**Board of Directors Meeting Agenda
November 14, 2019, 9:00 am**

Poinsettia Room, Encinitas City Hall

505 S. Vulcan Avenue, Encinitas, CA 92024

Board members Dave Roberts and LaVonna Connelly will join the meeting via teleconference.

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

1. Public Comment INFORMATION

1. October Board Meeting Minutes p- 2 ACTION
2. Triennial TDA Audit of FACT, FY 2016-18; Committee update p- 5 INFORMATION
3. New Services - City of Escondido, Scripps INFORMATION
4. Review of Healthcare proposal/expense projections POSSIBLE ACTION
5. Meeting Planning: INFORMATION
* Annual Meeting Planning – Tuesday, December 17, 2019 at Braille Inst.
* Oceanside presentation Nov 20th
* Board of Directors Retreat Schedule – tentative April 2019
1. Financial updates and summaries July, August 2019: p-8 INFORMATION
* FACT’s Investment Policy, Audits update, Financial statements
1. FACT Services Updates p-11 INFORMATION
* Follow up - support for late evening service
1. Board Officers Elections p-15 ACTION

 10. Executive Director’s Report INFORMATION

SANDAG Quarterly update Meeting with Coleen Clementson, Brian Lane

Meeting with Mayor Blakespear, Encinitas

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**

October 24, 2019

Poinsettia Room, Encinitas City Hall

505 S. Vulcan Ave., Encinitas, CA 92024

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| --- | --- |
| Board Members Attending | Hon. John Aguilera, Hon. Phil Monroe, Hon. Kellie Shay Hinze, Gideon Marcus and LaVonna Connelly & Hon. Bob Campbell and Hon. Dave Roberts via phone conferencing. |
| Board Members Absent | Hon. George Gastil, Hon. Jewel Edson, Susan Hafner,  |
| TAC Members Attending | None |
| Staff Attending | Arun Prem, Meagan Schmidt, Budd Anderson, Julius Burgos, Cynthia Pedersen |
| Guest Speaker | John Young, Serra Benefits & Insurance Services |
| Public Comments | No public comment to report. |
| September Board Meeting Minutes | Vice Chair John Aguilera called the meeting to order at 9:00 AM. He led the group in the Pledge of Allegiance. Introductions were made.***Motion to approve theSeptember 26, 2019 Board Meeting minutes made by LaVonna Connelly. Second by Phil Monroe.*** ***The motion passed unanimously.*** |
| SANDAG Triennial TDA Audit of FACT, FY 2016-18, Committee Update | Arun Prem summarized the TDA Year 2016-18 Audit. State Transportation Development Act (TDA) funds are eligible for infrastructure and transportation services; CTSAs are eligible as claimants. The Audit is commissioned by SANDAG – a TDA recipient. Sub recipients include MTS, NCTD, and FACT. SANDAG and FACT are compliant with the TDA requirements. TDA claims are in compliance with SANDAG’s rules and regulations, CTSA is represented on SSTAC. The audit recommended looking into 2 specific funding sources – State TDA and County TransNet, and a general recommendation to look at other options. Hon. Phil Monroe said he and Arun met with Hon. Bill Sandke on October 23 as part of the outreach. Phil proposed a meeting with Hon. Judy Ritter. Phil Monroe and Gideon Marcus said they would like to be present in the meeting.   |
| Review of Health Insurance Proposal/Group Plan Options | Budd Anderson and Arun consulted with John Young, of Serra Benefits & Insurance Services, regarding group health plan coverage options. Based on FACT’s employees and budget considerations, John helped narrow down options and gave an overview on types of plans and costs. Budd provided an overview of health and benefit plans, the cost breakdown by employee for each plan, and discussed Professional Employer Organizations (PEO). Phil requested that John Young and staff look into Sharp Healthcare as an option. Staff requests the Finance Committees’ (Phil Monroe, Hon. John Aguilera, Gideon Marcus and Susan Hafner) feedback with regards to the health insurance information provided and make a recommendation to be presented to the Board for discussion and action. No action was taken. |
| Meeting Planning | Arun said FACT will present the City of Oceanside with the 2019 Norine Sigafoose Partner of the Year Award during the City Council meeting on Wednesday, November 20. He gave a brief summary of the Annual Board of Directors meeting to be held December 17 at the Braille Institute, confirming Hon. Todd Gloria’s acceptance to attend, along with other keynote speakers Hasan Ikhrata, Hon. Colin Parent and Ray Tellis. No action was taken. |
| Potential and New Service Agreements | Arun reported a new contract with the City of Escondido’s senior Nutrition Program beginning November 1 through June 2020. Scripps Mercy Hospital was announced as a potential service agreement partner, providing transportation to discharged patients utilizing an On Demand Service Model with a mix of brokerage vendors and Lyft. This would begin as a Community Enhancement Grant Pilot leading to a Fee for Service Agreement with potential for continuation and expansion after the pilot at various locations. Status and follow-up to be given at a later date. |
| Financial Updates, Summary Reserve Policy | The Finance Committee presented their recommendations with regards to FACT’s Reserve Fund Policy. It recommended its purpose should :* Serve as an internal line of credit
* Sustain operations through delays in payments or funding uncertainties

