LOUISIANA ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS MEETING, TAKEN AT THE LASALLE BUILDING, 617 NORTH 3RD STREET, LABELLE ROOM, BATON ROUGE, LOUISIANA, ON JUNE 22, 2018 COMMENCING AT 9:30 A.M.

REPORTED BY:

RACHEL TORRES-REGIS, CCR, RPR
CERTIFIED COURT REPORTER

APPEARANCES OF BOARD MEMBERS:

A.J. ROY
LOUIS REINE
ALDEN ANDRE
TODD MCDONALD
CHARLES JACKSON, III
CAL SIMPSON

STAFF MEMBERS:
ANNE VILLA
BRENDA GUESS
DARIA
STEVE BAHAM
CRYSTAL DALGO

MR. ROY:

Good morning. Call for the Board of Directors for the Louisiana Economic Development Corporation. Roll call, please.

MS. VINNING:

A.J. Roy.

MR. ROY:

Here.

MS. VINNING:

Alden Andre.

MR. ANDRE:

Here.

MS. VINNING:

Louis Reine.

MR. REINE:

Here.

MS. VINNING:

Charles Jackson, III.

MR. JACKSON:

Here.

MS. VINNING:

Mandi Mitchell. Cal Simpson.

MR. SIMPSON:

Here.

MS. VINNING:
Nitin Kamath. Sue Durand. Kimberly Johnson. Todd McDonald. We have five present. We do not have a quorum.
MR. ROY:
Okay. We will proceed to hear the projects nonetheless. I will ask everyone to silence their cell phones. We do not have a quorum, but as stated, we will hear the projects. We will suspend with the reading of the minutes. Move into -- under the EDAP Award Program, Aggreko, LLC. Good morning. If you can, please, pull your microphone up.
MR. BIENEMY:
Stanley Bienemy representing staff. I have to my left Ms. Dianne Prejean representing Aggreko, and to my right, Mr. Devin Harrison is the project manager for LED.
This EDAP was an unsponsored

EDAP award for payroll credit in the amount requested of $200,000. Aggreko, LLC run temporary utility equipment and support services to its customers which consist primarily of power generators, electrical distribution equipment, temperature control equipment and compressors. Aggreko's most recent expansion will include a new state of the art remote operation center. The new project will be a $1.5 million investment in the New Iberia area and bring 30 new jobs in addition to 267 jobs Aggreko has throughout the state. The company will build a new -- a new 9,000 square foot building to house its expanded operations at the New Iberia site. The total project is approximately $1.5 million. The requested EDAP award will cover the cost associated with building construction as well as capital equipment, which is 13.3 percent of the overall project cost. The company will be responsible for the remaining project cost. Job goals that the company has agreed to are to retain approximately 267 jobs with an annual payroll of approximately $4.8 million while also creating and maintaining 30 new jobs of an annual payroll of $2.2 million by 2022.

All of these jobs must be maintained during the life of the contact. Iberia Parish's unemployment rate as of April 2018 was 5.4 percent compared to a statewide rate of 4.3 percent for the same time period. Per capita income for Iberia Parish in 2016 was 34,648 compared to the state average of $42,298. Projected economic benefits of the state is projected state revenue of approximately $2.6 million minus $200,000 EDAP and $1.8 million for quality jobs, which will give the state a net revenue of about $682,000.

Staff recommends approval of this project as unsponsored EDAP payroll credit award with our base contingencies that we normally have as well as the company will provide more resolution delegating authority to enter into the EDAP agreement and written proof that all required environmental have been completed. There will also be a two percent annual increase on a retaining payroll.

The company has agreed to retain 267,000 jobs and create 30 new jobs to be maintained through the life of the contract with the associated payroll for 2022.

Capital investment by Aggreko

will be $1.5 million by December 31st of 2018. And Ms. Prejean wants to speak a little bit about the company of the project itself.

MR. ROY:

Good morning.

MS. PREJEAN:

Good morning. Can you hear me okay?

MR. ROY:

You might want to pull the microphone a little closer.

MS. PREJEAN:

Thank you for the opportunity to speak here today. A little history about Aggreko. Our U.S. operations started in New Iberia back in 1987 when we acquired a small generator mill company, and from there I joined the company in 1994, so it's been a while. We have grown nationwide. We did over $450 million in sales in the U.S. last year. We had 50 locations in the U.S. all of the way from Washington State down to Puerto Rico. It's a very large sophisticated organization, but we are still committed to Louisiana and especially still committed to New Iberia where we have a lot of long term staff there.

Our business, as Stanley said, is temporary utility equipment. We have a very wide range of customers that use our equipment, a fleet of over 22,000 items, and we also provide related services, the fueling and delivery to get the equipment to where the customers need it.

Type of work that we do, we support major events like the Superbowl, movie production by powering and cooling our military bases like Fort Polk. We have equipment manufacturing facilities, oil refineries, offshore drilling rigs, disaster recovery, shipping. Some of the current jobs that we have right now we are still down in Puerto Rico with the hurricane recovery efforts with the power grid. We have power and cooling for the recent U.S. Open in New York, and we are supporting the land drilling rigs down in Texas, so pretty much all over.

In Louisiana we have got five locations. They are all long time locations, four of those are smaller rental centers, but our primary location is in New Iberia where the expansion is planned. We have a lot of different groups that work out of that area. We have national logistics, national operation. We have a national repair facility for the equipment. Our contract administration customer support groups are there. Legal, general accounting, tax and payroll, and the current expansion that Stanley mentioned is to be expanding our office facilities because right now we are extremely swished into small spaces with hardly any meeting rooms or storage left because they are taking over with people, and the new jobs that are coming online, some of them that we have already hired since we have applications. We have got sales representatives, logistics coordinators who operate the fleet; customer call center and contract support. We are also getting ready to hire some additional technicians. We use a lot of technical support and process engineers to assist customers, and we are also expanding what we call the rock, which is -- it's a center, a small center that started out that allows us to remotely monitor our equipment while it's on rent, and we are expanding those services to help some of our foreign affiliates based in New Iberia basically monitoring equipment all over the world and bring the benefit of they can watch when things are possibly going wrong with the equipment and notify that technical support with the customer if someone needs to be done. That's all.

MR. BIENEMY:

Are there any questions?

MR. JACKSON:

I have a couple, Mr. Chairman. One is I just want to clarify the number of current jobs. The summary mentioned 300 but some of the other documents said 267.

MS. PREJEAN:

I think that was timing. I think right now it's around 300.

