**Board of Directors Meeting Agenda  
October 24, 2019, 9:00 am**

Poinsettia Room, Encinitas City Hall

505 S. Vulcan Avenue, Encinitas, CA 92024

Board member Dave Roberts will join the meeting via teleconference.

**Meeting call to order, Introductions 9:00 a.m.**

1. Public Comment INFORMATION

1. September Board Meeting Minutes p- 2 ACTION
2. Triennial TDA Audit of FACT, FY 2016-18; Committee update p- 5 ACTION
3. Review of Healthcare proposal/expense projections (not included) INFORMATION
4. Meeting Planning: INFORMATION

* Annual Meeting Planning – Tuesday, December 17, 2019 at Braille Inst.

1. New Service Agreement - City of Escondido, Senior Nutrition Program INFORMATION
2. Financial updates and summary: p-8 ACTION

* Finance Committee Recommendation re. FACT’s Reserve Policy

1. FACT Services Updates p-11 INFORMATION

* Follow up - support for late evening service

1. Board Officers Nominations Committee Report

10. Executive Director’s Report p- 14 INFORMATION

* Legislative updates - SB 1376 workshop

11. Board member updates / proposed agenda items INFORMATION

**ADJOURNMENT**

# FACT’s Mission- *Assist San Diego County residents with barriers to mobility to achieve independence through coordination of transportation services*

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**FACT Board of Directors Meeting Minutes**

