

January 22, 2024

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

Present: Michael Moiseyev, Director of Finance (*in lieu of Mayor*)
Arnold Williams, Vice President
Bill Henry, Comptroller and Member
Frederick Meier, Member
Robert Shelton, Member (*via Webex*)
Jennell Rogers, Chief, Bureau of Treasury Management and Clerk to the Board of Finance

Absent: Honorable Brandon C. Scott, Mayor and President

Also Present: Evelyn Alston, Treasury Management
Micheal Sullivan, Treasury Management (*via Webex*)
Joann Levin, Law Dept.
Kimberly Min, Bond counsel (*via Webex*)
Paul Emmart, Bond counsel (*via Webex*)
Randy Willison, MOCC (*via Webex*)

MINUTES

Mr. Williams requested the Board to review the minutes from the meeting of December 18, 2023. The minutes were approved on the motion of Comptroller Henry, 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 \$347,185,000 and redemptions totaled \$237,850,000. Mr. Meier asked what the City's finance interest rate is. Ms. Rogers answered that it is currently 3.5%.

Security transactions since the meeting December 18, 2023, were approved on the motion of Mr. 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 December 31, 2023, with a notional amount of \$123,155,000. The fair market value of the swap portfolio increased from (\$9,753,915) to (\$10,105,472). The ten-year Treasury rate decreased from 4.37% to 3.88%. As of the date of this report, there was no collateral posted.

The Board accepted the report. (Appendix II)

WATER SUBORDINATE PROJECT REVENUE BONDS, SERIES 2024

Ms. Rogers requested the Board to approve the enclosed resolution to do the following:

1. Authorize the issuance and delivery of no more than \$10,000,000 of Project Revenue Bonds (Water Projects) Series 2024A, at a rate not to exceed 1.20%.

2. Authorize the issuance and delivery of no more than \$3,500,000 of Project Revenue Bonds (Water Projects) Series 2024B, as a principal forgiveness loan.
3. Approve the Water Projects 23rd Supplemental Bond Resolution between the Mayor and City Council of Baltimore and M&T Bank as trustee substantially in the form enclosed.
4. Issue the Bonds through a private placement to the Maryland Water Infrastructure Financing Administration.
5. Appoint M&T Bank as Trustee, Registrar, and Paying Agent for the Bonds.

The 2024 Series bonds will be funded through the State of Maryland Water Infrastructure Financing Administration Revolving Loan Fund. This fund is administered through the Maryland Water Infrastructure Financing Administration (MWIFIA), a division within the Maryland Department of the Environment (MDE), for the expressed purpose of providing low interest water quality loans to Maryland jurisdictions.

The City routinely takes full advantage of the State Revolving Fund. As a disadvantaged community, the City is offered rates of interest well below market and are currently set at 25% of the Bond Buyer 11 GO Index or approximately 0.80%.

The bonds shall be amortizing loans not to exceed 1.20% with an administrative fee of approximately 0.47%. Once executed, these loans shall be considered as subordinate lien debt issued under the 2002 amended and restated Water Bond resolution approved by this Board on April 15, 2002. Whiteford, Taylor & Preston will serve as bond counsel for this transaction. Closing will occur in February 2024.

Comptroller Henry asked why more of these financing methods are not used. Ms. Rogers responded that this project is managed by the Department of Public Works so the question must be directed to them. Mr. Shelton asked who determines the amount of the loans. Ms. Rogers stated that the MDE determines the amount of the loans. She further stated that MDE also decides the loan amount that is to be repaid and how much is forgivable.

The Board approved the resolution authorizing an issuance, sale, and delivery of Water Subordinate Project Revenue Bonds, Series 2024 through the Maryland Water Infrastructure Financing Administration on the motion of Mr. Meier, seconded by Comptroller Henry.

OTHER BUSINESS

There was no other business. The meeting was adjourned at 3:15 pm.

Jennell Rogers
Clerk to the Board of Finance