Back when we filed the advanced notification in 2017 it was around 267. You have to factor in what exactly you are talking about in temporary and full time and it gets a little --

MR. JACKSON:

Right. That's what I was trying to understand because that's -- that's kind of the base that you are starting from, so -- and the, I guess, the following question is it looked like some of the jobs may be coming from Texas. Are those moving from Texas or are those going to be new hires replacing positions from Texas?

MS. PREJEAN:

Right. It's a little bit moving from Texas. We had a small cost center there. We are going to move those people over plus hire some local. For the most part, we don't find that when we try to move departments like that usually people don't want to relocate to New Iberia. It is a small town, so we are not moving people from Houston to New Iberia. It's going to be pretty much local hires.

MR. JACKSON:

Okay. Thank you.

MR. ROY:

Any other questions, comments?

MR. REINE:

Good morning. We talking about 30 new employees. That's what I heard.

MS. PREJEAN:

Yes, sir.

MR. REINE:

You said something about temporary versus full time.

MS. PREJEAN:

Oh, I am just saying what it refers to the count. He was asking me for the exact count for

267.

MR. JACKSON:

Head count or FTE.

MS. PREJEAN:

Right. Right. I was just saying it gets a little tricky when you go to do that calculation, so depends on what day you are asking about and -- we have 6 or 7 temporary employees or part-time. We don't have any temporaries.

MR. REINE:

Okay. So these 30 positions that are going to be created, how many do you expect are going to be filled by people who already live in the State of Louisiana.

MS. PREJEAN:

The majority, I would say 25 or that will relocate to Louisiana, in other words, to get the job. We pay really well especially, you know, the technical process engineers. We have great benefits. Great 401K plan. Our health benefits are consistently better than other companies that we compete against.

MR. JACKSON:

How does the wage -- you said the jobs coming in from the Texas area were call center jobs. Are those -- I mean, are those call operators? How does that wage compare to the average that was in the grant.

MS. PREJEAN:

I cannot answer that exact question with the rate.

MR. JACKSON:

They would feel like they would be lower than the average.

MS. PREJEAN:

Right. I think those were five or six people out of the 30.

MR. REINE:

What's going to be the average wage -- well, not the average wage. What is the wages of these people working in the call center?

MS. PREJEAN:

I don't know their exact rate.

MR. REINE:

Are we talking $8 or are we talking $15.

MS. PREJEAN:

Oh, no. 15, 16, but the majority of the positions that we're hiring, like the sales, the logistics coordinators and the technical specialists, those people are more in the $40 to $60 thousand range.

MR. REINE:

This has nothing to do with your company, and, I'm sorry, I forgot your name.

MR. BIENEMY:

Stanley Bienemy.

MR. REINE:

Stanley, I'm looking at the

EDAP's 200,000 quality jobs at $1.8 million. That's $2 million state investment, which 1.8 is a direct rebate on the payroll. Am I reading that right?

MR. BIENEMY:

If they qualify.

MR. REINE:

What do you mean if they qualify.

MR. BIENEMY:

For the quality jobs.

MR. REINE:

Why wouldn't they qualify? I know what quality jobs is. Trust me.

MR. HARRISON:

That's what it was. If the -- if the job qualify for the quality jobs program then they would get the rebate. That's all we are saying.

MR. REINE:

So as we look at the EDAP, we don't know if the jobs created are going to be at least up to the standards of the quality jobs program?

MR. BIENEMY:

They will be. They are projected to be around $60,000 per job.

MR. REINE:

Tell me what you mean when you say if they qualify.

MR. BIENEMY:

If they qualify for the quality jobs program. You would -- you would apply for the quality jobs program and you would only get credit for the jobs that qualify for that particular program, so, yeah, if they did have a job that was, you know, $8 an hour, like you said earlier, then they would not get a credit for the quality jobs program.

MR. REINE:

Count that $8 job in the 30

jobs.

MS. PREJEAN:

We don't have any $8 jobs by the way.

MR. REINE:

This is not about you. We are messing with him.

When I look at this --

MR. BIENEMY:

We are not anticipating any $8 jobs, but if they did put that in there what Devon is trying to say they would not get the quality jobs credit for that particular job.

MR. REINE:

I understand that. When we count it as one of the 30 jobs that they are committing to the EDAP.

MR. BIENEMY:

We would count it, but they still need the payroll number in order to fulfill their requirement for the EDAP, so they could count it but it would penalize them in the long run because it would not --

MR. REINE:

In a separate program.

MR. JACKSON:

No. They wouldn't get the payroll -- the overall payroll number.

MR. BIENEMY:

There's a payroll number that's associated with the job. That's how we get the average salary, so if you take a lot of jobs that are lower that are $8 jobs and use that as an example then you would not meet the payroll numbers so they would be a clawback for those particular years.

MR. REINE:

And that would be prorated on the total.

MR. BIENEMY:

That would be stipulated by

the contract, so as the contract monitor I would have to go and make those calculations to determine how much the --

MR. REINE:

But since I'm voting on this, tell me how you are going to calculate it.

MR. BIENEMY:

There is going to be a number. We are going to calculate by the amount of payroll created, so if they meet the payroll that is, let's say for the first year it's going to be $2 million.

MR. REINE:

$2 million.

MR. BIENEMY:

And they are short by $100,000. There is a credit number that we will multiply by the 100,000 which would give us a dollar amount. There is also an amortization schedule that goes along with this EDAP, so there is a payment that is going to equal up to these $250,000. If they are short of -- if they are short -- they are short credits, we are going to subtract the credits that they are short from the payment, from what they would have paid, so they will owe us that back.

MR. REINE:

So I'm -- explain to me how you figure return on investment, which I'm kind of frustrated that you are telling me is a bit what I consider iffy numbers. But it says $2 million investment, net pay revenue return $682,000. How do you figure the term of investment on that? That's less than 50 cents on a dollar, which is somewhere around 30 cents on the dollar.

MR. BIENEMY:

Well, I'm going by the

numbers that we had in the impact statement, so this is going to be anticipated numbers. We can't go exact especially with the quality job because we still have to make sure that those jobs do qualify when it is time for the credit.

MR. REINE:

Are you accepting numbers? Unless I'm doing my math wrong. Return on investment is 30 cents on a state dollar. Am I figuring that out right?

MR. BAHAM:

If I might. If you look at those numbers there, I see what you are saying, 30 cents, you get 682,000 and some change, and that's per year, so it will increase because of the two percent increase requirement for payroll over the life of the EDAP contract.

