New Orleans, Louisiana
November 22, 2024

A special 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 special meeting was called to order at 2:03 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	FIVE MEMBERS AND
	Mr. Kennedy	A QUORUM
	Mr. McDonald	
	Mr. Montaño (for Mayor Cantrell)	
	Mr. Sloss	
ABSENT:	Ms. Fields	
	Mr. Kimbrough	
	Councilmember Moreno	
	Councilmember Morrell	

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 counsel; Mr. Ricardo Callender and Mr. Albert Brown, PFM Financial Advisors LLC, co-financial advisors via phone.

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 from the special meeting on October 15, 2024, 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 letter for September 2024 is in each member's folder for their review. He asked the members to review the letters and asked if there were any questions. There being none, the monthly audit letters were ordered filed.

The President asked the Secretary to address item #4 on the agenda, to consider a resolution for the cash defeasance of not to exceed $18,055,000 par amount of certain outstanding Public Improvement Bonds, Issue 2013A of the City of New Orleans, Louisiana; and providing for other matters in connection therewith. The Secretary stated that there is a good opportunity to cash defease the remaining par balance of these bonds, which will mature in 2042 at this time. He explained that there are excess debt service funds on hand to redeem these bonds and with the Board's approval today, the savings to taxpayers will be about $12,600,000 in interest cost. Mr. Madison then asked Mr. Jason Akers, co-bond counsel with Foley & Judell L.L.P., to speak further on the resolution.

Mr. Akers stated that this resolution authorizes the redemption of the final two-term bonds of the 2013A issue. He said that they have been in contact with the paying agent for the bonds, which is Hancock Whitney Bank, and that they are ready to notify bondholders of the redemption notice today, with the payment of the bonds by direct debit from the Board's account on December 23rd, which is 30 days after the redemption notice, as required.

Mr. Sloss wanted to know what the interest rate would be if the bonds were sold today. Mr. Ricardo

Callender, a co-financial advisor with PFM Financial Advisors LLC replied that if the Board were to refund the bonds today with an 18-year maturity, the interest rate would be in the range of about 3.25%.

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

Mr. Sloss moved to adopt the resolution for the cash defeasance of not to exceed $18,055,000 par amount of certain outstanding Public Improvement Bonds, Issue 2013A of the City of New Orleans, Louisiana, and providing for other matters in connection therewith. Mr. Montaño (for Mayor Cantrell) seconded and on roll call, the vote was as follows:

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

NAYS: NONE

ABSENT: FIELDS; KIMBROUGH; MORENO; MORRELL

And the resolution was adopted.

The President asked the Secretary to address item #5 on the agenda, to discuss and adopt the 2024 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. The staff has completed the questionnaire and presented it to the Board for formal resolution adoption.

The President asked for a motion.

Mr. Kennedy moved to adopt the 2024 Louisiana Audit Compliance Questionnaire Resolution. Mr. Sloss seconded and on roll call, the vote was as follows:

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

NAYS: NONE

ABSENT: FIELDS; KIMBROUGH; MORENO; MORRELL

And the resolution was adopted.

The President stated that item #6 on the agenda, Salary Adjustments, is a continuation of a discussion that was initially started at last month's special meeting. He said that since then, a small group of committee members were formed to explore and discuss the topic in depth. He then asked the Secretary to provide additional information.

Mr. Madison stated that there is a hard copy of a letter in each member's folder that was emailed to the members a few weeks ago regarding recommended salary increases for the staff of the Board. He said that he had recently found out that the classified and unclassified employees were eligible for a Performance Evaluation bonus in the amount of $2,000 if they met the required requirement. He stated that he was not aware of this fact because the Board is not on the City's email list. He then realized that because of this, the Board had missed many of the City pay raises and bonuses issued to employees in the past few years. He then compared the staff salaries to those in similar positions by looking at the Civil Service Commission pay scale and noticed that there were some major adjustments made to the pay scale in August 2024. However, since the Board staff is not part of the Civil Service Commission, he began to look at other Boards and Agencies within the City and in the surrounding areas for salary comparison. He then contacted Mr. William Forrester, the Board's counsel for advice. After this process, he concluded that the staff salaries are very low in comparison. Therefore, at the October meeting which the President had referred to earlier, during the discussion of the Salary Adjustments, there was a question about whether two staff members were considered as classified employees under the Civil Service Commission. Then he asked Mr. Forrester to speak to the Board to clarify this issue.

