

PROCEEDINGS OF THE REGULAR MEETING OF THE GREATER NEW ORLEANS EXPRESSWAY COMMISSION HELD ON WEDNESDAY, MARCH 12, 2014, AT 10:00 A.M., IN THE GNOEC CONFERENCE ROOM, VOLUNTEERS OF AMERICA BUILDING, 3939 NORTH CAUSEWAY BOULEVARD, SUITE 400, METAIRIE, LA

PRESENT: Michael R. Lorino, Jr., Chairman; Stephen G. Romig, Vice Chairman; Tommy S. Cvitanovich, Secretary; Anthony V. Ligi, Jr., Treasurer; Lawrence M. Rase, Assistant Secretary Treasurer

OTHERS: Carlton Dufrechou; Debbie Lopreore; Cheryl H. Lambert; Melissa M. Phillpott; Georgie Bagnetto; Perry Daigrepoint; Red Thompson; Robert Graham; Stacie Heffker; Corporal Billy Jones; Phil Meyers, Cary Bourgeois & Gavin Gillen, GEC, Inc.; Burgess McCranie, McCranie, Campbell, Sistrunk, Anzelmo, Hardy, McDaniel & Welch; Bill Becknell, The Becknell Law Firm; Andrea Calvin & Mary Davis, Lake Pontchartrain Basin Foundation; Kathy Gambino & Jim Lynch, Arthur J. Gallagher Risk Management Svc.; Steve Bowes & Kent Schexnayder, Sisung Investment Services; John Poche, Raymond James; David Miller & Lisa Daniel, Public Financial Management, Inc.; Larry Katz; Juan Prado, Boy Scouts; Shelby LaSalle, Jr.; Sara Pagonos, The Advocate; Polly Greene, St. Tammany Farmer

The Chairman called the meeting to order.

On motion by Romig, seconded by Rase, the minutes of the regular meeting held January 15, 2014 were accepted as written. Mr. Lorino, Mr. Romig, Mr. Cvitanovich, Mr. Ligi and Mr. Rase voted in favor of the motion.

On behalf of the Lake Pontchartrain Basin Foundation, Dr. Calvin reported for February of the forty water quality samples taken, twenty-four samples (60%) met primary contact recreation standards. There were seven exceeding on the South Shore and nine on the North Shore. Dr. Calvin stated the Foundation is using a new method, which has a higher end point for the data. Mr. Rase pointed out Bogue Falaya Park had four. Dr. Calvin stated the data is shared with the City of Covington and the Mayor is helpful.

On behalf of the Causeway Police Charitable Foundation, Mr. Gillen stated the next event is scheduled for October 10 and will be another skeet shoot.

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Mr. Dufrechou reported for January and February there were nineteen vessel openings, five pin motor incidents, two drive fault incidents, two miscellaneous and ten test openings at the drawbridge.

Mr. Dufrechou reported ten days of fog - January 10 and 11, February 1, 3, 4, 10, 18, 19, 20 and 24.

Mr. Dufrechou reported there was an ice storm on January 24, 28, 29 and 30. He stated there were fourteen days of a period of very tough operations and he is very proud of the staff who worked some of those events around the clock for almost seventy-two hours.

Mr. Dufrechou reported Police and MAP responded to 337 breakdowns on the Causeway Bridge and 62 breakdowns on the Huey P. Long Bridge.

Mr. Dufrechou reported in January there were eight crashes on the Causeway Bridge - five of those were in ice and sleet conditions. He stated in January on the Huey P. Long Bridge there were six crashes - four of those were in ice and sleet.

Mr. Dufrechou reported in February there were fourteen crashes on the Causeway Bridge - four in wet and fog conditions; there were four crashes on the Huey P. Long Bridge. He added on February 4 there was a large fire at a storage facility at the new toe of the Huey P. Long Bridge on the east bank that created a zero visibility situation and the bridge had to be closed.

