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**BALTIMORE CITY COUNCIL
WAYS AND MEANS
COMMITTEE**

Mission Statement

The Committee on Ways and Means (WM) is responsible for ensuring taxpayer dollars are expended prudently and equitably. WM will exercise regular oversight of the City's budget, expenditures, loans, and other financial matters. The committee's areas of jurisdiction include: budget & appropriations, taxation, financial services, consumer protection, audits, and the Comptroller's Office.

**The Honorable Eric T. Costello
Chairman**

PUBLIC HEARING

**Tuesday, July 2, 2024
10:05 AM**

COUNCIL CHAMBERS

Council Bill #24-0535

Bond Issue – School Loan - \$55,000,000

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BILL SYNOPSIS

Committee: Ways and Means

Bill: 24-0535

Bond Issue – School Loan - \$55,000,000

Sponsor: Administration

Introduced: May 16, 2024

FOR the purpose of authorizing the Mayor and City Council of Baltimore (pursuant to General Assembly House Resolution I and Senate Resolution I of 2024 approved by the members of the Maryland General Assembly representing Baltimore City) to create a debt, and to issue and sell, at any time or from time to time and in one or more series its certificates of indebtedness as evidence thereof, and proceeds not exceeding FIFTY-FIVE Million (\$55,000,000.00) from the sale of such certificates of indebtedness to be used for the cost of issuance...

Effective: Following city voters' approval at the General Election (Tuesday, November 5, 2024)

Agency Reports

Law	Favorable
Department of Transportation	None as of this writing
Department of Finance	None as of this writing
Department of Planning	Favorable
Baltimore City Public School System	Favorable
Baltimore City Health Department	None as of this writing
Baltimore Development Corporation	Favorable
Department of Recreation and Parks	None as of this writing
Department of Housing and Community Development	Favorable

Analysis

Current Law



- I. General Assembly House Resolution I and Senate Resolution I of 2024 approved by the members of the Maryland General Assembly representing Baltimore City. – **Council Bill 24-0535**
- II. Section 7 of Article XI of the Constitution of Maryland along with City voters ratifies local legislation permitting the City to issue General Obligation Bonds.

Background

In 2022, voters approved \$160 million in General Obligation Bonds (GOB) per year for Fiscal 2024 and 2025:

- \$14 million for Affordable Housing Loan
- \$72 million for Public Infrastructure Loan
- \$36 million for Community and Economic Development Loan, and
- \$38 million for School Loan

General Obligation Bonds are borrowed funds that are used for capital projects. GOB must be used for affordable housing, schools, public infrastructure, and community and economic development in accordance with the loan authorization approved by voters. The debt service to repay the bonds is paid from the City's future General Fund revenue.

Council Bills 24-0534 thru 24-0537 are all Bond Issues. Once approved by the Mayor and City Council, all four bills will go to the qualified voters of Baltimore City on November 5, 2024, to ask for their approval to issue the bonds for fiscal years 2026 and 2027.

Council Bill 24-0535, if approved will be used for the Baltimore City Public School System. City Schools will utilize this funding to address school construction needs, including acquisition by purchase, lease, condemnation, or any other legal means, of land or property for school purposes including school buildings, athletic and other auxiliary facilities, and for additions and improvements to, and demolishing, constructing, and erecting on said land or property, and for equipment for any new or existing facilities authorized. Totaling \$55 million; (\$27.5 million each fiscal year); a \$17 million increase over what was submitted and approved in 2022.

Additional Information

Fiscal Note:

Information Source(s): 24-0535, Maryland Law, and all agency reports received as of this writing.

Analysis by: Niya N. Garrett
Analysis Date: June 27, 2024

Direct Inquiries to (410) 396-1268

Council Bill 24-0535

Agency Report

SEE ATTACHED

CITY OF BALTIMORE

BRANDON M. SCOTT
Mayor



DEPARTMENT OF LAW
EBONY M. THOMPSON, CITY SOLICITOR
100 N. HOLLIDAY STREET
SUITE 101, CITY HALL
BALTIMORE, MD 21202

June 4, 2024

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

Re: Mayor and City Council Bill 24-0535 – Bond Issue – School Loan – \$55,000,000

Dear President and City Council Members:

The Law Department has reviewed City Council Bill 24-0535 for form and legal sufficiency. The bill would authorize the Mayor and City Council to create a debt not exceeding \$55,000,000 (the “Debt”) for the public purposes that are outlined in the House Resolution II and Senate Resolution II of the General Assembly’s 2024 Legislative Session. The bill also contains provisions concerning the use of the funds, the issuance of the bonds, and other related matters.

