



FACT

FULL ACCESS &
COORDINATED
TRANSPORTATION

Coordinating Access to Life

Meeting Agenda and Notice

FACT Board of Directors Meeting & Retreat FACT 2012 - Moving to the Next Level

February 8, 2012, at 8:30 am
3202 Vista Way, Oceanside, CA 92056

AGENDA

8:30 a.m. Continental Breakfast

- | | | | | |
|------|---|--|-----|-----------------|
| 9:00 | 1 | Welcoming Remarks by Board Chair | | |
| | | INFORMATION | | |
| 9:05 | 2 | Executive Dir Report - FACT Past, Present & Future | p-2 | |
| | | INFORMATION | | |
| 9:30 | 3 | Board Member feedback | | |
| | | INFORMATION/ACTION | | |
| 9:50 | 4 | Employee benefits review (Jason Smith) | p-3 | POSSIBLE ACTION |

10:30 BREAK

- | | | | | |
|-------|---|---|-----|-----------------|
| 10:45 | 5 | FACT bylaws amendments | p-5 | ACTION |
| 10:55 | 6 | Donations/ ride sponsorship etc. programs | | p-6 |
| | | INFORMATION/ACTION | | |
| 11:10 | 7 | New CalTrans grant proposals | p-7 | ACTION |
| 11:20 | 8 | Potential new name and logo | p-9 | POSSIBLE ACTION |

11:30 WORKING LUNCH

- | | | | | |
|-------|----|----------------------------------|------|--------------------|
| | 9 | Approval of January 2012 Minutes | | p-11 ACTION |
| 12:00 | 10 | Potential conflict | p-18 | INFORMATION/ACTION |
| 12:45 | 11 | Wrap up & next steps | | |
| | | INFORMATION/ACTION | | |

1:00 p.m. ADJOURNMENT

ITEM # 2

TO: BOARD OF DIRECTORS

**FROM: Arun Prem, Executive Director
Alane Haynes, Norine Sigafoose and Floyd Willis**

**RE: Executive Director Report
Update on the Past, Present and Future**

PRESENTATION:

PAST Presentation by Alane Haynes, Floyd Willis and Norine Sigafoose

PRESENT Presentation by Arun Prem

Accomplishments
Structured CAM
Reappointed TAC
New Grants, joint applications
Brokerage
APTA, CalACT involvement
Increased referrals and web hits
New Website

Strengths
Staff
Supportive/influential board
Community and Agency relationships
Improved Financial Reserves
Improved Funding
CAM and TAC membership

FUTURE Presentation by Arun Prem

Opportunities and Challenges
Sustainability via QoL and other new funding
Board recruitment
Implementation of New Services
Financial Management and Reporting
Employee Benefits, Recruitment and Retention

ITEM # 4

TO: BOARD OF DIRECTORS

FROM: Arun Prem, Executive Director and Benefits Subcommittee

RE: Employee Benefits Review

ISSUE:

The Board would like FACT staff to have access to basic employee benefits. Benefits help attract and retain staff and help employees meet their healthcare and financial security needs.

The Board held a preliminary discussion on benefits in March 2011. In October 2011 an Employee Benefits subcommittee (Dave Robert and Bob Campbell) was appointed to work with staff in reviewing the options.

A few of the options researched by the subcommittee and staff are presented for the Board's review.

BACKGROUND:

Current FACT benefits include 10 holidays during a calendar year and 2 weeks Paid Time Off (PTO) after completing a year of service. Medical, retirement or deferred compensation plan benefits are not offered at this time.

FACT staff and Employee Benefits subcommittee reviewed several benefits options including retirement, health care and deferred compensation plans.

Retirement plans are not feasible for small organizations and therefore are not presented for this discussion. In the long term it may be possible for FACT employees to join another organization's retirement plan; during a preliminary discussion Matt Tucker said we might discuss it further at some point.

On January 5, Arun and Dave reviewed healthcare options offered by Community Transportation Association of America CTAA through Gallagher Insurance Services. Nick Kitchell from Gallagher explained the low cost limited medical coverage (also known as mini-med or medi-med options) offered by Gallagher and compared it to pricing for a traditional comprehensive plan offered by Kaiser. In principle the subcommittee was interested in identifying some comprehensive medical and deferred savings options which would offer FACT employees some incentive to sign up. FACT may subsidize a

portion of the cost of the benefit(s); the subsidy would only be available to participating employees.