MR. REINE:

What's the life, how many

years in?

MR. BAHAM:

I believe this one is a five year, if I'm not mistaken, so you are looking at $10.4 million give or take with some rounded numbers, and that's just total payroll, so if that's $2 million per year plus 200,000, we are getting that every single year, so you are looking at 10.4 back in that over a five year period, so with that increase we will be increasing the revenue, state revenues as we go along, and that's all relative compared to the quality jobs qualification, so if they get the 1.8, that's what we estimate, but there is no guarantee that that will happen.

MR. REINE:

You tell me 682 is an annual state return?

MR. BAHAM:

That's an estimated being the

state return, correct.

MR. REINE:

So it would be closer to $3 million?

MR. BAHAM:

Potentially over time.

MR. REINE:

Over the life of the contract. Five times six is 30.

MR. BAHAM:

Right.

MR. REINE:

So return on investment would be positive and not a negative.

MR. BAHAM:

Correct.

MR. REINE:

And that's the way y'all figure the return on your investment. Hey, ma'am, this is not about you. It's about I am going to go across the street and I'm going to hear about why we shouldn't have quality jobs because of return on investment, and, in fact, the whole program and how it exist and if this looks like we are getting 30 cents back on a state dollar invested that's going to be a problem across the street.

MR. BAHAM:

It's 30 cents above what we're already putting in.

MR. JACKSON:

That's the net.

MR. BAHAM:

That's the net. So it's after, you know, the quality jobs rebate, and you got to also consider the $200,000 EDAP, that's a one time deal, so once the project is done, you can take away and add another 200,000 back in because we won't be spending that and we are spreading that return over the five year life of a project.

MR. REINE:

Is 1.8 million and the annual

number is what?

MR. BAHAM:

That's an estimated. Potential. I stress that annual because there is no guarantee.

MR. REINE:

Annual. Well, I mean, it's guarantee we are -- I got that. Quality jobs is one of those things you don't perform, you don't get.

MR. BAHAM:

Right.

MR. REINE:

I'm trying to understand the numbers. That is a number over ten years and you tell me the 682 is an annual number, so the return on investment is positive. One more question. The majority of these jobs created you are going to look for Louisiana residents to fill those positions.

MS. PREJEAN:

Yes, sir.

MR. REINE:

Okay. Thank you. Sorry you got in the middle of that conversation.

MR. ROY:

Mr. Andre.

MR. ANDRE:

I have a question. It says that our 200,000 will be applied to building improvement and equipment. What is the state collateral.

MR. BIENEMY:

The state's collateral is going to be the equipment. We also have a corporate guarantee.

MR. ANDRE:

What's that specific equipment?

MR. BIENEMY:

The specific equipment we don't have yet.

MR. ANDRE:

Specific. Is there a machine

used in the process?

MR. BIENEMY:

No. The equipment that we are talking about using was the equipment that they actually rent. Some of the equipment that they use to rent, so some of the generators, the mobile air conditioning units, those are the equipment collateralized.

MS. PREJEAN:

We have equipment that is worth 200 to 300,000 just for equipment.

MR. ANDRE:

The generic equipment is used anywhere else. That's not your money.

MR. BIENEMY:

Yes. Mobile generators, mobile air conditioning units.

MR. ROY:

Any other questions and comments? Motion for approval. Let the record reflect Mr.

McDonald is here. I believe that gives us a quorum.

MS. VINNING:

Yes.

MR. ROY:

Is there a second? Second. Any other discussion? Any comments from the public? Hearing none, all in favor, aye.

ALL BOARD MEMBERS:

Aye.

MR. ROY:

All opposed, nay. Without objection, so awarded. Please keep us posted, ma'am.

Next order of business is Sinter Metals. Good morning.

MR. BIENEMY:

Stanley Bienemy representing staff, and to my right I have Mr. Rudolf Liechtenstein and to my right Ms. Tislim Liechtenstein. This EDAP is an unsponsored EDAP award for the payroll credit in the amount requested for

$250,000. Sinter Metals Technologies, Inc. is a newly formed company which is located at the Michoud Assembly Facility in Orleans Parish. Sinter Metals is a United States based company that will use high tech copper metal technologies, manufacturer, powder and metals and ceramic parts.

The total project is approximately $5 million and the requested EDAP amount will be $250,000, which will cover the costs associated with building improvements and 4.9 percent of the overall project budget. The City of New Orleans will support the project also with the $25,000 grant and the company will be responsible for the rest of the project cost. Job performance goals with the company has agreed to are to create and maintain 15 new jobs and annual payroll of

$800,000 with a two percent annual increase. All of these jobs and payroll must be maintained during the life of the contract. The Orleans Parish's unemployment rate as December 2017 was 4.3 percent compared to the state average of 4.3 percent for the same period. The per capita income of Orleans Parish for 2016 was $47,013 compared to the state per capita income of $42,298 for the same time period. The projected economic benefits to the state is projected state revenue of approximately $1.1 million minus $250,000 EDAP and $532,000 for quality jobs, which will give the state a net revenue of 319,202.

The staff recommends approval of this project as an unsponsored EDAP payroll credit award with our basic contingencies that we normally have as well as two percent annual increase in payroll. The company has agreed to create and retain 15 jobs and maintain throughout the life of the contract with the associated payroll through 2022.

The total capital investment by Sinter Metals will be $5 million by December 31st of 2018. I will turn it over to a representative for the company.

MS. LIECHTENSTEIN:

Good morning. I'm Tilsim Liechtenstein. Sinter Metals was started by my father in 1967, and it was one of the first biometal technology companies in the world. He is sort of the frontier pioneer inventor in this technology, which has lately been gaining more recognition and traction with printing in the world. We have many technology and still continue to have our technology first and be pioneer in this field in the world. We have been serving the U.S. market for over 30 years. We ship and then our warehouses distribute locally. We have not had a U.S. production until today. We serve all industries from air space, medical, automotive, climate technologies, electronic. It is an amazing new technology, which I feel still great underutilized. It's sort of genetic engineering for materials. We can create any sort of composite matrix, any sort of material and the mother and father can be quite different. We are not bound by any melting temperature, any other limitations so it is sort of the new frontier in design in any industry. It applies to something very simple like a washing machine where they had huge corrosion problems where they just use matrix to solve it or to some very, very advanced ceramics in aerospace. Basically we -- when we -- a lot of our customers, especially on highway technology know how projects wanted our boots on the ground in the U.S. for a long time and it's been quite the long procedure for us to choose because we wanted to make sure that wherever we go we can stay and grow, it wasn't just a temporary base, and during our selection we went to 14 states and one of the reasons we came here was we saw that, A, there was a positive immigration into the area, which we find very positive as we aim to find and recruit locally and the schools we found great partners in some of the schools. Like, after here we're going to LSU with which we have been working, and we already have a robotics project starting with them as well as they are helping us to recruit both for staying jobs and interns locally. We have been very impressed with your state and very happy to be here, actually.