September 26, 2019

Poinsettia Room, Encinitas City Hall

505 S. Vulcan Ave., Encinitas, CA 92024

|  |  |
| --- | --- |
| Board Members Attending | Hon. George Gastil, Hon. John Aguilera, Hon. Phil Monroe, Hon. Jewel Edson, Gideon Marcus and LaVonna Connelly & Hon. Dave Roberts via phone conferencing. |
| Board Members Absent | Hon. Bob Campbell, Susan Hafner, Hon. Kellie Shay Hinze |
| TAC Members Attending | Brian Lane - SANDAG |
| Staff Attending | Arun Prem, Meagan Schmidt, Budd Anderson, Julius Burgos, Ali Poorman, Cynthia Pedersen |
| Public/Guests | Chuck Lowery- Oceanside, Bill Fowler- City of Carlsbad, Mobility Commissioner. |
| Public Comments | No public comment to report. |
| July Board Meeting/Retreat Minutes | Chair George Gastil called the meeting to order at 9:00 AM. He led the group in the Pledge of Allegiance. Introductions were made.  ***Motion to approve theJuly 25, 2019 Board Meeting minutes made by Hon. John Aguilera. Second by Hon. Phil Monroe.*** ***The motion passed unanimously.*** |
| Leveraging FACT Report Release event, Follow-up | Arun Prem summarized the September 12 event cohosted by Circulate San Diego for the release of the “Leveraging FACT” report. San Diego Council member Hon. Scott Sherman was guest speaker. Brian Lane (SANDAG), Board Members Bob Campbell, Jewel Edson, Susan Hafner, Kellie Hinze and FACT staff attended the event.  Council member Sherman indicated that he was willing to meet with FACT in the near future to review FACT’s services. |
| SANDAG Triennial TDA Audit of FACT, FY 2016-18, Follow-up | A review of the SANDAG commissioned TDA audit stated that both SANDAG and FACT are in compliance with TDA requirements. TDA Claims are in compliance with SANDAG’s rules and regulations; CTSA is represented on SSTAC.  The audit found that SANDAG is partially compliant with Prior Recommendation 1: As a carryover from prior SANDAG performance audit for full implementation, SANDAG and FACT should continue working together to review and update FACT’s contractual responsibilities and to identify and pursue additional funding sources to support its activities as the CTSA.  Arun recommended formulating an action plan to develop support for the audit’s findings by creating a SANDAG/FACT committee. The committee would work proactively with SANDAG to address the findings of the audit, and conduct outreach to create awareness of FACT’s services.  Arun said that Hon. George Gastil, Hon, John Aguilera and he recently met with Hon. Mary Salas, Mayor of Chula Vista as part of the outreach.  George and John volunteered to serve on the committee and suggested Susan serve. Brian Lane welcomed a sub-committee and suggested including Coleen Clementson.  Phil suggested outreach to local Native American tribes representation on TC. |
| Review of Business Plan 2020-2025 | FACT’s CTSA contract with SANDAG requires an annual update of the Business Plan. A 2020-2025 FACT Business Plan was presented to the Board on July 16, 2019. An updated version was sent to all Board members on September 20th, 2019 including detailed responses to comments by Board members Jewel and Kellie.  George and Phil thanked Budd for a great job.  Budd updated the Board with regard to Caltrans 5310 grants that serve as a source for mobility management funds; FACT is eligible to apply for funding providing service in rural areas in S.D. County. CALTRANS is redeveloping guidelines for grant eligibility.  Gideon asked for an addendum to the business plan listing the main channels to obtain future funding.  **Motion to approve the Business Plan was made by Hon. Phil Monroe. George Gastil seconded the motion. It was passed unanimously.** |
| Meeting Planning | Annual Meeting recap:   * December 17, 2019- Braille Institute 8:30 am * Keynote Speakers- Hasan Ikhrata, Hon. Colin Parent, Ray Tellis, Hon.Todd Gloria (invited) * City of Oceanside – Partner of the Year Award * SANDAG Board, CAM Members will be invited * CAM/partners, vendors, riders. * Agenda – Board Officer Elections, Annual Report, Leveraging FACT Report * Donations for give away items and refreshments   Proposed Board meeting dates for year 2020 were presented. No action was taken. |
| Financial updates, Summary, DRAFT Reserve Policy | The Finance Committee (Phil Monroe, John Aguilera and Susan Hafner) report recommendations regarding FACT Reserve Fund Policy were reviewed.  The plan summarized the goal to maintain sufficient operating funds for one fiscal year without using reserve funds   * This would be done through existing accumulated liquid unrestricted net assets, and through contracted services, donations and other unrestricted funds * Funds will be maintained in segregated account or investment fund * The status of balance and borrowings will be reported to Board via the Financial statements * The Executive Director will determine the need, analyze reasons for needed funds and present the Board with a plan including replenishment timeline   Phil said he and Arun would need to converse further regarding the reserve fund. Action on the reserve fund was deferred to the next month’s Board meeting.  Discussion on employee health care coverage was deferred until further research and review of the health care coverage options. Phil asked for a phone meeting to discuss the health care coverage. |
| FACT Services Update | Meagan updated FACT services:   * June trips Total - 2,967 * 178,718 one-way trips completed through June 2019   Gideon asked for the percentage of incidents concerning after hours rider/driver issues. |
| Executive Director’s Report | Arun asked the Chair to appoint a Board officer election subcommittee. George, John and Phil said they would continue for another year in their officer positions on the Board.  Gideon said he would send out a FACT Officer Election prep email.  Arun brought up the new law, AB5, categorizing Lyft and Uber drivers as employees and not contractors, and how it could affect brokerage trip pricing.  Another new state law affecting Lyft and Uber, SB 1376, that ensures people with disabilities have access to transportation network company services, was discussed. |
| Board Member Updates/proposed agenda items | George announced staff changes at FACT; Ali Poorman is now Invoice Analyst and Cynthia Pedersen is Office Manager.  Arun announced that FACT will bid for a service contract with the City of Escondido.  Jewel announced that Solana Beach has adopted the motto of “City of Kindness.” |
| CLOSED SESSION | There was no closed session at this meeting. |
| Adjournment | Meeting adjourned at approximately 11:00 am |

**ITEM # 3**

**TO: BOARD OF DIRECTORS**

**FROM: ARUN PREM, EXECUTIVE DIRECTOR**

**RE: FY 2016-18 Triennial Performance Audit – Follow-up**

**ISSUE**

Carried forward from July 2019 Board meeting. The State mandated Transportation Development Act 1971 (TDA) FY 2016-18 Triennial Performance Audit of SANDAG was recently completed by Kimley Horn. FACT receives TDA funds due to its CTSA designation.

