


FROM	NAME & TITLE	Jennell Rogers, Chief and Clerk to the Board of Finance	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS			
	SUBJECT	City Council Bill 24-0483– Revenue Obligations – Stormwater Projects – Maximum Aggregate Principal Amt.		

DATE:

TO

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

February 1, 2024

Position: Support

The Department of Finance is herein reporting on City Council Bill 24-0483, Revenue Obligations – Stormwater Projects – Maximum Aggregate Principal Amount, the purpose of which is to increase the borrowing authority from \$202,000,000 to \$320,000,000 for the Utility allowing the City to secure funding to finance or refinance the Stormwater facilities.

Background

City Charter Article II – General Powers- Section 50 – Revenue Bonds and Obligations mandates that an ordinance of the City Council shall authorize revenue bond obligations. The current authorization established a limit of \$202,000,000 following the enactment of Ordinance 18-174 approved on 9/17/2018. This request is required to accommodate new debt issuance supporting the Stormwater Utility Capital Improvement Program. The requested increase of an additional \$118,000,000 will permit the funding of new projects for the Stormwater Utility through FY2029.

Fiscal Impact

Increases are sought occasionally, based on the projected borrowing needs of the Department of Public Works for the Stormwater Utility, to finance system improvements necessary to meet federal and state regulations and to continue modernizing and repairing the facilities for reliability.

The bonds under this authorization include installing stormwater facilities to improve the City's water quality, reducing flooding, and system rehabilitation. All the projects shall be in the Capital Improvement Program and part of the annual capital budget process, including approvals by the Board of Finance, the Board of Estimates, and the City Council. This debt shall be an obligation of the Stormwater Utility System and will not constitute a general obligation of the City.

Conclusion

This increase is needed to support the Capital Improvement Plan, provide additional options to finance the projects and meet the state and federal regulatory requirements. The debt will be paid from the stormwater fee assessed to system users and will not impact the general funds.

For the reasons stated above, the Department of Finance supports City Council Bill 24-0483.

cc: Michael Mocksten
Nina Themelis