MR. ROY:

Very good. Anything else?

MR. BIENEMY:

Are there any questions?

MR. ROY:

Questions, comments at this point? Mr. Alden.

MR. ANDRE:

We're improving a building. The collateral is on the equipment.

MR. BIENEMY:

I am sorry. I couldn't hear the question. The collateral is going to be equipment.

MR. ANDRE:

Equipment.

MR. BIENEMY:

Yes.

MR. ANDRE:

Generic equipment.

MR. BIENEMY:

Was the question will be a processed specific equipment or -- it won't necessarily be processed specific but it will be specialized equipment and will be grinders and things of the nature, so we can.

MS. LIECHTENSTEIN:

It wouldn't be powder metal equipment. It's much more genetic second operation equipment that could be quite easily sold by grinders and machine generally used in industry.

MR. LIECHTENSTEIN:

It can be used in many applications. One of these Blanchard grinders. Blanchard is very known name or systematic. These things do sell very well. And really good names.

MR. ROY:

Any other questions, comments?

MR. REINE:

You talk about this being a footprint in the United States. Where is the parent company.

MS. LIECHTENSTEIN:

In Turkey and Liechtenstein.

MR. REINE:

And where?

MS. LIECHTENSTEIN:

Liechtenstein.

MR. REINE:

The 15 jobs that are going to be created, those jobs are going to be what, are they high technology jobs or trade jobs or --

MS. LIECHTENSTEIN:

They are all -- I think they are all without fault engineering jobs. One might be a technical production job but the rest are engineering. In our field it's so high tech that even for project management we need high level engineering.

MR. REINE:

I understood you to say is your intention to try and recruit employees from within the state.

MS. LIECHTENSTEIN:

Yes. 14 jobs will be recruited locally. One might be international to have a collaboration between the international.

MR. REINE:

I move to approve.

MR. ROY:

Motion for approval as presented.

MR. MCDONALD:

Second.

MR. ROY:

Second. Any other discussion? Any comment from the public? Hearing none, all in favor, aye.

ALL BOARD MEMBERS:

Aye.

MR. ROY:

All oppose, nay. Without objection, congratulations, and we wish you the best. Please keep us posted.

MS. LIECHTENSTEIN:

Thank you.

MR. ROY:

All right. Unless there is an objection and we take things out of order, slightly, and move back to the approval of the minutes, May 25th Board meeting.

MR. SIMPSON:

Move to approve.

MR. ROY:

Motion for approval as presented.

MR. REINE:

I have a question that doesn't concern the approvals. Can be --

MR. ROY:

All right. Any discussion on

those minutes? Hearing none, all in favor aye.

ALL BOARD MEMBERS:

Aye.

MR. ROY:

All oppose, nay. Without objection. Yes, sir.

MR. REINE:

As I was looking through the minutes talks about the companies agreed to create 39 jobs and maintain those jobs associated payroll through the life of the contract. How do we count for that, what's the process to insure the jobs are created and maintained and how do we do that and who does that?

MR. BAHAM:

I can answer that for you. Stanley and Susan are in the EDAP Program, and I'm assuming that's the one you are talking about. That's the one that require job service. But after projects approval we get a CEA, essentially an EDAP contract, and everything that is approved here gets laid out in that contract. Part of the stipulation in that contract is that they have to report to us on a quarterly basis through their -- on their annual hiring activities, and we use the companies ES-4 forms which are filed with the workforce, so that actually tells us the jobs that they actually have, and it has laid out, you know, the name of the Employee, the last four digits of the Social and all of that. So everything is accounted for directly, so they are Louisiana employees because if they weren't paying Louisiana wages then they wouldn't be on that report.

MR. REINE:

Okay. My other question. We talked about a letter concerning some legislation. I think it was senate bill 400. I think it was 400.

MS. VILLA:

Yes.

MR. REINE:

So somebody sent the letter to the Governor?

MS. VILLA:

Yes. We did send the letter to the Governor.

MR. REINE:

My understanding the Governor signed the bill anyway.

MS. VILLA:

Yes. He did.

MR. REINE:

What affect is that going to have on the big picture, small picture or is it devastating or --

MS. VILLA:

Anne Villa, Under Secretary for the Louisiana Economic Development. Yes, the senate

Bill 400 was signed by the
Governor even after we sent the
letter from the Board that was
drafted and what Senate Bill 400
does comes into play fiscal year
'21. And in talking with
internally with us, with Mandi,
of course, is well, is we are
probably going to look at that
bill to see potentially perhaps
some language that we could
propose for it because what --
the way that it's drafted is the
collections that we have today
from the LED funds will only be
utilized for our FastStart
project commitment, our FastStart
program, and that's going to
leave a balance in that fund, and
the balance in the fund is going
to be on tap, it's going to be
basically a fund balance, and it
doesn't do the state nor LEDC any
good to have this money which
upward of $5 million just sitting

in a fund balance not utilized. Thus creating an even greater strain on the general fund or our fees and self generated that we would have to use to fund our programs, so the programs that go in front of this Board are our EDAP program, which -- and our state small credit business credit initiative program, those two aren't affected by that LED fund, but what it does affect is LED for our general operations of our department has to now go in front of committees and we don't have a defined fund any longer funding our operations as we previously did, so the previous fund, the LED fund would fund a good portion of LED and now we know -- we no longer have that, so we'll have to go in front and basically layout our request as using state general funds or fees and self generated. Probably be, you know, an increase to general funds, to be honest with you, because the fees and self generated, we're already using and we have had a decline in fees self generated during the past year and a half due to the changes that were made to another one of those programs, ITEP program. It's brought a huge decline over a million dollars to that -- to that collection, so it's going to be general fund that we are going to have to go and ask, and we all know the strain that we have on our general fund as it is, so --

MR. REINE:

Is this accurate to say it basically took a stable source of money to operate from a dedicated fund and put it into a position where it could be swept and you would have to look for an annual allocation versus a stable source?