Mr. Dufrechou reported on February 13, there was a drawbridge opening and unfortunately a driver was not paying attention and rear-ended a Jeep Cherokee in which the female driver was injured.

Mr. Dufrechou stated the driver of the Cherokee required hospitalization and several operations but she did make it okay. He stated the accident was caught on video. Mr. Dufrechou stated the bridge was closed for about three hours, adding Mandeville Fire Department came out to help cut the vehicle apart to get her out.

Mr. Dufrechou stated on February 14, there was a crash near the twenty-mile marker southbound.

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He stated the bridge had to be closed for about forty-five minutes to clear the roadway.

On the Crossover 5 Expansion project, Mr. Dufrechou stated in January the bids came in high; the Department of Transportation and Development rejected them so the project is on hold and currently being reviewed.

On the South Channel Fender Repair project, Mr. Dufrechou stated DOTD anticipates bidding it late this summer.

On the Restriping Causeway Bridge project, Mr. Dufrechou stated it is 100% one of the Causeway's projects and bidding is anticipated for late this spring.

On the Overlay East Approach Road project, Mr. Dufrechou stated the project should be advertised late this month and hopefully awarded by May. He added they are trying to make the construction during the summer when school is out. Mr. Bourgeois stated the bids will be the last week of April, with an award at the May meeting, all contracts signed, seventy-five days of work and all major work should be done before school opens.

Mr. Dufrechou showed slides on the restoration of temporary access to the nine-mile turnaround. He pointed out one of the action items for today is due to riser conditions and explained that the onsite conditions did not match the plans so they had to make a modification in the field resulting in a plan change for about \$8,500. He stated the riser is on top of the pile cap. Mr. Dufrechou showed the northwest ramp is operable and usable.

Mr. Dufrechou showed slides of the ice storm that started on a Friday afternoon and kept going throughout the next week. Slides were of icicles on some of the crossover signs, on the crossovers, and the approach on the north end of the bridge. Mr. Dufrechou stated while they did have anti-icing fluid, the navigation crossings have iced in the past and what made this unique was that

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basically the northern third of the bridge was entirely iced. Mr. Dufrechou showed slides of the traffic advisories service that went up during the ice storm for everybody trying to find out about the bridge. He stated they received a lot of help from the media and he appreciates them getting the word out. Mr. Dufrechou showed one of the accidents caught on camera the Friday of the storm. Mr. Dufrechou stated he cannot say enough about the Maintenance forces and many of the Police guys were out there, particularly during the middle of the event to try to get the bridge reopened. He stated it was a monumental effort and he is very proud of them; as well as the Dispatchers and entire staff who pitched in and were operating around the clock.

Mr. Lorino read an e-mail from a motorist regarding the bridge being closed during the ice storm. The motorist wrote about having to go through Slidell and the I-10 twin spans; later in the day when they went back through Slidell, they were shaking their heads wondering why there was so much overreaction on the part of the Causeway officials, until they got to the overpass crossing Highway 190, when two cars in front of them started spinning 360 degrees in the right lane and another car turned over in the left lane. The motorist wrote that as he started to apply his brakes, he began to slide but maintained control and avoided hitting the other cars. He wrote this accident and the news from Atlanta and Birmingham, made him thankful they are fortunate enough to have people like Mr. Dufrechou, Mayor Landrieu and others making sound decisions affecting the safety of the community. Mr. Dufrechou stated the staff does a good job.

Mr. Dufrechou showed the video of the fire on February 4 at the Huey P. Long Bridge and the complete lack of visibility. He reiterated the Causeway officers were the first ones there, adding Sergeant Jacobs and Corporal Bernard had to have oxygen from EMS personnel for exposure to all the smoke for a while. Mr. Cvitanovich asked when a policeman gets out there and sees that, can

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they automatically on their own close the bridge - they do not have to call Mr. Dufrechou for approval. Mr. Dufrechou stated no, the ranking officers do it.

