



**July 27, 2022**

**To:** Finance and Administration Committee  
**From:** Darrell E. Johnson, Chief Executive Officer  
**Subject:** Annual New York Credit Update – June 2022

**Overview**

Since the early 1990s, the Orange County Transportation Authority has maintained an active investor relations program. As part of this program, each year the Orange County Transportation Authority conducts a series of meetings with the rating agencies and financial institutions in New York, New York. This year, the meetings took place from Tuesday, June 21, 2022 to Thursday, June 23, 2022.

**Recommendation**

Receive and file as an information item.

**Background**

The Orange County Transportation Authority (OCTA) and its affiliated agencies have issued approximately \$2.5 billion of debt to advance various capital programs since 1987. One sub-component of debt issuance is the servicing of debt, which includes updating the rating agencies on the progress of OCTA's programs and services on an annual basis.

Every year, OCTA provides a comprehensive presentation to various organizations. This year, OCTA met with Moody's Investors Service, S&P Global, Kroll Bond ratings, Barclay's, Fitch Ratings, BofA Securities, Stantec, and Met Life Investment Management.

It is important for OCTA to provide constant communication to the municipal market. The annual meetings provide the opportunity to discuss the issues facing OCTA and the Orange County economy. OCTA's track record of providing projects on time and under budget has clearly established OCTA's credibility with the rating agencies and investors.

***Discussion***

The following representatives from OCTA were in New York from Tuesday to Thursday, June 21-23, 2022: Chairman Mark Murphy, Vice-Chairman Gene Hernandez, Director Michael Hennessey, Chairman of the Finance and Administration Committee, Darrell Johnson, Andrew Oftelie, and Robert Davis. In addition, Jim Martling and Krista deMello from OCTA's financial advisory firm, Sperry Capital Inc., attended the meetings.

During the meetings, representatives discussed OCTA's programs and services. Staff focused on the Orange County economy, transit challenges, the 91 Express Lanes, and the construction progress of the I-405 Improvement Project, which is currently the largest highway construction project in California. The team also emphasized the strong debt service coverage ratios for OCTA's debt obligations. The meetings were well received, with interest and questions regarding the Orange County economy, recent traffic patterns on the 91 Express Lanes, and several OCTA programs. This information will be used by the rating agencies for their annual surveillance of OCTA.

A detailed summary report on the New York meetings has been prepared by Sperry Capital Inc., and has been included as Attachment A. The report identifies the members of each firm and discusses the topics of concern for each of the organizations. A copy of the June 2022 New York presentation book is provided as Attachment B.

***Summary***

The Orange County Transportation Authority has been proactive in delivering information to the municipal market to ensure that the Orange County Transportation Authority's credit ratings remain strong. A summary report of the most recent meetings in New York is provided as an attachment.

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**Attachments**

- A. Letter from James W. Martling, Principal, Sperry Capital Inc., to Robert L. Davis, Treasury and Public Finance Manager, Orange County Transportation Authority, dated July 1, 2022
- B. Orange County Transportation Authority June 2022 Presentation Book

**Prepared by:**



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

**Approved by:**



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