MS. VILLA:

We are going to have to look for annual appropriation because statutory dedicated funds, as most of you may know, those -- whenever we have any type of deficit there is only a percentage of that fund that can be used. I think it's five percent, if I'm not mistaken, and it has to be approved by the Governor and the legislative body, so it's not a fund that can be cut like general fund whenever we have deficit issues that we're faced with.

So, yes, it does -- we no longer would have that dedicated fund to use to fund the operations of LEDC.

MR. ROY:

That's unfortunate it did not go as we hoped. Okay. That good segue to the treasurer's report.

MS. VILLA:

Yeah. I can give a current report. Secretary/Treasurer report as of June 22,2018.

MR. ROY:

Anne, we can't hear you.

MS. VILLA:

Sorry. In total our FY '18 budget $6,855,057, and we have approved projected expenditures of $2,747,941, which leaves a set balance of $4,107,116 and we had the two projects pending board approval of $450,000 which leaves a balance of 3,657,116, and this is across all projects. Our financial assistance program, our state initiative program, our capital outlay and EDRED, so my apologies, this is in aggregate.

We have currently a project HUD review of $3,311,000 and would leave a projected year-end balance of $346,116. If we break it down between our financial assistance program, we had a budget of $1,413,442 and we have expected approved projected expenditures of $451,453, which would leave a balance of 961,989.

Regarding our EDAP program and our EDRED program, we have a budget of $5,441,615, and we have projected expenditures of $2,296,488, and, again, the projects that were approved here today of 450,000 to leave a balance of $2,695,147. And as mentioned at our last board meeting, we had $3,311,000, which would -- under review, which would leave a balance of 615,873.

And I believe Ms. Beverly Johnson had asked regarding the projected $of 3,311,000. I went back and looked at our projections for our capital outlay expenditures, and the bulk of that $2 million of that would be in FY '19 and FY '20, so kind of spread between the two years. It just we have for the projects that haven't come forth to the board yet, the ones that are under review, we have gotten some initial projections from them when they would pay out or when they would require their funds, and it looked like most of it would be spread between $2 million in '19 and another million in fiscal year '20.

So just wanted to give that update, too, because that was a follow up from the last board meeting. And then if you go on -- I am sorry.

MR. REINE:

Out of these projects in the ability to have claw backs, how often do we capture money in -- that affect the fund balance.

MS. VILLA:

It does. So whenever we collect money back from the claw backs it goes in back into the original capital outlay fund so we can use it to fund in new projects or to fund existing projects whenever the cash demands occurs.

MR. REINE:

Claw backs are nice in theory, but do we ever do it.

MS. VILLA:

Yes. We do. I can give you the list at the next board meeting for the EDAP projects how many claw backs we have had for the past ten years. We keep a running tally of it. Often we're asked of that very same question from the legislature and we provide that to them very frequently.

MR. REINE:

They just don't share it with me all of the time.

MS. VILLA:

I will definitely share it

with you.

MR. REINE:

On this projected year end balance, the beginning balance was in the current budget. Is there money appropriated in budget that's been signed that we -- he has a '17, '18 budget.

MS. VILLA:

Right.

MR. REINE:

The project is under review that won't go in effect until the previous years, so will there be more money that's appropriated in the budget.

MS. VILLA:

For HB-2 what we had was reauthorized in P1. Just kind of for some knowledge for our new board members, capital outlay is where the EDAP funds reside and it's broken out into different priorities. You have priority 1, which is basically cash. You have priority 2, which is a line of credit where you can actually make payments against that priority, and then you have priority 5, which you can enter into contracts but no cash can be written against that or any payment can be made against that contract.

So for FY '19 or upcoming year, we have an HB 2, $8 million, $8,038,600 in P1, and we have in P5 $7 million, so currently we have no -- no money in priority 2, a cash line of credit. But the current projections that we have we should be okay to take us through FY '19 because for existing projects, I have -- hang on. I have my spreadsheet here. I have about $6 million that's expected for FY '18 and FY '19 that's going to use up the $8 million that I have in P1, and then for future projects I still have another $2 million that, you know, I will have available and I am expecting potentially, you know, 2 to 2.5, so it's going to be very tight, but we do do a cash projection for -- say for state bond commission every month. It's something that they put into play last year for us to kind of -- they manage the expectations of when these funds are going to be required from a cash standpoint, so it is something that we look at every month, so it's going to be pretty tight for FY '19, so it just all depends on when the projects demands come and as is projected as of today we feel that we'll be okay for FY '19.

MR. REINE:

If HB-1 if there is no revenue raised there are mandatory cuts.

MS. VILLA:
Yes, sir.
MR. REINE:
Are there any in HB-2 or just in 1?
MS. VILLA:
Just in 1.
MR. REINE:
That's pretty much a done deal.
MS. VILLA:
Yes.
MR. REINE:
And 5, that is really wish listed. Very unlikely --
MS. VILLA:
Well, yeah, priority 5, technically the way that it had worked in the past, if you have P-5 that would move up to P-1 but we are not seeing that happen any longer, so we have to -- as I said, we have to project out and share with them when we feel the cash is going to be needed so

they can move it up to P2 or they can move it up, you know, to increase cash, so that's -- so we're running very tight for FY '19, but that's all I can share with you right now, and as things get worse, I will let you know. If things get better, I will let you know, too.

MR. JACKSON:

Yes. You had mentioned when we were discussing the second project that the projection numbers were ten year numbers.

MS. VILLA:

For quality jobs.

MR. JACKSON:

For quality jobs. And that's actually administered on the other side of the house; is that correct?

MS. VILLA:

Right. Because we have our businesses incentives group, which is kind of divided up between the LEDC board and our Board of Commerce and Industry. So the Board of Commerce and Industry approves the quality jobs program applicants and they meet every other month.

MR. JACKSON:

Okay. The state revenue number that's the -- I guess everything is subtracted from, how do we calculate that and how do we verify that that's actually happening?

MS. VILLA:

So the impact analysis that's done it's an internal or economic impact analysis that's done by our office of business development team, and I can just tell you very high level they look at all of the impact -- the state revenue impact that you have from local taxes that's collected whether it's personal income tax, I think sales taxes is accounted for as well. They take all of that into consideration for a duration of time and then they look at the, you know, the negatives against that, you know, what the state is giving, which in this case is the EDAP program, and as they were stating, if the jobs that they create, qualify for QJ because QJ is after the fact, so they have to -- they have to -- No. 1, they have to file in advance, create the application, go to the board, get it approved, and then they have a period of time to create those jobs, and once those jobs are created, they will file their information with the other side of the house, and we'll go through it and audit it and make sure that they have met the qualifications of the program and then they will be issued -- we don't actually issue it, the

Department of Revenue will issue the rebate to them.

