

CITY OF BALTIMORE
ORDINANCE _____
Council Bill 24-0482

Introduced by: The Council President
At the request of: The Administration (Law Department)
Introduced and read first time: January 22, 2024
Assigned to: Ways and Means Committee
Committee Report: Favorable
Council action: Adopted
Read second time: July 22, 2024

AN ORDINANCE CONCERNING

Revenue Obligations – Water Projects

1
2 FOR the purpose of increasing the maximum aggregate principal amount of the revenue
3 obligations that may be issued by the City to finance or refinance water facilities and, in that
4 connection, amending and restating sections of Ordinance 02-331, as amended by Ordinances
5 04-687, 07-420, 11-429, and 14-292; authorizing the Board of Finance to specify, prescribe,
6 determine, provide for, approve, and amend the form, terms, provisions, manner or method of
7 issuing and selling, the time or times of issuance, and all other details of the revenue
8 obligations and any other matters necessary or desirable in connection with the authorization,
9 issuance, sale, and payment of these revenue obligations; providing for a special effective
10 date; and generally relating to the issuance and payment of revenue obligations.

11 BY repealing and reordaining, with amendments
12 Ordinance 02-331, as amended by Ordinances 04-687, 07-420, 11-429, and 14-292

13 BY authority of
14 Article II - General Powers
15 Section (50)
16 Baltimore City Charter

17 and

18 Article - Local Government
19 Title 19
20 Annotated Code of Maryland

Recitals

22 Ordinance 02-331 authorizes the City to issue from time to time its revenue obligations to
23 finance water facilities within the geographical limits of the City's water system. The
24 maximum aggregate principal amount of revenue obligations authorized to be issued under
25 Ordinance 02-331, as last amended by Ordinance 14-292, is \$2,152,000,000.

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.

Council Bill 24-0482

1 Certain recent events have occurred that affect aggregate principal amount of revenue
2 obligations that may be required to finance water facilities, including (without limitation) an
3 increase in the number of water facilities that the City may desire to finance with the
4 proceeds of revenue obligations.

5 Accordingly, the City desires to increase to \$_____ the aggregate principal amount of
6 the revenue obligations that may be issued under Ordinance 02-331, as amended.

7 In addition, it is in the best interest of the City to amend and restate Ordinance 02-331 to
8 authorize the Board of Finance to specify, prescribe, determine, provide for, approve, and
9 amend, from time to time, the form, terms, provisions, manner or method of issuing and
10 selling the revenue obligations (including negotiated as well as competitive bid sales), time or
11 times of issuance, security for the revenue obligations, and all other details of the revenue
12 obligations and other matters necessary or desirable in connection with the authorization,
13 issuance, sale, and payment of the revenue obligations and to do all things necessary, proper,
14 or expedient in connection with the issuance and sale of the revenue obligations.

15 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE,** That
16 Ordinance 02-331, as amended by Ordinances 04-687, 07-420, 11-429, and 14-292, is repealed,
17 reordained, and amended to read as follows:

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

21 (a) **[1990 Resolution] 2002 RESOLUTION.**

22 “**[1990] 2002 Resolution**” means the Mayor and City Council of Baltimore **AMENDED**
23 **AND RESTATED** Water Projects Resolution adopted by the Board of Finance **[June 6,**
24 **1990] APRIL 15, 2002**, pursuant to Ordinance **[90-495] 02-331**, as amended, restated,
25 and supplemented from time to time.

26 (b) *Administrative Resolution.*

27 “Administrative Resolution” means, collectively:

28 (1) the **[1990] 2002 Resolution**; and

29 (2) any other resolution or resolutions adopted by the Board of Finance under this
30 Ordinance.

31 (c) *Capital receipts.*

32 “Capital receipts” means all receipts deposited in the Water Capital Fund or any other
33 fund for capital projects designated under the Administrative Resolution, including
34 revenues, receipts from federal grants, State of Maryland grants, county grants
35 (including contributions for service), private grants, State of Maryland loans, City
36 general obligation loan funds, proceeds of the revenue obligations, and all other
37 receipts dedicated to particular capital projects of the water utility.

