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LCTCS FACILITIES CORPORATION

**LCTCS Facilities Corporation
Board Meeting
Thursday, October 29, 2020 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 29, 2020, commencing at 4:00 p.m. Directors of the Corporation joined the meeting: Chairman Stephen Smith, Director Lambert Boissiere, Director Billy Montgomery, and Director Gene Thibodeaux. Together, they represented a quorum of the Board. Other attendees included: Monty Sullivan, Joe Marin, Anthony Brown, Brian Budd, Gretchen Lindquist, Matt Kern, John Mayeaux, Michele Nardini, and Sara Kleinpeter.

I. Welcome and Approval of July 23, 2020 Minutes

Chairman Smith welcomed the group and called the meeting to order at 4:01 p.m.

On motion by Director Thibodeaux, and seconded by Director Montgomery, the Board voted to approve the minutes of July 23, 2020, as presented. The motion carried.

II. Executive Overview and Approval of Resolution Authorizing Act 360 Series 2014 Bonds Refinancing and Act 360 Contingency Bond Sale

Sisung Securities Corporation representative, John Mayeaux, shared with the Board that the current low interest rates provide the LCTCS FC with the opportunity to refinance Act 360 Series 2014 bonds. Based on current rates, the gross savings is estimated to be approximately \$7.8 million.

The refinancing savings will be used to sell bonds for the purpose of a large-scale IT and communication system for LCTCS. In HB 39, the state legislature approved language authorizing the unused Act 360 15% per project contingency funds to be used for a statewide LCTCS IT and communications system for the LCTCS main office and all campuses; including LCTCS campuses that were not in the original Act 360 legislation. For this IT and communication system project, HB 39 also waived the required 12% match for Act 360 projects. Governor Edwards is expected to sign HB 39 this week.

The Series 2020 Bonds, funded by the Series 2014 refinancing, could raise between \$7 million to \$11 million based on interest rates at the time of the sale.

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On motion by Director Boissiere, and seconded by Director Thibodeaux, the Board voted to approve the resolution below 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.

RESOLUTION OF THE BOARD OF DIRECTORS OF LCTCS FACILITIES CORPORATION

WHEREAS, the LCTCS Facilities Corporation (the "*Corporation*") is a private non-profit corporation organized and existing under the Louisiana Nonprofit Corporation Law (La. R.S. 12:201 *et seq.*), whose purpose is to support and benefit the educational, scientific, research and public service missions of the Louisiana Community and Technical College System (the "*System*");

WHEREAS, the Louisiana Local Government Environmental Facilities and Community Development Authority (the "*Authority*") is a political subdivision established for public purposes under and pursuant to the provisions of Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:4548.1 to 4548.16, inclusive) (the "*Act*"), and other constitutional and statutory authority;

WHEREAS, at the request of the Corporation, the Authority previously authorized the issuance of its not to exceed \$300,000,000 Revenue Bonds (LCTCS Act 360 Project) in one or more series (the "*Bonds*") pursuant to the Act to: (i) finance a portion of the costs associated with the development, acquisition, purchase, construction, renovation, improvement, or expansion of certain public facilities of the System, including all furnishings, fixtures, and facilities incidental or necessary in connection therewith (the "*Facilities*"), for various community and technical college campuses, such Facilities located on land owned or to be owned or leased or to be leased by the Board of Supervisors of the System (the "*Board*"), all in accordance with Act 360 of the 2013 Regular Session of the Louisiana Legislature, as amended from time to time (the "*Projects*"); (ii) pay capitalized interest on the Bonds; and (iii) pay costs of issuance of the Bonds, including the premium for a bond insurance policy, if necessary;