MR. JACKSON:

So for purposes of that whole analysis we can verify the number of jobs created.

MS. VILLA:

Correct.

MR. JACKSON:

We can verify the total payroll compared contract. We can validate the credits for quality jobs and the forgiveness for EDAP.

MS. VILLA:

Right.

MR. JACKSON:

The revenue is the piece that is really hard to audit or validate.

MS. VILLA:

Right. Economics, we have multipliers that goes into effect and take all of that.

MR. JACKSON:

Right. Non-direct jobs and all of that.

MS. VILLA:

Take all of that into account, correct.

MR. JACKSON:

Okay. All right.

MR. REINE:

And quality jobs is unique in that it's not based on promises, it's based on performance.

MR. JACKSON:

Right.

MR. REINE:

You don't get the rebate until after you created the jobs. There are certain mandated wages in there and benefit packages. I kind of see it a motto. You make the promise, you perform and then you get something and then direct rebate to the employer, but -- and you have to -- has to be wages paid to Louisiana residents.

MS. VILLA:
That's correct.
MR. REINE:
So we know Louisiana people are getting an opportunity. We know they are not collecting on jobs that pay $8, $9 an hour, so that was easy to verify because you got to go do everything arrange show you did it before you get anything for it.
MR. JACKSON:
Right. Right. So on that -- on that top number that is state and local revenues or that is just state revenues?
MS. VILLA:
That's state and local, if I'm not mistaken. I think of the business development left, but I'm pretty certain it's state and local.
MR. JACKSON:
Because we show that benefit to the state, but really --

MS. VILLA:
Well, no, the way the impact is done, I think it does take state and local into effect, but whenever we say state revenue, it's our state revenue. The analysis that we do, I believe encompasses all that when we state the revenue, it's just the state portion.
MR. JACKSON:
But that actually is over a ten-year period, not an annual number? We just need to clarify that, I guess.
MR. BAHAM:
I just did some quick calculations. It is over a ten-year period, so we probably need to go in and restate that in our analysis and clarify it's it's a ten-year period on that QJ piece and on the state revenue.
MS. VILLA:
Right. The revenue you need

to confirm whether or not that was over ten, you know, more or whatever. So we'll confirm that.

MR. JACKSON:

The return over time makes it, you know, their return on the returns.

MR. REINE:

Over a ten year period.

MR. BAHAM:

I think that's why we did it that way in these originally started doing it that way because of the whole sum just to show because the EDAP itself, like I said, is usually paid out, if not in one payment, two or three payments. It's a very --

MS. VILLA:

Depends on how the contract is worded because some of them get annual payments. Like if it's ten year project for EDAP some of them will get $100,000 a year for ten years and then you

have others that are designed
where they get the $250,000 and
then, you know, if there is any
problems we have a claw back,
but, yeah, they are all pretty
differently.

MR. JACKSON:
Okay. I may call and visit
with you about it to understand a
little bit more.

MS. VILLA:
Okay. No problems.

MR. REINE:
While on the subject, and
seem to be running a little early
here, when you do your return on
investments, if a company ends up
paying an inventory tax to local
government, that turns around and
gets offset by the state, y'all
figure that into it as well?

MR. BAHAM:
I can check with the
development team and the
intelligence team, but I'm pretty

sure all of that gets captured. Everything that we are aware of I know that they try to capture to the penny as much as possible.

MS. VILLA:

It's a pretty complex model. I do know, Mr. Reine, that the model that LED uses was actually reviewed by Greg Albrecht and the legislature staff many years ago when I have been in the department for a little over six years now and that was something they worked with them to ensure that our calculations for economic impact that they were comfortable with that was done, I know at least five years ago, and, to my knowledge, the calculations have not changed.

And I believe you talked earlier, too, about the return on investment for quality jobs. The calculation that we use is about a $2.96 per investment that the state makes in quality jobs that they get returned and if you would like some more information on that, I can -- Mandi has, you know, this overheard -- the state economic competitiveness team, so she can provide you a whole bunch of information on that calculation.

MR. REINE:

Okay.

MS. VILLA:

I know just for support measures.

MR. REINE:

I would suspect the different jobs and different companies return on investment would take into account different things.

MS. VILLA:

Yeah.

MR. REINE:

I understand the quality jobs and you can look at pretty much if somebody got X number of dollars and what percentage of that would be spent generated in sales tax and income tax and the return on investment for that pretty easy to do because it deals with payroll. I would think you would get more complicated when you start having issues of the company went to a local community, they got to pay the inventory tax and under the system we have in the state end up rebating that back to the company and that kind of stuff gets figured in it gets a lot more complicated, and then -- I missed when they talk about this economic model but that talks about multipliers and all of that, so I don't know how accurate that is or how you really figure it out, you know, one job creates two and a half jobs and I would suspect that depends on what kind of business they are in.

MS. VILLA:

Right. It's all based upon your NAICS code as to what multipliers use because different NAICS codes generate different types of multiplier effects within the community whether it's a manufacturing job or whether it's a logistics job or warehouse job or call center job, so I'm not an economics major, I'm an accounting major, so it's just a little bit that I learned.

MR. REINE:

I just know enough to be dangerous.

MR. ROY:

Anything else, Ms. Villa, or any other comments or questions for Ms. Villa?

MS. VILLA:

I am a done. I think I answered Ms. Johnson's questions from last.

MR. REINE:

Need a motion to approve the report?

MR. ROY:

We do.

MR. REINE:

So moved.

MR. ANDRE:

Second.

MR. ROY:

All oppose, aye.

ALL BOARD MEMBERS:

Aye.

MR. ROY:

All oppose, nay. Without objection. The Accountant's report.

MS. DALGO:

Good morning. I am Crystal Dalgo. I will be presenting to you the LEDC Accountant's status report as of May 31, 2018.

There are no direct loans to report on as the golf ball loan was paid off as of May 31, 2018.

The EDAP loan --

MR. REINE:

2018?

MS. DALGO:

Yes. I have 2017 and that is a typo. Yes. The EDAP loan portfolio is $423,823. Telecolfax (ph) is the only loan at this time that makes once a year payments in October. CFC was paid off in December of 2017.

