the Issuance of new Act 360 Bonds, subject to match requirements being met.

SSC expects to issue approximately \$70 million of Series 2018 Bonds to finance the following Act 360 projects:

ACT 360 PHASE 3 PROJECTS	LOCATION	TOTAL PROJECT	BOND PROCEEDS	PRIVATE MATCH
DELGADO CHARITY SCHOOL OF NURSING AND ALLIED HEALTH CAMPUS	New Orleans	\$38,636,363	\$ 34,000,000	\$ 4,636,363
DELGADO CULINARY INSTITUTE	New Orleans	\$10,227,272	\$ 9,000,000	\$ 1,227,272
DELGADO ADVANCED TECHNOLOGY BUILDING AND CAMPUS EXPANSION	Westbank New Orleans	\$13,636,363	\$ 12,000,000	\$ 1,636,363
LA DELTA COMMUNITY COLLEGE NURSING, WELDING, WORKFORCE TRAINING CAMPUS	Ruston	\$9,204,545	\$ 8,100,000	\$ 1,104,545
SOWELA TECHNICAL COMMUNITY COLLEGE HOSPITALITY & TOURISM	Lake Charles	\$10,227,272	\$ 9,000,000	\$ 1,227,272
TOTAL PHASE 3		\$81,931,815	\$ 72,100,000	\$ 9,831,815

The Series 2018 Bonds are expected to be sold on or about November 15th, with closing on or about November 29th. The resolution to be approved by the Corporation authorizes the issuance of the Series 2018 Bonds and related matters.

On motion by Director Thibodeaux, and seconded by Director Montgomery, the Board voted to approve a Resolution to Authorize the Issuance of Act 360 bonds and the taking of any and all actions necessary to accomplish such in accordance with the resolution. The motion carried.

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4. Executive Overview and Board Approval of ACT 360 Arbitrage Rebate Analyst for Act 360 Bonds

John Mayeaux reported that federal tax law and related IRS regulations require issuers of tax-exempt bonds to perform arbitrage rebate calculations to verify if any unspent bond proceeds have earned interest above the borrowing rate on the bonds. Any such excess arbitrage interest must be paid to the federal government. To comply with these tax law requirements, bond issuers engage the services of an arbitrage rebate analyst who specializes in performing such calculations.

The Act 391 Bonds were issued in three series (2009, 2010, 2011). The Bank of New York Mellon Trust Company (BONY) is the trustee for such bonds. BONY also serves as the rebate analyst for the Act 391 Bonds. BONY's fee for performing the rebate calculations averages approximately \$2,300 per bond issue per year.

The Act 360 Bonds will have been issued in three series to date (2014, 2017, 2018), and one additional series is expected in the future. Hancock Whitney Bank is the trustee for such bonds. The Corporation has not yet engaged a rebate analyst for the Act 360 Bonds. Hancock Whitney does not offer rebate calculation services in-house.

The Corporation has received a proposal from Bingham Arbitrage Rebate Services to perform the rebate calculations for the Act 360 Bonds for an average of approximately \$1,800 per bond issue per year. The Municipal Advisor (Sisung Securities) believes the Bingham proposal is competitive and recommends the Corporation accept the proposal.

On motion by Director Thibodeaux, and seconded by Director Montgomery, the Board voted to approve the engagement of Bingham Arbitrage Rebate Services to perform Act 360 rebate calculations. The motion carried.

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5. ACT 360 Baton Rouge Community College Acadian Campus,
Baton Rouge Request for Reimbursements

Brian Budd noted that he has reviewed the reimbursement requests by Baton Rouge Community College and recommends approval. In addition, the project contingency after this reduction will be \$1,337,017.09.

1. Move and Unload Machines (Equipment) to RPCC

VENDOR: American Machinery Movers, Inc.

COSTS: \$32,126.00

2. Truck-Trailer Service Rental for Acadian Renovation

VENDOR: Kent Truck-Trailer Service, LLC

COSTS: \$3,200.00

3. Climate Controlled Units Rental for Acadian Renovation

VENDOR: Life Storage

COSTS: \$1,254.10

4. Propane for Forklift

VENDOR: Metro Lift Propane

COSTS: \$382.59

5. Waste Containers for Acadian Renovation

VENDOR: Republic Services, Inc

COSTS: \$1,003.00

6. Moving Furniture and Equip Associated with Acadian Renovation

VENDOR: Two Men And A Truck

COSTS: \$ 13,470.00

7. Labor for Relocation Services for Acadian Renovation

VENDOR: Westaff (USA) Inc.

