New Orleans, Louisiana
February 25, 2026

A special meeting of the Board of Liquidation, City Debt (Board) was held on this date at the office of the Board, Room 8E17, New Orleans, Louisiana, pursuant to notice duly given as provided by law. The special 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:

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| PRESENT: | Mr. Giarrusso (For Mayor Moreno) | |
| | Mr. Johnson | SIX MEMBERS AND |
| | Mr. Kennedy | A QUORUM |
| | Mr. Kimbrough | |
| | Councilmember Willard | |
| | Mr. Sloss* | |
| ABSENT: | Mr. McDonald | |
| | Councilmember Morrell | |
| | Ms. Woodfin | |

*Arrived 4:07 PM

Also present were Mr. William R. Forrester, Jr., legal counsel; Mr. Jason Akers and Mr. Garrett Gemelos, Foley & Judell L.L.P., and Ms. Maria Auzenne, Auzenne and Associates LLC, co-bond counsels; Mr. Ricardo Callender, PFM Financial Advisors LLC; Mr. E. Grey Lewis, CFO, Sewerage & Water Board of New Orleans (SWBNO); and Ms. Alyssa Rambeau, Finance Director, City of New Orleans.

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 Administration Board Members, CAO Joseph Giarrusso, and Councilmember Matthew Willard.

The President stated that the minutes from the regular meeting on November 19, 2025, had been circulated to the members. He asked if there were any comments; there being none, the minutes were adopted as circulated.

The President stated that the auditor's letters for November 2025 and December 2025 are in each member's folder for their review. He asked the members to review the letters and inquired if there were any questions. There being none, the monthly audit letters were ordered filed.

The President addressed item #5 on the agenda, to consider and adopt a resolution giving final approval to the issuance of the not exceeding Sixty-Six Million Dollars ($66,000,000) Water Revenue Bond of the City of New Orleans, Louisiana, and providing for other matters in connection therewith. The President asked Jason Akers with Foley & Judell, L.L.P., co-bond counsel, to speak on the resolution.

Mr. Akers stated that this resolution is for final approval of Sixty-Six Million Dollars ($66,000,000) of Water Revenue Bonds, of which this Board, Sewerage & Water Board of New Orleans, and the City Council had previously approved the preliminary resolution. He then stated that the State Bond Commission approved this resolution last week at their monthly meeting, at which both he and Mr. E. Grey Lewis were present for questions, though none were asked. He said that after this Board approves this final resolution, it will head to the City Council for their final approval, since SWBNO had already approved it. Mr. Akers explained that this is a revolving loan program through the Louisiana Department of Health (LDH) for the lead service line replacement. He also explained that this program is very competitive because it is a specific pool of funds made available on a first-come, first-served basis through the Bipartisan Infrastructure Law. He stated that SWBNO had already taken advantage of this program and that this is the second round. He went on to inform the Board that 49% of the $66,000,000 will be forgiven, with the remaining 51% to bear an interest rate of 0% for a term of 30 years. He asked if there were any questions, and then called on Mr. Ricardo Callender with PFM Financial Advisors LLC to provide additional information.

Mr. Callender said that SWBNO has been very aggressive in pursuing this no-cost financing program, especially with the 49% bond forgiveness. He stated that he and the co-financial advisors had reviewed this new debt and that the additional bond test that requires net revenues to be 1.25% over debt service is met.

Mr. E. Grey Lewis, with SWBNO, stated that SWBNO appreciates the support from the Board, financial advisors, and bond counsels because this funding is a very important part of the ten-year plan to utilize the money provided by the Federal Government to complete all projects.

The President asked for any questions or comments.

Council Member Willard wanted to confirm that 49% of the bond will be forgiven, and the other 51% has no interest.

The President confirmed that this is correct.

The President asked for any questions or comments, and asked for a motion.

Mr. Giarrusso (For Mayor Moreno) moved to adopt the resolution giving final approval to the issuance of the not exceeding Sixty-Six Million Dollars ($66,000,000) Water Revenue Bond of the City of New Orleans, Louisiana, and providing for other matters in connection therewith. Mr. Sloss seconded and on roll call, the vote was as follows:

AYES: GIARRUSSO (FOR MAYOR MORENO); JOHNSON; KENNEDY; KIMBROUGH; SLOSS, WILLARD

NAYS: NONE

ABSENT: McDONALD; MORRELL; WOODFIN;

And the resolution was adopted.

The President addressed item #6 on the agenda, to discuss and consider a resolution authorizing the solicitation of one or more underwriters and selection of one or more paying agents in connection with the negotiated sale of not exceeding One Hundred Eighty-Five Million Dollars ($185,000,000) of Public Improvement Bonds, Issue of 2026, of the City of New Orleans, Louisiana, and providing for other matters in connection therewith. The President asked Jason Akers with Foley & Judell, L.L.P., co-bond counsel, to speak on the resolution.

Mr. Akers stated that in November 2025, the voters approved three (3) propositions for the issuance of General Obligation Bonds, which we call Public Improvement Bonds, that totaled $510,000,000 (Five Hundred Ten Million Dollars). He stated that the new administration desires to get these bonds out to the market as soon as possible. He also said that in each member's folder is a letter from CAO Giarrusso, detailing that the City is requesting $178,156,895 (One Hundred Seventy-Eight Million, One Hundred Fifty-Six Thousand, Eight Hundred Ninety-Five Dollars), which is within the range of the $185,000,000 in the resolution. Mr. Akers stated that it is the recommendation of the co-financial advisors to proceed with the negotiated sale, and called on Mr. Callender to further explain.

