

Introduced by: The Council President
At the request of: The Administration (Bureau of Treasury Management)

Prepared by: Department of Legislative Reference **Date:** April 17, 2018

Referred to: TAXATION, FINANCE & ECONOMIC DEVELOPMENT Committee

Also referred for recommendation and report to municipal agencies listed on reverse.

CITY COUNCIL 18-0228

A BILL ENTITLED

AN ORDINANCE concerning

Issuance of Revenue Obligations – Stormwater Projects

FOR the purpose of authorizing the issuance, sale and delivery from time to time by the City of revenue obligations that may be issued by the City to finance or refinance stormwater facilities; prescribing that the maximum aggregate principal amount of such revenue obligations that may be outstanding at any one time is \$202,000,000; authorizing the Board of Finance of the City to specify, prescribe, determine, provide for, approve, and amend the form, terms, provisions, manner or method of issuing and selling, the time or times of issuance, and all other details of the revenue obligations and any other matters necessary or desirable in connection with the authorization, issuance, sale, and payment of these revenue obligations; providing for a special effective date; and generally relating to the issuance and payment of revenue obligations.

BY authority of

Article II – General Powers
Section (50)
Baltimore City Charter
(1996 Edition)

Sections 19-211 through 19-221 of the Local Government Article
Bond and Grant Anticipation Notes
Annotated Code of Maryland

No. _____

****The introduction of an Ordinance or Resolution by Councilmembers at the request of any person, firm or organization is a courtesy extended by the Councilmembers and not an indication of their position.**

Agencies

_____	Baltimore City Public School System
_____	Baltimore Development Corporation
_____	City Solicitor
_____	Comptroller's Office
_____	Department of Audits
_____	Department of Finance
_____	Department of General Services
_____	Department of Housing and Community Development
_____	Department of Human Resources
_____	Department of Planning
_____	Other: _____
_____	Other: _____
_____	Other: _____
_____	Department of Public Works
_____	Department of Real Estate
_____	Department of Recreation and Parks
_____	Department of Transportation
_____	Fire Department
_____	Health Department
_____	Mayor's Office of Employment Development
_____	Mayor's Office of Human Services
_____	Mayor's Office of Information Technology
_____	Office of the Mayor
_____	Police Department
_____	Other: _____
_____	Other: _____
_____	Other: _____
_____	Environmental Control Board
_____	Fire & Police Employees' Retirement System
_____	Labor Commissioner
_____	Parking Authority Board
_____	Planning Commission
_____	Wage Commission
_____	Other: _____
_____	Other: _____
_____	Other: _____
_____	Board of Estimates
_____	Board of Ethics
_____	Board of Municipal and Zoning Appeals
_____	Comm. for Historical and Architectural Preservation
_____	Commission on Sustainability
_____	Employees' Retirement System
_____	Other: _____
_____	Other: _____
_____	Other: _____

Boards and Commissions

_____	Board of Estimates
_____	Board of Ethics
_____	Board of Municipal and Zoning Appeals
_____	Comm. for Historical and Architectural Preservation
_____	Commission on Sustainability
_____	Employees' Retirement System
_____	Other: _____
_____	Other: _____
_____	Other: _____
_____	Environmental Control Board
_____	Fire & Police Employees' Retirement System
_____	Labor Commissioner
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_____	Planning Commission
_____	Wage Commission
_____	Other: _____
_____	Other: _____
_____	Other: _____

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1 The Stormwater Utility requires capital funding from time to time for improvements
2 to its facilities, which funding may come from various sources. The City has
3 determined to issue revenue bonds and notes that may be refunded from time to time
4 to provide the funding for Stormwater Utility capital projects as an important step in
5 the implementation of a fully separate, self-sustaining enterprise system as envisioned
6 by the City Charter. The revenue bonds and notes will require, and the City Charter
7 requires that rates and charges established for the Stormwater Utility be maintained at
8 a level permitting the Stormwater Utility to operate on a self-supporting basis. This
9 Ordinance sets forth the procedure for the issuance of revenue bonds and notes in
10 furtherance of this self-supporting concept.

11 C. Section 50 ("Section 50") of Article II of the City Charter authorizes the City
12 to borrow money to finance undertakings for the accomplishment of any of the
13 purposes, objects and powers of the City and in connection therewith to issue
14 bonds, notes or other obligations (including refunding obligations) payable as
15 to both principal and interest solely from and secured solely by a pledge of the
16 revenues from or arising in connection with the property, facilities,
17 developments and improvements whose financing is undertaken by issuance
18 of such notes, bonds or other obligations.

19 D. Sections 19-211 through 19-221 of the Local Government Article of the
20 Annotated Code of Maryland (2013 Replacement Volume and 2017
21 Supplement) (the "Bond Anticipation Note Act") authorizes and empowers
22 the City to borrow money in anticipation of the issuance of obligations
23 authorized under Section 50 and to evidence such borrowing by the issuance
24 and sale of its bond anticipation notes in an aggregate principal amount not
25 greater than the authorized amount of the obligations in anticipation of the sale
26 of which the notes are issued and sold. The Bond Anticipation Note Act
27 provides that such notes shall be payable as to interest and principal (except to
28 the extent paid from proceeds of the sale of the notes) from the first proceeds
29 of the obligations in anticipation of the sale of which such notes are issued.
30 The Bond Anticipation Note Act further authorizes and empowers the City to
31 pay up to twelve months' interest on the notes from the proceeds of the notes.
32 The Bond Anticipation Note Act authorizes the sale of any notes to be issued
33 pursuant to such act by public sale or by private negotiation with prospective
34 purchasers, if such negotiated sale is deemed by the City to be in the best
35 interest of the City. The Bond Anticipation Note Act authorizes the renewal at
36 maturity of bond anticipation notes issued thereunder, with or without resale.

37 E. The City proposes to spend a portion of the proceeds of the revenue
38 obligations issued under this Ordinance for the public purpose of financing the
39 costs of Stormwater Utility capital projects (i) appropriated in any past or the
40 current Ordinance of Estimates (as of the date of issuance of any series of
41 revenue obligations), (ii) included, from time to time, in the City's six-year
42 capital program (or comparable document, from time to time), (iii) contained
43 in any supplemental appropriation to the Ordinance of Estimates approved,
44 from time to time, by the City Council or (iv) which are the subjects of
45 transfers from existing appropriations in the Ordinance of Estimates, as
46 approved, from time to time, by the Board of Estimates (collectively, the
47 "Financed Facilities"). The proceeds of the revenue obligations may be used to

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1 repay to the City amounts expended for the Financed Facilities in anticipation
2 of the issuance of the revenue obligations.

3 F. The City proposes to spend the proceeds of any refunding revenue obligations
4 hereby authorized for the public purposes of paying, prepaying, refinancing or
5 restructuring the debt evidenced by the revenue obligations issued pursuant to
6 this Ordinance, which repayment may include the payment of any premium on
7 such obligations, the payment of costs of issuance and the creation of reserve
8 funds for the refunding revenue obligations, including, without limitation,
9 reserves for the payment of the refunding revenue obligations.

10 G. Section 50 confers upon the Board of Finance of the City certain powers in
11 connection with revenue obligations issued pursuant thereto, including,
12 without limitation, the power to determine the form or forms of obligations,
13 the date of the revenue obligations issued at any particular time, the manner or
14 method of issuing and selling (including negotiated as well as competitive),
15 the right of redemption of the revenue bonds and notes prior to maturity, if
16 any, and the rate or rates of interest to be borne by the revenue bonds and
17 notes, and to do any and all things necessary, proper or expedient in
18 connection with any issuance and sale. This Ordinance shall authorize the
19 Board of Finance of the City to specify, prescribe, determine, provide for,
20 approve, and amend, from time to time, the form, terms, provisions, manner or
21 method of issuing and selling the revenue obligations (including negotiated as
22 well as competitive bid sales), time or times of issuance, security for the
23 revenue obligations, and all other details of the revenue obligations and other
24 matters necessary or desirable in connection with the authorization, issuance,
25 sale, and payment of the revenue obligations and to do all things necessary,
26 proper, or expedient in connection with the issuance and sale of the revenue
27 obligations.

28 H. The revenue obligations shall not ever constitute within the meaning of any
29 constitutional or charter provision or otherwise (i) general obligations of the
30 City, (ii) an indebtedness of the City within the meaning of Section 7 of
31 Article XI of the Constitution of Maryland or of any other political
32 subdivision of the State of Maryland or (iii) a charge against the general credit
33 or taxing powers of the City. The issuance of the revenue obligations is not
34 directly or indirectly or contingently an obligation, moral or otherwise, of the
35 State of Maryland or of any political subdivision, including the City, to levy or
36 pledge any form of taxation whatever therefor for their payment.

37 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE,** That, in
38 addition to any other terms defined elsewhere in this Ordinance, the following terms have the
39 meanings indicated:

40 (a) "Administrative Resolution" means any resolution or resolutions adopted by the
41 Board of Finance under this Ordinance.

42 (b) "Capital Receipts" means all receipts deposited in the Stormwater Capital Fund or
43 any other fund for Stormwater Utility capital projects designated under any
44 Administrative Resolution, including revenues, receipts from federal grants, State of

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1 Maryland grants, county grants (including contributions for service), private grants,
2 State of Maryland loans, City general obligation loan funds, proceeds of Revenue
3 Obligations, and all other receipts dedicated to particular capital projects of the
4 Stormwater Utility.

5 (c) "Costs of Issuance" means the costs of issuing any series of revenue obligations,
6 including costs of printing, advertising, attorneys' fees, underwriting discount,
7 placement fees, consultants' fees, bond insurance fees, rating agency fees, initial fees
8 for letters of credit or lines of credit, initial fees of the Trustee, and all other incidental
9 expenses in connection with the issuance of such Revenue Obligations.

10 (d) "Credit Facility" means any liquidity facility, letter of credit, bond insurance policy,
11 guaranty, line of credit, surety bond, or similar credit or liquidity facility securing any
12 Revenue Obligation.

13 (e) "Enabling Laws" means:

14 (1) City Charter Article II, Section (50); and

15 (2) Sections 19-211 through 19-221 of the Local Government Article of the
16 Annotated Code of Maryland.

17 (f) "Includes" or "including" means by way of illustration and not by way of limitation.

18 (g) "Indebtedness" means any indebtedness or liability for borrowed money, any
19 installment sale obligation, or any obligation under any financing lease, sale
20 leaseback, or similar transaction capitalized under generally accepted accounting
21 principles that, by law or contract, the City may be obligated to pay from the
22 Stormwater Operating Fund.

23 (h) "Operating Revenues" means all income, revenue, receipts, and other money
24 deposited in the Stormwater Operating Fund, including revenues of the Stormwater
25 Utility arising from rates and charges established by the City, all amounts derived by
26 the City from the ownership and operation of the Stormwater Utility, all accounts,
27 general intangibles, and contract or other rights to receive them, and the proceeds of
28 any of these, but exclusive of Capital Receipts. The proceeds of rates and charges
29 established by the City shall be deemed to be Operating Revenues for the purposes of
30 City Charter Article II, Section (50).

31 (i) "Refunding Revenue Bond" means any bond or other Indebtedness issued under this
32 Ordinance as a refunding, renewal, or refinancing bond, including any parity or
33 subordinate bond or other Indebtedness issued under any ordinance supplemental to
34 this Ordinance.

35 (j) "Refunding Revenue Note" means any note or other Indebtedness issued under this
36 Ordinance as a refunding, renewal, or refinancing note or other Indebtedness,
37 including any parity or subordinate note or other Indebtedness issued under any
38 ordinance supplemental to this Ordinance.

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- 1 (k) "Refunding Obligations" means Refunding Revenue Notes and Refunding Revenue
2 Bonds, collectively.
- 3 (l) "Revenue Bond" means any revenue bond or other Indebtedness issued under this
4 Ordinance, including any parity or subordinate revenue bond or other Indebtedness
5 issued under any ordinance supplemental to this Ordinance.
- 6 (m) "Revenue Note" means any revenue note or other Indebtedness issued under this
7 Ordinance, including any parity or subordinate revenue note or Indebtedness issued
8 under any ordinance supplemental to this Ordinance.
- 9 (n) "Revenue Obligations" means Revenue Notes, Revenue Bonds, Refunding Revenue
10 Notes, and Refunding Revenue Bonds, collectively.
- 11 (o) "Stormwater Capital Fund" means the fund of the City to which Capital Receipts are
12 credited.
- 13 (p) "Stormwater Facilities" means all stormwater facilities of the City, including financed
14 facilities.
- 15 (q) "Stormwater Operating Fund" means the fund of the City to which operating revenues
16 are credited.
- 17 (r) "Stormwater Utility" means the stormwater utility operated under City Charter Article
18 VI, Section 18.
- 19 (s) "Trustee" means any bank, trust company, or national banking association appointed
20 under an Administrative Resolution as trustee for any Revenue Obligations, and any
21 other entity that is substituted in its place in accordance with the Administrative
22 Resolution, and their successors.

23 **SECTION 2. AND BE IT FURTHER ORDAINED, That:**

- 24 (a) The issuance, sale and delivery of Revenue Obligations is hereby authorized for the
25 public purpose of financing or refinancing the cost of the Financed Facilities and
26 repaying the City for amounts expended on Financed Facilities in anticipation of the
27 issuance of the Revenue Obligations, provided that as of June 30 of each year the
28 aggregate principal amount of Revenue Obligations outstanding shall not exceed Two
29 Hundred Two Million Dollars (\$202,000,000).
- 30 (b) Revenue Obligations may comprise any combination of (i) Revenue Notes, (ii)
31 Revenue Bonds, (iii) Refunding Revenue Notes, and (iv) Refunding Revenue Bonds.
- 32 (c) Refunding Obligations issued under this Ordinance to refund any Revenue
33 Obligations previously issued under this Ordinance shall replace that portion of the
34 authorized amount previously issued and does not reduce the maximum authorized
35 amount of Revenue Obligations permitted to be issued under this Ordinance.
- 36 (d) The aggregate principal amount of Revenue Obligations authorized to be issued under
37 this Ordinance shall be restored by an amount equal to the principal amount of

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1 Revenue Obligations paid, purchased and cancelled, or otherwise provided for
2 whenever (i) the principal of any Revenue Obligations previously issued is paid,
3 whether at maturity, on redemption, or otherwise; (ii) any Revenue Obligations are
4 purchased and cancelled; or (iii) payment of the principal of any Revenue Obligations
5 is provided for in a manner that makes the Revenue Obligations no longer outstanding
6 under the terms of the Administrative Resolution or any trust agreement authorized
7 hereby.

- 8 (e) The amount of any Credit Facility and of any Revenue Obligation issued to evidence
9 the indebtedness for borrowed money or the liability for such Credit Facility payment
10 of amounts advanced for the payment of the principal of or interest on Revenue
11 Obligations does not reduce the maximum authorized amount of Revenue Obligations
12 permitted to be issued under this Ordinance.

13 **SECTION 3. AND BE IT FURTHER ORDAINED, That:**

- 14 (a) The Revenue Obligations may be issued in one or more series from time to time.
15 (b) The aggregate principal amount of Revenue Obligations to be issued at any one time
16 and such series designation shall be determined by the Board of Finance in the
17 Administrative Resolution.

18 **SECTION 4. AND BE IT FURTHER ORDAINED, That:**

- 19 (a) The net proceeds from the sale of Revenue Notes or Revenue Bonds shall be used and
20 applied for the public purposes of (i) financing or refinancing, in whole or in part, the
21 cost of Financed Facilities (either directly or by repayment to the City, as provided in
22 this Ordinance); (ii) refinancing outstanding Indebtedness of the City that was issued
23 or incurred to finance or refinance capital improvements for Stormwater Facilities of
24 the City; (iii) funding capitalized interest on any series of Revenue Notes or Revenue
25 Bonds, to the extent the Board of Finance considers necessary and in accordance with
26 any time limit established by law on this funding; (iv) paying the Costs of Issuance of
27 Revenue Obligations; and (v) funding any reserve funds, including reserves for any
28 Revenue Obligations and operating reserves (to the extent provided by the Board of
29 Finance), created under this Ordinance and an Administrative Resolution.
30 (b) The net proceeds from the sale of Refunding Obligations shall be used and applied for
31 the public purposes of (i) refinancing, restructuring, refunding, or renewing, in whole
32 or in part, from time to time, any outstanding Revenue Obligations, including the
33 payment of any redemption premium on them; (ii) paying the Costs of Issuance of any
34 series of Revenue Obligations; and (iii) funding any reserve funds for the Refunding
35 Obligations, including reserves for the payment of the Refunding Obligations and
36 operating reserves (to the extent provided by the Board of Finance), created under this
37 Ordinance and an Administrative Resolution.

38 **SECTION 5. AND BE IT FURTHER ORDAINED, That:**

- 39 (a) The City finds and determines that the Board of Finance, being primarily responsible
40 for the issuance and sale of the City's certificates of indebtedness, has the expertise

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1 and experience necessary to be primarily responsible for the determination of matters
2 set forth in this Ordinance to be within its jurisdiction.

- 3 (b) The market for Revenue Obligations of the City may change from time to time, and it
4 is in the City's best interest to grant broad authority and flexibility to the Board of
5 Finance in connection with the issuance of Revenue Obligations.

6 **SECTION 6. AND BE IT FURTHER ORDAINED, That:**

- 7 (a) Before delivery of any series of Revenue Obligations, the Board of Finance shall
8 adopt an Administrative Resolution.

- 9 (b) The Administrative Resolution shall prescribe the following, subject to the Enabling
10 Laws:

- 11 (1) the maximum principal amount of such Revenue Obligations to be issued at
12 any one time;
- 13 (2) the date of issue of such Revenue Obligations;
- 14 (3) the interest rate or rates to be borne by the Revenue Obligations or the method
15 by which the interest rate or rates is computed, including limitations on the
16 interest rate or rates beyond which further approvals of the Board of Finance
17 are required;
- 18 (4) the time periods and method of payment of interest on the Revenue
19 Obligations;
- 20 (5) the redemption provisions, if any, for the Revenue Obligations;
- 21 (6) the maturity or maturities of the Revenue Obligations;
- 22 (7) the denomination or denominations of any Revenue Obligations;
- 23 (8) the form, use of registration, and mechanics for payment of the Revenue
24 Obligations; and
- 25 (9) any other terms necessary or desirable to carry out this Ordinance, including
26 other matters determined by the Board of Finance under Section 17.

27 **SECTION 7. AND BE IT FURTHER ORDAINED,** That the Board of Finance may determine
28 whether a particular issue or series of Revenue Obligations shall be sold by competitive bidding
29 or by private negotiation. That determination shall be set forth in the Administrative Resolution
30 for the issue or series to which it applies.

31 **SECTION 8. AND BE IT FURTHER ORDAINED, That:**

- 32 (a) The Board of Finance may adopt a master resolution that establishes procedures to
33 facilitate the prompt determination and approval of one or more of the matters set
34 forth in this Ordinance.

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1 (b) These procedures may include telephonic approval and subsequent telegraphic,
2 electronic, or written confirmation of one or more matters by a designated officer of
3 the City, subject to safeguards and guidelines prescribed in the master resolution.

4 **SECTION 9. AND BE IT FURTHER ORDAINED, That the Board of Finance may:**

5 (a) establish procedures whereby a variable or floating rate or rates of interest can be
6 utilized for any Revenue Obligations;

7 (b) determine that the City should obtain a Credit Facility securing such Revenue
8 Obligations and approve the terms and provisions of such Credit Facility and any
9 agreement entered in connection therewith; and

10 (c) determine that the City should enter into a hedging contract or agreement, payable
11 from Operating Revenues, on such Revenue Obligations, including any interest rate
12 swap agreement, currency swap agreement, forward payment conversion agreement,
13 or futures contract, any contract providing for payments based on levels of, or changes
14 in, interest rates, currency exchange rates, or stock or other indices, any contract to
15 exchange cash flows or a series of payments, or any contract, including an interest
16 rate floor or cap, or an option, put, or call, to hedge payment, currency, interest rate,
17 spread, or similar exposure, on the terms and provisions that the Board of Finance
18 considers necessary or desirable.

19 **SECTION 10. AND BE IT FURTHER ORDAINED, That:**

20 (a) The principal of and premium (if any) and interest on, and purchase price of Revenue
21 Obligations and, to the extent provided in the Administrative Resolution, the amounts
22 owed to the provider of any Credit Facility securing any Revenue Obligations:

23 (1) do not constitute an indebtedness of the City within the meaning of City
24 Charter Article II, Section (50) or of any other political subdivision of the
25 State of Maryland or a charge against the general credit or taxing powers of
26 the City; and

27 (2) may be paid from a pledge of the following, in the order and manner that the
28 Board of Finance prescribes in the Administrative Resolution:

29 (i) Operating Revenues;

30 (ii) amounts in any funds pledged under the Administrative Resolution to
31 the payment of the Revenue Obligations, including any reserve fund
32 established by the Board of Finance for payment of the principal of and
33 premium (if any) and interest on the Revenue Obligations and any
34 investment earnings on those funds (to the extent provided by the
35 Board of Finance);

36 (iii) unexpended proceeds of the Revenue Obligations, including
37 investment earnings on those proceeds (to the extent provided by the
38 Board of Finance); and

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1 (iv) other amounts legally available for these purposes.

2 (b) The issuance of Revenue Obligations does not constitute (directly, indirectly, or
3 contingently) an obligation, moral or otherwise, of the State of Maryland, of the City,
4 or of any other political subdivision of the State, to levy or pledge any form of
5 taxation whatsoever for their payment.

6 (c) Rates and charges of the Stormwater Utility shall be set, assessed and collected in
7 accordance with City procedures, the City Charter, Administrative Resolutions, and
8 applicable law to the extent deemed necessary to operate the Stormwater Facilities
9 and provide payment for the outstanding Revenue Obligations.

10 **SECTION 11. AND BE IT FURTHER ORDAINED, That:**

11 (a) From the proceeds of the Revenue Obligations, from other funds of the Stormwater
12 Utility, or from any other sources, the Board of Finance may establish one or more
13 reserve funds for the Revenue Obligations, including debt service reserve funds,
14 which may be pledged to the payment of the principal of and premium (if any) and
15 interest on, and purchase price of one or more series of Revenue Obligations in the
16 event that the Operating Revenues for any year are insufficient to pay these items for
17 that year.

18 (b) This section does not preclude the establishment of other reserve funds that are not
19 pledged to payment of Revenue Obligations in connection with the Revenue
20 Obligations or any subordinate obligations of the Stormwater Utility, including a
21 renewal and replacement fund, a rate stabilization fund, a residual fund and an
22 operating reserve fund.

