

April 28, 2025

The meeting of the Board of Finance was called to order at 3:01 p.m.

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

Absent: Honorable Brandon M. Scott, Mayor and President
Frederick Meier, Member

Also Present: Evelyn Alston, Treasury Management
Joann Levin, Law Dept.
Sara Paraniyam, Planning
Aaron Moore, DPW
Garrett Halbach, DPW
Tim Wolfe, DPW
Anne Gardner, DOF
Randy Willison, MOCC (*via Webex*)
Michael Wells, Charm TV (*via Webex*)

MINUTES

Mr. Willams requested the Board to review the minutes from the meeting of March 27, 2025. The minutes were approved on the motion of Director Mocksten, seconded by Comptroller Henry.

SECURITY TRANSACTIONS

Ms. Rogers briefed the Board on the investment activity for this period noting that there were no securities purchased since the last Board of Finance meeting and redemptions totaled \$213,000,000. There were several calls during that redemption period.

Security transactions since the meeting on March 27, 2025 were approved on the motion of Mr. Shelton, seconded by Director Mocksten. (Appendix I)

MARK TO MARKET VALUATION OF SWAP PORTFOLIO

Ms. Rogers presented the Mark to Market Valuation Report as of March 31, 2025 with a notional amount of \$119,455,000. The fair market value of the swap portfolio decreased slightly from (\$8,350,223) to (\$8,198,009). The ten-year Treasury rate decreased from 4.58% to 4.23%. As of the date of this report, there was no collateral posted.

The Board accepted the report. (Appendix II)

APPROVAL OF THE FY2026-2031 CAPITAL IMPROVEMENT PLAN

Ms. Rogers requested the Board to consider and approve the enclosed FY2026 Capital Budget totaling \$1,008,921,286 (including \$125,000,000 in General Obligation Bonds) and the six-year Capital Improvement Program (“CIP”) for FY2026-2031 totaling \$5,323,884,032.

By City Charter, the Planning Commission shall submit a recommended six-year CIP to the Board of Estimates (BOE). The BOE requires this Board 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 this Board’s consideration, the Clerk to the Board shall submit a letter of recommendation on behalf of the Board of Finance to the BOE.

As was the case last year, much of the capital activity is associated with the Department of Public Works water, wastewater and stormwater utilities. These programs, encompassing all funding sources, total approximately \$3.4 billion over the six-year program period representing 65% of the CIP. This funding is primarily dedicated to upgrades to wastewater treatment plants, rehabilitation of pump stations, replacement of water meters, compliance with permit requirements, rehabilitation of water infrastructure, sewer system improvements, drainage repairs, and environmental restoration.

To support these activities, the plan includes approximately \$2.2 billion in water, wastewater, and stormwater revenue bonds. Debt associated with water, wastewater, and stormwater activity does not directly affect the general fund or constitute a pledge of the City’s general credit. The water, wastewater, and stormwater indentures have provisions that require minimum debt service coverage and operating reserve balances to ensure the debt can adequately be supported by the respective utilities before it is issued.

Treasury engaged the Public Resources Advisory Group (PRAG) to complete a mandatory review of the City’s Debt Policy. Their analysis concluded that the City could issue the amount specified in the CIP. At the December 2024 meeting, the Board approved increasing the annual budgeted general obligation bond amount from \$80M to \$125M for FY2026 and FY2027. Treasury Management has incorporated an annual review of the City’s affordability limit into its formal debt management process and will inform the Department of Planning regarding budgeting for future capital projects. As the issuance amount rises, Treasury Management will test the debt management ratios each year to ensure compliance with the recommended benchmarks.

Ms. Rogers introduced Sara Paraniyam, Planning, who reviewed the budget for the CIP in detail and responded to questions from Board members.

The FY2026 Capital Budget and the six-year Capital Improvement Program for FY2026-2031 were approved on the motion of Director Mocksten, seconded by Mr. Shelton.

WASTEWATER SUBORDINATE PROJECT REVENUE BONDS, SERIES 2025

Ms. Rogers asked the Board to consider and approve the enclosed resolution that includes the following:

1. Authorize the issuance and delivery of no more than \$6,000,000 of Subordinate Project Revenue Bonds (Wastewater Projects) Series 2025A, at a rate not to exceed 5.00%.
2. Authorize the issuance and delivery of no more than \$10,600,000 of Subordinate Project Revenue Bonds, (Wastewater Projects) Series 2025B, at a rate not to exceed 5.00%.

3. Approve the Wastewater Projects 37th 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 Infrastructure Financing Administration.
5. Appoint M&T Bank as Trustee, Registrar, and Paying Agent for the Bonds.

The 2025 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 (MWIFA), a division within the Maryland Department of Environment, 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 1.00%.

The bonds shall be amortizing loans not to exceed 5.00% 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.

Ms. Rogers noted that there will be two projects funded through this offering. They are (1) improvements to the sanitary sewer collection system in the Jones Falls Sewershed - Glen Avenue Subbasin and (2) replacement of the small diameter sewer main in Roland Park. The debt will be amortized in a 30-year term and revenue is being pledged from the Wastewater Enterprise System.

The Board approved the resolution authorizing the issuance, sale, and delivery of Wastewater Subordinate Project Revenue Bonds, Series 2025 through the Maryland Water Infrastructure Financing Administration on the motion of Director Mocksten, seconded by Mr. Shelton.

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 \$3,300,000 of Project Revenue Bonds (Water Projects) Series 2025A, at a rate not to exceed 5.00%.
 2. Authorize the issuance and delivery of no more than \$3,700,000 of Project Revenue Bonds (Water Projects) Series 2025B, as a principal forgiveness loan.
 3. Approve the Water Projects 24th 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 2025 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 (MWIFA), 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 1.00%.

The bonds shall be amortizing loans not to exceed 5.00% 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.

The Board approved the resolution authorizing the issuance, sale, and delivery of Water Subordinate Project Revenue Bonds, Series 2025 through the Maryland Water Infrastructure Financing Administration on the motion of Mr. Shelton, seconded by Director Mocksten.

STORMWATER SUBORDINATE PROJECT REVENUE BONDS, SERIES 2025

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

1. Authorize the issuance and delivery of no more than \$5,600,000 of Project Revenue Bonds (Stormwater Projects) Series 2025A, at a rate not to exceed 5.00%.
2. Authorize the issuance and delivery of no more than \$2,500,000 of Project Revenue Bonds (Stormwater Projects) Series 2025B, as a principal forgiveness loan.
3. Approve the Stormwater Projects 6th 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 2025 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 1.00%.

The bonds shall be amortizing loans not to exceed 5.00% with an administrative fee of approximately 0.47%. Once executed, this loan shall be considered as subordinate lien debt issued under the 2018 Stormwater Bond resolution.

The Board approved the resolution authorizing the issuance, sale, and delivery of Stormwater Subordinate Project Revenue Bonds, Series 2025 through the Maryland Water Infrastructure Financing Administration on the motion of Director Mocksten, seconded by Mr. Shelton.

OTHER BUSINESS

There was no other business. The meeting was adjourned at 3:59 pm.

Jennell Rogers
Clerk to the Board of Finance