WHEREAS, on December 18, 2014, the Authority issued its \$128,330,000 Revenue Bonds (LCTCS Act 360 Project) Series 2014 (the "*Series 2014 Bonds*"), the proceeds of which were loaned to the Corporation pursuant to a Loan and Assignment Agreement dated as of December 1, 2014 by and between the Authority and the Corporation (the "*Loan Agreement*") for the purpose of: (i) financing a portion of the costs associated with the development, acquisition, purchase, construction, renovation, improvement, or expansion of the Projects; (ii) paying capitalized interest on the Series 2014 Bonds; and (iii) paying costs of issuance on the Series 2014 Bonds;

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WHEREAS, on October 25, 2017, the Authority issued its \$20,770,000 Revenue Bonds (LCTCS Act 360 Project) Series 2017 (the “*Series 2017 Bonds*”), the proceeds of which were loaned to the Corporation pursuant to the Loan Agreement for the purpose of: (i) financing additional costs associated with the development, acquisition, purchase, construction, renovation, improvement, or expansion of the Projects; and (ii) paying costs of issuance on the Series 2017 Bonds, including the premium for a bond insurance policy;

WHEREAS, on December 19, 2018, the Authority issued its \$66,830,000 Revenue Bonds (LCTCS Act 360 Project) Series 2018 (the “*Series 2018 Bonds*”) the proceeds of which were loaned to the Corporation pursuant to the Loan Agreement for the purpose of: (i) financing additional costs associated with the development, acquisition, purchase, construction, renovation, improvement, or expansion of the Projects; and (ii) paying costs of issuance on the Series 2018 Bonds, including the premium for a bond insurance policy;

WHEREAS, on December 18, 2019, the Authority issued its \$16,630,000 Revenue Bonds (LCTCS Act 360 Project) Series 2019 (the “*Series 2019 Bonds*”) the proceeds of which were loaned to the Corporation pursuant to the Loan Agreement for the purpose of: (i) financing additional costs associated with the development, acquisition, purchase, construction, renovation, improvement, or expansion of the Projects; (ii) paying capitalized interest on the Series 2019 Bonds; and (iii) paying costs of issuance on the Series 2019 Bonds;

WHEREAS, an opportunity exists to refinance the Series 2014 Bonds for debt service savings and the Corporation desires to request that the Authority issue not to exceed \$160,000,000 of its Taxable Revenue Refunding Bonds (LCTCS Act 360 Project) Series 2020A (the “*Series 2020A Bonds*”) to be issued on a parity with the Series 2017 Bonds, the Series 2018 Bonds, the Series 2019 Bonds and the Series 2020B Bonds (as hereinafter defined) for the purpose of: (i) refunding the Series 2014 Bonds maturing on October 1, 2031 to and including October 1, 2039 (the “*Refunded Series 2014 Bonds*”) and (ii) paying costs of issuance on the Series 2020 Bonds;

WHEREAS, the Corporation desires to request that the Authority issue not to exceed \$15,000,000 of its Revenue Bonds (LCTCS Act 360 Project) Series 2020B (the “*Series 2020B Bonds*”) and, together with the Series 2020A Bonds, the “*Series 2020 Bonds*”) to be issued on a parity with the Series 2017 Bonds, the Series 2018 Bonds, the Series 2019 Bonds and the Series 2020A Bonds for the purpose of: (i) financing additional costs associated with the development, acquisition, purchase, construction, renovation, improvement, or expansion of the Projects; and (ii) paying costs of issuance on the Series 2020B Bonds; and

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WHEREAS, in connection with the issuance of the Series 2020 Bonds, the Corporation desires to employ Raymond James & Associates, Inc. and Stifel, Nicolaus & Company, Incorporated as the underwriters (collectively, the “*Underwriters*”) of the Series 2020 Bonds.