23 **SECTION 12. AND BE IT FURTHER ORDAINED, That the City covenants that it will pay the**
24 **principal of and the premium (if any) and interest on any Revenue Notes or Refunding Revenue**
25 **Notes in the nature of bond anticipation notes from funds made available for such payment or the**
26 **first proceeds of Refunding Revenue Bonds issued under this Ordinance when, and as soon as,**
27 **the reason for deferring their issuance no longer exists and, in any event, in sufficient time to**
28 **permit the Revenue Obligations to be paid at maturity or extended maturity.**

29 **SECTION 13. AND BE IT FURTHER ORDAINED, That:**

30 (a) All Revenue Obligations and any other agreements of the City entered into under this
31 Ordinance shall be executed in the name of the City and on its behalf by the Mayor
32 and the Director of Finance, by manual or facsimile signatures. The corporate seal of
33 the City shall be printed or imprinted on the Revenue Obligations and attested by the
34 Custodian or Alternate Custodian of the City Seal, by manual or facsimile signature.

35 (b) If the Board of Finance finds that the nature of a transaction so requires, the Board
36 may establish in an Administrative Resolution a procedure whereby the Trustee, a
37 responsible trust company, or other authorized trustee, issuing agent, or paying agent
38 maintains an inventory of blank Revenue Obligations that have been previously
39 imprinted and signed and are available for delivery to purchasers under conditions
40 that require prompt action and delivery.

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- 1 (c) If any official whose signature appears on any Revenue Obligations ceases to be an
2 official before the delivery of such Revenue Obligations, or if any official whose
3 signature appears on any Revenue Obligations became an official after the date of
4 issue, such Revenue Obligations are nonetheless valid and legally binding limited
5 obligations of the City in accordance with their terms.

6 **SECTION 14. AND BE IT FURTHER ORDAINED, That:**

- 7 (a) The proceeds from the sale of Revenue Obligations shall be paid to the Director of
8 Finance for deposit, investment, and disbursement in accordance with the Enabling
9 Laws, this Ordinance, and the Administrative Resolution. All premiums resulting
10 from the sale of the Revenue Obligations issued and sold pursuant to the provisions of
11 this Ordinance shall be applied as directed by the Board of Finance.
- 12 (b) On presentation of the appropriate invoices, as provided in the Administrative
13 Resolution, the Trustee or the City shall pay from the proceeds of each series of
14 Revenue Obligations all Costs of Issuance. Nothing prevents the City from paying any
15 underwriting discount or placement fee payable in connection with any Revenue
16 Obligations by the underwriters' or placement agents' deduction of an amount equal
17 to the discount or placement fee from the offering price of the Revenue Obligations.
- 18 (c) The Trustee shall credit to a special account established under the Administrative
19 Resolution the amount, if any, of the proceeds of each series of Revenue Obligations
20 designated as capitalized interest on that series of Revenue Obligations.
- 21 (d) Before the proceeds of any series of Revenue Obligations are expended, all or any
22 part of the proceeds may be invested by the Trustee in accordance with the
23 Administrative Resolution and within any limitation and in the manner provided by
24 law.
- 25 (e) On presentation to the Trustee or the City of appropriate requests, the Trustee shall
26 make payments from the proceeds of any series of Revenue Obligations for any of the
27 purposes specified in this Ordinance and in the Administrative Resolution.
- 28 (f) If the funds derived from the sale of the Revenue Obligations exceed the amount
29 needed (i) to refund any outstanding obligations of the City to be refunded under the
30 Administrative Resolutions, (ii) to finance the Financed Facilities, (iii) to pay Cost of
31 Issuance and capitalized interest, and (iv) to fund any reserves and for any other
32 purpose authorized by the Administrative Resolution, the funds so borrowed and not
33 needed shall be applied as determined by the Board of Finance, under the terms and
34 conditions set forth in the Administrative Resolution, including to fund reserve fund
35 deficiencies or other reserves, if any, to pay principal of or interest on Revenue
36 Obligations, to redeem or purchase Revenue Obligations, or to pay for other capital
37 projects of the Stormwater Utility within any limitation provided by law.

38 **SECTION 15. AND BE IT FURTHER ORDAINED, That:**

- 39 (a) The Board of Finance may take the actions and make the commitments on behalf of
40 the City described in this Section 15.

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1 (b) The Board of Finance may determine and set forth the form, terms, provisions
2 (including redemption provisions and sinking fund requirements, if any), manner or
3 method of issuing and selling the Revenue Obligations (including negotiated or
4 competitive bid sale), time or times of issuance, and security for the Revenue
5 Obligations, and all other details and other matters necessary or desirable in
6 connection with the authorization, issuance, sale, and payment of the Revenue
7 Obligations.

8 (c) In conjunction with the prospective underwriters or placement agents, if any, for the
9 Revenue Obligations, the Board of Finance may prepare and distribute preliminary
10 and final official statements or placement memoranda or circulars as the Board of
11 Finance considers necessary or desirable. All preliminary official statements or
12 placement memoranda or circulars shall be clearly marked to indicate that they are
13 subject to completion and amendment.

14 (d) The Board of Finance may determine the dates, times, and places for submission of an
15 underwriting or placement agreement or purchase contract by the underwriters or
16 placement agents for the Revenue Obligations or purchasers of the revenue
17 obligations. Such underwriting or placement agreement or purchase contract shall
18 specify (i) the interest rate or rates proposed to be paid on the Revenue Obligations or
19 the method by which the interest rate or rates shall be computed; (ii) the price at
20 which the Revenue Obligations are to be sold to the underwriters, placement agents,
21 or purchasers; and (iii) any other matters that the underwriters, placement agents, or
22 purchasers and the Board of Finance consider necessary or desirable to effect the sale
23 and delivery of the Revenue Obligations.

24 (e) The Board of Finance may determine the interest rate or rates to be paid by the City
25 on the Revenue Obligations or the method by which the interest rate or rates is
26 computed.

27 (f) The Board of Finance, as it considers necessary or desirable, may appoint one or more
28 banks with trust powers, or trust companies, as trustee, registrar, or paying agent for
29 the Revenue Obligations.

30 (g) The Board of Finance may approve the form of trust agreements (which may be the
31 Administrative Resolution) between the City and the Trustee, which trust agreements
32 may:

33 (1) pledge or assign all or any part of the security for the Revenue Obligations,
34 consistent with the covenants contained in this Ordinance and the
35 Administrative Resolution and the provisions of any contract to which the
36 City is a part that is then in effect;

37 (2) contain reasonable and proper provisions for the protection and enforcement
38 of the rights and remedies of the holders of Revenue Obligations;

39 (3) set forth the rights and remedies of the holders of Revenue Obligations and
40 any trustee;

41 (4) restrict the individual right of action by the holders of Revenue Obligations;

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1 (5) provide for the issuance of additional Revenue Obligations subordinate to, or
2 on parity with, Revenue Obligations previously issued under the trust
3 agreement or the Administrative Resolution, consistent with this Ordinance
4 and the provisions of the trust agreement or the Administrative Resolution;
5 and

6 (6) contain whatever other provisions the Board of Finance considers reasonable
7 and proper for the security of the holders of Revenue Obligations.

8 (h) The Board of Finance may amend, restate, or supplement the Administrative
9 Resolution in accordance with the Enabling Laws, this Ordinance, and the
10 Administrative Resolution.

11 **SECTION 16. AND BE IT FURTHER ORDAINED,** That the Board of Finance may perform any
12 and all actions that it considers necessary or desirable to effect the issuance and sale of the
13 Revenue Obligations in accordance with this Ordinance and the underwriting or placement
14 agreements or purchase contracts for the Revenue Obligations.

15 **SECTION 17. AND BE IT FURTHER ORDAINED,** That, before any Revenue Obligations are
16 sold, the Board of Finance may determine by Administrative Resolution:

17 (a) the provisions of any trust agreement between the City and the Trustee;

18 (b) the manner of execution, authentication, registration, and transfer of the Revenue
19 Obligations;

20 (c) provisions for authentication and delivery of the Revenue Obligations;

21 (d) the terms of any Credit Facility or other security for the Revenue Obligations;

22 (e) provisions for creating, holding, and disbursing any funds and accounts to be held by
23 any trustee or the Director of Finance;

24 (f) provisions for applying the Operating Revenues;

25 (g) provisions for the security for and investment of money held by any trustee or the
26 Director of Finance;

27 (h) the procedures for redeeming the Revenue Obligations;

28 (i) remedies for holders of Revenue Obligations in the event of default;

29 (j) the duties, rights, and immunities of any trustee;

30 (k) the manner of executing instruments by holders of Revenue Obligations and the
31 method of proving ownership of Revenue Obligations;

32 (l) provisions for modifying the trust agreement;

33 (m) provisions for the defeasance of Revenue Obligations;

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1 (n) the forms of the Revenue Obligations (including book-entry or certificated bonds) and
2 of any trustee's authentication certificate;

3 (o) the preparation and distribution of an official statement, placement memorandum or
4 other disclosure document; and

5 (p) any other matters in connection with the authorization, issuance, security, sale,
6 payment, and refunding of the Revenue Obligations that the Board of Finance
7 considers appropriate.

8 **SECTION 18. AND BE IT FURTHER ORDAINED,** That any resolution, including the
9 Administrative Resolution, adopted under this Ordinance is considered to be administrative.

10 **SECTION 19. AND BE IT FURTHER ORDAINED,** That nothing in this Ordinance precludes a
11 consolidation or other combination of the Stormwater Utility, the wastewater utility and the
12 water utility or any budgetary restructuring or interfund reorganization of these utilities, so long
13 as it is determined, in accordance with procedures set forth in the Administrative Resolution, that
14 the consolidation or combination will not impair the security for the Revenue Obligations.

15 **SECTION 20. AND BE IT FURTHER ORDAINED,** That nothing in this Ordinance precludes a
16 pledge of revenues of and amounts held by the Stormwater Utility, including the Operating
17 Revenues to the payment of any Revenue Obligations.

18 **SECTION 21. AND BE IT FURTHER ORDAINED,** That the Mayor and City Council may amend
19 or supplement this Ordinance from time to time as necessary or desirable to increase the
20 authorized amount of Revenue Obligations and for any other purpose, as long as the action is
21 otherwise consistent with the terms of this Ordinance, the Administrative Resolution, and the
22 Revenue Obligations.

23 **SECTION 22. AND BE IT FURTHER ORDAINED,** That if the Board of Finance fails to take any
24 action or act on any matter delegated to it or authorized to be implemented by it, the action or
25 matter may be taken or acted on or implemented by a resolution of the Mayor and City Council.

26 **SECTION 23. AND BE IT FURTHER ORDAINED,** That:

27 (a) Revenue Obligations may be issued under this Ordinance with the expectation that
28 interest on the Revenue Obligations will be exempt from federal income taxation
29 ("Tax-exempt Obligations").

30 (b) The Administrative Resolution under which Tax-exempt Obligations are issued shall
31 prescribe covenants and matters that the Board of Finance considers necessary or
32 desirable to assure that the Revenue Obligations will not be considered "arbitrage
33 bonds" within the meaning of Section 148 of the Internal Revenue Code and its
34 regulations and to assure holders of the Revenue Obligations that interest on them
35 will be and remain exempt from federal income taxation.

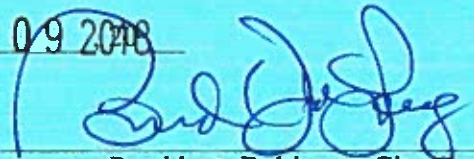
36 (c) The Mayor, the Director of Finance, and the Chief of the Bureau of Treasury
37 Management shall prepare or cause to be prepared and shall execute any certification,
38 opinion, or other document that may be required to maintain the exemption of interest
39 on Tax-exempt Obligations from federal income taxation.

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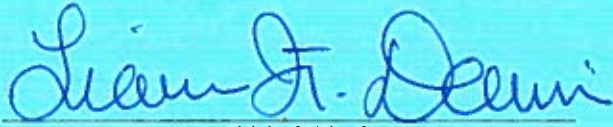
1 SECTION 24. AND BE IT FURTHER ORDAINED, That the covenants contained in this
2 Ordinance are for the benefit of the holders of the Revenue Obligations from time to time and are
3 enforceable by those holders, subject to any limitations set forth in the Administrative
4 Resolution.

5 SECTION 25. AND BE IT FURTHER ORDAINED, That the provisions of this Ordinance are
6 severable. If any provision, sentence, clause, section, or other part of this Ordinance is held
7 illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, that illegality,
8 invalidity, unconstitutionality, or inapplicability does not affect or impair any of the remaining
9 provisions, sentences, clauses, sections, or parts of this Ordinance or their application to other
10 persons or circumstances. It is the intent of the Mayor and City Council that this Ordinance
11 would have been adopted even if the illegal, invalid, unconstitutional, or inapplicable provision,
12 sentence, clause, section, or other part had not been included in this Ordinance, and as if the
13 person or circumstances to which this Ordinance or part are inapplicable had been specifically
14 exempted.

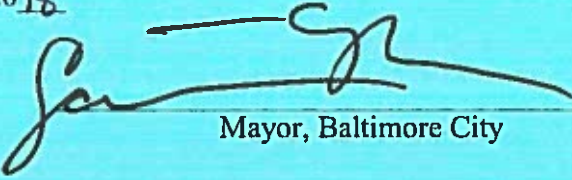
15 SECTION 26. AND BE IT FURTHER ORDAINED, That this Ordinance takes effect on the date it
16 is enacted.

Certified as duly passed this _____ day of JUL 09 2018



President, Baltimore City Council

Certified as duly delivered to Her Honor, the Mayor,
this _____ day of JUL 09 2018, 20____


Chief Clerk

Approved this 28 day of August, 2018


Mayor, Baltimore City

Approved For Form and Legal Sufficiency.
This 16th Day of July 2018


Chief Solicitor

CITY OF BALTIMORE
ORDINANCE
Council Bill 18-0228

Introduced by: The Council President
At the request of: The Administration (Bureau of Treasury Management)
Introduced and read first time: April 23, 2018
Assigned to: Taxation, Finance and Economic Development Committee

Committee Report: Favorable
Council action: Adopted
Read second time: June 25, 2018

AN ORDINANCE CONCERNING

1 Issuance of Revenue Obligations – Stormwater Projects

2 FOR the purpose of authorizing the issuance, sale and delivery from time to time by the City of
3 revenue obligations that may be issued by the City to finance or refinance stormwater
4 facilities; prescribing that the maximum aggregate principal amount of such revenue
5 obligations that may be outstanding at any one time is \$202,000,000; authorizing the Board
6 of Finance of the City to specify, prescribe, determine, provide for, approve, and amend the
7 form, terms, provisions, manner or method of issuing and selling, the time or times of
8 issuance, and all other details of the revenue obligations and any other matters necessary or
9 desirable in connection with the authorization, issuance, sale, and payment of these revenue
10 obligations; providing for a special effective date; and generally relating to the issuance and
11 payment of revenue obligations.

12 BY authority of

13 Article II – General Powers
14 Section (50)
15 Baltimore City Charter
16 (1996 Edition)

17 Sections 19-211 through 19-221 of the Local Government Article
18 Bond and Grant Anticipation Notes
19 Annotated Code of Maryland

20 Recitals

- 21 A. Mayor and City Council of Baltimore, a municipal corporation organized and
22 existing under the Constitution and laws of the State of Maryland, is
23 hereinafter sometimes referred to as the “City”.
- 24 B. By an amendment to Article VI of the City Charter of Baltimore City, 1996
25 Edition, as amended (the “City Charter”), the City established a separate
26 enterprise system for the City’s stormwater utility (the “Stormwater Utility”).

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.
Underlining indicates matter added to the bill by amendment.
~~Strike-out~~ indicates matter stricken from the bill by
amendment or deleted from existing law by amendment.

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1 The Stormwater Utility requires capital funding from time to time for improvements
2 to its facilities, which funding may come from various sources. The City has
3 determined to issue revenue bonds and notes that may be refunded from time to time
4 to provide the funding for Stormwater Utility capital projects as an important step in
5 the implementation of a fully separate, self-sustaining enterprise system as envisioned
6 by the City Charter. The revenue bonds and notes will require, and the City Charter
7 requires that rates and charges established for the Stormwater Utility be maintained at
8 a level permitting the Stormwater Utility to operate on a self-supporting basis. This
9 Ordinance sets forth the procedure for the issuance of revenue bonds and notes in
10 furtherance of this self-supporting concept.

11 C. Section 50 ("Section 50") of Article II of the City Charter authorizes the City
12 to borrow money to finance undertakings for the accomplishment of any of the
13 purposes, objects and powers of the City and in connection therewith to issue
14 bonds, notes or other obligations (including refunding obligations) payable as
15 to both principal and interest solely from and secured solely by a pledge of the
16 revenues from or arising in connection with the property, facilities,
17 developments and improvements whose financing is undertaken by issuance
18 of such notes, bonds or other obligations.

19 D. Sections 19-211 through 19-221 of the Local Government Article of the
20 Annotated Code of Maryland (2013 Replacement Volume and 2017
21 Supplement) (the "Bond Anticipation Note Act") authorizes and empowers
22 the City to borrow money in anticipation of the issuance of obligations
23 authorized under Section 50 and to evidence such borrowing by the issuance
24 and sale of its bond anticipation notes in an aggregate principal amount not
25 greater than the authorized amount of the obligations in anticipation of the sale
26 of which the notes are issued and sold. The Bond Anticipation Note Act
27 provides that such notes shall be payable as to interest and principal (except to
28 the extent paid from proceeds of the sale of the notes) from the first proceeds
29 of the obligations in anticipation of the sale of which such notes are issued.
30 The Bond Anticipation Note Act further authorizes and empowers the City to
31 pay up to twelve months' interest on the notes from the proceeds of the notes.
32 The Bond Anticipation Note Act authorizes the sale of any notes to be issued
33 pursuant to such act by public sale or by private negotiation with prospective
34 purchasers, if such negotiated sale is deemed by the City to be in the best
35 interest of the City. The Bond Anticipation Note Act authorizes the renewal at
36 maturity of bond anticipation notes issued thereunder, with or without resale.

37 E. The City proposes to spend a portion of the proceeds of the revenue
38 obligations issued under this Ordinance for the public purpose of financing the
39 costs of Stormwater Utility capital projects (i) appropriated in any past or the
40 current Ordinance of Estimates (as of the date of issuance of any series of
41 revenue obligations), (ii) included, from time to time, in the City's six-year
42 capital program (or comparable document, from time to time), (iii) contained
43 in any supplemental appropriation to the Ordinance of Estimates approved,
44 from time to time, by the City Council or (iv) which are the subjects of
45 transfers from existing appropriations in the Ordinance of Estimates, as
46 approved, from time to time, by the Board of Estimates (collectively, the
47 "Financed Facilities"). The proceeds of the revenue obligations may be used to

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1 repay to the City amounts expended for the Financed Facilities in anticipation
2 of the issuance of the revenue obligations.

3 F. The City proposes to spend the proceeds of any refunding revenue obligations
4 hereby authorized for the public purposes of paying, prepaying, refinancing or
5 restructuring the debt evidenced by the revenue obligations issued pursuant to
6 this Ordinance, which repayment may include the payment of any premium on
7 such obligations, the payment of costs of issuance and the creation of reserve
8 funds for the refunding revenue obligations, including, without limitation,
9 reserves for the payment of the refunding revenue obligations.

10 G. Section 50 confers upon the Board of Finance of the City certain powers in
11 connection with revenue obligations issued pursuant thereto, including,
12 without limitation, the power to determine the form or forms of obligations,
13 the date of the revenue obligations issued at any particular time, the manner or
14 method of issuing and selling (including negotiated as well as competitive),
15 the right of redemption of the revenue bonds and notes prior to maturity, if
16 any, and the rate or rates of interest to be borne by the revenue bonds and
17 notes, and to do any and all things necessary, proper or expedient in
18 connection with any issuance and sale. This Ordinance shall authorize the
19 Board of Finance of the City to specify, prescribe, determine, provide for,
20 approve, and amend, from time to time, the form, terms, provisions, manner or
21 method of issuing and selling the revenue obligations (including negotiated as
22 well as competitive bid sales), time or times of issuance, security for the
23 revenue obligations, and all other details of the revenue obligations and other
24 matters necessary or desirable in connection with the authorization, issuance,
25 sale, and payment of the revenue obligations and to do all things necessary,
26 proper, or expedient in connection with the issuance and sale of the revenue
27 obligations.

28 H. The revenue obligations shall not ever constitute within the meaning of any
29 constitutional or charter provision or otherwise (i) general obligations of the
30 City, (ii) an indebtedness of the City within the meaning of Section 7 of
31 Article XI of the Constitution of Maryland or of any other political
32 subdivision of the State of Maryland or (iii) a charge against the general credit
33 or taxing powers of the City. The issuance of the revenue obligations is not
34 directly or indirectly or contingently an obligation, moral or otherwise, of the
35 State of Maryland or of any political subdivision, including the City, to levy or
36 pledge any form of taxation whatever therefor for their payment.

37 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE,** That, in
38 addition to any other terms defined elsewhere in this Ordinance, the following terms have the
39 meanings indicated:

40 (a) "Administrative Resolution" means any resolution or resolutions adopted by the
41 Board of Finance under this Ordinance.

42 (b) "Capital Receipts" means all receipts deposited in the Stormwater Capital Fund or
43 any other fund for Stormwater Utility capital projects designated under any
44 Administrative Resolution, including revenues, receipts from federal grants, State of

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1 Maryland grants, county grants (including contributions for service), private grants,
2 State of Maryland loans, City general obligation loan funds, proceeds of Revenue
3 Obligations, and all other receipts dedicated to particular capital projects of the
4 Stormwater Utility.

5 (c) "Costs of Issuance" means the costs of issuing any series of revenue obligations,
6 including costs of printing, advertising, attorneys' fees, underwriting discount,
7 placement fees, consultants' fees, bond insurance fees, rating agency fees, initial fees
8 for letters of credit or lines of credit, initial fees of the Trustee, and all other incidental
9 expenses in connection with the issuance of such Revenue Obligations.

10 (d) "Credit Facility" means any liquidity facility, letter of credit, bond insurance policy,
11 guaranty, line of credit, surety bond, or similar credit or liquidity facility securing any
12 Revenue Obligation.

13 (e) "Enabling Laws" means:

14 (1) City Charter Article II, Section (50); and

15 (2) Sections 19-211 through 19-221 of the Local Government Article of the
16 Annotated Code of Maryland.

17 (f) "Includes" or "including" means by way of illustration and not by way of limitation.

18 (g) "Indebtedness" means any indebtedness or liability for borrowed money, any
19 installment sale obligation, or any obligation under any financing lease, sale
20 leaseback, or similar transaction capitalized under generally accepted accounting
21 principles that, by law or contract, the City may be obligated to pay from the
22 Stormwater Operating Fund.

