New Orleans, Louisiana

November 15, 2023

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 4:04 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
	Mr. Kennedy*	A QUORUM
	Mr. Kimbrough	
	Ms. Markowitz	
	Mr. Montaño (for Mayor Cantrell)	
	Mr. Sloss	
ABSENT:	Mr. McDonald	
	Councilmember Moreno	
	Councilmember Morrell	

*Arrived 4:14 PM

Also present were Mr. William R. Forrester, Jr., legal counsel; Ms. Lisa Lawrence and Ricardo Callender, PFM Financial Advisors via phone; Mr. Jason Akers and Ms. Tiffaney Trosclair (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 stated that the minutes of the regular meeting on August 16, 2023, 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 letter for the months of July 2023, August 2023, and September 2023, 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 #4 on the agenda, to discuss and adopt the Board of Liquidation, City Debt 2024 Millage Levy Resolution to service and administer the general obligation bonded debt. The Secretary stated that all the members should have received a packet of information a few days ago regarding the millage calculation and the auditor's letter verifying the calculations. He recommends a milage levy of 16.5 mills for the 2024 fiscal year, a reduction of 3 mills from the previous year. There is an anticipated bond sale of $200,000,000 (Two Hundred Million Dollars) for 2024, which is the last piece of the $500,000,000 bonds referendum approved by voters back in November 2019. He stated that the value of one mill is $5,201,627, an increase of 15% from 2023. It is estimated that the Board will have about $38,850,638 excess debt service funds to bring forward to 2024. If the City of New Orleans does not get any new bonds authorization from voters in upcoming elections, the amount of debt service will continue to decrease.

The President asked if there were any questions or further discussion and asked for a motion.

Mr. Montaño (for Mayor Cantrell) moved to adopt the Board of Liquidation, City Debt 2024 Millage Levy Resolution to service and administer the general obligation bonded debt. Mr. Kimbrough seconded and on roll call, the vote was as follows:

AYES: JOHNSON; KENNEDY; KIMBROUGH; MARKOWITZ; MONTAÑO (FOR MAYOR CANTRELL); SLOSS

NAYS: NONE

ABSENT: McDONALD; MORENO; MORRELL

And the resolution was adopted.

The President asked the Secretary to address item #5 on the agenda, to discuss and adopt the Board of Liquidation, City Debt 2024 Budget Resolution. The Secretary stated that the 2024 operating budget will be $686,338.00. Mr. Montano asked if the Board follows the City's pay raise schedule and incorporated the 2.5% raise in the budget. The Secretary replied "Yes." The President then asked what was budgeted for last year's operating expenses and Mr. Madison answered that it was $665,911.

The President asked if there were any questions or further discussion and asked for a motion.

Mr. Montaño (for Mayor Cantrell) moved to adopt the Board of Liquidation, City Debt 2024 Budget resolution, and taking other actions in connection therewith. Mr. Sloss seconded and on roll call the vote was as follows:

AYES: JOHNSON; KENNEDY; KIMBROUGH; MARKOWITZ; MONTAÑO (FOR MAYOR CANTRELL); SLOSS

NAYS: NONE

ABSENT: McDONALD; MORENO; MORRELL

And the motion was adopted.

The President asked the Secretary to address item #6 on the agenda, to discuss and adopt the 2023 Louisiana Audit Compliance Questionnaire Resolution. The Secretary stated that the Louisiana Compliance Questionnaire is a required part of the financial audit of all state & local government agencies. It has been completed by the staff and is being presented to the Board for formal resolution adoption. Mr. Madison further stated that many of the questions do not apply to the Board.

The President asked for a motion.

Mr. Sloss moved to adopt the 2023 Louisiana Audit Compliance Questionnaire Resolution, and taking other actions in connection therewith. Mr. Kennedy seconded and on roll call the vote was as follows:

AYES: JOHNSON; KENNEDY; KIMBROUGH; MARKOWITZ; MONTAÑO (FOR MAYOR CANTRELL); SLOSS

NAYS: NONE

ABSENT: McDONALD; MORENO; MORRELL

And the motion was adopted.

The President asked the Secretary to address item #7 on the agenda, to discuss Rule 1.7 – Client-Lawyer Relationship. The Secretary then asked Mr. William Forrester, legal counsel of the Board, to address

Rule 1.7.

Mr. Forrester stated that a few weeks ago, Mr. Jason Akers with Foley & Judell, LLC notified Tracy that the Louisiana Department of Environmental Quality's (LA DEQ) bond attorney, Adams & Reese, LLP had retired and that LA DEQ subsequently hired Foley & Judell, LLP to be their new bond counsel. As a result, Foley & Judell, LLP is representing both the LA DEQ and the Board on the bond transaction to be approved by the Board today. This presents the appearance of a conflict of interest. He said that Louisiana Ethic Rule 1.7 stated that a conflict can be waived if all interested parties agree to it, put this agreement in writing, and none of the parties are subject to a disadvantage by the representation. Mr. Forrester further stated that after looking at the underlying transaction, it appears to be a win-win situation for all involved, with an excellent interest rate of 0.95%. He then suggested the President have a motion to approve Foley & Judell's representation. Then once that is done, Mr. Akers could then address the Board to further explain this issue. He added that this conflict was made known to Mr. Grey Lewis with the SWBNO and that SWBNO had already agreed to Foley & Judell, LLP representation in writing. The last step is to have the Board approve this representation if that is what the Board would like to do.