There are no guaranteed loans at this time. We are completely paid off in December of 2017. The allowance for direct loans is set at 15 percent and it totals zero as that direct loan was paid off in May. The allowance for EDAP loans is also at 15 percent and it totaled 63,573. The allowance for guaranteed loan losses is set at 15 percent but total zero as the guaranteed loan was paid off in December. And for the SSBCI guaranteed loan portfolio, we have 19 loans totaling $6,519,447. Two of the loans, Rees (ph) Lawn Care are 30 days late. The allowance for the SSBCI guaranteed loan losses is set at 18 percent for the current amount and 25 percent for the 30 day late amounts, and the allowance total is $1,184,323, so it's reflecting 18.17 percent.

And that is all that I have for my report, and that concludes my report. If there are any questions.

MR. ROY:

Questions, comments?

MR. REINE:

I'm curious. What is Rees Lawn Care?

MR. BAHAM:

Exactly what it sounds like, it's a lawn care business.

MR. REINE:

It's takes somebody $67,000 to --

MR. BAHAM:
It's a purchase of an existing lawn care business and they were expanding and basically doubled their operation.
MR. REINE:
And this is commercial.
MR. BAHAM:
Yes.
MR. JACKSON:
Is that the amount that we guarantee.
MR. BAHAM:
Is that the guaranteed amount or the loan amount.
MS. DALGO:
The $67,000 is the loan amount.
MR. BAHAM:
So the guaranteed amount is 45,081.
MR. JACKSON:
That's the current balance.
MS. DALGO:
That's -- the 67 is the

guaranteed amount, correct.

MR. BAHAM:

I'm thinking the 67,5 is our actual guaranteed additional amount, and our current amount will be the 45, so it were called today and had to pay out it would be about 46,000.

MR. JACKSON:

That would make sense, I mean, if they were loaned $100,000 our guarantee is capped at, what, two thirds or what.

MR. BAHAM:

75 percent.

MS. DALGO:

Yes. Guaranteed amount.

MR. REINE:

Those are approved in the house or --

MR. BAHAM:

Looking at the size, they would have been approved inhouse.

MR. REINE:

Okay.

MR. ROY:

Questions, comments? Thank you, Ms. Dalgo.

Motion to approve by Mr. Reine as presented. Seconded by Mr. McDonald. All in favor, aye.

ALL BOARD MEMBERS:

Aye.

MR. ROY:

All oppose nay. Without objection.

MS. VILLA:

Just as a follow-up, the original requested project cost was $108,000 on Rees Lawn Care.

MR. JACKSON:

So they made one payment.

MS. VILLA:

Our loan or guaranteed amount was $67,500, which was 75 percent of the 90,000 that we --

MR. JACKSON:

How many payments did they make before they gone delinquent or gone delayed?

MS. VILLA:
The project was approved back in 2016, so almost two years worth it sounded like.
MR. JACKSON:
Okay.
MR. REINE:
What kind of jobs do we create?
MS. VILLA:
Two new jobs were being created for this particular.
MR. REINE:
Ten?
MS. VILLA:
Two. Two jobs.
MR. REINE:
What kind of payroll, do we know? It's a done deal.
MR. BAHAM:
The guaranteed program it's not a requirement to have a minimum payroll or anything along those lines. It's strictly to reduce the risk for the loan and

help the bank entice them to lend the money to the small business because the guarantee is designed to help small business, so we don't expect $16 an hour jobs with healthcare and everything like that. It's usually typically what we'll see is under 15 jobs or so for the most part on average, so it does fall into that category, but I understand your concerns, you know, two jobs and it's not a -- it doesn't sell a newspaper or anything like that, but it is a homegrown business.

MR. JACKSON:

But this program is for small business.

MR. BAHAM:

It's designed strictly for small business.

MS. VILLA:

Yes.

MR. JACKSON:

Kind of like the surfboard yoga that we looked at last month or whatever.

MR. BAHAM:

It's not the glamor program by any stretch, but it is a useful and very much needed program.

MS. VILLA:

Brenda, correct me if I am wrong, but I'm pretty certain that whenever the treasury issue, the state small business credit initiative throughout the United States that Louisiana was one of the states who required jobs --

MS. GUESS:

Yes. That's correct.

MS. VILLA:

-- to be a part of it. There is other states that there are no new job creations that were required, but that was something that we put into the program because we know how important it is right now in development is to create jobs and we just didn't want to loan the money. We wanted there to be actually jobs creation component of it, am I correct?

MR. JACKSON:

I guess ultimately if I don't have some that go bad you are probably under lending.

MS. GUESS:

I was going to say is that we -- we looked at what was our default rate, and since 2011 we had a zero default rate, which basically shows that we weren't really taking that much of a risk, and if we are going to be in the business of helping, you know, small businesses, we have to take some risk, and there are some within our portfolio that we might not have otherwise done, but we helped to mitigate some type of circumstance that the bank needed us to help mitigate the risk in making that loan, and we still have zero default so far.

MS. VILLA:

That was one of the reasons for those requirements.

MR. ROY:

President's Report.

MS. VILLA:

So the Secretary and Ms. Mitchell's assistant secretary, Ms. Mitchell was unable to attend today, but I did want to relay the secretary and the governor fully support the two projects that were brought forth today, and the secretary wanted to make sure that I let you-all know that he has been very closely involved with both of those projects and he thanks you for your support today. So on behalf of them both, I will just update you since we met a month ago, less than a month ago, which I think is record on some recent rankings that we've had since then.

Back in May the Trade and Industry Development Magazine honored Louisiana business development project in its 13th annual corporate investment and communities impact awards. They are known as CC awards with recognition of champion home builders manufacturing facility in Leesville, and this is a project that I believe is going to be coming forth to the board. It's not a project that has come yet, but it is a program that was or project that has the EDAP program within it, so the trade and industry development selected 15 community impact and 15 corporate investment recipients nationwide and for a total of 38 project winners for 2018, and Louisiana winning project was selecting among the type 15 new community impact projects. This project is creating 200 new jobs, new direct jobs, and LED estimates the project will also resolve another 218 indirect jobs, and it's in Vernon, Parish in Central, Louisiana, I believe in Leesville around the Fort Polk area, if I'm not mistaken.

