

GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

RESOLUTION NO. 2011-055

**AUTHORIZE EXECUTION OF AN EXTENSION
TO THE COMMERCIAL PAPER LINE OF CREDIT AGREEMENT
WITH JPMORGAN CHASE BANK**

June 10, 2011

WHEREAS, the Board of Directors (Board) of the Golden Gate Bridge, Highway and Transportation District (District), by Resolution Nos. 99-223, 2000-038 and 2000-039, authorized the Commercial Paper Program (CP Program), with the requirement that a Line of Credit Agreement be in place (liquidity requirement) to assure creditors that there are sufficient funds to repay principal and interest in full upon each maturity date in the event that the remarketing agents cannot find new investors to “roll-over” the CP Program Notes (CP Notes) in a timely fashion; and,

WHEREAS, in order to satisfy its liquidity requirement, the District originally purchased a Line of Credit (LC) from JPMorgan Chase Bank, N.A. (JPMorgan), for a one-year term, at an annual cost of \$76,000.00, and the annual cost increased modestly each year to \$248,000.00 in 2008 and, in 2009, during the peak of the global credit crisis, the District extended the term of its agreement with JPMorgan for an additional year, through July 2010, at an annual cost of \$995,000.00; and,

WHEREAS, the Board, by Resolution No. 2010-048, at its meeting of June 11, 2010, approved renewal of its CP Line of Credit Agreement with JPMorgan through July 1, 2011, at a cost of 0.78 basis points, or \$595,000.00 annually; and,

WHEREAS, as has been done with each year of the CP Program, the District’s financial advisor, Public Financial Management, Inc. (PFM), has surveyed current market conditions and the results of recent credit Requests for Proposals (RFPs) put out by similar public entities, to determine the market rate and for the District’s Auditor-Controller to use the information to negotiate terms with JPMorgan; and,

WHEREAS, staff has explored the option of securing a longer term facility (i.e., 2- year and 3-year) with JPMorgan, but given that pricing has continued to come down from its peak in 2009, staff has concluded that a one-year renewal would be most appropriate; and,

RESOLUTION NO. 2011-055
BOARD OF DIRECTORS MEETING OF JUNE 10, 2011
PAGE 2

WHEREAS, the Finance-Auditing Committee/Committee of the Whole, at its meeting of June 9, 2011, has so recommended; now, therefore, be it


RESOLVED that the Board of Directors of the Golden Gate Bridge, Highway and Transportation District hereby authorizes execution of a 364-day extension of the Line of Credit Agreement with JPMorgan Chase Bank, N.A., for the Commercial Paper Program, at the cost of 0.67%, or an approximate annual fee of \$511,000.00, for the period of July 2, 2011 to June 29, 2012.

ADOPTED this 10th day of June 2011, by the following vote of the Board of Directors:

AYES (14): Directors Arnold, Boro, Campos, Cochran, Mar, Moylan, Pahre, Rabbitt, Renée, Snyder, Sobel and Theriault; Second Vice President Grosboll; President Reilly
NOES (0): None
ABSENT (5): Directors Brown, Chu, Elsbernd and Stroeh; First Vice President Eddie



Janet Reilly
President, Board of Directors

ATTEST: 
Janet S. Tarantino
Secretary of the District