Section 7 of Article XI of the Constitution of Maryland prevents the Mayor and City Council of Baltimore from creating general obligation debt that is secured by the full faith and credit of the City without having the proposal first be “(1) presented to and approved by a majority of the members of the General Assembly representing Baltimore City no later than the 30th day of the regular session of the General Assembly immediately preceding its submission to the voters, or (2) authorized by an act of the General Assembly.” The aforementioned General Assembly Resolutions of 2024 have satisfied this requirement. The Maryland Constitution also requires that this bill “provide for the discharge of any such debt or credit within the period of 40 years from the time of contracting the same,” which it does.

Additionally, the Maryland Constitution requires that after enactment, this ordinance be “submitted to the legal voters of the City of Baltimore, at such time and place as may be fixed by the ordinance, and approved by a majority of the votes cast at that time and place.” Md. Const., Art. XI, § 7. This bill provides for this requirement in Section 6. The Law Department approves Council Bill 24-0535 for form and legal sufficiency.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Hilary Ruley".


Hilary Ruley
Chief Solicitor

cc: Ebony Thompson, City Solicitor

Nina Themelis, Mayor's Office of Government Relations
Elena DiPietro, Chief Solicitor, General Counsel Division
Ashlea Brown, Chief Solicitor
Michelle Toth, Assistant Solicitor



CITY OF BALTIMORE
MAYOR BRANDON M. SCOTT

TO	The Honorable President and Members of the Baltimore City Council
FROM	Chris Ryer, Director, Department of Planning 
DATE	June 20, 2024
SUBJECT	City Council Bill #24-0535 - Bond Issue - School Loan - \$55,000,000

Position: Approval

SUMMARY OF POSITION

The Department of Planning (DoP) annually prepares a six-year Capital Improvement Program, the first year of which becomes the City's capital budget. DoP works with agencies that manage physical infrastructure and support improvements to the physical environment of the City. General Obligation (GO) bonds are a small but extremely important piece of the City's capital budget, used to match state and federal funds, fund the City's highest priority projects, and fund necessary projects for which no other source is available. Every two years, the City of Baltimore must get permission from voters through a ballot referendum to issue general obligation bonds (GO bonds). GO bonds are borrowed funds that are used for capital projects, including housing and neighborhood revitalization; school renovations and improvements; economic development; improvements to City parks, recreation centers, and other government facilities; transportation infrastructure; and key City institutions and cultural attractions.

School Loan

Baltimore City Public Schools, the City of Baltimore, the State of Maryland, and the Maryland Stadium Authority are partnering to implement the 21st Century Schools initiative, a nearly billion-dollar initiative to renovate or replace 28 school buildings. This loan authorization complements that investment by making critical systemic improvements, such as fire alarms, HVAC systems, and other urgent needs in schools that are not currently funded through the 21st Century Schools Initiative. This loan authorization also allows renovation and replacement of additional schools to take place, leveraging traditional State capital support through the Maryland Public Schools Construction Program. This City contribution is used to match approximately \$35 million in annual State funding through the Public School Construction Program for improvements to school buildings outside of the 21st Century Schools initiative.

CONCLUSION

This bill is consistent with what was approved by the Planning Commission in its public meeting on November 2, 2023, and so the Department of Planning recommends that this bill be approved.

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

City Council Bill 24-0535
Bond Issue – School Loan - \$55,000,000

June 20, 2024

Baltimore City Public Schools (City Schools) has reviewed City Council Bill 24-0535, which seeks to authorize the Mayor and City Council of Baltimore (pursuant to General Assembly House Resolution II and Senate Resolution II of 2024 approved by the members of the Maryland General Assembly representing Baltimore City) to create a debt, and to issue and sell, its certificates of indebtedness as evidence thereof, and proceeds not exceeding FIFTY-FIVE Million Dollars (\$55,000,000.00) from the sale of such bonds to be used for school purposes.

