

## RESOLUTION

**WHEREAS**, the Metropolitan Transportation Authority and the Triborough Bridge and Tunnel Authority desire to ensure that disclosures made in connection with their municipal finance offerings and required periodic filings related thereto are fair and accurate, and comply with all applicable federal and state laws;

**WHEREAS**, it is the policy of the Metropolitan Transportation Authority and the Triborough Bridge and Tunnel Authority to satisfy all contractual obligations undertaken pursuant to its Continuing Disclosure Undertakings entered into in connection with municipal finance offerings in a timely manner;

**WHEREAS**, the Metropolitan Transportation Authority and the Triborough Bridge and Tunnel Authority desire to adhere to and promote best practices relating to disclosures; and

**WHEREAS**, to further the implementation of these objectives, the Metropolitan Transportation Authority and Triborough Bridge and Tunnel Authority desire to adopt the Municipal Finance Disclosure Policies and Procedures annexed hereto;

**NOW, THEREFORE BE IT:**

**RESOLVED** by the Metropolitan Transportation Authority and the Triborough Bridge and Tunnel Authority that the Municipal Finance Disclosure Policies and Procedures annexed hereto shall be adopted and shall apply to all disclosure undertakings.

Dated: January 25, 2017

# METROPOLITAN TRANSPORTATION AUTHORITY

and

# TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

## Municipal Finance Disclosure Policies and Procedures

### Introduction

The Metropolitan Transportation Authority and the Triborough Bridge and Tunnel Authority are committed to ensuring that disclosures made in connection with their respective municipal finance offerings and required periodic filings related thereto are fair, accurate, and comply with applicable federal and state securities laws, including common law antifraud provisions under state law and any other applicable laws. Further, it is the policy of both the Metropolitan Transportation Authority and the Triborough Bridge and Tunnel Authority to satisfy in a timely manner their contractual obligations undertaken pursuant to Continuing Disclosure Undertakings entered into in connection with municipal finance offerings.

In furtherance of these objectives and policies, and to promote best practices relating to disclosures, the Boards of the Metropolitan Transportation Authority and the Triborough Bridge and Tunnel Authority have adopted the Disclosure Policies and Procedures set forth below, which shall apply to all disclosure undertakings.

### Definitions

Capitalized terms used in these Disclosure Policies and Procedures shall have the meanings set forth below:

**“Annual Disclosure Statement”** means the financial information and operating data required to be filed pursuant to MTA’s Continuing Disclosure Undertakings, including the “MTA Annual Disclosure Statement” (formerly “Appendix A”), the audited financial statements of MTA, NYCTA, TBTA and the TBTA Independent Engineer’s Report, which are incorporated by specific reference in certain other MTA and TBTA Disclosure Documents. The information includes narrative information relating to MTA Headquarters and each of the operating entities, as well as information that MTA has specifically contracted with bondholders to update on an annual basis in accordance with Securities and Exchange Commission Rule 15c2-12 (“Rule 15c2-12”).

**“Authority”** means, as the context permits or requires, any or all of the following: Metropolitan Transportation Authority (MTA); Triborough Bridge and Tunnel Authority (TBTA); Long Island Rail Road Company (LIRR); Manhattan and Bronx Surface Transit Operating Authority (MaBSTOA); Metro-North Commuter Railroad Company (MNCRC); New York City Transit Authority (NYCTA); Staten Island Rapid Transit Operating Authority (SIRTOA); MTA Bus Company (MTA Bus); MTA Capital Construction Company (MTACC); First Mutual Transportation Assurance Company

(FMTAC); and any other affiliate or subsidiary hereafter created having a common board with the MTA.

**“Board”** means the MTA Board and/or the TBTA Board, as appropriate.

**“Bonds”** or **“bonds”** shall refer to any bonds, notes or other securities offered by any Authority, the disclosure relating to which is subject to the requirements of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934, including Rule 10b-5 thereunder, and Securities Exchange Commission Rule 15c2-12.

