



# **AGENDA**

## ***Finance and Administration Committee Agenda***

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### **Committee Members**

Michael Hennessey, Chairman  
Brian Goodell, Vice Chairman  
Patrick Harper  
Gene Hernandez  
Steve Jones  
Joe Muller  
Vicente Sarmiento

Orange County Transportation Authority  
Board Room  
550 South Main Street  
Orange, California

**Wednesday, August 10, 2022 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 Orange County Transportation Authority (OCTA) Clerk of the Board's office at (714) 560-5676, no less than two business days prior to this meeting to enable OCTA to make reasonable arrangements to assure accessibility to this meeting.

### **Agenda Descriptions**

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.

### **Public Availability of Agenda Materials**

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

### **Meeting Access and Public Comments on Agenda Items**

Members of the public can either attend in-person (subject to OCTA's Coronavirus (COVID-19) safety protocols) or 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/>

Members of the public may address the Board of Directors regarding any item two ways:

### **In-Person Comment**

Members of the public may attend in-person (subject to OCTA's COVID-19 safety protocols) and address the Board regarding any item. Members of the public will be required to complete a COVID-19 symptom and temperature screening.



Please complete a speaker's card and submit it to the Clerk of the Board (or notify the Clerk of the Board the item number on which you wish to speak). Speakers will be recognized by the Chairman at the time the agenda item is to be considered. A speaker's comments shall be limited to three minutes.

## **Written Comment**

Written public comments may also be submitted by emailing them to [ClerkOffice@octa.net](mailto:ClerkOffice@octa.net), and must be sent by 5:00 p.m. the day prior to the meeting. 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.

## **Call to Order**

## **Pledge of Allegiance**

Director Jones

## **Special Calendar**

There are no Special Calendar matters.

## **Consent Calendar (Items 1 and 2)**

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.

### **1. Approval of Minutes**

#### **Recommendation**

Approve the minutes of the July 27, 2022 Finance and Administration Committee meeting.

### **2. Fiscal Year 2021-22 Fourth Quarter Grant Reimbursement Status Report**

Sam Kaur/Andrew Oftelie

#### **Overview**

The Quarterly Grant Reimbursement Status Report summarizes grant activities for the Orange County Transportation Authority Board of Directors. This report focuses on activity for the fourth quarter of fiscal year 2021-22, covering April through June 2022.



**Recommendation**

Receive and file as an information item.

**Regular Calendar**

**3. Agreements for Health Insurance Services**  
Bea Maselli/Maggie McJilton

**Overview**

The Orange County Transportation Authority currently has agreements with various companies to provide medical, dental, vision, life, accidental death and dismemberment, disability, and supplemental life plans for administrative employees and employees represented by the Transportation Communications International Union and represented by Teamsters Local 952 Union. These agreements expire on December 31, 2022. Staff is presenting recommendations for medical, dental, vision, life, accidental death and dismemberment, disability, and supplemental life insurance, as well as leave administration for the calendar year 2023.

**Recommendations**

- A. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 7 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, 2023. The annual 2023 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. 7 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, 2023. The annual 2023 Anthem Blue Cross health maintenance organization premium costs will vary in accordance with actual enrollment.



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## ***Finance and Administration Committee Agenda***

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- C. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 7 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, 2023. The annual 2023 Anthem Blue Cross preferred provider organization premium costs will vary in accordance with actual enrollment.
- D. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 7 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, 2023. The annual 2023 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. 1 to Agreement No. C-1-3670 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, 2023. The annual 2023 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. 12 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, 2023. The annual 2023 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. 1 to Agreement No. C-1-3672 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, 2023. The annual 2023 Delta Dental health maintenance organization premium costs will vary in accordance with actual enrollment.



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## ***Finance and Administration Committee Agenda***

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- H. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 1 to Agreement No. C-1-3671 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, 2023. The annual 2023 vision services premium costs will vary in accordance with actual enrollment.
- I. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 6 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, 2023. The annual 2023 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. 5 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, 2023.
- K. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 5 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, 2023. The annual 2023 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. 5 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, 2023.



**4. Adopt Resolution Approving Updated Real Property Policies and Procedures Manual**

Joe Gallardo/James G. Beil

**Overview**

The Orange County Transportation Authority is currently acquiring and managing numerous properties required for the construction and delivery of capital improvement projects. As part of the acquisition and management process, the Orange County Transportation Authority must, by general resolution, authorize certain policies and procedures to implement this process in compliance with federal and state laws. The current Real Property Policies and Procedures Manual of April 2018 was approved by the Board of Directors on May 14, 2018. Staff is requesting the Real Property Policies and Procedures Manual which requires Board of Directors' approval.

**Recommendation**

Adopt Resolution No. 2022-052 approving the Real Property Policies and Procedures Manual, dated August 2022, to replace the current Real Property Policies and Procedures Manual of April 2018.

**Discussion Items**

**5. Public Comments**

**6. Chief Executive Officer's Report**

**7. Committee Members' Reports**

**8. Closed Session**

There are no Closed Session items scheduled.

**9. Adjournment**

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, August 24, 2022**, at the Orange County Transportation Authority Headquarters, Board Room, 550 South Main Street, Orange, California.



# **MINUTES**

## ***Finance and Administration Committee Meeting***

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### **Committee Members Present**

Michael Hennessey, Chairman  
Brian Goodell, Vice Chairman  
Patrick Harper  
Steve Jones  
Vicente Sarmiento

### **Staff Present**

Darrell E. Johnson, Chief Executive Officer  
Jennifer L. Bergener, Deputy Chief Executive Officer  
Sahara Meisenheimer, Clerk of the Board Specialist  
Gina Ramirez, Clerk of the Board, Specialist, Senior  
Andrea West, Interim Clerk of the Board  
Cassie Trapesonian, General Counsel  
OCTA Staff

### **Committee Members Absent**

Gene Hernandez  
Joe Muller

### **Call to Order**

The July 27, 2022, regular meeting of the Finance and Administration (F&A) Committee was called to order by Committee Chairman Hennessey at 10:30 a.m.

### **Pledge of Allegiance**

Committee Vice Chairman Goodell led in the Pledge of Allegiance.

### **Special Calendar**

#### **1. Taxable Sales Forecast - California State University, Fullerton**

Andrew Oftelie, Chief Financial Officer (CFO), provided opening comments and introduced Jerry Nickelsburg, Ph.D., and William Yu, Ph.D., from the University of California at Los Angeles Anderson Forecast, who provided a PowerPoint presentation.

Following a discussion, no action was taken on this information item.

### **Consent Calendar (Items 2 through 9)**

#### **2. Approval of Minutes**

A motion was made by Director Jones, seconded by Committee Vice Chairman Goodell, and declared passed by those present to approve the minutes of the Finance and Administration Committee meeting on July 13, 2022.

Director Sarmiento was not present to vote on this item.



**3. Fiscal Year 2021-22 Internal Audit Plan, Fourth Quarter Update**

A motion was made by Director Jones, seconded by Committee Vice Chairman Goodell, and declared passed by those present to receive and file the fourth quarter update to the Orange County Transportation Authority Internal Audit Department Fiscal Year 2021-22 Internal Audit Plan as an information item.

Director Sarmiento was not present to vote on this item.

**4. Oversight Controls and Contract Compliance Related to the OC Streetcar Design and Construction Management, Internal Audit Report No. 22-505**

Committee Chairman Hennessey pulled this item and asked Janet Sutter, Executive Director of Internal Audit, to summarize the findings and recommendations. Ms. Sutter discussed the overbillings found in Recommendation 1 and has asked management to recover the costs from the contractor. Ms. Sutter also stated that the firm-fixed price method was not beneficial to the Orange County Transportation Authority. A further discussion ensued among Committee members and Darrell E. Johnson, Chief Executive Officer (CEO).

Chairman Hennessey requested that in the future a significant finding like this be agendaized as a Regular or Discussion item.

A motion was made by Committee Chairman Hennessey, seconded by Director Jones, and declared passed by those present to direct staff to implement five recommendations provided in Oversight Controls and Contract Compliance Related to the OC Streetcar Design and Construction Management, Internal Audit Report No. 22-505.

Director Sarmiento was not present to vote on this item.

**5. Agreement for 91 Express Lanes Channelizers**

A motion was made by Director Jones, seconded by Committee Vice Chairman Goodell, and declared passed by those present, to:

- A. Approve the selection of Statewide Traffic Safety and Signs, Inc. to provide channelizers for the 91 Express Lanes through a competitive procurement that was conducted by the Riverside County Transportation Commission.





- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-2-2650 between the Orange County Transportation Authority and Statewide Traffic Safety and Signs, Inc., in the amount of \$274,238, for the procurement of channelizers for the 91 Express Lanes.

Directo Sarmiento was not present to vote on this item.

**6. Fourth Quarter Fiscal Year 2021-22 Procurement Status Report**

A motion was made by Director Jones, seconded by Committee Vice Chairman Goodell, and declared passed by those present to receive and file as an information item.

Director Sarmiento was not present to vote on this item.

**7. Amendment to Purchase Order for Modular Systems and Ancillary Furniture**

A motion was made by Director Jones, seconded by Committee Vice Chairman Goodell, and declared passed by those present to authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Purchase Order No. C-9-1652 between the Orange County Transportation Authority and Western Office Interiors, in the amount of \$500,000, to provide for the purchase of modular systems and ancillary furniture for the Interstate 405 Customer Service and Operations Center. This will increase the purchase order to a total contract value of \$1,490,000.

Director Sarmiento was not present to vote on this item.

**8. Orange County Transportation Authority Investment and Debt Programs Report - June 2022**

A motion was made by Director Jones, seconded by Committee Vice Chairman Goodell, and declared passed by those present to receive and file as an information item.

Director Sarmiento was not present to vote on this item.



**9. Annual New York Credit Update - June 2022**

Committee Chairman Hennessey pulled this item and acknowledged Andrew Oftelie, CFO, Robert Davis, Department Manager of Treasury & Public Finance, and Mr. Johnson, CEO, for a job well done. He complimented staff on the ease and the amount of communication between the rating agencies.

A motion was made by Committee Chairman Hennessey, seconded by Director Jones, and declared passed by those present to receive and file as an information item.

Director Sarmiento was not present to vote on this item.

**Regular Calendar**

There were no Regular Calendar items scheduled.

**Discussion Items**

**10. Public Comments**

No public comments were received.

**11. Chief Executive Officer's Report**

Mr. Johnson, CEO, reported on the following:

- Thanked Committee Chairman Hennessey, Chairman Murphy, and Vice Chairman Hernandez for their time and support at the New York meetings.
- OCTA is hosting a ground breaking event for the State Route 55 Improvement Project in partnership with the California Department of Transportation. The event will start tomorrow at 10:00 a.m. on the southwest corner of Newport Avenue and Del Amo Avenue in Tustin.
- On Tuesday, August 2<sup>nd</sup>, OCTA will host the Women's Transportation Seminar Transportation Academy. It is an annual two-week long immersive program where students can explore different facets of the transportation industry. OCTA is always looking forward to hosting these students and supporting the advancement of women in transportation.

**12. Committee Members' Reports**

There were no Committee Members' Reports.



**13. Closed Session**

There were no Closed Session items scheduled.

**14. Adjournment**

The meeting adjourned at 11:46 a.m.

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, August 10, 2022**, at the Orange County Transportation Authority Headquarters, Board Room, 550 South Main Street, Orange, California.

ATTEST

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Sahara Meisenheimer  
Clerk of the Board Specialist



**August 10, 2022**

**To:** Finance and Administration Committee

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

**Subject:** Fiscal Year 2021-22 Fourth Quarter Grant Reimbursement Status Report

### **Overview**

The Quarterly Grant Reimbursement Status Report summarizes grant activities for the Orange County Transportation Authority Board of Directors. This report focuses on activity for the fourth quarter of fiscal year 2021-22, covering April through June 2022.

### **Recommendation**

Receive and file as an information item.

### **Discussion**

The Orange County Transportation Authority (OCTA) has secured grant funding from federal and state grant agencies to deliver programs, projects, and services to improve mobility in Orange County. The use of these funds is consistent with capital programming policies approved by the OCTA Board of Directors (Board). The Quarterly Grant Reimbursement Status Report summarizes current and closed grant agreements.

#### **Current Grant Agreements:**

OCTA's Federal Transit Administration (FTA) formula grant agreements total 16 and FTA discretionary grant agreements total five.

The 12 FTA formula grant agreements have a total federal amount of \$617.8 million. This includes coronavirus (COVID-19) relief funds that will be used for operating costs for fixed-route and paratransit service and COVID-19 labor, materials, and supplies. A total of \$345.7 million has been reimbursed, leaving a balance of approximately \$272.1 million. The balance of these FTA formula grant agreements will primarily fund operating costs for fixed-route and paratransit service, the OC Streetcar project, fixed-route bus procurements, and rail rehabilitation projects.

The FTA discretionary grant agreements have a total federal amount of \$158.1 million. This includes the full funding grant agreement award of \$148.9 million. A total of \$109.2 million has been reimbursed, leaving a balance of \$48.9 million. The balance of these FTA discretionary grant agreements will primarily fund the OC Streetcar project and slope stabilization improvements on the railroad right-of-way from the City of Laguna Niguel to the City of Lake Forest.

The total FTA formula and discretionary grant agreements amount to \$775.9 million. The total amount reimbursed through the fourth quarter under these grant agreements is \$454.9 million, leaving a balance of \$321 million. These grant agreements are summarized in Attachment A.

OCTA has 23 active State and Federal Highway Administration formula grant agreements that total \$71.6 million. The total amount reimbursed through the fourth quarter under these agreements is \$15.5 million, leaving a balance of \$56.1 million. These grant agreements are summarized in Attachment B.

In addition, OCTA has 11 active state discretionary grant agreements totaling approximately \$17.6 million. The total amount reimbursed through the fourth quarter under these other agreements is \$5.3 million, leaving a balance of \$12.3 million. These grant agreements are summarized in Attachment C.

This report activity is as of June 30, 2022, and any grants with a deadline between the quarter end and the date this report is published will be reimbursed and closed out. This activity will be reflected in next quarter's report. Additionally, for these grants, staff anticipates each of the remaining balances to be fully reimbursed prior to the grant agreement expiration date.

#### **Grant Agreements Pending Close-Out:**

There are seven grant agreements totaling \$90 million that are pending close-out in the fourth quarter of FY 2021-22. All invoices for these grant agreements have been submitted to their external funding agency for reimbursement. OCTA is pending approval of close-out documentation. These grant agreements are summarized in Attachment D.

#### **Closed Grant Agreements:**

There are four grant agreements totaling \$11.3 million that were closed out in the fourth quarter of FY 2021-22. The remaining balance on the Transportation Security Administration grant is project savings. These grant agreements are summarized in Attachment E.

***Summary***

This report provides an update of the grant agreement-funded activities for the fourth quarter of FY 2021-22, April through June 2022. Staff recommends this report be received and filed as an information item.

