

# The Mayor and City Council Of Baltimore

Investor Presentation

June 4, 2020



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# Transaction Overview

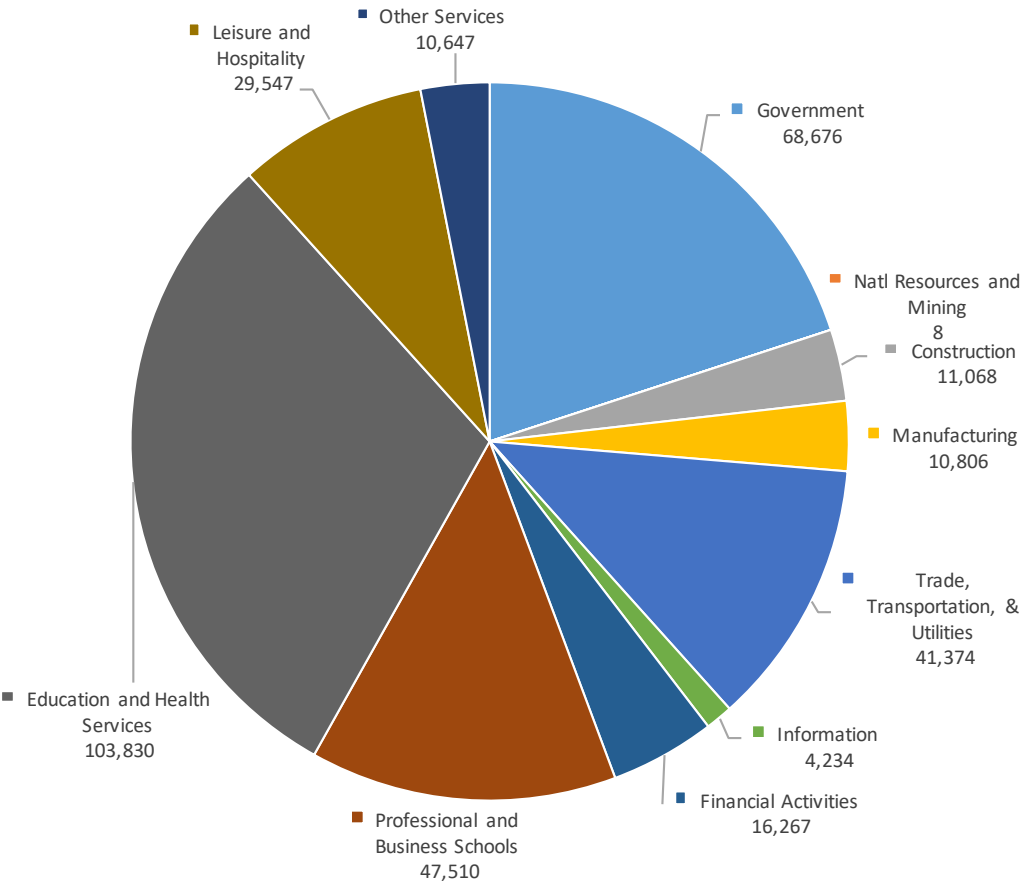
Issuer	Mayor and City Council of Baltimore
Series	Consolidated Public Improvement Bonds Series 2020A (Tax-Exempt) (“Series 2020A”) Consolidated Public Improvement Bonds Series 2020B (Taxable) (“Series 2020B”)
Par Amount*	Series 2020A: \$47,190,000* Series 2020B: \$12,810,000*
Use of Proceeds	The proceeds of the Bonds will be used to (i) finance various public improvements of the City, (ii) pay the costs of issuance of the Bonds, and (iii) to the extent there are sufficient proceeds, to fund interest with respect to such Bonds.
Maturities	Principal payments annually 2021 through 2040
Call Provision*	The Bonds maturing on and after October 15, 2031 are subject to optional redemption, in whole or in part, on or after October 15, 2030.
Ratings (Moody’s/S&P)	Aa2 / AA
Security	The Bonds are general obligations of the City for the payment of which the City’s full faith and credit and taxing power are irrevocably pledged to the timely payment of principal and interest when due.
Interest Payment Dates	April 15 and October 15, beginning October 15, 2020
Expected Competitive Sale Date*	June 16, 2020
Expected Closing Date*	June 29, 2020

