

Avoyelles Parish Police Jury Road District 2 Commission

Minutes of Meeting

Meeting Date - January 12, 2017

Venue - LSU Ag Center in Mansura, LA

Time - 5:00 PM

Attending:

Dr. Henry Moreau - APPJ Juror and President of RD2 Commission

Trent Clark - APPJ Juror and RD2 Commissioner

Rev. Leslie Draper III - Mayor of Simmesport and RD2 Commissioner

Duane Lacour - RD2 Commissioner

Tim Bordelon - RD2 Commissioner and Secretary of RD2 Commission

Tyrel St. Romain - RD2 Commissioner

Ron Bordelon - Pan American Engineers

Colonel Charles Jones - President of APPJ

Alan Offner - Bonding Attorney

Call to Order

Dr. Moreau called the meeting to order at 5:00 pm. Dr. Moreau led the group in the Pledge of Allegiance and opening prayer.

Requirements on Bond Issuance

Dr. Moreau introduced Mr. Alan Offner, Bonding Attorney, to the attendees and asked Mr. Offner to explain the requirements RD2 Commission would likely have to meet to secure a bond issuance. Mr. Offner opined that a bond sale to advance revenue for RD2 projects would likely be doable. The following would be expected:

1. \$1 million bond sale is realistic. RD2 should be able to qualify for a greater amount, should this Commission decide to pursue that.
2. The annual interest rate on the bonds bought by local commercial banks is expected to be slightly below 3%. Annual coupon on the bonds would amount to about \$110 to \$120 thousand.
3. LPFA will take 25% of the bond offering and will charge one-half of the interest rate that local commercial banks charge. So, for example, in a \$1 million bond offering, local banks could buy \$750k in aggregate and LPFA would buy the remaining \$250k.
4. The Bonding Attorney can charge up to 1.5% of the total bonded amount. This would amount to \$15,000 on a \$1 million bond offering.
5. SEC regulations require that a Financial Advisor be hired if more than 1 bank buys the bonds.
6. These bonds would not be rated.
7. Public notice of the bond offering is required. The bond sale can be contested within 60 days of the public notice.
8. RD2 Commission must exercise due diligence to spend the bond money within 1 year of the bond sale. However, the Commission would have up to 3 years to spend the entire amount of the bond sale.