



**Massachusetts Bay
Transportation Authority**

Debt Issuance and Management and Derivatives Policies

MBTA Board of Directors

Patrick Landers, Treasurer

June 2024

Executive Summary

- Under the **MBTA's Debt Issuance and Management and the Derivatives Policies**, the Authority staff is directed to review and the Board must reauthorize said policies once every two years (in even-numbered years).
- The MBTA finance team has reviewed the Authority's Issuance and Management and the Derivatives Policies in concert with bond counsel and financial advisors and **recommend making the following changes:**
 - Debt Issuance and Management Policy:
 - Include a broader mention of tender bond programs, which have become more prevalent in recent years.
 - Clarify the use of capitalized interest with respect to market factors and budgetary conditions.
 - Derivatives Policy:
 - Specify one-way termination in all future derivative contracts, which protects the MBTA from this risk.



Request of the MBTA Board

VOTED (on June 6): That members of the Audit and Finance Committee hereby recommend to the Board of Directors of the Massachusetts Bay Transportation Authority that it approve the Debt Issuance and Management and Derivatives Policies of the Massachusetts Bay Transportation Authority (the “MBTA”) in the form presented at this meeting;

THEN;

VOTED (on June 20): That the members of the Board of Directors of the Massachusetts Bay Transportation Authority accept the recommendation of the Audit and Finance Committee and hereby approve the Debt Issuance and Management and Derivatives Policies of the Massachusetts Bay Transportation Authority in the form presented at this meeting.

