



AGENDA

Finance and Administration Committee Meeting

Committee Members

Michael Hennessey, Chairman
Richard Murphy, Vice Chairman
Andrew Do
Gene Hernandez
Steve Jones
Joe Muller
Michelle Steel

Orange County Transportation Authority
Headquarters
Conference Room 07
550 South Main Street
Orange, California

Wednesday, September 9, 2020 at 10:30 a.m.

Any person with a disability who requires a modification or accommodation in order to participate in this meeting should contact the OCTA Clerk of the Board, telephone (714) 560-5676, no less than two (2) business days prior to this meeting to enable OCTA to make reasonable arrangements to assure accessibility to this meeting.

Agenda descriptions are intended to give members of the public a general summary of items of business to be transacted or discussed. The posting of the recommended actions does not indicate what action will be taken. The Committee may take any action which it deems to be appropriate on the agenda item and is not limited in any way by the notice of the recommended action.

All documents relative to the items referenced in this agenda are available for public inspection at www.octa.net or through the Clerk of the Board's office at the OCTA Headquarters, 600 South Main Street, Orange, California.

Guidance for Public Access to the Board of Directors/Committee Meeting

On March 12, 2020 and March 18, 2020, Governor Gavin Newsom enacted Executive Orders N-25-20 and N-29-20 authorizing a local legislative body to hold public meetings via teleconferencing and make public meetings accessible telephonically or electronically to all members of the public to promote social distancing due to the state and local State of Emergency resulting from the threat of Novel Coronavirus (COVID-19).

In accordance with Executive Order N-29-20, and in order to ensure the safety of the Orange County Transportation Authority (OCTA) Board of Directors (Board) and staff and for the purposes of limiting the risk of COVID-19, in-person public participation at public meetings of the OCTA will not be allowed during the time period covered by the above-referenced Executive Orders.

Instead, members of the public can listen to AUDIO live streaming of the Board and Committee meetings by clicking the below link:

<http://www.octa.net/About-OCTA/Who-We-Are/Board-of-Directors/Live-and-Archived-Audio/>



Guidance for Public Access to the Board of Directors/Committee Meeting (Continued)

Public comments may be submitted for the upcoming Board and Committee meetings by emailing them to boardofdirectors@octa.net.

If you wish to comment on a specific agenda Item, please identify the Item number in your email. All public comments that are timely received will be part of the public record and distributed to the Board. Public comments will be made available to the public upon request.

In order to ensure that staff has the ability to provide comments to the Board Members in a timely manner, please submit your public comments **30 minutes prior to the start time of the Board and Committee meeting date.**



Call to Order

Roll Call

Pledge of Allegiance

Director Jones

1. Public Comments

Special Calendar

There are no Special Calendar matters.

Consent Calendar (Items 2 through 6)

All items on the Consent Calendar are to be approved in one motion unless a Committee Member or a member of the public requests separate action or discussion on a specific item.

2. Approval of Minutes

Approval of the minutes of the Finance and Administration Committee meeting of August 12, 2020.

3. Communications by Independent Financial Statement Auditor

Janet Sutter

Overview

Crowe, LLP, the independent financial statement auditor of the Orange County Transportation Authority, is in the process of conducting the fiscal year 2019-20 audit. In connection with the audit, Crowe, LLP, is communicating the planned scope and timing of the audit, as well as soliciting input on any matters of which the Board of Directors or the Finance and Administration Committee has knowledge that may have a material bearing on the Orange County Transportation Authority's financial statements for the year ended June 30, 2020.

Recommendation

Receive and file as an information item.



4. **Environmental Mitigation Program Endowment Fund Investment Report for June 30, 2020**
Robert Davis/Andrew Oftelie

Overview

The Orange County Transportation Authority has developed a Natural Community Conservation Plan/Habitat Conservation Plan, acquired conservation properties, and funded habitat restoration projects to mitigate the impacts of Measure M2 freeway programs. The California Community Foundation manages the non-wasting endowment required to fund the long-term management of the conservation properties. Each quarter, the California Community Foundation publishes a comprehensive report detailing the composition of the pool and its performance.

Recommendation

Receive and file as information item.

5. **Orange County Transportation Authority Investment and Debt Programs Report - July 2020**
Robert Davis/Andrew Oftelie

Overview

The Orange County Transportation Authority has a comprehensive investment and debt program to fund its immediate and long-term cash flow demands. Each month, the Treasurer submits a report detailing investment allocation, performance, compliance, outstanding debt balances, and credit ratings for the Orange County Transportation Authority's debt program. This report is for the month ending July 31, 2020. The report has been reviewed and is consistent with the investment practices contained in the Investment Policy.

Recommendation

Receive and file as an information item.



6. Excess Workers' Compensation Insurance Policy
Al Gorski/Maggie McJilton

Overview

The Orange County Transportation Authority currently has an excess workers' compensation insurance policy with Arch Insurance Company. This policy will expire on October 1, 2020, and a renewal is necessary to maintain coverage.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Purchase Order No. A45740, in the amount of \$550,000, to Marsh Risk and Insurance Services, Inc., to purchase excess workers' compensation insurance from Arch Insurance Company on behalf of the Orange County Transportation Authority for the policy period of October 1, 2020 to October 1, 2021.

Regular Calendar

7. Award of Agreement for Claims Administration of the Self-Insured Workers' Compensation Program
Al Gorski/Maggie McJilton

Overview

On April 27, 2020, the Board of Directors approved the release of a request for proposals for claims administration of the Self-Insured Workers' Compensation Program. Proposals were received in accordance with Orange County Transportation Authority procurement procedures for professional and technical services. Approval is requested to execute an agreement for this service.



7. (Continued)

Recommendations

- A. Approve the selection of Intercare Holdings Insurance Services, Inc., to provide claims administration for the Orange County Transportation Authority's Self-Insured Workers' Compensation Program.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-0-2202 between the Orange County Transportation Authority and Intercare Holdings Insurance Services, Inc., in the amount of \$2,445,559, to provide claims administration for the Orange County Transportation Authority's Self-Insured Workers' Compensation Program, for a five-year term.

8. Fiscal Year 2020-21 Proposed Budget Amendment

Victor Velasquez/Andrew Oftelie

Overview

Staff proposes a budget amendment to update the Orange County Transportation Authority's Fiscal Year 2020-21 Approved Budget. This amendment better aligns the budget with anticipated revenue and expenditures through the balance of the fiscal year by funding commuter rail operations for the remainder of the year, reducing bus program revenues and expenditures based on reduced service levels, and adds positions for Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency, which will be fully reimbursed by the State.

Recommendations

- A. Amend the Orange County Transportation Authority's Fiscal Year 2020-21 Budget by reducing the revenue and expense budgets, in the amount of approximately \$28 million, to accommodate updated budget assumptions for revenue and expense items.
- B. Approval of the full Fiscal Year 2020-21 Orange County Transportation Authority member agency contribution to the Southern California Regional Rail Authority, in an amount up to \$28,773,477, including authorization of Federal Transit Administration funds, in an amount up to \$8,500,000, to be drawn down directly by the Southern California Regional Rail Authority. Also included in Southern California Regional Rail Authority's operating subsidy proposal is the direct draw down of The Coronavirus Aid, Relief, and Economic Security Act funding in the amount of \$17,159,239.



8. (Continued)

- C. Authorize Federal Transit Administration funds, in an amount up to \$12,969,650, to be drawn down directly by the Southern California Regional Rail Authority for capital and rehabilitation expenditure budget contingent upon all member agencies' approval of their respective capital and rehabilitation budgets.
- D. Authorize the addition of four new positions to the Orange County Transportation Authority. The four positions are requested to accommodate the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency's FY 2020-2021 Approved Budget. The four positions include a Project Manager, Senior, Transportation Funding Analyst, Senior, Accounting Analyst, Associate, and a Deputy Managing Director.

Discussion Items

9. Chief Executive Officer's Report

10. Committee Members' Reports

11. Closed Session

There are no Closed Session items scheduled.

12. Adjournment

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, September 23, 2020**, at the Orange County Transportation Authority Headquarters, Conference Room 07, 550 South Main Street, Orange, California.



MINUTES

Finance and Administration Committee Meeting

Committee Members Present

Richard Murphy, Vice Chairman

Via Teleconference:

Michael Hennessey, Chairman

Andrew Do

Gene Hernandez

Steve Jones

Joe Muller

Michelle Steel

Staff Present

Darrell E. Johnson, Chief Executive Officer (CEO)

Jennifer L. Bergener, Deputy CEO

Andrew Oftelie, Chief Financial Officer

Laurena Weinert, Clerk of the Board

Gina Ramirez, Deputy Clerk of the Board

OCTA Staff

Via Teleconference:

James Donich, General Counsel

Committee Members Absent

None

Call to Order

The August 12, 2020, regular meeting of the Finance and Administration (F&A) Committee was called to order by Committee Vice Chairman R. Murphy at 10:30 a.m.

Roll Call

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

Pledge of Allegiance

Director Hernandez led in the Pledge of Allegiance.

1. Public Comments

There were no Public Comments.

Special Calendar

There were no Special Calendar matters.



Consent Calendar (Items 2 through 9)

2. Approval of Minutes

A motion was made by Director Hernandez, seconded by Director Do, and following a roll call vote, declared passed 6-0, to approve the minutes of the Finance and Administration Committee meeting of July 22, 2020.

Director Steel was not present to vote on this item.

3. Oversight Controls and Contract Compliance Related to the Interstate 5 Project: State Route 55 to State Route 57, Internal Audit Report No. 20-510

A motion was made by Director Hernandez, seconded by Director Do, and following a roll call vote, declared passed 6-0, to direct staff to implement the recommendation provided in Oversight Controls and Contract Compliance Related to the Interstate 5 Project: State Route 55 to State Route 57, Internal Audit Report No. 20-510.

Director Steel was not present to vote on this item.

4. Approval to Sell Two Excess Parcels

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

- A. Determine that Parcel No. 334-051-26 is exempt surplus land, pursuant to Government Code Section 54221(f)(1)(B), as it is less than 10,000 square feet in area, has no record access, and is planned to be sold to an owner of contiguous land.
- B. Determine that Parcel No. 334-051-27 is exempt surplus land, pursuant to Government Code Section 54221(f)(1)(B), as it is less than 10,000 square feet in area, has no record access, and is planned to be sold to an owner of contiguous land.
- C. Direct staff to sell the two unimproved contiguous parcels, Parcel No. 334-051-26 and Parcel No. 334-051-27, located in the City of Placentia.



4. (Continued)

- D. Authorize the Chief Executive Officer to negotiate and execute a purchase and sale agreement with Cougar Stone, Inc., for the sale price of \$100,000.

Director Steel was not present to vote on this item.

5. Consultant Selection for On-Call Commercial Real Estate Brokerage Services

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

- A. Approve the selection of CBRE, Inc., as the firm to provide on-call commercial real estate brokerage services.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-0-2160 between the Orange County Transportation Authority and CBRE, Inc., at a specified commission structure to provide on-call commercial real estate brokerage services for an initial term of three years with one, two-year option term.

Director Steel was not present to vote on this item.

6. Fiscal Year 2019-20 Fourth Quarter Grant Reimbursement Status Report

A motion was made by Director Hernandez, seconded by Director Do, and following a roll call vote, declared passed 6-0, to receive and file as an information item.

Director Steel was not present to vote on this item.

7. Orange County Transportation Authority Investment and Debt Programs Report - June 2020

A motion was made by Director Hernandez, seconded by Director Do, and following a roll call vote, declared passed 6-0, to receive and file as an information item.

Director Steel was not present to vote on this item.



8. Fourth Quarter Fiscal Year 2019-20 Procurement Status Report

A motion was made by Director Hernandez, seconded by Director Do, and following a roll call vote, declared passed 6-0, to receive and file as an information item.

Director Steel was not present to vote on this item.

9. 91 Express Lanes Update for the Period Ending June 30, 2020

A motion was made by Director Hernandez, seconded by Director Do, and following a roll call vote, declared passed 6-0, to receive and file as an information item.

Director Steel was not present to vote on this item.

Regular Calendar

10. 2020 Measure M2 Sales Tax Forecast

Andrew Oftelie, Chief Financial Officer, provided a PowerPoint on the following:

- Background;
- Historical Measure M Sales Tax Revenues;
- Short-Term Growth Rate Forecasts;
- Long-Term Growth Rate Forecasts;
- Annual Measure M2 (M2) Sales Tax Revenue Forecast;
- University Forecasts;
- Results of Updated Forecasts;
- Actual vs Projected Growth Rates;
- Forecast Comparison – 2020 vs 2019;
- Reasons for anticipated decline in short-term; and
- Next Steps.

A motion was made by Director Hernandez, seconded by Committee Vice Chairman R. Murphy, and following a roll call vote, declared passed 6-0, to direct staff to determine the impacts of the updated forecasts to Orange County Transportation Authority programs and projects and return to the Board of Directors with options to address the decrease in projected sales tax revenue.

Director Steel was not present to vote on this item.



11. Agreements for Health Insurance Services

Maggie McJilton, Executive Director of Workforce Development, provided a PowerPoint on the following:

- Background;
- Public Risk Innovation, Solutions, and Management (PRISM) Overview;
- Current Plan Offerings;
- Orange County Transportation Authority (OCTA) Medical Plan Renewal Trends;
- Financial Summary; and
- Recommendations.

A motion was made by Director Muller, seconded by Director Hernandez, and following a roll call vote, declared passed 7-0, to:

- A. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 5 to Agreement No. C-5-3649 between the Orange County Transportation Authority and Public Risk Innovation, Solutions, and Management for Kaiser Permanente Health Plan, Inc., on a cost per employee basis, for prepaid medical services through December 31, 2021. The annual 2021 Kaiser Permanente Health Plan, Inc. premium cost will vary in accordance with actual enrollment.
- B. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 5 to Agreement No. C-5-3650 between the Orange County Transportation Authority and Public Risk Innovation, Solutions, and Management for Anthem Blue Cross, on a cost per employee basis, for prepaid medical services through December 31, 2021. The annual 2021 Anthem Blue Cross health maintenance organization premium costs will vary in accordance with actual enrollment.
- C. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 5 to Agreement No. C-5-3651 between the Orange County Transportation Authority and Public Risk Innovation, Solutions, and Management for Anthem Blue Cross, on a cost per employee basis, for preferred provider organization medical services through December 31, 2021. The annual 2021 Anthem Blue Cross preferred provider organization premium costs will vary in accordance with actual enrollment.



11. (Continued)

- D. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 5 to Agreement No. C-5-3652 between the Orange County Transportation Authority and Public Risk Innovation, Solutions, and Management for Anthem Blue Cross, on a cost per employee basis, for a consumer driven health plan through December 31, 2021. The annual 2021 Anthem Blue Cross consumer driven health plan premium costs and health savings account expenses will vary in accordance with actual enrollment.
- E. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 10 to Agreement No. C-1-2996 between the Orange County Transportation Authority and Public Risk Innovation, Solutions, and Management for Delta Dental, on a cost per employee basis, for preferred provider organization dental services through December 31, 2021. The annual 2021 Delta Dental preferred provider organization premium costs will vary in accordance with actual enrollment.
- F. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 10 to Agreement No. C-1-2995 between the Orange County Transportation Authority and Delta Dental, on a cost per employee basis, for health maintenance organization dental services through December 31, 2021. The annual 2021 Delta Dental health maintenance organization premium costs will vary in accordance with actual enrollment.
- G. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Agreement No. C-8-1869 between the Orange County Transportation Authority and Public Risk Innovation, Solutions, and Management for Delta Dental, on a cost per employee basis, for health maintenance organization dental services through December 31, 2021. The annual 2021 Delta Dental health maintenance organization premium costs will vary in accordance with actual enrollment.
- H. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 8 to Agreement No. C-1-2997 between the Orange County Transportation Authority and Public Risk Innovation, Solutions, and Management for Vision Service Plan, on a cost per employee basis, for vision services through December 31, 2021. The annual 2021 vision services premium costs will vary in accordance with actual enrollment.



11. (Continued)

- I. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 4 to Purchase Order No. C-7-1897 between the Orange County Transportation Authority and Public Risk Innovation, Solutions, and Management for VOYA for life and accidental death and dismemberment insurance through December 31, 2021. The annual 2021 life and accidental death and dismemberment premium costs will vary in accordance with actual volume in the plan.
- J. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 3 to Purchase Order No. C-7-1898 between the Orange County Transportation Authority and Public Risk Innovation, Solutions, and Management for VOYA to provide supplemental life insurance to employees at their own expense through December 31, 2021.
- K. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 3 to Purchase Order No. C-7-1899 between the Orange County Transportation Authority and Public Risk Innovation, Solutions, and Management for VOYA for short-term and long-term disability insurance through December 31, 2021. The annual 2021 short-term and long-term disability premium costs will vary in accordance with actual volume in the plan.
- L. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 3 to Purchase Order No. C-7-1900 between Orange County Transportation Authority and Public Risk Innovation, Solutions, and Management for VOYA with Compsych to provide employee leave administration through December 31, 2021.

Discussion Items

12. Chief Executive Officer's Report

Darrell E. Johnson, Chief Executive Officer reported on the following:

Construction Outreach

- The Orange County Transportation Authority continues to keep the community informed about freeway improvement projects through virtual events.
- Tonight at 5:00 p.m. the Interstate 5 (I-5) South County Improvement Project team is hosting another installment of "Webinar Wednesday's summer series of interactive presentations. Tonight's webinar will focus on the Oso Parkway to La Paz Road segment to the I-5.



12. (Continued)

- On Friday, August 14th at 8:00 a.m., the Interstate 405 Improvement Project team will present a virtual update to the Huntington Beach Chamber of Commerce.

13. Committee Members' Reports

There were no Committee Members' Reports.

14. Closed Session

There were no Closed Session items scheduled.

15. Adjournment

The meeting adjourned at 11:01 a.m.

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, September 9, 2020**, at the Orange County Transportation Authority Headquarters, Conference Room 07, 550 South Main Street, Orange, California.

ATTEST

Gina Ramirez
Deputy Clerk of the Board

Richard Murphy
Committee Vice Chairman



September 9, 2020

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Janet Sutter, Executive Director
Internal Audit Department

Subject: Communications by Independent Financial Statement Auditor

Overview

Crowe, LLP, the independent financial statement auditor of the Orange County Transportation Authority, is in the process of conducting the fiscal year 2019-20 audit. In connection with the audit, Crowe, LLP, is communicating the planned scope and timing of the audit, as well as soliciting input on any matters of which the Board of Directors or the Finance and Administration Committee has knowledge that may have a material bearing on the Orange County Transportation Authority's financial statements for the year ended June 30, 2020.

Recommendation

Receive and file as an information item.

Background

In connection with its annual audit of the Orange County Transportation Authority's (OCTA) financial statements for the fiscal year ended June 30, 2020, Crowe, LLP (Crowe), is required to make certain inquiries and communications.

Discussion

Crowe has prepared a letter (Attachment A) to the Finance and Administration Committee (Committee) and the Board of Directors (Board) of OCTA with the purpose of making certain inquiries and communications. Specifically, Crowe has requested that the Committee and/or the Board inform Crowe of any matters of which the Committee and/or the Board may be aware of that could have a significant impact to the financial statements of OCTA taken as a whole. OCTA

staff has provided the auditors with information related to claims, liabilities, and contingencies; however, the auditors also welcome input from the Committee and the Board on any areas of concern.

Secondly, Crowe is required to provide certain communications to those charged with governance with regard to audit scope and timing. The attached letter reflects Crowe's plan to complete the audit and issue an opinion on the financial statements no later than October 30, 2020.


Summary

OCTA's independent financial statement auditors are making certain inquiries and communications in relation to their audit of the financial statements of OCTA as of June 30, 2020.

Attachment

- A. Letter from Crowe, LLP, to the Board of Directors and Finance and Administration Committee, Orange County Transportation Authority, dated August 10, 2020

Prepared by:



Janet Sutter
Executive Director, Internal Audit
714-560-5591



Crowe LLP
Independent Member Crowe Global

August 10, 2020

Board of Directors
Finance and Administration Committee
Orange County Transportation Authority
550 South Main Street
Orange, California 92863

We are pleased to serve OCTA as its independent auditors and look forward to our continued relationship. As part of our audit process, our professional standards require that we communicate certain information to keep you adequately informed about matters related to the financial statement audit that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. We communicate such matters in this report.

PLANNED SCOPE AND TIMING OF THE AUDIT

We are engaged to audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Orange County Transportation Authority (OCTA) as of and for the year ended June 30, 2020. In addition to the report on the financial statements of OCTA, we will also audit and report on the financial statements of the governmental activities and each major fund of the Orange County Local Transportation Authority (OCLTA), the 91 Express Lanes Fund, the Local Transportation Fund, and the State Transit Assistance Fund as of and for the year ended June 30, 2020.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, certain budgetary comparison information, and supplemental pension plan trend data and other postemployment benefit data be presented to supplement the basic financial statements. Such information is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We will apply certain limited procedures to the required supplementary information, however, we will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

In addition to our report on the financial statements, we have been engaged to report on the combining and individual fund financial statements and schedules, certain budgetary comparison schedules, the schedule of expenditures of federal awards, and the Proposition 1B schedule of unspent funds and cash disbursements. We will subject such information to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves. Our report will indicate whether this information is fairly stated, in all material respects, in relation to the financial statements as a whole.

We have not been engaged to report on the introductory section and statistical section of OCTA's comprehensive annual financial report and therefore will not express an opinion or provide any assurance on them.

Audit planning and interim procedures were conducted in May 2020, and year-end audit procedures will commence in September 2020. We expect to issue our report no later than October 30, 2020.

AUDITOR'S RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA, *GOVERNMENT AUDITING STANDARDS* AND UNIFORM GUIDANCE

Our responsibility is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. The audit of the financial statements does not relieve you or management of your responsibilities.