Later staff met with Jason Smith representing State Farm and Peter Cross from Payroll Benefits Insurance Solutions LLC. to learn about relative costs of traditional comprehensive healthcare options as well as other benefits.

Jason Smith and Peter Cross agreed to present the information during the Board retreat. Staff will follow up possibly in March 2012 with a recommendation for the Board to review a specific menu of benefit options.

RECOMMENDATION:

Staff requests Board to review healthcare and other employee benefit options and provide direction for follow up.

ITEM # 5

TO: BOARD OF DIRECTORS

FROM: ARUN PREM, EXECUTIVE DIRECTOR

RE: FACT Bylaws amendments to update Board election process

ISSUE:

The Bylaws process for election of Board of Directors is lengthy and impractical. The proposed amendment simplifies the process.

Board approval is needed in order to amend bylaws as per FACT bylaws SECTION 10.1. AMENDMENT OF BYLAWS Subject to any provision of law applicable to the amendment of bylaws of public benefit nonprofit corporations, these bylaws, or any of them, may be altered, amended, revised or repealed and new bylaws adopted by approval of the board of directors.

BACKGROUND:

FACT bylaws were last updated in December 2010.

SECTION 3.10. ANNUAL MEETINGS AND ELECTIONS The annual meeting of directors will be held during the month of December. New directors or those replacing current board members whose terms are expiring shall be elected by the board of directors in accordance with this section. The existing and new board members will be placed on a slate to be approved by a majority voice vote. New members may also be approved at any time by a majority vote. ~~Cumulative voting by directors for the election of directors shall not be permitted. The candidates receiving the highest number of votes up to the number of directors to be elected shall be elected. Each director shall cast one vote, with voting being by ballot only.~~

PROPOSED BYLAWS CHANGES:

Approval of staff recommendation will result in the following changes -

SECTION 3.10 - Elimination of need for vote by ballot for individual board members

RECOMMENDATION:

Board members are requested to review and approve recommended changes to board member election process as well as other clean-up

language consistent with previous amendments to bylaws. Complete bylaws are enclosed with this AGENDA with changes shown in highlights.

ITEM # 6

TO: BOARD OF DIRECTORS

FROM: ARUN PREM, EXECUTIVE DIRECTOR

RE: Donations/ Ride Sponsorship and Seasonal Programs

ISSUE:

FACT's information and referral service has shown a growth trend during the last two fiscal years. The number of callers who are unable to utilize the referrals has increased as well. FACT receives approximately 5 calls per month from people who are stranded and cannot access or afford existing transportation services. FACT is looking for funds to implement a sponsorship program to help subsidize the fares for low income riders.

BACKGROUND:

Through donations and grants, FACT could establish a fund to subsidize fares for those riders who are unable to afford them. Fare subsidy would be offered to income disadvantaged individuals. The subsidy program will operate within the brokerage and act as a safety net to ensure all potential riders will be able to get necessary transportation. Primarily the beneficiaries will be seniors and low income individuals who cannot afford the fares for specialized transportation to and from their medical appointment or other destinations.

There are examples of two types of sponsorships; private and public that are available with some volunteer driver services (ITN). The private sponsorship will allow friends, family and other private donors to sponsor riders through an account. The public sponsorship will be a general fund to help those who do not have private donors and will be sustained through community partner donations.

FACT recently submitted an application to the Weingart Foundation to help fund the start up costs of the program. If awarded, the funds will be used to set up a program for online accounts for riders, produce and print marketing materials, hold 3 outreach and donation events, and start the public fund account. Once implemented, this program will be sustained through donations and other

available grant funds. FACT will work closely with community partners and corporations to sustain the program.

RECOMMENDATION:

Staff requests Board authorization to review feasibility along with Service Development Committee and draft a detailed proposal.