Council Bill 24-0482

1 (d) *Costs of issuance.*
2

3 “Costs of issuance” means the costs of issuing any series of revenue obligations,
4 including costs of engraving, printing, and advertising, attorneys fees, underwriting
5 discount, placement fees, consultants fees, bond insurance fees, rating agency fees,
6 initial fees for letters of credit or lines of credit, initial fees of the Trustee, and all
7 other incidental expenses.

8 (e) *Credit facility.*

9 “Credit facility” means any liquidity facility, letter of credit, bond insurance policy,
10 bond purchase agreement, guaranty, line of credit, surety bond, or similar credit or
11 liquidity facility securing any revenue obligation or other indebtedness of the City.

12 (f) *Enabling Laws.*

13 “Enabling Laws” means:

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

15 (2) State Code, [Article 31, § 12] LOCAL GOVERNMENT ARTICLE, TITLE 19.

16 (g) *Financed facilities.*

17 “Financed facilities” means water utility capital projects that are financed with
18 proceeds of revenue obligations and are either:

19 (1) appropriated in any past or the current Ordinance of Estimates (as of the date
20 of issuance of any series of revenue obligations);

21 (2) included, from time to time, in the City’s 6-year capital program (or
22 comparable document, from time to time);

23 (3) contained in any supplemental appropriation approved from time to time by
24 the Mayor and City Council; or

25 (4) the subjects of transfer from existing appropriations in the Ordinance of
26 Estimates, as approved from time to time by the Board of Estimates.

27 (h) *Includes; including.*

28 “Includes” or “including” means by way of illustration and not by way of limitation.

29 (i) *Indebtedness.*

30 “Indebtedness” means any indebtedness or liability for borrowed money, any
31 installment sale obligation, or any obligation under any financing lease, sale
32 leaseback, or similar transaction capitalized under generally accepted accounting
33 principles that, by law or contract, the City may be obligated to pay from the Water
34 Operating Fund.

Council Bill 24-0482

1 (j) *Liquidity facility.*

2 “Liquidity facility” means a written commitment to provide money to purchase or
3 retire any indebtedness if:

4 (1) on the date of the commitment’s delivery, the unsecured indebtedness of the
5 provider of the commitment is rated by any two rating agencies in one of the
6 two highest rating categories; and

7 (2) as of any particular date of determination, not more than 10% of any amount
8 realized under the commitment for the payment of the principal or the
9 purchase or redemption price of the indebtedness (exclusive of amounts
10 realized for the payment of accrued interest on the indebtedness) is required to
11 be repaid by the City within the next 12 months.

12 (k) *Operating revenues.*

13 “Operating revenues” means all income, revenue, receipts, and other money deposited
14 in the Water Operating Fund, including revenues of the water utility arising from rates
15 and charges established by the City, all amounts derived by the City from the
16 ownership and operation of the water utility, all accounts, general intangibles, and
17 contract or other rights to receive them, and the proceeds of any of these, but
18 exclusive of capital receipts.

19 (l) *Refunding revenue bond.*

20 “Refunding revenue bond” means any bond issued under this Ordinance as a
21 refunding, renewal, or refinancing bond, including any parity bond issued under any
22 ordinance supplemental to this Ordinance.

23 (m) *Refunding revenue note.*

24 “Refunding revenue note” means any note or other indebtedness issued under this
25 Ordinance as a refunding, renewal, or refinancing note or indebtedness, including any
26 parity note issued under any ordinance supplemental to this Ordinance.

27 (n) *Refunding obligations.*

28 “Refunding obligations” means refunding revenue notes and refunding revenue
29 bonds, collectively.

30 (o) *Revenue bond.*

31 “Revenue bond” means any revenue bond issued under this Ordinance, including any
32 parity revenue bond issued under any ordinance supplemental to this Ordinance.

Council Bill 24-0482

1 (p) *Revenue note.*

2 “Revenue note” means any revenue note or other indebtedness issued under this
3 Ordinance, including any parity revenue note or indebtedness issued under any
4 ordinance supplemental to this Ordinance.

5 (q) *Revenue obligations.*

6
7 “Revenue obligations” means revenue notes, revenue bonds, refunding revenue notes,
8 and refunding revenue bonds, collectively.

9 (r) *Trustee.*

10 “Trustee” means:

- 11 (1) the bank, trust company, or national banking association appointed under the
12 Administrative Resolution as trustee for any revenue obligations; and
13 (2) its successors and any other entity that is substituted in its place in accordance
14 with the Administrative Resolution.

