

INTERIM EMERGENCY BOARD

Senate Committee Room E
October 20, 2016
9:45 a.m.

MEETING MINUTES

A public meeting of the Interim Emergency Board was held in Senate Committee Room E on October 20, 2016, at 9:45 a.m.

ITEM NO. 1

Sen. John Alario, Chairman, called the meeting to order at 9:46 a.m. and asked that the secretary call the roll.

Present:

- Sen. John Alario, President of the Senate and IEB Chairman
- Rep. Taylor Barras, Speaker of the House of Representatives and IEB Vice Chairman
- Sen. Ronnie Johns, proxy for Sen. Eric LaFleur, Chairman of the Senate Finance Committee
- Commissioner of Administration Jay Dardenne
- Secretary Robert Barham, designated proxy for Lt. Governor Billy Nungesser
- Mr. Ron Henson, designee of State Treasurer John Kennedy

Absent:

- Rep. Cameron Henry, Chairman of the House Appropriations Committee

ITEM NO. 2

Sen. Alario called for approval of the minutes for the March 9, 2016, meeting and the August 18, 2016, meeting, as printed and distributed.

Sen. Johns motioned for approval; second by Rep. Barras. The motion passed without objection.

ITEM NO. 3

At Sen. Alario's request, Mr. Henson explained that the State Treasurer's Office had reviewed the application of the First National Bank, Ruston, a financial institution that applied for designation as a state depository/fiscal agent for the remainder of the four-year period ending June 30, 2019. He said this is a very solid financial institution that

had been a state fiscal agent previously. Upon their review, the State Treasurer's Office had made its recommendation for approval.

In addition, a state depository/fiscal agent application had been received from the U.S. Bank National Association, Minneapolis, MN, which Mr. Henson stated was one of the largest U.S. banks and a very strong one. He added that it is already providing some card services for the state and is now seeking to become a state fiscal agent bank as well. The State Treasurer's office had reviewed and recommended this application.

With no further discussion of the matter, Mr. Henson motioned for approval; second by Rep. Barras. The motion passed with no objection.

With no further business to discuss, the meeting was adjourned at 9:48 a.m. without objection.

Respectfully submitted,



Sue Israel, Secretary

Attachments: Documentation relating to the two state depository/fiscal agent applications.

APPLICATION FOR DESIGNATION BY DIVISION OF ADMINISTRATION
THE INTERIM EMERGENCY BOARD COMMISSIONER'S OFFICE
AS A STATE DEPOSITORY/FISCAL AGENT
FOR THE PERIOD JULY 1, 2015, TO JUNE 30, 2016

SEP 16 PM 5:06

Name of Financial Institution: FIRST NATIONAL BANK
Mail Address: 2001 NORTH TRENTON STREET
City, State, Zip Code: RUSTON, LA 71270

The above named financial institution does hereby make application to the Interim Emergency Board for designation as a State Depository/Fiscal Agent under the provisions of Sections 317 and 320 of Title 49 of the Louisiana Revised Statutes of 1950. Said designation shall take effect upon approval of the Interim Emergency Board and shall expire on a date determined by the Board unless the Louisiana Department of the Treasury recommends the revocation of said designation prior to that date.

The undersigned agrees that the above named financial institution shall:

- (a) Maintain deposit insurance through the Federal Deposit Insurance Corporation or the National Credit Union Administration or their successors and shall notify the Department of the Treasury immediately, in writing, if such deposit insurance is to be terminated and
- (b) Maintain collateral for any funds on deposit by any state depositing authority (as defined by Section 319 of Title 49 of the Louisiana Revised Statutes of 1950) which shall exceed at any time the amount insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration by the pledge of securities in the manner provided by R.S. 6:748.1 and R.S. 49:321.

Attached to and as a part of this official application is the following documentation:

- For Banks:** The twelve-month Consolidated Report of Condition and Income as of December 31 for the preceding two years.
- For Savings and Loan Associations:** The twelve-month Office of Thrift Supervision Thrift Financial Report as of December 31 for the preceding two years.
- For Credit Unions:** The Year-End Statement of Financial Condition as of December 31 for the preceding two years.

The undersigned does hereby declare that this application is true to the best of his/her knowledge and belief and that the above named institution agrees to comply with the conditions and statutes prescribed above.

Brandon Norris
Signature of Authorized Officer
BRANDON NORRIS, CFO
Name and Title of Officer

318.255.8482
Area Code and Telephone Number
9.16.16
Date of Application

Return this completed original application, one photocopy of it and only one copy of the required documentation to:

Interim Emergency Board
Post Office Box 94095
Baton Rouge, Louisiana 70804-9095



TREASURER OF THE STATE OF LOUISIANA

John Neely Kennedy
State Treasurer

P. O. Box 44154
Baton Rouge, LA 70804
(225) 342-0010
(225) 342-5008

September 20, 2016

Ms. Sue Israel, Secretary
Interim Emergency Board
Post Office Box 94095
Baton Rouge, LA 70804-9095

2016 SEP 22 AM 9:25
DIVISION OF ADMINISTRATION
COMMISSIONER'S OFFICE

Dear Ms. Israel:

We have reviewed the application submitted by First National Bank for designation as a state depository/fiscal agent for the period July 1, 2015 to June 30, 2019.