**“Budget Staff”** means the Budget Director and each deputy for each applicable Authority agency.

**“Capital Programs Staff”** means the Director of Capital Programs and each deputy for each applicable Authority agency.

**“Co-Bond Counsel”** means any attorney or firm of attorneys of nationally recognized standing in the field of law relating to the issuance of obligations by state and municipal entities selected by the Authority. At any time MTA/TBTA retains more than one pair of Co-Bond Counsel, all references to Co-Bond Counsel shall be deemed to include one or more pair of Co-Bond Counsel, as deemed appropriate by the Deputy General Counsel, Finance.

**“Continuing Disclosure Undertakings”** means MTA’s and TBTA’s contractual obligations entered into with the trustee by either Authority in connection with each issuance of Bonds.

**“Disclosure Counsel”** means the special disclosure counsel to the Authority retained by the MTA, and shall be a firm or firms with attorneys of nationally recognized standing in the field of law relating to the issuance of obligations by state and municipal entities and expertise in the federal and State laws applicable to investor disclosure obligations of public issuers of debt instruments selected by the Authority.

**“Disclosure Documents”** means MTA’s and TBTA’s documents and materials specifically prepared, issued, and distributed in connection with MTA’s and TBTA’s disclosure obligations under applicable federal securities laws or that otherwise could potentially subject MTA and TBTA to liability under such laws, and shall include, but not be limited to the following:

- Annual Disclosure Statement
- Quarterly Updates to the Annual Disclosure Statement and any periodic Supplements thereto
- Official Statements
- Any filing made by MTA and TBTA with EMMA pursuant to a Continuing Disclosure Undertaking, including material event notices
- Any voluntary filing made by MTA and TBTA that is posted on EMMA

- Any document or other communication (such as postings on the MTA website or Twitter) from MTA and TBTA that could be viewed as reasonably expected to reach investors and the trading market for MTA's and TBTA's Bonds
- Any other document that is reviewed and approved in accordance with these Disclosure Policies and Procedures

**"EMMA"** means the Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board.

**"Finance Staff"** means the MTA's Director, Finance and each deputy for each applicable Authority agency and the MTA Comptroller.

**"Financial Advisor"** means the firm or firms retained by the MTA to act in a financial advisory capacity to MTA in connection with the issuance of bond by the Authority.

**"MTA"** means the Metropolitan Transportation Authority, a public benefit corporation of the State of New York.

**"Official Statements"** means, collectively, preliminary and final official statements, remarketing circulars or offering memoranda used in connection with the offering of Bonds. Official Statements do not attempt to repeat the information in the Annual Disclosure Statement, but instead generally include such information by specific cross-reference, as expressly authorized by Rule 15c2-12, and updates only the information that has materially changed.

**"Quarterly Updates"** means the updates to the Annual Disclosure Statement which shall be filed with EMMA shortly following the presentation to the Board of financial plan updates in July, November and February. Each Quarterly Update shall contain any material updates to the financial information and operating data contained in the Annual Disclosure Statement.

**"Rule 15c2-12"** means Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, including any official interpretations thereof.

**"Staff"** means employees of the Authority, including Budget Staff and Finance Staff.

**"State"** means the State of New York.

**"Supplements"** means the periodic updates to the Annual Disclosure Statement which shall be filed with EMMA if, on the advice of Disclosure Counsel after consultation with the Deputy General Counsel/Finance, Finance Staff and Co-Bond Counsel, events have occurred which merit updates to the financial information and operating data contained in the Annual Disclosure Statement.

**"TBTA"** means the Triborough Bridge and Tunnel Authority.

## **I. General Disclosure Practices**

1. The Board, through approval of the documentation relating to individual financings and the review of the related Staff Summary, delegates authority and responsibility to Staff to prepare and distribute an Official Statement, which will be prepared in accordance with these Disclosure Policies and Procedures unless the Board otherwise directs.

2. The Board, pursuant to a resolution adopted annually, delegates authority and responsibility to Staff to prepare an Annual Disclosure Statement and any other Disclosure Documents other than Official Statements that may be required to be filed throughout the existing year, which will be prepared in accordance with these Disclosure Policies and Procedures unless the Board otherwise directs.