ITEM # 7

TO: BOARD OF DIRECTORS
FROM: Arun Prem, Executive Director
RE: New CalTrans Grant proposals

ISSUE:

Caltrans is accepting grant applications for:

Planning projects, and
New Freedom and JARC funds for non urbanized areas (regions with a population of less than 50,000)

BACKGROUND:

FACT is planning to apply for two separate Caltrans grants:

Caltrans Planning grant: FACT has requested SANDAG to be a sponsor for the planning grant. The proposed project is a consultant study to review the feasibility of expanding the brokerage into rural and non urbanized areas of the County. FACT will apply for \$57,000. This grant requires a local match commitment of up to \$6,500.

JARC and New Freedom grants: In early discussions NCTD expressed support for FACT's proposal for New Freedom funds. NCTD may apply for JARC funds for its own services.

FACT is considering a proposal to implement mobility management services for non urbanized San Diego County. Mobility Management services would include:

Increased outreach in rural an non urbanized areas, and
Extension of brokered transportation services into rural and non urbanized areas

FACT will use the report and recommendations from the consultant study funded by Caltrans to develop a plan to extend brokered transportation into non urbanized areas. The study will include a proposal for a pilot project in one of the non urbanized regions. The New Freedom proposal will fund the implementation of the pilot.

RECOMMENDATION

Staff requests the Board for authorization to:

Submit Caltrans Planning Grant Proposal for \$56,000 and commit a local match of up to \$6,500 of CTSA funds

DRAFT proposal for New Freedom Grant for up to \$600,000 for a three year grant; this grant does not require a local match.

ITEM # 8

TO: BOARD OF DIRECTORS

FROM: Arun Prem, Executive Director

RE: Potential New Name and Logo for FACT

ISSUE:

During the Fall of 2011 Ninth Link presented the proposed website “wireframe” outlines and presented preliminary recommendations regarding branding for FACT. The Board briefly discussed naming and branding in October 2011. The discussion was deferred indefinitely.

BACKGROUND:

Ninth Link presented some outlines of the proposed integrated STRIDE and FACT website during the September Board meeting.

There were suggestions from the board to include maps, web based reservations, to have a low key donation message and a hopeful and positive image in the message and color scheme.

Ninth Link recommended that FACT consider a name change, as a result of feedback from staff and some board members. They also felt that a name change could be integrated with the project for consistency and cost effectiveness. A few examples of names that reflected FACT’s mission were demonstrated.

There was tentative approval from board members for reviewing more names and further discussion on the recommendation.

Board member Teresa Arballo Barth recommended changing the name from “Full Access and Coordinated Transportation” to “Facilitating Access to Coordinated Transportation”.

During the discussion regarding FACT’s mission in July 2011 there were some comments from Board members suggesting the name Full Access and Coordinated Transportation didn’t conform to the new Mission, “to assist seniors, persons with disabilities, and social service recipients in San Diego County to meet their transportation needs”.

Changes to the name of the agency would result in updates to Business Cards and stationery, Building signage, update of logo and name on website, and

design of future marketing materials. Since we do not have stocks of stationery and marketing materials and building signage has not been ordered yet, the financial impact of the changes will be limited to website update expenses and is expected to be minimal.

Factors to consider during a discussion on FACT Identity:

Focus on Special needs – seniors, persons with disabilities, and social service recipients

Focus on efficiency through coordination and brokering

Focus on countywide connectivity

Early suggestions of names proposed by Ninth Link:

- LinkSD
- San Diego Connector
- Ride For You (Ride4U)

RECOMMENDATION:

Staff request that the Board review the need for changes to naming and branding of FACT and provide direction regarding follow up.