*\*Preliminary and subject to change*

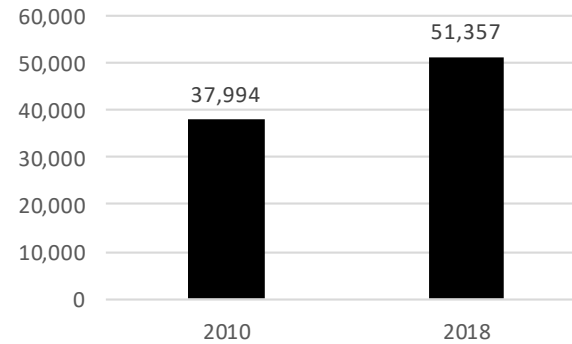


# Economic Overview

**Employment by Industry**  
(Annual Average for Calendar Year 2018)

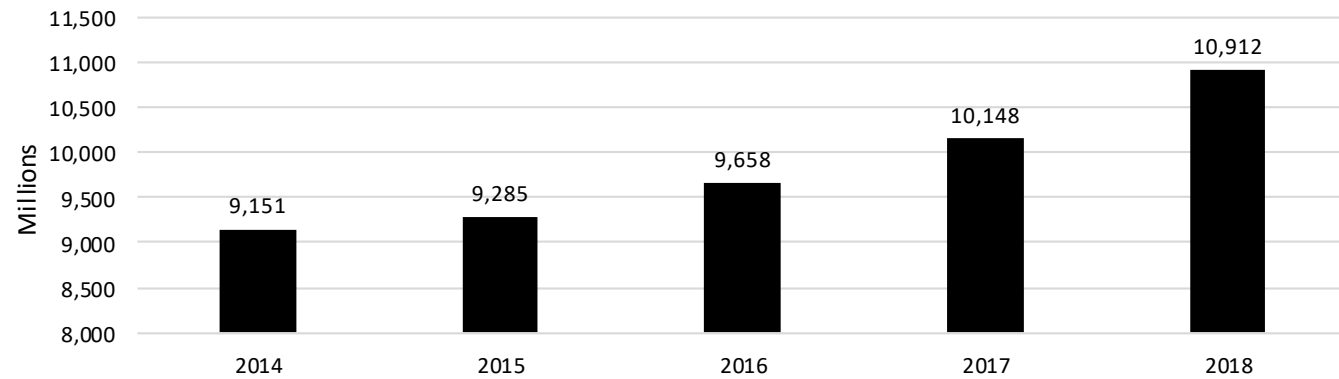


**Baltimore City**  
Per Capita Income



Selected Employers and Employment-Greater Baltimore Area	
Employer	Employment Range
State of Maryland Government	Over 30,000 Employees
City of Baltimore Government	10,000-30,000 Employees
Federal Government	10,000-30,000 Employees
The Johns Hopkins University	10,000-30,000 Employees
The Johns Hopkins Health System	10,000-30,000 Employees
University of Maryland Medical System	10,000-30,000 Employees
MedStar Health	5,000-10,000 Employees
University System of Maryland	5,000-10,000 Employees
LifeBridge Health	5,000-10,000 Employees
Mercy Health Services	2,500-5,000 Employees
St. Agnes HealthCare	2,500-5,000 Employees
Exelon/Constellation Energy/BGE	2,500-5,000 Employees
Amazon.com	2,500-5,000 Employees

**City Net Taxable Income**



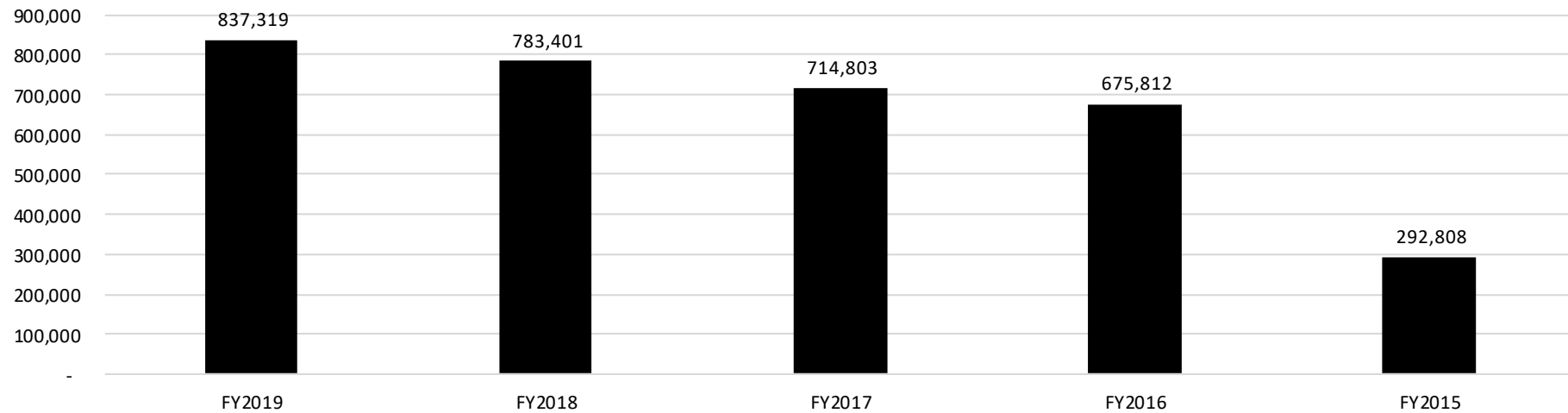
Sources: State Department of Labor, Licensing and Regulation and State Department of Commerce



