New Orleans, Louisiana
February 24, 2021

A special meeting of the Board of Liquidation, City Debt (Board) was held via video conference this date online at www.webex.com meeting number 182 294 5068, per the Governor's Proclamation 33JBE2020, and pursuant to notice duly given as provided by law. The special meeting via video conference was called to order at 3:45 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:	Councilmember Glapion	
	Mr. Johnson	EIGHT MEMBERS AND
	Mr. Kimbrough**	A QUORUM
	Mr. McDonald	
	Mr. Montaño (for Mayor Cantrell)	
	Mr. O'Connor*	
	Mr. Sloss	
	Ms. Zervigon	
ABSENT:	Councilmember Moreno	

*Arrived 3:46PM
**Arrived 3:52PM

Also present via video conference were Ms. Lisa L. Daniel, PFM Financial Advisors, and Mr. Shawn Barney and Mr. Kyle Wright, CLB Porter, co-financial advisors; Ms. Meredith Hathorn 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; Mr. Ghassan Korban, Executive Director, and Mr. Grey Lewis, Chief Financial Officer of the Sewerage and Water Board of New Orleans.

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. 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 January 20, 2021, regular meeting held via video conference 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 December 2020 and January 2021, 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, a resolution recognizing the final form and execution of the Bond Purchase Agreement (BPA) in connection with the issuance and sale of One Hundred Seventy-Eight Million One Hundred Ninety-Five Thousand Dollars ($178,195,000) of Taxable Sewerage Service Revenue Refunding Bonds, Series 2021 (SSRB 2021) of the City of New Orleans, Louisiana, and providing for other matters in connection therewith. The Secretary said the SSRB 2021 were priced on February 4, 2021, and per the bond sale resolution approved by the Board on January 20, 2021, a verbal commitment to J.P. Morgan Securities was given at that time establishing the final pricing and form of the BPA. He asked Ms. Lisa Daniel, co-financial advisor to discuss the bond sale process regarding both the SSRB 2021 and Water Revenue Refunding Bonds, Series 2021 (WRB 2021) bonds. Ms. Daniel said a memo detailing the sales of both the SSRB 2021 and WRB 2021 bonds was distributed to the Board members prior to the meeting. She said both sales were competitive and successful with historically low interest rates and bids oversubscribing by ten times on each issue. She stated both issues are insured with Assured Guaranty (AGM) bond insurance and AGM surety bond. She said by purchasing the surety bond for both issues approximately $20,000,000 of bond proceeds reserve funds will be released to the respective construction funds allowing the SWBNO to use on qualified capital projects. She said a three-day pricing period was implemented with the underwriters and received more than ten times the amount of bonds available allowing PFM to negotiate with the underwriters, a decrease in yield of approximately 15 to 20 basis points, which is estimated to lower interest cost by $9,000,000 to $10,000,000. She said the SSRB 2021 were sold at a 2.67% True Interest Cost (TIC) and the WRB 2021 yielded a 2.71% TIC. She stated the gross debt service savings totaled approximately $46,000,000 or a present value savings of approximately $36,000,000 over the fifteen- year average life of the bonds. She stated that since pricing on February 4, 2021, taxable municipal interest rates have increased by 25 basis points. She said the Board engaged PFM Asset Management to structure and competitively bid the investments of the escrow to maximize savings. She said these investments netted a savings of $327,000 toward reducing the cost of the escrow. Mr. Sloss asked how the $327,000 savings was achieved. Ms. Daniel said the investment in open market securities and U.S. Treasuries allowed for a larger saving than investing in State and Local Government Securities (SLGS). The President asked if there was any further discussion.

Mr. Montaño (for Mayor Cantrell) moved to adopt the resolution recognizing the final form and execution of the Bond Purchase Agreement in connection with the issuance and sale of $178,195,000 Taxable Sewerage Service Revenue Refunding Bonds, Series 2021, of the City of New Orleans, Louisiana, and Sewerage and Water Board of New Orleans and other matters in connection therewith. Mr. Sloss seconded and on roll call the vote was as follows:

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

And the resolution was adopted.

