

[Discussion]

Executive Director Picou stated the agenda item was Short-Term Financing Discussion/Action and the airport put out a Request for Proposal released from the airport and seven (7) proposals were received. Executive Director Picou then turned the meeting over to Mr. Lee Bressler with Raymond James, who is helping the airport through this process.

Mr. Bressler, managing Director at Raymond James, who is serving as the Commission's Placement Agent, gave a report on the Responses to the Request for Proposal for Line of Credit. Mr. Bressler stated it wasn't just him that headed this process it was also Mr. Jerry Osbourne, Mr. Daniel Elsea, Mr. George Groh, and Mr. Chris Groh. All banks with branches in Lafayette Parish were approached and seven responded – Business First, Hancock Whitney, Home Bank, Iberia, JD Bank, JP Morgan Chase, and Regions Bank. All proposals were considered but two stood out from the rest based on a number of factors. There were five (5) bank proposals that included language in their commitment letters that could have made negotiations slower and more uncertain.

Mr. Bressler went over some of this information:

Business First – stated the conditions required stated in this commitment letter encompass only a partial list of conditions and requirements that normally appear in the loan and are not intended to be exhausted and or all inclusive.

Hancock Whitney – had some language that may be required by the regulators. The proposal allowed termination of commitment if it deems there has been a material adverse change in the Commission's financial condition or if any information provided is deemed inaccurate.

Jefferson Davis (JD Bank) – had similar language regarding termination of the commitment with a material adverse change in the Commission's financial condition or the collection of the CFC's or if it deemed any of the information provided to be inaccurate.

JP Morgan -required the Commission to pay a higher interest rate if there is a change in tax law, regulations, reserve requirements, etc. that would affect the bank's yield on the loan.

Regions – had similar language regarding an increase in the interest rate if there is a change in rules, laws, guidelines, etc. would affect the bank's yield on the loan.

Both Home Bank and Iberia Bank gave firm proposals that did not include this type of language and these proposals were able to be compared.

Home Bank offered a rate of 3.85% for two years with two (2) three-month extension. There is a 25-basis point origination fee but no termination or prepayment penalties. There were no legal fees and only the CFC's were required to be on deposit.

Iberia offered a number of options on both the fixed and floating rates with a one-year lock out on the prepayment. They were not charging an origination fee but their fixed interest rate was 4.25%.

Mr. Bressler stated the team would like the Commission to tell them which bank would be the first then the second to maybe start negotiations.

Interjections from the audience:

Mr. Byron Breaux, Hancock Whitney, stated it sounded like there were negotiations some of the terms and commitment with some banks but not with others. Mr. Bressler stated there has not been any negotiations. Mr. Breaux stated Mr. Bressler allowed some banks to modify their original commitment to change the language of their commitments for the time on the audits and if it was fair to every bank. Mr. Bressler stated the team went with the language written in the commitment letters and 120 days for audit isn't feasible. Mr. Breaux stated to him that should have eliminated the bank from consideration if that wasn't feasible.

Mr. Eric Marter, Business First, asked if Home Bank was 3.85 floating or fixed and Mr. Bressler stated fixed and Mr. Marter asked if they offered a floating rate at all. Mr. Bressler stated no floating rate offered.

Commissioner Guilbeau asked the audience members to identify themselves for the record. Commissioner Segura had questions on the different bank proposals submitted.

Mr. Eric Marter, Business First, stated he could clear up the language on his proposal. Mr. Marter stated there was an issue with the commitment letter but his rates will not change, he does not have a fixed rate and his proposal does not compare to the ones in question.

Commissioner Garrett entered the meeting at 4:50 p.m.

There were discussions between Chairman Tabor, Commissioner Guilbeau, Commissioner Segura, Executive Director Picou, Mr. Oats (Legal Counsel), Mr. Bressler, and Mr. Osbourne on the content of the different proposals and what is the recommendation the airport should proceed with going forward with more than one proposal submitted. Mr. Oats, Legal Counsel, asked what did the Request For Proposals state as the issue is the difference in the language of the proposals. Mr. Osbourne stated the last two lines of the proposal stated "By acceptance

Of the respondent's proposal the Commission reserves the right to negotiate any proposed conditions and covenants or cancel the solicitation".

Mr. Oats stated there are options and Mr. Bressler asked for a list of proposals in order for him to start negotiations. Mr. Bressler asked for a priority list.

Mary Guidry, Iberia Bank, stated their proposal had no conditional language in it and their proposal is open for negotiations.

Mr. Bressler went through each proposal and answered questions from Commissioner Segura. Commissioner Segura asked what was the plan for today. Executive Director Picou stated the plan was for the Internal Affairs Committee to hear what Mr. Bressler presented, narrow it down to two, Mr. Bressler can start contacting these individual banks, and then that would go to the Full Commission for approval. Mr. Bressler requested the banks be put in order of choice first, second, etc. Chairman Tabor stated it would make a short-list and make it easier for Mr. Bressler to go forth with a priority list.

Mr. Osbourne stated there is a time frame issue with them meeting with the banks for discussions and then having the bond resolution ready for the Commission meeting.

The Commission directed the team to start negotiations with Home Bank to finalize the line of credit before the next Board meeting and if those negotiations were not able to be successfully completed on a timely basis, then start negotiations with Iberia Bank.

Resolution 2018-6-R1-01: Funding Schedule – Discussion/Action -

MOTION: Commissioner Guilbeau made a motion to give Mr. Lee Bressler the authority to negotiate with Home Bank first and Iberia Bank second. Commissioner Segura seconded this motion.

The vote was as follows:

AYES: Tabor, Guilbeau, Segura

NAYS: None

ABSENT: None

MOTION CARRIES

Resolution 2018-8-R1-02: Adjourn

MOTION: Commissioner Guilbeau moved to adjourn the Internal Affairs Meeting of August 22, 2018. Commissioner Segura seconded the motion.

AYES: Tabor, Guilbeau, Segura

NAYS: None

ABSENT: None

MOTION CARRIES

The meeting Adjourned at 5:23 p.m.