23 (h) "Operating Revenues" means all income, revenue, receipts, and other money
24 deposited in the Stormwater Operating Fund, including revenues of the Stormwater
25 Utility arising from rates and charges established by the City, all amounts derived by
26 the City from the ownership and operation of the Stormwater Utility, all accounts,
27 general intangibles, and contract or other rights to receive them, and the proceeds of
28 any of these, but exclusive of Capital Receipts. The proceeds of rates and charges
29 established by the City shall be deemed to be Operating Revenues for the purposes of
30 City Charter Article II, Section (50).

31 (i) "Refunding Revenue Bond" means any bond or other Indebtedness issued under this
32 Ordinance as a refunding, renewal, or refinancing bond, including any parity or
33 subordinate bond or other Indebtedness issued under any ordinance supplemental to
34 this Ordinance.

35 (j) "Refunding Revenue Note" means any note or other Indebtedness issued under this
36 Ordinance as a refunding, renewal, or refinancing note or other Indebtedness,
37 including any parity or subordinate note or other Indebtedness issued under any
38 ordinance supplemental to this Ordinance.

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- 1 (k) "Refunding Obligations" means Refunding Revenue Notes and Refunding Revenue
2 Bonds, collectively.
- 3 (l) "Revenue Bond" means any revenue bond or other Indebtedness issued under this
4 Ordinance, including any parity or subordinate revenue bond or other Indebtedness
5 issued under any ordinance supplemental to this Ordinance.
- 6 (m) "Revenue Note" means any revenue note or other Indebtedness issued under this
7 Ordinance, including any parity or subordinate revenue note or Indebtedness issued
8 under any ordinance supplemental to this Ordinance.
- 9 (n) "Revenue Obligations" means Revenue Notes, Revenue Bonds, Refunding Revenue
10 Notes, and Refunding Revenue Bonds, collectively.
- 11 (o) "Stormwater Capital Fund" means the fund of the City to which Capital Receipts are
12 credited.
- 13 (p) "Stormwater Facilities" means all stormwater facilities of the City, including financed
14 facilities.
- 15 (q) "Stormwater Operating Fund" means the fund of the City to which operating revenues
16 are credited.
- 17 (r) "Stormwater Utility" means the stormwater utility operated under City Charter Article
18 VI, Section 18.
- 19 (s) "Trustee" means any bank, trust company, or national banking association appointed
20 under an Administrative Resolution as trustee for any Revenue Obligations, and any
21 other entity that is substituted in its place in accordance with the Administrative
22 Resolution, and their successors.

23 **SECTION 2. AND BE IT FURTHER ORDAINED, That:**

- 24 (a) The issuance, sale and delivery of Revenue Obligations is hereby authorized for the
25 public purpose of financing or refinancing the cost of the Financed Facilities and
26 repaying the City for amounts expended on Financed Facilities in anticipation of the
27 issuance of the Revenue Obligations, provided that as of June 30 of each year the
28 aggregate principal amount of Revenue Obligations outstanding shall not exceed Two
29 Hundred Two Million Dollars (\$202,000,000).
- 30 (b) Revenue Obligations may comprise any combination of (i) Revenue Notes, (ii)
31 Revenue Bonds, (iii) Refunding Revenue Notes, and (iv) Refunding Revenue Bonds.
- 32 (c) Refunding Obligations issued under this Ordinance to refund any Revenue
33 Obligations previously issued under this Ordinance shall replace that portion of the
34 authorized amount previously issued and does not reduce the maximum authorized
35 amount of Revenue Obligations permitted to be issued under this Ordinance.
- 36 (d) The aggregate principal amount of Revenue Obligations authorized to be issued under
37 this Ordinance shall be restored by an amount equal to the principal amount of

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1 Revenue Obligations paid, purchased and cancelled, or otherwise provided for
2 whenever (i) the principal of any Revenue Obligations previously issued is paid,
3 whether at maturity, on redemption, or otherwise; (ii) any Revenue Obligations are
4 purchased and cancelled; or (iii) payment of the principal of any Revenue Obligations
5 is provided for in a manner that makes the Revenue Obligations no longer outstanding
6 under the terms of the Administrative Resolution or any trust agreement authorized
7 hereby.

- 8 (c) The amount of any Credit Facility and of any Revenue Obligation issued to evidence
9 the indebtedness for borrowed money or the liability for such Credit Facility payment
10 of amounts advanced for the payment of the principal of or interest on Revenue
11 Obligations does not reduce the maximum authorized amount of Revenue Obligations
12 permitted to be issued under this Ordinance.

13 **SECTION 3. AND BE IT FURTHER ORDAINED, That:**

- 14 (a) The Revenue Obligations may be issued in one or more series from time to time.
15 (b) The aggregate principal amount of Revenue Obligations to be issued at any one time
16 and such series designation shall be determined by the Board of Finance in the
17 Administrative Resolution.

18 **SECTION 4. AND BE IT FURTHER ORDAINED, That:**

- 19 (a) The net proceeds from the sale of Revenue Notes or Revenue Bonds shall be used and
20 applied for the public purposes of (i) financing or refinancing, in whole or in part, the
21 cost of Financed Facilities (either directly or by repayment to the City, as provided in
22 this Ordinance); (ii) refinancing outstanding Indebtedness of the City that was issued
23 or incurred to finance or refinance capital improvements for Stormwater Facilities of
24 the City; (iii) funding capitalized interest on any series of Revenue Notes or Revenue
25 Bonds, to the extent the Board of Finance considers necessary and in accordance with
26 any time limit established by law on this funding; (iv) paying the Costs of Issuance of
27 Revenue Obligations; and (v) funding any reserve funds, including reserves for any
28 Revenue Obligations and operating reserves (to the extent provided by the Board of
29 Finance), created under this Ordinance and an Administrative Resolution.
30 (b) The net proceeds from the sale of Refunding Obligations shall be used and applied for
31 the public purposes of (i) refinancing, restructuring, refunding, or renewing, in whole
32 or in part, from time to time, any outstanding Revenue Obligations, including the
33 payment of any redemption premium on them; (ii) paying the Costs of Issuance of any
34 series of Revenue Obligations; and (iii) funding any reserve funds for the Refunding
35 Obligations, including reserves for the payment of the Refunding Obligations and
36 operating reserves (to the extent provided by the Board of Finance), created under this
37 Ordinance and an Administrative Resolution.

38 **SECTION 5. AND BE IT FURTHER ORDAINED, That:**

- 39 (a) The City finds and determines that the Board of Finance, being primarily responsible
40 for the issuance and sale of the City's certificates of indebtedness, has the expertise

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1 and experience necessary to be primarily responsible for the determination of matters
2 set forth in this Ordinance to be within its jurisdiction.

3 (b) The market for Revenue Obligations of the City may change from time to time, and it
4 is in the City's best interest to grant broad authority and flexibility to the Board of
5 Finance in connection with the issuance of Revenue Obligations.

6 **SECTION 6. AND BE IT FURTHER ORDAINED, That:**

7 (a) Before delivery of any series of Revenue Obligations, the Board of Finance shall
8 adopt an Administrative Resolution.

9 (b) The Administrative Resolution shall prescribe the following, subject to the Enabling
10 Laws:

11 (1) the maximum principal amount of such Revenue Obligations to be issued at
12 any one time;

13 (2) the date of issue of such Revenue Obligations;

14 (3) the interest rate or rates to be borne by the Revenue Obligations or the method
15 by which the interest rate or rates is computed, including limitations on the
16 interest rate or rates beyond which further approvals of the Board of Finance
17 are required;

18 (4) the time periods and method of payment of interest on the Revenue
19 Obligations;

20 (5) the redemption provisions, if any, for the Revenue Obligations;

21 (6) the maturity or maturities of the Revenue Obligations;

22 (7) the denomination or denominations of any Revenue Obligations;

23 (8) the form, use of registration, and mechanics for payment of the Revenue
24 Obligations; and

25 (9) any other terms necessary or desirable to carry out this Ordinance, including
26 other matters determined by the Board of Finance under Section 17.

27 **SECTION 7. AND BE IT FURTHER ORDAINED, That the Board of Finance may determine**
28 **whether a particular issue or series of Revenue Obligations shall be sold by competitive bidding**
29 **or by private negotiation. That determination shall be set forth in the Administrative Resolution**
30 **for the issue or series to which it applies.**

31 **SECTION 8. AND BE IT FURTHER ORDAINED, That:**

32 (a) The Board of Finance may adopt a master resolution that establishes procedures to
33 facilitate the prompt determination and approval of one or more of the matters set
34 forth in this Ordinance.

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- 1 (b) These procedures may include telephonic approval and subsequent telegraphic,
2 electronic, or written confirmation of one or more matters by a designated officer of
3 the City, subject to safeguards and guidelines prescribed in the master resolution.

4 **SECTION 9. AND BE IT FURTHER ORDAINED, That the Board of Finance may:**

- 5 (a) establish procedures whereby a variable or floating rate or rates of interest can be
6 utilized for any Revenue Obligations;
- 7 (b) determine that the City should obtain a Credit Facility securing such Revenue
8 Obligations and approve the terms and provisions of such Credit Facility and any
9 agreement entered in connection therewith; and
- 10 (c) determine that the City should enter into a hedging contract or agreement, payable
11 from Operating Revenues, on such Revenue Obligations, including any interest rate
12 swap agreement, currency swap agreement, forward payment conversion agreement,
13 or futures contract, any contract providing for payments based on levels of, or changes
14 in, interest rates, currency exchange rates, or stock or other indices, any contract to
15 exchange cash flows or a series of payments, or any contract, including an interest
16 rate floor or cap, or an option, put, or call, to hedge payment, currency, interest rate,
17 spread, or similar exposure, on the terms and provisions that the Board of Finance
18 considers necessary or desirable.

19 **SECTION 10. AND BE IT FURTHER ORDAINED, That:**

- 20 (a) The principal of and premium (if any) and interest on, and purchase price of Revenue
21 Obligations and, to the extent provided in the Administrative Resolution, the amounts
22 owed to the provider of any Credit Facility securing any Revenue Obligations:

23 (1) do not constitute an indebtedness of the City within the meaning of City
24 Charter Article II, Section (50) or of any other political subdivision of the
25 State of Maryland or a charge against the general credit or taxing powers of
26 the City; and

27 (2) may be paid from a pledge of the following, in the order and manner that the
28 Board of Finance prescribes in the Administrative Resolution:

29 (i) Operating Revenues;

30 (ii) amounts in any funds pledged under the Administrative Resolution to
31 the payment of the Revenue Obligations, including any reserve fund
32 established by the Board of Finance for payment of the principal of and
33 premium (if any) and interest on the Revenue Obligations and any
34 investment earnings on those funds (to the extent provided by the
35 Board of Finance);

36 (iii) unexpended proceeds of the Revenue Obligations, including
37 investment earnings on those proceeds (to the extent provided by the
38 Board of Finance); and

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1 (iv) other amounts legally available for these purposes.

2 (b) The issuance of Revenue Obligations does not constitute (directly, indirectly, or
3 contingently) an obligation, moral or otherwise, of the State of Maryland, of the City,
4 or of any other political subdivision of the State, to levy or pledge any form of
5 taxation whatsoever for their payment.

6 (c) Rates and charges of the Stormwater Utility shall be set, assessed and collected in
7 accordance with City procedures, the City Charter, Administrative Resolutions, and
8 applicable law to the extent deemed necessary to operate the Stormwater Facilities
9 and provide payment for the outstanding Revenue Obligations.

10 **SECTION 11. AND BE IT FURTHER ORDAINED, That:**

11 (a) From the proceeds of the Revenue Obligations, from other funds of the Stormwater
12 Utility, or from any other sources, the Board of Finance may establish one or more
13 reserve funds for the Revenue Obligations, including debt service reserve funds,
14 which may be pledged to the payment of the principal of and premium (if any) and
15 interest on, and purchase price of one or more series of Revenue Obligations in the
16 event that the Operating Revenues for any year are insufficient to pay these items for
17 that year.

18 (b) This section does not preclude the establishment of other reserve funds that are not
19 pledged to payment of Revenue Obligations in connection with the Revenue
20 Obligations or any subordinate obligations of the Stormwater Utility, including a
21 renewal and replacement fund, a rate stabilization fund, a residual fund and an
22 operating reserve fund.

23 **SECTION 12. AND BE IT FURTHER ORDAINED, That the City covenants that it will pay the**
24 **principal of and the premium (if any) and interest on any Revenue Notes or Refunding Revenue**
25 **Notes in the nature of bond anticipation notes from funds made available for such payment or the**
26 **first proceeds of Refunding Revenue Bonds issued under this Ordinance when, and as soon as,**
27 **the reason for deferring their issuance no longer exists and, in any event, in sufficient time to**
28 **permit the Revenue Obligations to be paid at maturity or extended maturity.**

29 **SECTION 13. AND BE IT FURTHER ORDAINED, That:**

30 (a) All Revenue Obligations and any other agreements of the City entered into under this
31 Ordinance shall be executed in the name of the City and on its behalf by the Mayor
32 and the Director of Finance, by manual or facsimile signatures. The corporate seal of
33 the City shall be printed or imprinted on the Revenue Obligations and attested by the
34 Custodian or Alternate Custodian of the City Seal, by manual or facsimile signature.

35 (b) If the Board of Finance finds that the nature of a transaction so requires, the Board
36 may establish in an Administrative Resolution a procedure whereby the Trustee, a
37 responsible trust company, or other authorized trustee, issuing agent, or paying agent
38 maintains an inventory of blank Revenue Obligations that have been previously
39 imprinted and signed and are available for delivery to purchasers under conditions
40 that require prompt action and delivery.

Council Bill 18-0228

1 (c) If any official whose signature appears on any Revenue Obligations ceases to be an
2 official before the delivery of such Revenue Obligations, or if any official whose
3 signature appears on any Revenue Obligations became an official after the date of
4 issue, such Revenue Obligations are nonetheless valid and legally binding limited
5 obligations of the City in accordance with their terms.

6 **SECTION 14. AND BE IT FURTHER ORDAINED, That:**

7 (a) The proceeds from the sale of Revenue Obligations shall be paid to the Director of
8 Finance for deposit, investment, and disbursement in accordance with the Enabling
9 Laws, this Ordinance, and the Administrative Resolution. All premiums resulting
10 from the sale of the Revenue Obligations issued and sold pursuant to the provisions of
11 this Ordinance shall be applied as directed by the Board of Finance.

12 (b) On presentation of the appropriate invoices, as provided in the Administrative
13 Resolution, the Trustee or the City shall pay from the proceeds of each series of
14 Revenue Obligations all Costs of Issuance. Nothing prevents the City from paying any
15 underwriting discount or placement fee payable in connection with any Revenue
16 Obligations by the underwriters' or placement agents' deduction of an amount equal
17 to the discount or placement fee from the offering price of the Revenue Obligations.

18 (c) The Trustee shall credit to a special account established under the Administrative
19 Resolution the amount, if any, of the proceeds of each series of Revenue Obligations
20 designated as capitalized interest on that series of Revenue Obligations.

21 (d) Before the proceeds of any series of Revenue Obligations are expended, all or any
22 part of the proceeds may be invested by the Trustee in accordance with the
23 Administrative Resolution and within any limitation and in the manner provided by
24 law.

25 (e) On presentation to the Trustee or the City of appropriate requests, the Trustee shall
26 make payments from the proceeds of any series of Revenue Obligations for any of the
27 purposes specified in this Ordinance and in the Administrative Resolution.

28 (f) If the funds derived from the sale of the Revenue Obligations exceed the amount
29 needed (i) to refund any outstanding obligations of the City to be refunded under the
30 Administrative Resolutions, (ii) to finance the Financed Facilities, (iii) to pay Cost of
31 Issuance and capitalized interest, and (iv) to fund any reserves and for any other
32 purpose authorized by the Administrative Resolution, the funds so borrowed and not
33 needed shall be applied as determined by the Board of Finance, under the terms and
34 conditions set forth in the Administrative Resolution, including to fund reserve fund
35 deficiencies or other reserves, if any, to pay principal of or interest on Revenue
36 Obligations, to redeem or purchase Revenue Obligations, or to pay for other capital
37 projects of the Stormwater Utility within any limitation provided by law.

38 **SECTION 15. AND BE IT FURTHER ORDAINED, That:**

39 (a) The Board of Finance may take the actions and make the commitments on behalf of
40 the City described in this Section 15.

Council Bill 18-0228

- 1 (b) The Board of Finance may determine and set forth the form, terms, provisions
2 (including redemption provisions and sinking fund requirements, if any), manner or
3 method of issuing and selling the Revenue Obligations (including negotiated or
4 competitive bid sale), time or times of issuance, and security for the Revenue
5 Obligations, and all other details and other matters necessary or desirable in
6 connection with the authorization, issuance, sale, and payment of the Revenue
7 Obligations.
- 8 (c) In conjunction with the prospective underwriters or placement agents, if any, for the
9 Revenue Obligations, the Board of Finance may prepare and distribute preliminary
10 and final official statements or placement memoranda or circulars as the Board of
11 Finance considers necessary or desirable. All preliminary official statements or
12 placement memoranda or circulars shall be clearly marked to indicate that they are
13 subject to completion and amendment.
- 14 (d) The Board of Finance may determine the dates, times, and places for submission of an
15 underwriting or placement agreement or purchase contract by the underwriters or
16 placement agents for the Revenue Obligations or purchasers of the revenue
17 obligations. Such underwriting or placement agreement or purchase contract shall
18 specify (i) the interest rate or rates proposed to be paid on the Revenue Obligations or
19 the method by which the interest rate or rates shall be computed; (ii) the price at
20 which the Revenue Obligations are to be sold to the underwriters, placement agents,
21 or purchasers; and (iii) any other matters that the underwriters, placement agents, or
22 purchasers and the Board of Finance consider necessary or desirable to effect the sale
23 and delivery of the Revenue Obligations.
- 24 (e) The Board of Finance may determine the interest rate or rates to be paid by the City
25 on the Revenue Obligations or the method by which the interest rate or rates is
26 computed.
- 27 (f) The Board of Finance, as it considers necessary or desirable, may appoint one or more
28 banks with trust powers, or trust companies, as trustee, registrar, or paying agent for
29 the Revenue Obligations.
- 30 (g) The Board of Finance may approve the form of trust agreements (which may be the
31 Administrative Resolution) between the City and the Trustee, which trust agreements
32 may:
- 33 (1) pledge or assign all or any part of the security for the Revenue Obligations,
34 consistent with the covenants contained in this Ordinance and the
35 Administrative Resolution and the provisions of any contract to which the
36 City is a part that is then in effect;
- 37 (2) contain reasonable and proper provisions for the protection and enforcement
38 of the rights and remedies of the holders of Revenue Obligations;
- 39 (3) set forth the rights and remedies of the holders of Revenue Obligations and
40 any trustee;
- 41 (4) restrict the individual right of action by the holders of Revenue Obligations;

Council Bill 18-0228

1 (5) provide for the issuance of additional Revenue Obligations subordinate to, or
2 on parity with, Revenue Obligations previously issued under the trust
3 agreement or the Administrative Resolution, consistent with this Ordinance
4 and the provisions of the trust agreement or the Administrative Resolution;
5 and

6 (6) contain whatever other provisions the Board of Finance considers reasonable
7 and proper for the security of the holders of Revenue Obligations.

8 (h) The Board of Finance may amend, restate, or supplement the Administrative
9 Resolution in accordance with the Enabling Laws, this Ordinance, and the
10 Administrative Resolution.

11 **SECTION 16. AND BE IT FURTHER ORDAINED,** That the Board of Finance may perform any
12 and all actions that it considers necessary or desirable to effect the issuance and sale of the
13 Revenue Obligations in accordance with this Ordinance and the underwriting or placement
14 agreements or purchase contracts for the Revenue Obligations.

15 **SECTION 17. AND BE IT FURTHER ORDAINED,** That, before any Revenue Obligations are
16 sold, the Board of Finance may determine by Administrative Resolution:

17 (a) the provisions of any trust agreement between the City and the Trustee;

18 (b) the manner of execution, authentication, registration, and transfer of the Revenue
19 Obligations;

20 (c) provisions for authentication and delivery of the Revenue Obligations;

21 (d) the terms of any Credit Facility or other security for the Revenue Obligations;

22 (e) provisions for creating, holding, and disbursing any funds and accounts to be held by
23 any trustee or the Director of Finance;

24 (f) provisions for applying the Operating Revenues;

25 (g) provisions for the security for and investment of money held by any trustee or the
26 Director of Finance;

27 (h) the procedures for redeeming the Revenue Obligations;

28 (i) remedies for holders of Revenue Obligations in the event of default;

29 (j) the duties, rights, and immunities of any trustee;

30 (k) the manner of executing instruments by holders of Revenue Obligations and the
31 method of proving ownership of Revenue Obligations;

32 (l) provisions for modifying the trust agreement;

33 (m) provisions for the defeasance of Revenue Obligations;

Council Bill 18-0228

1 (n) the forms of the Revenue Obligations (including book-entry or certificated bonds) and
2 of any trustee's authentication certificate;

3 (o) the preparation and distribution of an official statement, placement memorandum or
4 other disclosure document; and

5 (p) any other matters in connection with the authorization, issuance, security, sale,
6 payment, and refunding of the Revenue Obligations that the Board of Finance
7 considers appropriate.

8 **SECTION 18. AND BE IT FURTHER ORDAINED,** That any resolution, including the
9 Administrative Resolution, adopted under this Ordinance is considered to be administrative.

10 **SECTION 19. AND BE IT FURTHER ORDAINED,** That nothing in this Ordinance precludes a
11 consolidation or other combination of the Stormwater Utility, the wastewater utility and the
12 water utility or any budgetary restructuring or interfund reorganization of these utilities, so long
13 as it is determined, in accordance with procedures set forth in the Administrative Resolution, that
14 the consolidation or combination will not impair the security for the Revenue Obligations.

15 **SECTION 20. AND BE IT FURTHER ORDAINED,** That nothing in this Ordinance precludes a
16 pledge of revenues of and amounts held by the Stormwater Utility, including the Operating
17 Revenues to the payment of any Revenue Obligations.

18 **SECTION 21. AND BE IT FURTHER ORDAINED,** That the Mayor and City Council may amend
19 or supplement this Ordinance from time to time as necessary or desirable to increase the
20 authorized amount of Revenue Obligations and for any other purpose, as long as the action is
21 otherwise consistent with the terms of this Ordinance, the Administrative Resolution, and the
22 Revenue Obligations.

23 **SECTION 22. AND BE IT FURTHER ORDAINED,** That if the Board of Finance fails to take any
24 action or act on any matter delegated to it or authorized to be implemented by it, the action or
25 matter may be taken or acted on or implemented by a resolution of the Mayor and City Council.