After performing an analysis of key financial ratios for this institution, we recommend approval by the Interim Emergency Board pursuant to LRS 49:317 and 49.320.

If we can be of further assistance, please call me at 342-0055 at your convenience.

Sincerely,

A handwritten signature in blue ink that reads "Ron J. Henson".

Ron J. Henson
First Assistant State Treasurer

Enclosure
RJH:ll

cc: John Broussard
Laura Lapeze

FIRST NATIONAL BANK - Financial Metrics

For December 31, 2015

Metric	2015
Return on Assets (ROA)	1.68%
Return on Equity (ROE)	20.25%
Equity Capital to Assets	7.94%
Loss Allowance to Noncurrent Loans (NPL)	165.53%
Noncurrent Loans to Gross Loans	0.71%
Core Deposits (% of Total Assets)	70.36%
Liquidity Ratio	10.91%

RSSD	109659
FDIC Cert	15059
CRA Rating	Satisfactory
Governing Body	OCC

DIVISION OF ADMINISTRATION
COMMISSIONER'S OFFICE
2016 SEP 22 AM 9:26

**APPLICATION FOR DESIGNATION BY
THE INTERIM EMERGENCY BOARD
AS A STATE DEPOSITORY/FISCAL AGENT
FOR THE PERIOD JULY 1, 2015, TO JUNE 30, 2019**

Name of Financial Institution: U.S. Bank National Association

Mail Address: 800 Nicollet Mall

City, State, Zip Code: Minneapolis, MN 55402

The above named financial institution does hereby make application to the Interim Emergency Board for designation as a State Depository/Fiscal Agent under the provisions of Sections 317 and 320 of Title 49 of the Louisiana Revised Statutes of 1950. Said designation shall take effect upon approval of the Interim Emergency Board and shall expire on a date determined by the Board unless the Louisiana Department of the Treasury recommends the revocation of said designation prior to that date.

The undersigned agrees that the above named financial institution shall:

- (a) Maintain deposit insurance through the Federal Deposit Insurance Corporation or the National Credit Union Administration or their successors and shall notify the Department of the Treasury immediately, in writing, if such deposit insurance is to be terminated and
- (b) Maintain collateral for any funds on deposit by any state depository authority (as defined by Section 319 of Title 49 of the Louisiana Revised Statutes of 1950) which shall exceed at any time the amount insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration by the pledge of securities in the manner provided by R.S. 6:748.1 and R.S. 49:321.

Attached to and as a part of this official application is the following documentation:

For Banks: The twelve-month Consolidated Report of Condition and Income as of December 31 for the preceding two years.

For Savings and Loan Associations: The twelve-month Office of Thrift Supervision Thrift Financial Report as of December 31 for the preceding two years.

For Credit Unions: The Year-End Statement of Financial Condition as of December 31 for the preceding two years.

The undersigned does hereby declare that this application is true to the best of his/her knowledge and belief and that the above named institution agrees to comply with the conditions and statutes prescribed above.



Signature of Authorized Officer
Greer Almquist, Vice President

Name and Title of Officer

402.536.5101

Area Code and Telephone Number
9-19-2016

Date of Application

Return this completed original application, one photocopy of it and only one copy of the required documentation to:

Interim Emergency Board
Post Office Box 94095
Baton Rouge, Louisiana 70804-9095



DIVISION OF ADMINISTRATION
COMMISSIONER'S OFFICE

2016 OCT 18 PM 3:20

TREASURER OF THE STATE OF LOUISIANA

John Neely Kennedy
State Treasurer

P. O. Box 44154
Baton Rouge, LA 70804
(225) 342-0010
(225) 342-5008

October 18, 2016

Ms. Sue Israel, Secretary
Interim Emergency Board
Post Office Box 94095
Baton Rouge, LA 70804-9095

Dear Ms. Israel:

We have reviewed the application submitted by U.S. Bank National Association for designation as a state depository/fiscal agent for the period July 1, 2015 to June 30, 2019.

After performing an analysis of key financial ratios for this institution, we recommend approval by the Interim Emergency Board pursuant to LRS 49:317 and 49.320.

If we can be of further assistance, please call me at 342-0055 at your convenience.

Sincerely,

A handwritten signature in blue ink that reads "Ron J. Henson".

Ron J. Henson
First Assistant State Treasurer

Enclosure
RJH:ll

cc: John Broussard
Laura Lapeze

U.S. BANK NATIONAL ASSOCIATION - Financial Metrics

For December 31, 2015

Metric	2015
Return on Assets (ROA)	1.39%
Return on Equity (ROE)	13.68%
Equity Capital to Assets	10.31%
Loss Allowance to Noncurrent Loans (NPL)	75.62%
Noncurrent Loans to Gross Loans	1.94%
Core Deposits (% of Total Assets)	60.89%
Liquidity Ratio	28.00%

RSSD	504713
FDIC Cert	6548
CRA Rating	Outstanding
Governing Body	OCC