***Attachments***

- A. Fourth Quarter Grant Reimbursement Status Report, April through June 2022, Federal Transit Administration (FTA) Formula and Discretionary Grant Agreements
- B. Fourth Quarter Grant Reimbursement Status Report, April through June 2022, State and Federal Highway Administration Formula Grant Agreements
- C. Fourth Quarter Grant Reimbursement Status Report, April through June 2022, State Discretionary Grant Agreements
- D. Fourth Quarter Grant Reimbursement Status Report, April through June 2022, Grant Agreements Pending Close-out
- E. Fourth Quarter Grant Reimbursement Status Report, April through June 2022, Closed Grant Agreements

**Prepared by:**



Sam Kaur  
Department Manager,  
Revenue Administration  
714-560-5889

**Approved by:**



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

## Fourth Quarter Grant Reimbursement Status Report

## ATTACHMENT A

April through June 2022

Federal Transit Administration (FTA) Formula and Discretionary Grant Agreements						
	FEDERAL FISCAL YEAR	GRANT NUMBER	FEDERAL AMOUNT	FEDERAL AMOUNT REIMBURSED	REMAINING BALANCE	ANTICIPATED CLOSE-OUT
<b>Formula Grants</b>						
<b>FTA Section 5307 - Federal Stimulus Funds</b>						
1	2020	CA-2020-146	\$ 160,419,003	\$ 146,557,223	\$ 13,861,780	January 2023
2	2021	CA-2021-153	163,993,248	23,122,316	140,870,932	December 2023
<b>FTA Section 5307 Stimulus Grant Subtotal</b>			<b>\$ 324,412,251</b>	<b>\$ 169,679,539</b>	<b>\$ 154,732,712</b>	
<b>FTA Section 5307 - Federal Transit Administration Urbanized Area Formula Grant Program</b>						
3	2013	CA-90-Z027	\$ 53,878,508	\$ 53,775,908	\$ 102,600	December 2022
4	2020	CA-2022-076	1,016,000	0	1,016,000	March 2023
5	2021	CA-2021-187	60,143,314	46,500,833	13,642,481	December 2022
<b>FTA Section 5307 Grant Subtotal</b>			<b>\$ 115,037,822</b>	<b>\$ 100,276,741</b>	<b>\$ 14,761,081</b>	
<b>FTA Section 5307 - Federal Funds flexed from the Federal Highway Administration (FHWA)</b>						
6	2014	CA-95-X286	\$ 6,621,000	\$ 5,612,580	\$ 1,008,420	October 2022
7	2017	CA-2017-072	31,567,405	28,590,070	2,977,335	June 2023
8	2019	CA-2020-050	76,843,769	7,987,889	68,855,880	June 2026
9	2020	CA-2021-010	42,599,378	16,474,544	26,124,834	December 2023
<b>FTA Section 5307 Flexed Grant Subtotal</b>			<b>\$ 157,631,552</b>	<b>\$ 58,665,083</b>	<b>\$ 98,966,469</b>	
<b>FTA Section 5316 - Jobs Access and Reverse Commute (JARC) Grant Program</b>						
10	2009	CA-37-X113	\$ 13,962,491	\$ 13,131,414	\$ 831,077	December 2022
<b>FTA Section 5316 Grant Subtotal</b>			<b>\$ 13,962,491</b>	<b>\$ 13,131,414</b>	<b>\$ 831,077</b>	
<b>FTA Section 5337 - State of Good Repair Grant Program</b>						
11	2020	CA-2020-269	\$ 3,470,454	\$ 3,191,644	\$ 278,810	September 2022
12	2021	CA-2021-227	3,274,762	773,508	2,501,254	May 2023
<b>FTA Section 5337 Grant Subtotal</b>			<b>\$ 6,745,216</b>	<b>\$ 3,965,152</b>	<b>\$ 2,780,064</b>	
<b>FTA Formula Grants Total</b>			<b>\$ 617,789,332</b>	<b>\$ 345,717,929</b>	<b>\$ 272,071,403</b>	

## Fourth Quarter Grant Reimbursement Status Report

April through June 2022

Federal Transit Administration (FTA) Formula and Discretionary Grant Agreements						
	FEDERAL FISCAL YEAR	GRANT NUMBER	FEDERAL AMOUNT	FEDERAL AMOUNT REIMBURSED	REMAINING BALANCE	ANTICIPATED CLOSE-OUT
<b>Discretionary Grants</b>						
<b>FTA Section 5309 - Discretionary Capital Grant Program</b>						
13	2008	CA-04-0078	\$ 7,021,300	\$ 6,713,033	\$ 308,267	December 2022
14	2018	CA-2020-281	913,115	112,143	800,972	September 2025
<b>FTA Section 5309 Grant Subtotal</b>			<b>\$ 7,934,415</b>	<b>\$ 6,825,176</b>	<b>\$ 1,109,239</b>	
<b>FTA Section 5309 - Capital Investment Grants - Full Funding Grant Agreement (FFGA)</b>						
15	2019	CA-2019-018	\$ 148,955,409	\$ 101,600,910	\$ 47,354,499	October 2023
<b>FTA Section 5309 FFGA Grant Subtotal</b>			<b>\$ 148,955,409</b>	<b>\$ 101,600,910</b>	<b>\$ 47,354,499</b>	
<b>FTA Section 5339b - Bus and Bus Facilities</b>						
16	2017	CA-2021-052	\$ 1,206,518	\$ 753,019	\$ 453,499	January 2023
<b>FTA 5339b Grant Subtotal</b>			<b>\$ 1,206,518</b>	<b>\$ 753,019</b>	<b>\$ 453,499</b>	
<b>FTA Discretionary Grants Total</b>			<b>\$ 158,096,342</b>	<b>\$ 109,179,105</b>	<b>\$ 48,917,237</b>	
<b>Total FTA Formula and Discretionary Grant Agreements</b>			<b>\$ 775,885,674</b>	<b>\$ 454,897,034</b>	<b>\$ 320,988,640</b>	

### Funding Source Notes

FTA Section 5307 - Federal Stimulus Funds: Federal emergency relief funds in response to COVID-19

FTA Section 5307 - Federal Transit Administration Urbanized Area Formula Grant Program: Funds are used to fund preventive maintenance, capital cost of contracting, and to purchase revenue vehicles, facility modifications, and bus-related equipment.

FTA Section 5307 - Federal Funds flexed from the Federal Highway Administration (FHWA): Funds are used to fund preventive maintenance, capital cost of contracting, and to purchase revenue vehicles, facility modifications, and bus-related equipment.

FTA Section 5316 - Jobs Access and Reverse Commute (JARC) Grant Program: Grants provide funds to support new transit services and to establish mobility management programs to assist low-income individuals.

FTA Section 5337 - State of Good Repair Grant Program: A formula-based State of Good Repair program dedicated to repairing and upgrading the nation's rail transit systems along with high-intensity motor bus systems that use high-occupancy lanes.

FTA Section 5309 - Discretionary Capital Grant Program: Grants provide for projects that improve efficiency and coordination of transportation systems.

FTA Section 5309 - Capital Investment Grants (FFGA): Grants provide for projects that improve efficiency and coordination of transportation systems.

FTA Section 5339b - Bus and Bus Facilities: Grants provide support for capital projects such as the replacement, rehabilitation, and purchase of buses, vans, and related equipment.



**Fourth Quarter Grant Reimbursement Status Report**  
**April through June 2022**

**ATTACHMENT B**

State and Federal Highway Administration Formula Grant Agreements						
	FISCAL YEAR (FY)	PROJECT	GRANT AMOUNT	AMOUNT REIMBURSED	REMAINING BALANCE	ANTICIPATED CLOSE-OUT
<b>State Transportation Block Grant (STBG) - Federal Highway Administration Grant Program - STBG</b>						
1	2016	Interstate-405, State Route-73 to Interstate-605 (CON)	\$ 1,000	\$ 0	\$ 1,000	June 2023
2	2019	Interstate-5, Orange/San Diego County Line to Avenida Pico (PA/ED)	5,500,000	1,826,190	3,673,810	June 2025
3	2020	Interstate-5 Segment 1, State Route-73 to Oso Pkwy (CON)	3,984,000	1,329,673	2,654,327	June 2025
4	2020	Interstate-5, Yale to SR-55 (PS&E)	10,900,000	1,793,045	9,106,955	June 2025
5	2022	State Route-55, Interstate-405 to Interstate-5 (ROW)	9,056,000	1,397,673	7,658,327	June 2026
<b>STBG Subtotal</b>			<b>\$ 29,441,000</b>	<b>\$ 6,346,581</b>	<b>\$ 23,094,419</b>	
<b>Low Carbon Transit Operations Program (LCTOP) - California Department of Transportation (CALTRANS)</b>						
6	2019	Travel Training	\$ 685,000	\$ 504,639	\$ 180,361	December 2022
7	2020	Battery Electric Buses, Bus Depot Upgrade & Charging Infrastructure	7,373,601	863,079	6,510,522	June 2023
8	2020	Bravo! Route 529 Start-up & Operations	3,068,078	530,375	2,537,703	January 2023
9	2020	College Fare Program - Irvine Valley, Saddleback, Cypress, and Coastline	749,243	18,531	730,712	December 2023
10	2020	Youth Ride Free Program	2,000,000	564,344	1,435,656	September 2024
11	2021	College Fare Program for Orange Coast College	716,152	0	716,152	August 2023
12	2021	Welcome Back Fare Reduction Program	3,538,747	386,105	3,152,642	August 2023
<b>LCTOP Subtotal</b>			<b>\$ 18,130,821</b>	<b>\$ 2,867,072</b>	<b>\$ 15,263,749</b>	
<b>State Transportation Improvement Plan (STIP) Programming, Planning &amp; Monitoring (PPM)</b>						
13	2021	PPM Program	\$ 1,000,000	\$ 153,563	\$ 846,437	December 2023
14	2022	PPM Program	1,437,000	0	1,437,000	December 2024
<b>STIP PPM Subtotal</b>			<b>\$ 2,437,000</b>	<b>\$ 153,563</b>	<b>\$ 2,283,437</b>	
<b>Senate Bill 1 (SB1): State of Good Repair (SGR)</b>						
15	2019	iShuttle Replacement Buses	\$ 5,580,967	\$ 5,573,881	\$ 7,087	September 2022
16	2020	iShuttle Replacement Buses	3,062,751	3,100	3,059,651	September 2022
17	2021	Bus Wash Drainage System Repairs at Anaheim Base	150,000	0	150,000	December 2023
18	2021	Electrical Service for Hydrogen Fueling Station at Santa Ana Bus Base	425,000	0	425,000	June 2024
19	2021	Fire Alarm Control Panel Replacement at Santa Ana Base	300,000	0	300,000	June 2024
20	2021	Replacement of Emergency Standby Generators	738,987	557,900	181,087	July 2023
21	2021	Security Gates	2,966,000	0	2,966,000	June 2024
22	2021	Transit Security Operation Center	2,011,278	0	2,011,278	December 2025
23	2022	Transit Security Operation Center	6,393,649	0	6,393,649	December 2025
<b>SB1 SGR Subtotal</b>			<b>\$ 21,628,633</b>	<b>\$ 6,134,880</b>	<b>\$ 15,493,752</b>	
<b>Total State and Federal Highway Administration Formula Grant Agreements</b>			<b>\$ 71,637,454</b>	<b>\$ 15,502,097</b>	<b>\$ 56,135,356</b>	

**Project Phases:**

CON- Construction, Construction Management, Construction Engineering or Force Account expenses.  
PA/ED- Project Approval and Environmental Design.

PS&E- Agency Preliminary Engineering.  
ROW- Right-of-way Services, Engineering, Administration, Acquisition, Utility Relocation, or Relocation Assistance.

**Fourth Quarter Grant Reimbursement Status Report**  
**April through June 2022**

State Discretionary Grant Agreements						
	FISCAL YEAR	PROJECT	GRANT AMOUNT	AMOUNT REIMBURSED	REMAINING BALANCE	ANTICIPATED CLOSE-OUT
<b>Hazard Mitigation Grant Program (HMGP) - Federal Emergency Management Agency (FEMA)</b>						
1	2020	Hazard Mitigation Plan	\$ 93,750	\$ 75,858	\$ 17,892	September 2022
<b>HMGP Subtotal</b>			<b>\$ 93,750</b>	<b>\$ 75,858</b>	<b>\$ 17,892</b>	
<b>Active Transportation Program (ATP)</b>						
2	2020	Safe Travels Education Program (STEP) Campaign	\$ 500,000	\$ 246,727	\$ 253,273	November 2022
<b>ATP Subtotal</b>			<b>\$ 500,000</b>	<b>\$ 246,727</b>	<b>\$ 253,273</b>	
<b>Air Quality Management District (AQMD) Grant Program and Mobile Source Air Pollution Reduction Review Committee (MSRC)</b>						
3	2019	La Habra Union Pacific Rail Bikeway	\$ 91,760	\$ 0	\$ 91,760	November 2023
<b>MSRC Subtotal</b>			<b>\$ 91,760</b>	<b>\$ 0</b>	<b>\$ 91,760</b>	
<b>Transit and Intercity Rail Capital Program (TIRCP)</b>						
4	2020	Orange County Maintenance Facility (PA/ED)	\$ 4,829,000	\$ 0	\$ 4,829,000	December 2022
<b>CAP &amp; TRADE TIRCP Subtotal</b>			<b>\$ 4,829,000</b>	<b>\$ 0</b>	<b>\$ 4,829,000</b>	
<b>Transit Security Administration (TSA) National Explosives Detection Canine Team Program (NEDCTP) - Department of Homeland Security</b>						
5	2020	Transportation Security Administration Canine	\$ 151,500	\$ 43,468	\$ 108,032	February 2023
<b>TSA Canine Subtotal</b>			<b>\$ 151,500</b>	<b>\$ 43,468</b>	<b>\$ 108,032</b>	
<b>Senate Bill 1 (SB1): Local Partnership Program (LPP)</b>						
6	2018	Garden Grove Boulevard Signal Synchronization (CON)	\$ 1,353,000	\$ 1,073,228	\$ 279,772	October 2023
7	2018	Katella Avenue Signal Synchronization (CON)	2,449,000	1,033,060	1,415,940	December 2023
8	2018	Los Alisos Boulevard Signal Synchronization (CON)	1,117,000	873,518	243,482	October 2023
9	2018	Main Street Signal Synchronization (CON)	1,926,000	1,681,799	244,201	December 2023
<b>SB1 LPP Subtotal</b>			<b>\$ 6,845,000</b>	<b>\$ 4,661,605</b>	<b>\$ 2,183,395</b>	
<b>SB 1: Solutions for Congested Corridors Program (SCCP)</b>						
10	2019	Edinger Avenue Signal Synchronization (CON)	\$ 4,957,000	\$ 233,092	\$ 4,723,908	June 2024
<b>SB1 SCCP Subtotal</b>			<b>\$ 4,957,000</b>	<b>\$ 233,092</b>	<b>\$ 4,723,908</b>	
<b>SB 1: Planning Grants (PL)</b>						
11	2021	OC Bike Connectors Gap Closure Feasibility Study	\$ 160,000	\$ 62,197	\$ 97,803	April 2023
<b>SB1 PL Subtotal</b>			<b>\$ 160,000</b>	<b>\$ 62,197</b>	<b>\$ 97,803</b>	
<b>Total State Discretionary Grant Agreements</b>			<b>\$ 17,628,010</b>	<b>\$ 5,322,947</b>	<b>\$ 12,305,063</b>	

**Project Phases:**

CON- Construction, Construction Management, Construction Engineering or Force Account expenses.  
PA/ED- Project Approval and Environmental Design.

**Fourth Quarter Grant Reimbursement Status Report**  
**April through June 2022**

Grant Agreements Pending Close-out						
	FISCAL YEAR (FY)	FUNDING SOURCE	PROJECT	GRANT AMOUNT	AMOUNT REIMBURSED	REMAINING BALANCE
1	2016	CAP & TRADE TIRCP	OC Streetcar (CON)	\$ 25,586,000	\$ 25,586,000	\$ 0
2	2010	FTA Section 5307 Flexed	FTA CA-95-X131	2,102,650	2,102,650	0
3	2021	FTA Section 5307 Stimulus	FTA CA-2021-154	38,747,219	38,747,219	0
4	2012	FTA Section 5309	FTA CA-05-0269	6,000,000	6,000,000	0
5	2021	FTA Section 5309 ARPA	FTA CA-2022-024	9,407,272	9,407,272	0
6	2020	FTA Section 5339	FTA CA-2020-276	6,794,700	6,794,700	0
7	2018	STBG	Interstate-5, State Route-55 to State Route-57 (CON)	1,340,000	1,340,000	0
<b>Total Grant Agreements Pending Close-out</b>				<b>\$ 89,977,841</b>	<b>\$ 89,977,841</b>	<b>\$ 0</b>

**Funding Source Notes**

CAP & TRADE - Capital and Trade  
TIRCP - Transit and Intercity Rail Capital Program  
FTA - Federal Transit Administration  
STBG - State Transportation Block Grant

**Project Phases:**

CON- Construction, Construction Management, Construction  
Engineering or Force Account expenses

**Fourth Quarter Grant Reimbursement Status Report**  
**April through June 2022**

**Closed Grant Agreements**

	FISCAL YEAR (FY)	FUNDING SOURCE	PROJECT	GRANT AMOUNT	AMOUNT REIMBURSED	REMAINING BALANCE
1	2019	FTA Section 5337	FTA CA-2020-039	\$ 8,349,277	\$ 8,349,277	\$ 0
2	2020	SB1 SGR	Battery Electric Buses	1,964,335	1,964,335	0
3	2020	SB1 SGR	Replacement of Emergency Standby Generators	830,761	830,761	0
4	2020	TSA Canine	Transportation Security Administration Canine	151,500	150,995	505
<b>Total Closed Grants</b>				<b>\$ 11,295,872</b>	<b>\$ 11,295,368</b>	<b>\$ 505</b>

**Funding Source Notes**

FTA - Federal Transit Administration  
 SB1 - Senate Bill 1  
 SGR - State of Good Repair Grant Program  
 TSA - Transit Security Administration Program



**August 10, 2022**

**To:** Finance and Administration Committee  
**From:** Darrell E. Johnson, Chief Executive Officer  
**Subject:** Agreements for Health Insurance Services

**Overview**

The Orange County Transportation Authority currently has agreements with various companies to provide medical, dental, vision, life, accidental death and dismemberment, disability, and supplemental life plans for administrative employees and employees represented by the Transportation Communications International Union and represented by Teamsters Local 952 Union. These agreements expire on December 31, 2022. Staff is presenting recommendations for medical, dental, vision, life, accidental death and dismemberment, disability, and supplemental life insurance, as well as leave administration for the calendar year 2023.

**Recommendations**

- A. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 7 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, 2023. The annual 2023 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. 7 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, 2023. The annual 2023 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. 7 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, 2023. The annual 2023 Anthem Blue Cross preferred provider organization premium costs will vary in accordance with actual enrollment.
- D. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 7 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, 2023. The annual 2023 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. 1 to Agreement No. C-1-3670 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, 2023. The annual 2023 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. 12 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, 2023. The annual 2023 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. 1 to Agreement No. C-1-3672 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, 2023. The annual 2023 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. 1 to Agreement No. C-1-3671 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, 2023. The annual 2023 vision services premium costs will vary in accordance with actual enrollment.
- I. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 6 to Purchase Order No. C-7-1897 between the Orange County Transportation Authority and Public Risk Innovation, Solutions, and Management for VOYA to provide life and accidental death and dismemberment insurance through December 31, 2023. The annual 2023 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. 5 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, 2023.
- K. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 5 to Purchase Order No. C-7-1899 between the Orange County Transportation Authority and Public Risk Innovation, Solutions, and Management for VOYA to provide short-term and long-term disability insurance through December 31, 2023. The annual 2023 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. 5 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, 2023.