Other recommendations included the funds be set aside by action of the Board with an amount sufficient to maintain core operations for one fiscal year with a goal of not using reserve funds. John Aguilera proposed developing a policy in regards to the Reserve Fund Investment. ***LaVonna Connelly moved approval of the recommendations by the Finance Committee. Hon. Kellie Shay Hinze seconded the motion. It was approved unanimously.*** |
|  |  |
| FACT Services Update | Meagan Schmidt updated FACT services:* 181,944 one way trips completed through July 2019

She informed that FACT is in discussions with CARS looking into options to provide after hour call center services. Meagan reported new software updates that improve customer service response time, adjustments to billing, and fare calculations. The errors found in July were resolved within one month. |
| Board Officers Nominations Committee Report | LaVonna Connelly gave an update with regarding the Board Officers Nomination Committee (LaVonna Connelly, John Aguilera and Gideon Marcus). The committee proposed holding elections before the annual meeting. Board Members George, John, LaVonna and Phil will to stay on in their officer positions. Phil proposed extending the Finance Committee to four members and suggested Gideon Marcus*.* ***Phil moved to add Gideon to the Finance Committee and moved approval of the proposed slate of Board Officers. Kellie seconded the motion. It was approved unanimously.*** |
|  |  |
| Executive Director’s Report | Arun announced the new brokerage vendor USA Medical Transport. He summarized the meeting that he and Meagan attended with Hon. Scott Sherman on October 21 to discuss FACT’s services. Arun said he has scheduled quarterly meetings with Coleen Clementson, Interim Planning Director at SANDAG. |
| Board Member Updates/proposed agenda items | LaVonna suggested that rural vendors are looking for medical transport. LaVonna offered expertise with seniors regarding safety issues. John asked if there are quality checks on providers.  |
| 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 2019 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.*

*During October Phil Monroe and Arun met with Hon Bill Sandke (Coronado City Council) in order to review FACT’s services and the response to the Audit.*

*In November, Kellie Shay Hinze and Arun met with Mayor Blakespear (Encinitas) and reviewed FACT’s operations and the brokerage as well as the Triennial Audit. Mayor Blakespear recommended a follow up meeting with SANDAG to review the finding and offered to assist with the scheduling. In early November Arun met with committee members and reviewed the following information as basis for follow up with SANDAG:*

* *FACT is proactively engaged in several efforts to generate additional revenues, including grant requests and contracted agency services.*
* *FACT has a history of successful SANDAG Call for Project (TransNet and 5310) applications, which merits a review of the funding process to make it sustainable for FACT.*
* *A regional coordination agreements where FACT supports transit agencies as a subcontracted ADA paratransit services provider will enhance FACT’s revenues without requiring any change to current regional funding apportionments. FACTs services are cost effective and recognized for quality, and would enhance overall paratransit services delivered in the County.*

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 SUMMARIES – JULY and AUGUST 2019**

**ISSUE:**

July and August financial updates are included with this agenda.

A report of Finance Committee’s discussion on November 13, 2019, regarding medical coverage cost/options will be provided during the meeting.

**BACKGROUND**

**July 2019 Financial Report**

* -  Compared to last year $350,471.49 is in the bank, 20% less than the previous year.
* -  FACT Invoiced through July 2019 and has 16% more outstanding than previous year.
* -  Accounts Payables were 38% more than previous year.
* -  Total Assets were 6% less than the previous year.

The balance sheet through July 2019 remains consistent and is stable between both years. Timely invoicing, receivables, and better cash flow management overall continues.

Accounts Receivable Status

* -  $278,097.72 is outstanding by (9) customers.
* -  Of the o/s amount, $164,120.89 is 60 days or less, 96,637.05 is less than 90, and 17,339.78 is over 90 days.

Profit & Loss Budget vs. Actual Report – July 2019

* -  Income thru July 2019 was 52.85% under budget due to a couple of factors:
	1. RideFACT’s 5310 un-awarded match is extended to finish the SMG Grant
	2. The overall expenses were 54.58% under budget due other expenses being deferred.
* -  Additional Office Equipment & Supplies from move
* -  Insurance Package higher at beginning of year.

Net Income through July 2019 has a negative balance of $(2,875.28). This is mainly due to RideFACT’s 5310 grant not being awarded. FACT is responsible for 1⁄2 of the SMG grant as a cash match and it will have to be compensated through contract services and reserves.