Mr. Montano said that in his professional experience, it is typically the lawyer who grants this approval, so why is there a need for the Board to do this now? Mr. Forrester responded that Ethic Rule 1.7 required this. Therefore, he would prefer the Board to discuss this particular transaction and decide if there is any disadvantage for all parties involved. This approval does not set a precedent for future transactions and every future transaction will be evaluated separately.

Mr. Sloss stated that having separate counsel is not an advantage to either SWBNO or LA DEQ because this is not a negotiated deal.

The President then confirmed with Mr. Grey Lewis of SWBNO that they agreed to waive the conflict and that it is in writing.

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

Mr. Jason Akers with Foley & Judell, LLP then addressed the Board to further clarify Rule 1.7 – Client-Lawyer Relationship. The rule states that anytime there is a conflict of interest, it can be waived by the client. It also states that common representation is deemed acceptable when the interests of all parties are aligned. He said that this rule is in place for such transactions as the one before the Board today. He then went on to briefly explain the transaction: SWBNO applied to LA DEQ without consultation from Foley & Judell and the LA DEQ accepted the application & granted the award to SWBNO without consultation from Foley & Judell. These loans are made by LA DEQ through their Revolving Loan Fund Program with defined terms and are available to everyone who meets the requirements. The role of Foley & Judell as counsel to LA DEQ is simply to ensure that the closing of the transaction takes place in accordance with all state and federal laws that govern the program. Their role as co-bond counsel of the Board is to make sure all the procedural steps that are required to make the bonds legal, valid, and binding have been completed, which Mr. Akers assured the Board had been done.

Mr. Sloss motioned to waive the Client-Lawyer relationship conflict. Ms. Markowitz seconded and on roll call, the vote was as follows:

AYES:	JOHNSON; KENNEDY; KIMBROUGH; MARKOWITZ; MONTAÑO (FOR MAYOR CANTRELL); SLOSS
NAYS:	NONE

ABSENT: McDONALD; MORENO; MORRELL

And the motion was adopted.

The President asked the Secretary to address item #8 on the agenda, to consider a resolution giving final approval to the issuance of the not exceeding Thirty-One Million Five Hundred Twenty-Five Thousand Dollars ($31,525,000) Sewerage Service Revenue Bonds of the City of New Orleans, Louisiana, and providing for other matters in connection therewith. The Secretary asked Maria Auzenne with Auzenne and Associates, LLC., co-bond counsel to address the resolution.

Ms. Auzenne stated that this resolution is the final approval needed for the Sewerage Service Revenue Bond of the City of New Orleans for $31,525,00. This bond will be issued on par with all other outstanding bonds, as well as being paid from sewer revenues. Also, this resolution sets the maturity dates and the amount of the bond. Then Ms. Auzenne asked Lisa Lawrence with PFM Financial, co-financial advisor to provide any additional information.

Ms. Lisa Lawrence stated that this is the continuance of the resolution that was presented to the Board in August 2023 for the Sewer System to issue bonds related to the LA DEQ loan that Mr. Akers had just discussed. The State Bond Commission has approved the issuance, and this final resolution has gone before both the SWBNO and the City Council.

The President asked if there were any questions or further discussion and asked for a motion.

Mr. Montaño (for Mayor Cantrell) motioned to adopt the resolution giving final approval to the issuance of the not exceeding Thirty-One Million Five Hundred Twenty-Five Thousand Dollars ($31,525,000) Sewerage Service Revenue Bonds of the City of New Orleans, Louisiana, and providing for other matters in connection therewith. Mr. Kennedy seconded and on roll call, the vote was as follows:

AYES: JOHNSON; KENNEDY; KIMBROUGH; MARKOWITZ; MONTAÑO (FOR MAYOR CANTRELL); SLOSS

NAYS: NONE

ABSENT: McDONALD; MORENO; MORRELL

And the motion was adopted.

The President asked the Secretary to address item #9 on the agenda, to recommend to the Mayor, a syndicate member to replace the current member, Carol Markowitz, serving on the Sewerage and Water Board of New Orleans, whose BLCD term is ending on 12/31/2023. The President asked if there are any nominations and then stated that he nominates Mr. Kennedy.

Mr. Sloss moved to recommend to the Mayor, Mr. Chadrick Kennedy, as the syndicate member to replace the current member serving on the Sewerage and Water Board of New Orleans. Mr. Kimbrough seconded and on roll call, the vote was as follows:

AYES: JOHNSON; KENNEDY; KIMBROUGH; MARKOWITZ; MONTAÑO (FOR MAYOR CANTRELL); SLOSS

NAYS: NONE

ABSENT: McDONALD; MORENO; MORRELL

And the motion was adopted.

There being no further business to come before the Board, Mr. Sloss motioned for adjournment, Mr. Montaño (For Mayor Cantrell) seconded, there being no objections, the meeting was adjourned by the President at 4:45 P.M.

Tracy D. Madison
Secretary