

May 24, 2021

The meeting of the Board of Finance was called to order at 3:45 p.m. via Webex.

Present: Honorable Brandon M. Scott, Mayor and President
Bill Henry, Comptroller and Member
Frederick Meier, Member
Arnold Williams, Member
Jennell Rogers, Chief, Bureau of Treasury Management and Clerk to the Board of Finance

Also Present: Benedict Richardson, Treasury Management
Joann Levin, Law Department
Daniel Ramos, Mayor's Office
Paul Shelton, McKennon, Shelton & Henn
Emily Fusting, McKennon, Shelton & Henn
Douglas Krinsky, JP Morgan
Fred Vosburgh

MINUTES

Mayor Scott requested the Board to review the minutes from the meeting of April 26, 2021. The minutes were approved on the motion of Mr. Meier, seconded by Comptroller Henry.

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 \$130,000,000 and redemptions totaled \$255,000,000. Ms. Rogers commented the purchase yields are lower than the redemptions due to the economic impact due of the COVID-19 pandemic.

Security transactions since the meeting on April 26, 2021, were approved on the motion of Fred Meier, seconded by Comptroller Henry. (Appendix I)

MARK TO MARKET VALUATION OF SWAP PORTFOLIO

Ms. Rogers presented the Mark to Market Valuation Report as of April 30, 2021, with a notional amount of \$143,755,000. The fair market value of the swap portfolio decreased slightly from (\$22,431,628) to (\$22,317,709). The ten-year Treasury rate decreased from 1.74% to 1.65%. As of the date of this report, no collateral was posted.

The Board accepted the report. (Appendix II)

CONSOLIDATED PUBLIC IMPROVEMENT BONDS SERIES 2021

Ms. Rogers requested the Board approve the resolution authorizing the sale and issuance of the Mayor and City Council of Baltimore Consolidated Bonds Series 2021 in an amount not to exceed \$82,155,000. The true interest rate on the bonds shall not exceed 2.95% for Series 2021A (tax-exempt) and 3.00% for Series 2021B (taxable). Additionally, the resolution authorizes the distribution of the Preliminary Official Statement, the final Official Statement, Notice of Sale, and other actions required to complete the sale.

The bond proceeds shall be used to fund various capital improvement projects appropriated in the City's capital budget, refund certain Series 2011B outstanding maturities, and pay the cost of issuance on the Series 2021 Bonds. The bonds will be valid and legally binding general obligations of the City for which its full faith and credit are pledged.

Ms. Rogers reviewed the preliminary financing structure based on current market conditions. Mr. Meier asked Ms. Rogers to reconcile the numbers in the memo, resolution, and Sources and Uses report. She clarified that memo did not include the refunding and the total par amount was increased to cover additional capital expenditures that the City may incur prior to the sale date. Comptroller Henry inquired to comply with transparency in the City government would this information be placed on the website. Mr. Shelton responded that the numbers were preliminary, subject to change, and sharing the information with the public would imply these are the expected results exposing the City to potential legal challenges. Once the sale is completed, the results will be available to the public.

The Board approved the resolution authorizing the sale and issuance of the Consolidated Public Improvement Bonds, Series 2021, on the motion Fred Meier, seconded by Comptroller Henry.

OTHER BUSINESS

There was no other business. The meeting was adjourned at 4:10 pm.

Jennell Rogers
Clerk to the Board of Finance