15 (s) *Water Capital Fund.*

16 “Water Capital Fund” means the fund of the City to which capital receipts are
17 credited.

18 (t) *Water facilities.*

19 “Water facilities” means all water facilities of the City, including financed facilities.

20 (u) *Water Operating Fund.*

21 “Water Operating Fund” means the fund of the City to which operating revenues
22 are credited.

23 (v) *Water utility.*

24 “Water utility” means the water utility operated under City Charter Article VI, § 18.

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

Council Bill 24-0482

- 1 (a) [Revenue obligations may be issued from time to time in an aggregate principal
2 amount not to exceed \$2,152,000,000 for the general public purposes of financing or
3 refinancing the cost of the financed facilities and repaying the City for amounts
4 expended on financed facilities in anticipation of the issuance of the revenue
5 obligations.] THE ISSUANCE, SALE AND DELIVERY OF REVENUE OBLIGATIONS IS
6 HEREBY AUTHORIZED FOR THE PUBLIC PURPOSE OF FINANCING OR REFINANCING THE
7 COST OF THE FINANCED FACILITIES AND REPAYING THE CITY FOR AMOUNTS EXPENDED
8 ON FINANCED FACILITIES IN ANTICIPATION OF THE ISSUANCE OF THE REVENUE
9 OBLIGATIONS, PROVIDED THAT AS OF JUNE 30 OF EACH YEAR THE AGGREGATE
10 PRINCIPAL AMOUNT OF REVENUE OBLIGATIONS OUTSTANDING MAY NOT EXCEED
11 \$ _____.
- 12 (b) These revenue obligations may comprise any combination of (i) revenue notes,
13 (ii) revenue bonds, (iii) refunding revenue notes, and (iv) refunding revenue bonds.
- 14 (c) Refunding obligations issued under this Ordinance to refund any revenue obligations
15 previously issued under this Ordinance replace that portion of the authorized amount
16 previously issued and does not reduce the maximum authorized amount of revenue
17 obligations permitted to be issued under this Ordinance.
- 18 (d) THE AGGREGATE PRINCIPAL AMOUNT OF REVENUE OBLIGATIONS AUTHORIZED TO BE
19 ISSUED UNDER THIS ORDINANCE MUST BE RESTORED BY AN AMOUNT EQUAL TO THE
20 PRINCIPAL AMOUNT OF REVENUE OBLIGATIONS PAID, PURCHASED, CANCELLED OR
21 OTHERWISE PROVIDED FOR WHENEVER:
- 22 (1) THE PRINCIPAL OF ANY REVENUE OBLIGATIONS PREVIOUSLY ISSUED IS PAID,
23 WHETHER AT MATURITY, ON REDEMPTION OR OTHERWISE;
- 24 (2) ANY REVENUE OBLIGATIONS ARE PURCHASED AND CANCELLED; OR
- 25 (3) PAYMENT OF THE PRINCIPAL OF ANY REVENUE OBLIGATIONS IS PROVIDED FOR
26 IN A MATTER THAT MAKES THE REVENUE OBLIGATIONS NO LONGER
27 OUTSTANDING UNDER THE TERMS OF THE ADMINISTRATIVE RESOLUTION OR
28 ANY TRUST AGREEMENT AUTHORIZED UNDER THIS ORDINANCE.
- 29 [(1) Paragraph (2) of this subsection (d) applies whenever:
- 30 (i) the principal of any revenue obligations previously issued is paid, whether at
31 maturity, on redemption, or otherwise;
- 32 (ii) any revenue obligations are purchased and cancelled; or
- 33 (iii) payment of the principal of any revenue obligations is provided for in a
34 manner that makes the revenue obligations no longer outstanding under the
35 terms of the Administrative Resolution.]
- 36 [(2) In a situation described in paragraph (1) of this subsection, the principal amount
37 of revenue obligations authorized to be issued under this Ordinance is reduced by
38 an amount equal to the principal amount of revenue obligations paid, purchased
39 and cancelled, or otherwise provided for.]

Council Bill 24-0482

1 (e) The amount of any credit facility and of any revenue obligation issued to evidence the
2 indebtedness for borrowed money or the liability for that credit facility does not
3 reduce the maximum authorized amount of revenue obligations permitted to be issued
4 under this Ordinance.

