

New Orleans, Louisiana

May 15, 2024

A regular meeting of the Board of Liquidation, City Debt (Board) was held this date at the office of the Board, Room 8E17, New Orleans, Louisiana pursuant to notice duly given as provided by law. The regular meeting was called to order at 4:01 P.M. by the President, Mr. Ralph Johnson. Mr. Johnson asked the Secretary to call the roll and announce the number of members present. The roll call was as follows:

PRESENT:	Mr. Johnson	SIX MEMBERS AND
	Ms. Fields	A QUORUM
	Mr. Kennedy*	
	Mr. McDonald	
	Mr. Montaña (for Mayor Cantrell)	
	Mr. Sloss	

ABSENT:	Mr. Kimbrough
	Councilmember Moreno
	Councilmember Morrell

*Arrived 4:03 PM

Also present were Mr. William R. Forrester, Jr., legal counsel; Ms. Lisa Lawrence and Mr. Ricardo Callender, PFM Financial Advisors LLC, and Mr. Kyle Wright, CLB Porter, LLC, co-financial advisors; Mr. Garrett Gemelos and Mr. Jason Akers (via phone), Foley & Judell L.L.P., and Ms. Maria Auzenne, Auzenne and Associates LLC, co-bond counsel; Mr. E. Grey Lewis, Sewerage & Water Board.

The notice calling the meeting more than 48 hours prior to the date of the meeting was received and ordered filed in the minutes.

The President addressed item #2 on the agenda, welcoming the new board member, Ms. Amy Fields. The President then asked that she introduce herself.

The President stated that the minutes of the regular meeting on March 20, 2024, had been circulated to the members. He asked if there are any comments, there being none the minutes was adopted as circulated.

The President stated that the auditor's letters for the months of March 2024 and April 2024 are in each member's folder for their review. He asked the members to review the letters and address any questions to the Secretary. There being none, the monthly audit letters were ordered filed.

The President asked the Secretary to address item #5 on the agenda, to consider modifying a resolution previously adopted on March 20, 2024, by the Board of Liquidation, City Debt, giving preliminary approval to the issuance of \$90,000,000 of Water Revenue Bonds of the City of New Orleans, Louisiana. The President asked Garrett Gemelos with Foley & Judell L.L.P, co-bond counsel, and Ricardo Callender with PFM Financial, co-financial advisor, to address the item.

Mr. Gemelos stated this resolution modifies certain terms of the previous resolution that was approved

May 15, 2024

Page 2

by the Board at its March meeting. He explained that the original resolution provided for borrowing in an amount not to exceed \$90,000,000 at an interest rate not to exceed 2.45% per annum with a 22-year repayment schedule. However, since the adoption of the preliminary resolution, the Board has received more favorable terms from the state. He then stated that this resolution modifies provisions of the original preliminary resolution to increase the principal amount by six hundred thousand dollars (\$600,000), to provide that the bonds will now be non-interest bearing, and to extend the maximum maturity by an additional 10 years to thirty-two years.

Mr. Sloss asked for clarification on how much the amount will increase. Mr. Gemelos answered that the principal amount will increase by \$600,000, making the par amount of the bonds \$90,600,000.

Mr. Montañó asked if the interest rate would remain the same. Mr. Gemelos stated that the rate changed from 2.45% to 0% interest with 49% forgiveness as well.

Ricardo Callender stated that as the Board's co-financial advisor, he highly recommends that the Board approve these modifications to the resolution.

The President asked for a motion.

Mr. Montañó moved to approve the modification of the resolution giving preliminary approval to the issuance of Ninety Million Six Hundred Thousand Dollars (\$90,600,000) of Water Revenue Bonds of the City of New Orleans, Louisiana. Mr. Sloss seconded and on roll call, the vote was as follows:

AYES: FIELDS; JOHNSON; KENNEDY; McDONALD; MONTAÑO
(FOR MAYOR CANTRELL); SLOSS

NAYS: NONE

ABSENT: KIMBROUGH; MORENO; MORRELL

And the resolution was adopted.

The President asked the Secretary to address item #6 on the agenda, to consider a resolution to advertise and provide for the sale of not to exceed Two Hundred Million Dollars (\$200,000,000) of Public Improvement Bonds, Issue of 2024, of the City of New Orleans, Louisiana, and other matters in connection therewith. The President asked Garrett Gemelos and Ricardo Callender to address the resolution.

Mr. Montañó then stated that the City has many capital projects planned and urgently needs the funding from this bond issue to start and complete these projects.

Mr. Sloss then asked what the tax-exempt and taxable rates look like currently. Mr. Callender answered that market rates have significantly increased over the past three to four years, especially since the last time the City issued bonds. He stated that currently, the tax-exempt average cost of capital is approximately 4.25%; on the taxable side, it is approximately 6.65%. Mr. Callender explained that the current rates are at or below the average rates over the last 30 years on the mid to long-term spectrum.

May 15, 2024

Page 3

Mr. Callender stated that the last time there was a taxable public improvement bond, there was a fund balance available with the Board of Liquidation, City Debt which enabled the Board to structure the \$15,000,000 taxable bond to be paid off within 3 months. He then stated that the plan is to implement a similar strategy and have the \$17,000,000 be paid off within five months.

The Secretary added that the \$17,000,000 taxable piece will be paid off on December 1, 2024, and will be held only for a short period.

The President asked if there were any questions or further discussion.

Mr. Gemelos stated that the resolution sets forth the details of the \$200,000,000 to be issued and the bonds will be sold at a competitive sale. He stated that this resolution approves the notice of sale for the solicitation of bids for the sale of the bonds. The bids will be accepted at a subsequent meeting of the Board, and the resolution also allows the Secretary of the Board to accept those bids in the absence of a quorum and to select a paying agent for the bonds.

The President asked for a motion.

Mr. Montañó moved to consider a resolution to advertise and provide for the sale of not to exceed Two Hundred Million Dollars (\$200,000,000) of Public Improvement Bonds, Issue of 2024, of the City of New Orleans, Louisiana, and other matters in connection therewith. Mr. Sloss seconded and on roll call the vote was as follows:

AYES: FIELDS; JOHNSON; KENNEDY; McDONALD; MONTAÑO
(FOR MAYOR CANTRELL); SLOSS

NAYS: NONE

ABSENT: KIMBROUGH; MORENO; MORRELL

And the resolution was adopted.

The President asked the Secretary to address item #7 on the agenda, other business. The Secretary stated that the next meeting will probably be on July 30, 2024, at 11:00 am for the selling of the bonds which will be a special meeting, according to the schedule. Mr. Callender stated that once the team meets then a notice of bond sale will be sent out with a specific date and time.

There being no further business to come before the Board, Mr. Montañó motioned for adjournment, Mr. Johnson seconded, there being no objections, the meeting was adjourned by the President at 4:14 P.M.

Tracy D. Madison
Secretary