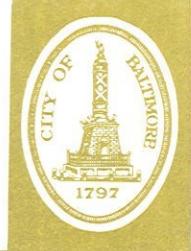


FROM	<p>NAME & TITLE Alfred H. Foxx, Director</p> <p>AGENCY NAME & ADDRESS Department of Public Works 600 Abel Wolman Municipal Building</p> <p>SUBJECT CITY COUNCIL BILL 11-0638</p>
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CITY OF
BALTIMORE
MEMO



TO: DATE: February 15, 2011

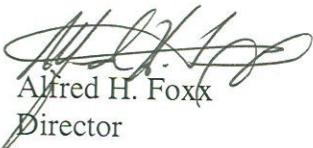
The Honorable President and Members
of the Baltimore City Council
c/o Karen Randle
Room 400 - City Hall

I am herein reporting on City Council Bill 11-0638 introduced by the Council President on behalf of the Administration (Bureau of Treasury Management).

The purpose of the Bill is to increase the maximum aggregate principal amount of revenue obligations that may be issued by the City under Ordinance 07-421; and providing for a special effective date.

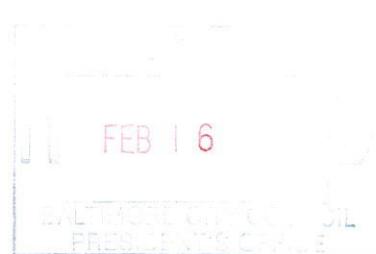
Ordinance 90-496 authorized the City to issue revenue obligations to finance wastewater facilities within the limits of the City's wastewater system. The most recent amendment, Ordinance 07-421, increased the maximum revenue obligations to \$880,000,000. Increases are sought from time to time, based on the projected borrowing needs of the Bureau of Water and Wastewater for the Wastewater Utility, in order to finance wastewater system improvements necessary to meet the City's regulatory responsibilities and to continue modernizing and repairing facilities for reliability. City Council Bill 11-0638, if approved, would increase the maximum revenue obligations to \$1,110,000,000. The Wastewater Utility is expected to reach its current maximum authorized limit by next fiscal year. The projects funded by these authorizations are included in the Capital Improvement Program (FY2011 – FY2016) and incorporated into the annual Ordinance of Estimates. The debt incurred is a revenue obligation of the Wastewater Utility and is not a general obligation or pledge of the City's full faith and credit. This requested increase would provide necessary funding for wastewater infrastructure rehabilitation, Consent Decree projects, improvements at the two wastewater treatment plants, security improvements, and normal capital improvement and expansion service needs planned for over the next six years.

The Department of Public Works supports passage of City Council Bill 11-0638.


Alfred H. Foxx
Director

Attachment

AHF/MMC:pat



Revenue Obligations – Wastewater Projects

Purpose:

- To increase the maximum aggregate principal amount if the City's Revenue Obligations for wastewater utility projects
- Maximum increase from \$880,000,000 to \$1,110,000,000

History:

- Ordinance 90-496 – Originating ordinance which set the maximum aggregate level at \$75,000,000
- Ordinance 92-040 – Principal aggregate amount if Revenue Obligations raised to \$100,000,000
- Ordinance 95-610 – Principal aggregate amount if Revenue Obligations raised to \$160,000,000
- Ordinance 00-014 – Principal aggregate amount if Revenue Obligations raised to \$240,000,000
- Ordinance 02-332 – Principal aggregate amount if Revenue Obligations raised to \$543,000,000
- Ordinance 07-421 – Principal aggregate amount if Revenue Obligations raised to \$880,000,000

Need:

- Increases sought from time to time, based on the projected borrowing needs for the wastewater utility, in order to finance wastewater system improvements necessary to meet regulatory responsibilities and to continue modernizing and repairing facilities for reliability
- Provide necessary funding for security, treatment, conveyance, and normal capital improvement and expansion service needs planned for over a specified period of time