5 (f) In connection with the issuance of capital appreciation revenue obligations,
6 compound interest revenue obligations, or similar types of revenue obligations, the
7 principal amount of those revenue obligations, for purposes of determining the
8 remaining authorized amount permitted to be issued, is the principal amount
9 outstanding on the date of their issuance.

10 SECTION 3. AND BE IT FURTHER ORDAINED, That:

11 (a) The revenue notes, revenue bonds, or refunding obligations, as the case may be, may
12 be issued in one or more series from time to time.

13 (b) Unless otherwise specified in the Administrative Resolution, each series [shall] MUST
14 be identified by a year and a letter designation. Thus, for example, the first series in
15 the year [2002] 2021 (if more than one series of notes or bonds is issued in the year
16 [2002] 2021) [shall] MUST be designated “Revenue Notes (Water Projects), Series
17 [2002-A] 2021-A”; “Revenue Bonds (Water Projects), Series [2002-A] 2021-A”;
18 “Refunding Revenue Notes (Water Projects), Series [2002-A] 2021-A”; or
19 “Refunding Revenue Bonds (Water Projects), Series [2002-A] 2021-A”.

20 (c) The aggregate principal amount of revenue obligations to be issued at any one time
21 [shall] MUST be determined by the Board of Finance in the Administrative Resolution.

22 SECTION 4. AND BE IT FURTHER ORDAINED, That:

23 (a) The net proceeds from the sale of revenue notes or revenue bonds, as the case may be,
24 [shall] MUST be used and applied for the public purposes of:

25 (1) refinancing the City’s outstanding revenue bonds and revenue notes that were
26 issued to finance or refinance capital improvements for water facilities of the
27 City;

28 (2) financing, in whole or in part, the cost of the financed facilities (either
29 directly or by repayment to the City, as provided in this Ordinance);

30 (3) funding capitalized interest on any series of revenue notes or revenue bonds,
31 to the extent the Board of Finance considers necessary and in accordance with
32 any time limit established by law on this funding;

33 (4) paying the costs of issuance of any series of revenue notes or revenue bonds;
34 and

35 (5) funding any reserve funds, including reserves for the revenue notes or
36 revenue bonds and operating reserves (to the extent provided by the Board of
37 Finance), created under this Ordinance and the Administrative Resolution.

Council Bill 24-0482

1 (b) The net proceeds from the sale of refunding obligations [shall] MUST be used and
2 applied for the public purposes of:

- 3 (1) refinancing, restructuring, refunding, or renewing, in whole or in part, from
4 time to time, any outstanding revenue notes, revenue bonds, refunding
5 obligations, or other indebtedness, including the payment of any redemption
6 premium on them;
- 7 (2) paying any redemption premium in connection with obligations being
8 refinanced or refunded from the proceeds of the refunding obligations;
- 9 (3) paying the costs of issuance of any series of refunding obligations; and
- 10 (4) funding any reserve funds for the Refunding Obligations, including reserves
11 for the payment of the refunding obligations and operating reserves (to the
12 extent provided by the Board of Finance), created under this Ordinance and
13 the Administrative Resolution.

14 SECTION 5. AND BE IT FURTHER ORDAINED, That:

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

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

- 23 (a) Before delivery of any series of revenue obligations, the Board of Finance [shall]
24 MUST adopt an Administrative Resolution.
- 25 (b) The Administrative Resolution [shall] MUST prescribe, subject to the Enabling Laws:
- 26 (1) the principal amount of revenue obligations to be issued as a series at any one
27 time;
- 28 (2) the date of issue of the series of revenue obligations;
- 29 (3) the interest rate or rates to be borne by the series of revenue obligations or the
30 method by which the interest rate or rates is computed, including limitations on
31 the interest rate or rates beyond which further approvals of the Board of Finance
32 are required;
- 33 (4) the time periods and method of payment of interest on the series of revenue
34 obligations;
- 35 (5) the redemption provisions, if any, for the series of revenue obligations;

Council Bill 24-0482

- 1 (6) the maturity or maturities of the series of revenue obligations;
- 2 (7) the denomination or denominations of any revenue obligations;
- 3 (8) the form, use of registration, and mechanics for payment of the revenue
- 4 obligations; and
- 5 (9) any other terms necessary or desirable to carry out this Ordinance, including other
- 6 matters determined by the Board of Finance under Section 17.