26 **SECTION 23. AND BE IT FURTHER ORDAINED,** That:

27 (a) Revenue Obligations may be issued under this Ordinance with the expectation that
28 interest on the Revenue Obligations will be exempt from federal income taxation
29 ("Tax-exempt Obligations").

30 (b) The Administrative Resolution under which Tax-exempt Obligations are issued shall
31 prescribe covenants and matters that the Board of Finance considers necessary or
32 desirable to assure that the Revenue Obligations will not be considered "arbitrage
33 bonds" within the meaning of Section 148 of the Internal Revenue Code and its
34 regulations and to assure holders of the Revenue Obligations that interest on them
35 will be and remain exempt from federal income taxation.

36 (c) The Mayor, the Director of Finance, and the Chief of the Bureau of Treasury
37 Management shall prepare or cause to be prepared and shall execute any certification,
38 opinion, or other document that may be required to maintain the exemption of interest
39 on Tax-exempt Obligations from federal income taxation.

Council Bill 18-0228

1 **SECTION 24. AND BE IT FURTHER ORDAINED,** That the covenants contained in this
2 Ordinance are for the benefit of the holders of the Revenue Obligations from time to time and are
3 enforceable by those holders, subject to any limitations set forth in the Administrative
4 Resolution.

5 **SECTION 25. AND BE IT FURTHER ORDAINED,** That the provisions of this Ordinance are
6 severable. If any provision, sentence, clause, section, or other part of this Ordinance is held
7 illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, that illegality,
8 invalidity, unconstitutionality, or inapplicability does not affect or impair any of the remaining
9 provisions, sentences, clauses, sections, or parts of this Ordinance or their application to other
10 persons or circumstances. It is the intent of the Mayor and City Council that this Ordinance
11 would have been adopted even if the illegal, invalid, unconstitutional, or inapplicable provision,
12 sentence, clause, section, or other part had not been included in this Ordinance, and as if the
13 person or circumstances to which this Ordinance or part are inapplicable had been specifically
14 exempted.

15 **SECTION 26. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect on the date it
16 is enacted.

Certified as duly passed this ____ day of _____, 20__

President, Baltimore City Council

Certified as duly delivered to Her Honor, the Mayor,

this ____ day of _____, 20__

Chief Clerk

Approved this ____ day of _____, 20__

Mayor, Baltimore City

BALTIMORE CITY COUNCIL TAXATION, FINANCE AND ECONOMIC DEVELOPMENT VOTING RECORD

DATE: June 21, 2018

BILL#: 18-0228

BILL TITLE: Issuance of Revenue Obligations – Stormwater Projects

MOTION BY: Pinkett SECONDED BY: Reisinger

- FAVORABLE FAVORABLE WITH AMENDMENTS
 UNFAVORABLE WITHOUT RECOMMENDATION

NAME	YEAS	NAYS	ABSENT	ABSTAIN
Middleton, Sharon, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pinkett, Leon, Vice Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Costello, Eric	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reisinger, Edward	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stokes, Robert	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
TOTALS				

CHAIRPERSON: Sharon Middleton

COMMITTEE STAFF: Samuel Johnson, Initials: AS

The Baltimore City Department of
HOUSING & COMMUNITY
DEVELOPMENT

MEMORANDUM

To: The Honorable President and Members of the Baltimore City Council
c/o Natawna Austin, Executive Secretary

From: Michael Braverman, Housing Commissioner *MB*

Date: June 8, 2018

Re: City Council Bill 18-0228 - Issuance of Revenue Obligations – Stormwater Projects

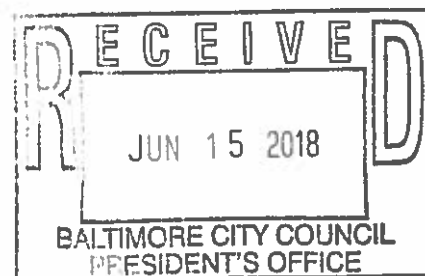
The Department of Housing and Community Development (HCD) has reviewed City Council Bill 18-0228, for the purpose of authorizing the issuance, sale and delivery from time to time by the City of revenue obligations that may be issued by the City to finance or refinance stormwater facilities; prescribing that the maximum aggregate principal amount of such revenue obligations that may be outstanding at any one time is \$202,000,000; authorizing the Board of Finance of the City to specify, prescribe, determine, provide for, approve, and amend the form, terms, provisions, manner or method of issuing and selling, the time or times of issuance, and all other details of the revenue obligations and any other matters necessary or desirable in connection with the authorization, issuance, sale, and payment of these revenue obligations; providing for a special effective date; and generally relating to the issuance and payment of revenue obligations.

If enacted, this bill would authorize the City to issue revenue obligations to finance the investment necessary for the repairing and replacing of basic, aging, stormwater infrastructure and other projects necessary to meet the State's MS4 permit (Municipal Separate Storm Sewer System) requirements.

The Department of Housing and Community Development supports the passage of City Council Bill 18-0228.

MB:sd

cc: Ms. Karen Stokes, Mayor's Office of Government Relations
Mr. Kyron Banks, Mayor's Office of Government Relations



CITY OF BALTIMORE

CATHERINE E. PUGH, Mayor



DEPARTMENT OF LAW

ANDRE M. DAVIS, City Solicitor
101 City Hall
Baltimore, Maryland 21202

June 11, 2018

The Honorable President and Members
of the Baltimore City Council
Attn: Executive Secretary
Room 409, City Hall
100 N. Holliday Street
Baltimore, Maryland 21202

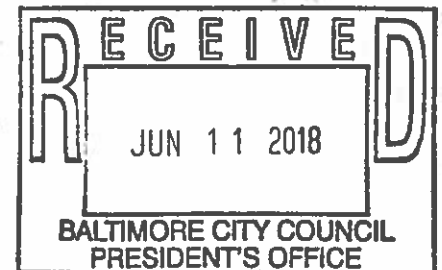
Re: City Council Bill 18-0228 – Issuance of Revenue Obligations –
Stormwater Projects

Dear President and City Council Members:

The Law Department has reviewed City Council Bill 18-0228 for form and legal sufficiency. The bill would authorize the City to issue revenue obligations, including refunding bonds and bond anticipation notes, in the aggregate amount of Two Hundred Two Million Dollars to finance stormwater projects. The General Assembly has given the City the authority to issue revenue obligations and refunding obligations pursuant to Section (50) of Article II of the City Charter. City Charter, Art. II, § (50). State law would also allow the City to issue bond anticipation notes in advance of the sale of revenue obligations for the same purposes. Md. Code, Local Gov't., §19- 211, *et. seq.* None of these obligations would become debts of the Mayor and City Council of Baltimore or pledge the City's credit or taxes. Since the bill conforms to the requirements of the City Charter and state law, the Law Department approves it for form and legal sufficiency.


Very truly yours,

Hilary Ruley
Chief Solicitor



cc: Andre M. Davis, City Solicitor
Karen Stokes, Director, Mayor's Office of Government Relations
Kyron Banks, Mayor's Legislative Liaison
Elena DiPietro, Chief Solicitor, General Counsel Division
Victor Tervalá, Chief Solicitor
Joann Levine, Chief Solicitor
Ashlea Brown, Assistant Solicitor
Avery Aisenstark

favorable

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	CITY COUNCIL BILL #18-0228 / ISSUANCE OF REVENUE OBLIGATIONS – STORMWATER PROJECTS		

DATE:

TO

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

June 1, 2018

At its regular meeting of May 31, 2018, the Planning Commission considered City Council Bill #18-0228, for the purpose of authorizing the issuance, sale and delivery from time to time by the City of revenue obligations that may be issued by the City to finance or refinance stormwater facilities; prescribing that the maximum aggregate principal amount of such revenue obligations that may be outstanding at any one time is \$202,000,000; authorizing the Board of Finance of the City to specify, prescribe, determine, provide for, approve, and amend the form, terms, provisions, manner or method of issuing and selling, the time or times of issuance, and all other details of the revenue obligations and any other matters necessary or desirable in connection with the authorization, issuance, sale, and payment of these revenue obligations; providing for a special effective date; and generally relating to the issuance and payment of revenue obligations.

In its consideration of this Bill, the Planning Commission reviewed the attached staff report, which recommended approval of City Council Bill #18-0228 and adopted the following resolution; Seven members being present (seven in favor):

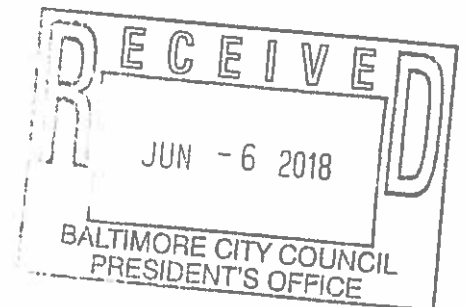
RESOLVED, That the Planning Commission concurs with the recommendation of its departmental staff, and recommends that City Council Bill #18-0228 be passed by the City Council.

If you have any questions, please contact Mr. Eric Tiso, Division Chief, Land Use and Urban Design Division at 410-396-8358.

TJS/ewt

attachment

- cc: Mr. Pete Hammen, Chief Operating Officer
Mr. Jim Smith, Chief of Strategic Alliances
Ms. Karen Stokes, Mayor's Office
Mr. Colin Tarbert, Mayor's Office
Mr. Kyron Banks, Mayor's Office
The Honorable Edward Reisinger, Council Rep. to Planning Commission



F

Mr. William H. Cole IV, BDC
Mr. Derek Baumgardner, BMZA
Mr. Geoffrey Veale, Zoning Administration
Ms. Sharon Daboin, DHCD
Ms. Elena DiPietro, Law Dept.
Mr. Francis Burnszynski, PABC
Ms. Katelyn McCauley, DOT
Ms. Marcia Collins, DPW
Ms. Natawna Austin, Council Services



Catherine E. Pugh
Mayor

PLANNING COMMISSION

Sean Davis, Chairman



Thomas J. Stosur
Director

STAFF REPORT

May 31, 2018

REQUEST: City Council Bill #18-0228 Issuance of Revenue Obligations - Stormwater Projects

For the purpose of authorizing the issuance, sale and delivery from time to time by the City of revenue obligations that may be issued by the City to finance or refinance stormwater facilities; prescribing that the maximum aggregate principal amount of such revenue obligations that may be outstanding at any one time is \$202,000,000; authorizing the Board of Finance of the City to specify, prescribe, determine, provide for, approve, and amend the form, terms, provisions, manner or method of issuing and selling, the time or times of issuance, and all other details of the revenue obligations and any other matters necessary or desirable in connection with the authorization, issuance, sale, and payment of these revenue obligations; providing for a special effective date; and generally relating to the issuance and payment of revenue obligations.

RECOMMENDATION: Approval

STAFF: Kristen Ahearn

PETITIONER: Department of Public Works

OVERVIEW: In 2013, the City of Baltimore established a stormwater utility, consistent with the requirements of the 2012 State of Maryland *Stormwater Management – Watershed Protection and Restoration Program* law. The utility charges a stormwater remediation fee in order to fund projects to meet the requirements of its Municipal Separate Stormwater System (MS4) permit. The Department of Public Works (DPW) has stated that for the first time since its inception, the stormwater utility is now in a position where its credit worthiness is sufficient to issue debt.

ANALYSIS: The legislation sets a cap of \$202 million in revenue loans that can be outstanding at any time. The FY 2019 budget includes \$65 million in stormwater revenue loan appropriations. Including prior appropriations, DPW will have \$110 million in total stormwater revenue loan appropriations, or 55 percent of the cap imposed by this legislation. The current FY 2019 -2024 Capital Improvement Program (CIP) shows no stormwater revenue loan appropriations in FY 2020 – 2024. DPW is working to meet the requirements of its current MS4 permit, which requires projects to be implemented by December 2018. When the current MS4 expires, DPW will work with the State of Maryland to apply for a new permit and develop new program/project requirements. The new permit requirements will likely require additional revenue loans to be issued within the timeframe of the current CIP, but because they have not yet been developed they are not included in this year's CIP. Future CIPs will need to be consistent with the debt ceiling established by this legislation for this fund source.


According to DPW, City Ordinance 13-143 establishes that the stormwater utility funds (including revenue loans) may be used for stormwater management capital improvements, including stream and wetland restorations; operation and maintenance of stormwater management systems and facilities; stormwater management planning, including monitoring, inspection and enforcement activities; review of stormwater management plans and permits for future development; grants to nonprofits for watershed restoration and rehabilitation projects; public education and outreach; and reasonable costs necessary to administer the fund. The funds are used for projects included in Baltimore City's Watershed Implementation Plan, or WIP. The WIP is the plan created by the City with stakeholder input and approved by the State that outlines how the City will meet the requirements of its MS4 permit. Many of the projects included in the WIP also have a community benefit and are consistent with the goals of the City's Green Network Plan. There is an opportunity to continue to align projects funded by this fund source and through the stormwater utility more generally with the goals of the Green Network Plan. This alignment would happen during planning for the next WIP.

CONFORMITY TO PLANS: The bill is consistent with the FY2019 -2024 Capital Improvement Program, as approved by the Board of Estimates.

NOTIFICATION: Email notification was sent to the entire 10,000 plus email list Planning maintains.

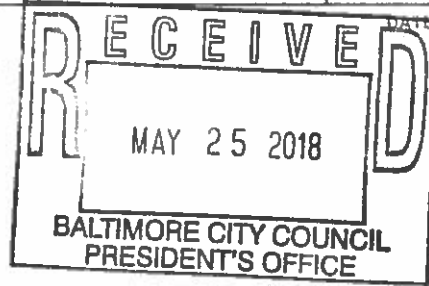
A handwritten signature in black ink, appearing to read "Thomas J. Stosur". The signature is written in a cursive style with a large, sweeping initial "T".

Thomas J. Stosur
Director

FROM	NAME & TITLE	Rudolph S. Chow, P.E., Director	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Department of Public Works 600 Abel Wolman Municipal Building		
	SUBJECT	Mayor and City Council Resolution 18-0228		

TO

May 23, 2018



The Honorable President and Members
of the Baltimore City Council
c/o Natawna Austin
Room 400 – City Hall

I am herein reporting on Mayor and City Council Resolution 18-0228 introduced by the Council President on behalf of the Administration (Bureau of Treasury Management).

The purpose of the Bill is to authorize the issuance, sale and delivery from time to time by the City to finance or refinance stormwater facilities; prescribe the maximum aggregate principal amount of such revenue obligations that may be outstanding at any one time of \$202,000,000; authorize the Board of Finance of the City to specify, prescribe, determine, provide for, approve, and amend the form, terms, provisions, manner or method of issuing and selling, the time or times of issuance, and all other details of the revenue obligations and any other matters necessary or desirable in connection with the authorization, issuance, sale and payment of these revenue obligations; provide for a special effective date; and generally provide guidance relating to the issuance and payment of revenue obligations.

Enactment of PL 92-500, the Federal Water Pollution Control Act of 1972 (and subsequent amendments), generated a series of national programs meant to address all forms of water pollution control. Popularly known as the federal Clean Water Act, its objective is to "...restore and maintain the chemical, physical, and biological integrity of the Nation's waters." The law seeks to eliminate the discharge of pollutants to navigable waters and achieve water quality goals for the protection of fin- and shellfish, wildlife, and for recreational purposes. The Clean Water Act governs waterway pollution generated by point sources which is defined to include "...any discernible, confined, and discrete conveyance, including but not limited to any pipe, ditch, channel, tunnel, conduit, well, discrete fissure, container, rolling stock, concentrated animal feeding operation, or vessel or other floating craft, from which pollutants are or may be discharged." It requires point sources to operate under National Pollutant Discharge Elimination System (NPDES) permits which stipulate the limits of pollutants that may be discharged. The pollution limitations are expressed in concentrations that may be present in a discharge or in the loadings that can be discharged to the receiving water within a given timeframe (such as pounds per year). Pollutant limits are generally technology-based but may be more stringent if necessary to protect water quality.

Stormwater that discharges from an outfall, as it does in Baltimore City, is a point source, and thus is also governed by NPDES permits. These permits are called Municipal Separate Storm Sewer System permits, or MS4 permits. Before reaching the storm drain system and eventually the waterways, stormwater flows across streets, exposed soil, and buildings, picking up trash and pollutants along the way. MS4 permits seek to limit the pollutants carried by stormwater into waterways like the Jones Falls, Baltimore Harbor and Chesapeake Bay.

Fav w/ comments

The Honorable President and Members
of the Baltimore City Council
May 23, 2018
Page 2

Hard surfaces that do not allow water to infiltrate into the ground (known as impervious surface or impervious area) cause more pollution to be carried into waterways. One of the ways that MS4 permits seek to address water pollution is to require that impervious surface be restored or mitigated through the use of approved methodologies and practices.

Every five years the Maryland Department of the Environment (MDE) issues Phase 1 MS4 permits to Baltimore City and nine of the State's largest counties (with approval from EPA). In addition, MDE established scientific guidance documents for certain impaired water bodies flowing within and through the City, known as Total Maximum Daily Loads (TMDLs). TMDLs, although not enforceable, help inform NPDES permits. Reducing the quantity or increasing the quality of stormwater discharges is an articulated strategy for meeting these TMDLs. The largest TMDL, both regionally and nationally, is that established by the EPA for Chesapeake Bay. Maryland's Watershed Implementation Plan (WIP) describes how impairments to the Bay will be addressed. Complying with this WIP necessitates the cooperation of all local governments to counter the effects of stormwater runoff from their built environment, which in turn, requires significant funding.

The City's stormwater services used to be funded by the General Fund, but the funding levels were very limited. As a result, there were never enough funds available to invest in repairing and replacing basic, aging, stormwater infrastructure or to fully address the City's MS4 permit requirements. The City's current MS4 permit requires the City to remove or mitigate the effects of 20% of its impervious area over the permit's 5 year period.

In April 2012 the State of Maryland enacted the *Stormwater Management – Watershed Protection and Restoration Program* law mandating that Phase 1 MS4 permit holders establish a dedicated fee and fund to ensure sufficient and consistent funding for meeting the requirements of their respective permits (Annotated Code of Maryland, Environment Article § 4-202.1). To that end, the City of Baltimore took the following actions:

- Mayor and City Council Resolution 12-04, duly adopted by the qualified voters of Baltimore City, amended the Baltimore City Charter to allow for establishing a financially self-sustaining stormwater utility and authorized supplemental legislation that would implement the provisions governing water, wastewater and stormwater utilities. Creating the stormwater utility provided the protected fund that State law required.
- Ordinance 13-143 imposes a stormwater remediation fee to fund the costs of the City's stormwater management system. It sets the initial rates and the calculation of the fee, provides for its collection and enforcement, and establishes a system of credits for ratepayers to modify and reduce their fee if they install certain practices or participate in certain activities. It also specifies the accounting and expenditure system for the stormwater utility and allows for the use of stormwater revenue bonds to fund capital projects through debt service. The fund may be used for stormwater management capital improvements, including stream and wetland restorations; operation and maintenance of stormwater management systems and facilities; stormwater management planning, including monitoring, inspection and enforcement activities; review of stormwater management plans and permits for future development; grants to nonprofits for watershed restoration and rehabilitation projects; public education and outreach; and reasonable costs necessary to administer the fund.

The Honorable President and Members
of the Baltimore City Council
May 23, 2018
Page 3


City Council Bill 18-0228 is the next step in the development of the stormwater utility, by authorizing the issuance, sale and use of revenue obligations to finance or refinance stormwater facilities. The stormwater enterprise fund has been in place since July 1, 2013 and is now in a position to pursue the ability to issue debt based on its independent credit worthiness.

The stormwater program has demonstrated a steady revenue stream capable of repaying operational and maintenance expenses and anticipated debt repayment, while still maintaining its cash reserve. The requirements of the program, which includes fulfilling the MS4 permit by December 2018 and other mandates, had been initially satisfied using Pay-As-You-Go (PAYGO) funding. However, cash funding will not be sufficient to meet all of the necessary funding demands of the program. Therefore, the Department of Public Works is seeking to hedge PAYGO funding with bond proceeds. The debt ceiling of \$202,000,000 is calculated based on a five year projection of project activity and the respective funding requirements to support those projects. As a mature utility, bond proceeds will provide the flexibility to maximize funds and increase infrastructure investment.

The Department of Public Works supports passage of City Council Bill 18-0228.


Rudolph S. Chow, P.E.
Director

RSC/MMC

FROM	NAME & TITLE	Michelle Pourciau, Director <i>MS</i>	CITY of BALTIMORE M E M O	
	AGENCY NAME & ADDRESS	Department of Transportation (DOT) 417 E Fayette Street, Room 527		
	SUBJECT	City Council Bill 18-0228		

TO: Mayor Catherine E. Pugh

DATE: May 4, 2018

TO: Respective City Council Taxation, Finance and Economic Development Committee
 FROM: Department of Transportation
 POSITION: Support
 RE: City Council Bill 18-0228 - Issuance of Revenue Obligations - Stormwater Projects

INTRODUCTION – For the purpose of authorizing the issuance, sale and delivery from time to time by the City of revenue obligations that may be issued by the City to finance or refinance stormwater facilities; prescribing that the maximum aggregate principal amount of such revenue obligations that may be outstanding at any one time is \$202,000,000; authorizing the Board of Finance of the City to specify, prescribe, determine, provide for, approve, and amend the form, terms, provisions, manner or method of issuing and selling, the time or times of issuance, and all other details of the revenue obligations and any other matters necessary or desirable in connection with the authorization, issuance, sale, and payment of these revenue obligations; providing for a special effective date; and generally relating to the issuance and payment of revenue obligations.

PURPOSE/PLANS – The Department of Public Works (DPW) operates and maintains the City's system of 1,146 miles of storm drain pipe; 52,438 inlets; 27,561 manholes; 1,709 outfalls; four storm water pumping stations; and 5 large debris collectors. Under the new Stormwater utility, DPW will protect, enhance and restore watersheds by implementing BMPs throughout the City to improve the quality of water in our streams, harbor and Chesapeake Bay. These activities are required by the Environmental Protection Agency (EPA) through the Maryland's National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm System (MS4) permit for the City's public storm drain system.

In 2012, the Maryland State Legislature passed a law which mandates that the 10 largest jurisdictions in the State create a Maryland Stormwater Fee by July 1, 2013. The Stormwater Fee is a service fee like water, sewer, gas, and other vital utility services. The purpose of the fee is to provide a sustainable dedicated revenue source for maintaining, operating, and improving the stormwater management system, including installing practices to improve stormwater quality. In 2015 the Legislature changed the law to give the City and counties the option to fund their stormwater programs through a dedicated fee or by other means, provided they can prove that their programs are funded sufficiently to meet the requirements of their stormwater permits.

