

February 25, 2019

The meeting of the Board of Finance was called to order at 3:00 p.m.

Present: Honorable Catherine E. Pugh, Mayor and President  
Joan M. Pratt, Comptroller and Member  
Larry Silverstein, Vice President (via teleconference)  
Frederick Meier, Member (via teleconference)  
Dana Moulden, Member (via teleconference)  
Stephen Kraus, (Deputy Director of Finance and Clerk to the Board of Finance)

Also Present: Jennell Rogers, Chief, Bureau of Treasury Management  
Benedict Richardson, Treasury Management  
Sherrell Haynie, Treasury Management  
Sandra Bennett, Treasury Management  
Evelyn Alston, Treasury Management  
Joann Levin, Law Department  
Amir Assadi, Mayor's Office of Human Services

## **MINUTES**

Mayor Pugh requested the Board to review the minutes from the meeting of December 17, 2018 and the emergency meeting of January 9, 2019. The minutes were approved on the motion of Ms. Moulden, seconded by Mr. Meier.

## **SECURITY TRANSACTIONS**

Ms. Rogers briefed the Board on the investment activity for this period noting that total securities purchased since the last Board of Finance meeting were \$549 million and redemptions totaled \$559 million. Ms. Rogers noted that the Harbor Bank investment transaction has been redeemed at an interest rate of 1.50% and replaced with a higher interest rate of 2.85%.

Security transactions since the meeting of December 17, 2018 were approved on the motion of Comptroller Pratt, seconded by Ms. Moulden. (Appendix I)

## **MARK TO MARKET VALUATION OF SWAP PORTFOLIO**

Ms. Rogers presented the Mark to Market Valuation Report as of January 31, 2019 with a notional amount of \$174,675,000. The fair market value of the swap portfolio increased from (\$30,178,498) to (\$30,633,014). The ten year Treasury rate decreased from 2.69% to 2.63%. As of the date of this report there is no collateral posting.

The Board accepted the report. (Appendix II)

## **RESOLUTION AUTHORIZING THE OPENING OF A MAYOR'S OFFICE OF HUMAN SERVICES (MOHS) CHECKING ACCOUNT**

Ms. Rogers requested the Board to approve the enclosed resolution authorizing the opening of a Mayor's Office of Human Services (MOHS) checking account with M&T Bank, and to establish signatories for the account.

The account will establish funding for the Eviction Prevention Program to provide financial assistance to qualified households in an effort to reduce homelessness crises. The account's authorized signatories will be the MOHS Director and MOHS Chief Fiscal Officer. Also, a non-signatory person will be selected to reconcile the account on a monthly basis. The Department of Audits will be notified once the account is opened.

Comptroller Pratt asked the amount that would be appropriated for this account. Mr. Assadi, MOHS, responded that the dollar amount would be between \$300,000- \$350,000. Comptroller Pratt asked if the account would be reconciled within the department. Mr. Assadi responded that two accountants have been assigned to regularly reconcile the account.

The resolution was approved on the motion of Comptroller Pratt, seconded by Ms. Moulden.

### **UNDERWRITERS AND BOND COUNSEL FOR WATER, WASTEWATER, AND STORMWATER REVENUE BONDS, SERIES 2019**

Ms. Rogers requested the Board to approve the following appointments for the Mayor and City Council of Baltimore Water, Wastewater, and Stormwater Project Revenue Bonds, Series 2019:

#### **Bond Underwriting Group:**

1. Piper Jaffay, Washington, DC, as senior managing underwriter;
2. Loop Capital Markets (MBE), New York, NY, as co-managing underwriter (MBE);
3. Siebert Cisneros Shank & Co., LLC (MBE), Washington, DC, as co-managing underwriter (MBE);
4. UBS Financial Services, New York, NY, as co-managing underwriter.

#### **Retail Selling Group Additions:**

5. Bank of America, Citi, Estrada Hinojosa (MBE), FTN, Goldman Sachs, IFS Securities (MBE), JP Morgan, Janney, M&T Securities, Morgan Stanley, Ramirez (MBE), Raymond James, Stern Brothers (MBE), Wells Fargo, and Williams Capital (MBE).

#### **Bond Counsel:**

6. McGuire Woods LLP, Baltimore, MD, as bond counsel.

It has been the Board's practice to select co-managers and bond counsel via a competitive solicitation. In accordance with this practice, Treasury Management provided a RFP to nineteen firms on January 7<sup>th</sup> requesting proposals to serve as underwriter for the Water, Wastewater, and Stormwater Revenue Bonds, Series 2019. All firms submitted proposals by the January 30<sup>th</sup> deadline.

Comptroller Pratt asked if firms were selected based on the lowest fee. Mr. Kraus explained that the above firms were selected based on both fees and experience; there were firms that had proposed lower rates but they were not selected.

These bond counsel appointments were approved on the motion of Ms. Moulden, seconded by Comptroller Pratt.

### **BOND COUNSEL FOR THE CONSOLIDATED PUBLIC IMPROVEMENT BONDS, SERIES 2019**

Ms. Rogers asked the Board to consider and approve the following bond counsel appointment:

- McGuire Woods LLP – Baltimore, MD – Mayor and City Council of Baltimore Consolidated Public Improvement Bonds Series, 2019

McGuire Woods, LLP is recommended by the City Solicitor to serve as bond counsel for the General Obligation Bonds, Series 2019 that is expected to be sold competitively this spring. The Law Department issued an RFP in January. Five firms responded.

The bond counsel appointment was approved on the motion of Ms. Moulden, seconded by Mr. Meier

**OTHER BUSINESS**

There was no other business; the meeting was adjourned at 3:17 pm.

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Stephen M. Kraus  
Clerk to the Board of Finance