



CITY OF BALTIMORE
MAYOR BRANDON M. SCOTT

TO	The Honorable President and Members of the Baltimore City Council
FROM	Bob Cenname, Deputy Finance Director <i>Bob Cenname</i>
DATE	May 4 th , 2026
SUBJECT	26-0182 Bond Issue – Public Infrastructure Loan – \$148,000,000

The Honorable President and
Members of the City Council
City Hall, Room 400

Position: Support

The Department of Finance is herein reporting on City Council Bill 26-0182, Bond Issue - Public Infrastructure Loan - \$148,000,000, the purpose of authorizing the Mayor and City Council of Baltimore (pursuant to General Assembly House Resolution IV and Senate Resolution IV of 2024 approved by the members of the Maryland General Assembly representing Baltimore City) to create a debt, and to issue and sell its certificates of indebtedness as evidence thereof and proceeds not exceeding One Hundred Forty-Eight Million Dollars (\$148,000,000).

Background

As proposed, City Council bill 26-0182 would authorize the Mayor and City Council to authorize debt not exceeding \$148 million to fund the City's public infrastructure capital budget. The proceeds may be used for the construction and development of streets, bridges, courthouses, city office buildings, police stations, fire stations, solid waste facilities, information technology, public park and recreational and related land, property, buildings, structures or facilities.

General Obligation (GO) Bonds are one source of funding for the capital budget that fund various critical projects. Based on prior analysis, the City estimates that maintaining its infrastructure in a state of good repair requires at least \$200 million in annual investment. To meet the critical need for infrastructure investment, *Securing Baltimore's Future*, the City's new 10-Year Financial Plan, calls for the City to phase in an increase to its annual GO Bond authority, which averaged \$80 million from Fiscal 2020 to 2025. The City aims to reach \$200 million in GO Bond authority by Fiscal 2032. The City's GO Bond authority was increased to \$125 million for Fiscal 2026 and Fiscal 2027.

Fiscal Impact

Council Bill 26-0182 is one of four bills seeking approval to increase GO borrowing on the November 2026 ballot. In total, these bills propose increasing the City's annual GO borrowing to \$140 million in Fiscal 2028 and Fiscal 2029, which is an increase of \$15 million from Fiscal 2026

and Fiscal 2027. The proposed borrowing level is based on analysis from the City's debt study that was completed in December 2023. The debt study found that the City can incrementally phase in additional GO Borrowing over the next 10 years and remain within acceptable debt ratio standards. Additional debt service costs will require increased General Fund support; these costs will be planned and budgeted for in future budgets.

The authorization is drafted as 'up to' meaning the actual GO borrowing amounts reflected in future capital budgets can be reduced based on the City's financial outlook. The City will evaluate its fiscal condition, including revenue projections, debt capacity, and existing obligations, before issuing any debt to ensure that additional borrowing remains affordable and consistent with best practices in financial management practices. This approach provides flexibility to scale borrowing in alignment with changing revenue and expenditures while maintaining the City's long-term fiscal stability. Council Bill 26-0182 seeks to authorize up to \$148 million in GO borrowing for public infrastructure projects. The majority of these projects are overseen by the Department of General Services (DGS) on behalf of user agencies and appear in the DGS capital budget.

Conclusion

The Department of Finance acknowledges the additional General Fund cost associated with increasing the annual GO Borrowing authorization. The current funding level for capital projects is not sufficient to fund complete projects and further contributes to the City's growing deferred maintenance backlog. The Department will make an assessment in Fiscal 2028 and Fiscal 2029 to the level of borrowing that is fiscally sound. This additional investment in capital spending is a critical step towards reducing the City's risk exposure associated with such significant levels of deferred maintenance.

For the reasons stated above, the Department of Finance supports City Council Bill 26-0182.

cc: Michael Mocksten
Nina Themelis