



**BOARD OF DIRECTORS**  
**METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY**  
**BUSINESS MANAGEMENT COMMITTEE**  
**THURSDAY, SEPTEMBER 30, 2021**  
**MARTA HEADQUARTERS**  
**MEETING MINUTES**

Committee Chair Roderick Frierson called the meeting to order at 11:41 a.m.

<b>Board Members Present</b>	<b>Staff Members Present</b>
Jim Durrett	Jeffrey Parker
William Floyd	Collie Greenwood
Roderick Frierson, <b>Chair</b>	Manjeet Ranu
Freda Hardage	Rhonda Allen
Al Pond	Luz Borrero
Kathryn Powers	Elizabeth O'Neill
Rita Scott	Raj Srinath
	Ralph McKinney
	Michael Kreher

Also, in attendance: Board General Counsel Justice Leah Ward Sears of Smith, Gambrell & Russell, LLP; other MARTA staff: Police Officer, Altagracia Oliva, Paula Nash, Kevin Hurley, Keri Lee, Tyrene Huff and Board Techs, Courtne Middlebrooks, Jonathan Brathwaite, Adrian Carter and Abebe Girmay.

**Approval of the August 26, 2021 Business Management Committee Meeting Minutes**

Committee Chair Frierson called for a motion to approve the August 26, 2021 meeting minutes. Board Member Durrett made a motion to approve, seconded by Board Member Pond. The minutes were approved unanimously by a vote of 7 to 0 with 7 members present.

**Briefing – MARTA Short-Term Borrowing: Commercial Paper and Liquidity Facility [See attached]**

Kevin Hurley, Deputy Chief Financial Officer/Treasurer, presented a briefing on the MARTA Short-Term Borrowing: Commercial Paper and Liquidity Facility.

- Board Member Pond and Board Member Floyd asked for clarification on the usage and non-usage rates. Kevin Hurley and Raj Srinath provided clarity on the rates.

**Other Matters**

- (a) FY 2022 July Financial Highlights and Financial Performance Indicators

**Adjournment**

The Committee meeting adjourned at 11:52 a.m.

Respectfully submitted,

A handwritten signature in blue ink that reads "Tyrene L. Huff". The signature is written in a cursive style with a large initial 'T'.

Tyrene L. Huff  
Assistant Secretary to the Board

YouTube link: <https://youtu.be/piDG2Ohotu0>



# MARTA Short-Term Borrowing: Commercial Paper and Liquidity Facility

MARTA Business Management Committee  
September 30, 2021

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# Agenda

- Background
- RFP Results
- Recommended Selection
- Next Steps

# Background

- Board briefings on a short-term Borrowing Program - August 13, 2020 and March 11, 2021 Work Sessions
  - Staff presented the concept of an efficient and cost-effective interim borrowing tool for short-term capital needs to support the CIP
- Permission to Solicit Resolution approved by the Board on July 15, 2021
- RFP was sent out on July 23<sup>rd</sup> with responses due August 18<sup>th</sup>

# RFP Results

- Twenty responses were received
- Responses included different interim financing structures such as Bank Revolving Lines of Credit, Bond Anticipation Notes, Commercial Paper (CP) Liquidity Facilities and CP Dealer Services
- Proposals were received for both Senior and Subordinate Lien structures

## Recommended structure

- CP is commonly sold through a “Dealer” with a liquidity facility provided by a third party such as a bank in which the bank agrees to purchase the notes in the event of a failed marketing by the Dealer. MARTA pays an annual fee for this liquidity facility
- \$300 million CP on a subordinate lien basis:
  - Provides MARTA with the ability to access short-term debt at attractive interest rates
  - CP notes mature between 1-270 days
  - At the end of each maturity date, MARTA can:
    - Remarket the CP for another period of 1-270 days,
    - Pay off the maturing CP using cash, or
    - Issue long-term bonds to pay off the CP

## Recommended selection

- Staff recommends using the following interim borrowing structure proposed by JPMorgan Chase Bank, N.A. for a term of 4 years on a subordinate lien basis
- The proposed structure consists of two agreements
  - Revolving Credit Agreement (RCA) – used to provide a liquidity facility for Series A CP notes publicly sold by a Dealer
  - Note Purchase Agreement (NPA) – which provides an option whereby MARTA can sell Series B notes directly to JPMorgan
- The above structure offers the following benefits:
  - MARTA will have the flexibility to issue CP notes directly to public investors through a Dealer or sell the CP notes directly to JP Morgan depending on market conditions



## Recommended selection

- JPMorgan offered a facility fee for the Revolving Credit Agreement of:
  - 24 basis points (used) / 15 basis points (unused) for year one
  - 24 basis points (used or unused) for the subsequent 3 years
- Draws on the Note Purchase Agreement or selling the CP notes through a Dealer are both well below 1% in “All-in Cost” of financing at the present time
- J.P. Morgan Securities LLC and Academy Securities jointly proposed a fee of 4.5 basis points to serve as dealer for the CP notes
  - Academy Securities is a Disabled Veteran Business Enterprise (DVBE) and verified Federal Service-Disabled Veteran Owned Small Business (SDVOSB) as well as a certified Minority Business Enterprise (MBE)

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## Next steps

- Full Board Approval – October 14<sup>th</sup> 2021
- Closing – November 17<sup>th</sup> /18<sup>th</sup> 2021



Thank You