# General Fund FY 2015 – FY 2019

<b>Changes in Fund Balances</b>					
<b>Budget and Actual Budgetary Basis – General Fund</b>					
<b>(Expressed in Thousands)</b>					
	<b>FY2019</b>	<b>FY2018</b>	<b>FY2017</b>	<b>FY2016</b>	<b>FY2015</b>
Revenues	\$1,954,995	\$1,793,412	\$1,786,555	\$1,805,797	\$1,655,810
Expenditures	<u>1,831,446</u>	<u>1,742,562</u>	<u>1,652,408</u>	<u>1,674,782</u>	<u>1,573,334</u>
Excess (deficiency) of revenues over expenses	123,549	50,850	134,147	131,015	82,476
Transfers, net	<u>18,626</u>	<u>7,240</u>	<u>8,967</u>	<u>39,959</u>	<u>(42,227)</u>
Net changes in fund balance	142,175	58,092	143,114	170,974	40,249

General Fund Balance, June 30 GAAP Basis



# Fiscal 2020

- Fiscal Year 2020 Adopted Budget
  - The Fiscal Year 2020 budget submitted by the Board of Estimates to the City Council proposed total appropriations of \$3,555 million of which \$1,918 million was appropriated for General Fund operating purposes and \$50.0 million for General Fund PAYGO capital purposes.
  - The proposed budget maintained the real property tax rate at \$2.248 per \$100 of assessed value
- Fiscal Year 2020 General Fund Budget Projection
  - Based on data as of March 2020 and information regarding the Pandemic, General Fund revenues are estimated to fall short of the Fiscal Year 2020 budget by \$41.2 million for total revenues of \$1,926.0 million.
  - The City has implemented several cost saving measures to address this anticipated deficit. After implementing such cost saving measures, City will fund the deficit by drawing from the Rainy Day Fund, which has a balance of approximately \$145.9 million as of the end of Fiscal Year 2019.
  - Although the Pandemic has resulted in record-breaking unemployment figures, the City projects income taxes to be 6.9% higher than the Fiscal Year 2020 budget.
  - Prior to the Pandemic, the General Fund expenditures had a small surplus of \$4.8 million.
  - Post Pandemic, the City projects to be at balance on the expenditure side, as costs associated with the Pandemic response will be covered by the CARES Act funding or FEMA public assistance.



# Fiscal 2021 Budget Plan

- Due to the Pandemic the City revised its Fiscal Year 2021 Budget after the release of the preliminary budget plan in April 2020. The revision resulted in a decrease of \$103.1 million to the Fiscal Year 2021 budget of \$1,932.8 million.
- Originally, the preliminary plan projected a 2.5% increase from the Fiscal Year 2020 budget. After the revision, the Fiscal Year 2021 budget is now projected to decline 1.8%.
  - The projection assumes the shutdown will continue into the first quarter of Fiscal Year 2021 and the effect of the pandemic will be felt throughout the year, with gradual recovery over time.
- Despite the negative impacts of the Pandemic on the Fiscal Year 2021 Budget, the City still projects making a budgeted contribution of \$4 million to the Budget Stabilization Reserve.