The discussion and general direction for the follow up was to follow a two pronged approach;

a) work proactively with the Board and SANDAG in order to develop a plan for addressing the finding

b) generate awareness and support for FACT’s services

**BACKGROUND**

*During September the Board appointed a sub-committee in order to follow up on the audit recommendations – Board members Susan Hafner, John Aguilera and George Gastil. Brian Lane volunteered to work with the Committee and recommended we invite Coleen Clementson to participate. Staff and several Board members continued to reach out to local elected officials and create awareness about FACT services, as discussed during the September Board meeting. Staff will work with the committee to continue outreach efforts and identify other actions towards meeting this audit recommendation.*

The CPUC section 99246 requires that regional transportation planning agencies (SANDAG) responsible for administering state TDA funds contract for an independent triennial performance audit.

The recipients of TDA funds in San Diego County include MTS, NCTD, SANDAG and FACT (due to CTSA designation).

* The scope of the audit included:
* TDA administration and management
* Claimant relationships and oversight
* Transportation planning and regional coordination
* Marketing and transportation alternatives
* Grant applications and management

The Audit found SANDAG compliant with TDA requirements. The report also recommended that SANDAG fully comply with the prior Triennial Audit finding:

EXECUTIVE SUMMARY - “Prior Recommendation 1: As a carryover from the prior SANDAG performance audit for full implementation, SANDAG and FACT should continue working together to review and update scope of FACT’s contractual responsibilities and to identify and pursue additional funding sources to support its activities as the CTSA.”

* Compliance Finding – Partially complete
* Actions and results: SANDAG and FACT are completing an updated scope of FACT’s contractual responsibilities and are planning to have a new contract executed within one year of the beginning of FY19. The action to identify and pursue additional funding sources to support CTSA activities is on-going by both agencies and remains to be fully implemented.

Also in the Executive Summary, the report notes that “The current revenue claimed and received by FACT using SANDAG allocation formulas for TDA Article 4.5 is about $140,000 annually….One possibility could be increasing the percentage that the CTSA receives of the Article 4.5 funds which is currently 2% of the 5% apportionment for community transit services ($140,000 out of close to $7 million). Another could be working with FACT to spend down of its existing TDA balance shown in the FACT annual financial statements. This balance is $237,000 which could be used for core CTSA functions and/or additional responsibilities. The strategies and recommendations contained in the 2018 Coordinated Plan provide opportunities for CTSA expansion in its role to effectively coordinate and centralize social service transportation functions. Further coordination for social service transportation among SANDAG, FACT, MTS, and NCTD, and lead by SANDAG, could potentially open funding opportunities and less inter-agency competition for TDA and other fund programs.

Under discussion on Prior Audit Recommendations, the report said. Additionally, SANDAG will continue to work closely with FACT to help identify additional funding sources to support FACT’s CTSA-related activities. This has included review of TransNet funds. As funding identification and implementation are continuing, this aspect of the prior recommendation is carried forward for full implementation.”

SECTION V: CONSOLIDATED TRANSPORTAITON SERVICES AGENCY

Challenges – The primary challenge facing FACT is long-term, sustainable funding solutions…Due to the short-term and sporadic nature of these grants, FACT is not in a position to plan for long-range programs or contracts beyond the next few years.

(FACT’s) COMPLIANCE WITH TDA

Two TDA compliance areas reviewed as part of the performance audit apply to FACT in its role as the CTSA. One is ensuring that the TDA claims submitted by FACT are in compliance with SANDAG’s rules and regulations (PUC Section 99275.5). The second is ensuring that the CTSA is represented on the SANDAG Social Service Transportation Advisory Council (PUC Section 99238). FACT, in coordination with SANDAG, is in compliance with both measures. Two staff members from FACT including the operations manager serve on the SSTAC in compliance with the TDA membership requirements. The FACT operations manager serves as the Chair of the SSTAC which has improved its focus on programs and SANDAG priorities in the agenda.