City Schools supports City Council Bill 24-0535, and is deeply appreciative of the increase in the annual amount from \$19M to \$27.5M to address school construction needs. The proceeds of these bonds shall be used for the acquisition by purchase, lease, condemnation or any other legal means, of land or property for school purposes including school buildings, athletic and other auxiliary facilities, and for additions and improvements to, and demolishing, constructing, and erecting on said land or property, and for equipment for any and all new or existing facilities authorized.

City Schools finds that the issuance of bonds for these purposes is necessary and desirable for improving public school facilities and educational services in the City. All plans and specifications for the construction or reconstruction of school buildings, or for additions or improvement to school buildings, to be financed out of the proceeds derived from the sale of the bonds, shall be subject to the approval of the Baltimore City Board of School Commissioners prior to the final acceptance of such plans and specifications, and the endorsement of approval by the Board of such plans and specifications shall be made thereon.

City Schools recommends favorable consideration of this bill. We will be pleased to testify regarding our support upon request. Thank you for inviting us to participate in this important process.



MEMORANDUM

DATE: May 29, 2024
TO: Taxation, Finance and Economic Development Committee
FROM: Colin Tarbert, President and CEO
POSITION: Support
SUBJECT: Council Bill 24-0535 – Bond Issue – School Loan - \$55,000,000

INTRODUCTION

The Baltimore Development Corporation (BDC) is reporting on City Council Bill 24-0535 introduced by Councilmember Mosby, City Council President.

PURPOSE

The purpose of this bill is to authorize the Mayor and City Council of Baltimore to create a debt, and then issue and sell bonds against that debt as a means to raise up to \$55,000,000 for the dedicated use of Baltimore City School purposes as authorized by the Resolutions.

BRIEF HISTORY

This bond issue bill will provide funding to improve Baltimore City Schools and auxiliary facilities through demolition, new construction, or redevelopment. Creating a cohesive and inviting environment for students and teachers will help improve student retention, behavior, and succession through holistic program that this bill will afford through the authorized resolution.

FISCAL IMPACT

None.

AGENCY POSITION

The Baltimore Development Corporation respectfully **supports** the City Council Bill 24-0535. If you have any questions, please contact Kim Clark at 410-837-9305 or KClark@baltimoredevelopment.com.

cc: Nina Themelis, Mayor's Office of Government Relations
Ty'lor Schnella, Mayor's Office of Government Relations

[CE II]



CITY OF BALTIMORE
MAYOR BRANDON M. SCOTT

TO	The Honorable President and Members of the Baltimore City Council
FROM	Alice Kennedy, Housing Commissioner
DATE	July 2, 2024
SUBJECT	24-0535 Bond Issue - School Loan - \$55,000,000

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

7/2/2024

Introduction

The Department of Housing and Community Development (DHCD) has reviewed City Council Bill 24-0535 Bond Issue - School Loan - \$55,000,000, which would authorize the Mayor and City Council to create a debt not exceeding \$55,000,000 (the “Debt”) for the public purposes that are outlined in the House Resolution II and Senate Resolution II of the General Assembly’s 2024 Legislative Session.

If enacted, City Council Bill 24-0535 would create a ballot measure permitting the Mayor and City Council to sell certificates of indebtedness with proceeds from their sale not exceeding \$55,000,000.00 to be used in connection with demolishing and constructing new school buildings, athletic and other auxiliary facilities, including community health and recreation facilities and for additions and improvements to, or the modernization or reconstruction of existing facilities. If approved, the ballot measure would be submitted to the legal voters of the City of Baltimore as part of the general election on November 5, 2024.

DHCD Analysis

Bond funding furthers DHCD’s Mission to improve the quality of life for all Baltimore City residents by revitalizing and redeveloping communities while promoting access to quality affordable housing opportunities in safe, livable neighborhoods. The issuance of bonds to address school construction needs and other purposes aimed at improving the learning environment for Baltimore City schoolchildren is critical to the continued growth and stability of Baltimore neighborhoods.