ITEM # 9**FACT Board of Director's Meeting Minutes**

January 18, 2012

Encinitas City Hall, Encinitas, CA 92024

Board Members Attending	Dave Roberts, John Aguilera, Susan Hafner, Teresa Arballo Barth, Bob Campbell, LaVonna Connelly, Phil Monroe
TAC Members Attending	Danielle Kochman - SANDAG, Floyd Willis - AIS, Lois Knowlton - Friends of Adult Day HealthCare Center
Board Members Absent	None
Staff Attending	Arun Prem, Kelly McGrane, Patty Pauledto, Meagan Schmidt, Budd Anderson
Public/Guests	Arturo Ayala, Marco Cardoso - Sol Transportation, Tara Lindhardt - NCTD.
Introductions	Chair Dave Roberts called the meeting to order at 9:00AM. Introductions were made. Dave thanked Phil Monroe for serving as the immediate past Chair. He thanked Arun for his patience in walking him through their first one on one meeting. Dave mentioned that Bob Campbell would be joining them during pre-board meetings. Arun introduced Budd Anderson, FACT's new Administrative Assistant, and gave a brief description of Budd's background and role.
Approval of December 2011 Meeting Minutes	<p>Dave said there was a correction to the December minutes. The Holiday Basket Program was held at the Community Resource Center. Dave mentioned that 800 families did not make the list this year because they did not have enough resources. He wanted to clarify that it was the lack of resources that kept them from benefiting from the program.</p> <p>Motion to approve the December Minutes with correction made by Teresa Arballo Barth. Second by Phil Monroe. The motion passed unanimously.</p>
Public Comments	Floyd Willis thanked the Board for the 2011 Norine Sigafoose Partner of the Year Award. Dave Roberts congratulated Floyd again on his accomplishment.

Board Chair Report	<p>Dave and Arun met on January 5, 2012 to go over the January Board agenda, February Board Retreat agenda, and discuss employee benefits.</p> <p>Dave proposed holding Board meetings at the FACT office in Oceanside and requested feedback from Board members on whether this would be a practical location. Dave said it is important for people to see FACT's nice facility and where staff operates.</p>
Board Member Comments	<p>Phil thanked the Board and staff for their support, continued interest, and regular attendance for the last 2 years during his service as chair. He stressed the importance of teamwork in FACT's success.</p>
Executive Director Report	<p>Arun discussed the brokerage roll out and having the contracts prepared and signed before paid marketing. FACT has been discussing the brokerage with several agencies including Poway Adult Day Health Care Center, Alta Golden, and senior centers in the area. The contracts have been delivered to all the potential participants consisting of: Yellow Cab, Sol, Comfort Coach, Care 4 U mobility, Transit Van Shuttle, and Poway Adult Day Health Care Center. Arun said the agencies are reviewing the contracts and most have already submitted a rate sheet. He expects some assistance from Mike Wygant at NCTD with the brokerage vehicle inspections. Arun expects that FACT will begin providing brokered trips starting in February.</p> <p>Arun accepted an invitation to NCTD's Board Retreat scheduled for March 3, 2012. APTA Informed Arun that his abstract paper on the brokerage implementation was accepted. APTA tentatively informed him that FACT will have the opportunity to present the brokerage development at the APTA conference in Long Beach in May. He looks forward to having the Board members participate.</p> <p>FACT applied for a National Center for Senior Transportation (NCST) grant to provide mobility management services on behalf of the Hope Adult Day Health Care Center and Poway Adult Day Health Care Center. FACT would be a pass through for those two agencies for mobility training orientation.</p> <p>LaVonna Connelly asked if FACT will take in a administrative fee and if this fee would be some kind of percent. Arun said a specific amount was set in the line items for administration fees. He mentioned that our priority was to get this money into the region even if the administrative expenses are not approved.</p> <p>On February 7th the County Board of Supervisors has FACT on the agenda for a formal presentation honoring Floyd Willis.</p> <p>Phil asked Arun if FACT was tracking what NCTD is doing with the HHSA grant. He said both FACT and NCTD applied for the HHSA grant, but it ended up being awarded to NCTD. When NCTD received this grant they were possibly going to include FACT in providing some services. Tara</p>