FOLLOW-UP

The audit has provided some recommendations regarding the actions SANDAG and FACT could pursue in order to fully comply with the prior audit recommendation. TransNet and TDA 4.5 funds were mentioned as potential sources of funds where the current formula allocations could be amended to create sustainable funding for FACT. FACT and SANDAG need to review these funding sources as well as any others that may be available today and/or in the near future, in order to comply with the recommendation.

[SANDAG Triennial Performance Audit FY2016-FY2018](https://www.sandag.org/uploads/publicationid/publicationid_4603_25957.pdf)

**RECOMMENDATION:**

**None.**

**ITEM # 7**

**TO:              BOARD OF DIRECTORS**

**FROM:          ARUN PREM, EXECUTIVE DIRECTOR & JULIUS BURGOS, ACCOUNTANT**

**RE:             MONTHLY FINANCIAL SUMMARY; FINANCE COMMITTEE REPORT on RESERVE POLICY**

**ISSUE:**

July financial updates will be completed later in the month, and will be included in the November Board meeting packet.

DRAFT Reserve Policy was reviewed in a follow-up Finance Committee Meeting on October 21. Board members Phil Monroe - Treasurer, Susan Hafner and John Aguilera, and staff participated in the discussion and reviewed the proposed amount of the reserve and some questions pertaining to funding, replenishing and using the reserves.

Funding the reserve, and handling Shortfalls in the reserve levels established as per the policy: The reserve level is proposed at $750,000 with the understanding that in case FACT is underfunded or in a poor cash flow situation, operating expenses and potentially some staffing will be curtailed. The committee discussed the timeline for getting the reserve amount from the current level $518,454.00 to the desired level ($750,000.00). There was also discussion on how long it would take to make up the shortfall in case the budget falls below 40% of the target reserve minimum for two consecutive years as discussed in the policy. Staff will specify the timelines based on the current levels of net revenue from the contracted services and any other revenue that could be transferred to the reserve.

The committee discussed the process for reserve spending which would include analysis by staff in case of a need, followed by review by the Finance Committee and a recommendation to the Board for authorization to spend reserve funds. If the request is urgent, the Finance Committee would have authorization to act on behalf of the Board.

**BACKGROUND**

FACT Reserve Fund Policy

1. Purpose

The purpose of the Reserve Fund for Facilitating Access to Coordinated Transportation (FACT) is to help ensure the long-term ability of the organization to meet its mission. FACT will maintain the reserve to achieve the following objectives:

* To create an internal line of credit to manage cash flow and maintain financial flexibility
* To enable the organization to sustain operations through delays in payments of committed funding/contracts or funding uncertainties

The Reserve Fund is not intended to replace a permanent loss of funds or eliminate an ongoing budget gap.

II. Definitions and Goals

The Reserve Fund is defined as funds set aside by action of the Board of Directors. Its ongoing operation and oversight is delegated to the Finance Committee.

A. Target Minimum Amount

The minimum amount to be designated for the Reserve will be established as an amount sufficient to maintain core services for one fiscal year. The Reserve serves a dynamic role and will be reviewed and adjusted in response to internal and external changes.

The target minimum Reserve Fund is $750,000.00 which is expected to support core services, not including transportation, for one year.

The calculation of core services related expenses includes all recurring, predictable expenses such as some salaries and benefits, occupancy, office, travel, program, and ongoing professional services. Depreciation, in-kind, and other non-cash expenses are not included in the calculation.

B. Funding Reserves

To establish the Reserve Fund, the FACT Board of Directors has designated $300,000, of existing accumulated liquid unrestricted net assets as the beginning balance of the fund. The remaining $ 450,000 is to be funded over the next (tentatively 6) years (at current levels of business) through contracted services, donations, and other unrestricted funds.

The amount of the Reserve Fund target minimum will be calculated each year as part of the annual budgeting process. This amount will be reported to the Board of Directors and included in the regular financial reports.