Conclusion

DHCD respectfully request a **favorable** report on City Council Bill 24-0535.

CITY OF BALTIMORE
COUNCIL BILL 24-0535
(First Reader)

Introduced by: The Council President
At the request of: The Administration (Department of Planning)
Introduced and read first time: May 16, 2024
Assigned to: Ways and Means Committee

REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Department of Finance, Department of Housing and Community Development, Department of Planning, Baltimore Development Corporation, Department of Transportation, Baltimore City Public School System, Health Department, Department of Recreation and Parks

A BILL ENTITLED

1 AN ORDINANCE concerning

2 **Bond Issue - School Loan - \$55,000,000**

3 FOR the purpose of authorizing the Mayor and City Council of Baltimore (pursuant to General
4 Assembly House Resolution II and Senate Resolution II of 2024 approved by the members of
5 the Maryland General Assembly representing Baltimore City) to create a debt, and to issue
6 and sell, at any time or from time to time and in one or more series its certificates of
7 indebtedness as evidence thereof, and proceeds not exceeding FIFTY-FIVE Million Dollars
8 (\$55,000,000.00) from the sale of such certificates of indebtedness to be used for the cost of
9 issuance, including the expense of engraving, printing, advertising, attorneys' fees, and all
10 other incidental expenses connected therewith (which may include the proportion of the
11 compensation of employees and general administrative expenses of the Department of
12 Finance reasonably allocated to the issuance of the bonds); and the remainder of such
13 proceeds shall be used for the acquisition, by purchase, lease, condemnation or any other
14 legal means, of land or property, or any rights therein, in the City of Baltimore, and
15 demolishing, constructing and erecting on said land or property, or on any land or property
16 now or hereafter owned by the Baltimore City Board of School Commissioners and/or the
17 Mayor and City Council of Baltimore, new school buildings, athletic and other auxiliary
18 facilities including community health and recreation facilities, and for additions and
19 improvements to, or the modernization or reconstruction of, including the inspection,
20 removal, encapsulation, management, containment and abatement of asbestos from existing
21 facilities, and for equipment for any and all new or existing facilities authorized to be
22 constructed, erected, added, improved, modernized or reconstructed by the provisions hereof;
23 the payment of any and all costs and expenses incurred for or in connection with doing any or
24 all of the things herein mentioned, including, but not limited to, the costs and expenses of
25 securing administrative, appraisal, economic analysis, engineering, planning, designing,
26 architectural, surveying, and other professional services, including, without limitation,
27 services relating to planning for future projects of the same general character which may be
28 constructed out of future loans; and for doing any and all things necessary, proper or
29 expedient in connection with or pertaining to any or all of the matters or things hereinbefore
30 mentioned; authorizing the issuance of refunding bonds; conferring certain powers upon the
31 Baltimore City Board of School Commissioners; imposing certain conditions in connection
32 with the expenditure of the proceeds derived from the sale of said certificates of

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

Council Bill 24-0535

1 indebtedness; conferring and imposing upon the Board of Finance of Baltimore City certain
2 powers and duties; authorizing the submission of this Ordinance to the legal voters of the
3 City of Baltimore, for their approval or disapproval, at the Election to be held on Tuesday,
4 the 5th day of November, 2024, and providing for the expenditure of the proceeds of sale of
5 said certificates of indebtedness in accordance with the provisions of the Charter of the
6 Mayor and City Council of Baltimore, and by the municipal agency designated in the annual
7 Ordinance of Estimates of the Mayor and City Council of Baltimore.

