New Orleans, Louisiana
October 21, 2020

The regular meeting of the Board of Liquidation, City Debt (Board) via video-conference was held this date online at www.webex.com meeting number 1268255388, per the Governor's Proclamation 33JBE2020, and pursuant to notice duly given as provided by law. The regular meeting via video conference was called to order at 4:06 P.M. by the President, Ms. Mary K. Zervigon. Ms. Zervigon 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. Kimbrough	A QUORUM
	Mr. Montaño (for Mayor Cantrell)	
	Mr. O'Connor	
	Mr. Sloss	
	Ms. Zervigon	
ABSENT:	Mr. McDonald	
	Councilmember Moreno	
	Councilmember Williams	

Also present via video conference were Ms. Lisa L. Daniel, PFM Financial Advisors and Mr. Shawn Barney, CLB Porter, co-financial advisors; Mr. Jason Akers, and Ms. Tiffaney Sporl, Foley & Judell L.L.P., and Ms. Maria Auzenne, Auzenne and Associates LLC, co-bond counsel; Mr. William R. Forrester, Jr., legal counsel; Ms. Christie Harowski, Chief of Staff at the Sewerage and Water Board of New Orleans; and Ms. Laurie Conkerton, Chief Financial Officer of the Audubon Commission.

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

The President acknowledged the Governor's Proclamation Number 75, allowing state and municipal boards and commissions to continue to hold essential meetings via telephone and video conference until November 6, 2020. The Secretary stated that in accordance with 33 JBE 2020, Sec. 4, the meeting notice constitutes a certification by the Board of Liquidation, City Debt, that meeting by video-conference is necessary because of the social distancing mandates imposed by the Governor and the Mayor of the City of New Orleans and that the Board would otherwise be unable to operate due to the quorum requirements of La. R.S. 42:19 – insofar as they mandate the physical presence of Board members in one location.

The President stated that the minutes of the May 27, 2020, special video conference meeting had been circulated to the members. She asked if there were any comments, there being none the minutes were adopted as circulated.

The President also stated that the auditor's letters for the months of May 2020; June 2020; July 2020; and August 2020, were emailed to each member prior to this meeting for their review. She 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, the notification of bids received electronically through the Parity website for the sale of not to exceed $9,500,000 Audubon Commission Limited Tax Bonds, Series 2020, of the City of New Orleans, Louisiana, and other matter in connection therewith. The Secretary stated that two bids were received at 11AM Central time and verified by the Board staff, co-financial advisors and co-bond counsel. He asked Ms. Lisa Daniel, co-financial advisor to the Board, to address the bids received and make a recommendation to the Board awarding the winning bid. Ms. Daniel stated that this was a successful bond sale with the two competitive bids received and were within the parameters set by the published Notice of Sale. She said the process for the sale of the bonds began in December 2019 with the Board adopting an advertising resolution authorizing the sale and making application to the State Bond Commission for approval. She said the process was impacted by the Covid-19 pandemic, delaying the sale from June 2020 to October 2020. She stated that the bond size was also downsized from the original amount of $30,000,000 to today's sale of $9,500,000, by request of the Audubon Commission. She said rates were lower today than the original sale date and that the Board was able to sell the bonds to Robert Baird & Co., Inc., at a 2.364329% True Interest Cost (TIC). She said Standard & Poor's rated the bonds AA-, with a negative outlook on the pledge of the 6.31 Parks Millage approved by voters in 2019, which begins collection in 2021. She said the cover bid was from Raymond James & Associates, Inc., with a bid of 2.651361% TIC, a difference of .287032% TIC. She stated that the bidders opted to not buy insurance on the bonds and the average life of the bonds is 12.136 years. Ms. Daniel said PFM and CLB Barney, LLC, co-financial advisors to the Board recommend the Board move forward with the sale and award the winning bid to Robert Baird & Co., Inc.

The Secretary asked Mr. Jason Akers, with Foley & Judell, co-bond counsel to the Board, to address item #5 on the agenda, a resolution providing for the sale of not to exceed $9,500,000 Audubon Commission Limited Tax Bonds, Series 2020. Mr. Akers stated that a draft of the resolution had been sent to the Board members earlier. He said that the awarding of Robert Baird & Co., Inc., as purchaser of the bonds and the principal amounts along with the interest rates will be inserted in section 1 of the resolution. He stated that the resolution allows for the bonds to be callable beginning in 2030, and names U.S. Bank Global Trust as the paying agent on the bonds. Mr. Akers said the resolution provides for the bond proceeds to be held at the Board in a project construction fund and for the Audubon Commission portion of the tax pledge of 6.31 mills to be held at the Board in a custodial tax account. He stated that the resolution also includes a cooperative endeavor agreement (CEA) between the Audubon Commission and the Board dictating that the proceeds from the bonds be drawn by warrant from the Audubon Commission. He said the resolution and CEA also governs that the Audubon portion of the tax proceeds be distributed to the Board and held in a custodial tax account, with the current year annual debt service to be drawn from the first collection of the tax and transferred to a debt service fund account within the Board's Fiscal Agent Debt Administration.

