

**CITY OF BALTIMORE
COUNCIL BILL 10-0588
(Resolution)**

Introduced by: The Council President

At the request of: The Administration (The Baltimore City Board of School Commissioners)

Introduced and read first time: August 9, 2010

Assigned to: Taxation, Finance and Economic Development Committee

REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Planning Commission, Department of Housing and Community Development, Baltimore Development Corporation, Baltimore City Board of School Commissioners, Department of Finance

A RESOLUTION ENTITLED

1 A RESOLUTION OF THE MAYOR AND CITY COUNCIL concerning

2 **Baltimore City Board of School Commissioners**
3 **School System Revenue Bonds**

4 FOR the purpose of approving the issuance by the Baltimore City Board of School
5 Commissioners of the Baltimore City Public School System of its revenue bonds, designated
6 “School System Revenue Bonds (Qualified School Construction Bonds)” and “School
7 System Revenue Bonds (Refunding Bonds),” subject to certain conditions; requiring certain
8 statements, disclosures and reports; and providing for a special effective date.

9 **Recitals**

10 Section 4-306.1 et seq. of the Education Article of the Annotated Code of
11 Maryland, as amended (the “State Law”) authorizes the Baltimore City Board of
12 School Commissioners of the Baltimore City Public School System (the
13 “Board”), subject to certain conditions, to issue its bonds for certain public school
14 purposes.

15 These bonds would not pledge the full faith and credit of or otherwise create or
16 constitute a debt of the Mayor and City Council of Baltimore (the “City”), the
17 State of Maryland (the “State”), or any political subdivision of the State.

18 One of the conditions imposed on the Board’s issuance of any bonds is that the
19 City first adopt a resolution approving that issuance.

20 The Board proposes to issue its revenue bonds, designated “School System
21 Revenue Bonds (Qualified School Construction Bonds)” (the “New Money
22 Bonds”) in an amount not to exceed \$60,826,000 and “School System Revenue
23 Bonds (Refunding Bonds)” (the “Refunding Bonds” and together with the New
24 Money Bonds, the “Bonds”), in one or more issues or series on or before, with
25 respect to the New Money Bonds, December 31, 2011, or such later date as such
26 bonds may be issued in accordance with any extension of the legislation
27 permitting the issuance of such qualified school construction bonds, for the
28 purposes of financing and refinancing the acquisition, construction,

EXPLANATION: Underlining indicates matter added by amendment.
~~Strike out~~ indicates matter deleted by amendment.

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1 reconstruction, equipping or renovation of public school facilities and refunding
2 certain outstanding school system revenue bonds.

3 The City finds that the issuance of bonds for these purposes is necessary and
4 desirable for improving public school facilities and educational services in the
5 City.

6 **SECTION 1. BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE,** That the
7 Mayor and City Council of Baltimore (the “City”) approves the issuance by the Baltimore City
8 Board of School Commissioners (the “Board”) of its School System Revenue Bonds (Qualified
9 School Construction Bonds) (the “New Money Bonds”) in an amount not to exceed \$60,826,000
10 and its School System Revenue Bonds (Refunding Bonds) (the “Refunding Bonds” and, together
11 with the New Money Bonds, the “Bonds”) in an amount not to exceed the statutory limitation
12 under State Law, or otherwise appropriately designated, in one or more issues or series on or
13 before December 31, 2011, or such later date as such bonds may be issued in accordance with
14 any extension of the legislation permitting the issuance of such qualified school construction
15 bonds, for the purposes of financing and refinancing the acquisition, construction,
16 reconstruction, equipping or renovation of public school facilities and refunding certain
17 outstanding school system revenue bonds. There shall be added to the title of the Bonds a
18 designation corresponding to the year in which the Bonds are issued so that, if the Bonds are
19 issued on or after January 1, 2010 and before January 1, 2011, the Bonds shall be known as the
20 “School System Revenue Bonds (Qualified School Construction Bonds), Series 2010” and the
21 “School System Revenue Bonds (Refunding Bonds), Series 2010,” respectively.

22 **SECTION 2. AND BE IT FURTHER RESOLVED,** That the City approves the issuance and sale of
23 the Refunding Bonds to refund all or a portion of any of the Board’s outstanding School System
24 Revenue Bonds.

25 **SECTION 3. AND BE IT FURTHER RESOLVED,** That the City approves the issuance and sale of
26 the New Money Bonds as qualified tax credit bonds or direct subsidy payment bonds that will
27 constitute “qualified school construction bonds” pursuant to Section 54F of the Internal Revenue
28 Code of 1986, as amended (the “Code”) and the Board has received an allocation sufficient for
29 the issuance of the New Money Bonds from the United States of America Secretary of the
30 Treasury pursuant to the Code.

31 **SECTION 4. AND BE IT FURTHER RESOLVED,** That the proceeds of the Bonds may be used
32 only for the purposes specified in Section 1 of this Resolution, as part of the Baltimore City
33 Public School System’s Facility Planning and School Construction Program.

34 **SECTION 5. AND BE IT FURTHER RESOLVED,** That the Bonds issued by the Board may not
35 pledge the full faith and credit of or otherwise create or constitute a debt of the City, the State, or
36 any political subdivision of the State.

37 **SECTION 6. AND BE IT FURTHER RESOLVED,** That the Bonds will be issued in accordance
38 with State Law on a competitive or negotiated basis with a final maturity not to exceed 15 years.

39 **SECTION 7. AND BE IT FURTHER RESOLVED,** That throughout the term of the Bonds, the
40 Board shall send to the Director of Finance of the City:

41 (a) within 210 days after the end of each fiscal year, audited financial statements for that
42 year; and

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1 (b) within 30 days of its filing, a copy of any required annual disclosure filed under
2 Securities and Exchange Commission Rule 15c2-12(b)(5)(i).

3 **SECTION 8. AND BE IT FURTHER RESOLVED,** That on each of the first three annual
4 anniversaries of the issuance of the Bonds, the Board shall send to the Board of Estimates of the
5 City a written report on:

6 (a) expenditures of the Bond proceeds made to date; and

7 (b) plans for future expenditures of the Bond proceeds.

8 **SECTION 9. AND BE IT FURTHER RESOLVED,** That on the enactment of this Resolution, the
9 Director of Finance of the City shall forward a copy of this Resolution to the Board.

10 **SECTION 10. AND BE IT FURTHER RESOLVED,** That this Resolution takes effect on the date it
11 is enacted.