7 SECTION 7. AND BE IT FURTHER ORDAINED, That the Board of Finance may determine
8 whether a particular issue or series of revenue obligations [shall] MUST be sold by
9 competitive bidding or by private negotiations. That determination [shall] MUST be set forth
10 in the Administrative Resolution for the issue or series to which it applies.

11 SECTION 8. AND BE IT FURTHER ORDAINED, That:

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

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

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

- 20 (1) establish procedures whereby a variable or floating rate or rates can be utilized for any
- 21 series of revenue obligations;

- 22 (2) establish any necessary relations with a commercial bank or other appropriate
- 23 institution to facilitate the payment of revenue obligations, including the use of
- 24 general or standby letters of credit, lines of credit, bond insurance, demand features,
- 25 loan agreements, credit facilities, liquidity facilities, backup loan arrangements, or
- 26 notes or similar arrangements; and

- 27 (3) determine that the City should enter into a contract or agreement, payable from
- 28 operating revenues, intended to place revenue obligations on the interest rate,
- 29 currency, cash flow, or other basis desired by the Board of Finance, including any
- 30 interest rate swap agreement, currency swap agreement, forward payment conversion
- 31 agreement, or futures contract, any contract providing for payments based on levels
- 32 of, or changes in, interest rates, currency exchange rates, or stock or other indices, any
- 33 contract to exchange cash flows or a series of payments, or any contract, including an
- 34 interest rate floor or cap, or an option, put, or call, to hedge payment, currency, rate,
- 35 spread, or similar exposure, on the terms and provisions that the Board of Finance
- 36 considers necessary or desirable.

37 SECTION 10. AND BE IT FURTHER ORDAINED, That:

Council Bill 24-0482

1 (a) The principal of, premium (if any) on, interest on, and purchase price of revenue
2 obligations and, to the extent provided in the Administrative Resolution, the amounts
3 owed to the provider of any credit facility securing any revenue obligations:

4 (1) do not constitute, within the meaning of any constitutional or charter provision
5 or otherwise, an indebtedness of the City or any other political subdivision of
6 the State of Maryland or a charge against the general credit or taxing powers
7 of the City; and

8 (2) may be paid solely from the following, in the order and manner that the Board
9 of Finance prescribes in the Administrative Resolution:

10 (i) operating revenues;

11 (ii) amounts in any funds pledged under the Administrative Resolution to
12 the payment of the revenue obligations, including any reserve fund
13 established by the Board of Finance for payment of the principal of,
14 premium (if any) on, and interest on the revenue obligations and any
15 investment earnings on those funds (to the extent provided by the
16 Board of Finance);

17 (iii) unexpended proceeds of the revenue obligations, including investment
18 earnings on those proceeds (to the extent provided by the Board of
19 Finance); and

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

21 (b) The issuance of revenue obligations does not constitute (directly, indirectly, or
22 contingently) an obligation, moral or otherwise, of the State of Maryland, of the City,
23 or of any other political subdivision of the State, to levy or pledge any form of
24 taxation whatever for their payment.

25 **(C) RATES AND CHARGES OF THE WATER UTILITY MUST BE SET, ASSESSED, AND**
26 **COLLECTED IN ACCORDANCE WITH CITY PROCEDURES, THE CITY CHARTER, THE**
27 **ADMINISTRATIVE RESOLUTION, AND APPLICABLE LAW TO THE EXTENT DEEMED**
28 **NECESSARY TO OPERATE THE WATER FACILITIES AND PROVIDE PAYMENT FOR THE**
29 **OUTSTANDING REVENUE OBLIGATIONS.**

30 SECTION 11. AND BE IT FURTHER ORDAINED, That:

31 (a) From the proceeds of the revenue obligations, from other funds of the water utility, or
32 from any other sources, the Board of Finance may establish one or more reserve funds
33 for the revenue obligations, including debt service reserve funds, which may be
34 pledged to the payment of the principal of, premium (if any) on, interest on, and
35 purchase price of one or more series of revenue obligations in the event that the
36 operating revenues for any year are insufficient to pay these items for that year.