Then earlier this month in June, the Area Development Magazine ranked Louisiana -- awarded Louisiana a 2018 civil shovel award for posting one of the best economic development performances in the U.S. during this past year. This was based on the state's most significant economic investments. The 2018 golden silver shovel award honors states with the most significant impact from ten leading -- I lost my place -- from ten leading investment job creation projects during 2017. This is the 8th time in nine years that Louisiana has won an area silver shovel award. Previous awards were in 2010 through 2016. The magazine evaluates states getting scores for jobs per capita, the amount investment, the number of new facilities and industry diversity. Louisiana's projects included the DXE technology 2000 jobs digital transformation center in New Orleans, and two in this industry announcements with large capital investment component, the Lotte Chemical, 1.130 million -- I can't say that. $1.13 billion plant expansion quarters relocation in Lake Charles, which was previously approved by the board for EDAP, and Wanhua Chemical Selection of Louisiana for $1.12 billion chemical complex. And those were the most two recent rankings and awards that we received.

Back in May there were two projects that were announced that were in the aviation area. In early May, the Governor and Western Global Airlines announced the company would establish an aircraft maintenance facility at Shreveport Regional Airport, and it's a cargo freight carrier and they will make a capital investment of $3 million for equipment to support the 150,000 square foot hangar. 40 at the airport. The company provides service to over 300 airports and 150 -- in 115 nations, and they selected Shreveport as a conveniently located and well qualified hub for maintaining its fleet of 16 Boeing, 747's and McDonald Douglas in the 11 wide body freighter aircraft. And also the end of May, middle of

May, I'm sorry, the Governor, Sidel Completion, announced the company will make a $17.6 million capital investment and hire more than 250 people for an aircraft center dedicated to interior and maintenance at Chenault International Airport in Lake Charles. For the project, Sidel Completion will create 256 new direct jobs with an average salary of $80,000 plus benefits. And LED estimates an additional 347 indirect jobs in the south for southwest Louisiana. Hiring is already under way and they expect to begin operations by the end of the third quarter this year.

And then towards right around our meeting date in May, the Governor announced with U.S. Foods if they will make a significant investment to expand the companies F. Christiana

Distribution facility in Marrero. The company will retain 140 jobs that they currently have, and they are going to create 45 new jobs, and this is also one that has an EDAP, so it will be forth coming to the board as well, and they are projecting to have 561,000 in EDAP, and I'm pretty certain they were on the secretary/treasurer's report.

On June 11th the Governor, Accruent, announced the company will create 350 new jobs in New Orleans, and is a technology center of excellence in the city's CBD district. Accruent specializes in software and IT projects that enhance the real estate construction development management and functions of major clients in the retail corporate and consumer goods, higher education, food and beverage sectors. They are going to create 350 new direct jobs with an average salary around $65,000. And they are going to occupy a 20,000 square foot facility that hasn't been announced where it's going to be yet, but somewhere in the C -- Central Business District, CBD. And then the Aggreko was also announced just last week, and those existing 265 jobs will be retained and they are going to create the other 30, and I believe you heard they were headquartered in Scotland, and they are going to -- stated earlier they have temporary solutions of worldwide for power heating and cooling and oil free compressed air, and those jobs are being created around 65,000.

We have two programs that are currently accepting enrollment. One is our award winning Louisiana Contractors Accreditation Institute. New classes are starting in September, so we have an enrollment period that's currently open and that's open for emerging construction. The program compares participants with the business and law portion of the contractor licensing exams while also building a strong foundation for operating the construction industry here in Louisiana. So LED partners with the Louisiana State Licensing Board for Contractors and LTCS and they developed a program to meet the needs of the growing construction industry. Since 2016 the program has produced 607 graduates who are establishing construction firms in Louisiana. And also LED is growing its small and emerging business developing program by expanding it's statewide network of our roundtable this summer. New sessions for the roundtables will begin in the coming weeks with business owners meeting ten times throughout the year to share business challenges and discovery solutions in a safe environment, so applications are currently being accepted for that period of the program, and I believe that's it for today. Any questions you may have.

MR. ROY:

Questions, comments?

MR. REINE:

Yeah. And this may not be appropriate for you and might have to wait for the secretary, but have y'all gotten any feedback or concern particularly from larger businesses of any concerns over the lack of stability of tax policy?

MS. VILLA:

It probably is a question for Mandi and the secretary because I know that they, you know, talk more frequently to those individuals than I do, but I can definitely raise that question and have the secretary reach back to you. He is back in the office on Monday. He was actually in DC this past week at select USA, I believe is where he was this current week.

MR. REINE:

I am just concerned. I don't know that this uncertainty is good for anybody.

MS. VILLA:

I don't think it is.

MR. REINE:

I would suspect some of the folks in the business community, they often tell me what they want is stability and that's the last thing we got right now, so --

MS. VILLA:

Right. Right.

MR. ROY:

Anyone else? Thank you, Ms. Villa. I think we need to give you a break.

MS. VILLA:

I feel like I talked a lot today.

MR. REINE:

But you've done well.

MR. ROY:

Brenda.

MS. GUESS:

Yes. Susan just relayed to me that the Liechtensteins with the last project that was approved wanted to extend their thanks to the board. They had hoped to be around to say that themselves, but they had another appointment that they had to get to, so they are very grateful for us on the approval of their project this morning.

MR. ROY:

Any other business before the board? Hearing none, motion to adjourn. Second. All in favor, aye. All oppose, nay. Without objection. Thank you.

(Whereupon the meeting had adjourned at 10:41 a.m.)

REPORTER'S CERTIFICATE

I, RACHEL TORRES-REGIS, Certified Court Reporter in and for the State of Louisiana, as the officer before whom this meeting was taken, do hereby certify that this testimony was reported by me in the stenotype reporting method, was prepared and transcribed by me or under my personal direction and supervision, and is a true and correct transcript to the best of my ability and understanding;

That the transcript has been prepared in compliance with transcript format guidelines required by statute or by rules of the board, and that I am informed about the complete arrangement, financial or otherwise, with the person or entity making arrangements for deposition services;

That I have acted in compliance with the prohibition on contractual relationships, as defined by Louisiana Code of Civil Procedure Article 1434 and in rules and advisory opinions of the board;

That I have no actual knowledge of any prohibited employment or contractual relationship, direct or indirect, between a court reporting firm and any party litigant in this matter nor is there any such relationship between myself and a party litigant in this matter. I am not related to counsel or to the parties herein, nor am I otherwise interested in the outcome of this matter.

Dated this 11th day of July, 2018.

____

RACHEL TORRES-REGIS, CCR, RPR
CERTIFIED COURT REPORTER