



MINUTES
STATE BOND COMMISSION
MEETING OF OCTOBER 20, 2011
COMMITTEE ROOM A
STATE CAPITOL BUILDING

The items listed on the Agenda are incorporated and considered to be a part of the minutes herein.

Treasurer Kennedy called the meeting to order. Then Ms. W. Sittig called the roll.

MEMBERS PRESENT:

Ms. Kristy Nichols, representing Governor Bobby Jindal
Mr. Randy Davis, representing Lt. Governor Jay Dardenne
Mr. Kyle Ardoin, representing Secretary of State Tom Schedler
Mr. Rick McGimsey, representing Attorney General James Caldwell
Senator John Alario, representing President Joel Chaisson
Senator Michael Michot (arrived during discussion of Item 17)
Senator Robert Marionneaux (arrived during discussion of Item 22)
Senator Lydia Jackson
Speaker Jim Tucker
Representative James Fannin
Representative Hunter Greene
Representative Jeff Arnold
Commissioner Paul Rainwater
Treasurer John Kennedy

MEMBERS ABSENT:

Representative Fannin moved approval of the minutes of the September 15, 2011 meeting, seconded by Senator Alario, and without objection, the minutes were approved.

Mr. Kling provided a synopsis on Item 3, Calcasieu Parish, Chennault International Airport Authority. Speaker Tucker moved approval, seconded by Senator Alario, and without objection, Item 3 was approved.

Mr. Kling provided a synopsis on Items 4 through 11, Local Political Subdivisions - Loans. Speaker Tucker moved for approval on Items 4 through 11, with Item 10 subject to the applicant's compliance with the provisions of La. R.S. 33:4712.10 prior to actual disbursement of proceeds and that no disbursement for purchase of immovable property will be in excess of the appraisal valuation. The motion was seconded Senator Alario, and without objection, Items 4 through 11 were approved.

Mr. Kling provided a synopsis on Items 12 and 13, Local Political Subdivisions - Bonds - Preliminary Approval. Speaker Tucker moved approval, seconded by Senator Alario, and without objection, Items 12 and 13 were approved.

Mr. Kling provided a synopsis on Items 14 through 40, excluding Items 16 through 19, 22, 26 through 30, 34, 35, and 37, Local Political Subdivisions - Bonds - Final Approval. Speaker Tucker moved approval, seconded by Senator Alario, and without objection, Items 14 through 40, excluding Items 16 through 19, 22, 26 through 30, 34, 35, and 37, were approved.

Mr. Kling provided a synopsis on Item 16, Beauregard Parish, South Beauregard Recreation District No. 2. Speaker Tucker moved approval, seconded by Senator Alario, and without objection, Item 16 was approved.

Mr. Kling provided a synopsis on Item 17, Beauregard Parish, Waterworks District No. 3. Speaker Tucker moved for conditional approval contingent upon verification of the subsequent resolution by the Waterworks District to include the interest rate and maturity parameters and SBC standard Swap Policy language, which was adopted on October 18, 2011. The motion was seconded by Senator Alario, and without objection, Item 17 was conditionally approved.

Mr. Kling provided a synopsis on Item 18, Caddo Parish, Town of Oil City. Senator Jackson moved approval, seconded by Speaker Tucker, and without objection, Item 18 was approved.

Mr. Kling provided a synopsis on Item 22, Lafayette Parish, City of Carencro, I-49 Corridor Economic Development District. Speaker Tucker moved approval, seconded by Senator Alario, and without objection, Item 22 was approved.

Mr. Kling provided a synopsis on Item 19, Calcasieu Parish, Recreation District No. 1, Ward 3. Speaker Tucker moved for conditional approval contingent upon adoption and subsequent verification of a resolution by the Calcasieu Parish Police Jury authorizing the incurrence of the debt, which is scheduled to be adopted on October 20, 2011. The motion was seconded by Senator Alario, and without objection, Item 19 was conditionally approved.