3. The Deputy General Counsel/Finance, Finance Staff and other Staff deemed necessary, with the assistance of Disclosure Counsel, Co-Bond Counsel, Financial Advisor and advice and direction of General Counsel, shall prepare all Disclosure Documents, including the Annual Disclosure Statement, and shall prepare and submit any other disclosure filings that may be required throughout the year. All Disclosure Documents and any other disclosure filings shall be prepared in accordance with these Disclosure Policies and Procedures unless the Board otherwise directs.

4. The timeline for any particular bond financing for which a Disclosure Document will be prepared shall vary depending on the type of bonds being offered, the security for the bonds, the purpose for the financing, and other factors unique to each bond financing.

## **II. On-Going Disclosure**

1. The Deputy General Counsel/Finance, Finance Staff, Disclosure Counsel, Bond Counsel and Financial Advisor shall monitor State and national markets generally as well as other developments affecting MTA business, performance, financial planning, and capital plans and, in consultation with the General Counsel, determine whether there is a need for additional disclosure by way of additional periodic filings with EMMA or any recommended supplement to a Disclosure Document.

2. Management's Discussion and Analysis and the Notes to annual and quarterly financial statements (collectively, MD&N) shall be reviewed by the Chief Financial Officer, Finance Staff, and the Deputy General Counsel/Finance, in consultation with General Counsel, prior to their being finalized. The Chief Financial Officer, Finance Staff and the Deputy General Counsel/Finance shall consult with staff with specific knowledge of various elements of the MD&N and Disclosure Counsel or Co-Bond Counsel as they deem appropriate.

### III. Official Statement Review and Disclosure Processes

1. The Deputy General Counsel/Finance and Finance Staff shall timely identify those who, for a particular financing, are appropriate to assist Disclosure Counsel, Co-Bond Counsel, underwriter(s), underwriter's counsel, Financial Advisor, and appropriate Staff in the preparation and review of the related Official Statement.

2. The Deputy General Counsel/Finance and Finance Staff (or their designees) shall be responsible for soliciting material information from Authority departments, subsidiaries, affiliates, or State or other governmental officials, for inclusion in the applicable Official Statement, and shall identify Staff and any State or other governmental officials who may have information necessary to prepare or who should review portions of the Official Statement. Staff and State or other governmental officials should be timely contacted and informed that their assistance will be needed for the preparation of the Official Statement.

- a. The Staff and State or other governmental officials shall be contacted as soon as reasonably practical in order to provide adequate time for such individuals to perform a thoughtful and critical review or draft of those portions of the Official Statement assigned to them.
- b. The request for information shall provide that Staff must raise any item which could be material for inclusion in the offering document.
- c. The appropriate outside agency auditors should be apprised of the Authority's schedule for publishing such Official Statement.

3. Finance Staff, Financial Advisor and Co-Bond Counsel shall receive the draft of the preliminary Official Statement for review and comment. As necessary, the Chief Financial Officer, the General Counsel, the Budget Director, the Director of Capital Programs and their delegees, relevant Staff at the operating agencies included in the financing and MTA auditors shall receive the draft of the preliminary Official Statement for review and comment.

4. Other Staff shall be consulted if an issue arises concerning items as to which they have specific knowledge.

5. The draft preliminary Official Statement shall be made available to the senior managing underwriter and its counsel for review and comment prior to mailing on negotiated transactions.

6. If deemed necessary, based on the advice of Disclosure Counsel, Co-Bond Counsel and the General Counsel, the Deputy General Counsel/Finance and Disclosure Counsel shall hold due diligence sessions with the appropriate Staff and State officials, in addition to such sessions held in connection with the Quarterly Updates, prior to the printing or posting of a preliminary Official Statement.

