


FROM	NAME & TITLE	THOMAS J. STOSUR, DIRECTOR	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	DEPARTMENT OF PLANNING 8 TH FLOOR, 417 EAST FAYETTE STREET		
	SUBJECT	CCB #14-0376/ REVENUE OBLIGATIONS – WATER PROJECTS – MAXIMUM AGGREGATE PRINCIPAL AMOUNT		

TO The Honorable President and
 Members of the City Council
 City Hall, Room 400
 100 North Holliday Street

DATE: June 6, 2014

At its regular meeting of June 5, 2014, the Planning Commission considered City Council Bill #14-0376, For the purpose of increasing the maximum aggregate principal amount of revenue obligations that may be issued by the City under Ordinance 02-332, as last amended by Ordinance 11-430; and providing for a special effective date.

In its consideration of this Bill, the Planning Commission reviewed the attached staff report, which recommended approval of City Council Bill #14-0376 and adopted the following resolution; nine members being present (nine in favor).

RESOLVED, That the Planning Commission concurs with the recommendation of its Departmental staff, and recommends that City Council Bill #14-0376 be passed by the City Council.

If you have any questions, please contact Ms. Sara Paraniham, Division Chief, Comprehensive Planning Division at 410-396-5935.

TJS/WA

Attachment

- cc: Ms. Kaliope Parthemos, Chief of Staff
 Mr. Harry Black, Director, Department of Finance
 Mr. Tom Reese, Department of Finance
 Ms. Judy Smith, Department of Finance
 Ms. Harriette Taylor, Deputy Comptroller
 Mr. Wilber E. Cunningham, Chair, Planning Commission
 Ms. Angela Gibson, Mayor's Office
 The Honorable Rochelle "Rikki" Spector, Council Rep. to Planning Commission
 Ms. Sharon Daboin, DHCD
 Ms. Barbara Zektick, DOT
 Ms. Elena DiPietro, Law Dept.
 Ms. Karen Randle, Council Services
 Ms. Natawna Austin, Council Services



Stephanie Rawlings-Blake
Mayor

PLANNING COMMISSION

Wilbur E. "Bill" Cunningham, Chairman

STAFF REPORT



Thomas J. Stosur
Director

June 5, 2014

REQUEST: City Council Bill #14-0375/ Revenue Obligations – Water Projects – Maximum Aggregate Principal Amount

For the purpose of increasing the maximum aggregate principal amount of revenue obligations that may be issued by the City under Ordinance 02-331, as last amended by Ordinance 11-429; and providing for a special effective date.

City Council Bill #14-0376/ Revenue Obligations – Wastewater Projects – Maximum Aggregate Principal Amount

For the purpose of increasing the maximum aggregate principal amount of revenue obligations that may be issued by the City under Ordinance 02-332, as last amended by Ordinance 11-430; and providing for a special effective date.

RECOMMENDATION: Approval

STAFF: Sara Paraniham

BACKGROUND

The proposed Water and Wastewater Ordinances increase the maximum debt limit for the Water Utility System from \$1,017M to \$2,152M, and the Wastewater Utility System from \$1,110M to \$2,363M. This legislation is required by City Charter Article II - General Powers - Section 50 – Revenue Bonds and Obligations; mandating the that revenue bonds be authorized by an ordinance of the City Council.

In addition to authorizing revenue bonds, Article II specifies that such debt shall not be a general obligation or a pledge of the City's full faith and credit, but rather shall be a revenue obligation of the Water and Wastewater Utility Systems.

ANALYSIS

The Council's first such action authorizing water and wastewater revenue bonds occurred on May 21, 1990 with enactment of Ordinances 495 and 496. Since that time, Council has increased the authorization on six separate occasions to the current limit of \$1,017M (water) and \$1,110M (wastewater). The most recent authorization increase was following the enactment of Ordinances 11-429 and 11-430 on March 25, 2011. This and previous increases were required to accommodate new debt issuances in support of the water and wastewater capital programs.

Water and wastewater revenue bonds will soon reach the maximum authorized limit. Increases are expected from time to time as the respective systems comply with federal standards and maintain existing infrastructure.

Without an increase, the wastewater system will run out of authorization this year and the water system next year. When this occurs there will be no means to raise the required funding to construct the projects identified in the capital budget.

In July 2013, the Board of Estimates approved water rate increases of 15% for FY2014, 11% for FY2015, and 11% for FY2016. In July 2013, the Board of Estimates approved sewer rate increases of 15% for FY2014, 11% for FY2015, and 11% for FY2016.

The Department of Public Works will continue to look for efficiencies and savings to minimize future rate increases while making the necessary investments to address extensive capital needs.

CONFORMITY TO PLANS

These authorizations can only fund projects that are in the CIP and incorporated into the annual capital budget to include approvals by the Planning Commission, Board of Finance, Board of Estimates and the City Council.

NOTIFICATION

The Departments of Finance and Department of Public Works have been notified of this action.

A handwritten signature in black ink, appearing to read "Thomas J. Stosur". The signature is written in a cursive style with a large initial "T" and "S".

Thomas J. Stosur
Director