Mr. Callender stated that this resolution differs from what the Board had historically done, which was issuing new money (borrowing funds for capital projects) through a competitive sale. In a competitive sale, bond documents are prepared, put out to the market, and interested firms submit bids; the firm with the lowest and best rate is selected. He further stated that in the past, when refunding opportunities have arisen, they have been done on a negotiated process. He explained that this is when an underwriter is selected first and then works hand in hand with the Board from the beginning to the end of the bond issuance to ensure that the refunding meets all the requirements that were set out. He informed the Board that this resolution authorizes the selection of underwriters for a negotiated sale even though this is a new money transaction. The co-financial advisors determined that this is the best route to take due to the financial situation of the City right now. They think that a negotiated sale would yield the most favorable results for the City and Board of Liquidation. Mr. Callender stated that the process will be similar to past negotiated sales, with the preliminary approval, then a subsequent meeting explaining the defined terms of the sale, such as pricing, market activities, timing, interest rate, the cost of capital, etc. He then asked if there were any questions.

Mr. Sloss asked why a negotiated sale would yield better results than a competitive sale.

Mr. Callender replied that it will not necessarily yield a better result; it is just a better process for this bond sale, given the City’s current financial circumstances.

Mr. Sloss wanted to know if the underwriters would work harder for the City, since it is a negotiated sale, and the City's needs are so great now.

Mr. Callender answered that a competitive sale is typically better suited for higher-rated entities like a triple A or double A, or even a high A rating, whereas the City’s current ratings are A- and Baa, which is one notch below the A rating. He stated that this is the primary reason to have a negotiated sale, where a story can be told in order to sell the bond successfully. If there were to be a competitive sale, investors looking at the current headlines regarding the City’s financial position might not place a bid. Therefore, working with an underwriter who understands the City and who will work diligently to sell the bond will be a better fit for the City at this time.

The President asked about the process of selecting an underwriter and who makes the decision of which underwriters are selected.

Mr. Akers replied that the resolution gives the President and the Secretary the authority to prepare the solicitation for an underwriter and to select the underwriter in consultation with the co-financial advisors.

Mr. Callender explained that the team is currently in the process of preparing an RFP (Request for Proposal) for underwriter services, should the resolution be approved today. The co-financial advisors will work with the President and Mr. Madison to finalize the RFP to make sure all the components are met. He further explained that the RFP will include questions that will help the Board to select the underwriters with the best ability to sell the City's debt at this time. The team of underwriters selected will include a Senior and co-managers to help build and provide maximum distribution and marketability for the sale of the bonds.

Mr. Kennedy questioned if having the Board of Liquidation as a separate entity from the City and able to pay its debts would provide any leverage in this process.

Mr. Callender answered "yes" and stated that with the City's bond ratings what they are now, the role of the Board of Liquidation needs to be elevated as much as possible so that investors can be assured that no matter what the ratings are, the Board will always be here and that the bonds will get paid.

Mr. Kimbrough inquired about the Board's ability to always pay its debts.

Mr. Callender stated that it is because of the Board's authority to levy the tax, collect those taxes, and have the ultimate responsibility for paying the debts, regardless of what happens with the rest of the City.

The President asked the Secretary if the Board had ever used the negotiated process before.

The Secretary answered that this will be the Board's first time using the negotiated process on a new money transaction, but that the Board had used the negotiated process in the past on refunding issues.

The President asked if there were any comments or questions.

Mr. Giarrusso stated that he has brought a packet with spreadsheets listing all the projects that this new bond money will pay for. He further stated that even though the City is currently having a problem with expenses on the operation side, they still have capacity on the capital side, and that this bond issue is very important to the City Council and the Mayor because they want to show the residents their commitment to giving them the quality of life they deserve.

Mr. Kimbrough asked about the outlook for improvements in the underlying challenge that Ricardo described and Mr. Giarrusso just spoke about regarding the operating shortfall, and when we can expect the ratings to be upgraded.

Mr. Giarrusso responded that he just had his first Moody ratings call, and they understood the financial situation. They would re-evaluate in 18-24 months, but if the City starts turning corners, they would consider re-evaluating and be open to changing the prospects sooner.

Mr. Callender added that, unfortunately, the rating agencies in general are quick to drop and slow to raise. He stated that they will continue to have conversations with the rating agencies throughout this process and not wait until the 18-24 months period is over, making the case for them to re-evaluate the City as conditions improve. He then stated that this will give the City time to have at least one audit completed and that the audit is expected to be on time.

Mr. Giarrusso confirmed that the audit will be on-time and introduced the Director of Finance, Alyssa Rambeau.

The Secretary stated that this new bond issue was included in the millage calculations for this year.

The President asked for a motion.

Mr. Kimbrough moved to adopt the resolution authorizing the solicitation of one or more underwriters and selection of one or more paying agents in connection with the negotiated sale of not exceeding [One Hundred Eighty-Five Million Dollars ($185,000,000)] of Public Improvement Bonds, Issue of 2026 of the City of New Orleans, Louisiana, and providing for other matters in connection therewith. Mr. Giarrusso (For Mayor Moreno) seconded and on roll call, the vote was as follows:

AYES: GIARRUSSO (FOR MAYOR MORENO); JOHNSON; KENNEDY; KIMBROUGH; SLOSS, WILLARD

NAYS: NONE

ABSENT: McDONALD; MORRELL; WOODFIN;

And the resolution was adopted.

The President asked if there was any other business.

There being no further business to come before the Board, Council member Willard motioned for adjournment, and President seconded; there being no objections, the meeting was adjourned by the President at 4:23 P.M.

Tracy D. Madison
Secretary