***Background***

Staff continues to focus on developing and maintaining a long-term strategy to contain rising healthcare costs as a multi-year program. The goal of this long-term strategy is to develop and maintain a sustainable and strategic

long-term benefits program that is both cost-effective and meets the needs of the employees, and consists of four basic components:

- 1) Provide an equitable cost-sharing structure,
- 2) Manage utilization,
- 3) Educate employees to be better healthcare consumers, and
- 4) Implement a health risk management program.

**Discussion**

OCTA received proposals for medical and life insurance plans from Public Risk Innovation, Solutions, and Management (PRISM) and OCTA's broker, Alliant Insurance Services, for services effective January 1, 2023 through December 31, 2023.

With both medical and dental plans, employees are given options for coverage. Employees who select the more expensive Preferred Provider Organization (PPO) plan pay a higher percentage of the premium than those electing the lower cost Health Maintenance Organization (HMO) plans.

Specific to the Anthem Blue Cross (Anthem) medical plan, the Consumer Driven Health Plan (CDHP), along with a Health Savings Account, supports employee engagement and encourages employees to be connected to health care dollars, thereby increasing use of generic drugs, reducing emergency visits, and increasing participation in wellness programs. Cost savings continue to increase as employees migrate to the CDHP plan, which has a 26 percent lower premium than the PPO plan.

Staff recommends the following medical, dental, vision, life, accidental death and dismemberment, disability, administrative services for protected leaves, and supplemental life insurance.

**Medical**

Since 2015, the OCTA Board of Directors (Board) has approved contracting with PRISM, for the most competitive pricing of medical insurances. OCTA's experience with PRISM for administrative, coach operator, and Transportation Communications International Union (TCU) employee health plans has resulted in competitive pricing below California market trends for six of the last seven years. In 2021, OCTA experienced a 0.9 percent renewal increase as compared to market trends of seven to nine percent increases for medical plans, and in 2022, OCTA experienced a 3.4 percent renewal decrease as compared to market trends of seven percent increases for medical plans.



For the 2023 medical rate renewal, PRISM proposes a renewal increase of 8.9 percent for the Kaiser Permanente Health Plan, Inc. (Kaiser) and Anthem medical insurance plans. This renewal increase of 8.9 percent is less than the market trend of ten percent increases for medical plans. The premium increase is mostly attributable to higher-than-expected utilization from coronavirus-suppressed healthcare and higher-than-average catastrophic claims. Other contributing factors include the health industry approval and expanded use of new medical technology and procedures, increases in fees paid to providers, and rising costs of prescription drugs and specialty medications. If the 2022 and 2023 renewals are taken together, the PRISM program averaged about a three percent increase each year, outperforming both trend and competitive alternatives. Staff recommends continuing to offer the PRISM Kaiser and Anthem HMO, PPO, and CDHP plans.

#### Dental

OCTA currently offers two choices of dental plans to its employees: a dental PPO plan and a dental HMO plan. Administrative, TCU, and coach operator employees are offered a dental PPO plan with Delta Dental, contracted through PRISM. A rate decrease of approximately 4.7 percent is proposed for the dental PPO plan.

The dental HMO plan for administrative and TCU employees is with Delta Dental and contracted through PRISM that proposed no rate increases for 2023.

The dental HMO plan offered to coach operators is contracted directly with Delta Dental and proposed no rate increases for 2023.

#### Vision

The PRISM Vision Service Plan for administrative and TCU employees proposed no rate increases. OCTA staff recommends vision plan enhancements to increase the frame allowance to \$150 and change the frequency of replacement frames to 12 months. In addition, a buy-up option for more enhanced benefits will be offered at the employee's own expense.

The PRISM Vision Service Plan offered to coach operators proposed no rate increases.

#### Life Insurance

OCTA provides eligible employees with life insurance as well as accidental death and dismemberment insurance. For administrative and TCU employees, the

benefit amount is equal to two times the annual salary of the employee, to a maximum of \$500,000. For coach operators, life insurance of \$25,000 is provided, as well as a \$5,000 spousal and \$500 child life insurance benefit. PRISM for Voya life insurance proposed no rate increases.

#### Supplemental Life Insurance

OCTA offers voluntary supplemental life insurance to all eligible employees at their own expense. PRISM for Voya proposed no rate increases.

#### Disability Insurance

OCTA provides administrative employees with short-term disability and administrative and TCU employees with long-term disability insurance. It provides a 67 percent wage replacement while an employee is on an approved disability leave of absence. The insurance benefit paid is incremental to wage replacement paid by the California State Disability Insurance (SDI) program. Benefits paid through the SDI program is available to administrative, TCU, coach operator, and maintenance employees.

PRISM for Voya proposed no rate increases for short-term disability and long-term disability insurance.

#### Protected Leave Management

PRISM for Voya provides protected leave administrative services to OCTA. No rate increases are proposed for 2023.

#### Fiscal Impact

The costs for healthcare benefits were approved in OCTA's Fiscal Year (FY) 2022-23 Budget, assuming a ten percent increase in rates beginning January 1, 2023. Based on staff recommendations for calendar year 2023, OCTA's cost for health and life insurance benefits for the administrative, TCU, and coach operator employees will be approximately eight percent higher than last calendar year and within the budgeted amount for FY 2022-23. Since the renewals are on a calendar year basis, OCTA will address the FY 2023-24 amounts, along with the other assumptions utilized in the budget, during the next budgeting cycle.

***Summary***

Staff is recommending that the Board authorize the Chief Executive Officer to negotiate and execute amendments to the existing contracts with PRISM for medical, dental, and vision insurance, and with Delta Dental for dental insurance, as well as negotiate and execute amendments with PRISM for life, accidental death and dismemberment, short-term and long-term disability, and supplemental life insurance, and protected leave management through December 31, 2023.

***Attachments***

- A. Public Risk Innovation, Solutions, and Management, Kaiser Permanente Health Plan, Inc., Agreement No. C-5-3649 Fact Sheet
- B. Public Risk Innovation, Solutions, and Management, Anthem Blue Cross Health Maintenance Organization, Agreement No. C-5-3650 Fact Sheet
- C. Public Risk Innovation, Solutions, and Management, Anthem Blue Cross Preferred Provider Organization, Agreement No. C-5-3651 Fact Sheet
- D. Public Risk Innovation, Solutions, and Management, Anthem Blue Cross Consumer Driven Health Plan, Agreement No. C-5-3652 Fact Sheet
- E. Public Risk Innovation, Solutions, and Management, Delta Dental Preferred Provider Organization, Agreement No. C-1-3670 Fact Sheet
- F. Delta Dental Health Maintenance Organization for Coach Operators, Agreement No. C-1-2995 Fact Sheet
- G. Public Risk Innovation, Solutions, and Management, Delta Dental Health Maintenance Organization, Agreement No. C-1-3672 Fact Sheet
- H. Public Risk Innovation, Solutions, and Management Vision Service Plan, Agreement No. C-1-3671 Fact Sheet
- I. Public Risk Innovation, Solutions, and Management, VOYA, Purchase Order No. C-7-1897 Fact Sheet
- J. Public Risk Innovation, Solutions, and Management, VOYA, Purchase Order No. C-7-1898 Fact Sheet
- K. Public Risk Innovation, Solutions, and Management, VOYA, Purchase Order No. C-7-1899 Fact Sheet
- L. Public Risk Innovation, Solutions, and Management, VOYA, Purchase Order No. C-7-1900 Fact Sheet
- M. Orange County Transportation Authority, Financial Overview, Effective January 1, 2023
- N. Orange County Transportation Authority, Monthly Rate Comparison – 2023 vs. 2022
- O. Orange County Transportation Authority, Administrative & TCU Monthly Employee Cost for 2023

- P. Orange County Transportation Authority, Coach Operators Monthly Employee Cost for 2023

**Prepared by:**



Bea Maselli  
Section Manager, Benefits  
714-560-5825

**Approved by:**



Maggie McJilton  
Executive Director, People and  
Community Engagement  
714-560-5824



Pia Veasapen  
Director, Contracts Administration and  
Materials Management  
714-560-5619

**Public Risk Innovation, Solutions, and Management  
Kaiser Permanente Health Plan, Inc.  
Agreement No. C-5-3649 Fact Sheet**

1. October 12, 2015, Agreement No. C-5-3649, \$2,520,000, approved by the Board of Directors (Board).
2. August 22, 2016, Amendment No. 1 to Agreement No. C-5-3649, \$2,500,000, approved by the Board.
  - To continue services and extend contract for period January 1, 2017 through December 31, 2017.
3. August 28, 2017, Amendment No. 2 to Agreement No. C-5-3649, \$2,760,000, approved by the Board.
  - To continue services and extend contract for period January 1, 2018 through December 31, 2018.
4. August 27, 2018, Amendment No. 3 to Agreement No. C-5-3649, \$11,986,000, approved by the Board.
  - To continue services and extend contract for period January 1, 2019 through December 31, 2019.
5. August 26, 2019, Amendment No. 4 to Agreement No. C-5-3649, \$13,260,000, approved by the Board.
  - To continue services and extend contract for period January 1, 2020 through December 31, 2020.
6. August 24, 2020, Amendment No. 5 to Agreement No. C-5-3649, \$13,112,500, approved by the Board.
  - To continue services and extend contract for period January 1, 2021 through December 31, 2021.
7. August 23, 2021, Amendment No. 6 to Agreement No. C-5-3649, \$12,285,340, approved by the Board.
  - To continue services and extend contract for period January 1, 2022 through December 31, 2022.
8. August 22, 2022, Amendment No. 7 to Agreement No. C-5-3649, \$13,430,304, pending approval by the Board.

- To continue services and extend contract for period January 1, 2023 through December 31, 2023.

Total committed to Public Risk Innovation, Solutions, and Management for Kaiser Permanente Health Plan, Inc., Agreement No. C-5-3649, in the amount of \$71,854,144.

**Public Risk Innovation, Solutions, and Management  
Anthem Blue Cross Health Maintenance Organization  
Agreement No. C-5-3650 Fact Sheet**

1. October 12, 2015, Agreement No. C-5-3650, \$2,500,000, approved by the Board of Directors (Board).
2. August 22, 2016, Amendment No. 1 to Agreement No. C-5-3650, \$2,500,000, approved by the Board.
  - To continue services and extend contract for period January 1, 2017 through December 31, 2017.
3. August 28, 2017, Amendment No. 2 to Agreement No. C-5-3650, \$2,100,000, approved by the Board.
  - To continue services and extend contract for period January 1, 2018 through December 31, 2018.
4. August 27, 2018, Amendment No. 3 to Agreement No. C-5-3650, \$3,092,000, approved by the Board.
  - To continue services and extend contract for period January 1, 2019 through December 31, 2019.
5. August 26, 2019, Amendment No. 4 to Agreement No. C-5-3650, \$2,350,000, approved by the Board.
  - To continue services and extend contract for period January 1, 2020 through December 31, 2020.
6. August 24, 2020, Amendment No. 5 to Agreement No. C-5-3650, \$2,753,904, approved by the Board.
  - To continue services and extend contract for period January 1, 2021 through December 31, 2021.
7. August 23, 2021, Amendment No. 6 to Agreement No. C-5-3650, \$2,669,360, approved by the Board.
  - To continue services and extend contract for period January 1, 2022 through December 31, 2022.
8. August 22, 2022, Amendment No. 7 to Agreement No. C-5-3650, \$2,906,976, pending approval by the Board.

- To continue services and extend contract for period January 1, 2023 through December 31, 2023.

Total committed to Public Risk Innovation, Solutions and Management for Anthem Blue Cross Health Maintenance Organization, Agreement No. C-5-3650, in the amount of \$20,872,240.



**Public Risk Innovation, Solutions, and Management  
Anthem Blue Cross Preferred Provider Organization  
Agreement No. C-5-3651 Fact Sheet**

1. October 12, 2015, Agreement No. C-5-3651, \$1,700,000, approved by the Board of Directors (Board).
2. August 22, 2016, Amendment No. 1 to Agreement No. C-5-3651, \$1,300,000, approved by the Board.
  - To continue services and extend contract for period January 1, 2017 through December 31, 2017.
3. August 28, 2017, Amendment No. 2 to Agreement No. C-5-3651, \$1,035,000, approved by the Board.
  - To continue services and extend contract for period January 1, 2018 through December 31, 2018.
4. August 27, 2018, Amendment No. 3 to Agreement No. C-5-3651, \$1,432,000, approved by the Board.
  - To continue services and extend contract for period January 1, 2019 through December 31, 2019.
5. August 26, 2019, Amendment No. 4 to Agreement No. C-5-3651, \$1,600,000, approved by the Board.
  - To continue services and extend contract for period January 1, 2020 through December 31, 2020.
6. August 24, 2020, Amendment No. 5 to Agreement No. C-5-3651, \$1,717,656, approved by the Board.
  - To continue services and extend contract for period January 1, 2021 through December 31, 2021.
7. August 23, 2021, Amendment No. 6 to Agreement No. C-5-3651, \$1,677,565, approved by the Board.
  - To continue services and extend contract for period January 1, 2022 through December 31, 2022.
8. August 22, 2022, Amendment No. 7 to Agreement No. C-5-3651, \$2,136,240, pending approval by the Board.

- To continue services and extend contract for period January 1, 2023 through December 31, 2023.

Total committed to Public Risk Innovation, Solutions, and Management for Anthem Blue Cross Preferred Provider Organization, Agreement No. C-5-3651, in the amount of \$12,598,461.

**Public Risk Innovation, Solutions, and Management  
Anthem Blue Cross Consumer Driven Health Plan  
Agreement No. C-5-3652 Fact Sheet**

1. October 12, 2015, Agreement No. C-5-3652, \$1,600,000, approved by the Board of Directors (Board).
2. August 22, 2016, Amendment No. 1 to Agreement No. C-5-3652, \$2,900,000, approved by the Board.
  - To continue services and extend contract for period January 1, 2017 through December 31, 2017.
3. August 28, 2017, Amendment No. 2 to Agreement No. C-5-3652, \$2,160,000, approved by the Board.
  - To continue services and extend contract for period January 1, 2018 through December 31, 2018.
4. August 27, 2018, Amendment No. 3 to Agreement No. C-5-3652, \$2,443,000, approved by the Board.
  - To continue services and extend contract for period January 1, 2019 through December 31, 2019.
5. August 26, 2019, Amendment No. 4 to Agreement No. C-5-3652, \$2,420,000, approved by the Board.
  - To continue services and extend contract for period January 1, 2020 through December 31, 2020.
6. August 24, 2020, Amendment No. 5 to Agreement No. C-5-3652, \$2,454,912, approved by the Board.
  - To continue services and extend contract for period January 1, 2021 through December 31, 2021.
7. August 23, 2021, Amendment No. 6 to Agreement No. C-5-3652, \$2,367,132, approved by the Board.
  - To continue services and extend contract for period January 1, 2022 through December 31, 2022.
8. August 22, 2022, Amendment No. 7 to Agreement No. C-5-3652, \$2,678,748, pending approval by the Board.

- To continue services and extend contract for period January 1, 2023 through December 31, 2023.

Total committed to Public Risk Innovation, Solutions, and Management for Anthem Blue Cross Consumer Driven Health Plan, Agreement No. C-5-3652, in the amount of \$19,023,792.

**Public Risk Innovation, Solutions, and Management  
Delta Dental Preferred Provider Organization  
Agreement No. C-1-3670 Fact Sheet**

1. August 23, 2021, Agreement No. C-1-3670, \$1,266,010, approved by the Board of Directors (Board).
2. August 22, 2022, Amendment No. 1 to Agreement No. C-1-3670, \$1,246,564, pending approval by the Board.
  - To continue services and extend contract for period January 1, 2023 through December 31, 2023.

Total committed to Public Risk Innovation, Solutions, and Management for Delta Dental Preferred Provider Organization, Agreement No. C-1-3670, in the amount of \$2,512,574.

**Delta Dental Health Maintenance Organization for Coach Operators  
Agreement No. C-1-2995 Fact Sheet**

1. October 7, 2011, Agreement No. C-1-2995, \$18,000, approved by the Board of Directors (Board).
2. October 22, 2012, Amendment No. 1 to Agreement No. C-1-2995, \$18,000, approved by the Board.
  - To continue services and extend contract for period January 1, 2013 through December 31, 2013.
3. October 11, 2013, Amendment No. 2 to Agreement No. C-1-2995, \$15,000, approved by the Board.
  - To continue services and extend contract for period January 1, 2014 through December 31, 2014.
4. October 13, 2014, Amendment No. 3 to Agreement No. C-1-2995, \$19,000, approved by the Board.
  - To continue services and extend contract for period January 1, 2015 through December 31, 2015.
5. October 12, 2015, Amendment No. 4 to Agreement No. C-1-2995, \$19,000, approved by the Board.
  - To continue services and extend contract for period January 1, 2016 through December 31, 2016.
6. August 22, 2016, Amendment No. 5 to Agreement No. C-1-2995, \$16,000, approved by the Board.
  - To continue services and extend contract for period January 1, 2017 through December 31, 2017.
7. August 28, 2017, Amendment No. 6 to Agreement No. C-1-2995, \$15,000, approved by the Board.
  - To continue services and extend contract for period January 1, 2018 through December 31, 2018.

