March 23, 2026

The meeting of the Board of Finance was called to order at 3:02 p.m.

Present:	Michael Mocksten, Director of Finance *(in lieu of Mayor Scott)* Bill Henry, Comptroller and Member Arnold Williams, Vice President Frederick Meier, Member Jennell Rogers, Chief, Bureau of Treasury Management and Clerk to the Board of Finance
Absent:	Honorable Brandon M. Scott, Mayor and President Robert Shelton, Member
Also Present:	Kalief Cole, Treasury Management Evelyn Alston, Treasury Management Joann Levin, Law Dept. Sara Paranilam, Planning Leah Dubots, Planning Parona Nandi, Council Services Aaron Degrafferendt, Council President's Ofc. Susan Angelou, MDE *(via Webex)* Randy Willison, MOCC *(via Webex)* Doug Krinsky, JP Morgan *(via Webex)*

MINUTES

Director Mocksten requested the Board to review the minutes from the meeting of November 17, 2025. The minutes were approved on the motion of Comptroller Henry, seconded by Director 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 $1,290,000,000 and redemptions totaled $1,362,000,000. Ms. Rogers noted that there was one call that was not noted. $5,000,000 was reinvested. Mr. Meier asked why the maturity is in 2030. Ms. Rogers responded that these purchases were called and then rolled out.

Security transactions since the meeting November 17, 2025 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 February 28, 2026 with a notional amount of $115,255,000. The fair market value of the swap portfolio decreased slightly from ($8,822,324) to ($7,273,720). The ten-year Treasury rate decreased from 4.11% to 3.97%. As of the date of this report, there was no collateral posted.

The Board accepted the report. (Appendix II)

FY2027-2032 CAPITAL IMPROVEMENT PLAN

Ms. Rogers requested the Board to consider and approve the enclosed FY2027 Capital Budget totaling $1,065,665,423 (including $125,000,000 in General Obligation Bonds) and the six-year Capital Improvement Program ("CIP") for FY2027-2032 totaling $4,920,452,282.

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 in the previous year, much of the capital activity is associated with the Department of Public Works' water, wastewater and stormwater utilities. These programs (all funding sources combined) total approximately $3.1 billion over the six-year program period representing 62% of the CIP. Most of this funding is dedicated to upgrades at facilities that treat wastewater to meet required standards before release. Other major uses are rehabilitating pump stations (which move water through the system), replacing water meters (devices that measure water use), achieving compliance with environmental permits, rehabilitating existing water delivery pipelines, improving the sewer system (underground pipes carrying waste), repairing drainage systems that remove excess rainwater, and restoring areas for environmental health.

In support of this activity, the plan includes approximately $1.9 billion in water, wastewater, and stormwater revenue bonds. Debt associated with the water, wastewater, and stormwater activity does not directly affect the general fund and does not 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 is adequately supported by the respective utilities before it is issued.

At the November 2025 meeting, the Board approved the recommended annual maximum borrowing for general obligation bonds: $125 million for FY2027 and $140 million for FY2028. To monitor affordability-the maximum debt the organization can handle-Treasury Management reviews debt ratios to ensure compliance with the debt policy. The established limits were provided to the Department of Planning for the six-year capital improvement plan.

Ms. Rogers introduced Leah Dubots, Planning, who reviewed the budget for the CIP in detail and responded to questions from Board members. Mr. Meier requested a copy of the management letter that accompanied the City's annual audited report. Director Mocksten stated that- although this information is posted on the Board of Estimates webpage- he would be happy to share a copy with Mr. Meier. Ms. Dubots noted that the Mayoralty agency appears to have a negative appropriation on the Summary by Agency pie chart due to a supplemental appropriation that was reallocated to BCIT. She asserted that Mayoralty does have recommendations funded. Comptroller Henry requested to add an annotation to the chart to minimize confusion and clearly note the reallocation of funds. Ms. Dubots agreed to add an asterisk with a footnote.

The FY2027 Capital Budget and the six-year Capital Improvement Program for FY2027-2032 were approved on the motion of Mr. Meier, seconded by Director Mocksten. Comptroller Henry abstained from the vote.

OTHER BUSINESS - UPDATES

CITYWIDE AFFORDABLE HOUSING SPECIAL OBLIGATION BOND

Ms. Rogers updated Board members on the progress of the Citywide Affordable Housing Tax Increment Financing (TIF) Program which is a citywide financing strategy designed to accelerate the rehabilitation of vacant properties into affordable housing. The Series 2025 Bonds represent the first major issuance under this program and support housing reinvestment across Baltimore neighborhoods. Ms. Rogers addressed the financial, social, and fiscal impacts of the program, as well as the implementation, compliance, and oversight measures.

The key takeaway is that the TIF attracted significant investor interest and achieved strong market execution. The program will deliver measurable equity outcomes by directing investment to historically disinvested neighborhoods and creating affordable housing on a scale, while being implemented with disciplined fiscal oversight to ensure public funds advance the City's stated goals.

This update was for informational purposes only. The Board accepted the update.

WASTEWATER UTILITY

Ms. Rogers informed Board members that S&P Global Market completed its annual review of the Mayor and City Council of Baltimore Wastewater Revenue Bonds and downgraded both senior and subordinate debt. Senior revenue debt was lowered to "A-" from "A+", and subordinate debt to "BBB" from "A", both with a negative outlook (report dated February 5, 2026). The downgrade reflects weaker cash balances in fiscal 2025, which are expected to remain limited and to present risks to regulatory compliance, infrastructure maintenance, and affordability.

The City also violated debt service coverage covenant due to revenue shortfalls and increased operating expenses. As required by the Bond Resolution, the City will promptly secure the services of a Consulting Engineer to prepare a written report and recommendations with respect to the rates and charges and the operations of the Wastewater Utility and, upon receipt of same, the City will follow the recommendations thereof in accordance with the Bond Resolution. The City has paid all its debt service obligations in a timely manner.

Ms. Rogers advised Board members that Treasury has already begun interviewing engineering companies to address the downgrade and expects to make a selection within the next couple of weeks to resolve the issue. Director Mocksten assured Board members that the downgrade is a problem Treasury is actively addressing through these interviews and selection. He further stated that by taking these steps, we are continuing to strengthen our GO position.

This update was for informational purposes only. The Board accepted the update.

OTHER BUSINESS

There was no other business. The meeting was adjourned at 3:52 p.m.

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Jennell Rogers
Clerk to the Board of Finance