Council Bill 24-0482

- 1 (b) This section does not preclude the establishment of other reserve funds, the amounts
2 in which are not pledged to payment of revenue obligations, in connection with the
3 revenue obligations or any subordinate obligations of the water utility, including a
4 renewal and replacement fund, a rate stabilization fund, a residual fund, and an
5 operating reserve fund.

6 SECTION 12. AND BE IT FURTHER ORDAINED, That the City covenants that it will pay the
7 principal of, the premium (if any) on, and the interest on any revenue notes or refunding
8 revenue notes in the nature of bond anticipation notes from the first proceeds of refunding
9 revenue bonds issued under this Ordinance when, and as soon as, the reason for deferring
10 their issuance no longer exists and, in any event, in sufficient time to permit the revenue
11 obligations to be paid at maturity or extended maturity.

12 SECTION 13. AND BE IT FURTHER ORDAINED, That:

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

29 SECTION 14. AND BE IT FURTHER ORDAINED, That:

- 30 (a) The proceeds from the sale of revenue obligations [shall] MUST be paid to the Director
31 of Finance for deposit, investment, and disbursement in accordance with the Enabling
32 Laws, this Ordinance, and the Administrative Resolution. ALL PREMIUMS RESULTING
33 FROM THE SALE OF THE REVENUE OBLIGATIONS ISSUED AND SOLD PURSUANT TO THE
34 PROVISIONS OF THIS ORDINANCE MUST BE APPLIED AS DIRECTED BY THE BOARD OF
35 FINANCE.
- 36 (b) On presentation of the appropriate vouchers, as provided in the Administrative
37 Resolution, the Trustee or the City [shall] MUST pay from the proceeds of each series
38 of revenue obligations all costs of issuance. Nothing prevents the City from paying
39 any underwriting discount or placement fee payable in connection with any series of
40 revenue obligations by the underwriters' or placement agents' deduction of an amount
41 equal to the discount or placement fee from the offering price of the series of revenue
42 obligations.

Council Bill 24-0482

- 1 (c) The Trustee [shall] **MUST** credit to a special account established under the
2 Administrative Resolution the amount, if any, of the proceeds of each series of
3 revenue obligations designated as capitalized interest on that series of revenue
4 obligations.

- 5 (d) Before the proceeds of any series of revenue obligations are expended, all or any part
6 of the proceeds may be invested by the Trustee, in accordance with the Administrative
7 Resolution and within any limitation and in the manner provided by law.

- 8 (e) On presentation to the Trustee or the City of appropriate requests, as provided in the
9 Administrative Resolution, the Trustee [shall] **MUST** make payments from the
10 proceeds of any series of revenue obligations for any of the purposes specified in this
11 Ordinance and in the Administrative Resolution.

- 12 (f) If the funds derived from the sale of the revenue [notes or revenue bonds]
13 **OBLIGATIONS** exceed the amount needed (i) to refund any outstanding obligations of
14 the City to be refunded under the Administrative Resolution, [and] (ii) to finance the
15 financed facilities, **(III) TO PAY COSTS OF ISSUANCE AND CAPITALIZED INTEREST, AND**
16 **(IV) TO FUND ANY RESERVES AND FOR ANY OTHER PURPOSES AUTHORIZED BY THE**
17 **ADMINISTRATIVE RESOLUTION**, the funds so borrowed and not [expended] **NEEDED**
18 [for the public improvements authorized by this Ordinance] [shall] **MUST** be applied
19 as determined by the Board of Finance, under the terms and conditions set forth in the
20 Administrative Resolution, including to fund reserve fund deficiencies **OR OTHER**
21 **RESERVES**, if any, to pay principal of or interest on revenue obligations, to redeem or
22 purchase revenue obligations, or to pay for other capital projects of the water utility
23 within any limitation provided by law.

24 SECTION 15. AND BE IT FURTHER ORDAINED, That:

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

- 27 (b) The Board of Finance may determine and set forth the form, terms, provisions
28 (including redemption provisions and sinking fund requirements, if any), manner or
29 method of issuing and selling the revenue obligations (including negotiated or
30 competitive bid sale), time or times of issuance, security for the revenue obligations,
31 and all other details and other matters necessary or desirable in connection with the
32 authorization, issuance, sale, and payment of the revenue obligations.