Mr. Forrester explained that at the last meeting, two board members (Mr. Kimbrough and Mr. Kennedy) asked if Dat and Tamiqua (the two staff members mentioned above) would be considered as classified employees under the Civil Service Commission and subject to the City's pay plan. As a former chairman of the Civil Service Commission, he has some experiences regarding this issue, but was still unsure what the correct answer is so he contacted the Civil Service Commission for their opinion. After many conversations, he determined that there was no evidence to show whether the two staff members are classified or not, however the Constitution stated that if you are considered an instrumentality of the City, then you are under the City's pay plan. Then he noted that there is no clear definition of what an "instrumentality" of the City is. The next best step to figure out the Board eligibility for Civil Service was to look at Act 307 of 1979, a state law, a copy of which is in each member's folder. He stated that Act 307 of 1979 says, "the Board has the authority to make its own rules and regulations, to hire our staff and pay them with money that is not dedicated for projects in the City." According to this law, the Board is not under the Civil Service Commission because the Board is a state-created agency and listed as an unattached Board in the Home Charter Rule. Just to be sure, he and the Secretary requested Ms. Amy Trepagnier with the Civil Service to ask their legal staff to give their opinion on this issue. A copy of their email response is in each member's folder, which basically states that they are not sure what an "instrumentality" of the City is. Mr. Forrester stated that the Board is a body corporate but is not a department of the City. He stated that in his opinion, the Board could approve the salary adjustments for Dat and Tamiqua without violating the Civil Service's pay plan.

Mr. Kennedy then questioned why there was no recommended salary adjustment for Tracy? The Secretary stated that he has no authority to set his pay and that the Board has to set his salary.

The President explained that Tracy, as Secretary of the Board, has control over the recommended salaries for the staff. But since he is appointed by this Board, only the Board can set his pay. Mr. McDonald then asked if they had to approve the salary adjustments all at once, or can they revisit the issue later. The President stated it would be better if it was done all at one time today. He indicated that in the future, if any salary adjustments are to be made, there would be some review process in place and not just necessarily comparing the staff salaries to a range of similar positions. He also stated that the Board currently does not have that review process in place. Still, he would be in favor of approving the salary adjustments today as well as establishing some review process that evaluates how well staff members have performed their duties for further salary adjustments.

Mr. Sloss noted that there is a suggestive salary amount for Tracy. He also asked if there will be a yearly review of Tracy.

The President responded that there will be a review process for everyone each year. He also stated that the Board could discussed a recommended salary adjustment for Tracy at this time, or if they prefer, wait to do a review of him before making the recommendation. He stated that the next item on the agenda is the 2025 Budget and that there is enough allocated in the budget for the salary adjustments requested today.

Mr. Kennedy stated that it appears there is room in the budget to make the adjustments, but that he would like to bring more clarity to this process so that they are not in this position again. He has reviewed the recommended salaries and agreed with the recommendations, but would like to compensate everyone more because there is room in the budget to do so and because the Board has a great staff with a wealth of knowledge and skill and he would hate to have to compete with other agencies for that talent. He stated that in 2025 they must take action to set up an established review process. Therefore, he said that he is hoping to do two things today: first, increasing the compensation as recommended, and the second is to create an actionable item at the next meeting so that at the end of 2025 there is a formal review process.

Mr. Forrester stated that the Civil Service has a testing and review system is in place. However, he said that he did not know how a review of the staff would work since Tracy is in "this" room every day with the staff, evaluating their performances.

Mr. Kennedy mentioned that he had heard earlier that HR had handed out merit pay and that this opportunity was missed by the Board. He then asked if the Board is "fully engaged in Civil Service or not?"

Mr. Montaño stated that this discussion is a shift from the last meeting, where the assumption was that there were classified employees within the Board of Liquidation. However, according to this discussion, no employees are classified employees and have no protection with the Civil Service Commission, and are consider at-will employees.

The Secretary and Mr. Forrester both responded that this assertion is correct.

Mr. Sloss stated that Tracy should be reviewed every year and the subcommittee of this Board that does the review should be tasked with only coming up with a recommendation/compensation for his position and the salary recommendations for the staff should be done by Tracy.

Mr. Montaño agreed with Mr. Sloss. He then recommended bringing Tracy's base salary to $175,000 starting January 1, 2025, and then starting evaluations going forward. He said that a salary of $150,000 for a director position is on the low end of the City's pay scale. He stated that this would give everyone a baseline and the Board can start the progressive merit-based salary adjustments for 2025 and moving forward.

