

October 27, 2025

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

Present: Arnold Williams, Vice President and Member
Michael Mocksten, Director of Finance (*in lieu of Mayor Scott*)
Bill Henry, Comptroller and Member
Frederick Meier, 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

Also Present: Evelyn Alston, Treasury Management
Joann Levin, Law Dept.
Alex Bennett, BCPSS
Sara Paraniham, Planning
Nelson Vasconcelus, Planning
Max Levee, Municap
Keenan Rice, Municap
Alan Cason, McGuire Woods LLP
Alice Kennedy, DHCD
Stacy Freed, DHCD
Tammy Hanley, DHCD
Aaron Degraffenredt, Council President's Ofc.
Paroma Nandi, Council Services
J.D. Merrill, Mayor's Ofc.
Doug Krinsky, J.P. Morgan
Olivia Barone, Municap (*via Webex*)
Cyndi Smith (*via Webex*)
Randy Willison, MOCC (*via Webex*)
Tim Evers, MOCC (*via Webex*)

MINUTES

Mr. Williams requested the Board to review the minutes from the meeting of August 25, 2025. The minutes were approved on the motion of Mr. Meier, seconded by Dir. Mocksten.

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 \$905,000,000 and redemptions totaled \$950,000,000.

Security transactions since the meeting August 25, 2025 were approved on the motion of Mr. Meier, seconded by Dir. Mocksten. (Appendix I)

MARK TO MARKET VALUATION OF SWAP PORTFOLIO

Ms. Rogers presented the Mark to Market Valuation Report as of September 30, 2025 with a notional amount of \$115,255,000. The fair market value of the swap portfolio decreased slightly from (\$8,922,686) to (\$8,811,543). The ten-year Treasury rate decreased from 4.89% to 4.16%. As of the date of this report, there was no collateral posted.

The Board accepted the report. (Appendix II)

FY2027-2032 BALTIMORE CITY PUBLIC SCHOOLS CAPITAL IMPROVEMENT PROGRAM

Ms. Rogers requested the Board to consider and approve the enclosed Baltimore City Public School (“BCPS”) Capital Improvement Program (“CIP”) for fiscal year 2027 and fiscal years 2028-2032. The program includes \$207,500,000 in City bond funds, and \$150,000,000 in State funds for a total of \$357,500,000.

Rules, regulations, and procedures for the administration of the school capital improvement program require that BCPS submit annually an updated and detailed capital improvement program for the upcoming fiscal year and the ensuing five fiscal years to the State Interagency Committee on School Construction. The BCPS Department of Facilities Planning and School Construction are tasked with meeting this requirement each year as a condition for receiving school construction funds from the State.

Prior to submitting the CIP to the State, City Schools must first obtain the approval of this program by the local governing body. As a condition for gaining City approval, a review and endorsement of the plan by the School Board, Planning Commission, Board of Finance, and the Board of Estimates serve as the means by which the Mayor’s Office will support and approve the program.

The 2027 program request totals \$52,500,000 consisting of \$27,500,000 in City GO bond funds and \$25,000,000 in state funds. The 2027 CIP continues to focus on major facilities upgrades and deferred maintenance. There are four projects earmarked as highest priority or major projects, namely, Southeast Building, Western High School, Lakeland Elementary/Middle School, and Northeast Building. Only these projects are likely to be funded by the State. The remaining requests to the State are for systemic projects, including elevators, fire alarms and other safety measures, and a roof. These are unlikely to be funded in the current fiscal year, although the School System will be able to address some of these projects through the Nancy K. Kopp Public School Facilities Priority Fund.

The City’s annual contribution in FY2027 is consistent with the school loan ballot referendum. Treasury Management has enclosed the Planning Commission staff report that contains a detailed discussion of the BCPS plan, and a slide presentation. Department of Planning and BCPS were at the meeting to present the CIP.

Alex Bennett, BCPS, gave a thorough overview of the Capital Improvement Plan stating that there is an annual deficit between what the industry standard is for school maintenance and what the City receives. The funding level steers how projects are prioritized, and decisions are made based upon physical systems and district priorities. Mr. Bennett noted that FY26 will be the last year of the Healthy Schools Facilities Fund. It will be replaced by the Nancy Kopp Facility Priority Fund, which is a smaller pot of money (\$70M instead of \$90M). Baltimore City will no longer be guaranteed a specified percent of the sum.

The request to endorse the BCPS Capital Improvement Plan for fiscal years 2026-2031 was approved on the motion of Dir. Mocksten, seconded by Mr. Meier.