The President asked Mr. Akers if he would discuss item #6 on the agenda, a resolution including a CEA between the City of New Orleans and the Board. She said both items #5 and #6 are related and it would benefit the Board to discuss both together. Mr. Akers stated that the City and the Board are two separate entities even though they are closely aligned and that a CEA between the two was necessary to define the distribution and collection of the ad valorem tax for the 6.31 Parks Millage pledged to the Audubon Commission Limited Tax Bonds, Series 2020. He said in prior limited tax bond sales by the Board state statutes dictated the collection and distribution of pledged limited taxes, and these taxes were to be remitted to the Board and held in custodial tax accounts. He stated the 6.31 Parks Millage authorized by voters in 2019 was approved pursuant to a generic constitutional authority that is effective for all political subdivisions, including the City of New Orleans, and therefore does not have specific statutory provisions governing the collection and distribution of the tax. He said bondholders appreciate those protective covenants that were contained in the previous statutes regarding prior limited tax bond sales by the Board. He said together, the CEA between the City and the Board along with the CEA between the Board and the Audubon Commission were drafted to perpetuate the same statutory provisions and protective covenants that were previously effective on prior limited tax bond sales by the Board and provide the same protection in this bond sale. He said the Audubon Park Commission Aquarium Bonds, Series 2011, are also protected by this CEA, since the 6.31 Parks Millage will also be securing the final interest and principal payment on those bonds in 2021. He said all City CEAs must be approved by City Council ordinance and this CEA was introduced to the City Council last week and is expected to be approved at the next City Council meeting November 5, 2020. He said Councilmember Williams, who is also a member of the Board, sponsored the ordinance.

Mr. Sloss moved to adopt the resolution providing for the sale of not to exceed $9,500,000 Audubon Commission Limited Tax Bonds, Series 2020, of the City of New Orleans, Louisiana, including in the resolution the Cooperative Endeavor Agreement between the Board and the Audubon Commission regarding the pledged 6.31 Parks Millage and other matters in connection therewith. Mr. Johnson seconded and on roll call the vote was as follows:

AYES: JOHNSON, KIMBROUGH, MONTAÑO (FOR MAYOR CANTRELL), O'CONNOR; SLOSS; ZERVIGON

NAYS: NONE

ABSENT: McDONALD; MORENO; WILLIAMS

And the resolution was adopted.

Mr. Johnson moved to adopt the resolution authorizing the Cooperative Endeavor Agreement between the Board and the City of New Orleans regarding the collection and administration of the 6.31 Parks Millage and other matters in connection therewith. Mr. Sloss seconded and on roll call the vote was as follows:

AYES: JOHNSON, KIMBROUGH, MONTAÑO (FOR MAYOR CANTRELL), O'CONNOR; SLOSS; ZERVIGON

NAYS: NONE

ABSENT: McDONALD; MORENO; WILLIAMS

And the resolution was adopted.

The President then asked the Secretary to address item #7 on the agenda, a resolution authorizing the issuance and providing for the negotiated sale of not to exceed $64,750,000 Sewerage Service Revenue Bonds, Series 2020B (SSRB 2020B), of the Sewerage and Water Board of New Orleans (SWBNO) and the City of New Orleans, Louisiana, and other matters in connection therewith. The Secretary stated that a draft of the resolution was sent to each Board member for their review and asked Mr. Jason Akers, co-bond counsel, to address the resolution. Mr. Akers stated that the $64,750,000 par amount of the SSRB 2020B bonds was a result of an initial approval of $75,000,000 by the Board with $10,250,000 previously being issued as a direct placement with Chase Bank on June 10, 2020. He said this authorization has been approved by both the State Bond Commission and the City Council and the SWBNO approved the 5th Supplemental Sewerage Service Revenue Bond Resolution in September 2020. This resolution authorizes the senior managing underwriters, J.P. Morgan Securities, whom the Board selected at its January 2020 meeting, to negotiate with the Board and to price and sell the bonds in the market. He said the resolution authorizes the 5th Supplemental SSRB approved by the SWBNO and allows for the President and Secretary of the Board to approve the Bond Purchase Agreement. Mr. Akers stated that a preliminary official statement is being prepared and a rating from Standard & Poor's Rating is expected within the next two weeks. He said it is the intention to price the bonds the week of, November 9, 2020, and deliver the bonds sometime in December 2020. He said a Certificate of Determination is being prepared to present to the Board the results of the sale and final Bond Purchase Agreement at the next meeting. Ms. Christie Harowski, Chief of Staff at the SWBNO, addressed the Board reiterating Mr. Akers description of the bond process and the need for the bond proceeds to continue capital projects necessary to maintain the SWBNO system. The Secretary stated that before adopting the resolution the Board might consider adding to the syndicate, a selling group, which would include minority firms. He asked if Ms. Lisa Daniel, co-financial advisor, to address the selling group. Ms. Daniel stated that it is the Board's intention to include minority owned firms in the syndicate as stated in the Request for Qualifications (RFQ) and recommends the addition of Loop Capital Markets and Ramirez & Co., Inc., to the syndicate. She said this was consistent with past negotiated bond sales by the Board and aids in the distribution of bonds and provides support to the senior managing underwriter. She said this also adds DBE participation to the sale to fulfill the Board's objectives. She said of the three minority firms that responded to the RFQ, Loop Capital and Ramirez & Co., provided the lowest cost to the Board. She said although these firms bid a higher price than the senior manager, they would be paid the same $1 per bond offered by JP Morgan Securities. She said a net designation policy rule be implemented on this sale with a minimum participation level of 5% for the co-managers. The Secretary asked Mr. Akers if the addition of these co-managers would need an amendment to the resolution before the Board. Mr. Akers stated that if the Board accepted the addition of co-managers, the resolution would be amended to include Loop Capital Markets and Ramirez & Co., Inc., along with the net designation policy of a minimum of 5% participation level. He said the amendment would also give the President and Secretary the authorization to adjust the roles within the syndicate as it deems necessary. Mr. Johnson asked if the Board had taken similar action on the first tranche of SSRB 2020A bonds sold in June 2020. Mr. Akers said the first tranche of SSRB 2020A sold in June 2020 were placed with a bank and underwritten. He asked Ms. Daniel to address Mr. Johnson's concern. Ms. Daniel said the SSRB 2020A bonds, in the amount of $10,250,000, were placed with Chase Bank after soliciting proposals from a Request for Qualifications and selecting the lowest cost provider. Mr. Kimbrough said he was glad that the Board was attempting to meet its DBE objective and broaden the distribution channels available to the Board.