Mr. Kling provided a synopsis on Item 26, Ouachita Parish, City of West Monroe. Speaker Tucker moved for conditional approval contingent upon receipt of the \$675 closing fee due from the City in connection with the \$1,250,000 Sewer Revenue Bonds, Series 2010 issued on May 19, 2010. The motion was seconded by Senator Alario, and without objection, Item 26 was conditionally approved.

Mr. Kling provided a synopsis on Item 27, Ouachita Parish, Monroe City School Board. Speaker Tucker moved for conditional approval contingent upon receipt of the \$2,925 closing fee due from the School Board in connection with the \$5,000,000 Revenue Bonds (Taxable QSCB), Series 2011, issued on April 21, 2011. The motion was seconded by Senator Alario, and without objection, Item 27 was conditionally approved.

On the direction of the Chair and the Bond Commission members, an application will not be placed on the agenda if the applicant has a delinquent closing fee due to the State Bond Commission.

Mr. Kling provided a synopsis on Item 28, Pointe Coupee Parish Police Jury. Speaker Tucker moved approval, seconded by Senator Alario, and without objection, Item 28 was approved.

Mr. Kling provided a synopsis on Item 29, Rapides Parish, City of Alexandria. Speaker Tucker moved approval, seconded by Senator Alario, and without objection, Item 29 was approved.

Mr. Kling provided a synopsis on Item 30, St. Charles Parish, Hospital Service District No. 1. Speaker Tucker moved approval, seconded by Senator Alario, and without objection, Item 30 was approved.

Mr. Kling advised Item 34 would be considered in a different order than reflected on the agenda.

Mr. Kling provided a synopsis on Item 35, Tensas Parish, Parishwide Fire Protection District No. 1. Speaker Tucker moved approval, seconded by Senator Alario, and without objection, Item 35 was approved.

Mr. Kling provided a synopsis on Item 37, Vermilion Parish School Board. Speaker Tucker moved approval, seconded by Senator Alario, and without objection, Item 37 was approved.

Mr. Kling provided a synopsis on Item 41, Caddo Parish, North Caddo Hospital Service District. Senator Jackson moved approval, seconded by Speaker Tucker, and without objection, Item 41 was approved.

Mr. Kling provided a synopsis on Item 42, Board of Supervisors for University of Louisiana System (Southeastern Louisiana University Student Recreation and Activity Center Project). Speaker Tucker moved approval, seconded by Senator Alario, and without objection, Item 42 was approved.

Mr. Kling provided a synopsis on Item 43, Louisiana Housing Finance Agency (The Garden Senior Apartments Project). Speaker Tucker moved approval, seconded by Senator Alario, and without objection, Item 43 was approved.

Mr. Kling provided a synopsis on Item 44, Louisiana Housing Finance Agency (Renaissance Gateway Project). Speaker Tucker moved approval, seconded by Senator Alario, and without objection, Item 44 was approved.

Mr. Kling provided a synopsis on Item 45, Louisiana Community Development Authority (McNeese State University Student Parking - Cowboy Facilities, Inc. Project). Additional information was provided by Eddie P. Meche, Vice President of Business Affairs, McNeese State University. Speaker Tucker moved approval, seconded by Senator Alario, and without objection, Item 45 was approved.

Mr. Kling provided a synopsis on Item 46, Louisiana Community Development Authority (Vinton Public Power Authority/Town of Vinton Project). Speaker Tucker moved for conditional approval contingent upon verification of the subsequent certified resolution adopted by the Vinton Public Power Authority authorizing the interest rate, maturity and including the SBC Swap Policy, which was adopted on October 18, 2011. The motion was seconded by Senator Alario, and without objection, Item 46 was conditionally approved.

Mr. Kling provided a synopsis on Item 47, Louisiana Community Development Authority (Algiers Development District Project). Treasurer Kennedy advised Speaker Tucker and Representative Arnold requested to be recused from this item. Senator Alario moved approval, seconded by Representative Fannin, and without objection, Item 47 was approved.