SPECIAL OBLIGATION BONDS, SERIES 2025 (CITY-WIDE AFFORDABLE HOUSING PROGRAM)

Ms. Rogers requested the Board to consider and approve the enclosed resolution authorizing the issuance and delivery of the Mayor and City Council of Baltimore Special

Obligation Bonds (City-Wide Affordable Housing Program) Series 2025. The resolution includes the following items:

1. Authorize the issuance, sale and delivery of not more than \$30,000,000 fixed rate Special Obligation Bonds Series 2025, with a rate not to exceed 7.50%.
2. Authorize the Bonds to be sold on a negotiated basis.
3. Authorize and approve the execution of the enclosed Indenture of Trust, in substantially final form for the Series 2025 Bonds.
4. Authorize and approve the execution of Funding Agreement, in substantially final form for the Series 2025 Bonds.
5. Authorize and approve the execution of the enclosed Program Grant Agreement, in substantially final form for the Series 2025 Bonds.
6. Authorize and approve the distribution of Preliminary Limited Offering Memorandum and final Limited Offering Memorandum substantially in the form enclosed.
7. Authorize the Chief of the Bureau of Treasury Management to offer these bonds by a private negotiated sale with Stifel, Nicolaus & Company (approved through a previous action by this Board on January 27, 2025).
8. Approve the Depository Trust Company to act as securities depository for the bonds.
9. Approve Manufacturers and Traders Trust Company (M&T Bank) to act as Trustee, Registrar, and paying agent.
10. Appoint Municap, Inc. to serve as administrator of the development district.

This Board previously approved the City-Wide Affordable Housing TIF concept (TIF policy process step 1) on May 20, 2024 and the introduction of legislation to the City Council – 1.) Ordinance establishing the Development District; 2.) Ordinance authorizing the Special Taxing District; and 3.) Bond Ordinance for issuance of the bonds on July 15, 2024. The legislation was passed and signed by the Mayor on December 2, 2024.

The City-Wide Affordable Housing Program represents a \$150 million tax increment financing strategy under ReFrame Baltimore, Mayor Brandon Scott’s fifteen-year, \$3 billion Vacancy Reduction Initiative. It will provide grants to fill the appraisal gap for households earning up to 115% area median income (AMI) and support infrastructure in historically disinvested areas. Funding will be provided in phases through multiple bond issuances back by tax increment revenues generated within the City-Wide Affordable Housing Program Development District (the “Development District”).

Representatives from Department of Housing and Community Development (DHCD), McGuire Woods (bond counsel), and Municap (financial advisor) attended to discuss certain subject matter. Discussion items included:

- Comm. Kennedy briefed the Board on progress made on the initiative, thus far, and noted that Council authorized the City to issue up to \$65 million in bonds, not \$150 million as requested.
- Mr. Cason spoke to the legal considerations, noting that debt service payments are subject to annual appropriation. He further noted that these are not GO bonds so there is no pledge in the full faith and credit of the City. Mr. Cason also noted that there is a debt service reserve fund, although it is not expected to be used.
- Mr. Levee spoke on the but-for analysis which determines whether the rehabilitation of vacant properties targeted for affordable buyers and renters can proceed without TIF grant subsidies. Comptroller Henry asked if a but-for analysis is performed for each tranche. Mr. Levee answered that a but-for analysis is performed on a project-by-project basis.
- Comptroller Henry requested that a copy of the presentation be forwarded to Board members.

The resolution authorizing the issuance and delivery of the Mayor and City Council of Baltimore Special Obligation Bonds (City-Wide Affordable Housing Program) Series 2025 was approved on the motion of Mr. Meier, seconded by Dir. Mocksten.

OTHER BUSINESS

ANNUAL TAX INCREMENT FINANCING REPORT

Ms. Rogers advised the Board of a complaint from a resident whose personal information was posted on the Board of Finance webpage as a part of a previous Tax Increment Financing Report. She asked that the resolution requiring this annual report be amended so that only the information for commercial owners is required in the report. Mr. Williams recommended that the Board receive a briefing regarding the Public Information Act and open meetings. This should preclude a vote to modify/amend the resolution. Comptroller Henry also stated that he would like the input of counsel. Ms. Levin, Law, agreed to provide a memo regarding the disclosure of a homeowner's public information, but added that she believes the matter is discretionary rather than legal. This issue was tabled until the next meeting.

The meeting was adjourned at 4:31 p.m.

Jennell Rogers
Clerk to the Board of Finance