

February 27, 2023

The meeting of the Board of Finance was called to order at 3:05 p.m.

Present: Honorable Brandon C. Scott, Mayor and President
Bill Henry, Comptroller and Member
Frederick Meier, Member
Arnold Williams, Member
Robert Shelton, Member
Jennell Rogers, Chief, Bureau of Treasury Management and Clerk to the Board of Finance

Also Present: Simone Johnson, Mayor's Office
Stacy Freed, Dept. of Housing & Community Development
Joann Levin, Law Department
Douglas Krinsky, J. P. Morgan

MINUTES

Mayor Scott requested the Board to review the minutes from the meeting of November 28, 2022. The minutes were approved on the motion of Mr. Williams, seconded by Mr. Meier.

SECURITY TRANSACTIONS

Ms. Rogers briefed the Board on the investment activity for this period noting that total securities purchased since the last Board of Finance meeting were \$853,000,000 and redemptions totaled \$992,002,000. Ms. Rogers noted that the City's portfolio is reaping the benefits of rising interest rates.

Security transactions since the meeting November 28, 2022 were approved on the motion of Mr. Williams, seconded by Mr. Meier. (Appendix I)

MARK TO MARKET VALUATION OF SWAP PORTFOLIO

Ms. Rogers presented the Mark to Market Valuation Report as of January 31, 2023 with a notional amount of \$126,755,000. The fair market value of the swap portfolio increased slightly from (\$13,000,427) to (\$13,385,896). The ten-year Treasury rate decreased from 4.18% to 3.52%. Ms. Rogers advised the Board that there are only two remaining SWAPs: Water and Parking.

The Board accepted the report. (Appendix II)

APPROVAL OF THE HUD SECTION 108 LOAN FOR THE CHICK WEBB RECREATION CENTER

Ms. Rogers requested the Board to approve the HUD Section 108 Loan Agreement to finance the redevelopment of the Chick Webb Recreation Center in the amount of \$12,240,000. She explained the loan process, except for the financing fee, will be used to support the direct construction costs associated with the upgrades and expansion of the building. The loan will amortize over a twenty-year term with interest only payment required in the first year. Annual

interest and principal will commence in July 2024 and conclude in July 2045. The presentation was turned over to Ms. Stacy Freed from DHCD.

Ms. Freed shared that the loan will be repaid over 20 years, estimated annual \$1 million debt payment. DHCD has pledged the future Community Development Block Grant (CDBG) allocations as a source of repayment for the loan. She explained DHCD will execute a leasehold mortgage on its tenant's interest on HUD as security for the payment of the HUD 108 loan. In the event of a default, HUD could foreclose under the leasehold mortgage and become the tenant under the Prime Lease and Sublessor under the below sublease and be entitled to receive the Sublease rent payments to satisfy its outstanding HUD 108 Loan indebtedness. There was a brief discussion on some of the provisions in the contract and Note.

The Board approved the Section 108 Loan Agreement on the motion of Mr. Williams, seconded by Comptroller Henry.

The meeting was adjourned at 3:24 pm.

Jennell Rogers
Clerk to the Board of Finance