Historically, money from the City's General Fund (property taxes and gas taxes) funded stormwater operations and capital improvements. However, this funding source is used for many other City programs and has not been adequate to keep up with improvements to and maintenance of the storm drain system, nor are they able to fund the improvements required by federal laws to reduce pollution and make our surface waters cleaner.

The Baltimore City Department of Transportation believes that capital funding for stormwater project is necessary for continuous improvement of the City's stormwater management plan.

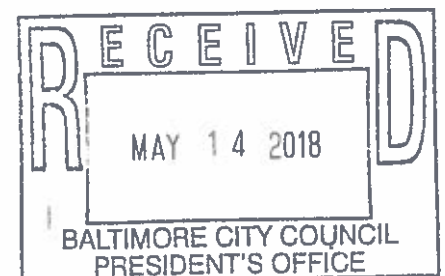
AGENCY/DEPARTMENT POSITION – The Department of Transportation supports City Council Bill 18-0228, and respectfully requests a favorable report.


If you have any questions, please do not hesitate to contact Katelyn McCauley at Katelyn.McCauley@baltimorecity.gov, (443) 677-9391.

Sincerely,

Michelle Pourciau
 Michelle Pourciau
 Director

favorable



FROM	NAME & TITLE	Jennell A. Rogers, Chief, Bureau of Treasury Management	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Bureau of Treasury Management 200 Holliday, Room 7		
	SUBJECT	CC Bill 18-0228 – Stormwater Revenue Obligations		

TO

DATE: May 10, 2018


Honorable President and Members of the Baltimore City Council
 Attn: Natawna Austin, Executive Secretary

City Council Bill Number 18-0228, Issuance of Revenue Obligations – Stormwater Project, is intended to establish \$202,000,000 as the maximum principal amount of revenue obligations to be issued for the Stormwater Utility System. The requested amount will permit the funding of new and existing Capital Improvement Program projects for the Stormwater Utility through FY2024.

Section 50 of Article II of the City Charter authorizes the City to borrow money to finance undertakings for the accomplishment of any of the purposes, objects and powers of the City and in connection therewith to issue bonds, notes or other obligations (including refunding obligations) payable as to both principal and interest solely from and secured solely by a pledge of the revenues from or arising in connection with the property, facilities, developments and improvements whose financing is undertaken by the issuance of such notes, bonds, or other obligations. The proceeds shall be used to finance (1) the cost of the stormwater projects and (2) pay the cost of issuance.

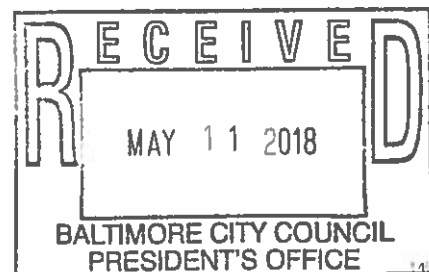
These bonds shall not be considered a general obligation pledge of the City. All of the projects financed with the proceeds of this authorization shall be in the Capital Improvement Program and part of the capital budget process to include approvals by the Board of Finance, Board of Estimates and the City Council.

The Department of Finance recommends favorable consideration and passage of this legislation.


 Jennell A. Rogers
 Bureau of Treasury Management

Enclosure

Favorable



City of Baltimore - Stormwater Project List

Project Description	Location	Amount
Back River Park Ponds / Wetlands	E	1,166,400
Biddison Run Debris Collection System	NE	874,800
Biddison Run Stream Restoration - Project 2 & 3	NE	4,376,527
Bioretention Areas (Masonville and GGI)	SE	1,166,400
Chinquapin Run Stream Restoration #1	N	7,776,000
Citywide Stream Restoration	Citywide	22,875,000
Colgate Creek Pumping Station	SE	435,000
Dead Run Stream Restoration Project 1 (Hunting Ridge)	W	1,166,400
Dead Run Stream Restoration Project 2 (Lazear and Franklinton Rd)	NE	2,337,000
Druid Hill Park Stream Restoration Project	W	2,430,000
East Stony Run Env. Restoration Project #2	E	2,794,500
Environmental Rest. Project 10	Citywide	2,744,935
Environmental Rest. Project 11	SW	1,200,480
Environmental Rest. Project 6	NE	1,312,422
Environmental Rest. Project 7	NW	180,324
ESD: Cherry Hill	S	873,077
ESD: Clifton Park	NE	1,566,000
ESD: DeWees Park and Chinquapin Park	NE	377,886
ESD: Frankford / Belair Edison / BENI -	NE	738,153
ESD: Greater Mowdamin	W	1,722,376
ESD: Hamden/ Wyman Park / Mt. Washington	W	920,160
ESD: Howard Park / Edmonson Village	W	105,461
ESD: Lakeland / Westport	S	26,797
ESD: Masonvill Cove, Brooklyn, Curtis Bay	S	432,000
ESD: Patterson Park & Neighborhoods	SE	2,076,429
Facility Greening Project 13 -Puched Back	Citywide	583,200
Facility Greening Project 15 -Puched Back	Citywide	583,200
Facility Greening Project 16 -Puched Back	Citywide	583,200
Facility Greening: Public Schools Phase I	Citywide	495,093
Facility Greening: Public Schools Phase II	Citywide	257,549
Facility Greening: Public Schools Phase III	Citywide	558,996
Facility Greening: Public Schools Phase IV	Citywide	558,996
Franklinton Blvd Culvert Stream Restoration	W	5,330,643
Gwynns Falls Pond Retrofits	W	505,440
Harbor Debris Collectors	Citywide	1,960,000
Harris Creek Storm Drainage	S	1,885,000
Harris Creek Watershed Storm Drainage	S	22,027,491
Harris Creek Watershed Strom Drainage	E	828,000
Herring Run 84" Water Main Stream Restoration - Pushed Back	NE	1,192,320
Herring Run Stream Restoration: Western Branch	NE	4,023,704
Howard Park / Edmonson Village	W	426,172
Impervious Removal/Greening	Citywide	2,910,000
Lakeland / Westport	S	115,809
Large Debris Collection System 10	Citywide	1,944,000
Large Debris Collection System 2	Citywide	1,944,000

City of Baltimore - Stormwater Project List

Project Description	Location	Amount
Large Debris Collection System 3	Citywide	1,944,000
Large Debris Collection System 4	Citywide	1,944,000
Large Debris Collection System 5	Citywide	1,944,000
Large Debris Collection System 6	Citywide	1,944,000
Large Debris Collection System 7	Citywide	1,944,000
Large Debris Collection System 8	Citywide	1,944,000
Large Debris Collection System 9	Citywide	1,944,000
Large Stormwater BMP	Citywide	1,650,000
Lot Greening: CARE Communities/ McElderry Park/ Milton-Montford	E	157,601
Lot Greening: Mt. Winans	S	354,440
Lot Greening: Oliver / Broadway East - Carrollton Ridge	E	950,336
Lower Lower Stony Rund Environmental Restoration	W	4,515,000
Maidens Choice Run Near North Bend Rd	SW	3,541,486
Maidens Choice Tributary Restoration Project (Upland)	SW	2,355,000
Masonvill Cove, Brooklyn, Curtis Bay	SE	157,825
Moore's Run Environmental Restoration Project	E	6,998,400
North Point Road Improvements	N	4,860,000
Northeast Baltimore Drainage Improvement	NE	6,790,000
Patapsco Avenue Drainage	E	9,603,300
Powder Mill Run Stream Restoration	NW	4,263,000
Seamen Ave Improvements	S	510,000
Small Storm Drain and Inlet Repair #2 -Pushed Back	Citywide	4,583,520
Small Stormwater Management BMPs Dele	Citywide	3,920,000
Small SWM BMP 12	Citywide	558,996
Small SWM BMP 13	Citywide	411,329
Small SWM BMP 14 -S14, S15, S16	W	2,916,000
Small SWM BMP 15 S17, S18, S19	SW	2,916,000
Small SWM BMP 15 S17, S18, S19	SW	592,097
Small SWM BMP 16 -Pushed back	Citywide	2,341,697
Small SWM BMP 17 - Pushed back	Citywide	2,341,697
Storm Drain and Inlet Rehabilitation	Citywide	1,800,000
Street Sweeping Route Signs	Citywide	3,000,000
Urgent Need Stream Repair 1	Citywide	2,144,787
Western Run at Kelly Avenue	N	2,500,000
Estimated Issuance costs		1,272,148
Grand Total		202,000,000



MEMORANDUM

TO: Honorable President and Members of the City Council
Attention: Natawna Austin, Executive Secretary

FROM: William H. Cole, President and CEO
Baltimore Development Corporation *[Signature]*

DATE: April 27, 2018

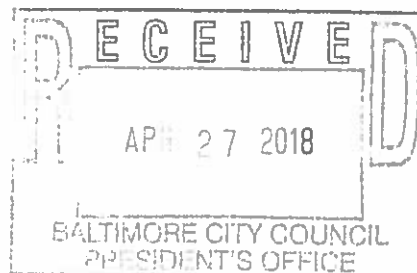
SUBJECT: City Council Bill No. 18-0228
Issuance of Revenue Obligations – Stormwater Projects

The Baltimore Development Corporation (BDC) has been asked to comment on City Council Bill No. 18-0228 for the purpose of authorizing the issuance, sale and delivery by the City of revenue obligations that may be issued by the City to either finance or refinance stormwater facilities in a maximum aggregate principal amount of such revenue obligations that may be outstanding at any one time, not to exceed \$202,000,000.

BDC concurs that capital funding for stormwater projects is necessary for continuous improvement of the City's stormwater management plan.

It is respectfully requested that the Baltimore City Council give Bill No. 18-0228 favorable consideration.

cc: Kyrone Banks



F

City of Baltimore

City Council
City Hall, Room 408
100 North Holliday Street
Baltimore, Maryland
21202

Meeting Minutes - Final

Taxation, Finance and Economic Development Committee

Thursday, June 21, 2018

10:10 AM

Du Burns Council Chamber, 4th floor, City Hall

18-0228

CALL TO ORDER

INTRODUCTIONS

ATTENDANCE

Present 5 - Member Sharon Green Middleton, Member Leon F. Pinkett III, Member Eric T. Costello, Member Edward Reisinger, and Member Robert Stokes Sr.

ITEMS SCHEDULED FOR PUBLIC HEARING

18-0228

Issuance of Revenue Obligations - Stormwater Projects

For the purpose of authorizing the issuance, sale and delivery from time to time by the City of

revenue obligations that may be issued by the City to finance or refinance stormwater facilities; prescribing that the maximum aggregate principal amount of such revenue obligations that may be outstanding at any one time is \$202,000,000; authorizing the Board of Finance of the City to specify, prescribe, determine, provide for, approve, and amend the form, terms, provisions, manner or method of issuing and selling, the time or times of issuance, and all other details of the revenue obligations and any other matters necessary or desirable in connection with the authorization, issuance, sale, and payment of these revenue obligations; providing for a special effective date; and generally relating to the issuance and payment of revenue obligations.

Sponsors: City Council President (Administration)

A motion was made by Member Pinkett, III, seconded by Member Reisinger, that Bill 18-0228 be Recommended Favorably. The motion carried by the following vote:

Yes: 4 - Member Middleton, Member Pinkett III, Member Costello, and Member Reisinger

Absent: 1 - Member Stokes Sr.

ADJOURNMENT

THIS MEETING IS OPEN TO THE PUBLIC



HEARING NOTES

Bill: 18-0228

Issuance of Revenue Obligations – Stormwater Projects

Committee: Taxation, Finance and Economic Development

Chaired By: Councilmember Sharon Green-Middleton

Hearing Date: June 21, 2018

Time (Beginning): 10:29a.m.

Time (Ending): 10:45a.m.

Location: Clarence “Du” Burns Chambers

Total Attendance: 23

Committee Members in Attendance:

Sharon Green Middleton

Leon Pinkett

Eric Costello

Edward Reisinger

Robert Stokes

Bill Synopsis in the file?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> N/A
Attendance sheet in the file?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> N/A
Agency reports read?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> N/A
Hearing televised or audio-digitally recorded?	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO	<input type="checkbox"/> N/A
Certification of advertising/posting notices in the file?	<input type="checkbox"/> YES	<input type="checkbox"/> NO	<input checked="" type="checkbox"/> N/A
Evidence of notification to property owners?	<input type="checkbox"/> YES	<input type="checkbox"/> NO	<input checked="" type="checkbox"/> N/A
Final vote taken at this hearing?	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO	<input type="checkbox"/> N/A
Motioned by:	Councilmember Pinkett		
Seconded by:	Councilmember Reisinger		
Final Vote:	Favorable		

Major Speakers

(This is not an attendance record.)

- Jennell Rogers, Chief, Bureau of Treasury Management
- Marcia Collins, Chief, Department of Public Works
- Troy Brogden, Chief, Department of Public Works
- Rosanna LaPlante, Chief, Department of Public Works

Major Issues Discussed

1. Councilwoman Middleton read the bill into the record and introduced committee members.
2. Jennell Rogers – Read agency report into the record.
3. Marcia Collins – Read agency report into the record. She also explained the MS4 permit process, and how they will be able to increase the number of capital projects through the use of revenue bonds.
4. Councilwoman Middleton – Inquired/asked DPW about the removal of street sweeping signs and the affects that it has had on parking.
 - Response from Mrs. Collins – The signage will be funded from the proceeds generated from the revenue bonds.
5. Councilwoman Middleton – Inquired/asked DPW about the purchase and deployment of the new trucks.
6. Councilman Pinkett – Inquired/asked DPW who makes the signage for the city and if there was local MBE and WBE companies represented on these contracts.
7. Troy Brogden – Explained what the revenue bond funds would be used for:
 - \$30 million allocated for the total project
 - \$19 million allocated for operations
 - \$5 million allocated for street sweeping
 - \$3 million allocated for route signs
8. Councilman Pinkett – Inquired/asked DPW if the city was on track to complete the MS4 Permit project?
 - Response from Rosanna LaPlante – 92% of the project is complete
 - Requested the following:
 - Can you provide the amount that the city would have to pay in potential fines if we aren't in compliance with the permit requirements?
 - What firms are being utilized for signage?

Further Study

Was further study requested?

Yes No

If yes, describe. N/A

Committee Vote:

- S. Middleton: Yea
- L. Pinkett: Yea
- E. Costello: Yea
- E. Reisinger: Yea
- R. Stokes: Absent

Samuel Johnson , Committee Staff
 (410) 396-1091
 cc: Bill File
 OCS Chrono File
 TFED – Hearing Notes Bill 18-0215

Date: June 21, 2018



**CITY OF BALTIMORE
CITY COUNCIL HEARING ATTENDANCE RECORD**

Committee: Taxation, Finance and Economic Development

Chairperson: Sharon Middleton

Date: June 21, 2018

Time: 10:10 AM

Place: Clarence "Du" Burns Chambers

Subject: Issuance of Revenue Obligation Bonds – Stormwater Projects

CC Bill Number: 18-0228

PLEASE PRINT

IF YOU WANT TO TESTIFY PLEASE CHECK HERE



FIRST NAME	LAST NAME	ST. #	ADDRESS/ORGANIZATION NAME	ZIP	EMAIL ADDRESS	TESTIFY	FOR	AGAINST	YES	NO	WHAT IS YOUR POSITION ON THIS BILL?	(*) LOBBYIST: ARE YOU REGISTERED IN THE CITY
John	Doe	100	North Charles Street	21202	Johndoenbmore@yahoo.com	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Kristyn	Oldendorf				DPW	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Marcia	Collins				DPW	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Rosanna	LaPlante				DPW	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Tray	Brogden				DPW	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Janelle	Rogers				Transit	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		

(*) NOTE: IF YOU ARE COMPENSATED OR INCUR EXPENSES IN CONNECTION WITH THIS BILL, YOU MAY BE REQUIRED BY LAW TO REGISTER WITH THE CITY ETHICS BOARD. REGISTRATION IS A SIMPLE PROCESS. FOR INFORMATION AND FORMS, CALL OR WRITE: BALTIMORE CITY BOARD OF ETHICS, C/O DEPARTMENT OF LEGISLATIVE REFERENCE, 626 CITY HALL, BALTIMORE, MD 21202. TEL: 410-396-4730. FAX: 410-396-8483.

City of Baltimore

City Council
City Hall, Room 408
100 North Holliday Street
Baltimore, Maryland
21202

Meeting Agenda - Final

Taxation, Finance and Economic Development Committee

Thursday, June 21, 2018

10:10 AM

Du Burns Council Chamber, 4th floor, City Hall

18-0228

CALL TO ORDER

INTRODUCTIONS

ATTENDANCE

ITEMS SCHEDULED FOR PUBLIC HEARING

18-0228

Issuance of Revenue Obligations - Stormwater Projects

For the purpose of authorizing the issuance, sale and delivery from time to time by the City of revenue obligations that may be issued by the City to finance or refinance stormwater facilities; prescribing that the maximum aggregate principal amount of such revenue obligations that may be outstanding at any one time is \$202,000,000; authorizing the Board of Finance of the City to specify, prescribe, determine, provide for, approve, and amend the form, terms, provisions, manner or method of issuing and selling, the time or times of issuance, and all other details of the revenue obligations and any other matters necessary or desirable in connection with the authorization, issuance, sale, and payment of these revenue obligations; providing for a special effective date; and generally relating to the issuance and payment of revenue obligations.

Sponsors:

City Council President (Administration)

Attachments:

[BDC 18-0228](#)

[18-0228-1st Reader](#)

[Finance 18-0228](#)

[DOT 18-0228](#)

[DPW 18-0228](#)

[Planning 18-0228](#)

[Law 18-0228](#)

[HCD 18-0228](#)

ADJOURNMENT

THIS MEETING IS OPEN TO THE PUBLIC



**BALTIMORE CITY COUNCIL
TAXATION, FINANCE AND ECONOMIC DEVELOPMENT
COMMITTEE**

Mission Statement

On behalf of the Citizens of Baltimore City, the mission of the Taxation, Finance and Economic Development Committee of the Baltimore City Council is to legislate policy that will deter unnecessary tax burdens while seeking and supporting projects and initiatives that will generate and increase our tax base. Reviewing and considering financing tools that impact the retention and sustainability of our economic base is essential. Introducing and enhancing legislation that perpetuates equal access to economic development for African Americans/Minorities/Women and other members of our community that will result in an improved quality of life for all citizens of Baltimore is a critical component of Baltimore's success.

**The Honorable Sharon Green Middleton
Chairwoman**

PUBLIC HEARING

Thursday, June 21, 2018

10:10 AM

CLARENCE "DU" BURNS COUNCIL CHAMBERS

Bill 18-0228

**Issuance of Revenue Obligations –
Stormwater Projects**

CITY COUNCIL COMMITTEES

BUDGET AND APPROPRIATIONS

Eric Costello – Chair
Leon Pinkett – Vice Chair
Bill Henry
Sharon Green Middleton
Brandon M. Scott
Isaac "Yitzy" Schleifer
Shannon Sneed
Staff: Marguerite Currin

EDUCATION AND YOUTH

Zeke Cohen – Chair
Mary Pat Clarke – Vice Chair
John Bullock
Kristerfer Burnett
Ryan Dorsey
Staff: Matthew Peters

EXECUTIVE APPOINTMENTS

Robert Stokes – Chair
Kristerfer Burnett – Vice Chair
Mary Pat Clarke
Zeke Cohen
Isaac "Yitzy" Schleifer
Staff: Marguerite Currin

HOUSING AND URBAN AFFAIRS

John Bullock – Chair
Isaac "Yitzy" Schleifer – Vice Chair
Kristerfer Burnett
Bill Henry
Shannon Sneed
Zeke Cohen
Ryan Dorsey
Staff: Richard Krummerich

JUDICIARY AND LEGISLATIVE INVESTIGATIONS

Eric Costello – Chair
Mary Pat Clarke – Vice Chair
John Bullock
Leon Pinkett
Edward Reisinger
Brandon Scott
Robert Stokes
Staff: Matthew Peters

LABOR

Shannon Sneed – Chair
Robert Stokes – Vice Chair
Eric Costello
Bill Henry
Mary Pat Clarke
Staff: Samuel Johnson

LAND USE AND TRANSPORTATION

Edward Reisinger - Chair
Sharon Green Middleton – Vice Chair
Mary Pat Clarke
Eric Costello
Ryan Dorsey
Leon Pinkett
Robert Stokes
Staff: Jennifer Coates

PUBLIC SAFETY

Brandon Scott – Chair
Ryan Dorsey – Vice Chair
Kristerfer Burnett
Shannon Sneed
Zeke Cohen
Leon Pinkett
Isaac "Yitzy" Schleifer
Staff: Richard Krummerich

TAXATION, FINANCE AND ECONOMIC DEVELOPMENT

Sharon Green Middleton – Chair
Leon Pinkett – Vice Chair
Eric Costello
Edward Reisinger
Robert Stokes
Staff: Samuel Johnson
- Larry Greene (pension only)



BILL SYNOPSIS

Committee: Taxation, Finance and Economic Development

Bill 18-0228

Issuance of Revenue Obligations – Stormwater Project

*Sponsor: President Young (The Administration) * Department of Finance*

Introduced: April 23, 2018

Purpose:

For the purpose of authorizing the issuance, sale and delivery from time to time by the City of revenue obligations that may be issued by the City to finance or refinance stormwater facilities; prescribing that the maximum aggregate principal amount of such revenue obligations that may be outstanding at any one time is \$202,000,000; authorizing the Board of Finance of the City to specify, prescribe, determine, provide for, approve, and amend the form, terms, provisions, manner or method of issuing and selling, the time or times of issuance, and all other details of the revenue obligations and any other matters necessary or desirable in connection with the authorization, issuance, sale, and payment of these revenue obligations; providing for a special effective date; and generally relating to the issuance and payment of revenue obligations.

Effective: Date of enactment.

Hearing Date/Time/Location: June 21, 2018 / 10:10 a.m. / Clarence "Du" Burns Chamber

Agency Reports

City Solicitor	Favorable
Planning Commission	Favorable
Baltimore Development Corporation	Favorable
Department of Housing and Community Development	Favorable
Department of Public Works	Favorable
Department of Finance	Favorable
Department of Transportation	Favorable

Analysis

Current Law:

Article II - General Powers
Section (50)
Baltimore City Charter
(199 Edition)

Sections 19-211 through 19-221 of the Local Government Article
Bond and Grant Anticipation Notes
Annotated Code of Maryland

Background

In April of 2012, the State of Maryland enacted the Stormwater Management – Watershed Protection and Restoration Program law mandating that Phase 1 MS4 permit holders establish a dedicated fee and fund to ensure sufficient and consistent funding for meeting the requirements of their respective permits. The Stormwater Fee is a service fee like those for water, sewer, gas, and other vital utility services. The fee will provide a revenue source for maintaining, operating, and improving the stormwater management system, including installing practices to improve stormwater quality. The City's General Fund has historically been used to fund stormwater operations and capital improvements, but since those funds are often allocated in conjunction with other city programs, the necessary amount needed for improvements and maintenance of the storm drain system, and the required improvements mandated by federal law to reduce pollution and make surface water cleaner hasn't been adequately funded.