The objective of the audit is the expression of an opinion on the financial statements. We will plan and perform the audit in accordance with auditing standards generally accepted in the United States of America, the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards require that we obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement whether caused by error or fraud, and that we report on the Schedule of Expenditures of Federal Awards (as noted above), and on your compliance with Federal statutes, regulations, and the terms and conditions of Federal awards and on its internal controls as required for a Single Audit. Because of inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with applicable standards. An audit is not designed to detect error or fraud that is immaterial to the financial statements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks that the financial statements could be misstated by an amount we believe would influence the financial statement users. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

In making our risk assessments, we will consider internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the OCTA's internal control. However, we will communicate in writing to those charged with governance and management concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. We will communicate to management other deficiencies in internal control identified during the audit that have not been communicated to management by other parties and that, in our professional judgment, are of sufficient importance to merit management's attention. We will also communicate certain matters related to the conduct of the audit to those charged with governance, including (1) fraud involving senior management, and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements, (2) illegal acts that come to our attention (unless they are clearly inconsequential) (3) disagreements with management and other significant difficulties encountered in performing the audit and (4) various matters related to the OCTA's accounting policies and financial statements. Our engagement is not designed to address legal or regulatory matters, which matters should be discussed by you with your legal counsel.

We will also perform tests of controls including testing underlying transactions, as required by the Uniform Guidance, to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of your major federal awards programs. We will determine major programs in accordance with the Uniform Guidance. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed. We will inform you of any deficiencies or other matters involving internal control, if any, as required by the Uniform Guidance.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of your compliance with applicable laws, regulations, contracts and grants. However, because of the concept of reasonable assurance and because we will not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud or defalcations, may exist and not be detected by us. The objective of our audit of compliance relative to the financial statements will not be to provide an opinion on overall compliance with such provisions, and we will not express such an opinion. We will advise you, however, of any matters of that nature that come to our attention, unless they are clearly inconsequential.

The Uniform Guidance requires that we plan and perform the audit to obtain reasonable assurance about whether you have complied with certain provisions of laws, regulations, contracts and grants. Our procedures will consist of the applicable procedures described in the United States Office of Management and Budget (OMB) Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of your major programs. The purpose of our audit will be to express an opinion on your compliance with requirements applicable to major Federal award programs. Because an audit is designed to provide reasonable assurance, but not absolute assurance, the audit is not designed to detect immaterial violations or instances of noncompliance.

REQUIRED COMMUNICATIONS

We are responsible for communicating evidence that fraud may exist; thus, when we have determined that there is evidence that fraud may exist, that matter will be brought to the attention of an appropriate level of management. We will also communicate certain matters related to the conduct of the audit to those charged with governance, including (1) fraud involving senior management, and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements, (2) illegal acts that come to our attention (unless they are clearly inconsequential) (3) disagreements with management that could be significant to the financial statements and other significant difficulties encountered in performing the audit and (4) various matters related to OCTA's accounting policies and financial statements. Our engagement is not designed to address legal or regulatory matters, which matters should be discussed by you with your legal counsel.

Professional auditing standards also require that we perform inquiries with those charged with governance surrounding matters that may impact our risk assessment, including the below examples.

- Weaknesses in internal control activities;
- Inappropriate tone at the top regarding fraudulent activity;
- Known, alleged, or suspected fraud;
- Oversight activities that do not mitigate risks of fraud;
- Tips or complaints regarding OCTA's financial reporting (including those received through the internal whistleblower program, if such program exists);
- Actual or possible violations of laws or regulations that might affect the audit;
- Material misstatements from errors; and
- Matters related to risk of material misstatement of the financial statements or that are otherwise significant to financial reporting that you feel warrant particular attention during the audit.

Please communicate any instances of the above matters or any other concerns that may have a material impact to the financial statements to Kathy Lai at Kathy.Lai@crowe.com or (714) 668-5376.

We provide the above information to assist you in performing your oversight responsibilities and would be pleased to discuss this letter or any matters further, should you desire. This letter is intended solely for the information and use of the Board of Directors, the Finance and Administration Committee, and management, and is not intended to be and should not be used by anyone other than these specified parties.



Crowe LLP

Costa Mesa, California
August 10, 2020



September 9, 2020

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Environmental Mitigation Program Endowment Fund Investment Report for June 30, 2020

Overview

The Orange County Transportation Authority has developed a Natural Community Conservation Plan/Habitat Conservation Plan, acquired conservation properties, and funded habitat restoration projects to mitigate the impacts of Measure M2 freeway programs. The California Community Foundation manages the non-wasting endowment required to fund the long-term management of the conservation properties. Each quarter, the California Community Foundation publishes a comprehensive report detailing the composition of the pool and its performance.

Recommendation

Receive and file as an information item.

Background

On September 26, 2016, the Board of Directors approved the selection of the California Community Foundation (CCF) as an endowment fund manager for the Measure M2 Environmental Mitigation Program. Annually, approximately \$2.9 million will be deposited in the endowment. As of June 30, 2020, the Orange County Transportation Authority has made four deposits to the CCF Endowment Pool, each in the amount of \$2,877,000. These annual deposits are expected to continue for ten to 12 years, or until the fund totals approximately \$46.2 million.

Discussion

Per Attachment A, the balance as of June 30, 2020, was \$12,419,908. The balance is slightly below the June 30, 2020 target of \$12,440,408, due to capital markets experiencing sharp declines due to the coronavirus and its adverse effects on the economic activity. Throughout the second quarter, markets continued to experience various price swings with United States stocks ending the quarter on a positive note, but with continued high volatility. The CCF's Endowment Pool portfolio is well diversified, with various asset classes that can handle changes in market volatility.

Per Attachment B, as of June 30, 2020, total pool assets in the CCF Endowment Pool were \$1.14 billion. Total foundation assets were \$1.9 billion. Performance for the CCF Endowment Pool was 1.2 percent for the month, 0.6 percent below the benchmark; 11.5 percent for the quarter, 1.4 percent below the benchmark. The one-year return was 0.1 percent, 1.2 percent below the benchmark.

Summary

The Orange County Transportation Authority is submitting a copy of the California Community Foundation Investment Report to the Board of Directors. The report is for the quarter ending June 30, 2020.

Attachments

- A. California Community Foundation Fund Statement – 4/1/2020 – 6/30/2020
- B. California Community Foundation Endowment Pool Investments – June 2020

Prepared by:



Robert Davis
Department Manager
Treasury and Public Finance
714-560-5675

Approved by:



Andrew Oftelie
Chief Financial Officer
Finance and Administration
714-560-5649



ATTACHMENT A

Fund Name OCTA - Measure M2 Environmental Mitigation Program Fund
Fund Start Date 2/28/2017
Investment Pool(s) Endowment Pool

FUND STATEMENT

OCTA - Measure M2 Environmental Mitigation Program Fund (V398)

4/1/2020 - 6/30/2020

Fund Summary

	Report Period 4/1/2020 - 6/30/2020	Calendar YTD 1/1/2020 - 6/30/2020
Opening Fund Balance	\$11,137,651.05	\$13,034,838.42
Contributions	0.00	0.00
Investment Activity, net	1,282,256.95	(580,482.09)
Administration & Grant Management Fees	0.00	(34,448.33)
Net Changes to Fund	1,282,256.95	(614,930.42)
Ending Balance	\$12,419,908.00	\$12,419,908.00

Investment Pool Performance as of 6/30/2020

	This Qtr.	1-Year	3-Years	5-Years	10-Years
Endowment Pool	11.5%	0.1%	4.7%	4.6%	6.5%
Social Impact Endowment Pool	15.4%	9.8%	8.4%	7.4%	8.8%
Conservative Balanced Pool	7.6%	5.0%	5.3%	4.8%	n/a
Short Duration Bond Pool	1.8%	5.4%	3.4%	2.6%	n/a
Capital Preservation Pool	0.5%	1.9%	1.8%	1.2%	0.7%

Endowment Pool - invested for long-term growth and appreciation while providing a relatively predictable stream of distributions that keeps pace with inflation over time. The target asset allocation is 50% equities, 14% hedge funds, 22% fixed income and 14% real assets. Investment management fees are 66 basis points.

Social Impact Endowment Pool - invested in a diversified pool aiming for capital growth for long-term grantmaking; underlying instruments undergo rigorous environmental and social analysis, with an asset allocation of approximately 60%-75% equities and 25%-40% fixed income. Investment management fees are 68 basis points.

Conservative Balanced Pool - designed to aim for moderate growth and to offer diversified exposure to the U.S. equity market and to investment grade fixed income with maturities from one to five years and an asset allocation of 70% fixed income and 30% equities investments. Investment management fees are 9 basis points.

Short Duration Bond Pool - invested to offer diversified exposure to investment grade fixed income with maturities from one to five years for the purposes of grants over a near-term one to four year horizon. Investment management fees are 5 basis points.

Capital Preservation Pool - designed to preserve principal and provide liquidity for present grantmaking needs through investment in short-term fixed income and cash instruments. Investment management fees are 10 basis points.



Endowment Pool

June 2020

INVESTMENTS

The Endowment Pool returned 1.2% for the month of June 2020, 60 basis points behind its benchmark. For the trailing year, the pool returned 0.1%, 120 basis points behind its benchmark.

Total Pool Assets

\$1.14 billion (Endowment Pool), \$1.90 billion (total foundation assets) as of June 30, 2020.

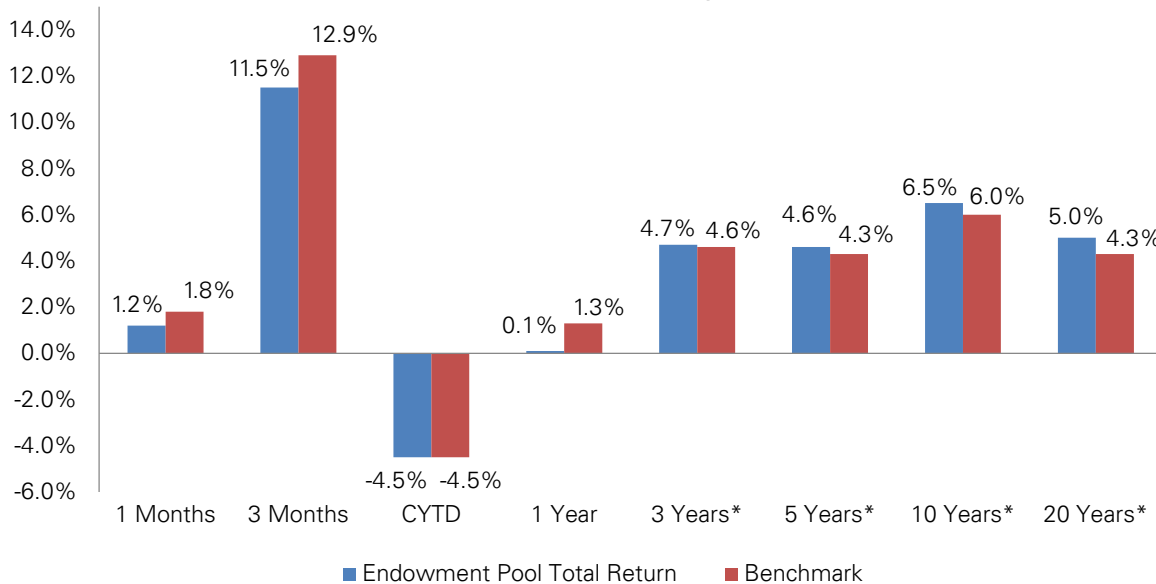
Pool Objective

Preserve the real (i.e., inflation-adjusted) purchasing power of the investment pool net of annual distributions for grants and expenses. An additional objective is to provide a relatively predictable, stable stream of distributions for grants and expenses that keep pace with inflation over time.

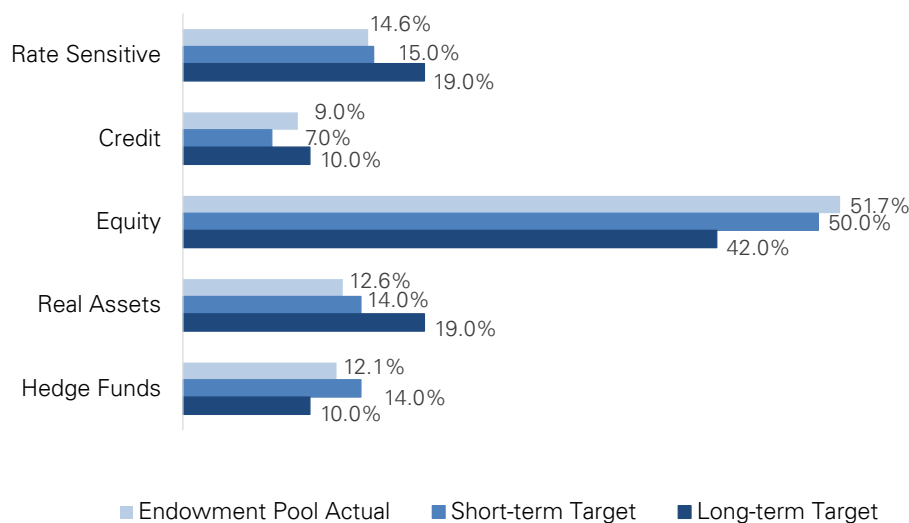
Investment Consultant

Meketa Investment Group

Performance History



Asset Allocation



*Represents annualized returns.

1) Investment expense ratio approximates 0.60%, excluding fund manager incentive fees.

2) Investment performance is presented net of investment expenses, including fund manager incentive fees.

3) Total Fund Benchmark is a combination of: 48% MSCI ACWI - 2% Cambridge PE Index 1-Qtr Lag / 14% HFR FOF / 5% ODCE - 5% S&P Global Large Mid NR - 4% S&P Global Infrastructure / 9% Barc Agg. - 3% Barc 1-5 Yr. Gov/Cr - 3% Barc 0-5 Yr. US Treasury TIPs / 2% Barc High Yield - 2% S&P/LSTA Leveraged Loan - 3% JP Morgan EMBI Global Diversified.

4) Short-term target allocation is over 1-4 years, long-term target allocation is over 4-9 years.

Updated 7/28/2020



September 9, 2020

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Orange County Transportation Authority Investment and Debt Programs Report – July 2020

Overview

The Orange County Transportation Authority has a comprehensive investment and debt program to fund its immediate and long-term cash flow demands. Each month, the Treasurer submits a report detailing investment allocation, performance, compliance, outstanding debt balances, and credit ratings for the Orange County Transportation Authority's debt program. This report is for the month ending July 31, 2020. The report has been reviewed and is consistent with the investment practices contained in the Investment Policy.

Recommendation

Receive and file as an information item.

Discussion

As of July 31, 2020, the Orange County Transportation Authority's (OCTA) outstanding investments totaled \$2 billion. The portfolio is divided into three managed portfolios: the liquid portfolio for immediate cash needs, the short-term portfolio for future budgeted expenditures, and the bond proceeds portfolio to meet Measure M2 (M2) transportation program needs. In addition to these portfolios, OCTA has funds invested in debt service reserve funds for the 91 Express Lanes Program.

The weighted average book yield for the OCTA portfolio is 1.7 percent. The book yield measures the exact income, or interest, on a bond without regard to market price change. The yield is the income return on an investment, such as the interest received from holding a particular security. The yield is usually expressed as an annual percentage rate based on the investment's cost and market value.

OCTA's month-end balance in the Local Agency Investment Fund was \$10,899,573, with an average monthly effective yield of 0.9 percent. OCTA's month-end balance in the Orange County Investment Pool (OCIP) was \$17,021,140. For the month of June, the monthly gross yield for the OCIP was 1.3 percent. Yields for the month of July will be received in August.

As a result of the coronavirus, several rating actions have continued to occur throughout the month of July. Specifically, during the month of July, four securities held within OCTA's investment portfolio were downgraded. The total number of securities on the Negative Credit Watch remained at seven securities for the month. Please refer to I-8 (Rating Downgrades) and I-9 (Negative Credit Watch) of Attachment A for further details. As of July 31, 2020, the securities reflected on I-8 and I-9 still meet the minimum ratings requirements set forth by OCTA's Investment Policy.

OCTA's debt portfolio had an outstanding principal balance of \$1 billion as of July 31, 2020. Approximately 62 percent of the outstanding balance is comprised of M2 debt, nine percent is associated with the 91 Express Lanes Program, and 29 percent is for the Transportation Infrastructure Finance and Innovation Act Loan.

Summary

The Treasurer is submitting a copy of the Orange County Transportation Authority Investment and Debt Programs report to the Finance and Administration Committee. The report is for the month ending July 31, 2020.

Attachments


- A. Orange County Transportation Authority Investment and Debt Programs, For the Period Ending July 31, 2020
- B. Orange County Transportation Authority Portfolio Listing as of July 31, 2020

Prepared by:



Robert Davis
Department Manager
Treasury and Public Finance
(714) 560-5675

Approved by:



Andrew Oftelie
Chief Financial Officer
Finance and Administration
(714) 560-5649

**Treasury/Public Finance Department's
Report On**

**Orange County Transportation Authority
Investment and Debt Programs**



**Presented to the
Finance and Administration Committee**

**For The Period Ending
July 31, 2020**

INVESTMENT PROGRAM

OCTA Investment Dashboard

7/31/2020

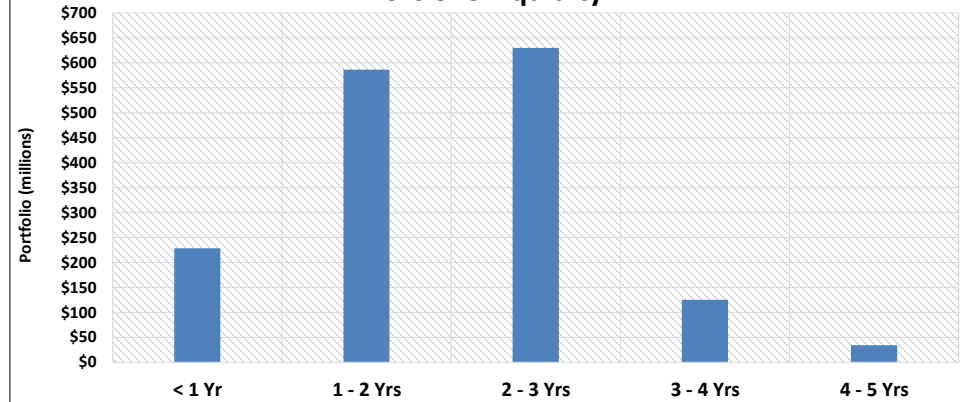
Safety of Principal

Securities that fell below OCTA's minimum credit quality requirements during the month of July 2020:
Not applicable.

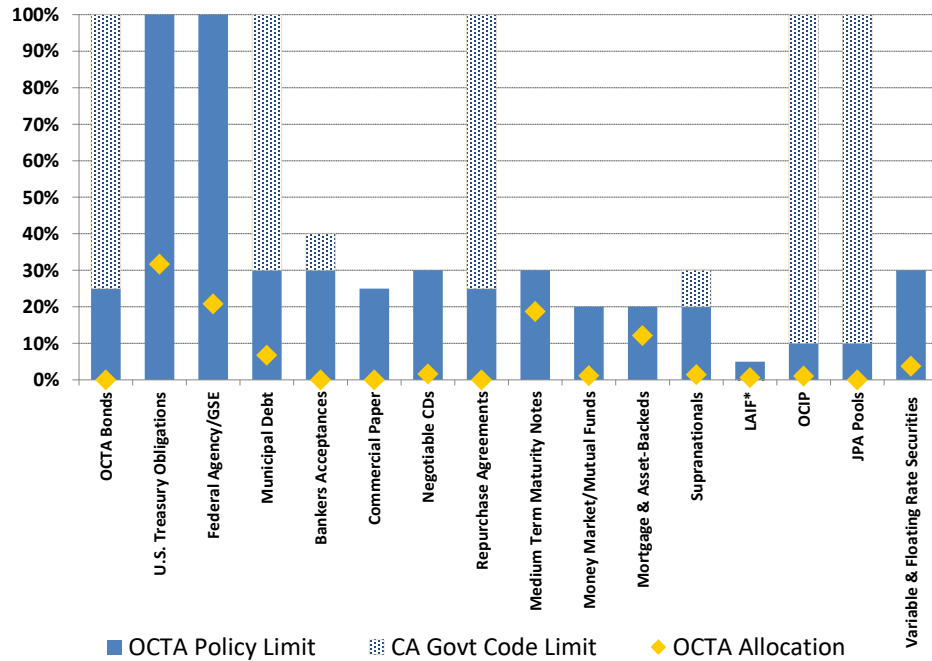
Securities currently held within OCTA's portfolio that fell below OCTA's minimum credit quality requirements during prior reporting periods:

On Thursday, February 20, 2020, Moody's downgraded the long-term debt rating of Nissan to Baa1 from A3. OCTA holds three high quality AAA Nissan Auto/Lease asset backed security positions, respectively 0.3%, 0.4% and 0.6% of the portfolio. However, for asset backed securities, receivables are sold via a legal concept called "true sale" into a bankruptcy-remote issuing trust, therefore isolated from the financial health of the issuer. There has been no negative price action on the asset backed securities on news of the downgrade. The Treasurer reviewed the position and recommended the securities be held for the short-term. The Treasurer presented his recommendation to the Deputy Chief Executive Officer who concurred.