The Reserve Fund will be funded annually 1) with surplus unrestricted operating funds or 2) as an expense included in the organization’s annual budget. The Board of Directors may from time to time direct that a specific source of revenue be set aside for its reserves. Examples may include one- time gifts or bequests, special grants, or special appeals. Organization staff will ensure that any donations designated for the Reserve Fund will not carry restrictions that conflict with the Board’s oversight of the fund as outlined in the policy.

III. Investing Reserves

The Reserve Fund will be funded and available in cash or cash equivalent funds, in accordance with the risk preferences, liquidity needs and investment objectives of the organization.

The Reserve Fund will be maintained in a segregated bank account or investment fund, in accordance with the organization’s Investment Policy. Policies and procedures for handling deposits, reconciling statements, safeguarding access, etc. will be the same as for any of the organization’s other bank accounts.

IV. Shortfalls

If the Reserve is and has been less than 40% of the target reserve minimum for two consecutive years, the Board of Directors will adopt an operational budget with a projected surplus sufficient to rebuild the Reserve Fund to its targeted reserve level over (an estimated number of) years (at current levels of business) while maintaining a balance of service levels within the community.

1. Accounting for Reserves

The Reserve Fund will be listed separately in the unrestricted net assets section of the organization’s statement of financial position as “Board-Designated Reserve” and the status of borrowings from the reserve will be reported in financial reports to the board.

1. Using Reserves

A. Management identifies appropriate use

The Executive Director and staff will identify reasons for accessing the reserve funds and confirm that the use is consistent with the purpose of the reserves as described in this Policy. As a part of this process, the Executive Director will do the following

• Analyze the reason for the needed funds

• Assess the availability of any other sources of funds before using reserves (e.g. line of

credit), and

• Evaluate the time period that the funds will be required, and then replenished.

• Board authorizes use of and monitors the reserves

The Executive Director will submit a request to the Finance Committee in writing, which will include the analysis and determination of the use of funds and plans for replenishment (as outlined above). The Board of Directors will approve the request. In case a decision is needed before a scheduled Board meeting, the Finance Committee is authorize to act on behalf of the Board.

1. Review of Policy - This policy will be reviewed with approval of the budget, by the Finance Committee with final approval by the Board of Directors, or sooner if warranted by internal or external events or changes. Changes to the Policy will be recommended by the Finance Committee to the Board of Directors.

**RECOMMENDATION - Staff requests the Board to adopt the Reserve Fund Policy as recommended by the Finance Committee.**

**ITEM # 8**

**TO: BOARD OF DIRECTORS**

**FROM: Arun Prem, Executive Director and Meagan Schmidt, Director of Operations**

**RE: FACT Services update**

**ISSUE:**

This item presents a monthly RideFACT and agency services update.

**BACKGROUND:**

|  |  |
| --- | --- |
|  | **July** |
| **SERVICE** | **ONE-WAY TRIPS** |
| **County HHSA** | **37** |
| **St. Paul’s Group** | **83** |
| **San Marcos** | **167** |
| **Oceanside** | **338** |
| **Parkinson’s Assoc.** | **12** |
| **Elderhelp** | **43** |
| **Tri-City** | **91** |
| **MV** | **0** |
| **RideFACT** | **2,455** |
| **TOTAL** | **3,226** |

**New Transportation Service Contract – City of Escondido**

FACT responded to an RFP for transportation to and from the City of Escondido’s senior lunch nutrition program Monday-Friday. FACT’s bid was successful and service will begin November 1st. Approximately 50 one-way trips daily are expected. Initial contract term is November 1, 2019 – June 2020.

**County HHSA**

This service provides trips for the County to non-contagious Tuberculosis patients from their residences to clinics for treatment. FACT was awarded the contract in November 2018. Trips may be scheduled in advance (the previous month) or requested up to 2 hours before the time of trip service. This contract has a term of 1 year with an option to extend up to (4) 1 year terms. 155 trips have been performed under this contract between late November through July.

