



**BOARD OF DIRECTORS**

**METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY**

**WORK SESSION**

**THURSDAY, JULY 15, 2021**

**MARTA HEADQUARTERS**

**MEETING MINUTES**

Board Chair Rita Scott called the meeting to order at 12:00 p.m.

<b>Board Members Present</b>	<b>Staff Members Present</b>
Roberta Abdul-Salaam	Jeffrey Parker
Stacy Blakley	Collie Greenwood
Jim Durrett	Rhonda Allen
William Floyd	Luz Borrero
Roderick Frierson	Ralph McKinney
Al Pond	Elizabeth O'Neill
Kathryn Powers <sup>1</sup>	Manjeet Ranu
Rita Scott, <b>Chair</b>	Raj Srinath

Also in attendance: MARTA Board General Counsel Justice Leah Ward Sears of Smith, Gambrell & Russell, LLP; other MARTA staff members: Tyrene Huff, Kevin Hurley, Michael Kreher, Keri Lee, and Kirk Talbott.

**Report from the Chair**

Board Chair Rita Scott welcomed Board Members and MARTA staff to the first in person meeting of the Board in more than a year. Chair Scott recognized and thanked GM/CEO Jeffrey Parker, MARTA staff, fellow Board Members and MARTA patrons and customers for their hard work and dedication to MARTA during the trying months of the COVID-19 pandemic.

**Approval of June 10, 2021 Work Session Meeting Minutes**

Board Chair Scott asked for a motion to approve the minutes. The motion was made by Board Member William Floyd and seconded by Board Member Al Pond. The minutes were approved unanimously by a vote of 7 to 0 with 7 members present.

**Report from the General Manager/CEO**

General Manager Parker welcomed the Board Members.

**Optimization of MARTA's Debt Structure** [Presentation attached]

Chief Financial Officer Raj Srinath and Deputy Chief Financial Officer Kevin Hurley

<sup>1</sup>Board member Kathryn Powers joined the meeting after the vote to approve the minutes.

provided background and a briefing to the Board in anticipation of Item # 5 on the agenda of the Regular Board Meeting: "Resolution Authorizing The Solicitation of

Proposals to Establish a Short-Term Borrowing Program to Facilitate Efficient Debt Management in Support of the Capital Improvement Program." The presentation addressed the plans and timeline for restructuring MARTA's debt.

Board Member Pond asked Deputy CFO Hurley what will be used as collateral for MARTA's subordinated debt. Deputy CFO Hurley stated that MARTA will trade on its own creditworthiness and will not post collateral. CFO Srinath added that MARTA bonds are issued with a lien on sales tax revenues. These will also have a lien on sales tax revenue, but the lien will be subordinate to senior liens.

Board Member Roderick Frierson stated that MARTA had done a program of this type before and asked if this program is being re-instituted due to a better commercial paper market. Deputy CFO Hurley agreed that the market had come back to a degree and MARTA will look to be the most cost effective in moving forward with this program.

Board Member Roberta Abdul-Salaam asked if staff would have to come back to the Board to draw down funds. Deputy CFO Hurley said yes, the Board would need to approve any drawdowns.

Regarding sales tax liens mentioned by CFO Srinath, Board Member Abdul-Salaam asked if such liens would also apply to More MARTA Atlanta and Clayton County sales tax revenue. Deputy CFO Hurley stated, yes, the entire sales tax and title ad valorem will be pledged.

Board Member William Floyd asked for further clarification on the proposal and who will respond to the proposal. CFO Srinath responded that the proposal would be for commercial paper and similar products and respondents will be a combination of investment and commercial banks.

### ***Comments by the General Manager/CEO***

GM Parker introduced new members of the senior team including CFO Srinath, Ralph McKinney, Chief of Safety & Quality Assurance and Manjeet Ranu, Chief of Capital Programs, Expansion, and Innovation. GM Parker then announced various upcoming meetings and events. Vice-Chair Roberta Abdul-Salaam asked that the quarterly meeting of MARTA's Mobility Access Committee (MAC) be added to the list of meetings that GM Parker announces at each monthly Board meeting. GM Parker stated he would do so.

### **Executive Session**

Board Member Stacey Blakley made a motion to enter an executive session to discuss personnel and litigation matters. Board Member Pond seconded. The

motion was approved unanimously by a vote of 8 to 0 with 8 members present.  
The Board entered executive session at 12:40 p.m. and returned at 2:03 p.m.