8. April 23, 2018, Amendment No. 7 to Agreement No. C-1-2995, \$60,963, approved by the Board.
  - To provide dental services to include the coach operators beginning July 1, 2018 through December 31, 2018.
9. August 27, 2018, Amendment No. 8 to Agreement No. C-1-2995, \$51,000, approved by the Board.
  - To continue services and extend contract for period January 1, 2019 through December 31, 2019.
10. August 26, 2019, Amendment No. 9 to Agreement No. C-1-2995, \$54,000, approved by the Board.
  - To continue services and extend contract for period January 1, 2020 through December 31, 2020.
11. August 24, 2020, Amendment No. 10 to Agreement No. C-1-2995, \$57,069, approved by the Board.
  - To continue services and extend contract for period January 1, 2021 through December 31, 2021.
12. August 23, 2021, Amendment No. 11 to Agreement No. C-1-2995, \$51,722, approved by the Board.
  - To continue services and extend contract for period January 1, 2022 through December 31, 2022.
13. August 22, 2022, Amendment No. 12 to Agreement No. C-1-2995, \$50,388, pending approval by the Board.
  - To continue services and extend contract for period January 1, 2023 through December 31, 2023.

Total committed to Delta Dental Health Maintenance Organization for coach operators, Agreement No. C-1-2995, in the amount of \$445,142.

**Public Risk Innovation, Solutions, and Management  
Delta Dental Health Maintenance Organization  
Agreement No. C-1-3672 Fact Sheet**

1. August 23, 2021, Agreement No. C-1-3672, \$18,960, approved by the Board of Directors (Board).
2. August 22, 2022, Amendment No. 1 to Agreement No. C-1-3672, \$21,511, pending approval by the Board.
  - To add \$3,000 to the current term through December 31, 2022.
  - To continue services in the amount of \$18,511 and extend contract for period January 1, 2023 through December 31, 2023.

Total committed to Public Risk Innovation, Solutions, and Management for Delta Dental Health Maintenance Organization, Agreement No. C-1-3672, the amount of \$40,471.



**Public Risk Innovation, Solutions, and Management  
Vision Service Plan  
Agreement No. C-1-3671 Fact Sheet**

1. August 23, 2021, Agreement No. C-1-3671, \$248,562, approved by the Board of Directors (Board).
2. August 22, 2022, Amendment No. 1 to Agreement No. C-1-3671, \$313,057, pending approval by the Board.
  - To continue services and extend contract for period January 1, 2023 through December 31, 2023.

Total committed to Public Risk Innovation, Solutions, and Management for Vision Service Plan, Agreement No. C-1-3671, the amount of \$561,619.

**Public Risk Innovation, Solutions, and Management  
VOYA  
Purchase Order No. C-7-1897 Fact Sheet**

1. August 28, 2017, Purchase Order No. C-7-1897, \$155,000, approved by the Board of Directors (Board).
  - Agreement to provide life and accidental death and dismemberment insurance.
  - Term of the agreement is effective January 1, 2018 through December 31, 2018.
2. April 23, 2018, Amendment No. 1 to Purchase Order No. C-7-1897, \$40,983, approved by the Board.
  - To provide life and accidental death and dismemberment insurance to include the coach operators beginning July 1, 2018 through December 31, 2018.
3. August 27, 2018, Amendment No. 2 to Purchase Order No. C-7-1897, \$232,203, approved by the Board.
  - To continue services and extend contract for period January 1, 2019 through December 31, 2019.
4. August 26, 2019, Amendment No. 3 to Purchase Order No. C-7-1897, \$240,000, approved by the Board.
  - To continue services and extend contract for period January 1, 2020 through December 31, 2020.
5. August 24, 2020, Amendment No. 4 to Purchase Order No. C-7-1897, \$264,242, approved by the Board.
  - To continue services and extend contract for period January 1, 2021 through December 31, 2021.
6. August 23, 2021, Amendment No. 5 to Purchase Order No. C-7-1897, \$262,170, approved by the Board.
  - To continue services and extend contract for period January 1, 2022 through December 31, 2022.
7. August 22, 2022, Amendment No. 6 to Purchase Order No. C-7-1897, \$272,250, pending approval by the Board.

- To continue services and extend contract for period January 1, 2023 through December 31, 2023.

Total committed to Public Risk Innovation, Solutions, and Management for VOYA, Purchase Order No. C-7-1897, in the amount of \$1,466,848.

**Public Risk Innovation, Solutions, and Management  
VOYA  
Purchase Order No. C-7-1898 Fact Sheet**

1. August 28, 2017, Purchase Order No. C-7-1898, \$0.00, approved by the Board of Directors (Board).
  - Agreement to provide supplemental life insurance to employees at their own expense.
  - Term of the agreement is effective January 1, 2018 through December 31, 2018.
2. August 27, 2018, Amendment No. 1 to Purchase Order No. C-7-1898, \$0.00, approved by the Board.
  - To continue services and extend contract for period January 1, 2019 through December 31, 2019.
3. August 26, 2019, Amendment No. 2 to Purchase Order No. C-7-1898, \$0.00, approved by the Board.
  - To continue services and extend contract for period January 1, 2020 through December 31, 2020.
4. August 24, 2020, Amendment No. 3 to Purchase Order No. C-7-1898, \$0.00, approved by the Board.
  - To continue services and extend contract for period January 1, 2021 through December 31, 2021.
5. August 23, 2021, Amendment No. 4 to Purchase Order No. C-7-1898, \$0.00, approved by the Board.
  - To continue services and extend contract for period January 1, 2022 through December 31, 2022.
6. August 22, 2022, Amendment No. 5 to Purchase Order No. C-7-1898, \$0.00, pending approval by the Board.
  - To continue services and extend contract for period January 1, 2023 through December 31, 2023.

Total committed to Public Risk Innovation, Solutions, and Management for VOYA, Purchase Order No. C-7-1898, in the amount of \$0.00.

**Public Risk Innovation, Solutions, and Management  
VOYA  
Purchase Order No. C-7-1899 Fact Sheet**

1. August 28, 2017, Purchase Order No. C-7-1899, \$130,000, approved by the Board of Directors (Board).
  - Agreement to provide short-term and long-term disability insurance.
  - Term of the agreement is effective January 1, 2018 through December 31, 2018.
2. August 27, 2018, Amendment No. 1 to Purchase Order No. C-7-1899, \$130,000, approved by the Board.
  - To continue services and extend contract for period January 1, 2019 through December 31, 2019.
3. August 26, 2019, Amendment No. 2 to Purchase Order No. C-7-1899, \$167,000, approved by the Board.
  - To continue services through December 31, 2019 and extend contract for period January 1, 2020 through December 31, 2020.
4. August 24, 2020, Amendment No. 3 to Purchase Order No. C-7-1899, \$160,631, approved by the Board.
  - To continue services through December 31, 2020 and extend contract for period January 1, 2021 through December 31, 2021.
5. August 23, 2021, Amendment No. 4 to Purchase Order No. C-7-1899, \$180,418, approved by the Board.
  - To continue services and extend contract for period January 1, 2022 through December 31, 2022.
6. August 22, 2022, Amendment No. 5 to Purchase Order No. C-7-1899, \$179,382, pending approval by the Board.
  - To continue services and extend contract for period January 1, 2023 through December 31, 2023.

Total committed to Public Risk Innovation, Solutions, and Management for VOYA, Purchase Order No. C-7-1899, in the amount of \$947,431.

**Public Risk Innovation, Solutions, and Management  
VOYA  
Purchase Order No. C-7-1900 Fact Sheet**

1. August 28, 2017, Purchase Order No. C-7-1900, \$26,000, approved by the Board of Directors (Board).
  - Agreement to provide employee leave administration.
  - Term of the agreement is effective January 1, 2018 through December 31, 2018.
2. August 27, 2018, Amendment No. 1 to Purchase Order No. C-7-1900, \$26,000, approved by the Board.
  - To continue services and extend contract for period January 1, 2019 through December 31, 2019.
3. August 26, 2019, Amendment No. 2 to Purchase Order No. C-7-1900, \$30,000, approved by the Board.
  - To continue services and extend contract for period January 1, 2020 through December 31, 2020.
4. August 24, 2020, Amendment No. 3 to Purchase Order No. C-7-1900, \$24,388, approved by the Board.
  - To continue services and extend contract for period January 1, 2021 through December 31, 2021.
5. August 23, 2021, Amendment No. 4 to Purchase Order No. C-7-1900, \$27,234, approved by the Board.
  - To continue services and extend contract for period January 1, 2022 through December 31, 2022.
6. August 22, 2022, Amendment No. 5 to Purchase Order No. C-7-1900, \$27,234, pending approval by the Board.
  - To continue services and extend contract for period January 1, 2023 through December 31, 2023.

Total committed to Public Risk Innovation, Solutions, and Management for VOYA, Purchase Order No. C-7-1900, in the amount of \$160,856.

## ORANGE COUNTY TRANSPORTATION AUTHORITY

## FINANCIAL OVERVIEW

Effective January 1, 2023

PLAN/COVERAGE		Current Annual Cost	Renewal Annual Cost	% Δ
<b>MEDICAL</b>	EEs			
PRISM-Kaiser Admin/TCU HMO	191	\$3,020,448	\$3,289,008	8.9%
PRISM-Kaiser Coach Operators HMO	597	\$9,312,624	\$10,141,296	8.9%
PRISM-Anthem HMO Admin/TCU	122	\$2,126,544	\$2,315,928	8.9%
PRISM-Anthem HMO Coach Operators	32	\$542,688	\$591,048	8.9%
PRISM-Anthem PPO Admin/TCU	63	\$1,234,416	\$1,344,432	8.9%
PRISM-Anthem PPO Coach Operators	40	\$727,008	\$791,808	8.9%
PRISM-Anthem CDHP Admin/TCU	143	\$2,460,012	\$2,678,748	8.9%
<b>DENTAL</b>				
PRISM-Delta Admin/TCU DMO	55	\$18,511	\$18,511	0.0%
Direct-Delta Coach Operators DMO	140	\$45,811	\$45,811	0.0%
PRISM-Delta Admin/TCU DPO	460	\$714,925	\$680,686	-4.8%
PRISM-Delta Coach Operators DPO	510	\$593,994	\$565,878	-4.7%
<b>VISION</b>			<b>Enhanced VSP Base &amp; Buy-Up</b>	
PRISM-VSP Base Vision Plan Admin/TCU	520	\$147,254	\$207,341	40.8%
PRISM-VSP Buy-up Vision Admin/TCU (cost neutral)	86	N/A	\$9,962	N/A
PRISM-VSP Vision Coach Operators	650	\$95,754	\$95,754	0.0%
<b>BASIC LIFE/AD&amp;D</b>			<b>In Rate Guarantee Until 2024</b>	
PRISM-Voya Life/AD&D Admin/TCU	541	\$190,541	\$190,541	0.0%
PRISM-Voya Life/AD&D Coach Operators	650	\$81,709	\$81,709	0.0%
<b>SHORT TERM DISABILITY</b>			<b>In Rate Guarantee Until 2024</b>	
PRISM-Voya STD Admin	487	\$31,617	\$31,617	0.0%
<b>LONG TERM DISABILITY</b>			<b>In Rate Guarantee Until 2024</b>	
PRISM-Voya LTD Admin/TCU	527	\$147,765	\$147,765	0.0%
<b>FMLA Leave Administration</b>				
VOYA	1355	\$27,234	\$27,234	0.0%
<b>TOTAL ANNUAL PREMIUM</b>		<b>\$21,518,857</b>	<b>\$23,255,078</b>	
<b>ANNUAL DOLLAR CHANGE</b>			<b>\$1,736,221</b>	
<b>ANNUAL PERCENT CHANGE</b>			<b>8.1%</b>	

CDHP - Consumer Driven Health Plan  
 DHMO - Dental Health Maintenance Organization  
 HMO - Health Maintenance Organization  
 PPO - Preferred Provider Organization  
 PRISM - Public Risk Innovation, Solutions, and Management  
 TCU - Transportation Communications International Union  
 VSP - Vision Service Plan

## Orange County Transportation Authority

### Monthly Rate Comparison - 2023 vs. 2022

PLAN	COVERAGE	CURRENT	RENEWAL	\$ CHANGE
<b>(PRISM) Kaiser HMO - Coach Operators</b>	Employee	\$638.00	\$695.00	\$57.00
	Employee + one	\$1,260.00	\$1,372.00	\$112.00
	Employee + family	\$1,776.00	\$1,934.00	\$158.00
<b>(PRISM) Kaiser HMO - Admin/TCU</b>	Employee	\$644.00	\$701.00	\$57.00
	Employee + one	\$1,352.00	\$1,472.00	\$120.00
	Employee + family	\$1,930.00	\$2,102.00	\$172.00
<b>(PRISM) Anthem HMO</b>	Employee	\$693.00	\$755.00	\$62.00
	Employee + one	\$1,457.00	\$1,587.00	\$130.00
	Employee + family	\$2,081.00	\$2,266.00	\$185.00
<b>(PRISM) Anthem PPO</b>	Employee	\$876.00	\$954.00	\$78.00
	Employee + one	\$1,838.00	\$2,002.00	\$164.00
	Employee + family	\$2,626.00	\$2,860.00	\$234.00
<b>(PRISM) Anthem CDHP PPO</b>	Employee	\$644.00	\$701.00	\$57.00
	Employee + one	\$1,353.00	\$1,473.00	\$120.00
	Employee + family	\$1,931.00	\$2,103.00	\$172.00
<b>(PRISM) DeltaCare DHMO - Admin/TCU</b>	Employee	\$16.80	\$16.80	\$0.00
	Employee + one	\$29.90	\$29.90	\$0.00
	Employee + family	\$43.80	\$43.80	\$0.00
<b>(PRISM) Delta PPO - Admin/TCU</b>	Employee	\$60.50	\$57.60	(\$2.90)
	Employee + one	\$127.80	\$121.70	(\$6.10)
	Employee + family	\$171.00	\$162.80	(\$8.20)
<b>DeltaCare DHMO - Coach Operators</b>	Employee	\$14.43	\$14.43	\$0.00
	Employee + one	\$27.54	\$27.54	\$0.00
	Employee + family	\$42.91	\$42.91	\$0.00
<b>(PRISM) Delta PPO - Coach Operators</b>	Employee	\$46.90	\$44.70	(\$2.20)
	Employee + one	\$84.00	\$80.00	(\$4.00)
	Employee + family	\$135.30	\$128.90	(\$6.40)
<b>(PRISM) VSP - Admin/TCU</b>	Employee	\$13.25	\$17.15	\$3.90
	Employee + one	\$24.50	\$31.97	\$7.47
	Employee + family	\$34.62	\$45.31	\$10.69
<b>(PRISM) VSP Buy-Up Option - Admin/TCU</b>	Employee	\$13.25	\$22.10	\$8.85
	Employee + one	\$24.50	\$41.86	\$17.36
	Employee + family	\$34.62	\$59.79	\$25.17
<b>(PRISM) VSP - Coach Operators</b>	Employee	\$6.70	\$6.70	\$0.00
	Employee + one	\$12.00	\$12.00	\$0.00
	Employee + family	\$19.32	\$19.32	\$0.00

CDHP - Consumer Driven Health Plan  
DHMO - Dental Health Maintenance Organization  
HMO - Health Maintenance Organization

PPO - Preferred Provider Organization  
PRISM - Public Risk Innovation, Solutions, and Management

TCU - Transportation Communications International Union  
VSP - Vision Service Plan



# Orange County Transportation Authority Administrative & TCU Monthly Employee Cost for 2023

PLAN	COVERAGE	LESS THAN 10 YEARS OF SERVICE		MORE THAN 10 YEARS OF SERVICE	
		COST SHARE %	MONTHLY COST	COST SHARE %	MONTHLY COST
<b>(PRISM) Kaiser HMO</b>	Employee	10%	\$70.09	0%	\$0.00
	Employee + one	15%	\$220.81	5%	\$73.60
	Employee + family	15%	\$315.29	5%	\$105.11
<b>(PRISM) Anthem HMO</b>	Employee	10%	\$75.51	0%	\$0.00
	Employee + one	15%	\$238.05	5%	\$79.34
	Employee + family	15%	\$339.91	5%	\$113.30
<b>(PRISM) Anthem PPO</b>	Employee	15%	\$143.11	7.5%	\$71.54
	Employee + one	20%	\$400.40	10%	\$200.20
	Employee + family	20%	\$572.00	10%	\$286.00
<b>(PRISM) Anthem CDHP PPO</b>	Employee	10%	\$70.09	5%	\$35.06
	Employee + one	15%	\$220.96	7.5%	\$110.48
	Employee + family	15%	\$315.45	7.5%	\$157.73
<b>(PRISM) DeltaCare DHMO</b>	Employee	10%	\$1.69	10%	\$1.69
	Employee + one	15%	\$4.49	15%	\$4.49
	Employee + family	15%	\$6.57	15%	\$6.57
<b>(PRISM) Delta PPO</b>	Employee	10%	\$5.76	10%	\$5.76
	Employee + one	15%	\$18.27	15%	\$18.27
	Employee + family	15%	\$24.42	15%	\$24.42
<b>(PRISM) VSP</b>	Employee	10%	\$1.72	10%	\$1.72
	Employee + one	15%	\$4.80	15%	\$4.80
	Employee + family	15%	\$6.80	15%	\$6.80
<b>(PRISM) VSP Buy-Up Option</b>	Employee	10%	\$6.67	10%	\$6.67
	Employee + one	15%	\$14.69	15%	\$14.69
	Employee + family	15%	\$21.28	15%	\$21.28

CDHP - Consumer Driven Health Plan

DHMO - Dental Health Maintenance Organization

HMO - Health Maintenance Organization

PPO - Preferred Provider Organization

PRISM - Public Risk Innovation, Solutions, and Management

TCU - Transportation Communications International Union

VSP - Vision Service Plan

## Orange County Transportation Authority Coach Operators Monthly Employee Cost for 2023

PLAN	COVERAGE	COST SHARE %	MONTHLY COST*
<b>(PRISM) Kaiser - HMO</b>	Employee	5%	\$34.75
	Employee + one	7%	\$96.05
	Employee + family	10%	\$193.40
<b>(PRISM) Anthem HMO</b>	Employee	5%	\$37.74
	Employee + one	7%	\$111.09
	Employee + family	10%	\$226.59
<b>(PRISM) Anthem PPO</b>	Employee	5%	\$47.71
	Employee + one	7%	\$140.14
	Employee + family	10%	\$286.00
<b>DeltaCare DHMO</b>	Employee	5%	\$0.72
	Employee + one	7%	\$1.93
	Employee + family	10%	\$4.29
<b>(PRISM) Delta PPO</b>	Employee	5%	\$2.23
	Employee + one	7%	\$5.59
	Employee + family	10%	\$12.89
<b>(PRISM) VSP</b>	Employee	5%	\$0.33
	Employee + one	7%	\$0.85
	Employee + family	10%	\$1.93

\*Note: Cost share is in agreement with Teamsters Local 952 Union Collective Bargaining Agreement as negotiated.

