



October 23, 2019

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: New York Meetings Update - September 2019

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, September 19 - 20, 2019.

Recommendation

Receive and file as an information item.

Background

The Orange County Transportation Authority (OCTA) and its affiliated agencies have issued approximately \$2.4 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, S&P Global, Fitch Ratings, Bank of America, 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.

Discussion

The following representatives from OCTA were in New York on Thursday and Friday, September 19-20, 2019: Chairman Tim Shaw, Vice-Chair Steve Jones, Director Michael Hennessey, Chairman of the Finance and Administration Committee, Darrell Johnson, Andy Oftelie, and Robert Davis. In addition, a representative from OCTA's financial advisory firm, Jim Martling, with Sperry Capital Inc., attended the meetings.

During the meetings, representatives discussed OCTA's programs and services. The meetings focused on recent activities of several Measure M2 (M2) projects including the OC Streetcar Project, OC Bus 360 improvements, and the I-405 Improvement Project. The OCTA team also provided an update on the Orange County economy, 91 Express Lanes traffic and toll revenue growth levels, fiscal year 2019-20 approved budget, M2 sales tax collections, and OCTA's debt profile including debt service coverage calculations. The meetings were well received, with interest and questions regarding the 405 Express Lanes Project, and 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 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.

Attachments

- A. Letter from Sperry Capital Inc., to Robert Davis, Department Manager, Treasury/Public Finance, dated October 4, 2019, regarding 2019 New York Meetings
- B. Orange County Transportation Authority September 2019

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