**Other Matters**

None

**Adjournment**

The Work Session adjourned at 2:04 p.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/ts-bLrwfVeQ>



# MARTA Short Term Borrowing: Commercial Paper/Credit Facility

MARTA Board Work Session  
July 15, 2021

# Agenda

- Initial Briefings on Short Term Borrowing – Credit Facility
- Product Expansion and Utilization
- Permission to Solicit – Up to \$300M Program
- Board Actions

# Initial Board Briefing

- Initial MARTA Board briefing - August 13, 2020 Work Session, and again at the March 11, 2021 Work Session
  - In 2020, COVID-19 caused disruptions in the bond markets, resulting in temporary periods of time where borrowers like MARTA could not access the bond market
  - Staff presented concept of a Liquidity Facility for short-term borrowing needs to support the CIP
  - Initially thought of as a “contingent plan” to allow MARTA to obtain funds in periods of volatile bond market conditions
  - Briefly discussed in March 2021 as part of the plan of finance

# Product Expansion and Utilization

- Proposing to improve the tool from a “contingent plan” only, to instead serve as a cost effective borrowing tool to support the CIP and optimize MARTA’s debt structure
  - Ability to borrow on an interim basis
  - Very low interest rates
  - Draw down funds only when needed to fund the CIP
  - Ability to issue as subordinated debt
  - Allows for timely borrowing in challenged markets

# Product Expansion and Utilization

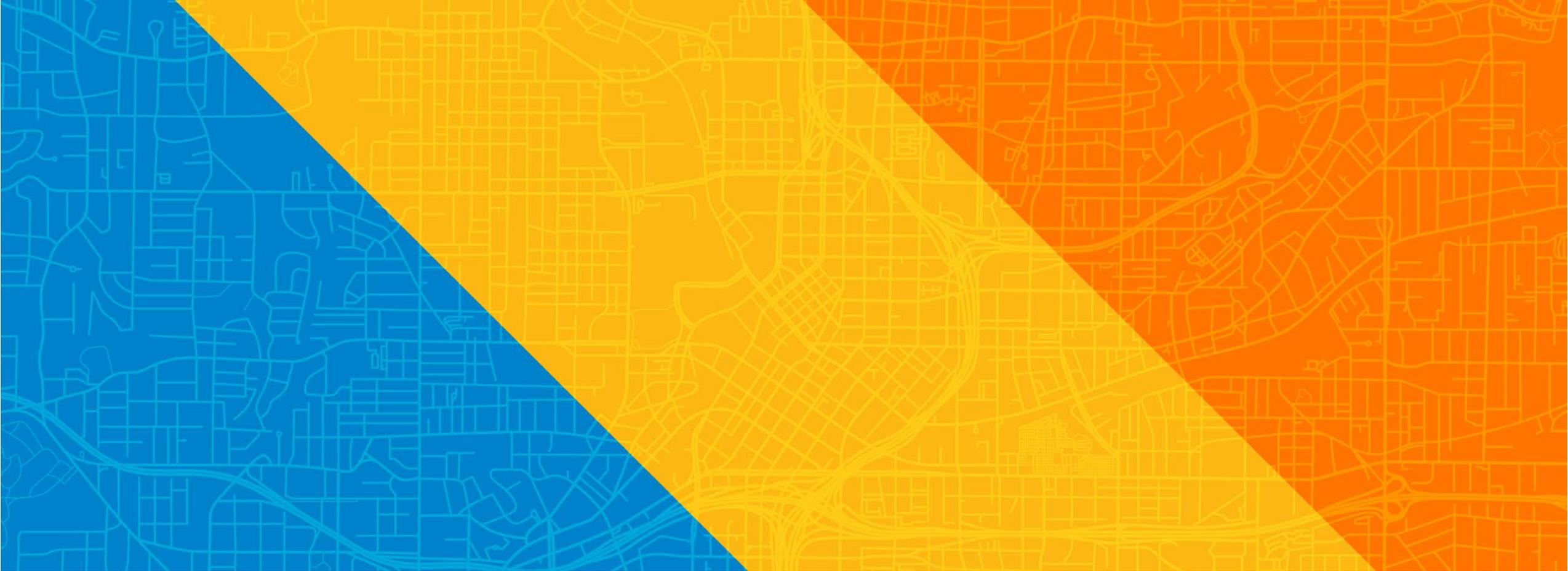
- Use Request For Proposals (RFP) rather than specific product bid
  - Allow the market to present products to efficiently address MARTA's borrowing needs to support its CIP

# Permission to Solicit

- RFP use requires solicitation approval from the MARTA Board
- Solicitation, evaluation, and legal document preparation conducted by MARTA's financial advisors, Bond and Disclosure Counsel, and Department of Finance staff
  - Release date – July 19, 2021
  - Responses due – August 16, 2021
  - Present to BMC – September 30, 2021
  - Full Board Approval – October 14, 2021
  - Closing – November 2021

# Board of Directors Actions

- Approve the resolution for Permission to Solicit to Establish a Short-Term Borrowing Program to Facilitate Efficient Debt Management in Support of the Capital Improvement Program through a Request for Proposals



Thank You