Since the enactment of the above referenced law the City of Baltimore has taken the following actions:

- Mayor and City Council Resolution 12-04, duly adopted by the qualified voters of Baltimore City, amended the Baltimore City Charter to allow for establishing a financially self-sustaining stormwater utility and authorized supplemental legislation.
- Ordinance 13-143 imposes a stormwater remediation fee to fund the costs of the City's stormwater management system. It sets the initial rates and the calculation of the fee, provides for its collection and enforcement, and establishes a system of credits for ratepayers to modify and reduce their fee if they install certain practices or participate in certain activities. It also specifies the accounting and expenditure system for the stormwater utility and allows for the use of stormwater revenue bonds to fund capital projects through debt service.
- City Council Bill 18-0228 is the next step in the development of the stormwater utility, by authorizing the issuance, sale and use of revenue obligations to finance or refinance stormwater facilities. The stormwater enterprise fund has been in place since July 1, 2013 and is now in a position to pursue the ability to issue debt based on its independent credit worthiness.

The \$202,000,000 is intended to establish the maximum principal amount of revenue obligations to be issued for the Stormwater Utility System. The requested amount will permit the funding of new and existing Capital Improvement Program projects for the Stormwater Utility through FY 2024. These bonds shall not be considered a general obligation pledge of the City. All of the projects financed with the proceeds of this authorization shall be in the Capital Improvement Program and part of the capital budget process to include approvals by the Board of Finance, Board of Estimates and the City Council.

The stormwater fee appears as a line item on the monthly water bills. Single-family properties are charged one of three rates:

- Tier 1 properties have no more than 820 square feet of impervious surface area, and pay \$40 per year (\$3.33 each month)
- Tier 2 properties have more than 820 square feet but no more than 1,500 square feet of impervious surface area, and pay \$60 per year (\$5 each month)
- Tier 3 properties have more than 1,500 square feet of impervious surface area, and pay \$120 per year (\$10 each month)


Non-single family properties charges:

- Non-single family properties are billed on a measure called an Equivalent Residential Unit (ERU), which is the size of the impervious surface area (1,050 square feet) of the median-sized house in the City. The larger the impervious surface area of a parcel, the higher the stormwater fee for the property. Non-single family properties pay \$60 per ERU per year.

Additional Information

Fiscal Note: Not Available

Information Source(s): Agency Reports, Baltimore City Department of Public Works website

Analysis by: Samuel Johnson, Jr. 
Analysis Date: June 18, 2018

Direct Inquiries to: (410) 396-1091

**CITY OF BALTIMORE
COUNCIL BILL 18-0228
(First Reader)**

Introduced by: The Council President

At the request of: The Administration (Bureau of Treasury Management)

Introduced and read first time: April 23, 2018

Assigned to: Taxation, Finance and Economic Development Committee

REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Planning Commission, Department of Housing and Community Development, Department of Public Works, Department of Transportation, Baltimore Development Corporation, Department of Finance

A BILL ENTITLED

1 AN ORDINANCE concerning

2 **Issuance of Revenue Obligations – Stormwater Projects**

3 FOR the purpose of authorizing the issuance, sale and delivery from time to time by the City of
4 revenue obligations that may be issued by the City to finance or refinance stormwater
5 facilities; prescribing that the maximum aggregate principal amount of such revenue
6 obligations that may be outstanding at any one time is \$202,000,000; authorizing the Board
7 of Finance of the City to specify, prescribe, determine, provide for, approve, and amend the
8 form, terms, provisions, manner or method of issuing and selling, the time or times of
9 issuance, and all other details of the revenue obligations and any other matters necessary or
10 desirable in connection with the authorization, issuance, sale, and payment of these revenue
11 obligations; providing for a special effective date; and generally relating to the issuance and
12 payment of revenue obligations.

13 BY authority of

14 Article II – General Powers
15 Section (50)
16 Baltimore City Charter
17 (1996 Edition)

18 Sections 19-211 through 19-221 of the Local Government Article
19 Bond and Grant Anticipation Notes
20 Annotated Code of Maryland

21 **Recitals**

22 A. Mayor and City Council of Baltimore, a municipal corporation organized and
23 existing under the Constitution and laws of the State of Maryland, is
24 hereinafter sometimes referred to as the “City”.

25 B. By an amendment to Article VI of the City Charter of Baltimore City, 1996
26 Edition, as amended (the “City Charter”), the City established a separate
27 enterprise system for the City’s stormwater utility (the “Stormwater Utility”).

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.

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1 The Stormwater Utility requires capital funding from time to time for improvements
2 to its facilities, which funding may come from various sources. The City has
3 determined to issue revenue bonds and notes that may be refunded from time to time
4 to provide the funding for Stormwater Utility capital projects as an important step in
5 the implementation of a fully separate, self-sustaining enterprise system as envisioned
6 by the City Charter. The revenue bonds and notes will require, and the City Charter
7 requires that rates and charges established for the Stormwater Utility be maintained at
8 a level permitting the Stormwater Utility to operate on a self-supporting basis. This
9 Ordinance sets forth the procedure for the issuance of revenue bonds and notes in
10 furtherance of this self-supporting concept.

11 C. Section 50 (“Section 50”) of Article II of the City Charter authorizes the City
12 to borrow money to finance undertakings for the accomplishment of any of the
13 purposes, objects and powers of the City and in connection therewith to issue
14 bonds, notes or other obligations (including refunding obligations) payable as
15 to both principal and interest solely from and secured solely by a pledge of the
16 revenues from or arising in connection with the property, facilities,
17 developments and improvements whose financing is undertaken by issuance
18 of such notes, bonds or other obligations.

19 D. Sections 19-211 through 19-221 of the Local Government Article of the
20 Annotated Code of Maryland (2013 Replacement Volume and 2017
21 Supplement) (the “Bond Anticipation Note Act”) authorizes and empowers
22 the City to borrow money in anticipation of the issuance of obligations
23 authorized under Section 50 and to evidence such borrowing by the issuance
24 and sale of its bond anticipation notes in an aggregate principal amount not
25 greater than the authorized amount of the obligations in anticipation of the sale
26 of which the notes are issued and sold. The Bond Anticipation Note Act
27 provides that such notes shall be payable as to interest and principal (except to
28 the extent paid from proceeds of the sale of the notes) from the first proceeds
29 of the obligations in anticipation of the sale of which such notes are issued.
30 The Bond Anticipation Note Act further authorizes and empowers the City to
31 pay up to twelve months’ interest on the notes from the proceeds of the notes.
32 The Bond Anticipation Note Act authorizes the sale of any notes to be issued
33 pursuant to such act by public sale or by private negotiation with prospective
34 purchasers, if such negotiated sale is deemed by the City to be in the best
35 interest of the City. The Bond Anticipation Note Act authorizes the renewal at
36 maturity of bond anticipation notes issued thereunder, with or without resale.

37 E. The City proposes to spend a portion of the proceeds of the revenue
38 obligations issued under this Ordinance for the public purpose of financing the
39 costs of Stormwater Utility capital projects (i) appropriated in any past or the
40 current Ordinance of Estimates (as of the date of issuance of any series of
41 revenue obligations), (ii) included, from time to time, in the City’s six-year
42 capital program (or comparable document, from time to time), (iii) contained
43 in any supplemental appropriation to the Ordinance of Estimates approved,
44 from time to time, by the City Council or (iv) which are the subjects of
45 transfers from existing appropriations in the Ordinance of Estimates, as
46 approved, from time to time, by the Board of Estimates (collectively, the
47 “Financed Facilities”). The proceeds of the revenue obligations may be used to

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1 repay to the City amounts expended for the Financed Facilities in anticipation
2 of the issuance of the revenue obligations.

3 F. The City proposes to spend the proceeds of any refunding revenue obligations
4 hereby authorized for the public purposes of paying, prepaying, refinancing or
5 restructuring the debt evidenced by the revenue obligations issued pursuant to
6 this Ordinance, which repayment may include the payment of any premium on
7 such obligations, the payment of costs of issuance and the creation of reserve
8 funds for the refunding revenue obligations, including, without limitation,
9 reserves for the payment of the refunding revenue obligations.

10 G. Section 50 confers upon the Board of Finance of the City certain powers in
11 connection with revenue obligations issued pursuant thereto, including,
12 without limitation, the power to determine the form or forms of obligations,
13 the date of the revenue obligations issued at any particular time, the manner or
14 method of issuing and selling (including negotiated as well as competitive),
15 the right of redemption of the revenue bonds and notes prior to maturity, if
16 any, and the rate or rates of interest to be borne by the revenue bonds and
17 notes, and to do any and all things necessary, proper or expedient in
18 connection with any issuance and sale. This Ordinance shall authorize the
19 Board of Finance of the City to specify, prescribe, determine, provide for,
20 approve, and amend, from time to time, the form, terms, provisions, manner or
21 method of issuing and selling the revenue obligations (including negotiated as
22 well as competitive bid sales), time or times of issuance, security for the
23 revenue obligations, and all other details of the revenue obligations and other
24 matters necessary or desirable in connection with the authorization, issuance,
25 sale, and payment of the revenue obligations and to do all things necessary,
26 proper, or expedient in connection with the issuance and sale of the revenue
27 obligations.

28 H. The revenue obligations shall not ever constitute within the meaning of any
29 constitutional or charter provision or otherwise (i) general obligations of the
30 City, (ii) an indebtedness of the City within the meaning of Section 7 of
31 Article XI of the Constitution of Maryland or of any other political
32 subdivision of the State of Maryland or (iii) a charge against the general credit
33 or taxing powers of the City. The issuance of the revenue obligations is not
34 directly or indirectly or contingently an obligation, moral or otherwise, of the
35 State of Maryland or of any political subdivision, including the City, to levy or
36 pledge any form of taxation whatever therefor for their payment.

37 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE,** That, in
38 addition to any other terms defined elsewhere in this Ordinance, the following terms have the
39 meanings indicated:

40 (a) "Administrative Resolution" means any resolution or resolutions adopted by the
41 Board of Finance under this Ordinance.

42 (b) "Capital Receipts" means all receipts deposited in the Stormwater Capital Fund or
43 any other fund for Stormwater Utility capital projects designated under any
44 Administrative Resolution, including revenues, receipts from federal grants, State of

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1 Maryland grants, county grants (including contributions for service), private grants,
2 State of Maryland loans, City general obligation loan funds, proceeds of Revenue
3 Obligations, and all other receipts dedicated to particular capital projects of the
4 Stormwater Utility.

5 (c) "Costs of Issuance" means the costs of issuing any series of revenue obligations,
6 including costs of printing, advertising, attorneys' fees, underwriting discount,
7 placement fees, consultants' fees, bond insurance fees, rating agency fees, initial fees
8 for letters of credit or lines of credit, initial fees of the Trustee, and all other incidental
9 expenses in connection with the issuance of such Revenue Obligations.

10 (d) "Credit Facility" means any liquidity facility, letter of credit, bond insurance policy,
11 guaranty, line of credit, surety bond, or similar credit or liquidity facility securing any
12 Revenue Obligation.

13 (e) "Enabling Laws" means:

14 (1) City Charter Article II, Section (50); and

15 (2) Sections 19-211 through 19-221 of the Local Government Article of the
16 Annotated Code of Maryland.

17 (f) "Includes" or "including" means by way of illustration and not by way of limitation.

18 (g) "Indebtedness" means any indebtedness or liability for borrowed money, any
19 installment sale obligation, or any obligation under any financing lease, sale
20 leaseback, or similar transaction capitalized under generally accepted accounting
21 principles that, by law or contract, the City may be obligated to pay from the
22 Stormwater Operating Fund.

23 (h) "Operating Revenues" means all income, revenue, receipts, and other money
24 deposited in the Stormwater Operating Fund, including revenues of the Stormwater
25 Utility arising from rates and charges established by the City, all amounts derived by
26 the City from the ownership and operation of the Stormwater Utility, all accounts,
27 general intangibles, and contract or other rights to receive them, and the proceeds of
28 any of these, but exclusive of Capital Receipts. The proceeds of rates and charges
29 established by the City shall be deemed to be Operating Revenues for the purposes of
30 City Charter Article II, Section (50).

31 (i) "Refunding Revenue Bond" means any bond or other Indebtedness issued under this
32 Ordinance as a refunding, renewal, or refinancing bond, including any parity or
33 subordinate bond or other Indebtedness issued under any ordinance supplemental to
34 this Ordinance.

35 (j) "Refunding Revenue Note" means any note or other Indebtedness issued under this
36 Ordinance as a refunding, renewal, or refinancing note or other Indebtedness,
37 including any parity or subordinate note or other Indebtedness issued under any
38 ordinance supplemental to this Ordinance.

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- 1 (k) "Refunding Obligations" means Refunding Revenue Notes and Refunding Revenue
2 Bonds, collectively.
- 3 (l) "Revenue Bond" means any revenue bond or other Indebtedness issued under this
4 Ordinance, including any parity or subordinate revenue bond or other Indebtedness
5 issued under any ordinance supplemental to this Ordinance.
- 6 (m) "Revenue Note" means any revenue note or other Indebtedness issued under this
7 Ordinance, including any parity or subordinate revenue note or Indebtedness issued
8 under any ordinance supplemental to this Ordinance.
- 9 (n) "Revenue Obligations" means Revenue Notes, Revenue Bonds, Refunding Revenue
10 Notes, and Refunding Revenue Bonds, collectively.
- 11 (o) "Stormwater Capital Fund" means the fund of the City to which Capital Receipts are
12 credited.
- 13 (p) "Stormwater Facilities" means all stormwater facilities of the City, including financed
14 facilities.
- 15 (q) "Stormwater Operating Fund" means the fund of the City to which operating revenues
16 are credited.
- 17 (r) "Stormwater Utility" means the stormwater utility operated under City Charter Article
18 VI, Section 18.
- 19 (s) "Trustee" means any bank, trust company, or national banking association appointed
20 under an Administrative Resolution as trustee for any Revenue Obligations, and any
21 other entity that is substituted in its place in accordance with the Administrative
22 Resolution, and their successors.

23 **SECTION 2. AND BE IT FURTHER ORDAINED, That:**

- 24 (a) The issuance, sale and delivery of Revenue Obligations is hereby authorized for the
25 public purpose of financing or refinancing the cost of the Financed Facilities and
26 repaying the City for amounts expended on Financed Facilities in anticipation of the
27 issuance of the Revenue Obligations, provided that as of June 30 of each year the
28 aggregate principal amount of Revenue Obligations outstanding shall not exceed Two
29 Hundred Two Million Dollars (\$202,000,000).
- 30 (b) Revenue Obligations may comprise any combination of (i) Revenue Notes, (ii)
31 Revenue Bonds, (iii) Refunding Revenue Notes, and (iv) Refunding Revenue Bonds.
- 32 (c) Refunding Obligations issued under this Ordinance to refund any Revenue
33 Obligations previously issued under this Ordinance shall replace that portion of the
34 authorized amount previously issued and does not reduce the maximum authorized
35 amount of Revenue Obligations permitted to be issued under this Ordinance.
- 36 (d) The aggregate principal amount of Revenue Obligations authorized to be issued under
37 this Ordinance shall be restored by an amount equal to the principal amount of

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1 Revenue Obligations paid, purchased and cancelled, or otherwise provided for
2 whenever (i) the principal of any Revenue Obligations previously issued is paid,
3 whether at maturity, on redemption, or otherwise; (ii) any Revenue Obligations are
4 purchased and cancelled; or (iii) payment of the principal of any Revenue Obligations
5 is provided for in a manner that makes the Revenue Obligations no longer outstanding
6 under the terms of the Administrative Resolution or any trust agreement authorized
7 hereby.

- 8 (e) The amount of any Credit Facility and of any Revenue Obligation issued to evidence
9 the indebtedness for borrowed money or the liability for such Credit Facility payment
10 of amounts advanced for the payment of the principal of or interest on Revenue
11 Obligations does not reduce the maximum authorized amount of Revenue Obligations
12 permitted to be issued under this Ordinance.

13 **SECTION 3. AND BE IT FURTHER ORDAINED, That:**

- 14 (a) The Revenue Obligations may be issued in one or more series from time to time.
15 (b) The aggregate principal amount of Revenue Obligations to be issued at any one time
16 and such series designation shall be determined by the Board of Finance in the
17 Administrative Resolution.

18 **SECTION 4. AND BE IT FURTHER ORDAINED, That:**

- 19 (a) The net proceeds from the sale of Revenue Notes or Revenue Bonds shall be used and
20 applied for the public purposes of (i) financing or refinancing, in whole or in part, the
21 cost of Financed Facilities (either directly or by repayment to the City, as provided in
22 this Ordinance); (ii) refinancing outstanding Indebtedness of the City that was issued
23 or incurred to finance or refinance capital improvements for Stormwater Facilities of
24 the City; (iii) funding capitalized interest on any series of Revenue Notes or Revenue
25 Bonds, to the extent the Board of Finance considers necessary and in accordance with
26 any time limit established by law on this funding; (iv) paying the Costs of Issuance of
27 Revenue Obligations; and (v) funding any reserve funds, including reserves for any
28 Revenue Obligations and operating reserves (to the extent provided by the Board of
29 Finance), created under this Ordinance and an Administrative Resolution.
- 30 (b) The net proceeds from the sale of Refunding Obligations shall be used and applied for
31 the public purposes of (i) refinancing, restructuring, refunding, or renewing, in whole
32 or in part, from time to time, any outstanding Revenue Obligations, including the
33 payment of any redemption premium on them; (ii) paying the Costs of Issuance of any
34 series of Revenue Obligations; and (iii) funding any reserve funds for the Refunding
35 Obligations, including reserves for the payment of the Refunding Obligations and
36 operating reserves (to the extent provided by the Board of Finance), created under this
37 Ordinance and an Administrative Resolution.

38 **SECTION 5. AND BE IT FURTHER ORDAINED, That:**

- 39 (a) The City finds and determines that the Board of Finance, being primarily responsible
40 for the issuance and sale of the City's certificates of indebtedness, has the expertise

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1 and experience necessary to be primarily responsible for the determination of matters
2 set forth in this Ordinance to be within its jurisdiction.

- 3 (b) The market for Revenue Obligations of the City may change from time to time, and it
4 is in the City's best interest to grant broad authority and flexibility to the Board of
5 Finance in connection with the issuance of Revenue Obligations.

6 **SECTION 6. AND BE IT FURTHER ORDAINED, That:**

- 7 (a) Before delivery of any series of Revenue Obligations, the Board of Finance shall
8 adopt an Administrative Resolution.

- 9 (b) The Administrative Resolution shall prescribe the following, subject to the Enabling
10 Laws:

- 11 (1) the maximum principal amount of such Revenue Obligations to be issued at
12 any one time;
- 13 (2) the date of issue of such Revenue Obligations;
- 14 (3) the interest rate or rates to be borne by the Revenue Obligations or the method
15 by which the interest rate or rates is computed, including limitations on the
16 interest rate or rates beyond which further approvals of the Board of Finance
17 are required;
- 18 (4) the time periods and method of payment of interest on the Revenue
19 Obligations;
- 20 (5) the redemption provisions, if any, for the Revenue Obligations;
- 21 (6) the maturity or maturities of the Revenue Obligations;
- 22 (7) the denomination or denominations of any Revenue Obligations;
- 23 (8) the form, use of registration, and mechanics for payment of the Revenue
24 Obligations; and
- 25 (9) any other terms necessary or desirable to carry out this Ordinance, including
26 other matters determined by the Board of Finance under Section 17.

27 **SECTION 7. AND BE IT FURTHER ORDAINED, That** the Board of Finance may determine
28 whether a particular issue or series of Revenue Obligations shall be sold by competitive bidding
29 or by private negotiation. That determination shall be set forth in the Administrative Resolution
30 for the issue or series to which it applies.

31 **SECTION 8. AND BE IT FURTHER ORDAINED, That:**

- 32 (a) The Board of Finance may adopt a master resolution that establishes procedures to
33 facilitate the prompt determination and approval of one or more of the matters set
34 forth in this Ordinance.

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1 (b) These procedures may include telephonic approval and subsequent telegraphic,
2 electronic, or written confirmation of one or more matters by a designated officer of
3 the City, subject to safeguards and guidelines prescribed in the master resolution.

4 **SECTION 9. AND BE IT FURTHER ORDAINED, That the Board of Finance may:**

5 (a) establish procedures whereby a variable or floating rate or rates of interest can be
6 utilized for any Revenue Obligations;

7 (b) determine that the City should obtain a Credit Facility securing such Revenue
8 Obligations and approve the terms and provisions of such Credit Facility and any
9 agreement entered in connection therewith; and

10 (c) determine that the City should enter into a hedging contract or agreement, payable
11 from Operating Revenues, on such Revenue Obligations, including any interest rate
12 swap agreement, currency swap agreement, forward payment conversion agreement,
13 or futures contract, any contract providing for payments based on levels of, or changes
14 in, interest rates, currency exchange rates, or stock or other indices, any contract to
15 exchange cash flows or a series of payments, or any contract, including an interest
16 rate floor or cap, or an option, put, or call, to hedge payment, currency, interest rate,
17 spread, or similar exposure, on the terms and provisions that the Board of Finance
18 considers necessary or desirable.

19 **SECTION 10. AND BE IT FURTHER ORDAINED, That:**

20 (a) The principal of and premium (if any) and interest on, and purchase price of Revenue
21 Obligations and, to the extent provided in the Administrative Resolution, the amounts
22 owed to the provider of any Credit Facility securing any Revenue Obligations:

23 (1) do not constitute an indebtedness of the City within the meaning of City
24 Charter Article II, Section (50) or of any other political subdivision of the
25 State of Maryland or a charge against the general credit or taxing powers of
26 the City; and

27 (2) may be paid from a pledge of the following, in the order and manner that the
28 Board of Finance prescribes in the Administrative Resolution:

29 (i) Operating Revenues;

30 (ii) amounts in any funds pledged under the Administrative Resolution to
31 the payment of the Revenue Obligations, including any reserve fund
32 established by the Board of Finance for payment of the principal of and
33 premium (if any) and interest on the Revenue Obligations and any
34 investment earnings on those funds (to the extent provided by the
35 Board of Finance);

36 (iii) unexpended proceeds of the Revenue Obligations, including
37 investment earnings on those proceeds (to the extent provided by the
38 Board of Finance); and

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1 (iv) other amounts legally available for these purposes.