Mr. Dufrechou showed the video of an accident at the drawbridge. He pointed out the drawbridge opening and while traffic was stopped the pickup truck ran into the Jeep Cherokee. He stated the female driver had a punctured lung, several broken ribs and was in the vehicle ninety minutes before they were able to get her out. Mr. Rase asked what the guy had to say. Mr. Dufrechou stated from what he understands not much; the officers did look at his cell phone and his appreciation is that while he was not texting, there was a message that came in about a minute before the crash.

Corporal Jones stated it was one or two minutes prior to the actual crash he received messages; there was no texting and the man's excuse was he just looked off and did not see the vehicle stopped in front of him. Mr. Dufrechou stated the good news is she made it and is okay. He added the officers, MAP, all first responders were there right away and Mandeville was a great asset also.

Mr. Dufrechou stated there were a good number of fog days. Mr. Dufrechou stated they did make one modification to the fog procedures - they are not going to use the overhead lights in the Police units and the MAP and Maintenance trucks because of the reflections from the high intensity lights.

Mr. Dufrechou showed a short video and stated they now run with only the forward lights on. Mr. Dufrechou stated the lights are not bad at first as long as drivers look down at the roadway, but if they are doing that for twenty-four miles at forty-five miles per hour, it can get to be a bit of a hazard itself; so, they are only running with the forward lights on in the convoys now.

With respect to the rail upgrade, Mr. Dufrechou stated Texas A & M took a core sampling on February 14 and showed slides of it on the southbound bridge.

On the Restoration of Access to the 9-Mile Turnaround project, Mr. Dufrechou presented Plan

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Change No. 1, which is for the cap riser and an addition of \$8,576.05 and thirty additional calendar days. He recommended approval. **On motion by Cvitanovich, seconded by Ligi, Plan Change No. 1 provides for modifications to the single riser cap and for modifications to the single risers to meet field conditions. Based upon the recommendation of the staff and its Consulting Engineers, the Commission authorized the General Manager to complete the execution of Plan Change No. 1 in the amount of \$8,576.05 and thirty additional calendar days. Mr. Lorino, Mr. Romig, Mr. Cvitanovich, Mr. Ligi and Mr. Rase voted in favor of the motion.**

Mr. Dufrechou recommended acceptance of the Restoration of Access to the 9-Mile Turnaround project as complete. **On motion by Cvitanovich, seconded by Romig, based upon the recommendation of the staff and its Consulting Engineers, the Commission accepted the project titled Restoration of Access to the 9-Mile Turnaround. The Commission authorized General Manager Carlton Dufrechou to execute any documents associated with the acceptance of this project on behalf of the Commission. Mr. Lorino, Mr. Romig, Mr. Cvitanovich, Mr. Ligi and Mr. Rase voted in favor of the motion.**

On the Realignment of Northbound Bridge Spans project, Mr. Dufrechou presented Plan Change No. 1, which is the addition of thirty calendar days to the assembly period at no additional cost. **On motion by Rase, seconded by Cvitanovich, Plan Change No. 1 provides for the addition of thirty calendar days to the standard thirty calendar day assembly period. Based upon the recommendation of the staff and its Consulting Engineers, the Commission authorized the General Manager to complete the execution of Plan Change No. 1. Mr. Lorino, Mr. Romig, Mr. Cvitanovich, Mr. Ligi and Mr. Rase voted in favor of the motion.**

On the Realignment of Northbound Bridge Spans project, Mr. Dufrechou presented Plan Change No.

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2 that projects a \$74,000 savings for allowing some of the work to be done from the bridge deck, which eliminates a barge and access will be provided from the bridge deck for a savings of about \$51,750, and a \$23,000 savings in signage, for a combined savings of \$74,000. **On motion by Rase, seconded by Ligi, Plan Change No. 2 will revise the traffic control plan and site access from “no access from deck of bridge” to “limited access from deck of bridge” for the completion of Item NS-800-00003 Structure Jacking. With this change southbound traffic will no longer be impacted by the project and impact to northbound traffic will be reduced. Plan Change No. 2 will reduce the cost of Item 713-01-00100 Temporary Signs and Barricades by \$23,000 and Item NS-800-00003 by \$51,750. Based upon the recommendation of the staff and its Consulting Engineers, the Commission authorized the General Manager to complete the execution of Plan Change No. 2. Mr. Lorino, Mr. Romig, Mr. Cvitanovich, Mr. Ligi and Mr. Rase voted in favor of the motion.**