8 **WHEREAS**, By General Assembly House Resolution II and Senate Resolution II of 2024,
9 approved by the members of the Maryland General Assembly representing Baltimore City, the
10 Mayor and City Council is authorized to create a debt and to issue and sell its certificates of
11 indebtedness (hereinafter called "bonds") as evidence thereof, and proceeds not exceeding
12 FIFTY-FIVE Million Dollars (\$55,000,000.00) from the sale of such bonds to be used for school
13 purposes as authorized by said Resolution; and

14 **WHEREAS**, Funds are now needed for said purposes; now, therefore,

15 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE**, That the
16 Mayor and City Council of Baltimore, acting by and through the Board of Finance of said
17 municipality, be and it is hereby authorized and empowered to create a debt and to issue and sell
18 bonds of the Mayor and City Council of Baltimore from time to time, as may be needed or
19 required for the purposes hereinafter named and said bonds shall be sold by the Board of Finance
20 from time to time and at such times as shall be requisite, and proceeds not exceeding FIFTY-
21 FIVE Million Dollars (\$55,000,000.00), from the sale of such bonds shall be used for the
22 purposes hereinafter named, provided that this Ordinance shall not become effective unless it
23 shall be approved by a majority of the votes of the legal voters of Baltimore City cast at the time
24 and place hereinafter designated by this Ordinance.

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

26 (a) The denomination or denominations of the bonds to be issued at any particular time
27 and the place or places for the payment of principal and interest thereof are to be determined by
28 the Board of Finance.

29 (b) The bonds authorized to be issued and sold under the provisions of this Ordinance
30 may be issued to mature on such dates and in such amounts as the Board of Finance may
31 determine; provided that the entire principal amount represented thereby shall be discharged not
32 more than 40 years from the date of issuance of the bonds.

33 (c) The bonds, when issued, shall bear interest at such rate or rates as may be determined
34 by the Board of Finance, which rate or rates may be fixed or variable or as determined by a
35 method approved by the Board of Finance, and such interest shall be payable at such time or
36 times as may be determined by the Board of Finance.

37 **SECTION 3. AND BE IT FURTHER ORDAINED**, That a majority of the Board of Finance of the
38 Mayor and City Council of Baltimore be, and they are hereby, authorized to pass a resolution or
39 resolutions, from time to time, to determine and set forth any or all of the following:

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(a) The amount of debt to be incurred by the Mayor and City Council of Baltimore at any particular time, and from time to time, under and pursuant to the provisions of this Ordinance; the date or dates when any bonds representing said debt, or any part thereof, are to mature, and the amount or amounts of said debt, or any part thereof, which shall mature upon the aforesaid date or dates; and the date or dates in each year, during the entire period of time when any of said bonds are outstanding, when interest on any of said bonds shall be payable;

(b) The form or forms of the bonds representing the debt, or any part thereof, authorized to be issued under the provisions of this Ordinance at any particular time; and

(c) If the bonds are to be sold at public sale, the time, place, manner and medium of advertisement of the readiness of the Board of Finance, acting for and on behalf of the Mayor and City Council of Baltimore, to receive bids for the purchase of the bonds authorized to be issued hereunder or any part thereof; the form, terms and conditions of such bids; the time, place and manner of awarding bonds so bid for, including the right whenever any of the bonds authorized by this Ordinance are offered for sale and sold at the same time as other bonds of the City, to establish the conditions for bids and awards and to award all of the bonds on an all or none basis, and the time, place, terms and manner of settlement for the bonds so bid for; provided, however, that notwithstanding anything in this section, the Mayor and City Council of Baltimore, or the Board of Finance, as the case may be, shall have the right to reject any or all bids therefor for any reason.

SECTION 4. AND BE IT FURTHER ORDAINED, That:

(a) All premiums resulting from the sale of any of the bonds issued and sold pursuant to the provisions of this Ordinance shall be applied as directed by the Board of Finance.

(b) The debt authorized by the provisions of this Ordinance, and the bonds issued and sold pursuant thereto and their transfer, and the principal and interest payable thereon (including any profit made in the sale thereof), shall be and remain exempt from any and all State, county and municipal taxation in the State of Maryland.

(c) All bonds issued and sold pursuant to the provisions of this Ordinance may be sold at public sale by the solicitation of competitive bids or at private (negotiated) sale without advertisement or solicitation of competitive bids, for a price or prices which may be at, above or below par value of the bonds, as determined by resolution of the Board of Finance of the Mayor and City Council of Baltimore.