2 (b) The issuance of Revenue Obligations does not constitute (directly, indirectly, or
3 contingently) an obligation, moral or otherwise, of the State of Maryland, of the City,
4 or of any other political subdivision of the State, to levy or pledge any form of
5 taxation whatsoever for their payment.

6 (c) Rates and charges of the Stormwater Utility shall be set, assessed and collected in
7 accordance with City procedures, the City Charter, Administrative Resolutions, and
8 applicable law to the extent deemed necessary to operate the Stormwater Facilities
9 and provide payment for the outstanding Revenue Obligations.

10 **SECTION 11. AND BE IT FURTHER ORDAINED, That:**

11 (a) From the proceeds of the Revenue Obligations, from other funds of the Stormwater
12 Utility, or from any other sources, the Board of Finance may establish one or more
13 reserve funds for the Revenue Obligations, including debt service reserve funds,
14 which may be pledged to the payment of the principal of and premium (if any) and
15 interest on, and purchase price of one or more series of Revenue Obligations in the
16 event that the Operating Revenues for any year are insufficient to pay these items for
17 that year.

18 (b) This section does not preclude the establishment of other reserve funds that are not
19 pledged to payment of Revenue Obligations in connection with the Revenue
20 Obligations or any subordinate obligations of the Stormwater Utility, including a
21 renewal and replacement fund, a rate stabilization fund, a residual fund and an
22 operating reserve fund.

23 **SECTION 12. AND BE IT FURTHER ORDAINED, That** the City covenants that it will pay the
24 principal of and the premium (if any) and interest on any Revenue Notes or Refunding Revenue
25 Notes in the nature of bond anticipation notes from funds made available for such payment or the
26 first proceeds of Refunding Revenue Bonds issued under this Ordinance when, and as soon as,
27 the reason for deferring their issuance no longer exists and, in any event, in sufficient time to
28 permit the Revenue Obligations to be paid at maturity or extended maturity.

29 **SECTION 13. AND BE IT FURTHER ORDAINED, That:**

30 (a) All Revenue Obligations and any other agreements of the City entered into under this
31 Ordinance shall be executed in the name of the City and on its behalf by the Mayor
32 and the Director of Finance, by manual or facsimile signatures. The corporate seal of
33 the City shall be printed or imprinted on the Revenue Obligations and attested by the
34 Custodian or Alternate Custodian of the City Seal, by manual or facsimile signature.

35 (b) If the Board of Finance finds that the nature of a transaction so requires, the Board
36 may establish in an Administrative Resolution a procedure whereby the Trustee, a
37 responsible trust company, or other authorized trustee, issuing agent, or paying agent
38 maintains an inventory of blank Revenue Obligations that have been previously
39 imprinted and signed and are available for delivery to purchasers under conditions
40 that require prompt action and delivery.

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- 1 (c) If any official whose signature appears on any Revenue Obligations ceases to be an
2 official before the delivery of such Revenue Obligations, or if any official whose
3 signature appears on any Revenue Obligations became an official after the date of
4 issue, such Revenue Obligations are nonetheless valid and legally binding limited
5 obligations of the City in accordance with their terms.

6 **SECTION 14. AND BE IT FURTHER ORDAINED, That:**

- 7 (a) The proceeds from the sale of Revenue Obligations shall be paid to the Director of
8 Finance for deposit, investment, and disbursement in accordance with the Enabling
9 Laws, this Ordinance, and the Administrative Resolution. All premiums resulting
10 from the sale of the Revenue Obligations issued and sold pursuant to the provisions of
11 this Ordinance shall be applied as directed by the Board of Finance.
- 12 (b) On presentation of the appropriate invoices, as provided in the Administrative
13 Resolution, the Trustee or the City shall pay from the proceeds of each series of
14 Revenue Obligations all Costs of Issuance. Nothing prevents the City from paying any
15 underwriting discount or placement fee payable in connection with any Revenue
16 Obligations by the underwriters' or placement agents' deduction of an amount equal
17 to the discount or placement fee from the offering price of the Revenue Obligations.
- 18 (c) The Trustee shall credit to a special account established under the Administrative
19 Resolution the amount, if any, of the proceeds of each series of Revenue Obligations
20 designated as capitalized interest on that series of Revenue Obligations.
- 21 (d) Before the proceeds of any series of Revenue Obligations are expended, all or any
22 part of the proceeds may be invested by the Trustee in accordance with the
23 Administrative Resolution and within any limitation and in the manner provided by
24 law.
- 25 (e) On presentation to the Trustee or the City of appropriate requests, the Trustee shall
26 make payments from the proceeds of any series of Revenue Obligations for any of the
27 purposes specified in this Ordinance and in the Administrative Resolution.
- 28 (f) If the funds derived from the sale of the Revenue Obligations exceed the amount
29 needed (i) to refund any outstanding obligations of the City to be refunded under the
30 Administrative Resolutions, (ii) to finance the Financed Facilities, (iii) to pay Cost of
31 Issuance and capitalized interest, and (iv) to fund any reserves and for any other
32 purpose authorized by the Administrative Resolution, the funds so borrowed and not
33 needed shall be applied as determined by the Board of Finance, under the terms and
34 conditions set forth in the Administrative Resolution, including to fund reserve fund
35 deficiencies or other reserves, if any, to pay principal of or interest on Revenue
36 Obligations, to redeem or purchase Revenue Obligations, or to pay for other capital
37 projects of the Stormwater Utility within any limitation provided by law.

38 **SECTION 15. AND BE IT FURTHER ORDAINED, That:**

- 39 (a) The Board of Finance may take the actions and make the commitments on behalf of
40 the City described in this Section 15.

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- 1 (b) The Board of Finance may determine and set forth the form, terms, provisions
2 (including redemption provisions and sinking fund requirements, if any), manner or
3 method of issuing and selling the Revenue Obligations (including negotiated or
4 competitive bid sale), time or times of issuance, and security for the Revenue
5 Obligations, and all other details and other matters necessary or desirable in
6 connection with the authorization, issuance, sale, and payment of the Revenue
7 Obligations.
- 8 (c) In conjunction with the prospective underwriters or placement agents, if any, for the
9 Revenue Obligations, the Board of Finance may prepare and distribute preliminary
10 and final official statements or placement memoranda or circulars as the Board of
11 Finance considers necessary or desirable. All preliminary official statements or
12 placement memoranda or circulars shall be clearly marked to indicate that they are
13 subject to completion and amendment.
- 14 (d) The Board of Finance may determine the dates, times, and places for submission of an
15 underwriting or placement agreement or purchase contract by the underwriters or
16 placement agents for the Revenue Obligations or purchasers of the revenue
17 obligations. Such underwriting or placement agreement or purchase contract shall
18 specify (i) the interest rate or rates proposed to be paid on the Revenue Obligations or
19 the method by which the interest rate or rates shall be computed; (ii) the price at
20 which the Revenue Obligations are to be sold to the underwriters, placement agents,
21 or purchasers; and (iii) any other matters that the underwriters, placement agents, or
22 purchasers and the Board of Finance consider necessary or desirable to effect the sale
23 and delivery of the Revenue Obligations.
- 24 (e) The Board of Finance may determine the interest rate or rates to be paid by the City
25 on the Revenue Obligations or the method by which the interest rate or rates is
26 computed.
- 27 (f) The Board of Finance, as it considers necessary or desirable, may appoint one or more
28 banks with trust powers, or trust companies, as trustee, registrar, or paying agent for
29 the Revenue Obligations.
- 30 (g) The Board of Finance may approve the form of trust agreements (which may be the
31 Administrative Resolution) between the City and the Trustee, which trust agreements
32 may:
- 33 (1) pledge or assign all or any part of the security for the Revenue Obligations,
34 consistent with the covenants contained in this Ordinance and the
35 Administrative Resolution and the provisions of any contract to which the
36 City is a part that is then in effect;
- 37 (2) contain reasonable and proper provisions for the protection and enforcement
38 of the rights and remedies of the holders of Revenue Obligations;
- 39 (3) set forth the rights and remedies of the holders of Revenue Obligations and
40 any trustee;
- 41 (4) restrict the individual right of action by the holders of Revenue Obligations;

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1 (5) provide for the issuance of additional Revenue Obligations subordinate to, or
2 on parity with, Revenue Obligations previously issued under the trust
3 agreement or the Administrative Resolution, consistent with this Ordinance
4 and the provisions of the trust agreement or the Administrative Resolution;
5 and

6 (6) contain whatever other provisions the Board of Finance considers reasonable
7 and proper for the security of the holders of Revenue Obligations.

8 (h) The Board of Finance may amend, restate, or supplement the Administrative
9 Resolution in accordance with the Enabling Laws, this Ordinance, and the
10 Administrative Resolution.

11 **SECTION 16. AND BE IT FURTHER ORDAINED,** That the Board of Finance may perform any
12 and all actions that it considers necessary or desirable to effect the issuance and sale of the
13 Revenue Obligations in accordance with this Ordinance and the underwriting or placement
14 agreements or purchase contracts for the Revenue Obligations.

15 **SECTION 17. AND BE IT FURTHER ORDAINED,** That, before any Revenue Obligations are
16 sold, the Board of Finance may determine by Administrative Resolution:

- 17 (a) the provisions of any trust agreement between the City and the Trustee;
- 18 (b) the manner of execution, authentication, registration, and transfer of the Revenue
19 Obligations;
- 20 (c) provisions for authentication and delivery of the Revenue Obligations;
- 21 (d) the terms of any Credit Facility or other security for the Revenue Obligations;
- 22 (e) provisions for creating, holding, and disbursing any funds and accounts to be held by
23 any trustee or the Director of Finance;
- 24 (f) provisions for applying the Operating Revenues;
- 25 (g) provisions for the security for and investment of money held by any trustee or the
26 Director of Finance;
- 27 (h) the procedures for redeeming the Revenue Obligations;
- 28 (i) remedies for holders of Revenue Obligations in the event of default;
- 29 (j) the duties, rights, and immunities of any trustee;
- 30 (k) the manner of executing instruments by holders of Revenue Obligations and the
31 method of proving ownership of Revenue Obligations;
- 32 (l) provisions for modifying the trust agreement;
- 33 (m) provisions for the defeasance of Revenue Obligations;

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1 (n) the forms of the Revenue Obligations (including book-entry or certificated bonds) and
2 of any trustee's authentication certificate;

3 (o) the preparation and distribution of an official statement, placement memorandum or
4 other disclosure document; and

5 (p) any other matters in connection with the authorization, issuance, security, sale,
6 payment, and refunding of the Revenue Obligations that the Board of Finance
7 considers appropriate.

8 **SECTION 18. AND BE IT FURTHER ORDAINED,** That any resolution, including the
9 Administrative Resolution, adopted under this Ordinance is considered to be administrative.

10 **SECTION 19. AND BE IT FURTHER ORDAINED,** That nothing in this Ordinance precludes a
11 consolidation or other combination of the Stormwater Utility, the wastewater utility and the
12 water utility or any budgetary restructuring or interfund reorganization of these utilities, so long
13 as it is determined, in accordance with procedures set forth in the Administrative Resolution, that
14 the consolidation or combination will not impair the security for the Revenue Obligations.

15 **SECTION 20. AND BE IT FURTHER ORDAINED,** That nothing in this Ordinance precludes a
16 pledge of revenues of and amounts held by the Stormwater Utility, including the Operating
17 Revenues to the payment of any Revenue Obligations.

18 **SECTION 21. AND BE IT FURTHER ORDAINED,** That the Mayor and City Council may amend
19 or supplement this Ordinance from time to time as necessary or desirable to increase the
20 authorized amount of Revenue Obligations and for any other purpose, as long as the action is
21 otherwise consistent with the terms of this Ordinance, the Administrative Resolution, and the
22 Revenue Obligations.

23 **SECTION 22. AND BE IT FURTHER ORDAINED,** That if the Board of Finance fails to take any
24 action or act on any matter delegated to it or authorized to be implemented by it, the action or
25 matter may be taken or acted on or implemented by a resolution of the Mayor and City Council.

26 **SECTION 23. AND BE IT FURTHER ORDAINED,** That:

27 (a) Revenue Obligations may be issued under this Ordinance with the expectation that
28 interest on the Revenue Obligations will be exempt from federal income taxation
29 ("Tax-exempt Obligations").

30 (b) The Administrative Resolution under which Tax-exempt Obligations are issued shall
31 prescribe covenants and matters that the Board of Finance considers necessary or
32 desirable to assure that the Revenue Obligations will not be considered "arbitrage
33 bonds" within the meaning of Section 148 of the Internal Revenue Code and its
34 regulations and to assure holders of the Revenue Obligations that interest on them
35 will be and remain exempt from federal income taxation.

36 (c) The Mayor, the Director of Finance, and the Chief of the Bureau of Treasury
37 Management shall prepare or cause to be prepared and shall execute any certification,
38 opinion, or other document that may be required to maintain the exemption of interest
39 on Tax-exempt Obligations from federal income taxation.

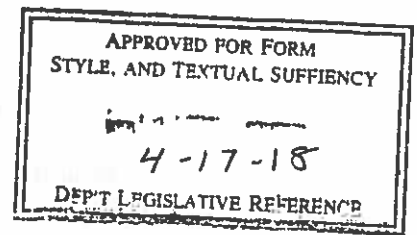
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1 **SECTION 24. AND BE IT FURTHER ORDAINED,** That the covenants contained in this
2 Ordinance are for the benefit of the holders of the Revenue Obligations from time to time and are
3 enforceable by those holders, subject to any limitations set forth in the Administrative
4 Resolution.

5 **SECTION 25. AND BE IT FURTHER ORDAINED,** That the provisions of this Ordinance are
6 severable. If any provision, sentence, clause, section, or other part of this Ordinance is held
7 illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, that illegality,
8 invalidity, unconstitutionality, or inapplicability does not affect or impair any of the remaining
9 provisions, sentences, clauses, sections, or parts of this Ordinance or their application to other
10 persons or circumstances. It is the intent of the Mayor and City Council that this Ordinance
11 would have been adopted even if the illegal, invalid, unconstitutional, or inapplicable provision,
12 sentence, clause, section, or other part had not been included in this Ordinance, and as if the
13 person or circumstances to which this Ordinance or part are inapplicable had been specifically
14 exempted.

15 **SECTION 26. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect on the date it
16 is enacted.

INTRODUCTORY*
CITY OF BALTIMORE
COUNCIL BILL _____



Introduced by: The Council President
At the request of: The Administration (Bureau of Treasury Management)

A BILL ENTITLED

AN ORDINANCE concerning

Issuance of Revenue Obligations – Stormwater Projects

FOR the purpose of authorizing the issuance, sale and delivery from time to time by the City of revenue obligations that may be issued by the City to finance or refinance stormwater facilities; prescribing that the maximum aggregate principal amount of such revenue obligations that may be outstanding at any one time is \$202,000,000; authorizing the Board of Finance of the City to specify, prescribe, determine, provide for, approve, and amend the form, terms, provisions, manner or method of issuing and selling, the time or times of issuance, and all other details of the revenue obligations and any other matters necessary or desirable in connection with the authorization, issuance, sale, and payment of these revenue obligations; providing for a special effective date; and generally relating to the issuance and payment of revenue obligations.

BY authority of

Article II – General Powers
Section (50)
Baltimore City Charter
(1996 Edition)

Sections 19-211 through 19-221 of the Local Government Article
Bond and Grant Anticipation Notes
Annotated Code of Maryland

Recitals

- A. Mayor and City Council of Baltimore, a municipal corporation organized and existing under the Constitution and laws of the State of Maryland, is hereinafter sometimes referred to as the “City”.
- B. By an amendment to Article VI of the City Charter of Baltimore City, 1996 Edition, as amended (the “City Charter”), the City established a separate enterprise system for the City’s stormwater utility (the “Stormwater Utility”). The Stormwater Utility requires capital funding from time to time for improvements to its facilities, which funding may come from various sources. The City has determined to issue revenue bonds and notes that may be refunded from time to time to provide the funding for Stormwater Utility capital projects as an important step in the implementation of a fully separate,

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self-sustaining enterprise system as envisioned by the City Charter. The revenue bonds and notes will require, and the City Charter requires that rates and charges established for the Stormwater Utility be maintained at a level permitting the Stormwater Utility to operate on a self-supporting basis. This Ordinance sets forth the procedure for the issuance of revenue bonds and notes in furtherance of this self-supporting concept.

- C. Section 50 ("Section 50") of Article II of the City Charter authorizes the City to borrow money to finance undertakings for the accomplishment of any of the purposes, objects and powers of the City and in connection therewith to issue bonds, notes or other obligations (including refunding obligations) payable as to both principal and interest solely from and secured solely by a pledge of the revenues from or arising in connection with the property, facilities, developments and improvements whose financing is undertaken by issuance of such notes, bonds or other obligations.
- D. Sections 19-211 through 19-221 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2017 Supplement) (the "Bond Anticipation Note Act") authorizes and empowers the City to borrow money in anticipation of the issuance of obligations authorized under Section 50 and to evidence such borrowing by the issuance and sale of its bond anticipation notes in an aggregate principal amount not greater than the authorized amount of the obligations in anticipation of the sale of which the notes are issued and sold. The Bond Anticipation Note Act provides that such notes shall be payable as to interest and principal (except to the extent paid from proceeds of the sale of the notes) from the first proceeds of the obligations in anticipation of the sale of which such notes are issued. The Bond Anticipation Note Act further authorizes and empowers the City to pay up to twelve months' interest on the notes from the proceeds of the notes. The Bond Anticipation Note Act authorizes the sale of any notes to be issued pursuant to such act by public sale or by private negotiation with prospective purchasers, if such negotiated sale is deemed by the City to be in the best interest of the City. The Bond Anticipation Note Act authorizes the renewal at maturity of bond anticipation notes issued thereunder, with or without resale.
- E. The City proposes to spend a portion of the proceeds of the revenue obligations issued under this Ordinance for the public purpose of financing the costs of Stormwater Utility capital projects (i) appropriated in any past or the current Ordinance of Estimates (as of the date of issuance of any series of revenue obligations), (ii) included, from time to time, in the City's six-year capital program (or comparable document, from time to time), (iii) contained in any supplemental appropriation to the Ordinance of Estimates approved, from time to time, by the City Council or (iv) which are the subjects of transfers from existing appropriations in the Ordinance of Estimates, as approved, from time to time, by the Board of Estimates (collectively, the "Financed Facilities"). The proceeds of the revenue obligations may be used to repay to the City amounts expended for the Financed Facilities in anticipation of the issuance of the revenue obligations.
- F. The City proposes to spend the proceeds of any refunding revenue obligations hereby authorized for the public purposes of paying, prepaying, refinancing or restructuring the debt evidenced by the revenue obligations issued pursuant to this Ordinance, which repayment may include the payment of any premium on

such obligations, the payment of costs of issuance and the creation of reserve funds for the refunding revenue obligations, including, without limitation, reserves for the payment of the refunding revenue obligations.

- G. Section 50 confers upon the Board of Finance of the City certain powers in connection with revenue obligations issued pursuant thereto, including, without limitation, the power to determine the form or forms of obligations, the date of the revenue obligations issued at any particular time, the manner or method of issuing and selling (including negotiated as well as competitive), the right of redemption of the revenue bonds and notes prior to maturity, if any, and the rate or rates of interest to be borne by the revenue bonds and notes, and to do any and all things necessary, proper or expedient in connection with any issuance and sale. This Ordinance shall authorize the Board of Finance of the City to specify, prescribe, determine, provide for, approve, and amend, from time to time, the form, terms, provisions, manner or method of issuing and selling the revenue obligations (including negotiated as well as competitive bid sales), time or times of issuance, security for the revenue obligations, and all other details of the revenue obligations and other matters necessary or desirable in connection with the authorization, issuance, sale, and payment of the revenue obligations and to do all things necessary, proper, or expedient in connection with the issuance and sale of the revenue obligations.
- H. The revenue obligations shall not ever constitute within the meaning of any constitutional or charter provision or otherwise (i) general obligations of the City, (ii) an indebtedness of the City within the meaning of Section 7 of Article XI of the Constitution of Maryland or of any other political subdivision of the State of Maryland or (iii) a charge against the general credit or taxing powers of the City. The issuance of the revenue obligations is not directly or indirectly or contingently an obligation, moral or otherwise, of the State of Maryland or of any political subdivision, including the City, to levy or pledge any form of taxation whatever therefor for their payment.

SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE, That, in addition to any other terms defined elsewhere in this Ordinance, the following terms have the meanings indicated:

- (a) "Administrative Resolution" means any resolution or resolutions adopted by the Board of Finance under this Ordinance.
- (b) "Capital Receipts" means all receipts deposited in the Stormwater Capital Fund or any other fund for Stormwater Utility capital projects designated under any Administrative Resolution, including revenues, receipts from federal grants, State of Maryland grants, county grants (including contributions for service), private grants, State of Maryland loans, City general obligation loan funds, proceeds of Revenue Obligations, and all other receipts dedicated to particular capital projects of the Stormwater Utility.
- (c) "Costs of Issuance" means the costs of issuing any series of revenue obligations, including costs of printing, advertising, attorneys' fees, underwriting discount, placement fees, consultants' fees, bond insurance fees, rating agency fees, initial fees for letters of credit or lines of credit, initial fees of the Trustee, and all other incidental expenses in connection with the issuance of such Revenue Obligations.

- (d) "Credit Facility" means any liquidity facility, letter of credit, bond insurance policy, guaranty, line of credit, surety bond, or similar credit or liquidity facility securing any Revenue Obligation.
- (e) "Enabling Laws" means:
- (1) City Charter Article II, Section (50); and
 - (2) Sections 19-211 through 19-221 of the Local Government Article of the Annotated Code of Maryland.
- (f) "Includes" or "including" means by way of illustration and not by way of limitation.
- (g) "Indebtedness" means any indebtedness or liability for borrowed money, any installment sale obligation, or any obligation under any financing lease, sale leaseback, or similar transaction capitalized under generally accepted accounting principles that, by law or contract, the City may be obligated to pay from the Stormwater Operating Fund.
- (h) "Operating Revenues" means all income, revenue, receipts, and other money deposited in the Stormwater Operating Fund, including revenues of the Stormwater Utility arising from rates and charges established by the City, all amounts derived by the City from the ownership and operation of the Stormwater Utility, all accounts, general intangibles, and contract or other rights to receive them, and the proceeds of any of these, but exclusive of Capital Receipts. The proceeds of rates and charges established by the City shall be deemed to be Operating Revenues for the purposes of City Charter Article II, Section (50).
- (i) "Refunding Revenue Bond" means any bond or other Indebtedness issued under this Ordinance as a refunding, renewal, or refinancing bond, including any parity or subordinate bond or other Indebtedness issued under any ordinance supplemental to this Ordinance.
- (j) "Refunding Revenue Note" means any note or other Indebtedness issued under this Ordinance as a refunding, renewal, or refinancing note or other Indebtedness, including any parity or subordinate note or other Indebtedness issued under any ordinance supplemental to this Ordinance.
- (k) "Refunding Obligations" means Refunding Revenue Notes and Refunding Revenue Bonds, collectively.
- (l) "Revenue Bond" means any revenue bond or other Indebtedness issued under this Ordinance, including any parity or subordinate revenue bond or other Indebtedness issued under any ordinance supplemental to this Ordinance.
- (m) "Revenue Note" means any revenue note or other Indebtedness issued under this Ordinance, including any parity or subordinate revenue note or Indebtedness issued under any ordinance supplemental to this Ordinance.
- (n) "Revenue Obligations" means Revenue Notes, Revenue Bonds, Refunding Revenue Notes, and Refunding Revenue Bonds, collectively.