DHMO - Dental Health Maintenance Organization

HMO - Health Maintenance Organization

PPO - Preferred Provider Organization

PRISM - Public Risk Innovation, Solutions, and Management

VSP - Vision Service Plan

# **Agreements for Health Insurance Services**

# Background



## **Each year, OCTA renews employee benefits, including:**

- Medical Insurance
- Dental Insurance
- Vision Insurance
- Life Insurance
- Accidental Death and Dismemberment Insurance
- Disability Insurance
- Employee Leave Administration



**Goal:** Provide cost-sharing structure, manage utilization, educate employees to be better healthcare consumers, and implement a health risk management program.



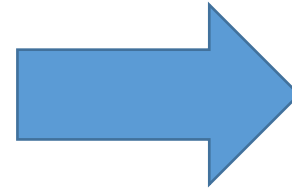
## **Plan Participants:**

- Administrative Employees
- Parts Clerks and Facility Technicians represented by the Transportation Communications International Union
- Coach Operators represented by Teamsters Local 952 Union

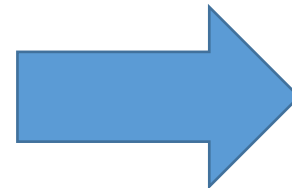
# PRISM Overview

In 2015 (plan year 2016), OCTA joined Public Risk Innovation, Solutions, and Management (PRISM), a medical purchasing program offered to counties, cities and special districts.

OCTA has benefited from renewal rates far below market trends since joining PRISM:



OCTA shares risk with PRISM members and rates are renewed as a single pool.



PRISM is dedicated to controlling losses and providing effective risk management solutions.

# Current Plan Offerings

## **Plans through PRISM:**

- Medical Insurance (Anthem HMO, PPO and CDHP, and Kaiser)
- Dental Insurance (Delta Dental HMO and PPO)
- Vision Insurance (VSP Choice)
- Life Insurance (VOYA)
- Accidental Death and Dismemberment Insurances (Voya)
- Short-term and Long-term Disability Insurance (Voya)
- Employee Protected Leave Administration (Voya)

## **Plan outside of PRISM Pool:**

- Dental Insurance (Delta Dental HMO for Coach Operators)

CDHP – Consumer Driven Health Plan

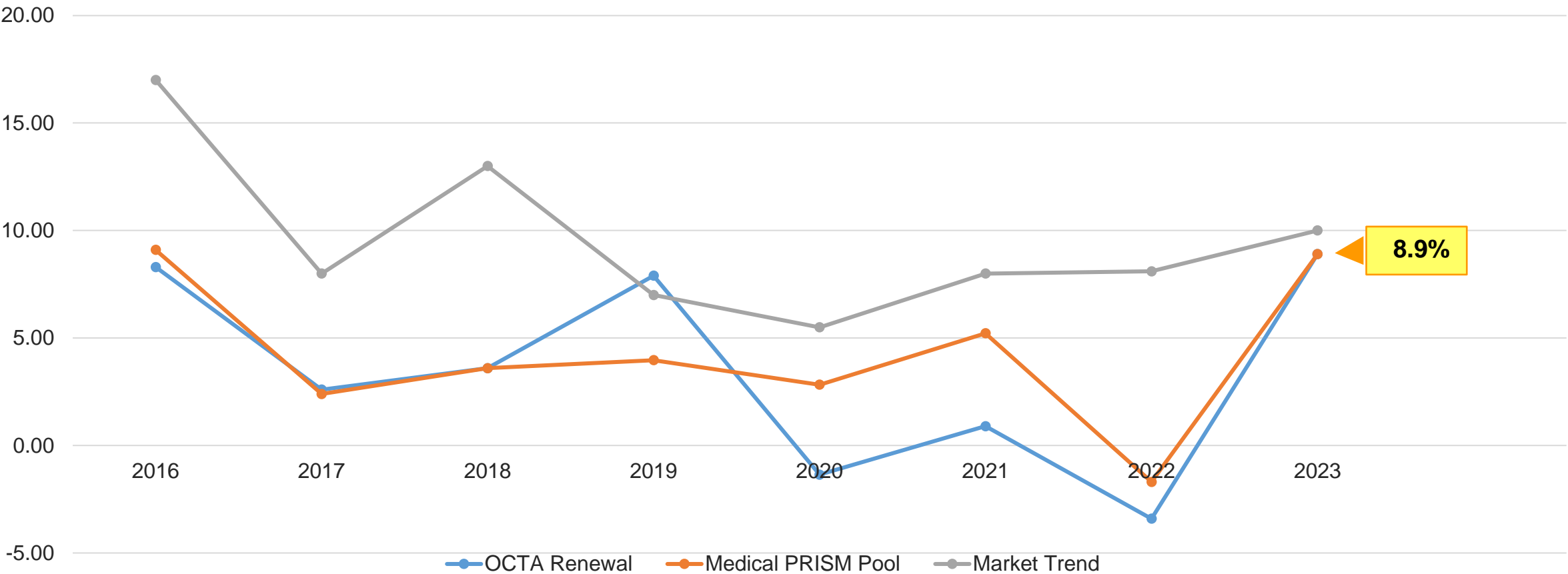
HMO – Health Maintenance Organization

PPO – Preferred Provider Organization

VSP – Vision Services Plan

# OCTA Medical Plan Renewal Trends

OCTA vs. Medical PRISM Pool vs. Market Trend by Year



# 2023 Renewal Rate Changes

**2023 medical renewals are based on the most recent 12 months of actual claim data (March 2021 through February 2022)**



Healthcare utilization from coronavirus (COVID-19)-suppressed claims during these recent 12 months.



Significant increase in the number and dollar value of high-cost claims as compared to the prior year.



In large part, COVID-19-suppressed healthcare utilization resulted in a 0.9% renewal increase in 2021 and a 3.4% renewal decrease in 2022.

**The 3-year average of renewals for 2021, 2022 and 2023 is 2.1%.**



# Financial Summary

ORANGE COUNTY TRANSPORTATION AUTHORITY				
FINANCIAL OVERVIEW				
Effective January 1, 2023				
PLAN/COVERAGE		Current Annual Cost	Renewal Annual Cost	% Δ
<b>MEDICAL</b>	<b>EEs</b>			
PRISM-Kaiser Admin/TCU HMO	191	\$3,020,448	\$3,289,008	8.9%
PRISM-Kaiser Coach Operators HMO	597	\$9,312,624	\$10,141,296	8.9%
PRISM-Anthem HMO Admin/TCU	122	\$2,126,544	\$2,315,928	8.9%
PRISM-Anthem HMO Coach Operators	32	\$542,688	\$591,048	8.9%
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PRISM-Anthem CDHP Admin/TCU	143	\$2,460,012	\$2,678,748	8.9%
<b>DENTAL</b>				
PRISM-Delta Admin/TCU DMO	55	\$18,511	\$18,511	0.0%
Direct-Delta Coach Operators DMO	140	\$45,811	\$45,811	0.0%
PRISM-Delta Admin/TCU DPO	460	\$714,925	\$680,686	-4.8%
PRISM-Delta Coach Operators DPO	510	\$593,994	\$565,878	-4.7%
<b>VISION</b>			<b>Enhanced VSP Base &amp; Buy-Up</b>	
PRISM-VSP Base Vision Plan Admin/TCU	520	\$147,254	\$207,341	40.8%
PRISM-VSP Buy-up Vision Admin/TCU (cost neutral)	86	N/A	\$9,962	N/A
PRISM-VSP Vision Coach Operators	650	\$95,754	\$95,754	0.0%
<b>BASIC LIFE/AD&amp;D</b>			<b>In Rate Guarantee Until 2024</b>	
PRISM-Voya Life/AD&D Admin/TCU	541	\$190,541	\$190,541	0.0%
PRISM-Voya Life/AD&D Coach Operators	650	\$81,709	\$81,709	0.0%
<b>SHORT TERM DISABILITY</b>			<b>In Rate Guarantee Until 2024</b>	
PRISM-Voya STD Admin	487	\$31,617	\$31,617	0.0%
<b>LONG TERM DISABILITY</b>			<b>In Rate Guarantee Until 2024</b>	
PRISM-Voya LTD Admin/TCU	527	\$147,765	\$147,765	0.0%
<b>FMLA Leave Administration</b>				
VOYA	1355	\$27,234	\$27,234	0.0%
<b>TOTAL ANNUAL PREMIUM</b>		<b>\$21,518,857</b>	<b>\$23,255,078</b>	
<b>ANNUAL DOLLAR CHANGE</b>			<b>\$1,736,221</b>	
<b>ANNUAL PERCENT CHANGE</b>			<b>8.1%</b>	

# Recommendations



Remain in PRISM to continue benefiting from lower than market renewal rates.



Execute agreements to continue medical, dental, vision, life, accidental death and dismemberment, and short-term and long-term disability insurances and employee protected leave administration with PRISM through December 31, 2023.



Execute agreement to continue dental HMO insurance with Delta Dental for Coach Operators through December 31, 2023.



***August 10, 2022***

**To:** Finance and Administration Committee

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

**Subject:** Adopt Resolution Approving Updated Real Property Policies and Procedures Manual

***Overview***

The Orange County Transportation Authority is currently acquiring and managing numerous properties required for the construction and delivery of capital improvement projects. As part of the acquisition and management process, the Orange County Transportation Authority must, by general resolution, authorize certain policies and procedures to implement this process in compliance with federal and state laws. The current Real Property Policies and Procedures Manual of April 2018 was approved by the Board of Directors on May 14, 2018. Staff is requesting updates to the Real Property Policies and Procedures Manual which requires Board of Directors' approval.

***Recommendation***

Adopt Resolution No. 2022-052 approving the Real Property Policies and Procedures Manual, dated August 2022, to replace the current Real Property Policies and Procedures Manual of April 2018.

***Background***

In the course of developing and delivering transportation projects, the acquisition of public and private properties may be required to implement the project. Although extensive efforts are made during the design process to minimize impacts to property owners, some projects require the acquisition of public and private properties. Orange County Transportation Authority (OCTA) staff follows the current Real Property Policies and Procedures Manual of April 2018 (Current Policies Manual) to properly handle the acquisition and management of property, which was approved by the Board of Directors (Board) on May 14, 2018. The approved Current Policies Manual is intended to describe the internal steps that OCTA takes to ensure compliance with federal and state laws.

***Discussion***

Staff is seeking approval to implement the updated Real Property Policies and Procedures Manual, dated August 2022 (2022 Policies Manual), to describe steps OCTA will take to ensure federal and state laws and regulations are followed (Attachment A). The 2022 Policies Manual states OCTA will comply with the requirements of all federal and state laws, statutes and regulations, particularly, 49 Code of Federal Regulations (CFR) part 24, Uniform Relocation Assistance and Real Property Acquisition Act of 1970, as amended (Uniform Act); Title 25, CFR Chapter 6, Article 1, Section 6000 et seq., Relocation Assistance and Real Property Acquisition Guidelines; California Code of Civil Procedure; California Government Code Section 7260-7277; and Uniform Standards of Professional Appraisal Practice. Provided there are future changes to federal and state laws described above, the 2022 Policies Manual will automatically adopt the legislative changes and obligate OCTA to comply. Provided there is a significant change in legislation, staff will recommend another update to the 2022 Policies Manual. For example, staff is recommending changes regarding the Surplus Land Act (SLA) discussed further below.

When implementing all right-of-way (ROW) and property management activities, the 2022 Policies Manual describes how OCTA shall adhere to the California Department of Transportation (Caltrans) ROW Manual, if applicable. There are certain internal procedures described in the Caltrans ROW Manual which are not applicable to OCTA's internal administrative processes. The 2022 Policies Manual describes how OCTA staff will implement internal OCTA procedures not covered within the Caltrans ROW Manual, which include certain appraisal, acquisition, and relocation assistance procedures, appeal procedures, utility relocation procedures, project development procedures, the adoption of resolutions of necessity procedures, settlement authorizations, contract execution authorizations, use of consultant services, as well as internal administrative processes. OCTA staff recommends the Board adopt, by Resolution No. 2022-052, the approval of the 2022 Policies Manual (Attachment B). The adopted resolution will provide documentation to title insurance companies that validates the Chief Executive Officer (CEO), or designee, the authority to execute ROW and real estate-related documents on behalf of OCTA, such as conveyance deeds.

Two significant changes from the Current Policies Manual are updates to the CEO's settlement delegation authority and the introduction of the Incentive Payment Program (IPP) for property acquisitions. These two policies were previously approved for use by the Board and were implemented successfully on the Interstate 405, State Route 55, and State Route 91 improvement projects.

Staff recommends implementing modifications to the existing Board-approved settlement delegation authority thresholds for the CEO. The modifications will expedite the acquisition of property to help maintain project delivery schedules. The requested modifications would be related to ROW acquisition, negotiation, and eminent domain only. The proposed modifications authorize the CEO to approve a settlement when the difference between the approved appraisal and the proposed settlement is no more than 50 percent over the approved appraisal, and no more than \$500,000. This is an increase in the settlement authority of \$250,000 from the existing policy. The CEO will also be authorized to approve a settlement when the difference between the approved appraisal and the proposed settlement is more than 50 percent over the approved appraisal, but not more than \$100,000. This is an increase in the settlement authority of \$75,000 from the existing policy. This \$100,000 threshold is intended to resolve issues for smaller-valued parcels. A comparison of the existing settlement delegation authority to the proposed project-related settlement delegation authority is shown in Attachment C. The modifications to the settlement authority are intended to allow staff to react more quickly to reach a resolution of issues with property owners and reduce administrative and legal costs of lengthy negotiations. All proposed settlements will still require legal review and written justification that the proposed settlement is fair and reasonable.

Staff proposes to introduce the OCTA Acquisition – Incentive Payment Program (Attachment D), which encourages the expeditious acquisition of needed real property and is consistent with the intent of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act). The Federal Highway Administration (FHWA), Office of Real Estate Services, has determined that the FHWA may participate in ROW acquisition incentive payments made under the FHWA-approved plan or program. Acquisition incentive payments are payments that are over and above the just compensation offer provided by the Uniform Act.

The IPP will provide an incentive to all property owners that execute an agreement within 60 days of the first written offer. The IPP incentive will allow payment of a lump sum of 20 percent above the appraised value, with a minimum payment of \$1,000, and a maximum payment of \$100,000 for each acquisition. The IPP is intended to help maintain project delivery schedules, reduce the possibility of impasses in negotiations with property owners, and reduce project legal and administrative costs in trying to reach settlements. Considering fluctuating cost trends for real estate and construction labor and materials, as well as legal expense and project delay cost risks associated with eminent domain, it is in the interest of the public and OCTA to use all available methods to deliver transportation projects quickly with as little reliance on eminent domain as possible. OCTA intends to implement the IPP on all OCTA acquisitions. OCTA's policy complies with the terms of the Caltrans incentive program;

however, Caltrans is limited to a ten percent incentive payment. When implementing the IPP on the State Highway System, OCTA will be required to obtain Caltrans' concurrence to provide a 20 percent incentive payment.

Another significant update to the Current Policies Manual is the addition of policies and procedures to comply with the California SLA, Government Section 54220 et seq.<sup>1</sup> It was previously determined that OCTA was not subject to the SLA; however, recent amendments make the SLA applicable to OCTA in the disposal and sale of surplus property. OCTA is now subject to various requirements in disposing of property which it owns in fee, including the SLA, which applies to the sale or lease of any property declared surplus or exempt surplus; Code of Civil Procedure section 1245.245, which applies to property that has been condemned and not used for the purpose acquired; and Caltrans ROW Manual Chapter 17.