	<p>Lindhardt (NCTD) and Arun said that they would look into this and report back to the Board.</p> <p>Dave asked Arun if there will be a ribbon cutting ceremony in the new service area of Poway, Escondido, and Rancho Bernardo for the new project. Arun said he will let the Board know what day this will occur.</p>
Sub Committee Reports (standing item)	<p>Item #6 on the Agenda is a standing Item and is not scheduled for a formal update.</p> <p>Web hits have continued on an upward trend with 1764 hits and 95 referrals provided in December 2011.</p>
Software and services Development Committee	<p>Dave discussed meeting with Arun on January 5, 2012 to review employee benefits. He feels that it is important to show Grantees that we take care of our employees with some of the awarded money. Dave proposed setting aside a small amount of money for employee benefits. He said FACT should offer staff a health care package with a menu of options that can be tailored to individual needs. Employees would have to pay a share of the health insurance cost.</p>
Escondido, Rancho Bernardo & Poway Senior Service	<p>LaVonna asked if there was a possibility that FACT can work with other agencies like SANDAG in getting these employee benefits. Dave said it will be up to FACT to acquire benefits. Dave said Arun has been looking at different paths including CalACT and Gallagher Insurance. Arun said he spoke with, Matt Tucker (NCTD), in regards to pension benefits. Arun said that FACT is not in a bargaining position at the moment and does not have strong enough ties to MTD and MTS to rely on them for benefit assistance.</p>
Employee Benefits	<p>Dave stressed the importance of selecting a provider with a proven track record. He also said that another employee benefit FACT should consider offering is a 401k plan.</p>
Potential Conflict	<p>John asked if we are considering a 401K plan or a 403B since FACT qualifies as a nonprofit. He mentioned that a 403B has more flexibility than a 401K plan. John asked if FACT would be matching employee contributions. Arun said that it is a little early to respond to John's question. Arun met with Jason Smith from State Farm regarding employee benefits and invited him to speak at the February board retreat.</p> <p>Teresa mentioned a health savings account that Encinitas uses under its Cafeteria Plan. Dave said that under the new healthcare reform health savings accounts are being phased out. John clarified that what Teresa is referring to is different from a health savings account. Arun said this type of account in general is referred to as a Flexible Spending Account.</p> <p>LaVonna asked if FACT is also discussing paid time off for FACT employees. Arun said that the paid time off (PTO) policy was approved by the Board last year; it includes 2 weeks paid time off after a year of employment.</p>

	<p>Phil discussed the upcoming changes that may occur to the nationwide healthcare system. He wanted to make sure that the policies we select today would still be viable in the future.</p> <p>Dave felt the constitutionality of the healthcare reform will not be settled until after the election in 2014.</p>
FY 2011 Audit Report	<p>Arun discussed the findings of the Sonnenberg & Co. Audit in addition to the report received from the TDA Audit by Mayer Hoffman McCann P.C. Both audits concluded there were no reportable findings in FACT's recording and monitoring of expenses.</p> <p>Arun discussed the recommendations in the two Audit reports. One recommendation was to set a numerical threshold for check amounts and any amount above that set threshold would require dual signatures on the check. The second part of this recommendation was to require dual signatures on any checks dealing with Executive Director expenses, regardless of the amount. FACT staff recommended that the threshold amount for checks requiring dual signatures should be set at \$1000 and required on all ED expense checks.</p> <p>TDA audit recommended documenting evidence of the review of cash disbursement. This consists of reviewing each invoice attached to checks. He said this has already been put into practice. The other TDA audit recommendation was to renew or extend FACT's accounting contract with outside accountant Alison Windsor. Arun mentioned that Alison Windsor has found a new position and will no longer have time to work on FACT reports. Arun asked for a recommendation from the Board and approval to competitively bid for external accounting services for FACT.</p> <p>Teresa asked who, from the Board, would be the second signer on the account. Dave and Arun recommended that only one Board member and the Executive Director should be designated signers. Dave suggested the Board member who resides the closest to Oceanside to be the designated signer. Dave asked John whether he would mind being the second signer on the account since his office is closest to FACT. John felt that the Board motion for approval on this issue should designate a Board member as the second signer and not himself in particular.</p> <p>Motion to approve adding a Board member signature to checks requiring dual signatures (checks over \$1,000 and any Executive Director expense) and to approve the bid process for an external accounting contract made by Teresa Arballo Barth. Second by Susan Hafner. Motion passed unanimously.</p>