Mr. Kling provided a synopsis on Item 68, GO Zone status. Additional information was provided by Meredith Hathorn, Bond Counsel, Foley & Judell, LLP; Stephen Moret, Secretary, Louisiana Economic Development. Mr. Kling explained an addition to the agenda was needed to consider Louisiana Public Facilities Authority (Cetane Renewable Energy Project). Senator Marionneaux moved to amend the agenda to add the item for GO Zone allocation extension for 60 days. The motion was seconded by Mr. McGimsey, and by a unanimous roll call vote, the item was added to the agenda. Treasurer Kennedy asked for public comment, hearing no public comment, Senator Marionneaux moved approval of the added item. The motion was seconded by Mr. McGimsey, and without objection, the item was approved.

Mr. Kling provided a synopsis on Items 48 and 49, Industrial Development Board of the Parish of East Baton Rouge Louisiana, Inc. (ExxonMobil Project) and Industrial Development Board of the Parish of Ascension, Louisiana, Inc. (Impala Warehousing (US) LLC Project). Additional information was provided by Stephen Moret, Secretary, Louisiana Economic Development and Tracy Morganti, Bond Counsel, Adams & Reese. Senator Marionneaux moved to approve Item 48 and 49 for bond issuance authority and the \$12,568,000 remaining GO Zone allocation. If additional GO Zone allocation is returned prior to the end of the program, December 31, 2011, \$25,000,000 to be allocated to Item 49 and any residual allocation to Item 48 up to the \$200 million requested. The motion was seconded by Representative Fannin, and without objection, the items were approved.

A request was made by Stephen Moret, Secretary, Louisiana Economic Development for an update to be provided at the November 17th SBC meeting from the Louisiana Public Facilities Authority (Cetane Renewable Energy Project) regarding utilization of the GO Zone allocation.

Mr. Kling provided a synopsis on Item 50, Calcasieu Parish Public Trust Authority (McNeese State University Student Housing - Cowboy Facilities, Inc. Project). Representative Fannin moved approval, seconded by Senator Alario, and without objection, Item 50 was approved.

Mr. Kling provided a synopsis on Item 51, The Finance Authority of New Orleans (Holy Cross Green Community Program Project). Speaker Tucker moved for conditional approval contingent upon the QECB allocation provided by the City of New Orleans. The motion was seconded by Senator Alario, and without objection, Item 51 was conditionally approved.

Mr. Kling provided a synopsis on Items 52 through 60, Ratifications and/or Amendments to Prior Approvals. Treasurer Kennedy advised Speaker Tucker requested to be recused from Item 58. Representative Fannin moved approval, seconded by Senator Alario, and without objection, Items 52 through 60 were approved.

Mr. Kling provided information relative to Audit Opinions and the requirements of General Accepted Accounting Principles (GAAP) and Generally Accepted Governmental Auditing Standards (GAGAS). On the direction of the Chair and the Bond Commission members, a policy decision was made that Staff's evaluation may be based solely on the primary government's audited financial statements in the event of an Adverse/Qualified Audit Opinion due to the exclusion of the component units. However, if such component unit is a party to the transaction, the component units audited financial statements must also be evaluated.

Mr. Kling provided a synopsis on Item 34, Tensas Parish Police Jury. Speaker Tucker moved approval, seconded by Senator Alario, and without objection, Item 34 was approved.

Mr. Kling provided a synopsis on Item 61, Certificates of Impossibility and Impracticality. Commissioner Rainwater moved approval, seconded by Senator Alario, and without objection, Item 61 was approved.

Mr. Kling provided a synopsis on Item 62, Rescission of Cash Lines of Credit - Priority 1. Commissioner Rainwater moved approval, seconded by Senator Alario, and without objection, Item 62 was approved.

Mr. Kling provided a synopsis on Item 63, Cash Lines of Credit - Priority 2. Additional information was provided by Jerry Jones, Director, Facility Planning & Control. After further discussion, Speaker Tucker moved to approve Item 63 less project 50-ME6 for Catahoula Parish, Jonesville, Pumping Station Upgrade, Planning and Construction in the amount of \$60,000 for Priority 2 Cash Lines of Credit. The motion was seconded by Commissioner Rainwater, and without objection, Item 63 less project 50-ME6 was approved.