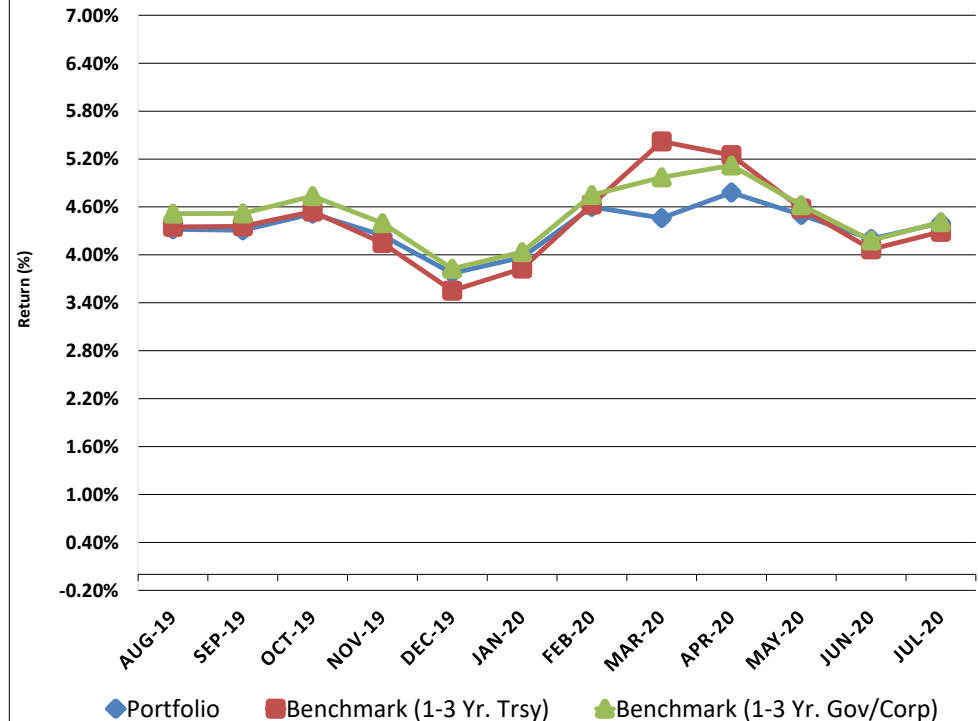
Portfolio Liquidity



Portfolio Diversification



Portfolio Return - 12 Month



*Per CA Government Code LAIF limit is \$75 million

Investment Compliance

7/31/2020

Portfolio Subject to Investment Policy			
Short-Term/Liquid Portfolio ¹	Dollar Amount Invested	Percent Of Portfolio	Investment Policy Maximum Percentages
U.S. Treasury Obligations	\$ 517,289,177	30.5%	100%
Federal Agency/GSE	340,131,889	20.1%	100%
Municipal Debt	110,703,628	6.5%	30%
Commercial Paper	-	0.0%	25%
Negotiable Certificates of Deposit	26,700,000	1.6%	30%
Repurchase Agreements	63,223,679	3.7%	25%
Medium Term Maturity Notes/Corporates	306,218,947	18.1%	30%
Money Market/Mutual Funds	19,164,753	1.1%	20%
Mortgage & Asset-Backed	198,717,321	11.7%	20%*
Supranationals	23,732,180	1.4%	20%
Local Agency Investment Fund	10,899,573	0.6%	\$ 75 Million
Orange County Investment Pool	17,021,140	1.0%	10%
Joint Powers Authority Pools	-	0.0%	10%
Bank Deposits	252,033	0.0%	5%
Variable & Floating Rate Securities	61,613,253	3.6%	30%
Total Short-Term/Liquid Portfolio	\$ 1,695,667,574	100.0%	

1. Excludes portion of Liquid Portfolio subject to Indenture

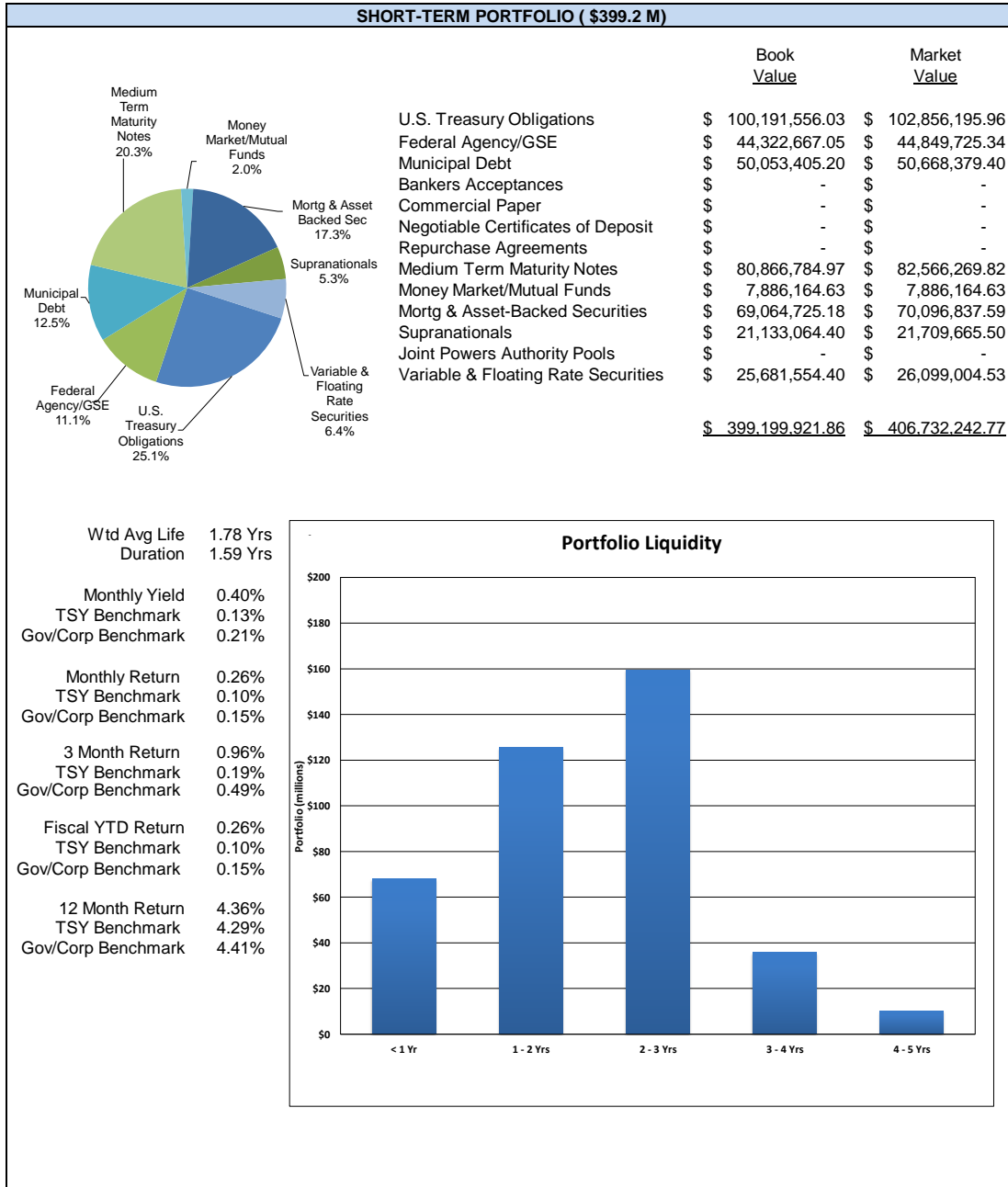
*Asset-backed securities, excluding mortgages, may not exceed 10 percent of the allocation

Portfolio Subject to Indenture					
	Dollar Amount Invested	Credit Quality	OCTA Term	Indenture Requirements Credit Quality	Indenture Requirements Term
Liquid Portfolio*					
Money Market Funds	\$ 81,868,949	AAA/Aaa	45 days	Min. A2/A	Max. 4 years
Bond Proceeds Portfolio					
Money Market Funds	\$ 12,539,073	AAA/Aaa	45 days	Min. A2/A	Max. 4 years
Treasury Bills	-	AAA/Aaa/AA+		Min. A2/A	Max. 4 years
Commercial Paper	81,944,293	P-1/F-1/A-1	60-90 days	Min. A2/A	Max. 4 years
Guaranteed Investment Contract	150,250,000	Aa2/AA-/A+	N/A	Min. A3/A-	N/A
Total Bond Proceeds Portfolio	\$ 244,733,366				
Reserve Funds Portfolio					
Commercial Paper	\$ 25,074,541	P-1/F-1	60-90 days	Min. A-1/P-1	Max. 180 days
Bank Deposits	204,407				
US Treasuries Obligations	8,688,061	AAA/Aaa	30 days	Min. A2/A	Max. 5 years
Total Reserve Funds Portfolio	\$ 33,967,008				
Total Portfolio Subject to Indenture	\$ 278,700,374				
Portfolio Total	\$ 2,056,236,897				

*Reflects portion of Liquid Portfolio subject to Indenture

Investment Manager Diversification and Maturity Schedules

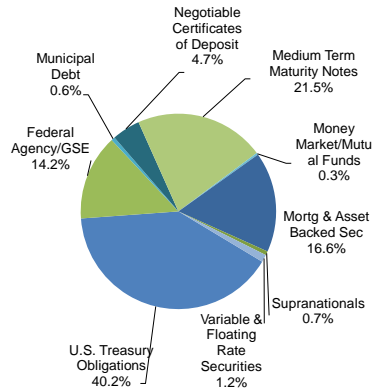
MetLife Investment Management 7/31/2020



Investment Manager Diversification and Maturity Schedules

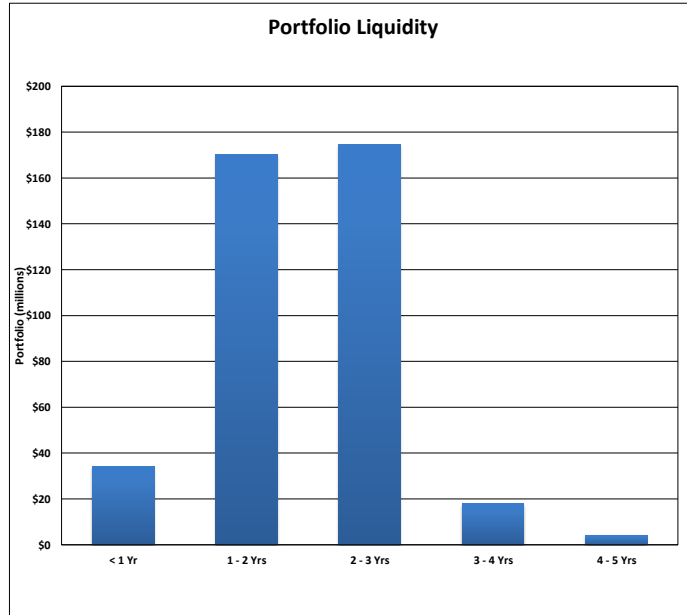
PFM
7/31/2020

SHORT-TERM PORTFOLIO (\$401.1 M)



	Book Value	Market Value
U.S. Treasury Obligations	\$ 161,356,858.64	\$ 166,942,224.60
Federal Agency/GSE	\$ 56,908,185.87	\$ 57,316,404.12
Municipal Debt	\$ 2,452,759.95	\$ 2,480,415.30
Bankers Acceptances	\$ -	\$ -
Commercial Paper	\$ -	\$ -
Negotiable Certificates of Deposit	\$ 18,700,000.00	\$ 19,213,285.50
Repurchase Agreements	\$ -	\$ -
Medium Term Maturity Notes	\$ 86,202,918.00	\$ 88,393,094.35
Money Market/Mutual Funds	\$ 1,346,221.98	\$ 1,346,221.98
Mortg & Asset-Backed Securities	\$ 66,575,612.80	\$ 67,967,434.85
Supranationals	\$ 2,599,116.00	\$ 2,620,046.00
Joint Powers Authority Pools	\$ -	\$ -
Variable & Floating Rate Securities	\$ 4,939,480.15	\$ 4,998,064.02
	\$ 401,081,153.39	\$ 411,277,190.72

Wtd Avg Life	1.85 Yrs
Duration	1.80 Yrs
Monthly Yield	0.27%
TSY Benchmark	0.13%
Gov/Corp Benchmark	0.21%
Monthly Return	0.17%
TSY Benchmark	0.10%
Gov/Corp Benchmark	0.15%
3 Month Return	0.65%
TSY Benchmark	0.19%
Gov/Corp Benchmark	0.49%
Fiscal YTD Return	0.17%
TSY Benchmark	0.10%
Gov/Corp Benchmark	0.15%
12 Month Return	4.44%
TSY Benchmark	4.29%
Gov/Corp Benchmark	4.41%

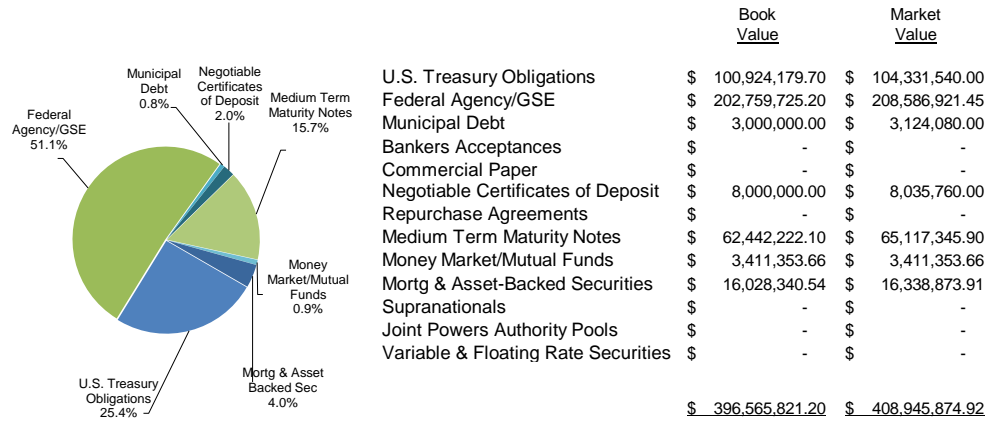


Investment Manager Diversification and Maturity Schedules

Chandler Asset Management

7/31/2020

SHORT-TERM PORTFOLIO (\$396.6 M)



Wtd Avg Life 1.84 Yrs
Duration 1.73 Yrs

Monthly Yield 0.25%
TSY Benchmark 0.13%
Gov/Corp Benchmark 0.21%

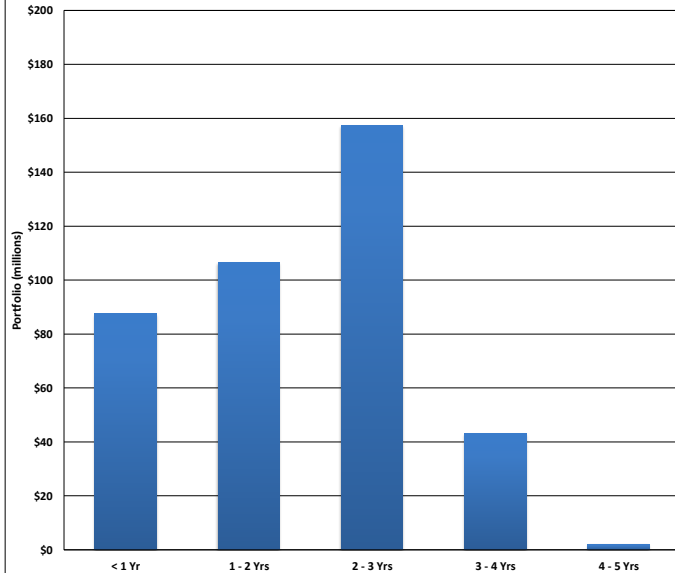
Monthly Return 0.14%
TSY Benchmark 0.10%
Gov/Corp Benchmark 0.15%

3 Month Return 0.56%
TSY Benchmark 0.19%
Gov/Corp Benchmark 0.49%

Fiscal YTD Return 0.14%
TSY Benchmark 0.10%
Gov/Corp Benchmark 0.15%

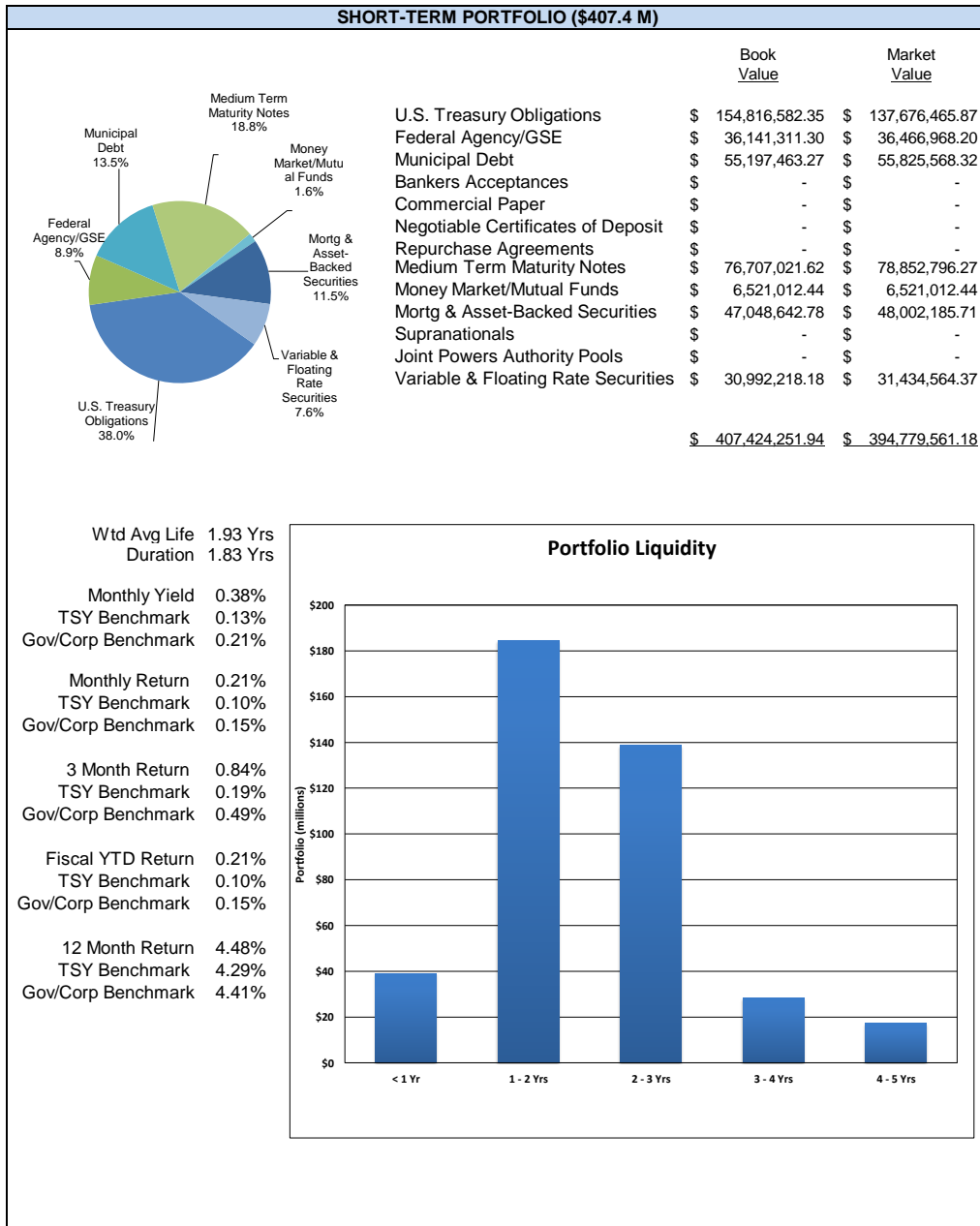
12 Month Return 4.32%
TSY Benchmark 4.29%
Gov/Corp Benchmark 4.41%

Portfolio Liquidity



Investment Manager Diversification and Maturity Schedules

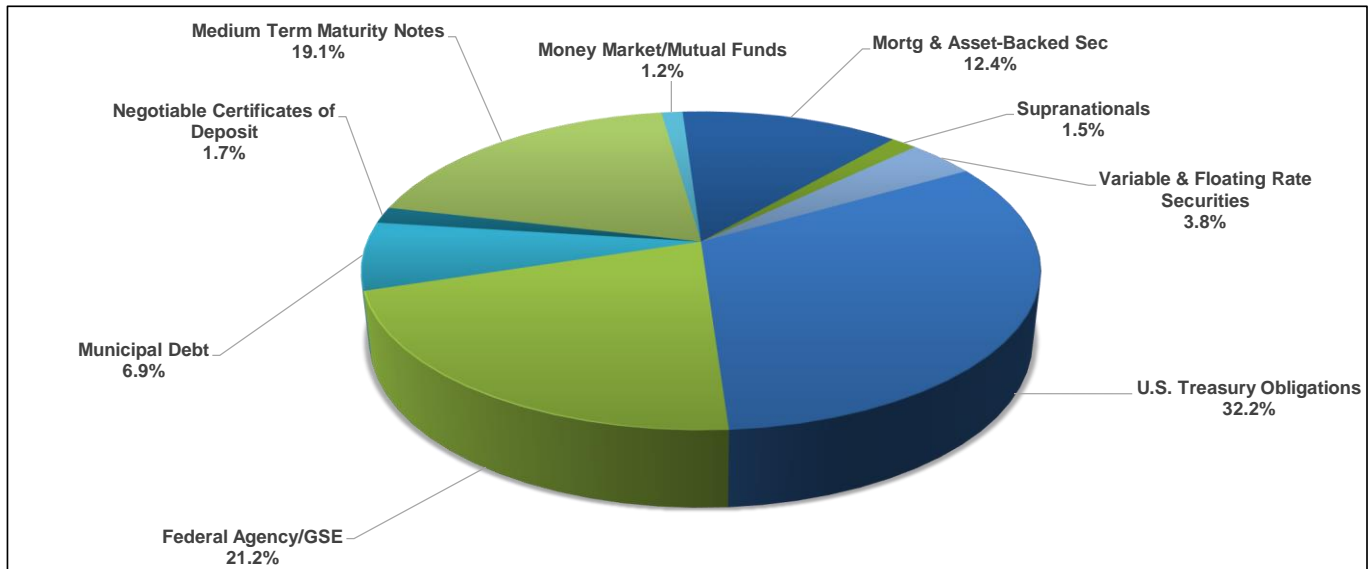
Payden & Rygel
7/31/2020



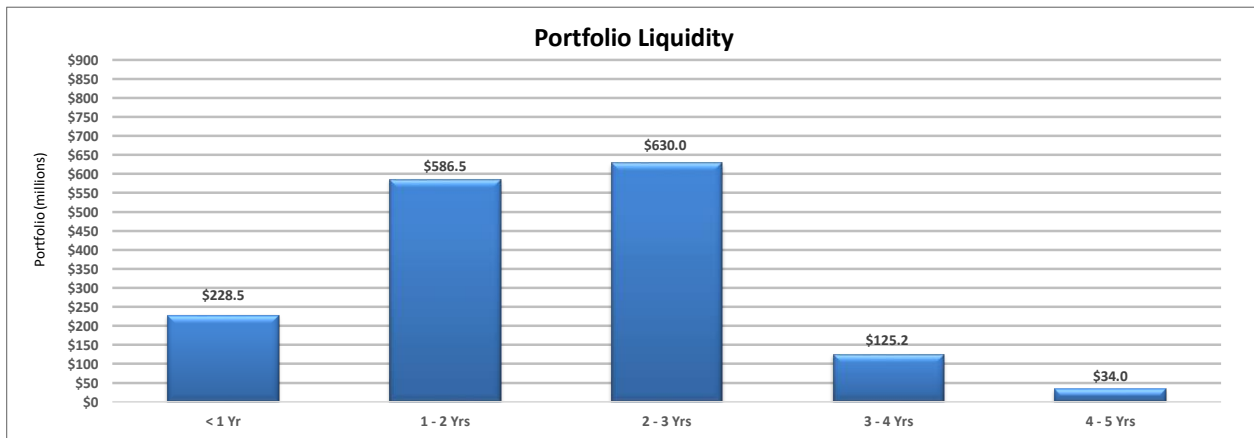
Short-Term Portfolio

7/31/2020

Portfolio Composition



Portfolio Liquidity



Rating Downgrades

7/31/2020

<u>Investment Manager / Security</u>	<u>Par Amount</u>	<u>Maturity</u>	<u>S&P</u>	<u>Moody's</u>	<u>Fitch Ratings</u>
PFM					
Wells Fargo & Company	\$ 1,500,000	4/1/2021	BBB+	A2	A+
On July 22, 2020, S&P downgraded the long-term ratings of Wells Fargo from A- to BBB+, given the company's ongoing regulatory challenges and earnings pressures in the midst of the economic downturn. The security complies with the requirements of the Investment Policy, and the investment manager is comfortable holding the security due to the company's strong asset quality, liquidity, and the securities short time to maturity.					
MetLife Investment Management					
San Francisco City and County Airport Commission	\$ 3,810,000	Various*	A	A1	A+
On July 27, 2020, S&P downgraded the long-term ratings of San Francisco Airport (SFO) from A+ to A. The downgrade is due to depressed levels of airline travel as a result of COVID-19. The security remains in compliance with the requirements of the Investment Policy. Based on the airports rate setting ability, strong liquidity and CARES Act funding, the investment manager believes SFO is well equipped to whether this pandemic into the next few years and is comfortable holding the security.					
Chandler Asset Management					
Wells Fargo & Company	\$ 3,000,000	12/7/2020	BBB+	A2	A+
On July 22, 2020, S&P downgraded the long-term ratings of Wells Fargo from A- to BBB+, given the company's ongoing regulatory challenges and earnings pressures in the midst of the economic downturn. The security complies with the requirements of the Investment Policy, and the investment manager is comfortable holding the security due to the company's strong asset quality, liquidity, and the securities short time to maturity.					
US Bancorp	\$ 2,000,000	2/5/2024	A+	A1	A+
On July 10, 2020, Fitch downgraded the long-term ratings of US Bank from AA- to A+. The downgrade is a result of Fitch moving to a more rigid rating methodology for bank securities. The security complies with the requirements of the Investment Policy, and the investment manager is comfortable holding the security due to the banks consistent financial performance and the quality of their balance sheet.					