Under the SLA, surplus land means land owned in fee simple by OCTA for which OCTA's Board takes formal action in a regular public meeting declaring that the land is surplus and is not necessary for OCTA's use (Section 54221). Any disposition of surplus land must comply with the SLA guidelines published by the California Department of Housing and Community Development (HCD). The SLA and guidelines generally require OCTA to issue notices of availability of surplus land to local public entities and housing sponsors; when applicable, participate in good faith negotiations after receiving notice of interest to purchase or lease the surplus land, provide HCD with specified information related to the potential disposition of surplus land and exempt surplus land, and record restrictions against the property, if required.

Many of OCTA's properties are purchased with state or federal funds, and thus disposition of these lands must also comply with applicable state and federal laws and regulations, including federal requirements to dispose of property at fair market value. To accomplish this, OCTA obtains property appraisals prior to disposition and utilizes the services of a commercial brokerage real estate agent to market OCTA properties and obtain competitive bids when possible. OCTA staff will work in consultation with OCTA General Counsel to dispose of surplus property pursuant to these procedures.

Minor administrative changes to the 2022 Policies Manual may be made through amendment by a recommendation from the Real Property Manager and the Executive Director of Capital Programs. Any recommended amendment must be in compliance with the requirements of all federal and state laws, statutes, and regulations, as referenced above, and must be concurred with by OCTA General

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<sup>1</sup> All section references hereinafter refer to the California Government Code unless otherwise specified.

Counsel. A recommended amendment must also be in compliance and cannot conflict with any action approved by the Board.

The replacement of the Current Policies Manual with the recommended updated 2022 Policies Manual will facilitate OCTA's ability to comply with all ROW and property management requirements under the law.

***Summary***

Staff recommends the Board of Directors adopt Resolution No. 2022-052 approving the Real Property Policies and Procedures Manual, dated August 2022, to replace the current Real Property Policies and Procedures Manual of April 2018.

***Attachments***

- A. Orange County Transportation Authority Real Property Policies and Procedures Manual, Dated August 2022
- B. [Proposed] Resolution No. 2022-052
- C. Settlement Delegation Authority Comparison
- D. Orange County Transportation Authority Improvement Acquisition – Incentive Payment Program

**Prepared by:**



Joe Gallardo  
Manager, Real Property  
(714) 560-5546

**Approved by:**



James G. Beil, P.E.  
Executive Director, Capital Programs  
(714) 560-5646





# **Orange County Transportation Authority**

## **Real Property Policies and Procedures Manual**

August 2022





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# **Orange County Transportation Authority Real Property Policies and Procedures Manual**

## **General Policies**

*This manual and its addenda contain the regulations, requirements, and procedural directives governing the operations of the Real Property Department (Department), reporting directly to the Capital Programs Division of the Orange County Transportation Authority (OCTA). This manual will be updated and amended as needed. This manual is neither intended as, nor does it establish, a legal standard for these functions. Policies and practices established herein are for the information and guidance of the officers and employees of OCTA. This manual is not a textbook or a substitute for law, statute, regulation, knowledge, experience, or judgment.*

*The Department shall be responsible for all right-of-way (ROW) activities including property acquisitions, relocation assistance, utility relocations, property management activities, and real estate related activities on behalf of OCTA. The Department shall implement all policies and procedures to assist and advise OCTA personnel in the administration of such policies and procedural requirements. The Department shall consult with General Counsel to determine whether OCTA is in compliance with all applicable federal, state and local laws, regulations, policies, and ordinances. The Department shall be supervised and managed by a Department Manager, hereinafter the “Real Property Manager”, as defined by the OCTA Human Resources Department who shall report to the Executive Director, Capital Programs.*

*OCTA will comply with the requirements of federal and state laws, statutes and regulations, particularly, 49 Code of Federal Regulations (CFR) part 24, Uniform Relocation Assistance and Real Property Acquisition Act of 1970, as amended (Uniform Act); Title 25, California Code of Regulations Ch 6, Art 1, Section 6000 et seq., Relocation Assistance and Real Property Acquisition Guidelines; California Code of Civil Procedure; California Government Code Section 7260-7277; and Uniform Standards of Professional Appraisal Practice (USPAP). When implementing ROW and Property Management activities, OCTA shall utilize the California Department of Transportation (Caltrans) Right of Way Manual and the Caltrans Local Assistance Manual, if applicable.*

*The Real Property Manager, with the concurrence of the Executive Director, Capital Programs, shall interpret the Caltrans Right of Way Manual and the Caltrans Local Assistance Manual to determine how policies and procedures identified within the manuals are applicable to OCTA as a County Transportation Commission formed pursuant to Public Utilities Code sections 130000 et seq. and are applicable to directives as established by OCTA Board of Directors (Board).*

## **I. ROW Engineering**

*For OCTA projects, Right of Way Engineering will be the responsibility of the Project Designer of record who will report to the assigned Project Manager or Program Manager. The Department is not the responsible department for this function.*

- For Projects on the State Highway System: OCTA will seek the Project Designer's and Caltrans' concurrence of ROW requirements prior to completing the appraisal.
- For Projects off the State Highway System: OCTA will seek the Project Designer's concurrence of ROW requirements prior to completing the appraisal.

## **II. Environmental Soil Assessment, Remediation and Mitigation**

*Environmental policies address concerns involving residential, commercial, and industrial properties which may be wholly owned by OCTA or jointly held with other owners.*

- For Projects on the State Highway System: OCTA will follow the Caltrans Request for Acquisition of Contaminated Property (RACP) policies and procedures.
- If the Hazardous Material Disclosure Documents (HMDD) recommends a Phase II study with remediation and requires concurrence prior to purchase, the acquisition of the property must be approved by the Executive Director, Capital Programs.

## **III. Appraisals**

*Appraisals are used to establish a basis for determining just compensation. The Uniform Act requires that an appraisal and a reviewer's analysis be obtained on all parcels proposed for acquisition. Regulations implementing appraisal standards of the Uniform Act are found in 49 CFR Part 24. The Uniform Act applies to any federal or federally assisted programs or projects and it applies when federal funding is to be used in any phase of the programs or projects. If federal funds are going to be used in any part of the project, but not in acquiring ROW, the Uniform Act applies to the appraisals and acquisitions.*

- OCTA will secure an appraisal of all properties to be acquired, exchanged, or sold, except those that are exempt under the Uniform Act. Appraisers are instructed that the appraisal shall conform to the requirements of the Uniform Standards of Professional Appraisal Practice and the Uniform Act.
- All acquisition appraisals shall be reviewed by an independent review appraiser who will either approve, amend, or reject the appraisal.
- An independent review appraiser shall confirm their review of the appraisal in writing.
- All property owners shall be given notice of the date and time of inspection of their property by the appraiser and shall be given the opportunity to be present or have a representative present

when the appraiser inspects their property. Property owners may submit information as to the value of their property during the appraisal process, and such information shall be considered by the appraiser.

- Property owners will be permitted to review the approved real estate appraisal for their property.
- Fixtures and equipment appraisals, if applicable and available, shall be included in the appraisal report.
- A loss of business goodwill appraisal will be performed upon receipt of a loss of business goodwill claim. The loss of business goodwill appraiser shall review and consider tax returns and any other supporting financial data that is furnished by the business owner.
- The selection of independent appraisers is based on qualifications and experience for the property being appraised in accordance with criteria for appraisals contained in 49 CFR Part 24. Appraisers must be qualified to give expert testimony in support of their value estimates in the event of condemnation proceeds.
- The Federal Transit Administration (FTA), Federal Highway Administration (FHWA), and Caltrans (depending on the funding source) concurrence thresholds, appraisal, and settlement guidelines should be strictly followed.
- OCTA shall contract qualified appraisers and qualified review appraisers in accordance with OCTA's Contract Administration and Material Management (CAMP) procurement process.

#### **IV. Acquisition and Negotiations**

*OCTA is empowered by law, to purchase, lease, or condemn real or personal property. The intent and purposes of Acquisition and Negotiations Policies and Procedures are to assure uniform acquisition practices, which will provide consistent and equitable treatment of owners and tenants of real property acquired by OCTA for public purposes. In accordance with State of California law, OCTA will make an effort to interpret acquisition policies to the benefit of the property owner while understanding it cannot make interpretations that would result in the gift of public funds.*

*It is the policy of OCTA that all negotiations shall be expeditious and result in the property owner receiving just compensation. The goal is that any settlement will be just and fair to the property owner and the public. Every courtesy and consideration will be extended to the property owner in order to establish trust in OCTA, the members of its Board, and its employees.*

- All property acquisitions must be approved by the Board.
- For capital improvement projects, upon adoption of the National Environmental Policy Act and the California Environmental Quality Act (NEPA/CEQA) environmental document, OCTA staff will seek Board authority to acquire property or property interests based on the preferred design.
- All statutory offers shall comply with Section 7267.2 of the California Government Code.
- All statutory offers will include acquisition of all applicable real property interests, land and improvements, fixtures, and equipment, if applicable and available, and tenant interests, if applicable and available.

- For commercial properties, an unsegregated offer for fixtures and equipment will be made to the property owner and business owner, if applicable.
- Owners of appraised fixtures and equipment will be advised of their right to remove fixtures and equipment from a valuation list and be permitted to relocate the fixtures and equipment at the expense of the project.
- An offer for loss of business goodwill, if any, will be made upon an approved loss of business goodwill appraisal. A loss of business goodwill appraisal will be completed after the business owner files a claim for loss of business goodwill.
- Prior to making the loss of business goodwill offer, the acquisition agent shall recognize any “in-lieu” or reestablishment payments that may have been or will be made under relocation assistance in order to avoid duplication of payment.
- The Real Property Manager has the authority to approve Just Compensation based on an appraisal and the independent review appraisal.
- Prior to making the statutory offer, OCTA staff and consultants shall confirm the offer is consistent with the design needs and the appraisal.
- Property owners are entitled to obtain their own independent appraisal of the real property interests being acquired by OCTA in compliance with the California Code of Civil Procedure Section 1263.025.
- OCTA ROW consultants, under the direction of the Real Property Manager and/or General Counsel, will conduct negotiations for acquisition of property rights on behalf of OCTA.
- At any time during the acquisition process, if the property owner is represented by legal counsel, General Counsel shall be notified.
- For mobile home acquisitions, condominium complexes, or when there is a homeowners’ association ownership involved, a legal opinion as to ownership interests shall be obtained.
- When acquiring real property pertaining to real estate, a mobile home or manufactured dwelling requiring a limited power of attorney to transfer title, the Real Property Manager shall obtain an authorization memorandum from General Counsel’s office to execute documents on behalf of OCTA.

## **V. Title and Escrow Services**

*Title reports are needed for the purpose of establishing ownership, property lines, and transferring clear title to the property or property rights being acquired by OCTA. Title Reports are used in the preparation of surveys, legal descriptions, ROW contracts and utility relocation plans, and to ensure that the title and ownership of properties and property interests acquired by OCTA are free and clear of liens and encumbrances that will adversely affect the use of the property for the project.*

- OCTA will secure title insurance for acquired property interests at the discretion of the Real Property Manager.
- The purchase and sale of permanent interests in real property will be handled through an escrow with a title company at the discretion of the Real Property Manager.

- Matters where there are title issues, vesting is in question, or there is a cloud on title, will be referred to OCTA Legal Counsel.

## **VI. Settlement Delegation Authority**

*The settlement delegation authority thresholds described in this paragraph may not be increased by amendment, as described on Page 15, Paragraph XIX, Procedure Amendments. Any increase in thresholds requires approval by the Board. Staff shall provide the Board a quarterly summary of all transactions where compensation is approved utilizing the settlement delegation authority.*

*Administrative and legal settlement delegation authority thresholds (real property interests only, excludes relocation assistance):*

- The Executive Director, Capital Programs, is authorized to approve an administrative or legal settlement when the difference between the approved appraisal and the proposed settlement is no more than 20 percent over the approved appraisal and no more than \$250,000 over the approved appraisal;
- The Chief Executive Officer (CEO) is authorized to approve an administrative or legal settlement when the difference between the approved appraisal and the proposed settlement is no more than 50 percent over the approved appraisal and no more than \$500,000 over the approved appraisal;
- The CEO is also authorized to approve an administrative or legal settlement when the difference between the approved appraisal and the proposed settlement is more than 50 percent over the approved appraisal, but not more than \$100,000 over the approved appraisal;
- The Board must approve an administrative or legal settlement when the difference between the approved appraisal and the proposed settlement is more than 50 percent and more than \$500,000 over the approved appraisal and must approve all administrative or legal settlements when the proposed settlement is more than 50 percent over the approved appraisal and is more than \$100,000 over the approved appraisal.

## **VII. Incentive Payment Program**

*The OCTA Acquisition – Incentive Payment Program encourages the expeditious acquisition of needed real property and is consistent with the intent of the Uniform Act. The FHWA, Office of Real Estate Services, has determined that the FHWA may participate in ROW acquisition incentive payments made under the FHWA-approved plan or program. Acquisition incentive payments are payments that are over and above the just compensation offer provided by the Uniform Act.*

*The Incentive Payment Program shall be implemented in accordance with the Caltrans Right of Way Manual.*

- The Incentive Payment Program shall be offered for permanent and temporary acquisitions.
- The payment will be based on a lump sum payment of 20 percent of the appraised value.
- The minimum payment is \$1,000 and the maximum payment is \$100,000.
- OCTA must receive written approval from Caltrans and FHWA prior to implementing the incentive payment program on the State Highway System where the incentive payment will be 20 percent above the appraised value.

## **VIII. Administrative and Legal Settlements**

*Administrative settlements are made for the purpose of concluding negotiations for amounts considered reasonable, prudent, and in the public interest, after reasonable efforts to negotiate agreements at the approved offers have failed. When federal or state funds pay for or participate in acquisition costs, a written justification shall be prepared which indicates that available information (e.g., appraisals, recent court awards, estimated trial costs or valuation problems) support such a settlement. (See 49 CFR 24.102(i)).*

- All administrative settlements must be accompanied by a written recommendation prepared by a Senior Real Property Agent, recommending the administrative settlement to the Real Property Manager, who with concurrence by General Counsel will determine if the settlement is fair and reasonable. The Real Property Manager shall recommend and seek approval for all administrative settlements from the authorized level of approval.
- All legal settlements shall be accompanied by a written justification prepared by General Counsel.

## **IX. Eminent Domain and Resolutions of Necessity (RON)**

*If negotiations have not reached an agreement with the owner or owners of any property interest required for a project, in an effort to maintain the approved project schedule, eminent domain proceedings may be recommended by the Real Property Manager to the Executive Director, Capital Programs to proceed with a recommendation to the Board to adopt a Resolution of Necessity (RON). Upon approval of the CEO to proceed with the recommendation, the Real Property Manager and the Executive Director, Capital Programs will coordinate with General Counsel to seek the adoption of the RON.*

- For projects on the State Highway System: Consideration of whether to adopt and, if appropriate, the adoption of the RON shall be approved by the Board, pursuant to a cooperative agreement with Caltrans.
- For projects off the State Highway System: Consideration of whether to adopt and, if appropriate, the adoption of the RON shall be approved by the Board.
- For projects on the State Highway System: OCTA will follow the Caltrans Right of Way Manual pertaining to the notice of a RON hearing.

- For projects off the State Highway System: Property owners shall be given at least 30 days to consider the statutory offer prior to receiving notice of a RON hearing.

*The following describes the OCTA Administrative Review Process prior to a RON hearing for projects on and off the State Highway System:*

- If the property owner has questions or concerns relating to project design and the necessity of the property interests for the project, the property owner can request a Condemnation Evaluation Meeting at any time during the acquisition process.
- If an agreement has not been reached with the property owner and staff intends to proceed with requesting the Board to consider the adoption of a RON, the Real Property Manager will request a Condemnation Evaluation Meeting with the property owner prior to the mailing of a notice of RON hearing.
- The Capital Programs Division will conduct the Condemnation Evaluation Meeting. The Condemnation Evaluation Meeting will be attended by the property owner(s) and/or their representatives, OCTA staff and/or OCTA's ROW consultant, the Project Manager or designer of record, Legal Counsel, if necessary, and shall be chaired by staff of the Department. This Condemnation Evaluation Meeting is an effort to identify and resolve all the property owner's issues. If issues remain unresolved after the Condemnation Evaluation Meeting, a Fact Sheet will be prepared and provided to the Executive Director, Capital Programs by the Real Property Manager. Upon completion of the Condemnation Evaluation Meeting, OCTA staff shall make a property owner or their representatives aware they may request a Condemnation Panel Review Meeting.
- If requested by the property owner, a Condemnation Panel Review Meeting will be scheduled within 30 days after the request. The Condemnation Panel Review Meeting will consist of OCTA management and decision makers consisting of a Chairperson (Executive Director, Capital Programs or designee), the Real Property Manager, the Director, Highway Programs or Transit Programs, the assigned Program Manager, Legal Counsel, if necessary, and a Caltrans representative(s), if applicable, and the designer of record. If issues remain unresolved after the Condemnation Panel Review Meeting, the following documents will be prepared: (a) a written summary of unresolved issues; and (b) a chronology of contacts with the property owner or their representative(s). The Executive Director, Capital Programs will make the final determination to proceed with the recommendation to adopt the RON once the Condemnation Panel Review Meeting is complete.
- If a Condemnation Evaluation or Condemnation Panel Review Meeting has not been conducted with the property owner and/or their representative and they timely submit a request to speak and be heard at the RON adoption hearing, then OCTA will send a request immediately to the property owner and/or their representative to schedule a combined Condemnation Evaluation and Condemnation Panel Review Meeting prior to the RON hearing.