7. Disclosure Counsel shall provide written discussion topics or questions in the form of an agenda in advance of the due diligence sessions, if any, to the extent practical, to permit all required Staff and State officials, as well as underwriters and their counsel on negotiated transactions, to prepare for the due diligence session and to consider additional matters they deem material to the offering. The due diligence session shall not be limited to the list of written topics or questions or other questions solely from Disclosure Counsel. Disclosure Counsel, Financial Advisor and, in the case of a negotiated transaction, the underwriters and underwriters' counsel shall participate in such due diligence session.

8. At the time of the sale of the Bonds, the Deputy General Counsel/Finance, in conjunction with Finance Staff, Disclosure Counsel and Co-Bond Counsel, shall prepare a final Official Statement and satisfy themselves that at the time of sale that such Official Statement is in satisfactory form and that no additional disclosure is required.

9. Annual audited MTA or TBTA financial statements and those for the most recent MTA or TBTA unaudited quarterly reporting period shall be incorporated by reference into the Official Statements. Before the printing of any preliminary or final Official Statement, the Deputy General Counsel/Finance, Disclosure Counsel and Bond Counsel shall obtain e-mail or other written confirmations from the applicable General Counsel or Deputy General Counsel, that they know of no material litigation that has been filed (or threatened with a reasonable likelihood of being filed) against any relevant Authority not previously disclosed in a Disclosure Document.

10. Disclosure Counsel may be invited to attend any MTA or TBTA presentations to rating agencies and investors made in connection with the offering of bonds. Disclosure Counsel, the Deputy General Counsel/Finance, Finance Staff and Financial Advisor shall review any materials used in presentations, meetings or telephone conferences with rating agencies or investors for consistency with the appropriate Official Statement.

#### **IV. The Annual Disclosure Statement (Rule 15c2-12)**

1. The Deputy General Counsel/Finance in conjunction with Finance Staff shall distribute sections of the Annual Disclosure Statement and Quarterly Updates to Staff with specific knowledge of various areas. Staff shall review and update said sections. The request for information shall provide that Staff must raise any item which could be material for inclusion in the Annual Disclosure Statement or Quarterly Updates, as applicable.

2. The audited financial statements of MTA on a consolidated basis, NYCTA and TBTA shall be attached to the Annual Disclosure Statement in accordance with MTA's Continuing Disclosure Undertakings under Rule 15c2-12. The Finance Staff shall review the MD&N to Financial Statements before they are finalized.

3. The State Division of the Budget shall be requested to provide updates regarding State revenues. Budget Staff shall review this information for consistency.

Disclosure Counsel, Deputy General Counsel/Finance, the Chief Finance Officer, Finance Staff, Budget Staff and Capital Programs Staff shall review any drafts, make suggestions for changes and raise questions about content and topics not discussed in such drafts.

4. Diligence sessions shall be held with the operating agencies and headquarters Staff at which presentations shall be made by such groups based upon an agenda prepared by Disclosure Counsel circulated in advance of the sessions. Finance Staff, Deputy General Counsel/Finance, Disclosure Counsel and representatives of all MTA and TBTA underwriters and all rotating underwriters' counsel shall have the opportunity to ask questions.

5. Upon finalizing the Annual Disclosure Statement, the Deputy General Counsel/Finance shall obtain written certifications as to information for which they are responsible, by e-mail or otherwise, by the Staff determined by Deputy General Counsel/Finance and Finance Staff.

6. The Annual Disclosure Statement, pursuant to MTA's and TBTA's Continuing Disclosure Undertakings, shall be filed at the end of April of each year or in any event in compliance with MTA's Continuing Disclosure Undertakings. Each Quarterly Update shall be filed shortly following any presentations to the Board of financial plan updates in July, November and February.