*5/1/22 & 5/1/23

Negative Credit Watch

7/31/2020

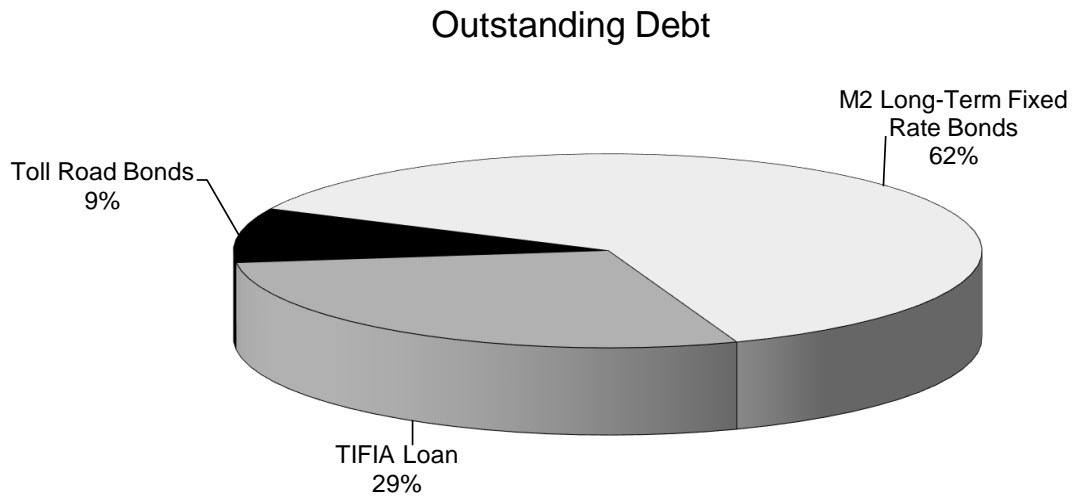
<u>Investment Manager / Security</u>	<u>Par Amount</u>	<u>Maturity</u>	<u>S&P</u>	<u>Moody's</u>	<u>Fitch Ratings</u>
PFM					
<p>Pfizer</p> <p>On June 17, 2019, S&P and Fitch placed the long-term ratings of Pfizer Inc. under review for possible downgrade. The credit watch placement is due to Pfizer's announcement of a debt-funded acquisition as well as an announcement to divest its mature off-patent business Upjohn. The security complies with the requirements of the Investment Policy, and the investment manager is comfortable holding the security due to Pfizer's product diversification and vast revenue streams.</p>	\$ 2,300,000	Various*	AA-	A1	A
<p>Merck & Co.</p> <p>On February 5, 2020, S&P placed the long-term ratings of Merck & Co. under review for possible downgrade. The credit watch placement is due to Merck's announcement that it will be spinning off a large portion of their brand. The security complies with the requirements of the Investment Policy, and the investment manager is comfortable holding the security due to the industry strength of Merck, and their vast pharmaceutical diversification.</p>	\$ 1,250,000	2/10/2022	AA-	A1	A+
<p>Skandinaviska Enskilda Banken AB (publ.)</p> <p>On March 31, 2020, Fitch placed the long-term ratings of Skandinaviska under review for possible downgrade. The credit watch placement is due to the negative impact COVID-19 will have on the banks credit profile. The security complies with the requirements of the Investment Policy, and the investment manager is comfortable holding the security as they believe the bank should be able to absorb the negative impact of an economic downturn due to the bank being well capitalized.</p>	\$ 3,875,000	8/26/2022	A+	P-1	AA
<p>Nordea Bank Abp, New York Branch</p> <p>On March 31, 2020, S&P and Fitch placed the long-term ratings of Nordea Bank under review for possible downgrade. The credit watch placement is due to ongoing economic stress faced by the banking industry due to COVID-19, leading to difficulties in achieving financial targets year over year. The security complies with the requirements of the Investment Policy, and the investment manager is comfortable holding the security due to Nordea's major initiatives to simplify group structure as well as implementing cost cutting measures to improve cost efficiencies.</p>	\$ 3,875,000	8/26/2022	AA-	Aa3	AA
<p>Walt Disney Co.</p> <p>On April 17, 2020, S&P placed the long-term ratings of Disney under review for possible downgrade. The credit watch placement is due to the impact COVID-19 has on a variety of Disney's businesses, in particular their theme parks, which remain closed indefinitely. The security complies with the requirements of the Investment Policy, and the investment manager is comfortable holding the security due to Disney's diverse business.</p>	\$ 875,000	9/1/2022	A	A2	A
<p>Port Authority of New York & New Jersey</p> <p>On June 26, 2020, Fitch placed the long-term ratings of the Port Authority under review for possible downgrade. The credit watch placement reflects elevated stresses to both the agency's operating activities and revenue generation as a result of COVID-19. The security complies with the requirements of the Investment Policy, and the investment manager is comfortable holding the security due to expectations of long-term revenue recoveries.</p>	\$ 1,125,000	7/1/2023	A+	Aa3	AA-
MetLife					
<p>San Francisco Bay Area Rapid Transit District (BART)</p> <p>On March 20, 2020, Fitch placed the long-term ratings of San Francisco BART under review for possible downgrade. The credit watch placement is due to a broad sector revision of bonds secured by economically sensitive tax revenues in light of COVID-19. The security complies with the requirements of the Investment Policy, and the investment manager is comfortable holding the security due to the strong credit quality and cash flow of the agency.</p>	\$ 1,460,000	7/1/2022	AA+	N/A	AA+

*9/15/21 & 3/11/22

DEBT PROGRAM

Total Outstanding Debt

As of 7/31/20



TOTAL OUTSTANDING DEBT: \$1,005,375,000

Outstanding Debt

As of 7/31/20

Orange County Local Transportation Authority (OCLTA-M2)

2010 Series A Taxable Build America Bonds - Sales Tax Revenue Bonds

Issued:	\$ 293,540,000
Outstanding:	250,000,000
Debt Service FY 2020:	17,270,000
Pledged Revenue Source:	M2 Sales Tax Revenues
Ratings (Fitch/ Moody's/ S&P):	AA+/Aa2/AA+
Final Maturity:	2041

2019 M2 Sales Tax Bond

Issued:	\$ 376,690,000
Outstanding:	376,690,000
Debt Service FY 2020:	17,939,230
Pledged Revenue Source:	M2 Sales Tax Revenues
Ratings (Fitch/ S&P):	AA+/AA+
Final Maturity:	2041

91 Express Lanes

2013 OCTA 91 Express Lanes Refunding Bonds

Issued:	\$ 124,415,000
Outstanding:	91,685,000
Debt Service FY 2020:	10,798,325
Pledged Revenue Source:	91 Toll Road Revenues
Ratings (Fitch/ Moody's/ S&P):	A+/A1/AA-
Final Maturity:	2030

405 Express Lanes

2017 TIFIA Loan

Outstanding:	\$ 287,000,000
Accrued Interest:	16,768,696
Pledged Revenue Source:	405 Toll Road Revenues
Ratings (Moody's):	Baa2
Final Maturity:	2057

**Orange County Transportation Authority
Portfolio Listing
As of July 31, 2020**

LIQUID PORTFOLIO				
DESCRIPTION	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
<u>CASH EQUIVALENTS</u>				
BANK DEPOSITS	7/31/2020	252,033.00	252,033.00	
REPURCHASE AGREEMENT	7/31/2020	63,223,679.00	63,223,679.00	
FIDELITY TREASURY OBLIGATIONS FUND	N/A	59,922,104.35	59,922,104.35	0.03%
FEDERATED TREASURY OBLIGATIONS FUND	N/A	21,946,844.26	21,946,844.26	0.06%
SUB-TOTAL		145,344,660.61	145,344,660.61	
<u>LOCAL AGENCY INVESTMENT FUND (LAIF)</u>				
	N/A	10,899,573.09	10,899,573.09	N/A
<u>ORANGE COUNTY INVESTMENT POOL (OCIP)</u>				
	N/A	17,021,140.39	17,021,140.39	N/A
LIQUID PORTFOLIO - TOTAL		\$ 173,265,374.09	\$ 173,265,374.09	

SHORT-TERM PORTFOLIO				
DESCRIPTION	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
<u>Money Market Funds</u>				
FIRST AMER-GVT OBLG Z	7/31/2020	1,346,221.98	1,346,221.98	0.06
FIRST AMER-GVT OBLG Z	7/31/2020	3,411,353.66	3,411,353.66	0.06
FIRST AMER-GVT OBLG Z	7/31/2020	7,886,164.63	7,886,164.63	0.06
FIRST AMER-GVT OBLG Z	7/31/2020	6,521,012.44	6,521,012.44	0.06
SUB-TOTAL		19,164,752.71	19,164,752.71	
<u>NEGOTIABLE CERTIFICATES OF DEPOSIT</u>				
Royal Bank of Canada New York Branch	2/19/2021	8,000,000.00	8,035,760.00	0.21
DNB Bank ASA, New York Branch	12/2/2022	3,875,000.00	4,018,491.25	0.47
Nordea Bank Abp, New York Branch	8/26/2022	3,875,000.00	4,009,346.25	0.19
Skandinaviska Enskilda Banken AB (publ.)	8/26/2022	3,875,000.00	4,010,508.75	0.19
Societe Generale, New York Branch	2/14/2022	4,000,000.00	4,101,200.00	0.15
Sumitomo Mitsui Banking Corporation, New York Branch	7/8/2022	3,075,000.00	3,073,739.25	0.72
SUB-TOTAL		26,700,000.00	27,249,045.50	
<u>U.S. TREASURY OBLIGATIONS</u>				
UNITED STATES TREASURY	7/31/2022	4,097,668.75	4,232,822.80	0.13
UNITED STATES TREASURY	7/31/2022	7,004,300.00	7,368,630.40	0.13
UNITED STATES TREASURY	7/31/2022	6,005,625.00	6,209,520.00	0.13
UNITED STATES TREASURY	7/31/2022	5,216,656.25	5,381,584.00	0.13
UNITED STATES TREASURY	9/30/2022	7,534,603.16	7,847,053.20	0.12
UNITED STATES TREASURY	10/31/2022	5,360,733.97	5,617,188.50	0.12
UNITED STATES TREASURY	2/28/2023	5,538,052.36	5,897,053.00	0.13
UNITED STATES TREASURY	1/15/2022	21,719,414.07	22,496,025.00	0.14
UNITED STATES TREASURY	1/15/2022	5,005,273.44	5,171,500.00	0.14
UNITED STATES TREASURY	2/15/2022	9,389,351.56	9,741,502.00	0.14
UNITED STATES TREASURY	4/15/2022	6,003,750.00	6,216,360.00	0.14
UNITED STATES TREASURY	12/31/2022	4,326,890.63	4,560,018.00	0.12
UNITED STATES TREASURY	12/31/2022	6,439,408.22	6,908,165.20	0.12
UNITED STATES TREASURY	1/31/2023	1,253,320.31	1,300,787.50	0.12
UNITED STATES TREASURY	1/31/2023	2,911,894.53	3,017,827.00	0.12
UNITED STATES TREASURY	3/31/2023	15,308,789.06	15,552,000.00	0.12
UNITED STATES TREASURY	6/30/2023	4,097,187.50	4,145,640.00	0.12
UNITED STATES TREASURY	11/15/2022	3,995,937.50	4,137,520.00	0.12
UNITED STATES TREASURY	1/31/2022	430,512.50	451,466.40	0.14
UNITED STATES TREASURY	1/31/2022	7,855,625.00	8,208,480.00	0.14
UNITED STATES TREASURY	2/28/2022	1,006,718.75	1,027,580.00	0.13
UNITED STATES TREASURY	4/30/2022	633,273.05	649,070.10	0.14
UNITED STATES TREASURY	4/30/2022	1,974,765.63	2,060,540.00	0.14
UNITED STATES TREASURY	5/31/2022	9,031,289.06	9,267,570.00	0.13
UNITED STATES TREASURY	6/30/2022	2,010,156.25	2,061,800.00	0.13
UNITED STATES TREASURY	10/15/2022	745,312.50	770,715.00	0.12
UNITED STATES TREASURY	10/31/2021	498,476.56	508,400.00	0.15
UNITED STATES TREASURY	12/31/2021	1,899,406.25	1,940,014.00	0.14
UNITED STATES TREASURY	1/15/2023	2,713,289.06	2,791,233.00	0.12
UNITED STATES TREASURY	1/15/2023	4,101,875.00	4,135,160.00	0.12
UNITED STATES TREASURY	5/15/2023	2,192,093.75	2,200,264.00	0.12
UNITED STATES TREASURY	6/15/2023	4,003,281.25	4,014,840.00	0.12
UNITED STATES TREASURY	6/15/2023	1,051,927.73	1,053,895.50	0.12
UNITED STATES TREASURY	7/31/2022	6,061,226.56	6,416,504.00	0.13
UNITED STATES TREASURY	8/15/2020	17,253,078.13	17,207,912.00	0.38
UNITED STATES TREASURY	3/15/2021	7,598,515.63	7,706,856.00	0.12
UNITED STATES TREASURY	8/31/2022	4,470,357.42	4,819,492.50	0.12
UNITED STATES TREASURY	8/31/2022	2,874,960.94	3,109,350.00	0.12
UNITED STATES TREASURY	11/30/2022	7,718,648.44	8,140,938.00	0.12
UNITED STATES TREASURY	11/30/2020	4,499,121.09	4,522,005.00	0.16
UNITED STATES TREASURY	4/30/2023	5,234,208.98	5,466,562.50	0.12
UNITED STATES TREASURY	5/31/2023	7,787,187.50	8,340,000.00	0.12
UNITED STATES TREASURY	10/31/2023	8,007,187.50	8,387,200.00	0.13
UNITED STATES TREASURY	6/30/2022	4,329,843.75	4,639,050.00	0.13
UNITED STATES TREASURY	8/15/2022	6,983,046.88	7,196,910.00	0.12
UNITED STATES TREASURY	10/15/2022	7,957,187.50	8,220,960.00	0.12
UNITED STATES TREASURY	2/28/2022	10,149,609.38	10,157,800.00	0.13
UNITED STATES TREASURY	4/15/2023	3,848,792.36	3,999,404.52	-1.09
UNITED STATES TREASURY	4/15/2023	1,047,022.82	1,026,874.13	-1.09
UNITED STATES TREASURY	4/15/2024	3,826,143.99	4,004,404.33	-1.13
UNITED STATES TREASURY	4/15/2024	3,825,837.67	3,999,007.56	-1.13
UNITED STATES TREASURY	4/15/2024	2,055,527.35	1,991,408.62	-1.13
UNITED STATES TREASURY	5/15/2022	11,513,688.28	11,795,825.70	0.13
UNITED STATES TREASURY	5/15/2022	2,026,093.75	2,071,260.00	0.13
UNITED STATES TREASURY	5/15/2022	5,901,964.06	6,037,722.90	0.13
UNITED STATES TREASURY	5/15/2022	8,869,816.41	9,041,049.90	0.13
UNITED STATES TREASURY	5/15/2022	1,979,554.69	2,019,478.50	0.13
UNITED STATES TREASURY	2/28/2022	8,982,400.00	9,189,286.40	0.13
UNITED STATES TREASURY	9/30/2022	3,799,773.44	3,907,729.00	0.12

