

April 22, 2019

The meeting of the Board of Finance was called to order at 3:02 p.m.

Present: Henry Raymond, Director of Finance (*in lieu of Ex Officio Mayor*)  
Joan M. Pratt, Comptroller and Member  
Fred Meier, Member  
Dana Moulden, Member  
Stephen Kraus, Deputy Director of Finance and Clerk to the Board of Finance

Absent: Honorable Jack Young, Ex Officio Mayor and President  
Larry Silverstein, Vice President

Also Present: Jennell Rogers, Chief, Bureau of Treasury Management  
Benedict Richardson, Treasury Management  
Sandra Bennett, Treasury Management  
Evelyn Alston, Treasury Management  
Joann Levin, Law Department  
Doug Krinsky, J.P. Morgan  
Bailey Link, J.P. Morgan

## **MINUTES**

Director Raymond requested the Board to review the minutes from the meeting of April 2, 2019. The minutes were approved on the motion of Comptroller Pratt, 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 \$123 million and redemptions totaled \$186 million.

Security transactions since the meeting of April 2, 2019 were approved on the motion of Mr. Meier, seconded by Comptroller Pratt. (Appendix I)

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

Ms. Rogers presented the Mark to Market Valuation Report as of March 31, 2019 with a notional amount of \$174,675,000. The fair market value of the swap portfolio increased from (\$29,675,611) to (\$31,625,984). The ten-year Treasury rate decreased from 2.73% to 2.41%. As of the date of this report there is no collateral posting.

The Board accepted the report. (Appendix II)

## **MAYOR AND CITY COUNCIL OF BALTIMORE CONSOLIDATED PUBLIC IMPROVEMENT BONDS, SERIES 2019**

Ms. Rogers requested the Board to approve the enclosed resolution associated with the sale and issuance of the Mayor and City Council of Baltimore Consolidated Public Improvement Bonds, Series 2019. The proceeds of the bonds shall be used to provide funding for various capital improvement projects appropriated in the City's capital budget and may pay the costs of

issuance of the Series 2019 Bonds. The bonds will be valid and legally binding general obligations of the City for which its full faith and credit are pledged.

The Series 2019 Bonds are expected to price on or about May 7<sup>th</sup> and close on May 21<sup>st</sup>. Principal is due on October 15<sup>th</sup> with interest due October 15<sup>th</sup> and April 15<sup>th</sup>, commencing October 15, 2019.

Mr. Meier asked why the City was issuing taxable bonds. Mr. Kraus responded that some bonds are for community and economic development projects which may involve private activity or for some projects the age of the expenditures exceeds the eighteen-month threshold to be eligible for tax-exempt status. Comptroller Pratt asked if the sale of these bonds will truly be by competitive pricing and not negotiated. Ms. Rogers confirmed that the bonds will be competitively sold.

The resolution associated with the sale and issuance of the Consolidated Public Improvement Bonds, Series 2019 was approved on the motion of Comptroller Pratt, seconded by Ms. Moulden. (Appendix III)

**MAYOR AND CITY COUNCIL OF BALTIMORE WASTEWATER PROJECT  
REVENUE BONDS, SERIES 2019**

Ms. Rogers requested the Board to approve the enclosed resolution authorizing the sale and issuance of the Mayor and City Council of Baltimore Wastewater Revenue Bonds, Series 2019. The proceeds of the bonds will be used to fund the following: (1) projects appropriated pursuant to the City's Wastewater Capital Improvement Program; (2) the required debt service reserve fund, and (3) costs of issuance. Security for the Bonds is identified in the resolution as "Pledged Amounts" and includes operating revenues of the wastewater enterprise system.

Mr. Meier inquired about the bond rating on the City's General Obligation and Wastewater Revenue Bonds why there was a difference in the two ratings. Mr. Kraus explained that the GO rating is more secure and there is a 10-year term difference between the bonds.

The resolution associated with the sale and issuance of the Wastewater Revenue Bonds, Series 2019 was approved on the motion of Ms. Moulden, seconded by Comptroller Pratt. (Appendix IV)

**MAYOR AND CITY COUNCIL OF BALTIMORE STORMWATER PROJECT  
REVENUE BONDS, SERIES 2019**

Ms. Rogers requested the Board to approve the enclosed resolution authorizing the sale and issuance of the Mayor and City Council of Baltimore Stormwater Revenue Bonds, Series 2019. The proceeds of the bonds will be used to fund the following: (1) projects appropriated pursuant to the City's Stormwater Capital Improvement Program; (2) the required debt service reserve fund, and (3) costs of issuance. Security for the Bonds is identified in the resolution as "Pledged Amounts" and includes operating revenues of the stormwater enterprise system. She also noted the bond issuance under the new trust indenture.

The resolution associated with the sale and issuance of Stormwater Revenue Bonds, Series 2019 was approved on the motion of Ms. Moulden, seconded by Comptroller Pratt. (Appendix V)

**MAYOR AND CITY COUNCIL OF BALTIMORE WATER PROJECT AND REFUNDING REVENUE BONDS, SERIES 2019**

Ms. Rogers requested the Board to approve the enclosed resolution authorizing the sale and issuance of the Mayor and City Council of Baltimore Water Revenue Bonds, Series 2019. The proceeds of the bonds will be used to fund the following: (1) projects appropriated pursuant to the City’s Water Capital Improvement Program; (2) the required debt service reserve fund; (3) costs of issuance; (4) refund certain outstanding Series 2002 auction bonds; and (5) pay for termination of the corresponding Series 2002 swaps. Security for the Bonds is identified in the resolution as “Pledged Amounts” and includes operating revenues of the water enterprise system.

The resolution associated with the sale and issuance of Water Revenue Bonds, Series 2019 was approved on the motion of Mr. Meier, seconded by Ms. Moulden. (Appendix VI)

**SELECTION OF UNDERWRITERS FOR THE HARBOR POINT MAYOR AND CITY COUNCIL OF BALTIMORE SPECIAL OBLIGATION BONDS, SERIES 2019**

Ms. Rogers requested the Board to approve the appointments for the Mayor and City Council of Baltimore Special Obligation Tax Increment Financing Bonds for the Harbor Point Project, Series 2019 as underwriters:

- Piper Jaffray, Washington, DC, as senior managing underwriter
- Estrada Hinojosa, New York, NY, as co-managing underwriter

The underwriters for the Special Obligation Tax Increment Financing Bonds for the Harbor Point Project, Series 2019 were approved on the motion of Comptroller Pratt, seconded by Ms. Moulden.

**OTHER BUSINESS**

There was no other business; the meeting was adjourned at 3:33 pm.

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Stephen M. Kraus  
Clerk to the Board of Finance