## **V. Role of Disclosure Counsel**

1. MTA and TBTA will require Disclosure Counsel and, as necessary, Co-Bond Counsel to perform the following:

- a. review and comment on MTA's and TBTA's Disclosure Documents;
- b. coordinate the due diligence process in the manner provided above;
- c. review presentations and, if requested, attend and/or listen to rating agency or investor presentations related to MTA's and TBTA's bonds, notes and other securities;
- d. advise MTA and TBTA regarding:
  - (1) specific disclosure issues relating to MTA's and TBTA's financial operations, operating performance and capital program development, including funding, progress and problems;
  - (2) standards of disclosure under applicable securities laws;
  - (3) adequacy of MTA's and TBTA's disclosure in any Disclosure Document;

- (4) completeness and clarity of the information provided by the State in any Disclosure Document; and
- (5) other matters as directed by MTA or TBTA;
- e. interface with the Deputy General Counsel/Finance and Finance Staff with respect to any Disclosure Document;
- f. provide a securities law supplemental opinion for each financing transaction;
- g. participate in the preparation, review and approval of the Annual Disclosure Statement; and
- h. conduct periodic training of Staff on the disclosure process contemplated by the Disclosure Policies and Procedures set forth herein as may be requested from time to time by the Deputy General Counsel/Finance and Finance Staff.

## **VI. Disclosure Practices Training**

Training for Board members and Staff shall be conducted by either Disclosure Counsel or MTA General Counsel or their designee(s) regarding disclosure practices under applicable state and federal law. It is intended that this training shall assist these individuals in (1) understanding their responsibilities; (2) identifying significant items which may need to be included in the Disclosure Documents; and (3) reporting issues and concerns relating to disclosure. A refresher training program shall be conducted on a periodic basis as determined by Deputy General Counsel/Finance with the advice of Disclosure Counsel.

### **1. Board Members**

- a. Board members shall be advised of their general disclosure responsibilities and the extent they may delegate to and rely on Staff's preparation of Disclosure Documents.
- b. Board Members shall be advised of their fiduciary duties under the State's Public Authorities Law.
- c. Specialized training regarding MTA and TBTA disclosure responsibilities may be conducted for the members of the Finance Committee of the Board.

### **2. Staff**

- a. Staff with responsibility for collecting, preparing or reviewing information that is provided for inclusion in a Disclosure Document or for certifying or

confirming its accuracy in accordance with these Disclosure Policies and Procedures, and those persons responsible for executing them, shall attend disclosure training sessions.

- b. The determination as to whether or not a class of employee shall receive such training shall be made by the MTA General Counsel or Deputy General Counsel/Finance in consultation with Disclosure Counsel and, as necessary, Co-Bond Counsel and the Chief Financial Officer.

## **VII. Disclosure-Related Document Retention Practices**

MTA's Records Management Program Manual sets forth MTA's document retention schedule. Consistent with MTA's Continuing Disclosure Undertakings, the following documents shall be maintained at least as long as required by MTA's Records Management Program:

- Annual Continuing Disclosure Filings
- Bond Issue Bound Books or CD-ROMs containing bond issue documents
- Bond Issue Executed Documents
- Disclosure Documents
- Investor Materials
- MTA Financial Statements related to bonds
- Rating Agency Presentation Materials
- Records of all Disclosure Activities, including but not limited to telephone calls, emails and other inquiries from investors
- Unaudited Quarterly and Annual Financial Statements Audited by Outside Auditing Firms

## **VIII. General Principles Relating to Disclosure**

1. Each Staff member participating in the disclosure process shall be responsible for raising potential disclosure items at all times in the process.

2. Each Staff member participating in the disclosure process should raise any issue regarding disclosure with the MTA General Counsel or Deputy General Counsel/Finance at any time.

3. Recommendations for improvement of these Disclosure Policies and Procedures shall be solicited and considered by the Deputy General Counsel/Finance and Disclosure Counsel and if revision is deemed to be appropriate will be reviewed by the General Counsel and the Chief Financial Officer.

4. The process of revising and updating Disclosure Documents should not be viewed as mechanical insertions of more current information; everyone involved in the process should consider the need for revisions in the form and content of the sections for which they are responsible.

*A copy of these Disclosure Policies and Procedures shall be posted on the MTA's website. Any updates to these Disclosure Policies and Procedures shall be distributed to Board members and all Staff participating in the disclosure process upon issuance.*