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<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>	<u>YIELD</u>
UNITED STATES TREASURY	9/30/2022	9,392,172.66	9,668,394.40	0.12
UNITED STATES TREASURY	9/30/2022	7,699,007.81	7,918,974.00	0.12
UNITED STATES TREASURY	9/30/2022	10,407,680.66	10,688,027.00	0.12
UNITED STATES TREASURY	9/30/2022	4,212,140.63	4,347,672.00	0.12
UNITED STATES TREASURY	10/15/2022	6,859,031.25	7,090,578.00	0.12
UNITED STATES TREASURY	10/15/2022	3,944,908.20	4,059,099.00	0.12
UNITED STATES TREASURY	7/15/2021	16,488,144.89	4,115,344.40	0.12
UNITED STATES TREASURY	5/15/2023	11,404,996.87	6,510,781.20	0.12
UNITED STATES TREASURY	5/15/2023	7,488,243.51	7,506,900.72	0.12
UNITED STATES TREASURY	5/31/2022	9,013,718.75	9,026,083.00	0.12
UNITED STATES TREASURY	5/31/2022	7,665,406.25	7,675,921.00	0.12
UNITED STATES TREASURY	6/15/2023	7,435,693.75	7,472,620.95	0.12
UNITED STATES TREASURY	6/30/2022	18,531,309.38	18,540,741.60	0.12
UNITED STATES TREASURY	6/30/2022	49,976,562.50	50,002,000.00	0.12
UNITED STATES TREASURY	6/30/2022	3,092,702.93	3,095,123.80	0.12
UNITED STATES TREASURY	6/30/2022	23,719,803.52	23,730,949.20	0.12
SUB-TOTAL		517,289,176.72	511,806,426.43	
<u>FEDERAL AGENCY/GSE</u>				
FEDERAL HOME LOAN MORTGAGE CORP	6/8/2022	6,996,640.00	6,993,070.00	0.30
FEDERAL NATIONAL MORTGAGE ASSOCIATION	5/22/2023	8,160,363.15	8,189,665.45	0.23
FEDERAL NATIONAL MORTGAGE ASSOCIATION	7/10/2023	7,758,283.75	7,775,388.75	0.25
FEDERAL NATIONAL MORTGAGE ASSOCIATION	1/11/2022	3,447,516.00	3,573,786.00	0.14
FEDERAL NATIONAL MORTGAGE ASSOCIATION	1/11/2022	3,000,780.00	3,107,640.00	0.14
FEDERAL HOME LOAN MORTGAGE CORP	4/20/2023	7,526,137.50	7,576,462.65	0.22
FEDERAL HOME LOAN MORTGAGE CORP	5/5/2023	7,146,997.00	7,179,386.50	0.23
FEDERAL HOME LOAN MORTGAGE CORP	6/26/2023	7,383,377.40	7,405,148.10	0.25
FEDERAL HOME LOAN MORTGAGE CORP	7/25/2022	4,963,756.50	4,969,428.00	0.18
FHMS K-727 A1	10/25/2023	524,334.57	546,428.67	0.65
FEDERAL HOME LOAN BANKS	9/8/2023	4,135,800.00	4,260,600.00	0.27
FEDERAL HOME LOAN BANKS	9/8/2023	4,104,600.00	4,260,600.00	0.27
FEDERAL HOME LOAN BANKS	3/8/2024	5,201,750.00	5,283,600.00	0.29
FEDERAL HOME LOAN BANKS	9/28/2020	7,974,320.00	8,015,200.00	0.17
FEDERAL HOME LOAN BANKS	3/10/2023	5,053,550.00	5,328,450.00	0.22
FEDERAL HOME LOAN BANKS	6/10/2022	4,988,900.00	5,234,400.00	0.22
FEDERAL HOME LOAN BANKS	12/9/2022	7,058,660.00	7,460,740.00	0.20
FEDERAL HOME LOAN BANKS	3/11/2022	3,046,221.55	3,182,763.65	0.28
FEDERAL HOME LOAN BANKS	3/11/2022	1,160,218.50	1,212,235.75	0.28
FEDERAL HOME LOAN BANKS	6/9/2023	3,977,720.00	4,212,320.00	0.26
FEDERAL HOME LOAN BANKS	6/9/2023	4,029,880.00	4,212,320.00	0.26
FEDERAL HOME LOAN BANKS	9/9/2022	6,828,560.00	7,218,268.00	0.20
FEDERAL HOME LOAN BANKS	9/10/2021	2,515,300.00	2,577,525.00	0.20
FEDERAL HOME LOAN BANKS	9/10/2021	5,006,250.00	5,155,050.00	0.20
FEDERAL FARM CREDIT BANKS FUNDING CORP	12/17/2021	6,022,920.00	6,216,780.00	0.17
FEDERAL FARM CREDIT BANKS FUNDING CORP	3/1/2021	6,965,140.00	7,095,340.00	0.16
FEDERAL FARM CREDIT BANKS FUNDING CORP	11/15/2021	7,034,930.00	7,259,350.00	0.17
FEDERAL FARM CREDIT BANKS FUNDING CORP	7/17/2023	5,060,200.00	5,384,800.00	0.26
FEDERAL FARM CREDIT BANKS FUNDING CORP	6/26/2023	6,967,450.00	7,305,970.00	0.26
FEDERAL FARM CREDIT BANKS FUNDING CORP	2/1/2023	4,996,450.00	5,202,500.00	0.22
FEDERAL FARM CREDIT BANKS FUNDING CORP	8/14/2023	4,993,550.00	5,201,300.00	0.27
FEDERAL FARM CREDIT BANKS FUNDING CORP	2/21/2023	5,000,600.00	5,155,600.00	0.23
FEDERAL FARM CREDIT BANKS FUNDING CORP	4/8/2022	7,204,321.80	7,240,974.00	0.16
FEDERAL FARM CREDIT BANKS FUNDING CORP	5/6/2022	8,124,668.55	8,148,504.10	0.16
FEDERAL HOME LOAN MORTGAGE CORP	6/8/2022	7,995,360.00	7,992,080.00	0.30
FEDERAL NATIONAL MORTGAGE ASSOCIATION	5/22/2023	6,111,548.70	6,133,494.10	0.23
FEDERAL NATIONAL MORTGAGE ASSOCIATION	7/10/2023	3,203,098.50	3,210,160.50	0.25
FEDERAL NATIONAL MORTGAGE ASSOCIATION	1/5/2022	6,815,760.00	7,185,010.00	0.15
FEDERAL NATIONAL MORTGAGE ASSOCIATION	1/19/2023	4,411,710.00	4,743,135.00	0.18
FEDERAL NATIONAL MORTGAGE ASSOCIATION	1/19/2023	2,233,875.00	2,424,269.00	0.18
FEDERAL NATIONAL MORTGAGE ASSOCIATION	4/12/2022	6,370,496.00	6,629,952.00	0.13
FEDERAL NATIONAL MORTGAGE ASSOCIATION	9/6/2022	3,986,080.00	4,101,000.00	0.17
FEDERAL HOME LOAN MORTGAGE CORP	1/13/2022	8,248,720.00	8,256,880.00	0.16
FEDERAL HOME LOAN MORTGAGE CORP	9/29/2020	5,859,375.30	5,883,911.90	0.15
FEDERAL HOME LOAN MORTGAGE CORP	2/16/2021	4,986,800.00	5,060,350.00	0.14
FEDERAL HOME LOAN MORTGAGE CORP	5/5/2023	7,621,797.50	7,656,338.75	0.23
FEDERAL HOME LOAN MORTGAGE CORP	6/26/2023	7,463,143.80	7,485,149.70	0.25
FEDERAL HOME LOAN MORTGAGE CORP	10/20/2022	5,098,470.00	5,101,734.00	0.28
FEDERAL HOME LOAN MORTGAGE CORP	7/28/2023	3,100,000.00	3,100,403.00	0.42
FEDERAL HOME LOAN MORTGAGE CORP	7/28/2023	2,050,000.00	2,050,266.50	0.42
FEDERAL NATIONAL MORTGAGE ASSOCIATION	8/17/2021	995,950.00	1,011,470.00	0.15
FEDERAL NATIONAL MORTGAGE ASSOCIATION	1/5/2022	998,210.00	1,026,430.00	0.15
FEDERAL NATIONAL MORTGAGE ASSOCIATION	1/5/2022	1,812,960.00	1,847,574.00	0.15
FEDERAL NATIONAL MORTGAGE ASSOCIATION	1/5/2022	5,610,864.00	5,748,008.00	0.15
FEDERAL NATIONAL MORTGAGE ASSOCIATION	1/5/2022	5,677,685.00	5,799,329.50	0.15
FEDERAL HOME LOAN MORTGAGE CORP	1/13/2022	5,652,771.25	5,754,013.25	0.16
FEDERAL HOME LOAN MORTGAGE CORP	1/13/2022	5,663,313.58	5,754,013.25	0.16
FN 467260	3/1/2021	2,491,300.46	2,454,363.99	2.72
FN 468958	9/1/2021	4,293,863.48	4,322,697.95	1.09
FN 468431	7/1/2021	270,491.16	270,716.73	1.58
FN 468861	8/1/2021	606,788.12	608,705.17	1.52
FEDERAL HOME LOAN BANKS	10/12/2021	4,197,270.00	4,344,354.00	0.13
FEDERAL HOME LOAN BANKS	8/15/2024	1,087,438.50	1,143,137.50	0.29
FEDERAL HOME LOAN MORTGAGE CORP	12/29/2022	2,349,530.00	2,351,151.50	0.28
FEDERAL HOME LOAN MORTGAGE CORP	7/21/2025	3,680,000.00	3,680,772.80	0.71
FEDERAL NATIONAL MORTGAGE ASSOCIATION	5/22/2023	4,336,906.50	4,352,479.50	0.23
FEDERAL NATIONAL MORTGAGE ASSOCIATION	7/10/2023	3,741,937.50	3,750,187.50	0.25
FEDERAL NATIONAL MORTGAGE ASSOCIATION	9/6/2022	548,086.00	563,887.50	0.17
FEDERAL HOME LOAN MORTGAGE CORP	4/20/2023	4,179,525.00	4,207,472.30	0.22
FEDERAL HOME LOAN MORTGAGE CORP	5/5/2023	4,807,979.80	4,829,769.10	0.23
FEDERAL HOME LOAN MORTGAGE CORP	6/26/2023	3,968,378.40	3,980,079.60	0.25
FEDERAL HOME LOAN MORTGAGE CORP	7/25/2022	2,534,259.60	2,537,155.20	0.18
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	8/1/2021	710,000.00	726,521.70	0.24
SUB-TOTAL		340,131,889.42	347,220,019.10	
<u>MEDIUM TERM NOTES</u>				
ADOBE INC	2/1/2023	449,383.50	465,786.00	0.29
AMAZON.COM INC	6/3/2023	2,022,165.00	2,035,287.00	0.22

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AMERICAN EXPRESS CREDIT CORP	9/14/2020	546,096.60	540,340.20	0.85
AMERICAN EXPRESS CREDIT CORP	9/14/2020	508,570.00	500,315.00	0.85
AMERICAN EXPRESS CREDIT CORP	9/14/2020	813,072.00	800,504.00	0.85
AMERICAN EXPRESS CREDIT CORP	5/5/2021	1,998,780.00	2,026,500.00	0.28
AMERICAN HONDA FINANCE CORP	6/27/2022	3,796,504.00	3,939,194.00	0.27
APPLE INC	8/4/2021	1,514,951.40	1,598,359.60	0.29
APPLE INC	9/11/2022	589,899.70	607,363.70	0.30
APPLE INC	5/11/2023	1,475,974.40	1,496,783.20	0.34
TRUIST FINANCIAL CORP	9/3/2021	1,198,572.00	1,234,140.00	0.36
BANK OF AMERICA CORP	10/19/2020	1,978,280.00	2,009,920.00	0.33
BANK OF AMERICA CORP	10/1/2021	1,469,790.00	1,504,620.00	0.47
BANK OF NEW YORK MELLON CORP	8/23/2022	1,724,448.00	1,781,562.75	0.35
BANK OF NEW YORK MELLON CORP	1/27/2023	1,099,230.00	1,138,511.00	0.39
BURLINGTON NORTHERN SANTA FE LLC	9/15/2021	1,024,930.00	1,026,970.00	0.35
CATERPILLAR FINANCIAL SERVICES CORP	9/7/2021	374,711.25	386,523.75	0.35
CATERPILLAR FINANCIAL SERVICES CORP	5/17/2021	1,124,460.00	1,145,857.50	0.31
CATERPILLAR FINANCIAL SERVICES CORP	9/6/2022	1,048,540.50	1,082,581.50	0.41
CATERPILLAR FINANCIAL SERVICES CORP	11/18/2022	499,770.00	517,830.00	0.39
CATERPILLAR FINANCIAL SERVICES CORP	7/7/2023	1,124,370.00	1,132,166.25	0.43
CHEVRON CORP	5/16/2021	49,945.50	50,609.50	0.38
CHEVRON CORP	5/11/2023	875,000.00	894,460.00	0.34
CITIGROUP INC	8/2/2021	1,723,295.00	1,784,597.50	0.37
COMCAST CORP	1/15/2023	1,449,071.25	1,469,352.50	0.05
JOHN DEERE CAPITAL CORP	1/8/2021	2,197,734.00	2,221,670.00	0.29
JOHN DEERE CAPITAL CORP	3/12/2021	149,898.00	152,409.00	0.25
JOHN DEERE CAPITAL CORP	1/10/2022	769,260.80	801,508.40	0.35
JOHN DEERE CAPITAL CORP	6/7/2021	499,660.00	508,715.00	0.25
JOHN DEERE CAPITAL CORP	7/5/2023	399,672.00	404,204.00	0.34
WALT DISNEY CO	9/1/2022	873,101.25	895,545.00	0.52
EXXON MOBIL CORP	3/6/2022	339,237.50	360,220.00	0.35
EXXON MOBIL CORP	3/6/2022	1,212,050.00	1,286,500.00	0.35
GOLDMAN SACHS GROUP INC	4/26/2022	1,513,320.00	1,527,345.00	0.51
HOME DEPOT INC	3/1/2022	498,630.00	523,890.00	0.23
HONEYWELL INTERNATIONAL INC	8/8/2022	779,212.20	808,158.00	0.28
IBM CREDIT LLC	2/5/2021	1,735,247.50	1,771,070.00	0.29
IBM CREDIT LLC	2/6/2023	1,057,720.00	1,066,570.00	0.34
INTEL CORP	5/19/2021	1,327,659.20	1,345,255.10	0.10
JPMORGAN CHASE & CO	10/29/2020	1,482,105.00	1,505,325.00	0.34
JPMORGAN CHASE & CO	4/1/2023	2,000,000.00	2,088,960.00	0.52
MERCK & CO INC	2/10/2022	1,226,775.00	1,288,812.50	0.31
MICROSOFT CORP	8/8/2021	1,057,023.00	1,113,794.00	0.21
MICROSOFT CORP	2/6/2022	2,049,725.70	2,154,936.30	0.22
MORGAN STANLEY	5/19/2022	993,370.00	1,039,770.00	0.53
MORGAN STANLEY	2/25/2023	1,063,280.00	1,080,590.00	0.58
MORGAN STANLEY	4/21/2021	1,957,500.00	2,032,760.00	0.23
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	1/21/2022	1,598,592.00	1,634,240.00	0.29
NORTHERN TRUST CORP	8/2/2022	1,012,140.00	1,041,500.00	0.30
ORACLE CORP	9/15/2021	1,187,662.00	1,245,531.00	0.28
PNC BANK NA	11/5/2020	1,615,040.00	1,606,128.00	0.33
PNC BANK NA	2/24/2023	800,000.00	816,808.00	0.39
PACCAR FINANCIAL CORP	5/10/2021	2,354,387.70	2,406,150.60	0.29
PACCAR FINANCIAL CORP	3/1/2022	499,560.00	519,510.00	0.38
PACCAR FINANCIAL CORP	5/10/2022	999,460.00	1,040,780.00	0.34
PEPSICO INC	5/1/2023	923,168.50	937,441.25	0.26
PFIZER INC	9/15/2021	1,872,468.75	1,932,412.50	0.27
PFIZER INC	3/11/2022	424,974.50	442,412.25	0.25
CHARLES SCHWAB CORP	5/21/2021	2,169,934.90	2,216,155.90	0.30
3M CO	9/14/2021	823,308.75	847,918.50	0.31
3M CO	3/1/2022	1,154,457.15	1,198,058.40	0.26
TOYOTA MOTOR CREDIT CORP	1/11/2022	3,686,662.50	3,870,937.50	0.36
TOYOTA MOTOR CREDIT CORP	1/8/2021	679,592.00	688,561.20	0.16
US BANK NA	10/23/2020	1,309,738.00	1,313,340.50	0.28
UNILEVER CAPITAL CORP	3/7/2022	1,990,320.00	2,085,020.00	0.33
U.S. Bancorp	3/15/2022	509,935.00	520,730.00	0.30
VISA INC	12/14/2020	1,248,937.50	1,256,725.00	0.32
VISA INC	12/14/2020	1,010,820.00	1,005,380.00	0.32
WALMART INC	6/23/2021	1,049,947.50	1,077,016.50	0.24
WELLS FARGO & CO	4/1/2021	1,619,820.00	1,542,195.00	0.37
AMERICAN HONDA FINANCE CORP	11/16/2022	2,021,300.00	2,091,640.00	0.58
AMERICAN HONDA FINANCE CORP	1/12/2024	1,585,215.00	1,643,880.00	0.73
APPLE INC	5/3/2023	1,977,040.00	2,114,720.00	0.31
APPLE INC	2/23/2023	2,949,060.00	3,180,510.00	0.33
BANK OF AMERICA CORP	1/11/2023	3,034,740.00	3,203,880.00	0.50
BANK OF NEW YORK MELLON CORP	1/29/2023	2,944,320.00	3,183,990.00	0.39
BERKSHIRE HATHAWAY INC	3/15/2023	2,924,460.00	3,179,430.00	0.30
BERKSHIRE HATHAWAY INC	3/15/2023	2,014,300.00	2,119,620.00	0.30
DEERE & CO	6/8/2022	1,466,700.00	1,556,085.00	0.26
JOHN DEERE CAPITAL CORP	3/4/2021	1,344,769.75	1,374,932.05	0.31
GENERAL DYNAMICS CORP	5/11/2021	3,985,000.00	4,082,800.00	0.33
HSBC USA INC	8/7/2020	1,540,082.70	1,530,321.30	1.47
HSBC USA INC	8/7/2020	3,017,190.00	3,000,630.00	1.47
JPMORGAN CHASE & CO	6/7/2021	2,447,975.00	2,539,450.00	0.34
JPMORGAN CHASE & CO	6/7/2021	1,509,240.00	1,523,670.00	0.34
ORACLE CORP	5/15/2022	3,897,640.00	4,140,840.00	0.32
PACCAR FINANCIAL CORP	9/26/2022	1,498,170.00	1,549,140.00	0.47
PACCAR FINANCIAL CORP	2/7/2023	2,274,886.25	2,354,056.25	0.51
PRAXAIR INC	9/1/2021	2,338,645.05	2,413,497.45	0.30
PRAXAIR INC	9/1/2021	1,394,750.00	1,440,894.00	0.30
CHARLES SCHWAB CORP	5/21/2021	1,554,953.35	1,588,074.85	0.30
TOYOTA MOTOR CREDIT CORP	4/13/2021	2,488,525.00	2,546,375.00	0.29
U.S. Bancorp	2/5/2024	2,107,940.00	2,192,320.00	0.54
VISA INC	12/14/2022	1,962,480.00	2,113,680.00	0.21
WALMART INC	6/26/2023	3,083,010.00	3,257,940.00	0.33
WALMART INC	6/26/2023	2,056,460.00	2,171,960.00	0.33
WELLS FARGO & CO	12/7/2020	3,023,370.00	3,023,010.00	0.35
ASSOCIATION OF AMERICAN MEDICAL COLLEGES	10/1/2022	2,990,000.00	3,015,534.60	1.52
TRUIST FINANCIAL CORP	6/20/2022	2,339,167.50	2,357,145.00	0.40

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<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>	<u>YIELD</u>
TRUIST FINANCIAL CORP	3/16/2023	2,947,817.00	3,082,130.50	0.42
BANK OF AMERICA CORP	10/1/2021	2,944,440.00	3,009,240.00	0.47
BANK OF AMERICA CORP	10/1/2021	244,827.50	250,770.00	0.47
BAYCARE HEALTH SYSTEM INC	11/15/2020	850,000.00	854,938.50	0.44
BAYCARE HEALTH SYSTEM INC	11/15/2022	1,456,344.00	1,506,585.60	0.57
CATERPILLAR FINANCIAL SERVICES CORP	7/7/2023	3,053,289.20	3,074,460.35	0.43
CHEVRON CORP	5/11/2023	2,065,000.00	2,110,925.60	0.34
EXXON MOBIL CORP	4/15/2023	4,990,000.00	5,144,091.20	0.42
FIFTH THIRD BANK NA (OHIO)	10/30/2020	1,873,750.90	1,920,802.45	0.38
FIFTH THIRD BANK NA (OHIO)	10/30/2020	195,626.00	200,606.00	0.38
FIFTH THIRD BANK NA (OHIO)	10/30/2020	2,892,711.00	2,958,938.50	0.38
FIFTH THIRD BANK NA (OHIO)	10/30/2020	244,932.50	250,757.50	0.38
GOLDMAN SACHS GROUP INC	7/27/2021	845,776.26	835,928.94	0.43
GOLDMAN SACHS GROUP INC	7/27/2021	2,644,400.00	2,618,825.00	0.43
HUNTINGTON NATIONAL BANK	8/7/2022	2,024,431.10	2,046,987.60	0.47
JPMORGAN CHASE & CO	3/1/2021	2,462,375.00	2,529,250.00	0.21
JPMORGAN CHASE & CO	3/1/2021	1,093,603.15	1,128,045.50	0.21
KEYBANK NA	11/22/2021	1,785,864.60	1,877,154.92	0.44
KEYBANK NA	11/22/2021	1,953,600.00	2,053,780.00	0.44
MANUFACTURERS AND TRADERS TRUST CO	1/25/2021	249,662.50	252,252.50	0.37
MANUFACTURERS AND TRADERS TRUST CO	1/25/2021	2,411,195.76	2,473,083.51	0.37
MASSMUTUAL GLOBAL FUNDING II	6/9/2023	3,982,648.85	4,030,947.05	0.44
MORGAN STANLEY	11/17/2021	321,688.25	334,324.25	0.40
MORGAN STANLEY	11/17/2021	2,469,419.55	2,607,729.15	0.40
MORGAN STANLEY	11/17/2021	243,050.00	257,172.50	0.40
NATIONAL SECURITIES CLEARING CORP	4/23/2023	3,162,024.90	3,228,679.80	0.46
NEW YORK LIFE GLOBAL FUNDING	9/28/2020	1,710,817.50	1,754,567.50	0.30
NEW YORK LIFE GLOBAL FUNDING	9/28/2020	244,505.00	250,652.50	0.30
NEW YORK LIFE GLOBAL FUNDING	5/5/2023	2,084,562.15	2,127,304.65	0.36
PACCAR FINANCIAL CORP	5/10/2021	3,529,082.20	3,606,671.60	0.29
PRINCIPAL LIFE GLOBAL FUNDING II	11/19/2020	1,582,176.00	1,610,560.00	0.42
PRINCIPAL LIFE GLOBAL FUNDING II	11/19/2020	1,780,110.00	1,811,880.00	0.42
PROTECTIVE LIFE GLOBAL FUNDING	6/9/2023	3,500,000.00	3,554,040.00	0.54
PRUDENTIAL FINANCIAL INC	11/15/2020	2,242,827.60	2,205,898.40	0.38
PUBLIC SERVICE ELECTRIC AND GAS CO	3/15/2021	1,856,906.10	1,907,709.30	0.16
VIRGINIA ELECTRIC AND POWER CO	3/15/2023	2,087,580.00	2,103,240.00	0.56
WELLS FARGO & CO	7/22/2022	1,551,524.80	1,581,210.40	0.57
WELLS FARGO & CO	7/22/2022	3,959,048.10	4,041,448.95	0.57
ADOBE INC	2/1/2023	1,103,486.15	1,143,763.40	0.29
AMERICAN EXPRESS CO	5/20/2022	1,558,128.00	1,624,053.60	0.35
AMERIPRISE FINANCIAL INC	3/22/2022	1,535,888.20	1,603,047.60	0.49
AMERIPRISE FINANCIAL INC	3/22/2022	119,877.60	124,912.80	0.49
APPLE INC	1/13/2023	647,825.00	655,362.50	0.34
APPLE INC	9/11/2022	1,874,681.25	1,930,181.25	0.30
APPLE INC	5/11/2023	1,441,069.60	1,461,386.30	0.34
TRUIST FINANCIAL CORP	6/20/2022	2,048,120.00	2,095,240.00	0.40
TRUIST FINANCIAL CORP	3/16/2023	1,943,560.70	2,032,116.55	0.42
BANK OF AMERICA CORP	10/1/2021	1,104,755.80	1,133,480.40	0.47
BANK OF AMERICA CORP	10/1/2021	948,417.50	972,987.60	0.47
BANK OF AMERICA CORP	1/23/2022	1,415,000.00	1,429,447.15	0.59
BANK OF AMERICA CORP	5/17/2022	1,075,000.00	1,100,133.50	0.54
BANK OF NEW YORK MELLON CORP	4/28/2023	1,352,323.95	1,406,427.30	0.46
BANK OF NEW YORK MELLON CORP	1/27/2023	2,228,439.00	2,308,072.30	0.39
CATERPILLAR FINANCIAL SERVICES CORP	11/29/2022	859,078.00	892,109.00	0.41
CATERPILLAR FINANCIAL SERVICES CORP	9/7/2021	1,713,679.45	1,767,701.95	0.35
CATERPILLAR FINANCIAL SERVICES CORP	9/6/2022	1,353,116.55	1,397,045.65	0.41
CATERPILLAR FINANCIAL SERVICES CORP	11/18/2022	1,469,323.80	1,522,420.20	0.39
CHEVRON CORP	5/11/2023	455,000.00	465,119.20	0.34
CISCO SYSTEMS INC	9/20/2021	1,894,243.00	1,932,376.00	0.23
CITIGROUP INC	12/8/2021	2,025,660.00	2,062,280.00	0.44
CITIBANK NA	7/23/2021	1,153,729.50	1,187,039.70	0.29
CITIZENS BANK NA	5/13/2021	1,493,725.00	1,512,826.80	0.36
COMERICA INC	7/31/2023	2,120,020.00	2,163,560.00	0.86
JOHN DEERE CAPITAL CORP	9/10/2021	1,154,641.95	1,191,532.65	0.26
JOHN DEERE CAPITAL CORP	6/13/2022	1,438,142.40	1,482,076.80	0.38
JOHN DEERE CAPITAL CORP	4/6/2023	519,875.20	531,762.40	0.35
DUKE ENERGY CAROLINAS LLC	3/15/2023	2,502,051.75	2,601,175.50	0.41
ERP OPERATING LP	4/15/2023	1,933,786.40	1,944,501.02	0.69
EXXON MOBIL CORP	4/15/2023	2,065,000.00	2,128,767.20	0.42
FIFTH THIRD BANK NA (OHIO)	1/30/2023	1,473,761.00	1,520,135.00	0.52
HONEYWELL INTERNATIONAL INC	11/1/2021	570,900.25	585,706.50	0.25
HONEYWELL INTERNATIONAL INC	11/1/2021	238,298.40	244,468.80	0.25
HONEYWELL INTERNATIONAL INC	8/8/2022	1,018,969.80	1,056,822.00	0.28
HUNTINGTON NATIONAL BANK	2/3/2023	1,568,681.20	1,618,544.40	0.51
JPMORGAN CHASE & CO	8/15/2021	2,025,592.80	2,019,598.20	0.39
KEYBANK NA	3/7/2023	694,840.24	715,815.44	0.60
KEYBANK NA	3/7/2023	311,595.00	321,474.00	0.60
KEYBANK NA	3/7/2023	150,524.50	155,379.10	0.60
KEYBANK NA	3/7/2023	821,620.13	843,333.46	0.60
MORGAN STANLEY	5/19/2022	1,912,255.00	1,975,563.00	0.53
MORGAN STANLEY	11/17/2021	2,009,680.00	2,057,380.00	0.40
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	4/25/2022	1,208,052.00	1,241,400.00	0.30
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	1/21/2022	1,908,319.20	1,950,874.00	0.29
NIKE INC	3/27/2025	134,816.40	146,130.75	0.57
ORACLE CORP	4/1/2025	449,833.50	486,742.50	0.69
PNC BANK NA	7/22/2022	1,925,000.00	1,959,534.50	0.39
PNC BANK NA	2/24/2023	1,115,000.00	1,138,426.15	0.39
PACCAR FINANCIAL CORP	9/26/2022	714,127.70	738,423.40	0.47
PACCAR FINANCIAL CORP	2/7/2023	1,999,900.00	2,069,500.00	0.51
PRECISION CASTPARTS CORP	1/15/2023	1,965,015.00	2,041,260.00	0.37
TRUIST BANK	5/17/2022	1,978,990.20	2,062,071.00	0.37
US BANK NA	1/21/2022	2,064,277.25	2,108,261.75	0.29
WALMART INC	12/15/2022	2,109,523.20	2,137,675.20	0.25
WELLS FARGO BANK NA	10/22/2021	1,789,803.10	1,855,370.80	0.41
SUB-TOTAL		306,218,946.69	314,929,506.34	