Mr. Kimbrough moved to adopt the resolution providing for the sale of not to exceed $64,750,000 Sewerage Service Revenue Bonds, Series 2020B, of the Sewerage & Water Board and of the City of New Orleans, Louisiana, and other matters in connection therewith. Mr. Johnson seconded and on roll call the vote was as follows:

AYES:	JOHNSON, KIMBROUGH, MONTAÑO (FOR MAYOR CANTRELL), O'CONNOR; SLOSS; ZERVIGON
NAYS:	NONE
ABSENT:	McDONALD; MORENO; WILLIAMS

And the resolution was adopted.

Mr. Akers stated that as a private sale the Board meets its two thirds requirement by the six members voting affirmative on this resolution, which meets state law.

The President asked the Secretary to address item #8 on the agenda, a resolution for the cash defeasance of certain outstanding general obligation bonds of the City of New Orleans, Louisiana and authorization to issue requests for proposals to solicit an escrow agent and a verification agent in connection with the defeasance of the bonds. The Secretary said that each year the Board levies a millage sufficient to meet the next year's annual debt service. He said within that annual levy is debt service on proposed bonds to be issued in the next year. Mr. Gernhauser said in the Board's 2020 millage levy debt service on a proposed bond sale of $150,000,000 was included. He said with the events occurring in 2020, including the Covid-19 pandemic, the City did not issue the proposed bonds and the Board collected excess debt service funds. He stated that by cash defeasance of certain general obligation bonds the Board would meet the Louisiana Legislative Auditors requirement of debt service reserve funds and the Statewide Agreed Upon Procedures enacted by the Louisiana Legislature. He said this resolution would provide for the Secretary and co-financial advisors to solicit an escrow agent and verification agent by request for proposals. Ms. Lisa Daniel said the co-financial advisors to the Board reviewed the outstanding bonds for candidates to cash defease and selected a term bond maturing December 1, 2043, of the Taxable Public Improvement Bonds, Issue of 2014, in the par amount of $11,920,000, with a coupon of 6.10%, which allowed for the highest present value savings. She said this par amount and the interest due to the call date of December 1, 2023, would satisfy the required debt service amount to be disbursed in 2020, and would be placed in escrow to defease these bonds. Mr. Montaño stated that the City has begun to spend the outstanding bond proceeds at a rate of $30,000,000 per month through the Covid-19 pandemic and asked if any of the Board members would like to discuss the City finances through 2020. Ms. Zervigon asked if there were any questions regarding the resolution or any questions of the City finances for Mr. Montaño. There being none, she asked for a motion on the resolution to cash defease the par amount of $11,920,000 Taxable Public Improvement Bonds, Issue of 2014, maturing December 1, 2043.

Mr. Sloss moved to adopt the resolution authorizing the defeasance of Taxable Public Improvement Bonds, Issue of 2014, term bonds maturing December 1, 2043, in the par amount of $11,920,000 and providing for the solicitation of escrow agent and verification agent, along with other matters in connection therewith. Mr. O'Connor seconded and on roll call the vote was as follows:

AYES: JOHNSON, KIMBROUGH, MONTAÑO (FOR MAYOR CANTRELL), O'CONNOR; SLOSS; ZERVIGON

NAYS: NONE

ABSENT: McDONALD; MORENO; WILLIAMS

And the resolution was adopted.

There being no further business to come before the Board, Ms. Zervigon motioned for adjournment, Mr. Kimbrough seconded, there being no objections, the meeting was adjourned by the President at 4:36 P.M.

David W. Gernhauser
Secretary