Mr. Kling provided a synopsis on Item 64, Non-Cash Lines of Credit - Priority 5. Additional information was provided by Jerry Jones, Director, Facility, Planning & Control. After further discussion, Speaker Tucker moved to approve Item 64 less project 50-NDT for Caddo Parish, LSU Health Sciences Foundation Shreveport, Children's Hospital, Planning and Construction. The motion was seconded by Commissioner Rainwater, and without objection, Item 64 less project 50-NDT was approved.

Mr. Kling provided a synopsis on Items 65 and 66, Catahoula Parish, Village of Sicily Island. Additional information was provided by Wade Thompson, President, Sicily Island State Bank. After further discussion, action on Items 65 and 66 was deferred until representatives of the Parish can be in attendance to answer questions.

Mr. Kling provided a brief synopsis on Item 67 relative to the 2012 State Bond Commission meeting dates and deadlines.

Mr. Kling provided a synopsis on Items 69 through 71 relative to the refunding of certain Gasoline and Fuels Tax Revenue Bonds (Senior Lien); certain Taxable Gasoline and Fuels Tax Second Lien Revenue Bonds (Build American Bonds) and the novation, extension, modification, replacement or termination of Associated Hedge Agreements. Additional information was provided, via conference call, by Renee Boicourt, Financial Advisor, Lamont Financial Services.

With no motion required for Item 69, Mr. Kling stated Item 70 and 71 were for consideration of a motion providing authorization to staff, in conjunction with the Financial Advisor, to develop and issue a Solicitation for Offers for Bond Counsel Services and Underwriter Services, respectively, relative to the refunding of certain Gasoline and Fuels Tax Revenue Bonds (Senior Lien); certain Taxable Gasoline and Fuels Tax Second Lien Revenue Bonds (Build American Bonds) and the novation, extension, modification, replacement or termination of Associated Hedge Agreements. Speaker Tucker moved approval, seconded by Senator Alario, and without objection, Items 70 and 71 were approved.

Mr. Kling stated Item 72 was consideration of a motion for approval to issue a Solicitation for Offers for Bond Counsel Services in connection with a competitive refunding associated with the General Obligation Series 2001A in order to achieve debt service savings; to delegate the Evaluation Committee authorization to make the award; and provide authorization to obtain any additional related services necessary for the purpose of the bond placement. Speaker Tucker moved approval, seconded by Senator Alario, and without objection, Item 72 was approved.

Mr. Kling stated Item 73 was consideration of a motion for approval to issue a Solicitation for Offers for Bond Counsel Services in connection with the development of a financing as provided for in Act 413 of the 2011 Regular Legislative Session (Unclaimed Property Leverage Program Fund). Speaker Tucker moved approval, seconded by Senator Alario, and without objection, Item 73 was approved.

Mr. Kling provided information relative to correspondence received from (1) the U.S. Department of Justice Civil Rights Division - Housing and Civil Enforcement Division regarding an investigation of zoning and land use practices of the City of New Orleans and requesting information with regards to Bond Commission processes and policies relative to application filings with regards to the Esplanade housing project filing by Gulf Coast Housing Partnership; and (2) Mr. Michael Allen, Relman, Dane & Colfax PLLC, indicating representation of Gulf Coast Housing Partnerships and making inquiry as to the status of the Gulf Coast Housing Partnership application for the Esplanade housing project.

Mr. Kling provided information on Lake Charles Charter Academy Foundation Project relative to an amendment of security for the previously approved application. Additional information was provided by Meredith Hathorn, Bond Counsel, Foley & Judell, LLP. It was determined the item would be further discussed at the November 17, 2011 State Bond Commission meeting with representatives of the Department of Education, Underwriters, Lake Charles Charter Academy and Bond Counsel.

On the motion of the Chairman and without any objection, the meeting was adjourned.

A verbatim transcript is available with the Bond Commission.