



MINUTES

Finance and Administration Committee Meeting

Committee Members Present Via Teleconference:

Michael Hennessey, Chairman
Steve Jones, Vice Chairman
Brian Goodell
Patrick Harper
Gene Hernandez
Joe Muller

Staff Present

Jennifer L. Bergener, Deputy Chief Executive Officer
Gina Ramirez, Deputy Clerk of the Board
Sahara Meisenheimer, Deputy Clerk of the Board

Via Teleconference:

Andrew Oftelie, Chief Financial Officer
James Donich, General Counsel

Committee Members Absent

None

Staff Absent

Darrell E. Johnson, Chief Executive Officer

The March 10, 2021, regular meeting of the Finance and Administration (F&A) Committee was called to order by Committee Chairman Hennessey at 10:30 a.m.

Roll Call

The Deputy Clerk of the Board conducted an attendance Roll Call and announced a quorum of the F&A Committee.

Pledge of Allegiance

Director Harper led in the Pledge of Allegiance.

1. Public Comments

There were no Public Comments.

Special Calendar

2. Investment Management Presentation

Andy Oftelie, Chief Financial Officer (CFO), provided opening comments and introduced Sarah Meacham, Richard Babbe, and Ken Schiebel from PFM Asset Management, LLC, who co-presented a PowerPoint presentation.

A discussion ensued regarding:

- 10-year tenure treasury;
- Fitch and Moody's has rated the US government at AAA;
- Hold the investments to maturity; and
- On balance – most investments are not held through maturity.



Consent Calendar (Items 3 and 4)

3. Approval of Minutes

A motion was made by Director Hernandez, seconded by Committee Chairman Hennessey, and following a roll call vote, declared passed 6-0, to approve the minutes of the Finance and Administration Committee meeting of February 24, 2021.

4. Local Transportation Fund Claims for Fiscal Year 2021-22

Committee Chairman Hennessey pulled this item and requested Andrew Oftelie, CFO, provide a short overview of this item for the new Committee members.

A motion was made by Committee Chairman Hennessey, seconded by Director Muller, and following a roll call vote, declared passed 6-0, to adopt Orange County Transit District Resolution No. 2021-013 authorizing the filing of Local Transportation Fund claims, in the amounts of \$152,727,401 to support public transportation and \$8,094,904 for community transit services.

Regular Calendar

5. Transportation Infrastructure Finance and Innovation Loan Interest Rate Reset Form of Financing Documents

Andrew Oftelie, Chief Financial Officer (CFO), discussed the following on this item:

- Background on why the Orange County Transportation Authority (OCTA) has this loan.
- The Interstate 405 (I-405) freeway and using Measure M funds on Transportation Infrastructure Finance and Innovation Act (TIFIA) loan of \$629 million loan and OCTA has drawn \$287 million on the loan and are paying a fixed rate of 2.91 percent.
- Staff is recommending the Committee to approve the necessary documents to terminate the existing loan and establish a new loan with the Build America Bureau (Bureau) that administers TIFIA loans.
- OCTA would pay back the Bureau and establish a new loan at whatever the 30-year treasuries plus one basis point, then draw from the amount OCTA already had outstanding.



5. (Continued)

- At the time, OCTA looked at using toll revenue bonds and compared that to a loan from the Bureau. The payment term was more flexible, and it was a lower rate.
- The weight is not a negotiable number. Benefits at the time the Board had to approve allowed for important policy decisions.
- TIFIA loan is a crucial part of the I-405 project.
- The interest rate is at a historically low rate. The Bureau doesn't have a process in place for a straight re-financing. OCTA has worked with the Bureau, and there will be no other changes with the terms of the loan.
- Asking Committee to approve three documents:
 - 1) To Terminate existing loan
 - 2) New loan documents
 - 3) Supplemental documents
- Bond Counsel is online to answer questions.

Committee Chairman Hennessey inquired if the new loan is concurrent with old loan.

Barney Allison, Nossaman, LLP responded a three day notice period would be in place before the Bureau can close on loan.

Director Muller expressed his concern on holding OCTA's loan open simultaneously when the new loan is open.

Mr. Oftelie, CFO, responded that OCTA would not close off the ability to obtain new funds until the old loan is closed. Both will happen concurrently during the three days, and staff will have to send the money that is owed on the old loan to start a new loan.

Director Harper inquired about how the interest rates are moving and asked if it is essential to have a Special Board Meeting.

Mr. Oftelie, CFO, stated that it would be a good idea if the Bureau were ready. However, the March 22nd Board meeting date is acceptable.

5. (Continued)

A motion was made by Director Muller, seconded by Director Hernandez, and following a roll call vote, declared passed 6-0, to:

- A. Approve the substantially final form of the Transportation Infrastructure Finance and Innovation Act Loan Agreement between the Orange County Transportation Authority and the United States Department of Transportation for up to \$628.9 million, the substantially final form of the Second Supplemental Indenture by and between the Orange County Transportation Authority and the Trustee, and the substantially final form of the Loan Pay-off and Termination Agreement between the Orange County Transportation Authority and the United States Department of Transportation.
- B. Authorize the Chief Executive Officer to negotiate and execute a final Transportation Infrastructure Finance and Innovation Act Loan Agreement, Second Supplemental Indenture, and Loan Payoff and Termination Agreement.
- C. Authorize the Chairman, Vice Chairman, Chief Executive Officer, Chief Financial Officer, Director of Finance and Administration, and Department Manager of Treasury and Public Finance to sign all documents related to the Transportation Infrastructure Finance and Innovation Act loan, including the Transportation Infrastructure Finance and Innovation Act Loan Agreement, the Second Supplemental Indenture, Loan Pay-off and Termination Agreement, and any certificates, notices, receipts, or agreements in connection with the foregoing.

Discussion Items

6. Chief Executive Officer's Report

Jennifer L. Bergener, Deputy Chief Executive Officer, reported on the following:

Transit Planning Public Meetings-

- On March 9th, OCTA hosted three public meetings to get feedback from bus customers on the June service change and future transit planning efforts. Ms. Bergener stated last night's meeting was conducted in English, and staff collected good feedback from the nearly 80 people who participated in the Zoom call.



6. (Continued)

- OCTA will host two additional meetings on March 10th. One at 3:00 p.m. in Vietnamese and another at 6:00 p.m. in Spanish.
- During the F&A meeting, the House passed the \$1.9 trillion COVID relief bill. Staff will release a memo to the Board this afternoon. And a more comprehensive and detailed overview will be discussed at the next Legislative and Communications Committee meeting.

7. Committee Members' Reports

There were no Committee Members' Reports

8. Closed Session

There were no Closed Session items scheduled.

9. Adjournment

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, March 24, 2021**, at the Orange County Transportation Authority Headquarters, Conference Room 07, 550 South Main Street, Orange, California.

ATTEST

Michael Hennessey
Committee Chairman

Gina Ramirez
Deputy Clerk of the Board