SECTION 5. AND BE IT FURTHER ORDAINED, That until all of the interest on and principal of any bonds issued pursuant to the provisions of this Ordinance have been paid in full, the Mayor and City Council of Baltimore shall levy and impose an annual tax on each \$100 of assessable property in the City of Baltimore at a rate sufficient to produce revenue to pay all interest on and principal of all bonds theretofore issued and outstanding or authorized to be issued and outstanding, payable in the next succeeding year.

SECTION 6. AND BE IT FURTHER ORDAINED, That this Ordinance shall be submitted to the legal voters of the City of Baltimore, for their approval or disapproval, at the General Election to be held in Baltimore City, on Tuesday, the 5th day of November, 2024.

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1 **SECTION 7. AND BE IT FURTHER ORDAINED,** That prior to the date of the election
2 hereinbefore mentioned, notice shall be given to the public of the amount of money which the
3 Mayor and City Council of Baltimore is authorized to borrow, and the general purposes for
4 which such borrowed funds may be expended, under the terms and provisions of this Ordinance,
5 and the time when the election hereinbefore mentioned is to be held; and such public notice shall
6 be given in such manner and by such means or through such media and at such time or times as
7 may be determined, from time to time, by a majority of the Board of Finance.

8 **SECTION 8. AND BE IT FURTHER ORDAINED,** That the actual cash proceeds derived from the
9 sale of the bonds authorized to be issued under the provisions of this Ordinance shall be used
10 exclusively for the following purposes, to wit:

11 (a) So much thereof as may be necessary for the cost of issuance, including the expense
12 of engraving, printing, advertising, attorneys' fees, and all other incidental expenses connected
13 therewith (which may include the proportion of the compensation of employees and general
14 administrative expenses of the Department of Finance reasonably allocated to the issuance of the
15 bonds);

16 (b) The remainder of such proceeds shall be used for the acquisition, by purchase, lease,
17 condemnation or any other legal means, of land or property, or any rights therein, in the City of
18 Baltimore, and demolishing, constructing and erecting on said land or property, or on any land or
19 property now or hereafter owned by the Baltimore City Board of School Commissioners and/or
20 the Mayor and City Council of Baltimore, new school buildings, athletic and other auxiliary
21 facilities including community health and recreation facilities, and for additions and
22 improvements to, or the modernization or reconstruction of, including the inspection, removal,
23 encapsulation, management, containment and abatement of asbestos from existing school
24 buildings or facilities, and for equipment for any and all new or existing facilities authorized to
25 be constructed, erected, added to, improved, modernized or reconstructed by the provisions
26 hereof; the payment of any and all costs and expenses incurred for or in connection with doing
27 any or all of the things herein mentioned, including, but not limited to, the costs and expenses of
28 securing administrative, appraisal, economic analysis, engineering, planning, designing,
29 architectural, surveying, and other professional services, including, without limitation, services
30 relating to planning for future projects of the same general character which may be constructed
31 out of future loans; and for or in connection with or pertaining to any or all of the matters or
32 things hereinbefore mentioned.

33 **SECTION 9. AND BE IT FURTHER ORDAINED,** That:

34 (a) The Mayor and City Council of Baltimore, acting by and through the Board of
35 Finance thereof, is hereby authorized and empowered to issue its bonds for the purpose of
36 refunding any bonds authorized to be issued under the provisions of this Ordinance by payment
37 at maturity or the purchase or redemption of bonds in advance of maturity. The validity of any
38 refunding bonds shall in no way be dependent upon or related to the validity or invalidity of the
39 bonds being refunded. Such refunding bonds may be issued by the Mayor and City Council of
40 Baltimore, acting by and through the Board of Finance thereof, for the purpose of providing it
41 with funds to pay any of its outstanding bonds authorized to be issued under the provisions of
42 this Ordinance at maturity, to purchase in the open market any of its outstanding bonds
43 authorized to be issued under the provisions of this Ordinance prior to their maturity, to redeem
44 prior to their maturity any outstanding bonds which are, by their terms, redeemable, to pay
45 interest on any outstanding bonds prior to their payment at maturity or purchase or redemption in

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1 advance of maturity, or to pay any redemption or purchase premium in connection with the
2 refunding of any of its outstanding bonds authorized to be issued under the provisions of this
3 Ordinance.