## **X. Conflict of Interest: Employee or Board of Director Owned Property**

*The policies on acquisition of property owned by an OCTA employee or member of the Board shall be as follows:*

- When the property or property rights to be acquired are owned by an OCTA employee or member of OCTA Board of Directors, the Department shall order one appraisal for the property/property rights to be acquired. If the property owner is a member of the Board or an OCTA employee, and the Director or employee rejects the appraisal, the Department shall immediately notify General Counsel for further direction. General Counsel shall as soon as possible determine the extent to which negotiations can legally continue and who may conduct negotiations. The Department may continue to receive information provided by the employee or Director and forward to OCTA's independent appraiser for evaluation.

## **XI. Relocation Assistance Program**

*The law, regulations, policies, and this manual are intended for the benefit of the displaced person to ensure that such persons receive fair and equitable treatment and do not suffer disproportionate injuries as the result of programs designed for the benefit of the public as a whole. California state law requires that all ROW determinations/interpretations be construed to affect this intent.*

*The Relocation Assistance and Payment Program is applicable to all OCTA projects, regardless of whether the project receives federal or state funds, and other activity which requires the acquisition of real estate by OCTA.*

- Anyone who is wholly or partially displaced as a result of an OCTA project is entitled to relocation assistance and benefits as defined in the Uniform Act, 49 CFR part 24 (Implementing Regulations), California Government Code 7260, and Title 25 California Regulations, Chapter 6, Article 1, Section 6000 et seq. (Guidelines); except in cases of voluntary sales where the owner-occupant of the property sells their property to OCTA, after being informed in writing prior to negotiations, that if a mutually satisfactory agreement cannot be reached, the property will not be acquired by eminent domain.
- If the project will cause residential or business displacements, a relocation plan must be prepared in accordance with the Uniform Act and Title 25, California Code of Regulations Ch 6, Art 1, Section 6000 et seq.
- Eligibility for relocation assistance shall begin on the date of initiation of negotiations.
- Appeals Process: Anyone who is wholly or partially displaced that wishes to appeal the decision to deny or limit relocation assistance shall file an appeal in writing with the relocation agent representing OCTA, who will then forward the appeal to the Department. The Senior Agent on the project and the Real Property Manager will either concur or disagree with the issues presented in the appeal. If OCTA staff agrees with the issues presented in the appeal, additional relocation benefits will be awarded and/or eligibility status will be adjusted accordingly. If OCTA staff does not concur with the issues presented in the appeal, a date will be set within 30 days from the receipt of the appeal request for a review panel to hear the claimant's appeal (the

review panel shall be appointed by the Executive Director, Capital Programs). The CEO or designee and a panel of knowledgeable personnel, not a party to the project, will hear the appeal (the "appeal board"). Within 30 days, OCTA staff will notify the claimant of the appeal board's decision. The appeal board's decision is final; however, the claimant has the right to seek judicial review of the appeal board's decision. The claimant may be represented by legal counsel during any phase of the appeal process; however, there will be no reimbursement to the claimant by OCTA of legal fees incurred.

- The Real Property Manager shall determine if a displacee qualifies for relocation benefits upon a recommendation by OCTA's qualified Relocation Agent. This shall include permanent or temporary relocations.
- The Real Property Manager shall authorize and execute all relocation assistance claims forms and any related documents.

## **XII. Utility Relocations**

*During the design and engineering process, utilities affected by the proposed construction will be identified. Typically, the affected utilities may need to be relocated, protected in place, or possibly abandoned. Early identification of affected utilities and early coordination with the affected utility companies is highly recommended as timely design and completion of all utility adjustments affect the OCTA's ability to commence construction.*

*OCTA is responsible for relocation or removal of utility facilities that are in physical conflict with a proposed project. This responsibility shall be delegated to the Department to implement OCTA's policies.*

- OCTA staff will seek Board authority to enter into utility agreements with utilities that have facilities which are in conflict with the preferred design. OCTA will follow the Caltrans Right of Way Manual on all projects located on the State Highway System and adhere to the cooperative agreement entered into between the Agencies. OCTA will follow the Caltrans Local Assistance Procedures Manual for all federally funded projects off the State Highway System.

## **XIII. ROW Certification**

*ROW Certification is a written statement summarizing the status of all ROW-related matters pertaining to a proposed construction project. The purpose of the ROW Certification is to document the construction project is ready for advertising and states that, real property interests have been, or are being, secured, physical obstructions including utilities and railroads have been or will be removed, relocated, or protected as required for construction and ROW acquisition and relocation assistance program requirements were conducted in accordance with applicable federal and state laws and procedures.*

- For all projects on and off the State Highway System with federal funds and Caltrans oversight: OCTA will follow the Caltrans Right of Way Manual and Caltrans Local Assistance Procedures

Manual. The Real Property Manager will recommend ROW certification to the Executive Director, Capital Programs for approval and will seek Caltrans approval or concurrence.

- For projects off the State Highway System with no Caltrans oversight, including rail and FTA projects: OCTA will follow the Caltrans Right of Way Manual and Caltrans Local Assistance Procedures Manual. The Real Property Manager will recommend ROW Certification to the Executive Director, Capital Programs for approval.

#### **XIV. Environmental Mitigation Program**

*For the Measure M2 freeway Environmental Mitigation Program acquisition process, the Department shall contract a qualified appraiser and qualified review appraiser to appraise properties requested by the Planning Division to establish just compensation per the USPAP in accordance with 49 CFR and state rules and regulations. The Planning Division will make a determination, through an analysis, as to the environmental value of the property to be acquired, including the cost of start-up and long-term maintenance. The environmental value will determine a basis for the percentage amount of the established just compensation for which an offer will be presented to a willing seller. This percentage amount established by the Planning Division will be reviewed and approved by General Counsel. The terms and conditions agreed upon with the willing seller shall require approval by the Board.*

#### **XV. Property Management**

*OCTA acquires real property for both rail and highway transportation purposes. OCTA strives to manage its real property with the objective of maximizing existing and future public transportation benefits, safety, and financial income by means of professional property management policies and procedures. This includes entering into lease agreements, issuing licenses and rights of entry for authorized third-party uses, as well as investigating and resolving issues regarding uses that are not authorized by OCTA. On certain occasions, OCTA may also grant easements. General maintenance activities and security measures are also part of the property management scope of work on all OCTA properties.*

The Department shall have management responsibilities for properties acquired and owned by OCTA, including the following:

- Manage existing leases, licenses, and rights of entry through periodic field inspections to ensure compliance with the terms and conditions of their respective agreements.
- Review the terms and conditions of existing agreements, ensuring annual license/lease rates are based on the property's fair market value and consistently implement fair market adjustments (FMA) and Consumer Price Index (CPI) adjustments. The Real Property Department shall, at least every five years, through an independent consultant, conduct a fair market analysis of the revenue generating real estate interest owned by the OCTA. The Real Property Manager will make a recommendation to the Executive Director, Capital Programs whether or not to enforce any FMA in leases. If recommended and approved, the FMA shall be applied in accordance to the terms and conditions of its corresponding lease.

- If an adjustment is approved, it shall be applied within 90 days (or, per the lease terms). If the adjustment is not applied due to negotiations and/or other considerations, this decision must be documented, validated by the Real Property Manager, and approved by the Executive Director, Capital Programs.
- Maintain a tenant revenue spreadsheet that flags fair market adjustments 90 days in advance of scheduled adjustment dates.
- Implement insurance requirements as determined by the Risk Management Department. Consult with OCTA's Risk Management Department for approval of changes to the standard insurance requirements. Review tenant insurance certificates to ensure compliance with the insurance terms and conditions in their respective agreements.
- Prepare and issue new licenses, leases, and rights of entry for use of OCTA property in conformity with OCTA policies.
- Consult with General Counsel for approval of changes to the standard rights of entry, licenses, and lease agreements.
- Coordinate with OCTA's Accounting Department in the organization and maintenance of a revenue collection system designed to operate in conjunction with other OCTA departments.
- Manage all properties to minimize maintenance and prevent unauthorized uses.
- Identify excess/surplus properties that may be candidates for sale.
- Manage and oversee demolition services.
- The Executive Director, Capital Programs, as designee of the CEO, may execute deeds that dispose or transfer permanent or temporary easement interests or other real property interests, that are not subject to the Surplus Land Act (SLA) requirements discussed below, provided the disposition or transfer is in the best interest of OCTA. All documents must be recommended for approval by the Real Property Manager and reviewed by General Counsel.

## **XVI. Surplus Land**

*OCTA is subject to various requirements in disposing of property which it owns in fee, including the SLA, Government Code section 54220 et seq.,<sup>1</sup> which applies to the sale or lease of any property declared surplus, Code of Civil Procedure section 1245.245, which applies to property that has been condemned and not used for the purpose acquired, and Caltrans Right of Way Manual Chapter 17. These guidelines shall apply to any parcel in which OCTA owns in fee and seeks to dispose of, including by lease or sale, and to any property rights OCTA seeks to convey. Disposition of property shall be disposed of in accordance with Code of Civil Procedure Section 1245.245, Government Code Sections 54220 et seq., and the Caltrans Right of Way Manual Chapter 17, to the extent they are applicable to the disposition, and as otherwise set forth in these procedures.*

*It is OCTA's policy to dispose of property in a manner that obtains fair market value. To accomplish this, OCTA obtains property appraisals prior to their disposition and utilizes the services of a commercial brokerage real estate agent to market OCTA properties and obtain competitive bids when possible. Many*

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<sup>1</sup> All section references hereinafter refer to the California Government Code unless otherwise specified.

*of OCTA's properties are purchased with state or federal funds, and thus their disposition must comply with all applicable state and federal laws and regulations, including requirements to dispose of property at fair market value. OCTA staff will work in consultation with the General Counsel to dispose of property pursuant to these procedures.*

*SLA Requirements:*

- Under the SLA, surplus land is land owned in fee simple by OCTA for which the Board takes formal action in a regular public meeting declaring that the land is surplus and is not necessary for OCTA's use.
- Any disposition of surplus land must comply with the SLA and the SLA guidelines published by the California Department of Housing and Community Development (HCD).
- The SLA guidelines generally require OCTA to issue notices of availability of surplus land to local public entities and housing sponsors, when applicable, participate in good faith negotiations after receiving notice of interest to purchase or lease the surplus land, provide HCD with specified information related to the potential disposition of surplus land and exempt surplus land, and record restrictions against the property, if required. OCTA must also comply with the SLA guidelines in the disposition of exempt surplus land, as defined by the SLA.

*Procedures for the Sale or Lease of Surplus Land:*

- The Executive Director of Capital Programs and Real Property Manager shall consult with executive management regarding the disposition of surplus property. After determining that property is no longer needed by OCTA, the property disposition may be initiated in accordance with these procedures.
- The Board must formally declare the property as "surplus land" or "exempt surplus land" in a public meeting before staff may take any action to dispose of the property. Board determination must be supported by written findings. The Board may, on an annual basis, declare multiple parcels as either surplus land or exempt surplus land.
- The Department shall commission an appraisal of the property.
- The Department, in consultation with General Counsel, shall comply with the applicable procedures of the SLA guidelines to dispose of the property including, for example, sending notices of availability, negotiating with entities that express interest in purchasing or leasing the property, and providing information to HCD. Any marketing of the property through a commercial brokerage or otherwise must be done in accordance with the timeframes allowed by the guidelines.
- Prior to disposing of the property, a determination shall be made as to whether the disposition triggers any requirements under the California Environmental Quality Act. On federal-aid projects, an evaluation shall be made as to whether the sale or lease will have environmental effects under the National Environmental Policy Act, which trigger FHWA approval pursuant to Title 23 of the Code of Federal Regulations Section 771.
- The proposed sale or lease of the property will be brought to the Board for approval.

- It is recommended that the disposition of surplus land and exempt surplus land should be based on an approved appraisal dated no more than two years from the acceptance of a written offer by a prospective buyer.

*Federal-Aid Projects:*

- On federal-aid projects, the disposition of surplus land and exempt surplus land shall be in compliance with Title 23 of the CFR Sections 710 and 771 and this manual. The procedures in this manual are intended to comply with 23 CFR Section 710.403(c).
- If the property was acquired, in whole or in part, with federal funds, OCTA shall charge current fair market value or rent as set forth in this manual.
- FHWA approval shall be obtained if federal funds participated in the acquisition cost of the property. FHWA approval is required if the property is sold or rented at less than fair market value. While 23 CFR Section 710.403(e)(1) provides several exceptions to the requirement to dispose of property for fair market value, state law may be more restrictive as to below fair market sale or rent. Any situation in which OCTA determines to sell or rent property at less than fair market value shall be reviewed on a case-by-case basis as to compliance with state law, and compliance with the requirements in the CFR.
- To the extent there is a federal share from the net income derived from the sale or lease of the property, OCTA shall use such federal share for activities that are eligible for funding under Title 23 of the United States Code. The use of such income for an eligible activity, does not, in and of itself, make that activity a federal-aid project.

*Property Condemned but not Used:*

- If OCTA acquires property by way of eminent domain but does not use the property for the purpose for which it was acquired, the disposition of the property shall be governed by Code of Civil Procedure section 1245.245.

## **XVII. Project Development**

*The Department shall coordinate with assigned Program Managers, Project Managers, and consultants to develop and establish all ROW, relocation assistance, utility relocation, and property management project cost estimates and budgets needed for the overall project delivery.*

- The Real Property Manager shall execute project data sheets and make the final determination of project ROW, utility relocation, and property management costs estimates and shall coordinate with management to establish project budgets, including budget amendments.
- The Department shall coordinate with assigned program managers, project managers, and consultants to develop and establish all ROW, relocation assistance, utility relocation and property requirements project cost estimates and budgets for each fiscal year prior to Board approval of the annual budget. The Real Property Manager shall review and approve each project

right of way, utility relocation, and property management costs estimates and fiscal year budgets for Board approval.

- The Department shall coordinate with the assigned program managers, project managers, and designer of record to ensure the preferred design has taken into consideration the least private injury to a property and recommend design changes if warranted. The Real Property Manager shall seek concurrence of General Counsel to make certain that any proposed project is planned in a manner that will be most compatible with the greatest public good and the least private injury.

## **XVIII. Department Administrative Procedures**

### *Execution of Contracts*

- The CEO or designee is authorized to execute all contracts and/or agreements and other real estate documents (Real Property contracts). The CEO designates the Executive Director, Capital Programs to execute real estate agreements, ROW contracts, utility agreements, deeds, certificates of acceptance, leases, licenses, permits or any Department agreement document. All documents must be recommended for approval by the Real Property Manager and reviewed by General Counsel.

### *ROW Consultants*

- The Real Property Manager shall assign work to Senior Real Property Agents, Real Property Agents, and Associate Real Property Agents and, if required, assign a ROW consultant to assist in the delivery of the assigned work. The ROW consultant shall be selected through the CAMM procurement process.
- The Senior Real Property Agents will oversee all work assigned to the ROW consultant to ensure compliance with OCTA's policies and procedures, federal and state regulations, and in cases of on the State Highway System projects, the cooperative agreement with Caltrans.
- The assigned ROW consultant shall make recommendations on given assignments for review and concurrence by a Senior Real Property Agent. The Senior Real Property Agent shall make recommendations to the Real Property Manager for approval. The Real Property Manager shall approve all decisions and execute documents for the Department within the Real Property Manager's delegated authority or seek approval of the Executive Director, Capital Programs.

### *Payment Authorization*

- The Real Property Manager is authorized to release funds for payment of invoices, escrow fees, just compensation, relocation claims, condemnation deposits, return of security deposits, rent credits, and any other ROW or property management-related payments. If the amount to be released exceeds the Real Property Manager's signature authority, the Real Property Manager will submit a request for approval to the Executive Director, Capital Programs, Director, Highway Programs, or the Director, Transit Programs.

## *Document Control*

- The Department shall maintain an electronic file copy and a physical file copy, if necessary, for each parcel which is either being acquired, leased, or maintained by OCTA.

## **XIX. Procedure Amendments**

*This manual may be amended by a recommendation for approval to the CEO from the Executive Director, Capital Programs upon recommendation by the Real Property Manager. Any recommendation must be concurred with by General Counsel. Any recommended amendment to this manual must be in compliance with the requirements of all federal and state laws, statutes and regulations, as referenced above. Any recommended amendment to this manual must be in compliance and must not be in conflict with any action approved by the Board.*

## **XX. Supplemental Guidelines and Procedures**

*The Real Property Manager may incorporate and modify additional supplemental guidelines and procedures that detail the day-to-day steps needed to ensure work product quality when implementing policies and procedure as approved in this manual, the Caltrans Right of Way Manual, and the Local Assistance Manual. These additional supplemental guidelines and procedures are unofficial daily steps intended to assist the Department when working with OCTA staff and consultants and are not applicable to the authorized provision under Paragraph XIX Procedure Amendments.*



[PROPOSED] RESOLUTION NO. 2022-052

**A RESOLUTION OF THE ORANGE COUNTY TRANSPORTATION AUTHORITY  
ADOPTING AND IMPLEMENTING THE REAL PROPERTY POLICIES AND  
PROCEDURES MANUAL, DATED AUGUST 2022**

**WHEREAS**, the Orange County Transportation Authority (OCTA), in the course of developing and delivering transportation projects, requires the acquisition and management of public owned and privately owned properties; and

**WHEREAS**, part of acquisition and management process, OCTA must, by general resolutions, authorize certain policies and procedures to implement this process in compliance with federal and state laws.