- 33 (c) In conjunction with the prospective underwriters or placement agents, if any, for the
34 revenue obligations, the Board of Finance may prepare and distribute preliminary and
35 final official statements or placement memoranda or circulars as the Board of Finance
36 considers necessary or desirable. All preliminary official statements or placement
37 memoranda or circulars [shall] **MUST** be clearly marked to indicate that they are
38 subject to completion and amendment.

- 39 (d) (1) The Board of Finance may determine the dates, times, and places for submission
40 of an underwriting or placement agreement or purchase contract by the
41 underwriters or placement agents for the revenue obligations or purchasers of the
42 revenue obligations.

Council Bill 24-0482

- 1 (2) The underwriting or placement agreement or purchase contract [shall] MUST
2 specify:
- 3 (i) the interest rate or rates proposed to be paid on the revenue obligations or
4 the method by which the interest rate or rates [shall] MUST be computed;
- 5 (ii) the price at which the revenue obligations are to be sold to the
6 underwriters, placement agents, or purchasers; and
- 7 (iii) any other matters that the underwriters, placement agents, or purchasers
8 and the Board of Finance consider necessary or desirable to effect the sale
9 and delivery of the revenue obligations.
- 10 (e) The Board of Finance may determine the interest rate or rates to be paid by the City
11 on the revenue obligations or the method by which the interest rate or rates is
12 computed [in accordance with the proposed underwriting or placement agreement or
13 purchase contract submitted by the underwriters or placement agents for the revenue
14 obligations or purchasers of the revenue obligations].
- 15 (f) The Board of Finance, as it considers necessary or desirable, may appoint one or more
16 banks with trust powers, or trust companies, as Trustee, registrar, or paying agent for
17 the revenue obligations.
- 18 (g) (1) The Board of Finance may approve the form of trust agreements (which may be
19 the Administrative Resolution) between the City and the Trustee.
- 20 (2) The trust agreements may:
- 21 (i) pledge or assign all or any part of the security of the revenue obligations,
22 consistent with the covenants contained in this Ordinance and the
23 Administrative Resolution;
- 24 (ii) contain reasonable and proper provisions for the protection and
25 enforcement of the rights and remedies of the holders of revenue
26 obligations;
- 27 (iii) set forth the rights and remedies of the holders of revenue obligations and
28 the Trustee;
- 29 (iv) restrict the individual right of action by the holders of revenue obligations;
- 30 (v) provide for the issuance of additional revenue obligations subordinate to,
31 or on a parity with, revenue obligations previously issued under the trust
32 agreement or the Administration Resolution, consistent with this
33 Ordinance and the provisions of the trust agreement or the Administrative
34 Resolution; and
- 35 (vi) contain whatever other provisions the Board of Finance considers
36 reasonable and proper for the security of the holders of revenue
37 obligations.

Council Bill 24-0482

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

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

8 SECTION 17. AND BE IT FURTHER ORDAINED, That, before any revenue obligations are sold,
9 the Board of Finance may determine by administrative resolution:

- 10 (1) the provisions of the trust agreement between the City and the Trustee;
- 11 (2) the manner of execution, authentication, registration, and transfer of the revenue
12 obligations;
- 13 (3) provisions for authentication and delivery of the revenue obligations;
- 14 (4) the terms of any private insurance, public insurance, or other security for the revenue
15 obligations;
- 16 (5) provisions for creating, holding, and disbursing any funds and accounts to be held by
17 the Trustee or the Director of Finance;
- 18 (6) provisions for applying the operating revenues;
- 19 (7) provisions for the security for and investment of money held by the Trustee or the
20 Director of Finance;
- 21 (8) the procedures for redeeming the revenue obligations;
- 22 (9) remedies for holders of revenue obligations in the event of default;
- 23 (10) the duties, rights, and immunities of the Trustee;
- 24 (11) the manner of executing instruments by holders of revenue obligations and the
25 method of proving ownership of revenue obligations;
- 26 (12) provisions for modifying the trust agreement;
- 27 (13) provisions for the defeasance of revenue obligations;
- 28 (14) the forms of the revenue obligations (including book-entry or certificated bonds)
29 and of the Trustee's authentication certificate; [and]
- 30 (15) any other matters in connection with the authorization, issuance, security, sale,
31 payment, and refunding of the revenue obligations that the Board of Finance
32 considers appropriate[.]; AND

Council Bill 24-0482

1 **(16) THE PREPARATION AND DISTRIBUTION OF AN OFFICIAL STATEMENT, PLACEMENT**
2 **MEMORANDUM OR OTHER DISCLOSURE DOCUMENT.**

3 SECTION 18. AND BE IT FURTHER ORDAINED, That any resolution adopted under this
4 Ordinance is considered to be administrative.