Mr. Dufrechou stated they are considering refunding the balance of the 2003 Bonds and introduced Lisa Daniel and David Miller with Public Financial Management, Inc. Ms. Daniel stated she is a Managing Director with PFM. Ms. Daniel stated PFM is based out of Philadelphia and was formed by a handful of people in the 1970s who believed it is important for there to be independent representation of issuers when they went to Wall Street to negotiate the sale of bonds. She stated since then a group of five has expanded to more than five hundred people with offices in thirty-four locations including the newest in New Orleans. Ms. Daniel added she is a native of New Orleans and is excited to be back in the area. She stated PFM has been working closely with the Board of Liquidations since 1983 and since then she has been active with the Superdome, the Convention Center and working on remodeling/restructuring of the Sewerage and Water Board. Ms. Daniel

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stated PFM does more transactions than the largest most active investment bank in New York, which is surprising to many. She stated that gives PFM the experience and specialty to be able to help folks like the Commission, in particular, in transportation and toll roads. David Miller, Managing Director with PFM, stated Ms. Daniel heads everything in New Orleans and the mid-south practice and he heads the national transportation practice individually and pretty much does only toll roads and seaports. Mr. Miller stated PFM does more transportation financing for state and local governments than any other advisor in the country. He stated PFM represents over a couple dozen different toll agencies, adding last year he worked on the two largest new toll financings in the country - Grand Parkway, part of the third beltway around Houston - a \$3 billion project, bridges, I-55, Chesapeake Bay Bridge and Tunnel District that is a long-term client - a lot of toll road and bridge experience and experience working with state and federal loan programs. He mentioned the Commission has some upcoming capital improvements and sometimes these programs can help expand one's financial capacity. Mr. Miller stated PFM does more long-term strategic planning than actual bond deals to try to figure out the best way to afford capital improvements and will spend a lot of time trying to help the Commission do that by turning over every stone to find the best alternative. Mr. Lorino asked Ms. Daniel if the Commission wants to go out with bonds is PFM going to go out and look at it, how is that going to work. Ms. Daniel stated the proposal now is to do a refunding and thinks Mr. Lorino's question is how to access the market. Mr. Lorino stated yes. Ms. Daniel stated typically PFM may do one of two things - some issuers who are recent issuers, who have a very clean vanilla credit and a high rating, might access the market through a competitive form on the internet; otherwise, what they have traditionally done is a negotiated transaction with an investment bank and either work with an investment bank of choice or do a

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procurement process and a Request for Proposals from experienced providers and then entertain a committee review of it. Ms. Daniel stated generally PFM puts together a syndicate of underwriters that would basically touch all the potential investors, the different tiers of investors, that would go out on the day of pricing and sell the bonds. Mr. Miller stated because PFM is a large national firm, it can afford to employ a group of four or five people that do nothing but bond pricing for them. He stated while he and Ms. Daniel might want to be in the market selling bonds, they have a group that is probably selling ten or twelve bond issues a week. Mr. Miller stated if they are negotiating a bond sale on the Commission's behalf, they have the resource of somebody that is literally looking at every material municipal bond offering going on in the country to form an opinion of where the Commission's bonds should price. Ms. Daniel stated if it is a new money issue, they would probably step back, Mr. Miller and his group, to look to make sure the bond pricing is actually the best for the Commission and to procure that decision, they would look at other various alternatives for financing or obtaining federal grants. Mr. Lorino asked when a project is done like this and put out for RFPs, do they have a wide variety of expenses and costs - is that what they will look at. Ms. Daniel stated they are really two points of costs when one does a bond issue - the actual interest rate that is obtained and then there is also the cost of issuance - the largest being the underwriter's compensation, the rating agency, bond counsel and financial advisors - so there are two aspects of costs that they look at. Ms. Daniel stated the pricing group will look to make sure one is getting the best deal from an interest rate perspective and they will look at comparable transactions in the market at the time and other types of specialty issuers like the Commission and what they are going into the market for and provide target scales of where bonds should place and have that available to compare to the underwriters' target scales when they go to market. She stated that is probably the largest