	<p>Phil asked why FACT's accountant has to be an external source instead of bringing this service in-house. Arun said he has considered an internal accountant because of the growing need for additional accounting services for FACT but may not have enough tasks to fulfill a full-time position. Arun said he is considering extending the amount of hours the external accountant will spend working on FACT projects from 7 to 14 hours per month. He is contemplating having an external accountant work out of the FACT office 1 or 2 days a month to relieve Patty of some of the bookkeeping tasks. Arun mentioned another option of hiring an internal part-time accountant. He said for the time being FACT will bid on an external accounting contract similar to the contract we established with Alison.</p> <p>Arun asked Board members to sign waivers for the photos taken for the website.</p>
Business Plan Update	<p>Kelly presented on the Business Plan update and listed all the changes.</p> <p>Danielle Kochman (SANDAG) proposed that updating the Business Plan after the February board retreat would be more appropriate. Arun said he wanted to give the Board enough time to review the Business Plan before the retreat because of the busy schedule that day. At the retreat it is possible to introduce new subjects into the plan and at that point the plan could be updated and adopted.</p> <p>Since 2009 the Business Plan has been updated every year, and that SANDAG requires it to be updated on an annual basis, but not at any particular point. Danielle added that the requirement from the New Freedom Grant states that there will be an annual Business Plan update and TTSA requires an annual work plan update. She mentioned that there are no timing constraints on these updates and FACT has complied with both these requirements.</p> <p>Phil said if FACT is going to include employee benefits in the updated Business Plan then he suggested waiting until the February Board Retreat. Phil suggested implementing a strategy to keep the Business Plan updated as we move through the year. Arun said that the annual requirement sets a minimum not a maximum requirement on how often the Business Plan is updated. The Board could defer approval of the updated Business Plan to next month if it is not ready to take action.</p> <p>Phil said FACT should keep this as a living document that can be updated when changes occur and are approved. Phil wanted to add that this is a Business Plan and not a strategic plan.</p> <p>Motion to approve the current recommended changes to the</p>

	<p>Business Plan and to approve updates to the Business Plan as changes occur made by Phil Monroe. Second by Susan Hafner. The motion passed unanimously.</p> <p>Dave asked if Arun would be attending the February SANDAG Retreat. Arun said that he would sign up and attend the retreat.</p>
December 2011 Financial Statements	Arun said that this is a standing item and no action is required. No questions were asked and no comments were made.
Board Composition - Potential Members	<p>Dave said FACT is looking for two additional members to join the FACT Board. He asked Board members for recommendations. Arun mentioned soliciting Lois Knowlton to join the FACT Board; However, she has chosen to be on TAC. Board members made several candidate suggestions. LaVonna suggested extending the Board member invitation to community members in order to add diversity to the Board. Teresa suggested inviting a recipient or end user of transportation services to join the Board. LaVonna said that trying to get community members or transportation users up to speed with Board work is often difficult, but she is willing to mentor whomever they select.</p>
February 8, 2012 Board Retreat Planning & Proposed Agenda	<p>Dave said that at the February Board retreat we would like to review FACT's past, present, and future. The agenda will also include reviewing the people involved with FACT since its inception in 2005 and the role they played in FACT's success today. Dave feels that this will give everyone a recap of FACT's history and energize the team for the future.</p> <p>Arun said that the guest speaker, Tom Frankum, has canceled. He mentioned that the Board Retreat agenda is full as is and does not require a speaker.</p> <p>Bob asked why the agenda designated 45 minutes for potential conflict discussion. LaVonna asked how we decide which situations are considered a conflict of interest. She said that since prospective Board members might be transportation stakeholders, community members, or transportation users there would be increasing need to deal with potential conflict. She feels that the Board needs to be prepared for different conflict scenarios. Dave said that we have the time set aside for discussion of potential conflict but if the time is not needed then we can adjourn early. Dave said he would like this to be a dialogue between Board members as well as non-Board members.</p> <p>Susan suggested talking to SANDAG regarding the way they handle potential conflict. She feels that this is a black and white issue.</p>

Dave said that FACT adopted the Brown Act, which is vague regarding conflict of interest. He said there are instances when one is legally required to recuse him or herself for a conflict of interest that is specified in law. He said the other way is if you believe you have a conflict of interest, but are not required by law to disclose the potential conflict, then it is up to the individual Board member. Phil said that if the Board feels that there is a conflict of interest and the individual Board member chooses not to recuse him or herself, then the Board can vote and ask that member to resign. Phil said that we should clarify the gray area by going through the literature that defines potential conflict in black and white terms. He mentioned the conflict of interest protects us from making decisions that the public may perceive as being a conflict of interest that could lead to a lawsuit.