The President stated that there are two items of agreement among the Board: first is the approval of the recommended salary increases for the Secretary and the three staff members; second is a process to review and make any recommended salary adjustment for the Secretary.

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

Mr. Montaño (For Mayor Cantrell) moved to adopt the Salary Adjustments for the Secretary and staff members of the Board of Liquidation, City Debt, and taking other actions in connection therewith.

Mr. McDonald seconded and on roll call, the vote was as follows:

AYES:	JOHNSON; KENNEDY; McDONALD; MONTAÑO (FOR MAYOR CANTRELL); SLOSS
NAYS:	NONE
ABSENT:	FIELDS; KIMBROUGH; MORENO; MORRELL

And the resolution was adopted.

The President asked the Secretary to address item #7 on the agenda, to discuss and adopt the Board of Liquidation, City Debt 2025 Budget Resolution. The Secretary stated that the available beginning balance for 2025 is about $21,000,000. The anticipated total revenue is $98,333,267 and total expenditures consist of the interest and principals on the bonds of $67,388,947, and personal & contractual services of $772,962. He stated that there will be a reduction in reserve fund of $7,123,815 and the available cash on hand at the end of the year for the Debt Service Fund is $37,295,173. He said that this is the budget for 2025 and that the budget calculation is a part of the millage calculations which will be discussed next.

The President asked for a motion.

Mr. Sloss moved to adopt the Board of Liquidation, City Debt 2025 Budget Resolution, and taking other actions in connection therewith. Mr. Kennedy seconded and on roll call, the vote was as follows:

AYES:	JOHNSON; KENNEDY; McDONALD; MONTAÑO (FOR MAYOR CANTRELL); SLOSS
NAYS:	NONE
ABSENT:	FIELDS; KIMBROUGH; MORENO; MORRELL

And the resolution was adopted.

The President asked the Secretary to address item #8 on the agenda, to discuss and adopt the Board of Liquidation, City Debt 2025 Millage Levy Resolution to service and administer the general obligation bonded debt of the City. The Secretary stated that there is good news to report on the millage calculations. In 2024 the millage was reduced to 16.5 mills, and for 2025 it will be further reduced by 2 additional mills, which will set the millage at 14.5 mills. He explained that based on the debt service funds needed to pay this year's debt, it was necessary to reduce the millage by 2 mills. He said that it is a great day to be able to reduce the millage by an additional 2 mills even after selling $200,000,000 of Public Improvement Bonds this year.

Mr. Montaño (For Mayor Cantrell) inquired how a referendum to voters for more bonds will affect the 2025 millage calculation if the City wants to issue the bonds in April.

The Secretary stated that the City has a Debt capacity limit of almost $2,000,000,000, and if voters approve new bonds referendums, it would depend on how the principal and interest payments are structured, but that the Board should still be able to maintain the millage at 14.5 mills.

Mr. Akers stated that the amount of General Obligation bonded debts that will roll off over the next few years are substantial, so there is the capacity to issue more bonds without increasing the millage.

The President asked the Secretary if all the numbers used in the millage calculations has been certified by the CPA firm. The Secretary answered "yes" and stated that the certification letter from the CPA firm is included in each member's folders.

The President asked for a motion.

Mr. Montaño (For Mayor Cantrell) moved to adopt the Board of Liquidation, City Debt 2025 Millage Levy Resolution to service and administer the general obligation bonded debt, and taking other actions in connection therewith. Mr. Sloss seconded and on roll call, the vote was as follows:

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

NAYS: NONE

ABSENT: FIELDS; KIMBROUGH; MORENO; MORRELL

And the resolution was adopted.

The President then addressed item #9 on the agenda, other business. Mr. Akers stated that should the City decide to move forward with a bond referendum this election, then this Board has to approve that proposition first. He noted that based on the timeline for the proposition, then it would require a meeting in January.

Mr. Kennedy asked the President the best way to set up the evaluation review for next year and will a committee be set up to do this. The President stated that it would be a committee and he would have Mr. Madison send out emails to get the process started.

There being no further business to come before the Board, Mr. Sloss motioned for adjournment, and Mr. Kennedy seconded, there being no objections, the meeting was adjourned by the President at 2:33 P.M.

Tracy D. Madison
Secretary