5 SECTION 19. AND BE IT FURTHER ORDAINED, That nothing in this Ordinance precludes a
6 consolidation or other combination of the water utility, **[and]** the wastewater utility **AND THE**
7 **STORMWATER UTILITY** or any budgetary restructuring or interfund reorganization of these
8 utilities, so long as it is determined, in accordance with procedures set forth in the
9 Administrative Resolution, that the consolidation or combination will not impair the security
10 for the revenue obligations.

11 SECTION 20. AND BE IT FURTHER ORDAINED, That nothing in this Ordinance precludes a
12 pledge, with respect to the revenue obligations, of revenues of and amounts held by the water
13 utility, including the operating revenues, under different or alternative formulations than that
14 provided in this Ordinance and the Administrative Resolution.

15 SECTION 21. AND BE IT FURTHER ORDAINED, That **[:]**

16 **[(a) The] THE** Mayor and City Council may amend or supplement this Ordinance from
17 time to time as necessary or desirable to increase the authorized amount of revenue
18 obligations and for any other purpose, as long as the action is otherwise consistent
19 with the terms of this Ordinance, the Administrative Resolution, and the revenue
20 obligations.

21 **[(b) The Administrative Resolution shall provide that no additional revenue obligations**
22 **may be issued under this Ordinance unless:**

23 **(1) no event of default exists on the date that the additional revenue obligations**
24 **are issued; and**

25 **(2) there is a determination, under the Administrative Resolution, that the rate**
26 **requirements prescribed by the Administrative Resolution will be met on the**
27 **date that the additional revenue obligations are issued.]**

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

32 SECTION 23. AND BE IT FURTHER ORDAINED, That:

33 (a) Revenue obligations may be issued under this Ordinance with the expectation that
34 interest on the revenue obligations will be exempt from federal income taxation
35 (“tax-exempt obligations”).

Council Bill 24-0482

1 (b) The Administrative Resolution under which tax-exempt obligations are issued [shall]
2 **MUST** prescribe covenants and matters that the Board of Finance considers necessary
3 or desirable to assure that the revenue obligations will not be considered “arbitrage
4 bonds” within the meaning of § 148 of the Internal Revenue Code and its regulations
5 and to assure holders of the revenue obligations that interest on them will be and
6 remain exempt from federal income taxation.

7 (c) The Mayor, the Director of Finance, and the Chief of the Bureau of Treasury
8 Management [shall] **MUST** prepare or cause to be prepared and [shall] **MUST** execute
9 any certification, opinion, or other document that may be required to maintain the
10 exemption of interest on tax-exempt obligations from federal income taxation.

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

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

25 **SECTION 2. AND BE IT FURTHER ORDAINED,** That the Board of Finance may amend, restate,
26 or supplement the 2002 Resolution, in accordance with that Resolution’s provisions governing
27 amendments, to accomplish any of the purposes set forth in this Ordinance and to specify,
28 prescribe, determine, provide for, approve, and amend, from time to time, the form, terms,
29 provisions, manner, or method of issuing and selling the revenue obligations (including
30 negotiated or competitive bid sale), time or times of issuance, security for the revenue
31 obligations, and all other details and other matters necessary or desirable in connection with the
32 authorization, issuance, sale, and payment of the revenue obligations and to do all things
33 necessary, proper, or expedient in connection with the issuance and sale of those revenue
34 obligations.

35 **SECTION 3. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect on the date it is
36 enacted.

Council Bill 24-0482

Certified as duly passed this 26 day of August, 2024



President, Baltimore City Council

Certified as duly delivered to His Honor, the Mayor,

this 26 day of August, 2024



Chief Clerk

Approved this _____ day of _____, 20____

Mayor, Baltimore City