



MEMORANDUM

DATE: June 12, 2013

TO: Bond Oversight Committee
Rudy Nothenberg, Chairman
Dan Murphy, Vice Chairman
Leona Bridges
Jose Cisneros
Emilio Cruz
Steve Ferrario
Nadia Sesay

FROM: Tom Nolan *R. Boomer for Tom Nolan*
Chairman, SFMTA Board of Directors

Edward D. Reiskin *[Signature]*
Director of Transportation

SUBJECT: SFMTA Bond Oversight Committee
Commercial Paper Program

The SFMTA will be beginning a commercial paper program in the next few months to diversify our financing sources beyond long-term revenue bonds by accessing the short term market. Therefore, we are requesting that the Bond Oversight Committee expand its purpose as outlined in your bylaws to include commercial paper and any other short term instruments and suggest the following edits:

The purpose of the Committee is to oversee and report publicly regarding the San Francisco Municipal Transportation Agency's (hereinafter the "Agency") expenditure of ~~revenue bond~~ debt proceeds on permitted transportation projects and to ensure that the Agency has established prudent internal controls and practices. The Committee shall convene to provide oversight to ensure that: (1) ~~revenue bond~~ debt proceeds are expended only in accordance with the authorizing bond resolution and applicable law, (2) ~~revenue bond~~ debt proceeds are expended solely for uses, purposes and projects authorized in the bond resolution, and (3) ~~revenue bond~~ debt proceeds are appropriately expended for authorized capital improvements. For purposes of these bylaws the term "~~revenue bonds~~" "debt proceeds" includes both short and long term debt, but is not limited to, such as bonds, notes, leases, commercial paper and other forms of indebtedness.

The commercial paper program was approved by the SFMTA Board of Directors on June 4, 2013. We expect to obtain the approval of the Board of Supervisors and formally begin the program later this summer.

Thank you for your consideration.

Edwin M. Lee
Mayor

Tom Nolan
Chairman

Cheryl Brinkman
Vice-Chairman

Leona Bridges
Director

Malcolm Heinicke
Director

Jerry Lee
Director

Joél Ramos
Director

Cristina Rubke
Director

Edward D. Reiskin
Director of Transportation

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