

April 2, 2019

The meeting of the Board of Finance was called to order at 3:13 p.m.

Present: Joan M. Pratt, Comptroller and Member  
Larry Silverstein, Vice President (via teleconference)  
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  
Fred Meier, Member

Also Present: Jennell Rogers, Chief, Bureau of Treasury Management  
Benedict Richardson, Treasury Management  
Sherrell Haynie, Treasury Management  
Sandra Bennett, Treasury Management  
Evelyn Alston, Treasury Management  
Joann Levin, Law Department  
Sara Paraniham, Dept. of Planning

## **MINUTES**

Comptroller Pratt requested the Board to review the minutes from the meeting of February 25, 2019. The minutes were approved on the motion of Ms. Moulden, seconded by Mr. Silverstein.

## **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 \$332 million and redemptions totaled \$343 million.

Security transactions since the meeting of February 25, 2019 were approved on the motion of Ms. Moulden, seconded by Mr. Silverstein. (Appendix I)

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

Ms. Rogers presented the Mark to Market Valuation Report as of February 28, 2019 with a notional amount of \$174,675,000. The fair market value of the swap portfolio decreased from (\$30,633,014) to (\$29,675,611). The ten year Treasury rate increased from 2.63% to 2.73%. Mr. Kraus noted that the auction bond, 2002BC, with a notional amount of \$20,800,000, will be part of the refunding for the annual spring Water/Wastewater offering later in this month. As of the date of this report there is no collateral posting.

The Board accepted the report. (Appendix II)

## **FY2020 CAPITAL BUDGET AND FY2020–2025 CAPITAL IMPROVEMENT PLAN**

Ms. Rogers requested the Board to endorse the enclosed FY2020 Capital Budget totaling \$634,181,000 (including \$80,000,000 in General Obligation Bonds) and the six-year Capital Improvement Program (“CIP”) for FY 2020-2025 totaling \$2,863,129,000.

By City Charter, the Planning Commission shall submit a recommended six-year CIP to the Board of Estimates. The Board of Estimates requires the Board (Board of Finance) and the Department of Finance to review and comment on the CIP. The first year of the recommended CIP becomes the basis for the capital budget in the Ordinance of Estimates, to be considered by the City Council. Following the Board's consideration, the Clerk to the Board shall submit a letter of recommendation to the Board of Estimates.

Sara Paraniham, Planning, advised the Board that City agencies had presented budget requests to the Planning Commission in January. Mr. Kraus asked if the Commission had any comments or concerns about the budget during the process. Ms. Paraniham responded that the Commission is interested in some follow-up topics. One relates to the high number of City properties that are in poor condition. A decision must be made as to whether funds should be used to repair or maintain these deteriorating properties or whether some buildings should be demolished and staff relocated to other buildings. The Commission will continue in conversations with the Department of General Services, the Mayor's Office and Finance to get an update.

Another issue relates to the high number of surplus schools. Again, there is discussion regarding what to do with these buildings. Should they be leased out or should funds be invested in renovation or repair. Mr. Kraus noted that the issue of surplus schools is an expensive one, requiring funds to secure unused buildings to protect them from theft and further damage.

Mr. Kraus advised the Board that the policy for GO bonds has been increased to \$80 million until 2021. In 2022, the policy will go back to \$70 million. He noted that the bulk of the capital budget (58%) is assigned to the Department of Public Works for Water/Wastewater infrastructure improvements. Ms. Moulden noted that Water/Wastewater infrastructure build decreases in 2023. She asked if there is a way for those funds to be reallocated to other projects. Ms. Paraniham responded that those funds are enterprise funds; therefore, they cannot be used for other purposes.

The Capital Improvement Plan was approved on the motion of Ms. Moulden, seconded by Mr. Silverstein.

### **OTHER BUSINESS**

There was no other business; the meeting was adjourned at 3:27 pm.

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Stephen M. Kraus  
Clerk to the Board of Finance