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factor of cost, but there is also the cost of issuance so what they do is of all transactions being done on a weekly basis, they have a good repository of what underwriters across the country are charging other issuers and look at comparable data to make sure they are getting a true market feel. She added that is not only for underwriters but for all the costs incurred. Mr. Lorino asked about the time frame - is it set in stone, does it vary, does it have to be rushed or can they take time. Ms. Daniel stated when one is refunding a transaction like this, because the Commission was most recently in the market less than a year ago, they should have a pretty fresh offering document, the Preliminary Official Statement, and a recent rating so the time involved in the deal should be less; the Commission has already been to the State Bond Commission, which is usually a two-month process; they are saving a lot of time because the Commission had just recently gone to market. Ms. Daniel stated if it is a new transaction, it can be lot more lengthy because there is a lot more to the deal so it takes longer. Mr. Miller stated if one gets other project partners, such as state DOTD or federal programs, then it gets very long, possibly nine months or longer. Mr. Lorino stated PFM's assignment will be for the protection of and to look out for the Commission to make sure it gets the best deal it can possibly get. Ms. Daniel stated absolutely, PFM would serve at the Commission's fiduciary and look out for its best interest. Mr. Rase stated things are going on in the world as they all know and the bond market reacts very quickly and closely to what is going on and asked who in the PFM group will be watching that and make a phone call to the Chairman to say they think it may be a good time for the Commission to price - who handles that. Ms. Daniel stated the responsibility for that primarily lies with PFM's pricing group; the pricing group is based out of Charlotte with Todd Frazier. She stated he keeps an eye on the marketplace and informs the project managers in the field on a regular basis - he is the direct person as to what economic indicators are out there. Ms.

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Daniel stated one does not want to play the market and when money is needed they will figure out the best time within an interval to access the market given schedules and things to avoid. Ms. Daniel stated everybody tends to agree that rates are going to rise - the question is when. Ms. Daniel stated she thinks the general consensus now is they are going to rise, which is the right time to get into the market for the refunding transactions. She added otherwise, for new money, they would look at it on a day to day basis to help figure out when to access. Mr. Romig stated the Commission has talked a lot about the refinancing on the table at this point but he thought one of the benefits of having a firm such as PFM would be to recommend timing and structure in view of the long-term goals. **On motion by Romig, seconded by Cvitanovich, the following resolution was adopted:**

WHEREAS, The Greater New Orleans Expressway Commission (GNOEC) is continually striving to reduce expenses. Interest rates remain at historic lows and refunding the balance of their Refunding and Improvement Revenue Bonds Series 2003 may be advantageous.

WHEREAS, at the recommendation of staff, to optimize savings, the GNOEC desires the services of an independent financial advisor to:

- **Assist the Commission to develop a Refunding Policy**
- **Determine the recommended sale timing and structure of the Bonds in consideration of the Commission's long term goals**
- **Recommend the best method of sale, either as a negotiated sale, private placement or a public sale**
- **Evaluate benefits of bond insurance and/or security insurance for debt reserve fund**
- **Assist to obtain credit ratings and procurement of other services relating to debt issuance such as printing, paying agent, registrar, etc.**
- **Assist and advise the Commission in negotiations with investment banking groups regarding fees, pricing of the bonds and final terms of any security offering, and make in writing definitive recommendations**

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regarding a proposed offering to obtain the most favorable financial terms based on existing market conditions

NOW, THEREFORE, IT IS RESOLVED that the General Manager is authorized to negotiate an agreement with Public Financial Management, Inc. to provide the scope of services outlined above at a cost not to exceed \$45,000.