Upon motion duly made, seconded and unanimously carried, it was:

RESOLVED, that all of the foregoing WHEREAS clauses are hereby incorporated as a part of this Resolution;

RESOLVED, that the Corporation, hereby requests the issuance by the Authority of its not to exceed \$160,000,000 Taxable Revenue Refunding Bonds (LCTCS Act 360 Project) Series 2020A (the “*Series 2020A Bonds*”) to be issued on a parity with the Series 2017 Bonds, the Series 2018 Bonds, the Series 2019 Bonds and the Series 2020B Bonds for the purpose of (i) refunding the Series 2014 Bonds maturing on October 1, 2031 to and including October 1, 2039 (the “*Refunded Series 2014 Bonds*”) and (ii) paying costs of issuance on the Series 2020 Bonds and its not to exceed \$15,000,000 Revenue Bonds (LCTCS Act 360 Project) Series 2020B (the “*Series 2020B Bonds*” and, together with the Series 2020A Bonds, the “*Series 2020 Bonds*”) to be issued on a parity with the Series 2017 Bonds, the Series 2018 Bonds, the Series 2019 Bonds and the Series 2020A Bonds for the purpose of: (i) financing additional costs associated with the development, acquisition, purchase, construction, renovation, improvement, or expansion of the Projects; and (ii) paying costs of issuance on the Series 2020B Bonds and ;

RESOLVED, that the proceeds of the Series 2020 Bonds will be loaned to the Corporation pursuant to the Loan Agreement for the foregoing purposes;

RESOLVED, that pursuant to that certain Ground Lease Agreement dated as of December 1, 2014 by and between the Board and the Corporation, as supplemented and amended from time to time (the “*Ground Lease*”), the Board has leased the Land (as defined in the Ground Lease) upon which the Facilities are to be constructed to the Corporation;

RESOLVED, that pursuant to that certain Agreement to Lease with Option to Purchase dated as of December 1, 2014 by and between the Corporation and the Board, as supplemented and amended from time to time (the “*Facilities Lease*”), the Corporation has leased the completed Facilities back to the Board in return for payments of rental at the times and in sufficient amounts to pay debt service on the Series 2020 Bonds;

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RESOLVED, that in consideration of the issuance of the Series 2020 Bonds by the Authority, the Corporation has (a) assigned its rights under the Facilities Lease, including the Corporation's right to all Base Rental (as defined in the Facilities Lease) received thereunder, to the Authority, and (b) agreed to make payments in an amount sufficient to make timely payments of principal and interest on the Series 2020 Bonds and to pay such other amounts as are required by the Loan Agreement;

RESOLVED, that the preparation and distribution of a Preliminary Official Statement and the preparation, distribution and execution of a final Official Statement (collectively, the "*Official Statement*") with respect to the Series 2020 Bonds, including the incorporation of information concerning the Corporation therein, together with the execution and delivery on behalf of the Corporation of a Bond Purchase Agreement between the Authority, the Corporation and the Underwriters (the "*Bond Purchase Agreement*") and any credit enhancement and such other certificates and documents as shall be required therein in connection with the sale and distribution of the Series 2020 Bonds, are hereby authorized;

RESOLVED, that in connection with the issuance of the Series 2020B Bonds, the Corporation hereby authorizes the execution of an Escrow Deposit Agreement between the Authority, the Corporation and Hancock Whitney Bank, as escrow agent (the "*Escrow Agreement*") in such form as may be acceptable to Bond Counsel and Counsel to the Corporation;

RESOLVED, that in connection with the issuance of the Series 2020 Bonds, certain supplements or amendments to the agreements executed in connection with the delivery of the Series 2014 Bonds, the Series 2017 Bonds, the Series 2018 Bonds and the Series 2019 Bonds may be necessary and the Corporation hereby authorizes such supplements or amendments to any and all agreements executed in connection with the issuance of the Series 2014 Bonds, the Series 2017 Bonds, the Series 2018 Bonds and the Series 2019 Bonds, including but not limited to supplements or amendments to the Loan Agreement, the Ground Lease and the Facilities Lease, in such forms as may be acceptable to Bond Counsel and counsel to the Corporation;