The President asked the Secretary to address item #5 on the agenda, a resolution recognizing the final form and execution of the Bond Purchase Agreement in connection with the issuance and sale of One Hundred Nine-Four Million Three Hundred Thousand Dollars ($194,300,000) of Taxable Water Revenue Refunding Bonds, Series 2021 of the City of New Orleans, Louisiana, and providing for other matters in connection therewith. The Secretary stated that agenda item #5 was parallel to the Taxable Sewerage Service Revenue Refunding Bonds, Series 2021 resolution the Board had just adopted. He asked Ms. Meredith Hathorn, co-bond counsel to address the resolution. Ms. Hathorn restated that this resolution also provided for both bond insurance and a surety bond. She said the resolution also provided for the final interest rates and terms of the bonds. The President then asked for a motion.

Mr. Montaño (for Mayor Cantrell) moved to adopt the resolution recognizing the final form and execution of the Bond Purchase Agreement in connection with the issuance and sale of $194,300,000 Taxable Water Revenue Refunding Bonds, Series 2021, of the City of New Orleans, Louisiana, and Sewerage and Water Board of New Orleans and other matters in connection therewith. Mr. Johnson seconded and on roll call the vote was as follows:

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

And the resolution was adopted.

The President asked the Secretary to address item #6 on the agenda, an update from co-financial advisors and bond counsel regarding the anticipated issuance of $285,000,000 Public Improvement Bonds, Issue of 2021A and $15,000,000 Taxable Public Improvement Bonds, Issue of 2021B of the City of New Orleans, Louisiana, and other matters in connection therewith. The Secretary stated that the Board has already approved the advertising resolution for the sale of these bonds and that the 2021 millage levy included the issuance of these bonds in 2021. He asked Ms. Lisa Daniel to address the timing of the sale and co-bond counsel to address the legal issues regarding the sale. Ms. Daniel said the structure of the bonds includes issuing approximately $285,000,000 as tax exempt bonds for public improvement projects and approximately $15,000,000 taxable bonds for affordable housing projects. She said several draft documents including the official offering are being prepared and the city will be asking the rating agencies to begin the process for evaluating their credit given preliminary financial information. She said the city administration has indicated the release of their 2019 CAFR by the end of March, which will allow the marketing of the proposed bonds to begin. She said she is anticipating a pricing date of April 21, 2021, which is the regular monthly meeting date of the Board. She also said the Board customarily prices competitive sales in the morning and awards the winning bid at the regular Board meeting usually around

12 noon. She said it is expected the bond closing will be sometime in the middle of May making the funds available to the city for capital projects at that time. The Secretary asked Ms. Meredith Hathorn, co-bond counsel to address issuing taxable versus tax-exempt bonds. Ms. Hathorn asked the Secretary if the Board members had received a copy of the unspent bond proceeds report provided by the city capital projects department. The Secretary said the members were emailed a copy of the report prior to the meeting today. Ms. Hathorn stated that co-bond counsel has been monitoring the city's expectation of expenditures, with regard to the balance of unspent bond proceeds. She said co-bond counsel is prepared at this time to move forward with a tax-exempt opinion on the proposed $285,000,000 Public Improvement Bonds, Issue of 2021A. She said because the city has 1) spent down outstanding bond proceeds 2) shown the capacity to spend future bond proceeds within a reasonable timeframe as required by the IRS, and 3) most importantly increased the heightened awareness of the city administration to show the ability to meet the three-year expenditure test on spending bond proceeds. She said at this point co-bond counsel is prepared to issue a tax-exempt opinion on the upcoming bonds. The president asked if there were any questions for Ms. Hathorn, there being none, she stated that this concludes the report on the anticipated sale of general obligation bonds in 2021.

There being no further business to come before the Board, Ms. Zervigon asked for a motion to adjourn the meeting, Mr. Sloss moved to adjourn, Mr. Johnson seconded. There being no objections, the meeting was adjourned by the President at 3:56 P.M.

David W. Gernhauser
Secretary