

May 18, 2020

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

Present: Honorable Bernard “Jack” C. Young, Mayor and President (via teleconference)
Joan M. Pratt, Comptroller and Member (via teleconference)
Frederick Meier, Member (via teleconference)
Stephen Kraus, Deputy Director of Finance and Clerk to the Board of Finance (via teleconference)

Absent: Dana Moulden, Member

Also Present: Jennell Rogers, Chief, Bureau of Treasury Management
Evelyn Alston, Treasury Management
Joann Levin, Law Department (via teleconference)
Carolyn Mozell, Mayor’s Office (via teleconference)

MINUTES

Mayor Young requested the Board to review the minutes from the meeting of March 23, 2020. The minutes were approved on the motion of Comptroller Pratt, seconded by Fred 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 \$442,505,000 and redemptions totaled \$591,600,000. Ms. Rogers noted that several bonds were called. Mr. Kraus added that due to falling interest rates, the high yielding investments are being called.

Security transactions since the meeting of March 23, 2020 were approved on the motion of Joan Pratt, seconded by Fred Meier. (Appendix I)

MARK TO MARKET VALUATION OF SWAP PORTFOLIO

Ms. Rogers presented the Mark to Market Valuation Report as of April 30, 2020 with a notional amount of \$149,815,000. The fair market value of the swap portfolio increased from (\$26,011,504) to (\$29,768,478). The ten-year Treasury rate decreased from 1.13% to 0.64%. As of the date of this report there is no collateral posting. Ms. Rogers noted currently the City is posting cash collateral on the parking swap. Mr. Kraus added that when the fair market goes above \$25M, Treasury is required to post collateral.

The Board accepted the report. (Appendix II)

CONSOLIDATED PUBLIC IMPROVEMENT BONDS, SERIES 2020

Ms. Rogers requested the Board to consider and approve the enclosed resolution associated with the sale and issuance of the Mayor and City Council of Baltimore Consolidated Public Improvement Bonds, Series 2020. The resolution includes the following items:

1. Authorize the issuance, sale and delivery of Consolidated Public Improvement Bonds, Series 2020A (new money tax-exempt) and Series 2020B (new money taxable) in an amount not to exceed \$60,000,000. The true interest rate cost on the Bonds shall not exceed the following:
 - (a) Series 2020A (tax-exempt) – 3.38%
 - (b) Series 2020B (taxable) – 3.61%
2. Authorize and approve the distribution of the Preliminary Official Statement, the final Official Statement, and Notice of Sale for the Series 2020 Bonds substantially in the form enclosed.
3. Authorize the Chief of the Bureau of Treasury Management to offer these Bonds by competitive sale.
4. Appoint the City as initial bond registrar, paying agent and authenticating agent for the Bonds.
5. Approve the Depository Trust Company to act as securities depository for the bonds.

Mr. Meier asked why the City is issuing taxable bonds. Mr. Kraus responded that there are some expenditures that are deemed noncompliant with the tax-exempt rules. He further noted that all the bonds are duly authorized.

The resolution authorizing the sale and issuance of the Consolidated Public Improvement Bonds, Series 2020 was approved on the motion of Joan Pratt, seconded by Fred Meier.

OTHER BUSINESS

There was no other business; the meeting was adjourned at 3:13 pm.

Stephen M. Kraus
Clerk to the Board of Finance