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MORTGAGE AND ASSET-BACK SECURITIES

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>	<u>YIELD</u>
ALLYA 2019-1 A3	9/15/2023	1,399,830.88	1,435,182.00	0.61
BMWLT 2018-1 A3	7/20/2021	573,782.52	577,730.12	0.34
COMET 2019-2 A	9/15/2022	2,749,307.55	2,827,687.50	0.38
COPAR 2019-1 A3	11/15/2023	899,817.66	923,328.00	0.67
DCENT 2019-3 A	10/15/2024	999,785.20	1,033,170.00	0.38
FNA 2012-M5 A2	2/25/2022	1,094,854.37	1,125,577.18	0.53
FNA 2013-M1 A2	8/25/2022	1,212,764.89	1,233,266.20	0.53
FNA 2013-M7 A2	12/25/2022	755,061.15	770,301.73	0.25
FHMS K-018 A2	1/25/2022	3,475,834.57	3,574,049.93	0.80
FHMS K-019 A2	3/25/2022	2,415,346.50	2,503,176.30	0.63
FHMS K-020 A1	1/25/2022	368,273.12	379,229.56	0.54
FHMS K-022 A2	7/25/2022	1,204,406.25	1,238,172.00	0.57
FHMS K-023 A1	4/25/2022	519,821.44	537,127.41	0.53
FHMS K-023 A2	8/25/2022	1,775,839.84	1,807,400.00	0.57
FHMS K-026 A2	11/25/2022	3,462,687.50	3,538,890.00	0.57
FHMS K-026 A2	11/25/2022	510,800.78	520,425.00	0.57
FHMS K-029 A1	10/25/2022	373,649.11	381,264.70	0.50
FHMS K-029 A1	10/25/2022	682,619.86	697,406.55	0.50
FHMS K-034 A1	2/25/2023	995,679.33	1,028,542.81	0.35
FHMS K-035 A1	3/25/2023	1,096,321.78	1,133,370.46	0.46
FHMS K-715 A2	1/25/2021	2,100,833.69	2,009,856.18	0.52
FHMS K-717 A2	9/25/2021	791,149.07	806,618.78	0.71
FHMS K-720 A2	6/25/2022	2,196,304.69	2,282,412.00	0.37
FHMS K-720 A2	6/25/2022	1,005,312.50	1,037,460.00	0.37
FHMS K-P05 A	7/25/2023	836,115.99	861,778.97	1.10
FHMS K-J23 A1	3/25/2022	368,550.80	373,724.55	0.74
FHMS K-J27 A1	7/25/2024	1,065,856.15	1,101,492.83	0.74
FITAT 2019-1 A3	12/15/2023	599,868.12	614,352.00	0.80
FORDL 2019-A A3	5/15/2022	849,933.53	860,931.00	-0.07
GMCAR 2019-1 A3	11/16/2023	2,357,446.74	2,410,756.17	-0.10
GMALT 2019-3 A3	6/20/2022	699,922.79	709,485.00	0.37
HDMOT 2020-A A3	10/15/2024	874,809.16	894,040.00	0.68
HAROT 2018-4 A3	1/15/2023	1,104,834.80	1,128,945.35	0.58
HAROT 2018-3 A3	8/22/2022	1,200,542.16	1,220,158.35	0.52
HART 2019-A A3	6/15/2023	449,940.78	461,322.00	0.47
MBALT 2018-B A3	9/15/2021	1,752,206.71	1,765,703.21	0.11
MBART 2020-1 A3	2/18/2025	624,951.19	627,662.50	0.38
MBART 2018-1 A3	1/15/2023	1,249,649.24	1,271,504.45	0.13
MBALT 2019-A A3	11/15/2021	1,157,768.76	1,167,713.48	0.36
NALT 2018-A A3	9/15/2021	724,659.78	729,441.06	0.49
NALT 2019-B A3	7/15/2022	554,968.48	563,402.70	0.32
NAROT 2018-C A3	6/15/2023	899,827.56	923,688.00	0.65
NAROT 2020-B A3	7/15/2024	1,149,968.49	1,153,323.50	0.36
NAROT 2018-B A3	3/15/2023	1,436,679.94	1,464,915.06	0.63
NAROT 2019-C A3	7/15/2024	899,952.48	925,560.00	0.49
NAROT 2019-A A3	10/16/2023	2,424,632.61	2,491,445.00	0.67
NALT 2019-A A3	3/15/2022	269,980.40	273,528.90	0.46
TAOT 2018-D A3	3/15/2023	999,783.70	1,023,610.00	0.57
TAOT 2018-B A3	9/15/2022	1,144,156.79	1,160,924.55	0.38
TAOT 2019-C A3	9/15/2023	1,099,990.98	1,123,331.00	0.51
VZOT 2019-C A1A	4/22/2024	1,424,890.13	1,460,781.75	0.27
VZOT 2020-A A1A	7/22/2024	999,882.90	1,026,760.00	0.41
VWALT 2019-A A3	11/21/2022	899,985.78	916,443.00	0.36
VALET 2018-2 A3	4/20/2023	2,475,961.52	2,531,009.40	0.08
WOART 2020-B A3	5/15/2025	999,921.60	1,005,140.00	0.44
FHMS K-J22 A1	5/25/2023	317,888.50	322,916.67	0.47
HAROT 2017-2 A3	8/16/2021	660,823.11	662,373.87	0.42
HAROT 2020-1 A3	4/22/2024	2,939,423.76	3,013,206.00	0.45
HAROT 2019-1 A2	9/20/2021	1,045,215.89	1,049,903.36	0.45
HAROT 2019-3 A3	8/15/2023	2,764,977.05	2,822,346.10	0.49
JDOT 2019-B A3	12/15/2023	1,424,697.47	1,462,449.00	0.40
JDOT 2020 A3	8/15/2024	2,124,870.16	2,146,823.75	0.62
MBALT 2020-A A3	12/15/2022	1,409,814.16	1,436,028.60	0.26
NAROT 2019-C A3	7/15/2024	2,954,843.98	3,038,922.00	0.49
TAOT 2019-A A2A	10/15/2021	703,674.95	706,821.23	-0.87
AMXCA 2018-8 A	9/15/2021	1,477,496.72	1,489,536.75	0.30
AMXCA 2018-8 A	9/15/2021	662,517.89	667,865.75	0.30
AMXCA 2018-8 A	9/15/2021	930,695.27	938,315.25	0.30
BACCT 2018-2 A	9/15/2023	3,056,678.52	3,067,611.40	0.28
BACCT 2018-2 A	9/15/2023	1,086,593.36	1,090,479.80	0.28
BMWLT 2019-1 A4	8/22/2022	4,789,968.75	4,817,940.75	0.34
CNH 2020-A A2	7/17/2023	1,204,934.57	1,210,868.35	0.54
CARMX 2019-3 A2A	12/15/2022	1,424,159.22	1,436,015.74	0.49
CARMX 2020-1 A3	12/16/2024	1,024,798.90	1,056,908.25	0.60
CCCIT 2014-A1 A1	1/23/2023	1,991,259.38	2,019,358.95	0.29
FH G12952	12/1/2022	188,645.99	188,925.55	0.60
FH G18303	3/1/2024	450,061.00	460,849.45	-0.68
FNR 2011-98 VC	1/25/2023	198,204.78	196,759.58	1.43
FNR 2012-50 VA	7/25/2023	287,419.13	287,217.28	1.01
FNA 2012-M9 A2	4/25/2022	379,316.09	384,629.75	0.70
FNA 2012-M9 A2	4/25/2022	78,159.07	79,257.04	0.70
FNA 2012-M17 A2	11/25/2022	443,072.55	471,797.65	0.56
FNR 2013-136 CV	6/25/2023	367,979.74	369,307.35	1.45
FHMS K-015 A2	7/25/2021	615,046.48	626,823.83	0.57
FHMS K-015 A2	7/25/2021	168,217.33	168,760.26	0.57
FHMS 2011-K016 A2	10/25/2021	2,102,422.25	2,152,690.54	0.85
FHMS 2011-K016 A2	10/25/2021	606,869.35	609,694.49	0.85
FHMS K-020 A2	5/25/2022	487,851.56	513,745.00	0.62
FHMS K-020 A2	5/25/2022	97,562.50	102,749.00	0.62
FHMS K-020 A2	5/25/2022	194,437.50	205,498.00	0.62
FHMS K-021 A2	6/25/2022	979,257.81	1,029,900.00	0.61
FHMS K-023 A1	4/25/2022	51,763.72	53,712.74	0.53
FHMS K-023 A1	4/25/2022	253,142.52	259,163.97	0.53
FHMS K-025 A1	4/25/2022	212,634.22	216,272.63	0.65
FHMS K-025 A2	10/25/2022	500,603.91	510,727.00	0.60
FHMS K-025 A2	10/25/2022	3,611,499.61	3,684,530.50	0.60
FHMS K-S01 A2	1/25/2023	235,826.66	250,403.11	0.48

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FHMS K-027 A1	9/25/2022	50,854.35	52,823.64	0.51
FHMS K-027 A2	1/25/2023	2,101,558.59	2,197,293.00	0.56
FHMS K-027 A2	1/25/2023	1,875,366.21	1,961,868.75	0.56
FHR 4285 BA	12/15/2023	691,964.10	690,733.47	1.00
FHMS K-041 A1	8/25/2024	2,279,508.05	2,278,222.83	0.52
FHMS K-046 A1	1/25/2025	762,335.47	762,645.97	0.62
FHMS K-047 A1	12/25/2024	856,101.96	879,389.81	0.50
FN AM0359	8/1/2022	2,699,118.68	2,746,105.46	0.85
FN AM1568	12/1/2022	1,392,438.55	1,428,158.24	2.47
FN AM1568	12/1/2022	1,420,800.99	1,428,158.24	2.47
FN AM1999	7/1/2021	2,210,602.10	2,298,742.14	0.27
FNR 0338C MP	5/25/2023	291,452.05	293,184.02	1.18
FNR 0338C MP	5/25/2023	320,808.55	321,940.26	1.18
FNR 0333J LB	5/25/2023	182,850.46	183,725.85	1.60
FNR 0364L HQ	7/25/2023	186,650.41	188,415.18	1.21
FHR 2666 OD	8/15/2023	176,267.89	178,453.85	1.31
FHR 2666 OD	8/15/2023	183,394.57	185,361.74	1.31
FHR 2756 KA	2/15/2024	698,038.77	694,960.13	1.60
FNR 2008-45 DB	6/25/2023	381,194.17	382,921.89	1.03
FN BM6007	5/1/2023	833,178.15	829,333.55	0.93
FN 961991	3/1/2023	568,319.16	580,996.70	-0.57
GMALT 2020-2 B	7/22/2024	4,078,992.65	4,138,384.80	0.93
HAROT 2017-3 A3	9/18/2021	57,394.25	57,575.54	0.44
JDOT 2019-B A2	5/16/2022	962,687.51	968,813.88	0.46
JDOT 2019-B A2	5/16/2022	175,362.95	176,147.98	0.46
JDOT 2017-B A3	10/15/2021	17,024.47	17,050.40	0.76
JDOT 2017-B A3	10/15/2021	141,484.68	143,631.09	0.76
JDOT 2019 A2	10/15/2021	779,989.25	783,020.12	0.87
KCOT 2020-1 A1	5/17/2021	358,807.40	359,521.42	0.00
MMAF 20A A2	4/9/2024	1,669,844.69	1,675,678.00	0.00
NAROT 2017-C A3	4/18/2022	46,533.01	46,808.02	0.61
NAROT 2017-C A3	4/18/2022	29,155.31	29,786.92	0.61
NALT 2019-B A2A	10/15/2021	1,001,746.44	1,006,793.18	0.22
PFSFC 20B A	6/17/2024	1,564,789.51	1,573,842.25	0.91
SCART 20A A	10/15/2024	2,758,888.40	2,781,545.50	0.00
SYNCT 2016-2 A	5/17/2021	2,957,144.53	2,986,403.00	0.65
TAOT 2017-B A3	7/15/2021	82,623.78	82,714.40	0.39
TAOT 2017-B A3	7/15/2021	82,839.92	82,714.40	0.39
TAOT 2017-B A3	7/15/2021	2,855.00	2,895.00	0.39
TFET 191 A3	4/24/2023	1,974,661.88	2,001,761.25	0.93
BMWLT 2018-1 A3	7/20/2021	462,006.71	465,185.29	0.34
BMWLT 2018-1 A4	3/21/2022	629,994.39	639,191.70	0.48
BMWOT 2019-A A3	1/25/2024	2,389,678.78	2,447,121.00	0.42
COPAR 2020-1 A3	11/15/2024	2,129,547.16	2,180,459.70	0.59
DRIVE 2020-2 A3	5/15/2024	629,975.93	632,646.00	0.58
FNA 2011-M5 A2	7/25/2021	349,525.29	349,720.02	0.41
FHMS K-020 A2	5/25/2022	2,714,871.09	2,774,223.00	0.62
FHMS K-SMC A2	1/25/2023	1,483,888.67	1,567,807.80	0.43
FHMS K-SMC A2	1/25/2023	2,030,198.44	2,146,528.80	0.43
FHMS K-SMC A2	1/25/2023	410,500.00	420,888.00	0.43
FHMS K-717 A2	9/25/2021	1,647,540.14	1,663,651.23	0.71
FHMS K-724 A1	3/25/2023	978,719.06	1,008,494.76	0.84
FHMS K-J23 A2	12/25/2022	1,684,331.25	1,722,164.00	1.03
FHMS KJ30 A1	1/25/2025	1,619,969.22	1,622,851.20	0.47
HDMOT 2019-A A3	2/15/2024	4,299,667.18	4,388,150.00	0.71
HAROT 2017-2 A3	8/16/2021	462,576.18	463,661.71	0.42
HAROT 2017-3 A3	9/18/2021	348,532.75	349,633.64	0.44
HAROT 2017-3 A3	9/18/2021	67,082.36	68,406.58	0.44
HAROT 2019-3 A3	8/15/2023	1,809,984.98	1,847,539.40	0.49
JDOT 2017-B A3	10/15/2021	86,047.58	86,178.66	0.76
JDOT 2019 A3	7/17/2023	1,904,765.88	1,955,196.75	0.76
JDOT 2020 A3	8/15/2024	2,799,828.92	2,828,756.00	0.62
MBART 2019-1 A3	3/15/2024	1,979,727.35	2,028,866.40	0.38
MBART 2020-1 A3	2/18/2025	1,459,885.97	1,466,219.60	0.38
MBALT 2020-A A3	12/15/2022	1,029,864.25	1,049,013.80	0.26
NALT 2018-A A3	9/15/2021	995,942.66	1,002,513.87	0.49
SDART 2020-2 A3	4/15/2024	859,901.01	861,100.80	0.59
TAOT 2017-B A3	7/15/2021	137,981.71	138,133.05	0.39
TAOT 2020-C A3	10/15/2024	2,129,835.99	2,132,747.70	0.39
TAOT 2017-A A3	5/16/2022	0.01	0.01	0.34
TAOT 2019-C A3	9/15/2023	1,829,984.99	1,868,814.30	0.51
TAOT 2019-A A3	7/17/2023	2,429,557.25	2,497,238.10	0.46
VZOT 2019-C A1A	4/22/2024	1,999,845.80	2,050,220.00	0.27
VWALT 2019-A A3	11/21/2022	849,986.57	865,529.50	0.36
FHMS K-J22 A1	5/25/2023	406,897.28	413,333.34	0.47
SUB-TOTAL		198,717,321.30	202,405,332.05	
Municipal Debt				
CONNECTICUT ST	7/1/2023	226,343.25	232,132.50	0.90
PORT AUTH N Y & N J	7/1/2023	1,125,000.00	1,139,332.50	0.64
PORT AUTH N Y & N J	7/1/2023	1,101,416.70	1,108,950.30	0.64
NEW YORK ST	2/15/2024	3,000,000.00	3,124,080.00	0.82
BAY AREA TOLL AUTH CALIF TOLL BRDG REV	4/1/2022	2,865,000.00	2,932,699.95	0.70
BAY AREA TOLL AUTH CALIF TOLL BRDG REV	4/1/2022	1,105,500.00	1,125,993.00	0.70
CALIFORNIA HEALTH FACS FING AUTH REV	6/1/2021	2,140,000.00	2,162,213.20	0.65
CALIFORNIA ST	4/1/2024	3,239,373.40	3,356,757.65	0.57
CHAFFEY CMNTY COLLEGE DIST CALIF	6/1/2022	715,000.00	727,491.05	0.65
CONTRA COSTA CALIF CMNTY COLLEGE DIST	8/1/2022	1,000,000.00	1,020,990.00	0.60
EL DORADO CALIF IRR DIST REV	3/1/2023	720,000.00	725,162.40	0.59
EL DORADO CALIF IRR DIST REV	3/1/2024	720,000.00	728,863.20	0.73
HAWAII ST ARPTS SYS CUSTOMER FAC CHARGE REV	7/1/2022	715,000.00	720,469.75	1.41
HAWAII ST ARPTS SYS CUSTOMER FAC CHARGE REV	7/1/2024	715,000.00	722,078.50	1.75
LOS ANGELES CALIF DEPT ARPTS ARPT REV	5/15/2021	1,006,380.00	1,013,550.00	0.57
LOS ANGELES CNTY CALIF PUB WKS FING AUTH LEASE REV	12/1/2021	1,537,050.00	1,552,575.00	0.54
MASSACHUSETTS ST SCH BLDG AUTH DEDICATED SALES TAX	10/15/2022	1,800,000.00	1,841,526.00	0.90
MASSACHUSETTS ST WTR RES AUTH IAM COMPL PAPER NTS 3	8/1/2023	2,365,000.00	2,425,425.75	0.91
OHLONE CALIF CMNTY COLLEGE DIST	8/1/2022	800,000.00	817,472.00	0.60
PASADENA CALIF PUB FING AUTH LEASE REV	12/1/2020	275,000.00	277,340.25	0.54