# COVID-19 Response

- In response to COVID-19 Pandemic, Mayor Young declared a state of emergency in Baltimore City on March 19, 2020.
  - On May 13, 2020, the Governor of Maryland issued an executive order lifting the state-wide stay-at-home order and easing certain other restrictions such as allowing certain retail establishments to open at limited capacity, but allowing political subdivisions (such as the City) to issue orders that are more restrictive.
  - On May 14, 2020 the Mayor announced that the City would not lift its stay-at-home order despite the Governor's May 13, 2020 executive order.
- Financial Impacts
  - The City has spent between \$36 million and \$38 million since March and expects to spend \$126 million through first quarter of Fiscal Year 2021.
  - Financial aid received:
    - \$103.6 million in federal aid from the State Stabilization Fund via the CARES Act
    - \$13 million Community Development Block Grant for rental relief
    - \$6.5 million Emergency Solutions Grant from the U.S. Department of Housing and Urban Development for homeless services





# Debt Overview

## Statement of General Obligation Debt and Other Financing Arrangements as of June 30th

	2020*	2019	2018	2017	2016
<b>General Obligation Bonds:</b>					
Education	\$169,794,035	\$181,863,819	\$183,445,686	\$186,440,644	\$197,809,693
Highways	1,016,019	1,200,442	1,170,240	1,310,669	1,657,558
Parking	4,568,357	5,215,407	5,372,707	5,513,907	5,968,107
Public Buildings & Facilities	89,610,381	94,285,639	71,049,370	69,919,491	74,435,634
Public Health	1,291,653	1,457,948	1,617,930	1,896,677	2,170,869
Public Safety	1,544,266	1,724,135	1,881,640	2,247,638	3,058,949
Recreation & Parks	31,429,630	33,409,016	31,214,143	31,931,298	34,627,284
Storm Water	4,275,266	4,655,489	3,588,769	3,290,961	3,602,043
Unallocated	2,731,372	3,422,700	4,052,000	4,561,280	5,204,060
Urban Renewal & Development	229,644,021	250,305,405	226,752,515	223,227,434	250,860,820
<b>Total General Obligation Bonds</b>	<b>\$535,905,000</b>	<b>\$577,540,000</b>	<b>\$530,145,000</b>	<b>\$530,340,000</b>	<b>\$579,395,016</b>
<b>Revenue Obligations - City Facilities(a)</b>	<b>\$2,943,586,190</b>	<b>\$3,013,916,931</b>	<b>\$2,571,082,381</b>	<b>\$2,491,999,996</b>	<b>\$2,264,567,691</b>
<b>Special Obligation Bonds</b>	<b>\$204,092,625</b>	<b>\$196,203,210</b>	<b>\$198,175,866</b>	<b>\$199,875,908</b>	<b>\$146,010,788</b>
<b>Financings with the Federal Government</b>	<b>\$13,919,000</b>	<b>\$16,707,000</b>	<b>\$20,320,000</b>	<b>\$23,792,000</b>	<b>\$27,132,000</b>
<b>Conditional Purchase Agreements</b>	<b>\$174,290,996</b>	<b>\$151,250,993</b>	<b>\$160,830,943</b>	<b>\$146,055,570</b>	<b>\$161,794,585</b>
<b>Total - All Financing Obligations</b>	<b>\$3,871,793,811</b>	<b>\$3,955,618,134</b>	<b>\$3,480,554,190</b>	<b>\$3,392,063,474</b>	<b>\$3,178,900,080</b>

\* Unaudited – as of April 15, 2020

(a) Includes borrowings financed with general obligation bonds, county transportation bonds, through the Maryland Water Quality Financing Administration to fund various water and sewer projects, and through the U.S. Environmental Protection Agency WIFIA Program

Source: Bureau of Treasury Management, Department of Finance.



# Contact Information

Issuer:  
The Mayor and City  
Council Of Baltimore

**Stephen M. Kraus**

*Deputy Director of Finance*  
steve.kraus@baltimorecity.gov  
Phone: (410) 396-4676

**Jennell Rogers**

*Chief, Bureau of Treasury Management*  
jennell.rogers@baltimorecity.gov  
Phone: (410) 396-3386

Municipal Advisor:  
PFM Financial Advisors LLC

**Katherine Clupper**

*Managing Director*  
clupperk@pfm.com  
Phone: (215) 850-3942

**Trina Smith**

*Senior Managing Consultant*  
smithtr@pfm.com  
Phone: (856) 889-2471

Bond Counsel:  
McKennon Shelton & Henn LLP

**Paul Shelton**

*Partner*  
paul.shelton@mshllp.com  
Phone: (410) 843-3512

**Jennifer Caggino**

*Associate*  
jennifer.caggino@mshllp.com  
Phone: (410) 843-3507