- (o) "Stormwater Capital Fund" means the fund of the City to which Capital Receipts are credited.
- (p) "Stormwater Facilities" means all stormwater facilities of the City, including financed facilities.
- (q) "Stormwater Operating Fund" means the fund of the City to which operating revenues are credited.
- (r) "Stormwater Utility" means the stormwater utility operated under City Charter Article VI, Section 18.
- (s) "Trustee" means any bank, trust company, or national banking association appointed under an Administrative Resolution as trustee for any Revenue Obligations, and any other entity that is substituted in its place in accordance with the Administrative Resolution, and their successors.

SECTION 2. AND BE IT FURTHER ORDAINED, That:

- (a) The issuance, sale and delivery of Revenue Obligations is hereby authorized for the public purpose of financing or refinancing the cost of the Financed Facilities and repaying the City for amounts expended on Financed Facilities in anticipation of the issuance of the Revenue Obligations, provided that as of June 30 of each year the aggregate principal amount of Revenue Obligations outstanding shall not exceed Two Hundred Two Million Dollars (\$202,000,000).
- (b) Revenue Obligations may comprise any combination of (i) Revenue Notes, (ii) Revenue Bonds, (iii) Refunding Revenue Notes, and (iv) Refunding Revenue Bonds.
- (c) Refunding Obligations issued under this Ordinance to refund any Revenue Obligations previously issued under this Ordinance shall replace that portion of the authorized amount previously issued and does not reduce the maximum authorized amount of Revenue Obligations permitted to be issued under this Ordinance.
- (d) The aggregate principal amount of Revenue Obligations authorized to be issued under this Ordinance shall be restored by an amount equal to the principal amount of Revenue Obligations paid, purchased and cancelled, or otherwise provided for whenever (i) the principal of any Revenue Obligations previously issued is paid, whether at maturity, on redemption, or otherwise; (ii) any Revenue Obligations are purchased and cancelled; or (iii) payment of the principal of any Revenue Obligations is provided for in a manner that makes the Revenue Obligations no longer outstanding under the terms of the Administrative Resolution or any trust agreement authorized hereby.
- (e) The amount of any Credit Facility and of any Revenue Obligation issued to evidence the indebtedness for borrowed money or the liability for such Credit Facility payment of amounts advanced for the payment of the principal of or interest on Revenue Obligations does not reduce the maximum authorized amount of Revenue Obligations permitted to be issued under this Ordinance.

SECTION 3. AND BE IT FURTHER ORDAINED, That:

- (a) The Revenue Obligations may be issued in one or more series from time to time.

- (b) The aggregate principal amount of Revenue Obligations to be issued at any one time and such series designation shall be determined by the Board of Finance in the Administrative Resolution.

SECTION 4. AND BE IT FURTHER ORDAINED, That:

- (a) The net proceeds from the sale of Revenue Notes or Revenue Bonds shall be used and applied for the public purposes of (i) financing or refinancing, in whole or in part, the cost of Financed Facilities (either directly or by repayment to the City, as provided in this Ordinance); (ii) refinancing outstanding Indebtedness of the City that was issued or incurred to finance or refinance capital improvements for Stormwater Facilities of the City; (iii) funding capitalized interest on any series of Revenue Notes or Revenue Bonds, to the extent the Board of Finance considers necessary and in accordance with any time limit established by law on this funding; (iv) paying the Costs of Issuance of Revenue Obligations; and (v) funding any reserve funds, including reserves for any Revenue Obligations and operating reserves (to the extent provided by the Board of Finance), created under this Ordinance and an Administrative Resolution.
- (b) The net proceeds from the sale of Refunding Obligations shall be used and applied for the public purposes of (i) refinancing, restructuring, refunding, or renewing, in whole or in part, from time to time, any outstanding Revenue Obligations, including the payment of any redemption premium on them; (ii) paying the Costs of Issuance of any series of Revenue Obligations; and (iii) funding any reserve funds for the Refunding Obligations, including reserves for the payment of the Refunding Obligations and operating reserves (to the extent provided by the Board of Finance), created under this Ordinance and an Administrative Resolution.

SECTION 5. AND BE IT FURTHER ORDAINED, That:

- (a) The City finds and determines that the Board of Finance, being primarily responsible for the issuance and sale of the City's certificates of indebtedness, has the expertise and experience necessary to be primarily responsible for the determination of matters set forth in this Ordinance to be within its jurisdiction.
- (b) The market for Revenue Obligations of the City may change from time to time, and it is in the City's best interest to grant broad authority and flexibility to the Board of Finance in connection with the issuance of Revenue Obligations.

SECTION 6. AND BE IT FURTHER ORDAINED, That:

- (a) Before delivery of any series of Revenue Obligations, the Board of Finance shall adopt an Administrative Resolution.
- (b) The Administrative Resolution shall prescribe the following, subject to the Enabling Laws:
 - (1) the maximum principal amount of such Revenue Obligations to be issued at any one time;
 - (2) the date of issue of such Revenue Obligations;
 - (3) the interest rate or rates to be borne by the Revenue Obligations or the method by which the interest rate or rates is computed, including limitations on the

interest rate or rates beyond which further approvals of the Board of Finance are required;

- (4) the time periods and method of payment of interest on the Revenue Obligations;
- (5) the redemption provisions, if any, for the Revenue Obligations;
- (6) the maturity or maturities of the Revenue Obligations;
- (7) the denomination or denominations of any Revenue Obligations;
- (8) the form, use of registration, and mechanics for payment of the Revenue Obligations; and
- (9) any other terms necessary or desirable to carry out this Ordinance, including other matters determined by the Board of Finance under Section 17.

SECTION 7. AND BE IT FURTHER ORDAINED, That the Board of Finance may determine whether a particular issue or series of Revenue Obligations shall be sold by competitive bidding or by private negotiation. That determination shall be set forth in the Administrative Resolution for the issue or series to which it applies.

SECTION 8. AND BE IT FURTHER ORDAINED, That:

- (a) The Board of Finance may adopt a master resolution that establishes procedures to facilitate the prompt determination and approval of one or more of the matters set forth in this Ordinance.
- (b) These procedures may include telephonic approval and subsequent telegraphic, electronic, or written confirmation of one or more matters by a designated officer of the City, subject to safeguards and guidelines prescribed in the master resolution.

SECTION 9. AND BE IT FURTHER ORDAINED, That the Board of Finance may:

- (a) establish procedures whereby a variable or floating rate or rates of interest can be utilized for any Revenue Obligations;
- (b) determine that the City should obtain a Credit Facility securing such Revenue Obligations and approve the terms and provisions of such Credit Facility and any agreement entered in connection therewith; and
- (c) determine that the City should enter into a hedging contract or agreement, payable from Operating Revenues, on such Revenue Obligations, including any interest rate swap agreement, currency swap agreement, forward payment conversion agreement, or futures contract, any contract providing for payments based on levels of, or changes in, interest rates, currency exchange rates, or stock or other indices, any contract to exchange cash flows or a series of payments, or any contract, including an interest rate floor or cap, or an option, put, or call, to hedge payment, currency, interest rate, spread, or similar exposure, on the terms and provisions that the Board of Finance considers necessary or desirable.

SECTION 10. AND BE IT FURTHER ORDAINED, That:

- (a) The principal of and premium (if any) and interest on, and purchase price of Revenue Obligations and, to the extent provided in the Administrative Resolution, the amounts owed to the provider of any Credit Facility securing any Revenue Obligations:
 - (1) do not constitute an indebtedness of the City within the meaning of City Charter Article II, Section (50) or of any other political subdivision of the State of Maryland or a charge against the general credit or taxing powers of the City; and
 - (2) may be paid from a pledge of the following, in the order and manner that the Board of Finance prescribes in the Administrative Resolution:
 - (i) Operating Revenues;
 - (ii) amounts in any funds pledged under the Administrative Resolution to the payment of the Revenue Obligations, including any reserve fund established by the Board of Finance for payment of the principal of and premium (if any) and interest on the Revenue Obligations and any investment earnings on those funds (to the extent provided by the Board of Finance);
 - (iii) unexpended proceeds of the Revenue Obligations, including investment earnings on those proceeds (to the extent provided by the Board of Finance); and
 - (iv) other amounts legally available for these purposes.
- (b) The issuance of Revenue Obligations does not constitute (directly, indirectly, or contingently) an obligation, moral or otherwise, of the State of Maryland, of the City, or of any other political subdivision of the State, to levy or pledge any form of taxation whatsoever for their payment.
- (c) Rates and charges of the Stormwater Utility shall be set, assessed and collected in accordance with City procedures, the City Charter, Administrative Resolutions, and applicable law to the extent deemed necessary to operate the Stormwater Facilities and provide payment for the outstanding Revenue Obligations.

SECTION 11. AND BE IT FURTHER ORDAINED, That:

- (a) From the proceeds of the Revenue Obligations, from other funds of the Stormwater Utility, or from any other sources, the Board of Finance may establish one or more reserve funds for the Revenue Obligations, including debt service reserve funds, which may be pledged to the payment of the principal of and premium (if any) and interest on, and purchase price of one or more series of Revenue Obligations in the event that the Operating Revenues for any year are insufficient to pay these items for that year.
- (b) This section does not preclude the establishment of other reserve funds that are not pledged to payment of Revenue Obligations in connection with the Revenue Obligations or any subordinate obligations of the Stormwater Utility, including a

renewal and replacement fund, a rate stabilization fund, a residual fund and an operating reserve fund.

SECTION 12. AND BE IT FURTHER ORDAINED, That the City covenants that it will pay the principal of and the premium (if any) and interest on any Revenue Notes or Refunding Revenue Notes in the nature of bond anticipation notes from funds made available for such payment or the first proceeds of Refunding Revenue Bonds issued under this Ordinance when, and as soon as, the reason for deferring their issuance no longer exists and, in any event, in sufficient time to permit the Revenue Obligations to be paid at maturity or extended maturity.

SECTION 13. AND BE IT FURTHER ORDAINED, That:

- (a) All Revenue Obligations and any other agreements of the City entered into under this Ordinance shall be executed in the name of the City and on its behalf by the Mayor and the Director of Finance, by manual or facsimile signatures. The corporate seal of the City shall be printed or imprinted on the Revenue Obligations and attested by the Custodian or Alternate Custodian of the City Seal, by manual or facsimile signature.
- (b) If the Board of Finance finds that the nature of a transaction so requires, the Board may establish in an Administrative Resolution a procedure whereby the Trustee, a responsible trust company, or other authorized trustee, issuing agent, or paying agent maintains an inventory of blank Revenue Obligations that have been previously imprinted and signed and are available for delivery to purchasers under conditions that require prompt action and delivery.
- (c) If any official whose signature appears on any Revenue Obligations ceases to be an official before the delivery of such Revenue Obligations, or if any official whose signature appears on any Revenue Obligations became an official after the date of issue, such Revenue Obligations are nonetheless valid and legally binding limited obligations of the City in accordance with their terms.

SECTION 14. AND BE IT FURTHER ORDAINED, That:

- (a) The proceeds from the sale of Revenue Obligations shall be paid to the Director of Finance for deposit, investment, and disbursement in accordance with the Enabling Laws, this Ordinance, and the Administrative Resolution. All premiums resulting from the sale of the Revenue Obligations issued and sold pursuant to the provisions of this Ordinance shall be applied as directed by the Board of Finance.
- (b) On presentation of the appropriate invoices, as provided in the Administrative Resolution, the Trustee or the City shall pay from the proceeds of each series of Revenue Obligations all Costs of Issuance. Nothing prevents the City from paying any underwriting discount or placement fee payable in connection with any Revenue Obligations by the underwriters' or placement agents' deduction of an amount equal to the discount or placement fee from the offering price of the Revenue Obligations.
- (c) The Trustee shall credit to a special account established under the Administrative Resolution the amount, if any, of the proceeds of each series of Revenue Obligations designated as capitalized interest on that series of Revenue Obligations.
- (d) Before the proceeds of any series of Revenue Obligations are expended, all or any part of the proceeds may be invested by the Trustee in accordance with the

Administrative Resolution and within any limitation and in the manner provided by law.

- (e) On presentation to the Trustee or the City of appropriate requests, the Trustee shall make payments from the proceeds of any series of Revenue Obligations for any of the purposes specified in this Ordinance and in the Administrative Resolution.
- (f) If the funds derived from the sale of the Revenue Obligations exceed the amount needed (i) to refund any outstanding obligations of the City to be refunded under the Administrative Resolutions, (ii) to finance the Financed Facilities, (iii) to pay Cost of Issuance and capitalized interest, and (iv) to fund any reserves and for any other purpose authorized by the Administrative Resolution, the funds so borrowed and not needed shall be applied as determined by the Board of Finance, under the terms and conditions set forth in the Administrative Resolution, including to fund reserve fund deficiencies or other reserves, if any, to pay principal of or interest on Revenue Obligations, to redeem or purchase Revenue Obligations, or to pay for other capital projects of the Stormwater Utility within any limitation provided by law.

SECTION 15. AND BE IT FURTHER ORDAINED, That:

- (a) The Board of Finance may take the actions and make the commitments on behalf of the City described in this Section 15.
- (b) The Board of Finance may determine and set forth the form, terms, provisions (including redemption provisions and sinking fund requirements, if any), manner or method of issuing and selling the Revenue Obligations (including negotiated or competitive bid sale), time or times of issuance, and security for the Revenue Obligations, and all other details and other matters necessary or desirable in connection with the authorization, issuance, sale, and payment of the Revenue Obligations.
- (c) In conjunction with the prospective underwriters or placement agents, if any, for the Revenue Obligations, the Board of Finance may prepare and distribute preliminary and final official statements or placement memoranda or circulars as the Board of Finance considers necessary or desirable. All preliminary official statements or placement memoranda or circulars shall be clearly marked to indicate that they are subject to completion and amendment.
- (d) The Board of Finance may determine the dates, times, and places for submission of an underwriting or placement agreement or purchase contract by the underwriters or placement agents for the Revenue Obligations or purchasers of the revenue obligations. Such underwriting or placement agreement or purchase contract shall specify (i) the interest rate or rates proposed to be paid on the Revenue Obligations or the method by which the interest rate or rates shall be computed; (ii) the price at which the Revenue Obligations are to be sold to the underwriters, placement agents, or purchasers; and (iii) any other matters that the underwriters, placement agents, or purchasers and the Board of Finance consider necessary or desirable to effect the sale and delivery of the Revenue Obligations.
- (e) The Board of Finance may determine the interest rate or rates to be paid by the City on the Revenue Obligations or the method by which the interest rate or rates is computed.

- (f) The Board of Finance, as it considers necessary or desirable, may appoint one or more banks with trust powers, or trust companies, as trustee, registrar, or paying agent for the Revenue Obligations.
- (g) The Board of Finance may approve the form of trust agreements (which may be the Administrative Resolution) between the City and the Trustee, which trust agreements may:
 - (1) pledge or assign all or any part of the security for the Revenue Obligations, consistent with the covenants contained in this Ordinance and the Administrative Resolution and the provisions of any contract to which the City is a part that is then in effect;
 - (2) contain reasonable and proper provisions for the protection and enforcement of the rights and remedies of the holders of Revenue Obligations;
 - (3) set forth the rights and remedies of the holders of Revenue Obligations and any trustee;
 - (4) restrict the individual right of action by the holders of Revenue Obligations;
 - (5) provide for the issuance of additional Revenue Obligations subordinate to, or on parity with, Revenue Obligations previously issued under the trust agreement or the Administrative Resolution, consistent with this Ordinance and the provisions of the trust agreement or the Administrative Resolution; and
 - (6) contain whatever other provisions the Board of Finance considers reasonable and proper for the security of the holders of Revenue Obligations.
- (h) The Board of Finance may amend, restate, or supplement the Administrative Resolution in accordance with the Enabling Laws, this Ordinance, and the Administrative Resolution.

SECTION 16. AND BE IT FURTHER ORDAINED, That the Board of Finance may perform any and all actions that it considers necessary or desirable to effect the issuance and sale of the Revenue Obligations in accordance with this Ordinance and the underwriting or placement agreements or purchase contracts for the Revenue Obligations.

SECTION 17. AND BE IT FURTHER ORDAINED, That, before any Revenue Obligations are sold, the Board of Finance may determine by Administrative Resolution:

- (a) the provisions of any trust agreement between the City and the Trustee;
- (b) the manner of execution, authentication, registration, and transfer of the Revenue Obligations;
- (c) provisions for authentication and delivery of the Revenue Obligations;
- (d) the terms of any Credit Facility or other security for the Revenue Obligations;
- (e) provisions for creating, holding, and disbursing any funds and accounts to be held by any trustee or the Director of Finance;

- (f) provisions for applying the Operating Revenues;
- (g) provisions for the security for and investment of money held by any trustee or the Director of Finance;
- (h) the procedures for redeeming the Revenue Obligations;
- (i) remedies for holders of Revenue Obligations in the event of default;
- (j) the duties, rights, and immunities of any trustee;
- (k) the manner of executing instruments by holders of Revenue Obligations and the method of proving ownership of Revenue Obligations;
- (l) provisions for modifying the trust agreement;
- (m) provisions for the defeasance of Revenue Obligations;
- (n) the forms of the Revenue Obligations (including book-entry or certificated bonds) and of any trustee's authentication certificate;
- (o) the preparation and distribution of an official statement, placement memorandum or other disclosure document; and
- (p) any other matters in connection with the authorization, issuance, security, sale, payment, and refunding of the Revenue Obligations that the Board of Finance considers appropriate.

SECTION 18. AND BE IT FURTHER ORDAINED, That any resolution, including the Administrative Resolution, adopted under this Ordinance is considered to be administrative.

SECTION 19. AND BE IT FURTHER ORDAINED, That nothing in this Ordinance precludes a consolidation or other combination of the Stormwater Utility, the wastewater utility and the water utility or any budgetary restructuring or interfund reorganization of these utilities, so long as it is determined, in accordance with procedures set forth in the Administrative Resolution, that the consolidation or combination will not impair the security for the Revenue Obligations.

SECTION 20. AND BE IT FURTHER ORDAINED, That nothing in this Ordinance precludes a pledge of revenues of and amounts held by the Stormwater Utility, including the Operating Revenues to the payment of any Revenue Obligations.

SECTION 21. AND BE IT FURTHER ORDAINED, That the Mayor and City Council may amend or supplement this Ordinance from time to time as necessary or desirable to increase the authorized amount of Revenue Obligations and for any other purpose, as long as the action is otherwise consistent with the terms of this Ordinance, the Administrative Resolution, and the Revenue Obligations.

SECTION 22. AND BE IT FURTHER ORDAINED, That if the Board of Finance fails to take any action or act on any matter delegated to it or authorized to be implemented by it, the action or matter may be taken or acted on or implemented by a resolution of the Mayor and City Council.

SECTION 23. AND BE IT FURTHER ORDAINED, That:

- (a) Revenue Obligations may be issued under this Ordinance with the expectation that interest on the Revenue Obligations will be exempt from federal income taxation (“Tax-exempt Obligations”).
- (b) The Administrative Resolution under which Tax-exempt Obligations are issued shall prescribe covenants and matters that the Board of Finance considers necessary or desirable to assure that the Revenue Obligations will not be considered “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code and its regulations and to assure holders of the Revenue Obligations that interest on them will be and remain exempt from federal income taxation.
- (c) The Mayor, the Director of Finance, and the Chief of the Bureau of Treasury Management shall prepare or cause to be prepared and shall execute any certification, opinion, or other document that may be required to maintain the exemption of interest on Tax-exempt Obligations from federal income taxation.

SECTION 24. AND BE IT FURTHER ORDAINED, That the covenants contained in this Ordinance are for the benefit of the holders of the Revenue Obligations from time to time and are enforceable by those holders, subject to any limitations set forth in the Administrative Resolution.

SECTION 25. AND BE IT FURTHER ORDAINED, That the provisions of this Ordinance are severable. If any provision, sentence, clause, section, or other part of this Ordinance is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, that illegality, invalidity, unconstitutionality, or inapplicability does not affect or impair any of the remaining provisions, sentences, clauses, sections, or parts of this Ordinance or their application to other persons or circumstances. It is the intent of the Mayor and City Council that this Ordinance would have been adopted even if the illegal, invalid, unconstitutional, or inapplicable provision, sentence, clause, section, or other part had not been included in this Ordinance, and as if the person or circumstances to which this Ordinance or part are inapplicable had been specifically exempted.

SECTION 26. AND BE IT FURTHER ORDAINED, That this Ordinance takes effect on the date it is enacted.

ACTION BY THE CITY COUNCIL

APR 23 2018

FIRST READING (INTRODUCTION) _____ 20 _____

PUBLIC HEARING HELD ON _____ June 21 20 18

COMMITTEE REPORT AS OF _____ June 25 20 18

FAVORABLE _____ UNFAVORABLE _____ FAVORABLE AS AMENDED _____ WITHOUT RECOMMENDATION

Shawn M. [Signature]

Chair

COMMITTEE MEMBERS:

COMMITTEE MEMBERS:

SECOND READING: The Council's action being favorable (unfavorable), this City Council bill was (was not) ordered printed for Third Reading on:

JUN 25 2018

_____ Amendments were read and adopted (defeated) as indicated on the copy attached to this blue backing.

THIRD READING _____ JUL 09 2018

_____ Amendments were read and adopted (defeated) as indicated on the copy attached to this blue backing.

THIRD READING (ENROLLED) _____ 20 _____

_____ Amendments were read and adopted (defeated) as indicated on the copy attached to this blue backing.

THIRD READING (RE-ENROLLED) _____ 20 _____

WITHDRAWAL _____ 20 _____

There being no objections to the request for withdrawal, it was so ordered that this City Council Ordinance be withdrawn from the files of the City Council.

[Signature]

President

[Signature]

Chief Clerk