



September 25, 2024

To: Finance and Administration Committee
From: Darrell E. Johnson, Chief Executive Officer
Subject: Annual New York Credit Update – July 2024

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 Wednesday, July 31, 2024, to Thursday, August 1, 2024.

Recommendation

Receive and file as an information item.

Background

The Orange County Transportation Authority (OCTA) and its affiliated agencies have issued approximately \$2.6 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 Ratings, Fitch Ratings, BNY, Stantec, and MetLife 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 Friday, July 30 to August 1, 2024: Chair Tam Nguyen, Director Michael Hennessey, Chair of the Finance and Administration Committee, Darrell Johnson, Andrew Oftelie, Kirk Avila, and Robert Davis. In addition, Bryant Jenkins from OCTA's financial advisory firm, Sperry Capital Inc., attended the meetings.

During the meetings, representatives discussed the successes and challenges of OCTA's multimodal transportation services and current projects. Staff focused on the Orange County economy, the 91 Express Lanes, the initial operations of the 405 Express Lanes, and the progress of the OC Streetcar project. The team also emphasized OCTA's reserves and the strong debt service coverage ratios for OCTA's debt obligations. The meetings were well received. The credit analysts thanked OCTA for continuing its commitment to provide annual in-person updates. The rating agencies were complimentary about the quality of the presentation book (July 2024 Credit Update) and the presentations made by two members of OCTA's Board of Directors and staff.

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 covers the discussion topics for each of the organizations. A copy of the July 2024 Credit Update 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 T. Bryant Jenkins, Managing Principal, Sperry Capital Inc., to Robert L. Davis, Treasury and Public Finance Manager, Orange County Transportation Authority, dated August 28, 2024
- B. Orange County Transportation Authority July 2024 Credit Update

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