COSTS: \$ 1,511.64

On motion by Director Thibodeaux, and seconded by Director Montgomery, the Board voted to approve the Request for Reimbursements for the Baton Rouge Community College Acadian Campus, Baton Rouge in the amount of \$52,947.33. The motion carried.

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6. ACT 360 Baton Rouge Community College Acadian Campus,
Change Order #2 Baton Rouge

Mr. Budd reported that he and the team have thoroughly analyzed the Change Order Requests from Guy Hopkins Construction Co., Inc. and suggest approval.

1. Addition of dryer fan booster due to cleaning conflicts
TIME EXTENSION: Zero (0) days
COSTS OF WORK: \$2,091.00
2. Additional site signage needed to help better control traffic and pedestrian traffic
TIME EXTENSION: Zero (0) days
COSTS OF WORK: \$749.00
3. Change flooring in Childcare Area to LVT
TIME EXTENSION: Zero (0) days
COSTS OF WORK: \$10,823.00
4. New faceplates for receptacles and switches required
TIME EXTENSION: Zero (0) days
COSTS OF WORK: \$119.00
5. Revision of portion of classroom into storage closet, including new lighting and ceiling
TIME EXTENSION: Zero (0) days
COSTS OF WORK: \$18,389.00
6. Marker Boards added to Childcare Area
TIME EXTENSION: Zero (0) days
COSTS OF WORK: \$19,819.00
7. Replacement of millwork countertops to new plastic laminate countertops in Chiclard Area
TIME EXTENSION: Zero (0) days
COSTS OF WORK: \$3,905.00
8. Rubber base added to Childcare Area
TIME EXTENSION: Zero (0) days
COSTS OF WORK: \$338.00
9. Existing handrails required to be modified to re-attach to storefront
TIME EXTENSION: Zero (0) days
COSTS OF WORK: \$631.00

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10. Additional feature added to the bust duct to provide more flexibility
TIME EXTENSION: Zero (0) days
COSTS OF WORK: \$17,383.00
11. Replacement of damper actuator for the existing fresh air louver in the existing Welding Lab
TIME EXTENSION: Zero (0) days
COSTS OF WORK: \$2,391.00
12. Addition of new door required for secondary exit due to classroom size
TIME EXTENSION: Zero (0) days
COSTS OF WORK: \$2,691.00
13. Revision of door hardware type requested due to security reasons.
TIME EXTENSION: Zero (0) days
COSTS OF WORK: \$6,922.00
14. HVAC upgrades that will refurbish air handling units and replace chilled water insulation that has all surpassed its life span
TIME EXTENSION: Zero (0) days
COSTS OF WORK: \$261,403.00
15. Removal of transite panels which are made of asbestos materials and replace with metal panel
TIME EXTENSION: Fourteen (14) days
COSTS OF WORK: \$82,820.00
16. Contractor installation of Owner provided equipment for schedule and coordination purposes
TIME EXTENSION: Zero (0) days
COSTS OF WORK: \$44,069.00

On motion by Director Montgomery, and seconded by Director Thibodeaux, the Board voted to approve Change Order #2 for the Baton Rouge Community College Acadian Campus, revising the contract with Guy Hopkins Construction Co., Inc. by \$474,543.00 and fourteen (14) days added to the Contract. The date of Substantial Completion will be revised from April 2, 2019 to April 16, 2019. The motion carried.

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7. ACT 360 Baton Rouge Community College Acadian Campus,
Baton Rouge Requests for Furniture, Fixtures, and Equipment
Purchases

Brian Budd reported to the Board that the CSRS team has reviewed the Furniture, Fixtures, and Equipment requests by Baton Rouge Community College and recommends approval. Baton Rouge Community College followed State and Facilities Corporation guidelines, using Louisiana State Contract and competitive bidding.

1. Classroom technology for Acadian Renovations

VENDOR: Interstate Electronic Systems, LLC- State Contract #57280 and 4400008130

COSTS: \$360,342.99

On motion by Director Thibodeaux, and seconded by Director Montgomery, the Board voted to approve the Requests for Furniture, Fixtures, and Equipment for the Baton Rouge Community College Acadian Campus, Baton Rouge in the amount of \$360,342.99. The motion carried.

8. Adjourn

On motion by Director Montgomery, and seconded by Director Thibodeaux, the Board voted to adjourn. The meeting adjourned at 4:30 p.m.

Lambert Boissiere, Secretary/Treasurer
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