

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 (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 _____, 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