**NOW, THEREFORE, BE IT RESOLVED**, The OCTA Board of Directors does hereby resolve as follows:

1. Approve and adopt the attached Real Property Policies and Procedures Manual, dated August 2022; and
2. Rescind and terminate the current Real Property Policies and Procedures Manual of April 2018; and
3. This resolution shall be effective upon adoption.

PASSED, APPROVED, and ADOPTED on this \_\_\_\_\_ day of \_\_\_\_\_, 2022

\_\_\_\_\_  
MARK A. MURPHY, CHAIRMAN  
ORANGE COUNTY TRANSPORTATION AUTHORITY

APPROVED AS TO FORM:

\_\_\_\_\_  
JAMES M. DONICH  
GENERAL COUNSEL

ATTEST:

I, Andrea West, Interim Clerk of Board of Directors of the Orange County Transportation Authority, do hereby certify that the foregoing Resolution No. 2022-052 by the following votes:

AYES:

NOES;

ABSENT:

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ANDREA WEST  
INTERIM CLERK OF THE BOARD

## Settlement Delegation Authority Comparison

	Existing	
	Percentage of Appraisal	Maximum \$ Over Appraisal
Executive Director, Capital Programs	≤ 20%	≤ \$250,000
Chief Executive Officer	≤ 50%	≤ \$250,000
	≥ 50%	≤ \$25,000
OCTA Board of Directors	> 50%	> \$25,000
	-----	> \$250,000

	Proposed	
	Percentage of Appraisal	Maximum \$ Over Appraisal
Executive Director, Capital Programs <sup>(1)</sup>	≤ 20%	≤ \$250,000
Chief Executive Officer <sup>(2)</sup>	≤ 50%	≤ \$500,000
	≥ 50%	≤ \$100,000
OCTA Board of Directors	> 50%	> \$100,000
	-----	> \$500,000

<sup>(1)</sup> Recommended by Real Property Manager  
 Concurred with by General Counsel  
 Approved by Executive Director of Capital Programs

<sup>(2)</sup> Recommended by Real Property Manager  
 Concurred with by General Counsel  
 Concurred with by Executive Director of Capital Programs  
 Approved by Chief Executive Officer

ORANGE COUNTY TRANSPORTATION AUTHORITY IMPROVEMENT  
ACQUISITION – INCENTIVE PAYMENT PROGRAM

The Orange County Transportation Authority (OCTA) Acquisition – Incentive Payment Program (Payment Program) encourages the expeditious acquisition of needed real property and is consistent with the intent of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act). The Federal Highway Administration (FHWA), Office of Real Estate Services, has determined that the FHWA may participate in right-of-way (ROW) acquisition incentive payments made under the FHWA-approved plan or program. Acquisition incentive payments are payments that are over and above the just compensation offer provided by the Uniform Act.

The authority for the FHWA to participate in incentive payments is found in 23 Code of Federal Regulations (CFR) 710.203(b)(2)(ii), which allows federal participation in relocation assistance and payments provided under the law of the State that may exceed the requirements of 49 CFR Part 24. The FHWA has the general authority to participate in the costs of construction that includes costs of ROW acquisition (see 23 U.S. Code §101(a)(4)). The use of incentive programs for ROW acquisition is analogous to the use of incentive/disincentive provisions for early completion in contracts for construction of federal aid projects (see 23 CFR 635.127(d)).

On June 12, 2014, the California Department of Transportation (Caltrans) adopted a Payment Program.

Based on the authority granted by the OCTA Board of Directors and the concurrence of FHWA and Caltrans, OCTA shall implement the Payment Program as follows:

Written offers to owners for the purchase of their property shall be based on the fair market value of the property (just compensation). The Payment Program payment (Payment) amounts will be based on the appraised value. The use of the Payment does not preclude the use of administrative and legal settlements, and each administrative and legal settlement will require independent support.

The procedures on the Payment shall incorporate the same level of safeguard against coercive negotiation practices as do standard OCTA Real Estate Policies and Procedures and Caltrans ROW Procedures. Per federal regulation, OCTA is required to allow at least 30 days for property owners to consider an offer prior to initiating the condemnation process (see 49 CFR 24.102(f) and Appendix A). Parcels acquired using acquisition incentive offers will be subject to the same quality control and quality assurance processes that are used for OCTA ROW activities.

The Payment will be offered for both permanent and temporary acquisitions.

For all offers, the Payment for a permanent or temporary acquisition will be based on a lump sum payment of 20 percent of the appraised value of all parcels under the same ownership with a minimum payment of \$1,000, and a maximum payment of \$100,000.

The Payment amount will be calculated on the final appraised value and will then be rounded separately from the final appraised value based on the rounding rules found in Section 7.02.11 of the Caltrans ROW Manual.

The Payment is a standing offer for 60 days. The 60 days starts with the Initiation of Negotiations (ION) as day one. The 60 days includes weekends and holidays. For mailed offers, it starts on the date the offer was received by certified mail.

If the 60th day falls on a weekend or holiday and the OCTA acquisition agent working with the grantor will not be available to conduct business with the grantor, the agent may end the incentive period on the first working day after the 60-day period is complete. Personal leave of the OCTA acquisition agent working with the grantor will not be cause to extend the incentive period. An alternate OCTA acquisition agent should be identified to address the issue.

The Payment offer will end at the execution of the ROW contract or at 5:00 p.m. on the 60th day if a ROW contract has not been signed by grantor. The 60 days will restart with a new offer based on an approved appraisal revision if one is deemed necessary by OCTA. An appraisal revision may result in a change in the Payment amount.

The Payment is a standing offer for 60 days regardless of OCTA initiating eminent domain proceedings. Additionally, this time period will be sufficient to allow the property owner the opportunity to obtain their own appraisal where OCTA pays the reasonable cost of the appraisal up to \$5,000, as provided by California Code of Civil Procedure Section 1263.025.

The following clause will be used in ROW contracts pertaining to the Payment Program:

“In addition to the Fair Market Value, it is agreed by and between the parties hereto that the amount in clause XX above includes the sum of \$\_\_\_\_\_ as an incentive to the grantor for the timely signing of this Right of Way Contract. This incentive payment offer expires sixty (60) days from the Initiation of Negotiations (DATE).”

The Payment Program will be applied to all parcels in the Project, including public agencies, regardless of type, size, appraisal, amount, or ownership.

When implementing the Payment Program on the State Highway System, OCTA must obtain Caltrans' concurrence in writing to utilize the 20 percent incentive payment.

## OCTA Payment Program

Acquisition Type	Incentive Amount	Minimum Payment	Maximum Payment
Temporary or Permanent	20% of Appraisal	\$1,000	\$100,000

### Example 1 (Minimum Payment)

Appraised Value	\$4,500
Calculated at 20%	\$900
Minimum Payment	\$1,000
Incentive Payment for Acquisition	\$1,000
<b>Total Amount of Just Compensation</b>	<b>\$5,500</b>

### Example 2 (20% Payment)

Appraised Value	\$50,000
Calculated at 20%	\$10,000
Incentive Payment for Acquisition	\$10,000
<b>Total Amount of Just Compensation</b>	<b>\$60,000</b>

### Example 3 (Maximum Payment)

Appraised Value	\$1,000,000
Calculated at 20%	\$ 200,000
Maximum Payment	\$ 100,000
Incentive Payment for Acquisition	\$ 100,000
<b>Total Amount of Just Compensation</b>	<b>\$1,100,000</b>

# **Adopt Resolution Approving Updated Real Property Policies and Procedures Manual**

# Real Property Policies and Procedures Manual

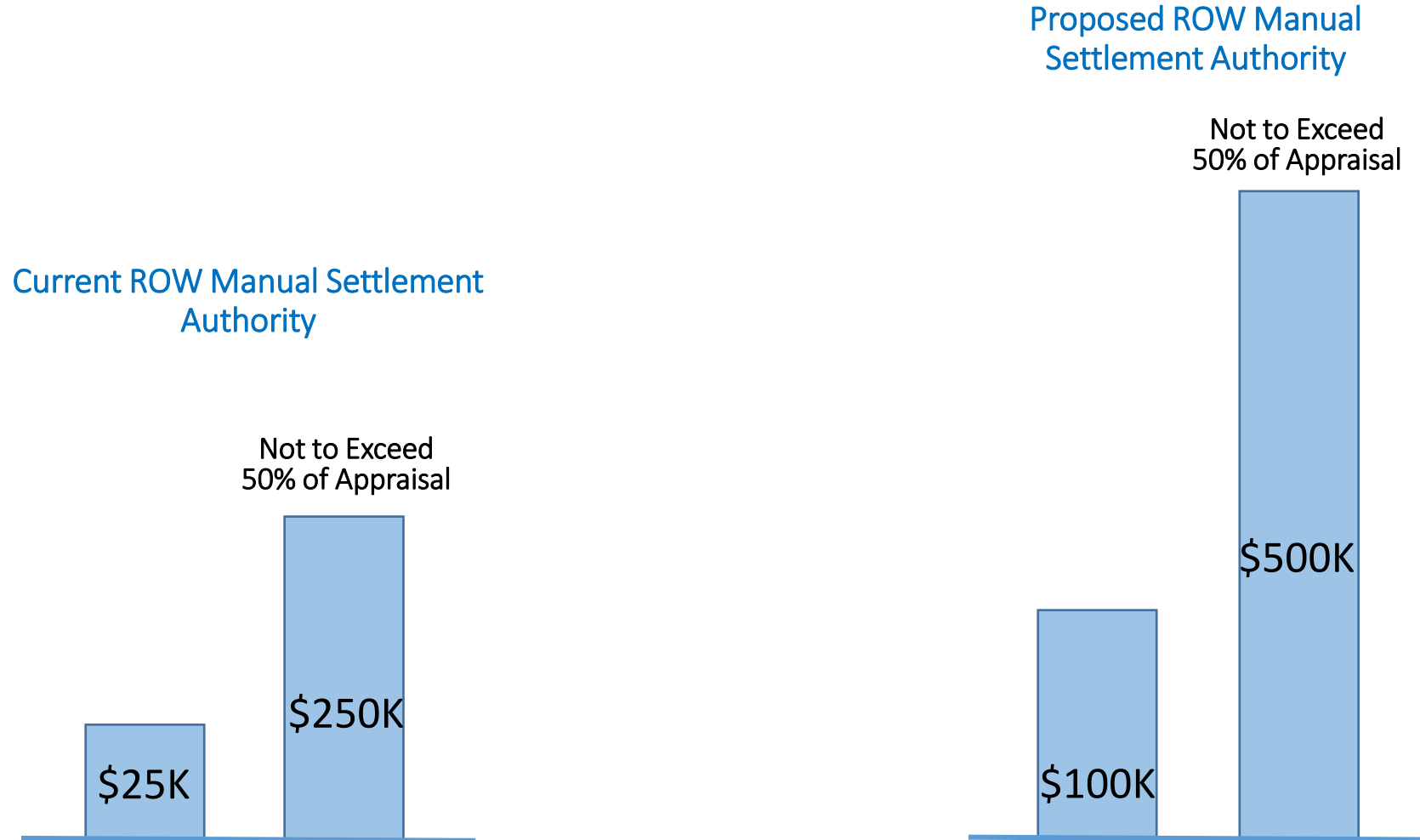
- Contains the regulations, requirements, and procedural directives for all Orange County Transportation Authority's (OCTA) right-of-way (ROW) activities, property management duties, and general real estate transactions
- OCTA must comply with the requirements of federal and state laws, particularly the Uniform Relocation Assistance and Real Property Acquisition Act of 1970, as amended, and the California Government Code
- Requires OCTA to follow guidelines outlined in the California Department of Transportation ROW Manual to implement projects
- Provides OCTA internal policies and guidelines for processing activities of the Real Property Department



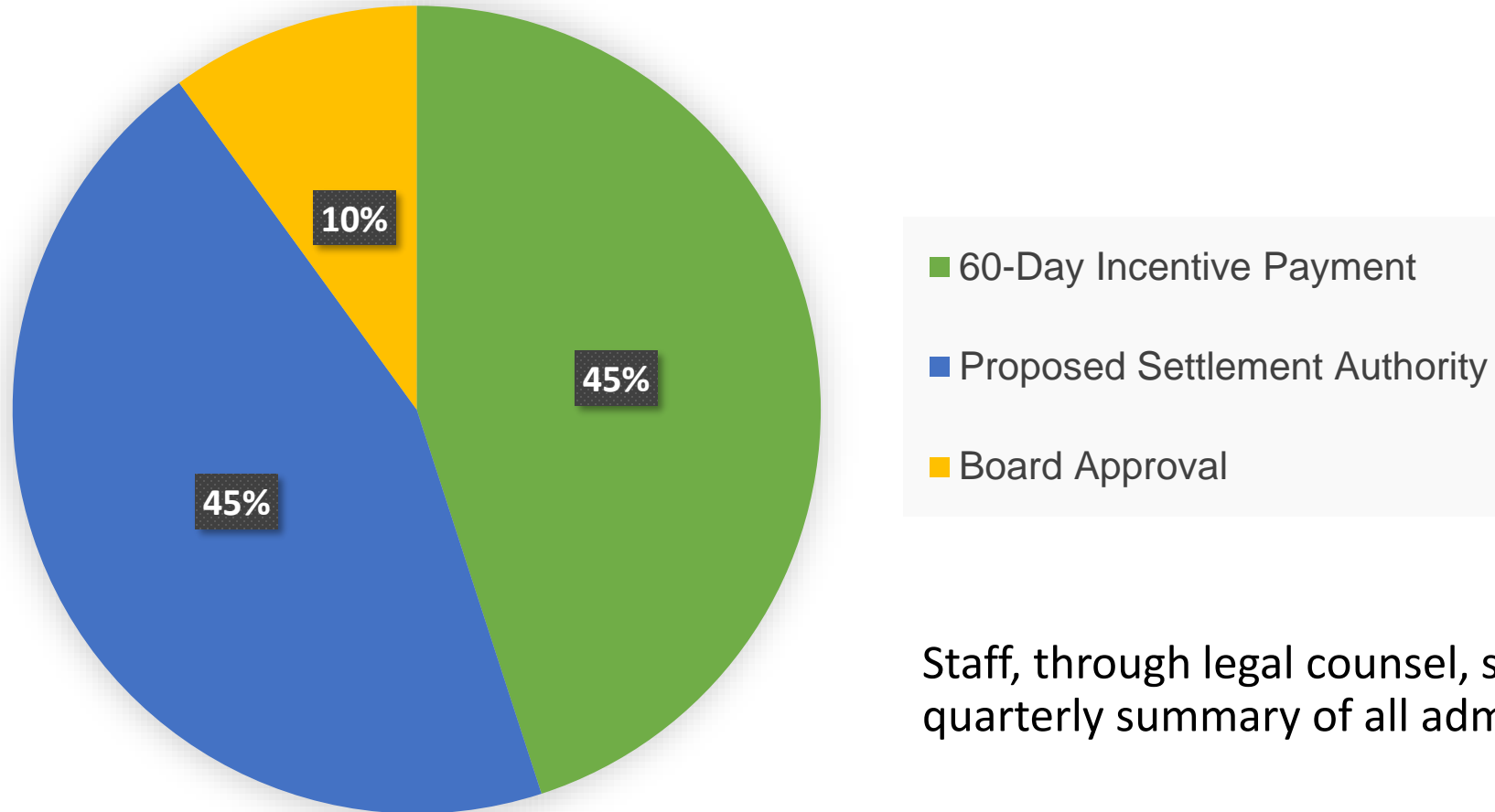
# Incentive Payment Program

- OCTA offers an owner incentive payment equal to 20 percent in excess of the appraised value
- Owner is required to accept the offer within 60 days
- Incentive payment not to exceed \$100,000
- Incentive payment not to be less than \$1,000
- Prior incentive payment programs authorized by the Board of Directors (Board) for the Interstate 405, State Route 55, and State Route 91 improvement projects

# Modified Delegated Settlement Authority



# Projected Future Property Settlements



Staff, through legal counsel, shall provide the Board a quarterly summary of all administrative settlements.

# Surplus Land Act

- The Surplus Land Act (SLA) was amended by the state in 2020 and is now applicable to all local public agencies, including OCTA
- The OCTA Board must declare property that is not necessary for the agency's use as "surplus land" prior to staff taking any action to dispose of the property
- The SLA requires OCTA to issue notices of availability of surplus land to local public entities and housing sponsors. If interest is received within 60 days, OCTA must participate in good-faith negotiations for at least 90 days to sell or lease the property for affordable housing purposes
- Prior to finalizing any sale, OCTA must provide the California Department of Housing and Community Development with specific information that OCTA complied with the disposition process outlined in the SLA related to the potential sale
- Once this process is complete and OCTA identifies a potential buyer, staff may seek Board approval to dispose of the property
- Finally, when a sale is being recorded, OCTA must record deed restrictions against the property for affordable housing purposes