Teresa suggested going over the Brown Act to clarify what this means to have adopted this. She asked if the Brown Act legally binds us or have we just accepted it as an ethical standard.

LaVonna stressed that conflict of interest is not always so straight forward, and FACT needs to be prepared on how to deal with a variety of conflict scenarios.

Floyd said that the new brokerage should be placed on the agenda for discussion at the board retreat. Arun said he would work this into the agenda.

Phil suggested discussing extending our services to all of San Diego County at the Board Retreat. Arun said that the brokerage is now extending into MTS's bus service area, which extends us into South County. He also mentioned the implementation of MedRIDE, which will service all of urban San Diego County. Arun said that there is always room for other aspects of this outreach.

Phil discussed sustainability and whether we have enough funding to pay for the projects in the Business Plan considering the current budget. Arun said FACT identified projects there are funding for in the short term and what grant will be used for the funding. Other projects are aspiration projects FACT would like to implement but currently do not have the funding for. Arun said that sustainability is FACT's number one issue. He said that FACT does not have a sustainable base of funding. As FACT grows, the TDA funding would not be enough to sustain FACT. Arun said that our previous success with grant funding is not guaranteed in the future. He feels there is room to develop increased support from SANDAG, MTS, and NCTD. He mentioned preliminary discussions with NCTD and whether FACT could do their customer service contract. Similarly NCTD is

	<p>contracting with MTS to operate certain services that FACT might be able to take on with the three-member call center. SANDAG has not engaged so far in assisting FACT in acquiring additional funding or offering any contracted services that FACT might be able to assist with.</p> <p>Bob mentioned that SANDAG uses a worksheet that relates to each project and shows the sources of revenue and how the revenue will be used. Arun said that currently FACT has a table that includes each project name, the funding source, the grants we have applied for, the projects that are approved, and the projects that are currently in motion.</p> <p>Teresa suggested placing on the March agenda the discussion regarding meeting locations.</p> <p>Dave thanked everyone for attending the meeting.</p>
Adjournment	Meeting was adjourned at 10:32 AM.

ITEM # 11

TO: BOARD OF DIRECTORS

FROM: ARUN PREM, EXECUTIVE DIRECTOR

RE: Review of Potential Conflict of Interest with respect to:

Current status

FACT policy

Specific issues and responses

ISSUE:

During 2011 the FACT Board held several discussions on potential conflict of interest and related issues. A comprehensive discussion was recommended for the Feb 8, 2012 Board Retreat Agenda.

BACKGROUND:

During October and November 2011 the Board discussed potential for conflict in the procedure used for FACT telephone referrals.

Board members proactively discussed whether an impartial transportation referral by FACT staff could pose potential for conflict if the recipient were a stakeholder. The Conflict of Interest policy was reviewed in order to determine if disclosure by the recipient would resolve the conflict as per FACT policy.

There was preliminary discussion on whether transportation providers should serve on the FACT Board due to the potential for conflict. Some early recommendations proposed appointing service providers to TAC and CAM to maintain the benefit of their input without voting privileges on policy and contractual issues.

According to the current Conflict of Interest Policy, the disclosure of potential conflict would allow a Board member to continue to serve on the Board.

FACT Bylaws SECTION 9.3. CONFLICT OF INTEREST AVOIDANCE PROCEDURES

(a) Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

(b) Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of

a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

(c) Procedures for Addressing the Conflict of Interest.

An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

After exercising due diligence, the governing board or committee shall determine whether the corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

(d) Violations of the Conflicts of Interest Policy.

If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

SECTION 9.4. RECORDS OF BOARD AND BOARD COMMITTEE PROCEEDINGS

The minutes of meetings of the governing board and all committees with board delegated powers shall contain:

(a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was

present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

(b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

RECOMMENDATION:

Staff requests that Board members review the policy, issues and recent concerns and recommendations in order to determine if changes to policy and/or procedures are needed.