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PASADENA CALIF PUB FING AUTH LEASE REV	12/1/2021	400,000.00	414,312.00	0.54
PENNSYLVANIA ST TPK COMMN TPK REV	12/1/2021	876,767.50	886,593.75	1.27
RHODE IS ST TPK & BRDG AUTH TOLL REV	12/1/2021	480,000.00	484,723.20	1.38
RHODE IS ST TPK & BRDG AUTH TOLL REV	12/1/2022	400,000.00	408,132.00	1.27
RIVERSIDE CNTY CALIF PENSION OBLIG	2/15/2022	2,420,000.00	2,479,725.60	0.65
SAN DIEGO CALIF CMNTY COLLEGE DIST	8/1/2022	1,500,000.00	1,541,415.00	0.55
SAN DIEGO CNTY CALIF WTR AUTH WTR REV	5/1/2024	1,440,000.00	1,442,448.00	0.55
SAN FRANCISCO CALIF BAY AREA RAPID TRAN DIST SALES	7/1/2022	1,484,761.60	1,513,830.20	0.60
SAN FRANCISCO CALIF CITY & CNTY ARPTS COMMN INTL A	5/1/2022	2,138,837.50	2,157,930.80	1.70
SAN FRANCISCO CALIF CITY & CNTY ARPTS COMMN INTL A	5/1/2023	1,635,140.00	1,658,773.40	1.78
SAN FRANCISCO CALIF CITY & CNTY REDEV FING AUTH TA	2/1/2021	1,910,798.40	1,744,108.80	0.96
SAN JOSE EVERGREEN CALIF CMNTY COLLEGE DIST	9/1/2021	290,000.00	290,432.10	0.46
SAN JOSE EVERGREEN CALIF CMNTY COLLEGE DIST	9/1/2022	430,000.00	431,844.70	0.49
TEXAS ST	10/1/2022	2,335,000.00	2,396,877.50	0.39
UNIV CALIF REGTS MED CTR POOLED REV	5/15/2021	1,201,003.20	1,224,343.35	0.64
UPPER SANTA CLARA VY JT PWRS AUTH CALIF REV	8/1/2023	2,590,000.00	2,590,414.40	0.68
UPPER SANTA CLARA VY JT PWRS AUTH CALIF REV	8/1/2024	2,625,000.00	2,626,863.75	0.81
UTAH HSG CORP SINGLE FAMILY MTG REV	1/1/2022	1,535,000.00	1,552,023.15	1.31
UTAH HSG CORP SINGLE FAMILY MTG REV	7/1/2022	640,000.00	650,816.00	1.26
VENTURA CNTY CALIF PUB FING AUTH LEASE REV	11/1/2022	560,000.00	563,343.20	0.58
VENTURA CNTY CALIF PUB FING AUTH LEASE REV	11/1/2023	720,000.00	729,410.40	0.64
VENTURA CNTY CALIF PUB FING AUTH LEASE REV	11/1/2023	722,793.60	729,410.40	0.64
ALAMEDA CNTY CALIF JT PWRS AUTH LEASE REV	6/1/2022	1,275,187.50	1,304,450.00	0.60
BAY AREA TOLL AUTH CALIF TOLL BRDG REV	4/1/2023	3,700,000.00	3,845,299.00	0.70
BAY AREA TOLL AUTH CALIF TOLL BRDG REV	4/1/2022	1,534,485.00	1,535,445.00	0.70
BAY AREA TOLL AUTH CALIF TOLL BRDG REV	4/1/2023	790,000.00	820,786.30	0.76
CALIFORNIA HSG FIN AGY REV	8/1/2022	227,194.00	228,905.60	0.92
CALIFORNIA HSG FIN AGY REV	2/1/2021	1,120,000.00	1,128,288.00	0.88
CALIFORNIA ST	3/1/2022	1,802,064.00	1,759,906.50	0.47
CALIFORNIA ST	4/1/2021	3,000,120.00	3,048,570.00	0.37
CALIFORNIA ST PUB WKS BRD LEASE REV	12/1/2021	1,160,759.47	1,134,227.82	2.48
CONNECTICUT ST	7/1/2023	875,193.90	897,579.00	0.90
CONTRA COSTA CALIF CMNTY COLLEGE DIST	8/1/2021	1,000,000.00	1,011,730.00	0.53
LOS ALTOS CALIF SCH DIST	8/1/2023	2,790,000.00	2,790,892.80	1.87
LOS ANGELES CALIF MUN IMPT CORP LEASE REV	11/1/2020	1,484,164.80	1,448,841.60	0.68
LOS ANGELES CALIF MUN IMPT CORP LEASE REV	11/1/2022	1,019,560.00	1,048,720.00	0.80
MASSACHUSETTS (COMMONWEALTH OF)	5/1/2022	1,186,968.00	1,184,847.60	0.37
MASSACHUSETTS (COMMONWEALTH OF)	7/1/2023	1,270,000.00	1,270,546.10	0.49
MASSACHUSETTS (COMMONWEALTH OF)	7/1/2023	65,000.00	65,027.95	0.49
MASSACHUSETTS ST WTR RES AUTH IAM COML PAPER NTS 3	8/1/2023	760,000.00	779,418.00	0.91
OAKLAND-ALAMEDA CNTY CALIF COLISEUM AUTH LEASE REV	2/1/2023	1,058,440.00	1,063,900.00	0.76
OREGON ST	8/1/2023	2,350,000.00	2,350,728.50	0.47
PALM DESERT CALIF REDEV AGY SUCCESSOR AGY TAX ALLO	10/1/2022	1,114,074.90	1,131,759.15	1.18
RIVERSIDE CALIF UNI SCH DIST	2/1/2022	750,000.00	762,915.00	0.65
RIVERSIDE CNTY CALIF PENSION OBLIG	2/15/2023	1,375,000.00	1,413,692.50	1.23
SACRAMENTO CNTY CALIF SANTN DIST FING AUTH REV	12/1/2023	1,500,000.00	1,506,735.00	0.62
SAN BERNARDINO CALIF CMNTY COLLEGE DIST	8/1/2024	890,000.00	896,399.10	0.76
SAN DIEGO CALIF CMNTY COLLEGE DIST	8/1/2021	1,285,000.00	1,303,388.35	0.50
SAN DIEGO CALIF PUB FACS FING AUTH LEASE REV	10/15/2020	1,200,000.00	1,205,244.00	0.68
SAN DIEGO CALIF PUB FACS FING AUTH LEASE REV	10/15/2021	1,325,000.00	1,362,126.50	0.66
SAN DIEGO CALIF PUB FACS FING AUTH WTR REV	8/1/2023	620,000.00	629,374.40	0.82
SAN FRANCISCO CALIF CITY & CNTY PUB UTILS COMMN WT	11/1/2022	630,000.00	649,611.90	0.56
SAN FRANCISCO CALIF CITY & CNTY ARPTS COMMN INTL A	5/1/2021	2,800,000.00	2,827,272.00	1.61
SAN FRANCISCO CALIF CITY & CNTY ARPTS COMMN INTL A	5/1/2022	2,350,000.00	2,403,956.00	1.71
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF 1	8/1/2020	1,180,000.00	1,180,000.00	0.00
SANTA BARBARA CNTY CALIF SOLID WASTE SYS REV CTFS	12/1/2021	375,000.00	388,533.75	0.58
UNIV CALIF REGTS MED CTR POOLED REV	5/15/2022	1,577,512.50	1,579,682.50	0.81
UNIVERSITY CALIF REV5	5/15/2021	860,000.00	871,592.80	0.40
UNIVERSITY CALIF REV5	5/15/2022	1,926,739.20	2,014,540.80	0.51
UNIVERSITY CALIF REV5	5/15/2023	1,670,000.00	1,674,442.20	0.53
UPPER SANTA CLARA VY JT PWRS AUTH CALIF REV	8/1/2022	2,460,000.00	2,459,237.40	0.54
VALLEJO CALIF WTR REV	5/1/2023	840,000.00	846,955.20	1.16
SUB-TOTAL		110,703,628.42	112,098,443.02	
Variable & Floating Rate				
BANK OF AMERICA CORP	5/19/2024	1,425,000.00	1,459,470.75	0.76
CARMX 2020-3 A3	3/17/2025	774,867.17	777,573.00	0.49
CITIGROUP INC	11/4/2022	600,000.00	612,906.00	0.83
FHMS K-714 A2	10/25/2020	564,612.98	535,156.77	1.40
JPMORGAN CHASE & CO	6/1/2024	1,575,000.00	1,612,957.50	0.97
CATERPILLAR FINANCIAL SERVICES CORP	3/15/2021	2,466,577.50	2,718,149.40	0.33
CATERPILLAR FINANCIAL SERVICES CORP	5/17/2021	2,100,000.00	2,105,523.00	0.34
CITIGROUP INC	11/4/2022	3,140,000.00	3,207,541.40	0.83
FNA 2014-M6 A2	5/25/2021	148,099.70	151,283.33	0.99
FHMS K-010 A2	10/25/2020	927,918.19	904,089.74	0.58
FN AL3382	3/1/2023	742,376.69	757,235.24	0.84
FN FN0004	12/1/2020	203,875.07	200,770.97	3.05
INTERNATIONAL BUSINESS MACHINES CORP	5/13/2021	2,223,019.75	2,232,253.50	0.43
KEYBANK NA	2/1/2022	4,180,000.00	4,202,948.20	0.56
PNC BANK NA	2/24/2023	4,045,000.00	4,049,247.25	0.53

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PACCAR FINANCIAL CORP	5/10/2021	3,754,687.50	3,753,637.50	0.41
STATE STREET CORP	3/30/2023	1,750,000.00	1,816,325.00	0.00
BMWOT 2020-A A3	10/25/2024	899,932.05	902,286.00	0.38
CITIBANK NA	5/20/2022	298,510.50	300,484.05	0.52
CITIBANK NA	5/20/2022	1,319,576.85	1,329,259.95	0.52
FNA 2014-M8 A2	6/25/2024	2,185,935.07	2,187,655.94	0.38
FNA 2018-M5 A2	9/25/2021	724,259.92	688,043.99	0.81
FHMS K-029 A2	2/25/2023	1,078,080.08	1,095,415.30	0.63
FHMS K-029 A2	2/25/2023	1,716,426.56	1,744,156.40	0.63
FHMS K-029 A2	2/25/2023	820,581.64	840,172.90	0.63
FHMS K-031 A2	4/25/2023	3,771,482.81	3,789,003.60	0.57
FHMS K-032 A2	5/25/2023	3,805,596.09	4,013,655.80	0.57
FHMS K-033 A2	7/25/2023	3,809,798.44	3,878,509.80	0.57
FHMS K-504 A2	9/25/2020	45,126.09	45,165.60	0.63
FHMS K-504 A2	9/25/2020	42,863.26	43,140.24	0.63
FHMS K-105 A	7/25/2024	1,729,946.32	1,733,631.11	0.37
FIRST REPUBLIC BANK	2/12/2024	500,000.00	514,600.00	0.96
GOLDMAN SACHS GROUP INC	10/31/2022	1,573,456.50	1,579,567.50	0.81
JPMORGAN CHASE & CO	6/18/2022	770,000.00	789,873.70	0.57
KEYBANK NA	11/22/2021	1,570,646.00	1,562,384.50	0.48
PNC BANK NA	12/9/2022	1,640,000.00	1,673,964.40	0.49
PACCAR FINANCIAL CORP	5/10/2021	700,000.00	700,679.00	0.41
WELLS FARGO BANK NA	9/9/2022	1,990,000.00	2,022,914.60	0.58
SUB-TOTAL		61,613,252.74	62,531,632.92	
Supranationals				
INTER-AMERICAN DEVELOPMENT BANK	5/24/2023	2,599,116.00	2,620,046.00	0.22
INTER-AMERICAN DEVELOPMENT BANK	4/14/2022	1,934,593.40	1,980,373.00	0.21
INTER-AMERICAN DEVELOPMENT BANK	4/14/2022	1,177,726.00	1,205,667.50	0.21
INTER-AMERICAN DEVELOPMENT BANK	4/14/2022	811,863.00	831,141.00	0.21
INTER-AMERICAN DEVELOPMENT BANK	9/14/2022	10,484,250.00	10,840,305.00	0.22
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPI	6/24/2021	3,835,530.00	3,868,172.00	0.25
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPI	6/19/2023	2,889,102.00	2,984,007.00	0.24
SUB-TOTAL		23,732,180.40	24,329,711.50	
SHORT-TERM PORTFOLIO - TOTAL		1,604,271,148.40	1,609,091,129.31	
BOND PROCEEDS PORTFOLIO				
GUARANTEED INVESTMENT CONTRACT (GIC)				
<u>THE BANK OF NOVA SCOTIA</u>	4/1/2021	150,250,000.00	150,250,000.00	3.01%
<u>BNY MELLON-MONEY MARKET FUND</u>	N/A	12,539,072.80	12,539,072.80	0.01%
<u>BNY MELLON-COMMERCIAL PAPER</u>	8/18/2020	11,972,800.00	11,972,800.00	0.85%
<u>BNY MELLON-COMMERCIAL PAPER</u>	9/14/2020	24,987,993.06	24,987,993.06	0.19%
<u>BNY MELLON-COMMERCIAL PAPER</u>	10/5/2020	44,983,500.00	44,983,500.00	0.15%
BOND PROCEEDS PORTFOLIO-TOTAL		\$ 244,733,365.86	\$ 244,733,365.86	
DEBT SERVICE RESERVE FUNDS				
<u>91 EXPRESS LANES 2013 BONDS</u>	2030		10,799,437.46	
US BANK COMMERCIAL PAPER	9/14/2020	11,479,980.60		0.14%
FIRST AMERICAN TREAS OBLIGATIONS	N/A	8,688,061.38		0.01%
<u>91 EXPRESS LANES 2013 BONDS - OPERATING & MAINTENANCE RESERVES</u>			13,000,000.00	
BANK DEPOSITS	N/A	204,406.50		
OPERATING RESERVE	7/14/2020	3,098,760.00		0.16%
MAINTENANCE RESERVE	7/14/2020	10,495,800.00		0.16%
DEBT SERVICE RESERVE FUNDS - TOTAL		\$ 33,967,008.48		
TOTAL PORTFOLIO				
		Book Value	Market Value	
		\$ 2,056,236,896.83	\$ 2,061,056,877.74	



September 9, 2020

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Excess Workers' Compensation Insurance Policy

Overview

The Orange County Transportation Authority currently has an excess workers' compensation insurance policy with Arch Insurance Company. This policy will expire on October 1, 2020, and a renewal is necessary to maintain coverage.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Purchase Order No. A45740, in the amount of \$550,000, to Marsh Risk and Insurance Services, Inc., to purchase excess workers' compensation insurance from Arch Insurance Company on behalf of the Orange County Transportation Authority for the policy period of October 1, 2020 to October 1, 2021.

Discussion

Workers' compensation coverage is designed to provide medical, temporary disability, and permanent disability benefits to injured workers. Employer's liability is an additional coverage provided as part of the excess workers' compensation insurance policy. Employer's liability insurance covers claims presented to an employer on behalf of employees seeking damages caused by job-related activities that result in bodily injury or disease. For example, if a claim was filed against the Orange County Transportation Authority (OCTA) due to a serious and willful action resulting from an uncorrected yet known safety hazard that caused injury to an employee, OCTA may be liable for the costs of the claim as it would fall outside of the normal workers' compensation coverage. The employer's liability coverage would pay for the cost of legal defense for these types of claims. Fortunately, OCTA has not had any claims that would trigger the employer's liability coverage. However, retention of employer's liability insurance remains a prudent risk mitigation action.

OCTA's current excess workers' compensation insurance policy (October 1, 2019 to October 1, 2020) with Arch Insurance Company has a self-insured retention of \$750,000 each accident, as well as coverage to statutory limits, with a rate of \$0.3933 per \$100 of payroll, for a premium of \$445,842. The current policy also includes an option for OCTA to renew the policy on October 1, 2020, for a guaranteed flat rate of \$0.3933 per \$100 of payroll. OCTA payroll for this policy period is projected to increase, which will increase the actual premium.

OCTA's Broker of Record is Marsh Risk and Insurance Services, Inc. (Marsh). Marsh is paid a flat fee of \$105,000 for marketing and placing all property and casualty insurance per Agreement No. C-7-1585 approved by the Board of Directors (Board) on May 22, 2017. This flat fee paid to Marsh is not part of the premium OCTA anticipates paying to the selected insurers for the renewal of this policy. By agreement, Marsh does not earn any additional compensation or commission for its services. The contract further requires that any commissions offered by insurers will offset OCTA's premiums.

Although OCTA has not incurred any expenses due to the coronavirus (COVID-19) pandemic to date, workers' compensation insurers are experiencing higher incurred losses generally, and higher exposure to loss since the State of California adopted a COVID-19 Rebuttable Presumption of Compensability. Marsh has informed OCTA that California workers' compensation premium rates have generally increased between five and ten percent this year due to higher medical costs, increased claims activity, and future COVID-19 claim payouts. Their experience with other clients renewing their insurance policies found that many are staying with their incumbent insurers to avoid expected rate increases or exercising options for guaranteed rates if they exist in their current policies. Insurance market quotes to OCTA in the past four years have revealed a limited insurance market that was unable to provide competitive quotes or match the favorable terms of the current policy provided by Arch Insurance Company. Therefore, staff is requesting Board approval to renew this policy for the guaranteed flat rate of \$0.3933 per \$100 of payroll, with a self-insured retention of \$750,000 each accident and coverage to statutory limits, not to exceed \$550,000 annual premium.

Fiscal Impact

This project was approved in OCTA's Fiscal Year 2020-21 Budget, Human Resources and Organizational Development Division, Risk Management Department, Account No. 0041-7552-A2311-DSG, and is funded through the Workers' Compensation Internal Service Fund.

Summary

Based on the information provided, staff recommends authorizing the Chief Executive Officer to negotiate and execute Purchase Order No. A45740, for the renewal of the excess workers' compensation insurance policy, with Arch Insurance Company for an annual premium not to exceed \$550,000, for the policy period of October 1, 2020 to October 1, 2021.

Attachment

None.

Prepared by:

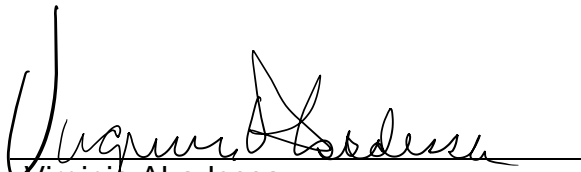


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September 9, 2020

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Award of Agreement for Claims Administration of the Self-Insured Workers' Compensation Program

Overview

On April 27, 2020, the Board of Directors approved the release of a request for proposals for claims administration of the Self-Insured Workers' Compensation Program. Proposals were received in accordance with Orange County Transportation Authority procurement procedures for professional and technical services. Approval is requested to execute an agreement for this service.

Recommendations

- A. Approve the selection of Intercare Holdings Insurance Services, Inc., to provide claims administration for the Orange County Transportation Authority's Self-Insured Workers' Compensation Program.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-0-2202 between the Orange County Transportation Authority and Intercare Holdings Insurance Services, Inc., in the amount of \$2,445,559, to provide claims administration for the Orange County Transportation Authority's Self-Insured Workers' Compensation Program, for a five-year term.

Discussion

The State of California requires each employer to secure payment for workers' compensation as provided in Section 3700 of the Labor Code. An employer may be insured through an insurance company or be permissibly self-insured. The Orange County Transportation Authority (OCTA) has received approval from the Director of the State of California (State) Industrial Relations Department to self-insure and self-administer its workers' compensation claims. OCTA contracts with and oversees a third party to administer the state-mandated claims process.

Contracting with the most qualified outside contractor or third-party administrator (TPA) is important as the TPA is primarily responsible for providing assistance and coordination of an injured employee's medical care and resolution of their claim as regulated by the State. Failure to properly follow state regulations can lead to costly penalties and litigation of claims. On an annual basis, a TPA working for OCTA may be required to simultaneously coordinate medical treatment for up to 110 employees, work with attorneys handling litigated cases, and ensure accuracy and timeliness of claim-related payments.

OCTA has been self-insured for over 41 years and has used a TPA to administer workers' compensation claims for all of those years. Historically, OCTA has found TPAs with previous public transportation agency experience better equipped to understand the physical duties and jobs of transportation workers. In addition, TPAs who provide a dedicated claims team have been successful in reducing OCTA's overall costs of claims administration, medical and disability costs, legal fees, and medical case expenses.

Procurement Approach

This procurement was handled in accordance with OCTA's Board of Directors (Board)-approved procedures for professional and technical services. In addition to cost, other factors are considered in an award for professional and technical services. Award is recommended to the firm offering the most comprehensive overall proposal considering such factors as staffing and project organization, prior experience with similar projects, work plan, and a fair and reasonable price structure.

On April 27, 2020, the Board authorized the release of Request for Proposals (RFP) 0-2202, which was issued and sent electronically on CAMM NET. The project was advertised in a newspaper of general circulation on May 8 and 11, 2020. A pre-proposal conference was held on May 8, 2020, with six attendees representing six firms. Three addenda were issued to provide a copy of the pre-proposal registration sheet and to respond to questions related to the RFP.

On May 26, 2020, five proposals were received. An evaluation committee consisting of OCTA staff from Contracts Administration and Materials Management and Risk Management departments, as well as external representatives from County of Orange and Foundation Building Materials, LLC, met to review all proposals received. The proposals were evaluated based on the following Board-approved evaluation criteria and weightings:

- | | |
|-------------------------------------|------------|
| • Qualifications of the Firm | 20 percent |
| • Staffing and Project Organization | 25 percent |
| • Work Plan | 30 percent |
| • Cost and Price | 25 percent |

Several factors were considered in developing the evaluation criteria weightings. Workers' compensation is a heavily regulated system requiring proper handling of claims within deadlines. To ensure these standards are met, qualifications of the firm was weighted at 20 percent. The firms needed to demonstrate a proven track record of handling high-value claims, sometimes in excess of one million dollars. Staffing and project organization was weighted at 25 percent to ensure the firms proposed a knowledgeable management team and staff that are experienced in all aspects of the administration of workers' compensation claims and to cost effectively manage the claims process. Work plan was weighted highest at 30 percent to emphasize the importance of the proposing firms to effectively demonstrate their understanding and approach to completing the work specified in the scope of work, and cost and price criteria was weighted at 25 percent to ensure competitiveness in proposed pricing to accomplish the required work and ensure that OCTA receives value for the services provided.

On June 8, 2020, the evaluation committee reviewed and discussed the five proposals received based on the evaluation criteria and three firms were shortlisted and interviewed. The three firms are listed in alphabetical order as follows:

Firm and Location

Athens Administrators, Inc. (Athens)
Concord, California

Intercare Holdings Insurance Services, Inc. (Intercare)
Rocklin, California

Tristar Risk Management (Tristar)
Long Beach, California

The interviews with the three short-listed firms were conducted on June 15, 2020, and consisted of a presentation to demonstrate the firms' understanding of OCTA's requirements. The firm's project managers and key team members had an opportunity to present qualifications and respond to the evaluation committee's questions. Questions were asked relative to the firms' security measures to protect confidentiality, the coronavirus disease support

staff, as well as analytics and/or predictive modeling tools to help identify claims that can unexpectedly become high-cost losses offered by the firms. Finally, teams were asked specific clarification questions related to their proposal.