Mr. Lorino, Mr. Romig, Mr. Cvitanovich, Mr. Ligi and Mr. Rase voted in favor of the motion.

Mr. Rase asked if the Commission just got a new rating. Mr. Dufrechou stated Moody's in considering an upgrade, which should be known in the next sixty to ninety days.

Mr. Larry Katz introduced Juan Prado, one of the managers for the Boy Scouts in Louisiana, and stated the organization has a tremendous affect, not just on boys but girls too, and he thinks the Causeway can help them. Mr. Prado stated he is an employee with the Boy Scouts of America and is District Director in Metairie for the Southeast LA Council. Mr. Prado represents youth in Cub Scouts and Boy Scouts programs and it is his job to instill values and character building in youth in the community. Mr. Prado stated he is here in his role as Camp Director for the Southeast LA Council that has a fifteen hundred acre camp in Kiln, MS on Scout reservations. He explained one of their difficulties is this past summer one of the camp trucks experienced failure and he is here to ask for the Commission's assistance in supporting the camp operations. They do camping fifty-two weeks of the year with the Cub Scouts and Boy Scout troops go up for the weekends. During the summer they do nine weeks of long-term camping. Mr. Prado asked if the Commission could possibly assist them, it is a 501-C nonprofit, in getting a truck for the camping operations. Mr. Dufrechou stated the Causeway has its annual surplus coming up in the next sixty days and is not sure if there will be any old trucks but they are looking into it. Mr. Prado thanked the Commission for anything it can do. Mr. McCranie stated there is a constitutional issue. Mr. Dufrechou stated Mr.

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Prado told him already that the Boy Scouts does have the ability to pay up to about \$300 through the auction process. In response to Mr. Lorino's request, Mr. McCranie explained there is basic constitutional provision that they cannot give away state property but he will check into it. Mr. Rase thanked Mr. Prado for coming to see them, adding this is not the first time the Boy Scouts have been here. Mr. Rase stated they actually worked with them in St. Tammany on the West Causeway Approach when the Scouts got their Eagle requirements. Mr. Rase stated they will check it out to see if they can do it. Mr. Rase stated he was never a Boy Scout or Cub Scout but with what is going on in America today, he thinks they need more of them.

Mr. Lorino stated he would like to go back to the striping of the bridge and asked when they do the striping is there a bid process that goes out and how is it determined what type material or striping or how it is going to look - there are different ones out there and do they go through DOTD. Mr. Bourgeois stated there are a number of different products that meet DOTD standards and so it will actually be up to the contractor as to which of the products is used but whichever one they choose will meet DOTD requirements. Mr. Rase stated that would be a product that people in that kind of business companies would have that product to use. Mr. Bourgeois stated there are a number of different products that should meet the specifications that the state expects, all of this has been tested over the course of time and they will use their years of knowledge in doing this and use the state standards as the Causeway's standards for the project. In response to Mr. Lorino's inquiry, Mr. Bourgeois stated it will be the Causeway's advertisement for bids but they will use the state's specifications. Mr. Dufrechou stated the specs will describe something that will maximize reflectivity and durability.

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Mr. Rase stated on March 10, the Causeway received a check for \$1.88 million and this is the final significant reimbursement for the storm protection project. Mr. Dufrechou stated Mr. Bourgeois and Mr. McCranie are still trying to get a little more from the Corps.

Mr. Ligi stated the Legislative Session has begun and is in a General Session so it is open season on everything. Mr. Ligi asked if the Commission has anybody reviewing all the legislation that is coming through to make sure it does not directly affect the Causeway - just to be advised there is no ancillary impact. Mr. Dufrechou stated the Commission is fortunate to have its attorneys keeping an eye open on the legislation.

There being no further business, the meeting was adjourned.



TOMMY S. CVITANOVICH
SECRETARY



MICHAEL R. LORINO, JR.
CHAIRMAN