4 (b) Any refunding bonds authorized to be issued and sold under the provisions of this
5 Ordinance may be issued for the public purpose of:

6 (1) Realizing savings to Baltimore City in the aggregate cost of debt service on either
7 a direct comparison or present value basis; or

8 (2) Debt restructuring that:

9 (i) In the aggregate effects such a reduction in the cost of debt service; or

10 (ii) Is determined by the Board of Finance of the Mayor and City Council of
11 Baltimore to be in the best interests of Baltimore City, to be consistent with Baltimore City's
12 long-term financial plan, and to realize a financial objective of Baltimore City including,
13 improving the relationship of debt service to a source of payment such as taxes, assessments, or
14 other charges.

15 (c) Any refunding bonds authorized to be issued and sold under the provisions of this
16 Ordinance may be issued in whatever principal amount shall be required to achieve the purpose
17 for the issuance of the refunding bonds, which amount may be in excess of the principal amount
18 of the bonds refunded or the maximum principal amount of bonds authorized to be issued under
19 Section 1 of this Ordinance.

20 (d) Any refunding bonds authorized to be issued and sold under the provisions of this
21 Ordinance may be issued to mature on such dates and in such amounts as the Board of Finance
22 may determine; provided that the entire principal amount represented by the refunding bonds
23 shall be discharged not more than 40 years from the date of issuance of the bonds being refunded.

24 (e) Any refunding bonds authorized to be issued and sold under the provisions of this
25 Ordinance may be sold at public sale by the solicitation of competitive bids or at private
26 (negotiated) sale without advertisement or solicitation of competitive bids, for a price or prices
27 which may be at, above or below the par value of the refunding bonds, as determined by
28 resolution of the Board of Finance of the Mayor and City Council of Baltimore.

29 (f) Any refunding bonds authorized to be issued and sold under the provisions of this
30 Ordinance shall bear interest at such rate or rates as may be determined by the Board of Finance
31 of the Mayor and City Council of Baltimore, which rate or rates may be fixed or variable or as
32 determined by a method approved by the Board of Finance, and such interest shall be payable at
33 such time or times as may be determined by the Board of Finance.

34 (g) The proceeds of the sale of any refunding bonds authorized to be issued and sold
35 under the provisions of this Ordinance, after the payment of issuance costs relating thereto, shall
36 be set aside by the Mayor and City Council of Baltimore as a separate trust fund to be used solely
37 for the purposes stated in this Section 9.

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1 (h) Except as otherwise provided in this Section 9, the powers granted in, the limitations
2 and obligations imposed by, and the procedures specified in this Ordinance with respect to the
3 issuance of bonds shall be applicable to the issuance of refunding bonds.

4 (i) Any refunding bonds authorized to be issued and sold under the provisions of this
5 Ordinance shall not be subject to any debt policy limitation that may from time to time be
6 established by the Mayor and City Council of Baltimore.

7 **SECTION 10. AND BE IT FURTHER ORDAINED,** That in the expenditure of the proceeds of sale
8 of said bonds, the Mayor and City Council of Baltimore shall observe the following conditions:

9 (a) Subject to the provisions of the Charter of Baltimore City relating to the Planning
10 Commission, the Baltimore City Board of School Commissioners, shall have the authority to
11 select sites for the construction of any new school buildings hereby authorized;

12 (b) All plans and specifications for the construction or reconstruction of school buildings,
13 or for additions or improvement to school buildings, to be financed out of the proceeds derived
14 from the sale of the bonds herein authorized to be issued, shall be subject to the approval of the
15 Baltimore City Board of School Commissioners prior to the final acceptance of such plans and
16 specifications, and the endorsement of approval by the Board of such plans and specifications
17 shall be made thereon, and shall also be recorded by the Board in its official minutes;

18 (c) All changes in approved plans and specifications which may be found necessary and
19 expedient during the course of construction shall also be subject to the approval of the Baltimore
20 City Board of School Commissioners, and shall also be recorded by the Board in its official
21 minutes; and

22 (d) No part of the proceeds derived from the sale of the bonds hereby authorized to be
23 issued shall be expended without the approval of the Baltimore City Board of School
24 Commissioners.