

November 22, 2021

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

Present: Daniel Ramos (*in lieu of Mayor*)
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

Absent: Honorable Brandon M. Scott, Mayor and President

Also Present: Henry Raymond, Director of Finance
Benedict Richardson, Treasury Management
Evelyn Alston, Treasury Management
Kristen Ahearn, Planning
Sara Paraniham, Planning
Doug Krinsky, JP Morgan
Fred Vosburgh, JP Morgan

MINUTES

Mayor Scott requested the Board to review the minutes from the meeting of October 25, 2021. The minutes were approved on the motion of Mr. Williams, 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 \$375,000,000 and redemptions totaled \$345,000,000.

Security transactions since the meeting October 25, 2021 were approved on the motion of Mr. Williams, seconded by Mr. Meier. (Appendix I)

MARK TO MARKET VALUATION OF SWAP PORTFOLIO

Ms. Rogers presented the Mark to Market Valuation Report as of September 30, 2021 with a notional amount of \$141,555,000. The fair market value of the swap portfolio decreased slightly from (\$21,315,028) to (\$20,637,203). The ten-year Treasury rate increased from 1.52% to 1.55%. As of the date of this report all collateral was returned to the City.

The Board accepted the report. (Appendix II)

APPROVAL OF THE 2022 LOAN AUTHORIZATION PROGRAM

Ms. Rogers requested the Board to consider and endorse the enclosed 2022 Loan Authorization Program totaling \$160 million in general obligation bonds.

The City Charter requires that the Board of Finance provide recommendations to the Board of Estimates on the Mayor and City Council of Baltimore Loan Authorization Program. The Department of Planning administers this program and has recommended an authorization of \$80 million of general obligation bonds in FY2024 and \$80 million in FY2025 for a total of \$160 million. Once the proper approvals have been obtained, this program shall be placed on the November 2022 general election ballot for voter approval and be incorporated into the City's capital budget.

Once approved, these authorizations shall be general obligations of the City for the payment of which the City's full faith and credit and taxing power are irrevocably pledged. The Bureau of Treasury Management advises that this request is in accordance with the City's debt policy, Capital Improvement Plan ("CIP") and will not adversely affect the City's credit.

The funding categories are as follows:

Kristen Ahearn, Planning, briefed the Board noting that the Planning Commission had approved this program on November 18, 2021. She stated that General Obligation Bonds (GO Bonds) are borrowed funds that are used for capital projects. They are a small but very important part of the overall capital budget because GO bonds represent the most discretionary and flexible funds that we have at our disposal. Ms. Ahearn reviewed the funding categories noting that they are the same with a slight increase in the Affordable Housing loan authorization and a matching decrease in the Community and Economic Development loan. Mr. Williams asked about the impact of the recently passed Infrastructure Bill. How will these promised additional funds affect the suggested budget? Ms. Ahearn stated that additional funds are taken into consideration and certain agencies are allowed to request infrastructure projects that might not otherwise have the funding.

The request to endorse the 2022 Loan Authorization Program was approved on the motion of Mr. Meier, seconded by Mr. Williams.

OTHER BUSINESS

There was no other business. The meeting was adjourned at 3:14 pm.

Jennell Rogers
Clerk to the Board of Finance