FACT was able to apply a $25,000.00 grant towards RideFACT’s 5310 grant match in September. The funds came from the Community Enhancement County Grant and reduced money being taken from the Reserves. A small PayPal contribution to FACT was received and applied for $97.47.

Condensed Grant Balances Remaining

* -  Total funding available for all grants through July 2019 is $532,863.42.
* -  CTSA Funds have been allocated through July 2019 totaling $13,200.00.
* -  CTSA’s temporarily restricted net assets through July 2019 is $236,577.00.
* -  Unrestricted Net assets through June 2019 totaled $281,877.13.
* -  Total Equity as of July 31, 2019 is $515,578.85

**August 2019 Financial Report**

* -  Compared to last year $411,711.36 is in the bank, 8% less than the previous year.
* -  FACT Invoiced through August 2019 and has 27% less outstanding than previous year.
* -  Accounts Payables were 31% more than previous year.
* -  Total Assets were 4% less than the previous year.

The balance sheet through August 2019 remains consistent and is stable between both years. Timely invoicing, receivables, and better cash flow management overall continues.

Accounts Receivable Status

* -  $160,899.35 is outstanding by (9) customers.
* -  Of the o/s amount, $150,056.19 is 60 days or less, 11,336.72 is less than 90, and a credit of (493.56) is over 90 days by Tri-City Medical Center.
Profit & Loss Budget vs. Actual Report – August 2019
* -  Income thru August 2019 was 40.93% under budget due to a couple of factors:
	1. RideFACT’s 5310 un-awarded match is extended to finish the SMG Grant
	2. The overall expenses were 35.85% under budget due other expenses being deferred.
* -  Training & Staff Development was high due to a Call Center Analysis by Judi Bonilla

Net Income through August 2019 has a positive balance of $5,023.94. Regardless of RideFACT’s 5310 grant match being compensated until February 2020 through contracted services and reserves.

FACT was able to apply a $25,000.00 grant towards RideFACT’s 5310 grant match in September. The funds came from the Community Enhancement County Grant and reduced money being taken from the Reserves. A small PayPal contribution to FACT was received and applied for $97.47.

Condensed Grant Balances Remaining

* -  Total funding available for all grants through August 2019 is $480,746.36.
* -  CTSA Funds have been allocated through August 2019 totaling $25,200.00.
* -  CTSA’s temporarily restricted net assets through August 2019 is $236,577.00.
* -  Unrestricted Net assets through August 2019 totaled $281,877.13.
* -  Total Equity as of August 31, 2019 is $523,478.07.

**RECOMMENDATION**

**None**

**ITEM #6**

**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:**

|  |  |
| --- | --- |
|  | **August** |
| **SERVICE** | **ONE-WAY TRIPS** |
| **County HHSA** | **36** |
| **St. Paul’s Group** | **91** |
| **San Marcos** | **160** |
| **Oceanside** | **412** |
| **Parkinson’s Assoc.** | **3** |
| **Elderhelp** | **53** |
| **Tri-City** | **89** |
| **MV** | **0** |
| **RideFACT** | **2,365** |
| **TOTAL** | **3,209** |

**New Contract – City of Escondido**

FACT responded to an RFP for transportation to/from the City of Escondido’s senior lunch nutrition program Monday-Friday. FACT’s bid was successful and service began November 1, 2019. Approximately 50 one-way trips daily are expected. Initial contract term is November – 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. 191 trips have been performed under this contract between late November through August.

**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, 609 passenger trips were completed through August.

**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 – August 2019, 92 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 1,644 trips between February 2018 – August 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 3,175 trips for Tri-City patients between December 2016 – August 2019.

**City of Oceanside Senior Van Service**

Contracted service for Oceanside began in September 2013. FACT has invoiced City of Oceanside for 29,599 trips from September 2013 – August 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 1,948 trips were provided between March 2015 and August 2019.

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



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

**RECOMMENDATION:**

**Staff seeks input from Board members regarding information presented in this item.**

**ITEM #9**

**TO: BOARD OF DIRECTORS**

**FROM: Arun Prem, Executive Director**

**RE: Board Officer Elections**

**ISSUE:**

Board Officer serve one year terms. There are no term limits for these positions. Elections are held annually to elect Officers for the next calendar year.

**BACKGROUND:**

Board Secretary LaVonna Connelly followed up with Board members after the discussion during the October Board meeting, and requested nominations for the year 2020.

The current Board Officers were nominated for another term:

Chair Hon George Gastil

Vice Chair Hon John Aguilera

Treasurer Hon Phil Monroe

Secretary LaVonna Connelly

The slate was approved by an action of the Board during October 2019.

**RECOMMENDATION**

**Staff requests Board members to elect the Officers for year 2020 as per the approved slate.**