Following the interviews, OCTA issued a request for best and final offers (BAFO) from the short-listed firms to offer the opportunity to adjust pricing for the required services. Two of the firms were able to lower pricing but all remained competitive. OCTA will pay firm-fixed annual rates billed monthly. The rates provide for claims administration, medical bill auditing, utilization review, and medical case management services.

After considering the responses to questions asked during the interviews and information provided in the BAFOs, the evaluation committee reviewed the preliminary ranking for the short-listed firms and made changes to the individual criteria scores. However, Intercare remained the highest-ranked firm with the highest overall score.

Based on the evaluation of the written proposals, the firm's qualifications, the proposed total annual fees, the information obtained from the interviews, and the BAFOs, the evaluation committee recommends Intercare for consideration of the award. The following is a brief summary of the proposal evaluation results.

Qualifications of the Firm

All firms demonstrated relevant experience providing workers' compensation claims administration services to public agencies.

Intercare has specialized in providing workers' compensation claims administration since 1994. More than 60 percent of Intercare's current claims administration business activities involve the servicing of public entities such as public transportation, counties, cities, school districts, and other public agencies. The firm demonstrated extensive experience managing complex, large programs with major metropolitan transit agencies in the State, such as Humboldt Transportation Authority, San Francisco Municipal Transportation Authority, San Luis Obispo Regional Transit Authority, the Sacramento Regional Transit Agency, and South County Area Transit. Intercare is currently the incumbent firm providing workers' compensation claims administration services to OCTA and has demonstrated familiarity managing all aspects of the workers' compensation program and working with staff to comply with regulatory requirements. The firm has 336 employees and proposed to continue providing services from their local office in the City of Orange.

Tristar has been providing TPA services since 1987 and has over 650 employees. More than 80 percent of the firm's claims management business is workers' compensation, and nearly half of their customers are public entities including school districts, cities, counties, states, public transportation systems, and other public entities. The firm has provided services to public transit agencies including North County Transit District, San Diego Metropolitan Transit System, Santa Clara Valley Transit Authority, Spokane Transit Authority, Southeastern Pennsylvania Transit Authority, and VIA Metro Transit.

Athens is an established firm that has been in business for over 20 years and has managed care for over seven years with 380 employees. Approximately 40 percent of Athens' current claims administration business activities involve the servicing of public entities such as public transportation, counties, cities, and school districts. The firm also specializes in providing workers' compensation claims administration services for public agencies, such as Bay Area Rapid Transportation, Golden Gate Bridge Authority, Golden Gate Ferry, Long Beach Transit, and Santa Cruz Metropolitan Transit.

Staffing and Project Organization

Intercare proposed an experienced project team possessing individual experience in every aspect of claims administration and demonstrated relevant claims administration backgrounds. The proposed claims manager and claims supervisor both have 25 years of workers' compensation experience, and one of the proposed claims adjusters has 17 years' experience managing claims for the public transportation industry. A second proposed claims adjuster has been with Intercare for 15 years working with workers' compensation processes and managing claimant's medical care. Both claims adjusters are proposed to be dedicated to OCTA's program with 100 percent of availability for this contract and the claims supervisor is available at 50 percent. During the interview, the project team demonstrated their understanding of managing various aspects of workers' compensation claims process.

Tristar's proposed workers' compensation claims supervisor has more than 27 years of industry experience, including more than 18 years of supervisory experience and 15 years with the firm. The account manager proposed for this project has over 23 years of experience managing workers' compensation claims experience and eight years with Tristar managing branch level claims. The firm will hire examiners and claims assistants if awarded the contract and proposed that once hired, the claims examiner and claims assistant would be dedicated personnel. The firm provided limited information about assigned staff.

Athens proposed an experienced division claims manager to oversee the project with over 20 years of experience in the workers' compensation industry and 11 years working for Athens. The firm did not name a claims supervisor nor examiner that would handle the day-to-day claims activities. The firm will assign these positions if awarded the contract, but it is not clear how they would be dedicated to the project.

Work Plan

The short-listed firms addressed important elements of the scope of work, program needs, and the degree of involvement necessary to effectively manage OCTA's workers' compensation claims.

Intercare's strategic approach to providing OCTA with a comprehensive workers' compensation claims administration program was clearly communicated through their proposal and interview, and includes a customized claims audit program specifically developed to meet OCTA's internal audit requirements and state-mandated claims handling regulations. In addition to the claims administration services, Intercare proposed monthly data reviews onsite or virtual with OCTA staff located at the bases, quarterly claims reviews with OCTA, quarterly vendor meetings, monthly meetings with the occupational clinics, on-call claims reviews, and monthly bill audits. Intercare's integrated approach was further demonstrated by proposing to conduct monthly meetings with the doctors at the industrial clinic to discuss injured workers' medical treatment in an effort to help employees return to work promptly. The firm proposed to implement several value-added systems, such as the E-Provider Portal, which allows providers to secure access to claims information, on-site meetings for non-litigated claims, face-to-face with claims adjusters, and proposed other programs to make their services efficient and cost effective for OCTA.

Tristar proposed a comprehensive workers' compensation claims administration plan system the firm designed in-house. The firm's claims management system and managed care system offers real-time accessibility to claim detail and data. The system is paperless, web-based, and offers Android and Apple compatible mobile applications for employers and claimants. The firm proposes nurse triage, early intervention, return to work programs, and a customized wellness program. The firm also proposed an application for the Risk Management Department that is an advanced artificial intelligence-based toolkit to assist adjusters, supervisors, and risk managers in evaluating an entire claim population's performance. The proposed work plan did not address all the essential requirements of the scope of work in an organized format. The firm was responsive to interview questions.

Athens proposed enhancements that offered claims resolution outside the traditional California Workers' Compensation Appeals Board, as well as a streamlined injury resolution program and an expedited claims resolution process. Athens proposed a service that allows both OCTA staff and the injured worker to view specific workers' compensation claims information, and also secured login portals for both OCTA and the injured worker providing specific details to both parties. The work plan broadly addressed elements mentioned in the scope of work. The timeline for the transition services from the current provider appeared adequate. The firm did not provide complete responses to some of the questions asked during the interview.

Cost and Price

Pricing scores were based on a formula, which assigned the highest score to the firm with the lowest fees and weighed the remaining proposals' fees based on their relation to the lowest fees. The RFP requested that the firms propose annual firm-fixed prices to represent OCTA in all matters related to the investigation, adjustment, processing, supervision, and resolution of workers' compensation claims against OCTA. After BAFOs, Intercare proposed the lowest overall fee structure, which amounts to a total of \$2,445,559 for five years.

Procurement Summary

Based on the evaluation of the written proposals, the firm's qualifications, the information obtained from the interviews, and BAFOs, the evaluation committee recommends the selection of Intercare as the top-ranked firm to provide workers' compensation claims administration. Intercare delivered a thorough and comprehensive proposal and an interview that was responsive to all requirements of the RFP.

Fiscal Impact

The project is included in OCTA's Fiscal Year 2020-21 Budget, Human Resources and Organizational Development, Risk Management Department Account No.0041-7519-A2311-F41 and is funded through Local Transportation Fund.

Summary

Based on the information provided, staff recommends the Board of Directors authorize the Chief Executive Officer to negotiate and execute Agreement No. C-0-2202 between the Orange County Transportation Authority and Intercare Holdings Insurance Services, Inc., in the amount of \$2,445,559, for a five-year term to provide claims administration for the Orange County Transportation Authority's Self-Insured Workers' Compensation Program.

Attachments

- A. Review of Proposals, RFP 0-2202 Workers' Compensation Claims Administration Services
- B. Proposal Evaluation Criteria Matrix (Short-Listed Firms), RFP 0-2202 Workers' Compensation Claims Administration Services
- C. Contract History for the Past Two Years, RFP 0-2202 Workers' Compensation Claims Administration Services

Prepared by:

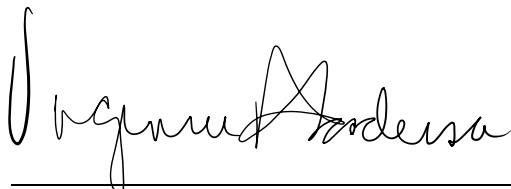


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Review of Proposals

RFP 0-2202 Workers' Compensation Claims Administration Services

Presented to the Finance and Administration Committee on September 9, 2020

Five proposals were received, three firms were interviewed, one firm is being recommended

Overall Ranking	Proposal Score	Firm & Location	Sub-Contractors	Evaluation Committee Comments	Firm-Fixed Price for Five-Year Term
1	88	Intercare Holdings Insurance Services, Inc. Rocklin, California	None	Specialized in providing claims administration since 1964 with 336 employees. More than 60 percent of Intercare's claims involve servicing public entities. Demonstrated familiarity managing all aspects of the workers' compensation program. Claims manager and claims supervisor each have over 25 years experience. Claims adjusters will be dedicated at 100 percent availability. Transit agency experience includes the Orange County Transportation Authority, San Luis Obispo Regional Transit, Sacramento Regional Transit, San Francisco Municipal Transportation, and Humboldt Transportation Authority. Best and final offer resulted in a reduction in pricing. Responded to interview questions.	\$2,445,559
2	78	Tristar Risk Management Long Beach, California	None	Third-party administrator (TPA) since 1987 with 650 employees. More than 80 percent of the firm's claims management business is workers' compensation. Approximately 40 percent of current TPA business involves servicing public entities. The claims supervisor has more than 27 years industry experience and the account manager has 23 years. Although complete and detailed, the work plan was disorganized. The firm provided limited information on assigned staff. The firm was responsive to interview questions.	\$2,499,993
3	76	Athens Administrators, Inc. Concord, California	Franco Signor APEX Investigations Anthem Medex Healthcare	Athens has been in business for over 20 years with 380 employees. Approximate 40 percent of Athen's claims administration involve public entities including Bay Area Rapid Transportation, Long Beach Transit and Golden Gate Ferry. Claims manager and claims supervisor would be assigned if awarded contract. The firm proposed relevant enhancements to claims resolution. The timeline for transition services was reasonable. Firm did not clearly respond to some of the questions asked at the interview.	\$2,540,954

Internal:

Contracts Administration and Materials Management (1)	Qualifications of the Firm	20 percent
Risk Management (2)	Staff and Project Organization	25 percent

External:

Foundation at Building Materials, LLC (1)	Work Plan	30 percent
County of Orange (1)	Cost and Price	25 percent

**PROPOSAL EVALUATION CRITERIA MATRIX (Short-Listed Firms)
RFP 0-2202 Workers' Compensation Claims Administration Services**

Intercare Holdings Insurance Services, Inc.						Weights	Overall Score
Evaluator Number	1	2	3	4	5		
Qualifications of Firm	4.5	4.5	4.5	4.5	4.5	4.0	18.0
Staffing/Project Organization	4.0	3.5	4.5	4.0	3.5	5.0	19.5
Work Plan	4.0	4.5	4.5	4.5	4.0	6.0	25.8
Cost and Price	5.0	5.0	5.0	5.0	5.0	5.0	25.0
Overall Score	87.0	87.5	92.5	90.0	84.5		88
Tristar Risk Management						Weights	Overall Score
Evaluator Number	1	2	3	4	5		
Qualifications of Firm	4.5	4.0	4.0	4.0	4.0	4.0	16.4
Staffing/Project Organization	3.5	4.0	3.0	3.0	3.0	5.0	16.5
Work Plan	3.5	4.0	3.5	3.0	3.5	6.0	21.0
Cost and Price	4.9	4.9	4.9	4.9	4.9	5.0	24.5
Overall Score	81.0	84.5	76.5	73.5	76.5		78
Athens Administrators						Weights	Overall Score
Evaluator Number	1	2	3	4	5		
Qualifications of Firm	4.0	4.0	4.0	3.0	4.0	4.0	15.2
Staffing/Project Organization	3.0	3.5	3.0	3.5	3.0	5.0	16.0
Work Plan	3.5	3.0	3.5	3.5	4.0	6.0	21.0
Cost and Price	4.8	4.8	4.8	4.8	4.8	5.0	24.0
Overall Score	76.0	75.5	76.0	74.5	79.0		76

Range of Score for Non-Short-Listed firms is 73 to 74

CONTRACT HISTORY FOR THE PAST TWO YEARS
RFP 0-2202: Workers' Compensation Claims Administration Services

Prime and Subconsultants	Contract No.	Description	Contract Start Date	Contract End Date	Subconsultant Amount	Total Contract Amount
Intercare Holdings Insurance Services, Inc.						
Contract Type: Firm-Fixed Price Contract	C-5-3383	Workers' Compensation Claims Services	November 1, 2015	October 31, 2020		\$2,500,000.00
Subconsultants: None						
Sub Total						\$2,500,000.00
Tristar Risk Management						
Contract Type:						
Subconsultants: None						
Sub Total						\$0
Athens Administrators						
Subconsultants: None						
Sub Total						\$0.00



September 9, 2020

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Fiscal Year 2020-21 Proposed Budget Amendment

Overview

Staff proposes a budget amendment to update the Orange County Transportation Authority's Fiscal Year 2020-21 Approved Budget. This amendment better aligns the budget with anticipated revenue and expenditures through the balance of the fiscal year by funding commuter rail operations for the remainder of the year, reducing bus program revenues and expenditures based on reduced service levels, and adds positions for Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency, which will be fully reimbursed by the State.

Recommendations

- A. Amend the Orange County Transportation Authority's Fiscal Year 2020-21 Budget by reducing the revenue and expense budgets, in the amount of approximately \$28 million, to accommodate updated budget assumptions for revenue and expense items.
- B. Approval of the full Fiscal Year 2020-21 Orange County Transportation Authority member agency contribution to the Southern California Regional Rail Authority, in an amount up to \$28,773,477, including authorization of Federal Transit Administration funds, in an amount up to \$8,500,000, to be drawn down directly by the Southern California Regional Rail Authority. Also included in Southern California Regional Rail Authority's operating subsidy proposal is the direct draw down of The Coronavirus Aid, Relief, and Economic Security Act funding in the amount of \$17,159,239.
- C. Authorize Federal Transit Administration funds, in an amount up to \$12,969,650, to be drawn down directly by the Southern California Regional Rail Authority for capital and rehabilitation expenditure budget

contingent upon all member agencies' approval of their respective capital and rehabilitation budgets.

- D. Authorize the addition of four new positions to the Orange County Transportation Authority. The four positions are requested to accommodate the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's FY 2020-2021 Approved Budget. The four positions include a Project Manager, Senior, Transportation Funding Analyst, Senior, Accounting Analyst, Associate, and a Deputy Managing Director.

Background

The Orange County Transportation Authority (OCTA) Fiscal Year (FY) 2020-21 Budget was approved by the OCTA Board of Directors (Board) on June 8, 2020 in the amount of \$1,427.6 million. At the time the budget was approved by the Board, due to the uncertainty caused by the coronavirus (COVID-19), the Southern California Regional Rail Authority (SCRRA) only requested an operating subsidy contribution of three months in order to provide the agency time to determine appropriate service levels and the corresponding full year operating subsidy and capital expenditure requirements. In addition, OCTA budgeted fixed-route service levels of up to 1.6 million revenue hours in order to maintain a state of readiness if ridership returned or social distancing requirements necessitated additional service. OCTA anticipates running service levels of approximately 1.2 million revenue hours to meet ridership demand and social distancing requirements through the February 2021 service change.

Discussion

Staff is requesting the Board authorize amending the FY 2020-21 budget based on updated revenue and expenditure assumptions. Based on the recommended changes, the amended budget would be \$28 million less than the budget approved by the Board on June 8, 2020. The budget would decrease from \$1,427.6 million to \$1,399.6 million based on the proposed amendment.

A detailed list of the changes and their impact to the budget is provided in Attachment A. The primary drivers of the budget amendment are the requested changes by the SCRRA, as well as changes in assumptions for the bus program. In addition to those changes, staff is proposing additional amendments based on information received since the budget was approved in June. These changes include reducing the healthcare budget based on actual rates coming in less than anticipated, adding four staff members to support the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency (LOSSAN),

which will be fully reimbursed by LOSSAN, as well as accommodating the pass through of Coronavirus Aid, Relief, and Economic Security (CARES) Act funds to support the Anaheim Transportation Network (ATN). A summary of the changes is provided below.

Bus Program

The approved budget assumed pre-COVID-19 service levels of 1.6 million annual revenue hours. Based on lower ridership demand and to meet social distancing requirements, OCTA has actually been running approximately 1.2 million annualized revenue hours. As of now, this is the level of service assumed through February. Additionally, paratransit services are down by approximately 80 percent and are assumed to stay at this lower level through February. As a result, it is anticipated that bus operating expenditures will be \$35.2 million lower than budget. This savings is offset by an anticipated decrease in fare revenue (\$7.2 million). Due to lower than anticipated bus expenditures, less CARES Act revenue will be needed in the current FY (\$25.6 million) and the funds will be utilized next FY year to support bus service.

Healthcare

Healthcare was budgeted at \$22.4 million based on an anticipated growth rate of ten percent for the second half of the FY. However, healthcare rates provided by OCTA's healthcare broker anticipate growth to be 0.7 percent for the second half of the FY, reducing OCTA's healthcare budget assumptions by \$0.9 million to \$21.5 million in FY 2020-21.

OC Flex

OCTA's budget included funding for two OC Flex zones. Due to low ridership, service for the Blue Zone was temporarily suspended and service is currently operated only in the Orange Zone. Based on the temporary service reduction in the Blue Zone, it is anticipated that OC Flex expenses will be \$0.5 million lower than the current budget.

LOSSAN Staffing

Since the approval of OCTA's budget, the LOSSAN Agency's FY 2020-21 budget was approved by the California State Transportation Agency. The LOSSAN budget includes four new positions, which are: Project Manager, Senior, Transportation Funding Analyst, Senior, Accounting Analyst, Associate, and a Deputy Managing Director. The estimated cost for these positions in this

year's budget is \$0.5 million. OCTA will be fully reimbursed for the cost of these positions.

ATN

On July 13, 2020, the OCTA Board approved CARES Act pass-through funding to ATN in the amount of \$2.3 million. While the funds have already been sent to ATN, a budget amendment is recommended to accommodate the pass-through.

SCRRA Service

The OCTA budget approved by the Board in June included \$7.3 million to fund three months of operating subsidy for the SCRRA. The plan at that time was to amend the budget at a future date for the remaining nine months of the FY. SCRRA has since provided OCTA with a budget proposal, which includes OCTA's portion of the remaining member agency operating subsidy. The operating subsidy is based on operating 45 weekday trips, which is reduction of nine weekday trips due to the impact of COVID-19 to ridership. The budget amendment request to support the full year's operating subsidy is \$13 million. A breakdown of how OCTA's portion of the operating subsidy is funded is provided below.

FY 2020-21 Operating Subsidy	\$45.9
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Funds Drawn Directly By SCRRA

CARES Act	17.1
Federal Transit Administration	8.5
Total funds drawn directly	\$25.6

FY 2020-21 OCTA Budget

Approved budget – 3 months	7.3
Amendment request	13.0
Total OCTA budget	\$20.3

The recommendations include authorizing the SCRRA to directly drawdown \$17.1 million in CARES Act funding and up to \$8.5 million in Federal Transit Administration (FTA) funds. These drawdowns would be used to partially fund the operating subsidy for FY 2020-21. In addition, each year the Board also approves the SCRRA capital and rehabilitation expenditure budget. The SCRRA is asking for a capital and rehabilitation budget of \$13 million, which will be paid for with FTA funds and will be drawn down directly by the SCRRA. The approval of the capital and rehabilitation budget would be contingent upon all member agencies' approval of their respective capital and rehabilitation

budgets. Additionally, the SCRRA requested that each member agency provide a one-time increase to their contribution so they could increase their cash on hand to reduce the financial stress on the agency when making large payments to contractors. The request from OCTA was approximately \$5 million. While OCTA understands the SCRRA's cash flow needs, we are recommending that the SCRRA engage with one of their policy groups to determine the best way to solve this problem and determine appropriate accountability measures for any one-time funds sent by member agencies.

Summary

The proposed budget amendment reduces OCTA's FY 2020-21 Budget by \$28 million and better aligns the budget with anticipated revenues and expenditures. The proposed amendment would reduce the FY 2020-21 Budget from \$1,427.6 million to \$1,399.6 million. This amendment provides funding for the remaining nine months of the FY for Metrolink commuter rail service, reduces bus service expenditures based on lower levels of service, and adds four new positions for LOSSAN, which will be fully reimbursed by the State. OCTA will continue to evaluate the budget throughout the FY based on the evolving financial impacts of COVID-19.

Attachment

- A. FY 2020-21 Proposed Budget Amendment Revenue and Expense Detail

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**FY 2020-21 Proposed Budget Amendment
Revenue and Expense Detail**

ATTACHMENT A

	Current Revenue	Use of Prior Year Designations	Revenue Budget
Approved Revenue	\$ 1,004,226,815	\$ 423,393,636	\$ 1,427,620,451
Fare Revenue	(7,197,550)		
CARES Act	(25,605,784)		
Reimbursement from Other Agencies - LOSSAN	532,818		
Use of Prior Year Designations		4,281,337	
Amended Sources	\$ 971,956,299	\$ 427,674,973	\$ 1,399,631,272
FY 2020-21 Approved Revenue vs. FY 2020-21 Amended Revenue	\$ (32,270,516)	\$ 4,281,337	\$ (27,989,179)
	Current Expenditure	Designations	Expenditure Budget
Approved Expenses	\$ 1,368,824,335	\$ 58,796,116	\$ 1,427,620,451
Bus Service	(34,119,575)		
Healthcare	(931,034)		
OC Flex Service	(387,924)		
LOSSAN Staffing - New Positions	532,818		
Anaheim Transit Network - CARES Act	2,354,802		
Metrolink Service - Operating Subsidy	12,999,477		
Designations		(8,437,743)	
Amended Uses	\$ 1,349,272,899	\$ 50,358,373	\$ 1,399,631,272
FY 2020-21 Approved Expenses vs. FY 2020-21 Amended Expenses	\$ (19,551,436)	\$ (8,437,743)	\$ (27,989,179)

Acronyms:

CARES Act - Coronavirus Aid, Relief, and Economic Security Act

FY - Fiscal Year

LOSSAN - Los Angeles - San Diego - San Luis Obispo Rail Corridor