RESOLVED, that the President, Vice President and Secretary of the Board of Directors of the Corporation (each, an "*Authorized Officer*") are each authorized and empowered to execute and deliver on behalf of the Corporation the Bond Purchase Agreement, the Official Statement, the Escrow Agreement, a Tax Regulatory Agreement and any and all documents, certificates or agreements necessary in connection with the issuance of the Series 2020 Bonds, in such forms as are acceptable to Bond Counsel and counsel to the Corporation;

RESOLVED, that this matter and the documents related thereto shall be submitted on behalf of the Corporation to the Board, the State Bond Commission, the Authority, and any other governmental entity for such approvals as may be deemed necessary by Bond Counsel and counsel to the Corporation;

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RESOLVED, that the employment of Sisung Securities Corporation, as financial advisor to the Corporation in connection with the Series 2020 Bonds is hereby ratified and approved and the execution of a contract for such employment by an Authorized Officer is hereby authorized and approved;

RESOLVED, that the employment of Jones Walker LLP, Baton Rouge, Louisiana, as Bond Counsel in connection with the Series 2020 Bonds is hereby ratified and approved;

RESOLVED, that the employment of Raymond James & Associates, Inc. and Stifel Nicolaus & Company, Incorporated, as underwriters/placement agents in connection with the Series 2020 Bonds is hereby ratified and approved;

RESOLVED, that all actions taken or performed by the Corporation, or any of its officers, employees, attorneys, or agents prior to the date hereof, in connection with the Series 2020 Bonds and the transactions contemplated hereby be, and they hereby are, approved, ratified and confirmed in all respects; and

RESOLVED, that the President, Vice President and Secretary of the Board of Directors of the Corporation and any other authorized representatives be and hereby are authorized and empowered to take such further action, and to execute and deliver any and all such other acknowledgements, certificates, instruments, or documents solely in the name and on behalf of the Corporation to cause the Corporation to incur all such fees and expenses and pay all compensation due, pursuant to the above-mentioned agreements or otherwise in connection with the issuance of the Series 2020 Bonds as they, or any of them, shall deem required, necessary or expedient to effectuate the purpose of any and all provisions of the foregoing resolutions.

CERTIFICATE

I, Lambert C. Boissiere, Jr., the Secretary of the LCTCS Facilities Corporation (the "Corporation"), DO HEREBY CERTIFY that the foregoing pages constitute a true and correct copy of the Resolution adopted by the Board of Directors of the Corporation at its meeting on October 2, 2020 and that the original of said Resolution appears of record in the Minute Book of the Corporation which is in my custody and control.

Given under my hand on this ____ day of _____, 2020.

Name: Lambert C. Boissiere, Jr.
Title: Secretary

The motion carried.

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III. Board Review and Approval of Act 360 Delgado Community College, Nursing and Allied Health Training Program and Facility Strategic Partnership Award

Joe Marin informed the Board that on October 22, 2020, the Selection Committee met to evaluate responses to the Request for Proposals for the referenced project. Selection Committee members present were: LCTCS Chief Operating Office, Joe Marin; Louisiana Board of Regents, Chris Herring; LCTCS Foundation Member, Mike Palamone; designee from Delgado Nursing and Allied Health Executive Leadership, Dr. Cheryl Myers; Delgado Foundation Member, Shelby Lasalle; and designee from the New Orleans Mayor's Office, Dr. Calvin Mackie. The committee reviewed and evaluated the two (2) responses received. The committee awarded the highest average score to Ochsner Health.

On motion by Director Thibodeaux, and seconded by Director Boissiere, the Board voted to approve the award of Strategic Partnership for the Act 360 Delgado Community College, Nursing and Allied Training Program and Facility to Ochsner Health (New Orleans, LA) and authorize the Board Chairman the taking of any and all actions necessary to accomplish such in accordance with the recommendation. The motion carried.

IV. Board Review and Approval of Act 391 Nunez Community College Campus Wide Improvements, Chalmette, General Contractor Award

Brian Budd, Program Manager, CSRS, reviewed the bids and recommends the low bidder, Boasso Construction, for the project as reflected in the attached bid tab. Boasso Construction has confirmed its proposal price is accurate and the project will maintain a contingency balance of \$178,243.57 at the Notice to Proceed.