**St. Paul’s Group Trips**

St. Paul’s staff reached out to FACT for servicing group trips from a PACE site 2 days a week for senior participants with a brokerage vendor who has larger vehicles. Trips for this service began in February 2019, 518 passenger trips were completed through July.

**The Parkinson’s Association of San Diego**

The Parkinson’s Association of San Diego (PASD) contracts with FACT to provide transportation for neurological medical appointments, support groups and Parkinson’s Association related events for their clients. This contract had a 6 month timeframe through April 11, 2019. An extension through April 12, 2020 was executed in early April. Between June 2018 – July 2019, 89 trips have been provided.

**City of San Marcos**

*Catch a Ride!* provides transportation for eligible seniors 60+ within San Marcos city limits as well as for medical purposes outside of the city within a 20 mile radius.

FACT has provided 1,484 trips between February 2018 – July 2019. There are approximately 150 registered riders.

**MV NCTD LIFT Service**

No trips were performed.

**Tri-City Contract**

FACT began transportation services for Tri-City Medical Center in December 2016. Discharged patients are provided with rides from all hospital departments to their residence.

FACT has provided 3,086 trips for Tri-City patients between December 2016 – July 2019.

**City of Oceanside Senior Van Service**

Contracted service for Oceanside began in September 2013. FACT has invoiced City of Oceanside for 29,187 trips from September 2013 – June 2019.

Approximately 2,600 clients are registered to use this service.

FACT recently signed a contract amendment to extend through June 2020.

**Elderhelp Program** Contracted service for Elderhelp began on March 12th, 2015. When Elderhelp cannot utilize their volunteers to service trips, FACT provides service. A total of 1,895 trips were provided between March 2015 and July 2019.

**Ecolane Software Implementation & Impacts**

Ecolane went live on April 11, 2019. An Ecolane Lead Technical Trainer was onsite during this week. There was no downtime in between utilizing the previous software and implementation of the new software. FACT staff review of trips showed accurate billing for brokerage provider and funding sources between implementation – June 2019. Discrepancies in brokerage provider billing rates were noticed in reviewing July billing, these issues have been brought up to Ecolane’s support staff attention and have been resolved.

**RideFACT & Contracted Service statistics ytd for fiscal year July 2012 – July 2019**



\*Web hits were impacted by website and google issues the months of September-April.

**ITEM # 10**

**TO: BOARD OF DIRECTORS**

**FROM: Arun Prem, Executive Director**

**RE: Executive Director’s Report**

Meetings and Events 9/25 - 10/21/19

9/26 Meeting - TST/FACT Collaboration - Meagan

Meeting - NCTD Potential Opportunities - John Aguilera and Arun

9/27 Meeting - SANDAG RSRTP Task Force - Meagan

Meetings and Events 10/01/19 - 10/23/2019

10/01 Meeting - FACT CARS - Meagan

10/03 Meeting - 2021 Regional Plan Working Group Forum - Meagan and Budd

Meeting - Scripps Case Management - Meagan and Budd

10/07 Meeting - FACT Vista - Meagan

Meeting - USA Medical Transport - Meagan

10/09 Meeting - SD United - Meagan

10/10 Meeting - SANDAG Workshop S81376 - Meagan

Gary and Mary West Pace - Ribbon Cutting Ceremony - Budd

10/11 Meeting - Sensitivity Training - Meagan, Ali, Jonathan, Christian, Kalin, Cynthia

Meeting - City of Escondido - Arun and Meagan

Meeting - October Agenda Planning - George and Arun

10/13 - 10/16 APTA Fall Conference - Arun and Budd

10/17 Meeting - Mobility Management Committee - Arun

10/21 Meeting - Councilmember Scott Sherman – Arun and Meagan

10/22 Meeting - FACT SD Monthly Meeting - Arun

10/23 Meeting - Phil Monroe, Bill Sandke, Arun

UPCOMING EVENTS:

10/24 Circulate SD Momentum Awards Gala – Arun and Meagan

10/29 CALACT 2019 Autumn Conference – Arun and Meagan