



**July 25, 2018**

**To:** Finance and Administration Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** New York Meetings Update - June 2018

### **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 on Thursday and Friday, June 21- 22, 2018.

### **Recommendation**

Receive and file as an information item.

### **Background**

The Orange County Transportation Authority (OCTA) and its affiliated agencies have issued over \$2 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 Bank of America N.A., Fitch Ratings, Moody's Investor Services, Standard & Poor's, and Stantec.

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.

***Discussion***

The following representatives from OCTA were in New York on Thursday and Friday, June 21-22, 2018: Chairwoman Lisa Bartlett, Vice-Chair Tim Shaw, Director Andrew Do, Darrell Johnson, Andy Oftelie, and Jen Matano. In addition, a representative from OCTA's financial advisory firm, Sperry Capital Inc., attended the meetings.

During the meetings, representatives discussed OCTA's programs and services. The meetings focused on the recent activities of the I-405 Improvement Project since the Transportation Infrastructure Finance and Innovation Act closing and the impacts to the 91 Express Lanes from the recent Riverside County Transportation Commission extension. The OCTA team also provided an update on the Orange County economy, fiscal year 2018-19 approved budget, bus ridership, Measure M2 sales tax collections and forecast, and debt service coverage calculations. The meetings were well received, with interest and questions regarding the 405 Express Lanes Project, the 91 Express Lanes, and Orange County economy. This information will be used by the rating agencies for their annual surveillance of OCTA.

A detailed summary report on all 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 Stantec presentation is provided as Attachment B, and the New York presentation book is provided as Attachment C.

***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 Sperry Capital Inc., to Jen Matano, Department Manager, Treasury/Public Finance, dated July 3, 2018, regarding 2018 New York Meetings.
- B. Stantec OCTA Update.
- C. Orange County Transportation Authority June 2018 Update.

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