On motion by Director Thibodeaux, and seconded by Director Boissiere, the Board voted to approve the award of the General Contractor contract for the Act 391 Nunez Community College Campus Wide Improvements (Point of Use Water Heaters) to Boasso Construction for the bid amount of \$134,500.00. The motion carried.

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V. Board Review and Approval of LCTCS Facilities Corporation Form 990 for 2019 Tax Return

Gretchen Lindquist reminded the Board that each year, the LCTCS Facilities Corporation tax preparation team prepares the Form 990 document required by the IRS. This document details the spend-down of the remaining Act 391 bond dollars and the spend-down of Act 360 bond sale proceeds for the four rounds of Act 360 projects.

2019 Form 990 Highlights:

- Contributions and grants decreased from \$1,683,511 to \$1,595,454.
- Total LCTCS Facilities Corp assets increased from \$423,084,950 to \$429,990,360.

The 990 form contains other questions posed by the IRS that have been answered in full by the Administrative Team and reviewed by both LaPorte tax preparers and UPC.

On motion by Director Thibodeaux, and seconded by Director Boissiere, the Board voted to approve the Form 990 document for the 2019 LCTCS Facilities Corporation Tax Return in order to file the return with the IRS. The motion carried.

VI. Board Review and Approval of Modification of the LCTCS Facilities Corporation Fletcher Technical Community College Ground and Facilities Lease Agreements

Mr. Anthony Brown recalled to the Board that in August 2007, the LCTCS Facilities Corporation Board authorized the Board Chair and the Board Counsel to negotiate the final document to facilitate the capital improvements and related facilities, as outlined within Act 391 (SB 337) to be constructed by the LCTCS Facilities Corporation on LCTCS campuses. With this approval, the Board authorized the Chair, at that time, to enter into a Ground Lease and a Facilities Lease Agreement to facilitate the construction of Fletcher Technical Community College. These agreements were executed in October 2009 and the building at Fletcher was constructed by the LCTCS Facilities Corporation and occupied by the college upon completion.

An expansion of the Fletcher Technical Community College, through the LCTCS Facilities Corporation, is underway using funds from Act 360. Currently, the entire site, approximately 70 acres, is obligated under mortgage/indenture agreement executed during the initial Act 391 bond sale. A modification or release of a certain portion of the property from the original Act 391 agreement is necessary to allow the construction of a new building at the Schriever Campus using

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Act 360 funds. The portion of property where the new facility is located, related parking and other structures constructed, will be released from the mortgage/indenture agreement for Act 391 and will be encumbered by the mortgage/indenture agreement related to Act 360.

On motion by Director Montgomery, and seconded by Director Thibodeaux, the Board voted to authorize the Board Chair to negotiate and execute all documents necessary to modify the Ground Lease and Facilities Lease Agreements at Fletcher Technical Community College to allow the construction of the Workforce Training Center using Act 360 Funds. The motion carried.

VII. Board Update of Act 360 Louisiana Delta Community College Nursing, Welding, Workforce Training Campus, Ruston

Mr. Budd updated the Board on the six (6) acre site donation adjacent to I-20 from Darby Holdings LLC to LCTCS and the Louisiana Delta Community College Foundation for the proposed project site will not move forward. CSRS, the Program Manager, along with LCTCS have determined to relocate to the existing site for the new campus.

The Design Team is currently working to revise all plans and specifications per findings from the site due diligence and observed site conditions. CSRS is in discussions with the awarded General Contractor for costs associated with relocating to the existing site.

VIII. Adjourn

On motion by Director Boissiere, and seconded by Director Montgomery, the Board voted to adjourn. The meeting adjourned at 4:39 p.m.

Lambert Boissiere, Secretary/Treasurer
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